

North Carolina Universal Vaccines for Children Initiative



What is the Universal Childhood Vaccine Program?

- A Universal Childhood Vaccine Program aims to prevent and control transmission of vaccine-preventable diseases by providing all children (universally) the vaccines they need to stay healthy!

What Diseases are Prevented?

- Polio
- Diphtheria
- Tetanus
- Pertussis
- Measles
- Mumps
- Rubella
- Hepatitis A
- Hepatitis B
- Hib
- Viral influenza
- Varicella
- Pneumococcal
- Meningococcal
- Rotavirus
- Human Papillomavirus

Why this Focus on Vaccines?

“Vaccinations are one of the top 10 greatest public health achievements of the 20th century.” - CDC

- Immunizations are among the most cost-effective activities engaged in by government.
- Savings up to \$15 for each \$1 spent (CDC)
- Universal provision of vaccine is a cost-saving investment

Big Pay Off

- For each birth cohort vaccinated in accordance with the schedule* ...
 - 33,000 lives are saved
 - 10M cases of disease are prevented

*(DTaP, Td, Hib, IPV, MMR, Hep B and Varicella)

Source: Zhou et al – Archives of Pediatric and Adolescent Medicine 2005

Why We Care...



Measles rash covering child's arms and stomach

Infant with congenital rubella syndrome



What is the Evidence that Universal is Better?

Remarkable increase in NC vaccination rates since universal program implemented in 1994 – From 57%-86%

What are the Reasons Universal is Better?

- CDC-recommended vaccines are provided for all children
- All children are treated equally, regardless of parents' level of insurance coverage or ability to pay
- Key driver of North Carolina's immunization rates
- High immunization rates = low disease rates

What are the Reasons Universal is Better?

- Greater vaccine coverage provides herd immunity
- High childhood immunization rate = fewer hospitalizations and deaths for elderly, persons with chronic diseases, immune-compromised persons, etc.
- Fewer children referred from private offices to health departments for immunization, more stay in their medical home
- 86% of North Carolina's children receive their immunizations in private offices

Advantages of Universal Status

- Vaccine cost substantially reduced when purchasing at federal contract price
- NC Immunization Program manages vaccine supply and quality control
- Even small offices have all vaccines available at all time because there is no financial risk to them to do so

Funding Streams for NC Immunization Program

- Federal Vaccine for Children funding (2009) = **\$110,488,007**
 - Federal Vaccines for Children fund – provides vaccine for Medicaid-enrolled, Uninsured, American Indian/Alaska Native, Underinsured
- State funding (est. SFY 2009) = **\$21,974,160**
- State funding (est. SFY 2011) = **\$15,474,160** (represents \$4m recurring reduction, \$500,000 one time reduction; \$2m Governor's set aside)

Funding Streams for NC Immunization Program

- As new vaccines are approved by CDC, federal funding increases to provide these vaccines to the federally covered populations.
- To provide these vaccines to all children, additional non-federal dollars are needed.
- Funding shortfall, 2009: **\$46,571,219** annually



A New Approach:

**The North Carolina Universal
Vaccines for Children Initiative**

Components of the Initiative

- Creation of a “Childhood Immunization Account”
- Calculation of cost of providing vaccines (using low federal contract price) by DPH
- Apportionment of cost among insurers
- Participation in program by all providers
- Choice of pharmaceutical products

What are the Benefits?

- Primary beneficiaries are the children and families of North Carolina.
- Increased immunization rates because of reduced barriers to vaccination.
- Increased rates because, where medically appropriate, vaccines will be required without additional financial burden to families.

Stakeholder Benefits: Providers

- Vaccines provided free of charge – no cash flow problems (\$39,081 required for HPV for 100 children at retail cost)
- No paperwork/billing for vaccines
- Fewer “missed opportunities” for vaccination
- Children vaccinated in their medical home

Stakeholder Benefits: Insurers

- Helps insurers achieve their goal of providing medically indicated vaccines to all covered lives
- Use of federal contract price allows lower costs per child vaccinated
- Increased vaccination rates lead to fewer office visits, hospitalizations, deaths for covered children, family members, and household contacts
- Decreased administrative cost (eliminates processing claims for vaccines)

Stakeholder Benefits: Pharmaceutical Industry

- Introduces pharmaceutical choice
- Although cost per dose is lower, more product will be sold due to higher immunization rates

Cost Savings per Dose

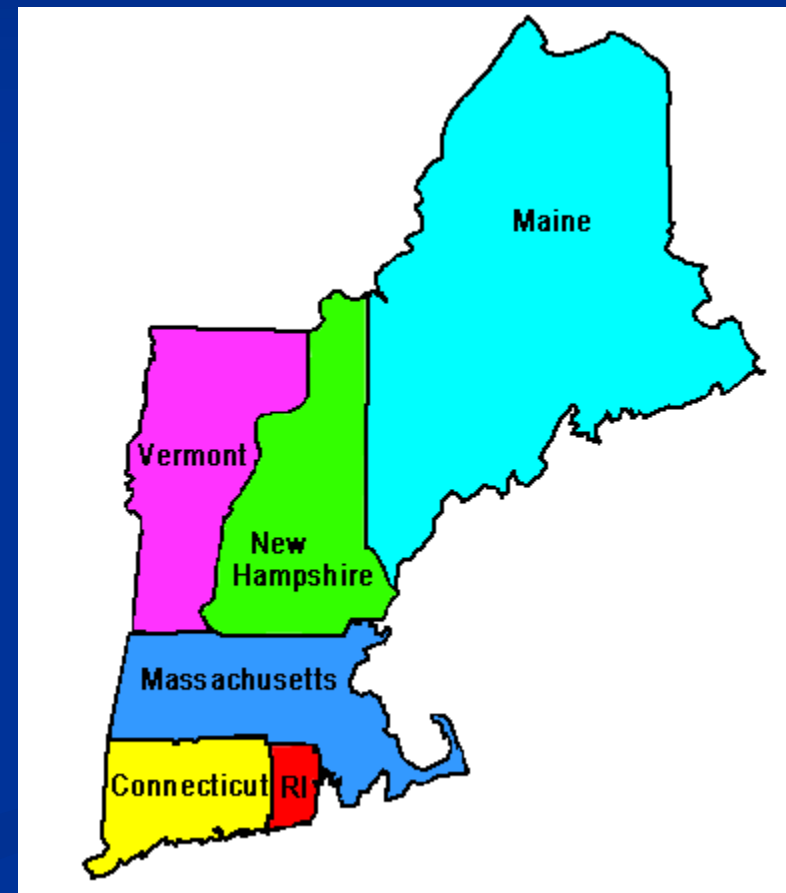
Vaccine	Retail Costs	Federal Costs	Savings
MMR	\$48.31	\$18.30	\$30.01
2 doses	\$96.62	\$36.60	\$60.02
Polio	\$24.70	\$11.51	\$13.90
4 doses	\$49.40	\$23.02	\$26.38
Varicella	\$80.58	\$64.53	\$16.05
2 doses	\$161.16	\$129.06	\$32.10

Stakeholder benefits: The State of North Carolina

- State Health Plan – savings estimated: \$3.7m
- SCHIP – savings estimated: \$2.9m

Success

- Universal pool initiatives have been successful in three states:
 - Connecticut
 - New Hampshire
 - Rhode Island
- Legislation pending:
 - Washington
 - Massachusetts



A Legacy Issue

What better legacy than to ensure the protection of all North Carolina's children from vaccine-preventable diseases?

