

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: July 15, 2010
POSITION: Oppose
SPONSOR: California Academy of Family Physicians; California Medical Association

BILL NUMBER: AB 2093
AUTHOR: M. Perez

BILL SUMMARY: Immunizations for Children

Under existing law, the Department of Managed Health Care (DMHC), and the Department of Insurance (DOI) are responsible for the licensure and regulation of health care service plans and insurers, respectively.

Current law requires health care service plans and insurers to cover certain basic preventative health care benefits for children, including immunizations. Current law requires a health plan or insurer to reimburse a physician for immunizations within 45 days of a claim from the physician.

This bill would do the following:

- Require service plans and insurance policies that cover immunizations to reimburse a physician or physician group in an amount not less than the actual cost of acquiring the childhood immunization, plus the cost of vaccine administration.
Prohibit health care service plans and insurance policies from increasing deductibles or co-payments to cover the defined "actual cost".
If an immunization is not covered by a contract between a service plan and a physician, the bill would require the plan to reimburse the physician at the physician's actual vaccine acquisition cost, or at the vaccine's average wholesale price.

These requirements would not apply to contracts entered into between a health plan or insurer and the Public Employees' Retirement System, Medi-Cal, or Healthy Families.

FISCAL SUMMARY

The DMHC and the DOI indicate that costs for this bill are minor and absorbable.

COMMENTS

Finance opposes this bill for the following reasons:

- Disagreements between physicians and health care plans and insurers regarding the actual costs of vaccine administration are common. This bill seeks to resolve these disputes by using a national price estimate that may bear little relationship to actual costs, especially if physician groups can obtain bulk purchasing. Health plans would then be required to pay these costs, and would furthermore be prohibited from increasing deductibles or co-payments to help defray them.

Analyst/Principal (0760) C. Hill Date Program Budget Manager Mark Hill Date

Department Deputy Director Date

Governor's Office: By: Date: Position Approved Position Disapproved

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

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- This bill also separates vaccine administration costs from the process of negotiating capitation rates and requires plans to pay whatever physicians bill up to Medicare fee schedule rates. Both of these features could significantly increase premium costs.
- This bill may conflict with federal health care reform or require costs beyond what federal law will require. To the extent state requirements exceed federal requirements, the state may be required to fund the costs of those mandates in at least a portion of the health care market.

Code/Department Agency or Revenue Type	(Fiscal Impact by Fiscal Year)								Fund Code
	SO	(Dollars in Thousands)							
	LA	CO	PROP	FC	2010-2011	FC	2011-2012	FC	
0845/Insurance	SO	No			-----	No/Minor Fiscal Impact	-----		0217
2400/MngedHltCare	SO	No			-----	No/Minor Fiscal Impact	-----		0933

<u>Fund Code</u>	<u>Title</u>
0217	Insurance Fund
0933	Managed Care Fund