



# California State Assembly

Assemblyman  
**V. MANUEL PÉREZ**  
Eightieth Assembly District

## **ASSEMBLY BILL 1201 (V. Manuel Pérez) Protecting Access to Childhood Immunizations**

### **Background**

- Pediatric immunizations have proven to be one of the most successful and safe public health interventions of the 20<sup>th</sup> century.
- Vaccines are among the most cost-effective components of preventive medical care. In 2003, the Centers for Disease Control estimated a direct savings of \$6.30 for every dollar spent on vaccinations. If societal costs are factored in, the savings increase to \$18.40 per dollar spent.
- California law already requires health plans and insurers to provide or offer coverage for recommended immunizations. However, some health plans and health insurance companies under-reimburse physicians for the cost of providing vaccines.

### **Problem**

- The high volume and increasing price of approved and recommended life-saving vaccines has tripled the total cost to fully immunize one child.
- As of April 2007, the Center for Disease Control estimates the cost to immunize one child to be over \$900 for boys and over \$1200 for girls—and that's using discounted government prices. Thus, private insurance coverage of vaccines has eroded, weakening the vaccine finance infrastructure and shifting the burden to the public sector and private providers.
- Primary care physicians can no longer afford to subsidize immunizations. This trend could shift the burden of vaccine financing from health plans to parent's out-of-pocket expenses, local public health clinics, or to other public programs. With limited public resources to absorb this burden, immunization rates could drop.

### **Legislative Solution**

AB 1201 would:

- Clarify that health plans and insurers who are currently required to cover recommended childhood immunizations, fully reimburse physicians for the direct and indirect costs to acquire and administer these vaccines.
- Prohibit health plans and insurers from passing down the cost of this new requirement through charging co-payments, deductibles or other out-of-pocket expenses that deter parents from immunizing their children.
- Prohibit health plans and insurers from placing a spending cap on reimbursement for recommended immunizations into a patient's policy.

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