

FISCAL NOTE
Requested by Legislative Council
01/21/2011

Bill/Resolution No.: SB 2276

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$17,600,000		\$19,500,000
Expenditures				\$17,600,000		\$19,500,000
Appropriations				\$17,600,000		\$19,500,000

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. Bill and fiscal impact summary: *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill provides for the creation of a North Dakota vaccine group purchasing program within the Department of Health and collection of an assessment from insurers and third party administrators. A vaccine group purchasing board would provide guidance to the implementation of the program.

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The North Dakota vaccine fund located within the North Dakota Department of Health would provide payment for vaccines ordered from the federal Centers for Disease Control and Prevention vaccine contract on behalf of providers in North Dakota. This contract is established for the purchase of vaccines by immunization programs that receive CDC immunization grant funds (such as state health departments). Administrative costs are allowed and include reimbursement to board members for necessary mileage and travel expenses while attending board meetings, costs associated with establishing and operating the fund and potentially consulting costs.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

Revenue consists of assessments to insurers and third party administrators, based on immunization cost data that will be deposited into the North Dakota vaccine fund. These funds will be utilized to purchase vaccines from the federal contract, which is the lowest available rate for purchasing vaccines. We estimate total collections to be \$17.6 million for the 2011-13 biennium and \$19.5 million for the 2013-15 biennium.

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Vaccine costs for the 2011-13 biennium include \$8.5 million for the first year of the biennium and 8.9 million for year two which includes a 5% increase. Total vaccine purchases would be \$17.4 million. An additional amount of \$200,000 is provided, should the North Dakota vaccine group purchasing board determine that they would require the services of a consultant. Minimal amounts of time for several staff members will be utilized in the implementation of the North Dakota vaccine group purchasing board and additional duties related to the structure of assessments and

purchasing of vaccines.

Vaccine costs for the 2013-15 biennium have been inflated 5% each year and include consulting costs of \$200,000 for a total of \$19.5 million.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

Included in the Health Department's appropriation bill (HB 1004) is \$19.4 million in the operating line item. This will be sufficient to cover vaccine and contractual services the board may wish to purchase.

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