

# Universal Purchase Project Overview

## January, 2010

### Background

Until this year, Washington has been one of the few states purchasing vaccines for all children. This universal purchase approach provided several benefits, including:

- Cost effectiveness - All children benefit from federal CDC contract pricing;
- Administrative simplicity for providers; and
- Consistent, uniform approach to vaccinations across the state.

Funding for the program came from two sources: 1) federal funding for "VFC" children who are Medicaid eligible, uninsured or Native American/Alaska Native; and 2) general funds - state to purchase vaccines for all other children.

In 2009, the Legislature discontinued state funding for the universal purchase (UP) program as of May 2010. In addition, effective July 1, 2009, the state stopped funding for the cervical cancer vaccine (HPV).

Without a universal system, each medical practice will be faced with the following administrative burdens:

- Ordering vaccine from multiple manufacturers;
- Maintaining the right amount of stock on hand;
- Funding up-front costs of immunization and recouping payment – often at prices considerably higher than CDC rates and with an administrative expense load – from private payors
- Maintaining separate stocks of vaccine (privately insured children versus federally covered low income children)– creating the need for separate refrigeration systems for storage.

### A Private-Public Solution

In response to this change in funding, a planning work group with representatives from health carriers, providers and state agencies met to develop a solution that would keep vaccine costs as low as possible and minimize administrative costs and burdens for physicians and families. The group researched other states' practices and developed options for replacing the current state funded UP system that would:

- Be simple to administer	- Create equitable sharing of costs – all pay their fair share
- Maintain 1 standard – All children have access	- Avoid people falling thru the cracks that have no coverage
- Learn from other states where UP ended	- Help maintain or improve immunization rates
- Model solutions on what we do now	- Continue mechanisms for tracking and monitoring
- Avoid creating hassles for providers & parents	- Create no added costs to the general fund

### Immunization Congress

In September, the planning work group convened an Immunization Congress that included representation from health insurance carriers, the Puget Sound Health Alliance, Taft-Hartley trusts, state agencies, health care providers, consumers, vaccine manufacturers and others. Experts from New Hampshire and New Mexico provided insights into their states' UP systems, which use alternative financing to support a single vaccine purchase system for all children in their states. Four options developed by the planning work group were presented to the Congress.

The preferred option that emerged would create a system where:

- All payers (PEBB, health carriers, Taft-Hartley trusts and self-insured plans) would contribute to a common fund.
- The aggregated funds would be directed to DOH, which has access to CDC pricing. DOH would purchase vaccines for all children in the state.
- Insurance carriers, trusts and self-insured plans would pay their fair share of costs related to their covered children.
- A new organization would be created to oversee the methodology of assessment to pay for the non-VFC vaccines.

## Washington State Universal Purchase Planning Committee

Organizations that participate in the Planning Committee, under the leadership of Representative Eileen Cody, chair of the House Health Care and Wellness Committee and Senator Karen Keiser, chair of the Senate Health and Long Term Care Committee include, in alphabetical order:

Association of Washington Healthcare Plans  
Group Health Cooperative  
Premera Blue Cross  
Puget Sound Health Alliance  
Regence BlueShield  
School Nurses Organization of Washington  
Seattle Children's  
Washington Association of Family Physicians  
Washington Chapter of the American Academy of Pediatrics  
Washington Department of Social and Health Services  
Washington State Association of Local Public Health Officials  
Washington State Department of Health  
Washington State Healthcare Forum  
Washington State Medical Association  
WithinReach