

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington St., Suite 301
Indianapolis, IN 46204
(317) 233-0696
iga.in.gov

FISCAL IMPACT STATEMENT

LS 6291

BILL NUMBER: SB 47

NOTE PREPARED: Jan 25, 2021

BILL AMENDED: Jan 14, 2021

SUBJECT: Coronavirus Disease Immunizations.

FIRST AUTHOR: Sen. Grooms

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill allows a: (1) pharmacist; and (2) pharmacy technician under direct supervision; to administer an immunization for coronavirus disease. (Current law allows a pharmacist intern and pharmacist student who meets certain requirements to administer immunizations that pharmacists are allowed to administer.) The bill also allows the Indiana Board of Pharmacy to adopt emergency rules concerning the administration of the immunization by a pharmacy technician.

Effective Date: Upon passage.

Explanation of State Expenditures: *Rules Adoption:* The bill requires the Indiana Board of Pharmacy (IBP) to adopt rules regarding supervision and training requirements for pharmacy technicians who administer immunizations for the coronavirus disease (COVID-19). The bill specifies that the IBP may adopt emergency rules to establish these requirements. These rules can likely be adopted under existing appropriations within IBP's regularly scheduled meetings.

State Health Programs: Authorizing pharmacists and pharmacy technicians to administer the COVID-19 vaccine will likely result in more individuals being vaccinated due to greater accessibility. The initial supply of COVID-19 vaccines, when available, will be federally purchased and is required by federal law to be provided at no cost to individual recipients. Insurers, including Medicaid, the Children's Health Insurance Plan (CHIP), and the State Employee Health Plans, may be responsible for reimbursing providers for vaccine administration fees. To the extent that this bill results in more Medicaid, CHIP, and State Employee Health Plan members receiving the vaccine than otherwise would have received it in a primary care or other setting, the state may experience an indeterminate increase in costs for vaccine administration fees. Under Indiana's Medicaid and CHIP programs, reimbursement rates for immunization administration are typically between

\$8 and \$18 per dose. The typical state share of these costs would be between \$2 and \$6 per dose. In future years, if federal purchasing of the vaccine is discontinued but demand for the vaccine persists, costs to these state health programs may increase further.

Additional Information -

Medicaid and CHIP State Share: Medicaid and CHIP are jointly funded between the state and federal governments. The standard state share of costs for most Medicaid medical services for FFY 2021 is 34%, or 10% for the age 19 to 64 expansion population within the Healthy Indiana Plan. The standard state share of CHIP costs is 24%. Under federal COVID-19 relief legislation, the state share of costs is decreased to 28% for traditional Medicaid enrollees and 20% for CHIP enrollees for the duration of the federally declared public health emergency.

State Employee Health Plans: Costs for the state health plans are shared between the state and state employees covered by the plan as determined in the plans' designs, including premiums, coinsurance, copayments, and deductibles. An increase in premiums cost may be mitigated with adjustments to other benefits or to employee compensation packages, or through the division of premium costs between the state and state employees.

Federal Vaccine Purchasing: The federal Department of Health and Human Services (DHHS) has reached agreements with the major pharmaceutical companies working to develop a COVID-19 vaccine to purchase at least 100 million doses when the vaccine becomes available, with the option to purchase up to 600 million doses. Private and public insurers are prohibited from requiring any cost sharing by plan members for administration of federally purchased vaccine doses. It is currently unknown whether DHHS would continue purchasing additional rounds of supply if demand for the vaccine continues after the initial supply is exhausted.

Explanation of State Revenues: *Insurance Premium Tax* - An increase in private insurance claims for immunization administration fees may create upward pressure on premiums collected in the state. Any increase in insurance company premiums will increase General Fund revenue from either insurance premium tax collections or Adjusted Gross Income (AGI) tax collections. Domestic health insurers have the option to pay taxes on insurance premiums written in the state or to pay the AGI tax. Foreign insurers are required to pay taxes on premiums written in the state, and some foreign insurers are assessed additional retaliatory taxes. In these cases, the minimum tax rate would be 1.3% of written premiums. Revenue received from the AGI and insurance premium tax is deposited in the General Fund. For FY 2020, the insurance premium tax generated approximately \$243.4 M in revenue.

Explanation of Local Expenditures: Local units of government that provide health insurance plans for employees may see increases in cost or premiums if more plan members receive the COVID-19 vaccine as a result of this bill.

Explanation of Local Revenues: To the extent that county-owned healthcare facilities employ pharmacists or pharmacy technicians that will administer COVID-19 immunizations under this bill, these entities may receive additional reimbursements for immunization administration fees.

State Agencies Affected: Family and Social Services Administration; Professional Licensing Agency, Board of Pharmacy.

Local Agencies Affected: Local units of government that provide health insurance plans for employees; County-owned healthcare facilities.

Information Sources: Indiana Medicaid Professional Fee Schedule. DHHS, [*U.S. Government Engages Pfizer to Produce Millions of Doses of COVID-19 Vaccine*](#). Centers for Medicare and Medicaid Services, <https://www.cms.gov/covidvax-provider>.

Fiscal Analyst: Adam White, 317-234-1360.