

A.3839, Dinowitz/S.5852, Skoufis

AN ACT to amend the insurance law, in relation to insurance reimbursement for vaccination

The New York State Association of County Health Officials (NYSACHO) strongly supports legislation A.3839 (Dinowitz) / S.5852 (Skoufis), which would require insurance coverage for the total cost of vaccine administration. This legislation would require health insurance plans to reimburse for the total cost of acquisition, storage, and administration of necessary vaccines, including those against diphtheria, pertussis, tetanus, polio, measles, rubella, mumps, haemophilus influenzae type B, and hepatitis B. Coverage amounts would be required based on the current year's Medicare rates per the Centers for Medicare and Medicaid Services (CMS). Ensuring this coverage will promote maximum immunization for children and youth, reduce expenses for providers and parents, and prevent illnesses and hospitalizations.

For many children, depending on their insurance, recommended immunizations are provided at no cost. However, vaccines are among the top overhead expenses for physician practices. In addition to the actual purchase price of the vaccines, providers face numerous costs associated with vaccines including expenses relating to shipping, storage, documentation, family counseling, and administration. These uncompensated costs may disincentivize providers from stocking and storing vaccines. Many private practices and other locations where patients seek vaccines are already facing significant financial challenges due to low reimbursement and underinvestment. In fact, <u>surveys of pediatricians</u> show that most practices break even or even lose money on vaccinations. Similarly, some local health departments across New York State charge a \$25 vaccine administration fee to help cover these expenses, but typically receive reimbursement of only \$12 to \$16, well below their actual costs.

This legislation would ensure that healthcare providers are reimbursed for the full cost of the vaccine and related administrative expenses. Ensuring fair payment supports providers in continuing to offer recommended immunizations that are critical to assuring high levels of community immunity necessary to protect public health. This need is especially urgent as measles outbreaks spread across North America, with nearly 1,000 cases reported in the United States. While some states are scaling back their support for mass vaccination efforts in response to recent federal policy changes, New York must uphold and strengthen policies that ensure access to recommended immunizations.

Studies show that increasing reimbursement vaccination is directly correlated with an increase in vaccine uptake. A <u>recent IQVIA Institute for Human Data Science study</u> found that a \$1 increase in vaccine reimbursement payment is associated with a 0.43 percentage point increase in the state vaccine coverage rate. While this legislation applies to private insurer payment for vaccines primarily given to children, increasing reimbursement for recommended vaccines across the lifespan and in both public and private insurance would contribute significantly to improved

vaccine access and increased vaccine rates throughout New York State. This legislation is an important step in the right direction to achieving fair reimbursement for all vaccines.

New York State must remain a leader in promoting vaccination, and NYSACHO strongly urges passage of this legislation as a necessary step toward reducing barriers to vaccination and ensuring continued access to safe, effective immunizations that protect public health.

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