

care homes and nursing homes educational and informational materials pertaining to the vaccinations.

ASSUMPTIONS AND METHODOLOGY:

- A. Cost to Provide Immunizations to Residents:** The health care costs of residents of adult care and nursing homes are covered through Medicare, Medicaid or private health insurance. Medicare is the primary coverage for most residents of adult care and nursing homes because they are age 65 and older or they are disabled. In most cases, Medicaid or private health insurance is secondary insurance for residents. The cost of the actual vaccine and the administration of the influenza virus and pneumococcal disease immunizations are covered by Medicare and Medicaid. Since Medicare is the primary health insurance for residents of adult care and nursing homes; the cost of providing immunizations to residents will have minimal fiscal impact on state or local expenditures for the Medicaid program.
- B. Cost to Provide Immunizations to Employees of Adult Care Homes and Nursing Homes:** The cost of providing the influenza virus immunization to employees of adult care and nursing homes will be the responsibility of the adult care and nursing homes. Since the Medicaid and the State/County Special Assistance Programs purchase services from adult care and nursing homes, the cost of providing immunizations to the employees of these facilities may be included in future cost reports for adult care and nursing homes which are used for rate setting. Since the actual cost of providing immunizations to employees of adult care and nursing homes is not known due to data limitations, the fiscal impact on the Medicaid and State/County Special Assistance Programs cannot be estimated.
- C. Notification and Documentation Requirements:** The proposed legislation requires adult care and nursing homes to notify all residents and employees of the immunizations requirements and to document that that immunizations have been received or refused under the requirements allowed under the proposed legislation. These notification and documentation requirements may increase costs for the adult care and nursing homes. Since the Medicaid and the State/County Special Assistance Programs purchase services from adult care and nursing homes, the cost of the notification and documentation requirements may be included in future cost reports for adult care and nursing homes which are used for rate setting. While the actual cost of the notification and documentation requirements is not known due to data limitations, the fiscal impact on the Medicaid and State/County Special Assistance Programs is expected to be minimal because facilities already maintain records for each employee and resident.
- D. Educational and Information Materials:** The Department of Health and Human Services is required to provide adult care and nursing homes with educational and informational materials pertaining to vaccinations against influenza and pneumococcal disease. Since the Division of Public Health in the Department already promotes the importance of receiving these immunizations, it is assumed that educational and informational materials are readily available for distribution. The cost of providing the materials to the facilities is minimal and can be covered within the current budget.

E. **Potential Cost Savings:** Scientific studies indicate that requiring residents of adult care and nursing homes to receive immunizations for the influenza virus and pneumococcal disease will reduce other health care costs by reducing hospitalizations for pneumonia and respiratory illnesses and decreasing the need for increased care of residents who have pneumonia or influenza while living in adult care homes or nursing homes. The direct medical care cost savings identified in these studies range from \$73 to \$141 per individual vaccinated.^{1,2} Most of these cost savings would accrue to the Medicare Program, but the Medicaid Program would also benefit when it is providing primary insurance coverage.

Scientific studies also indicate that requiring health care workers to receive immunizations for the influenza virus will reduce health care costs by reducing the incidence of influenza among elderly residents of long-term care facilities.³ In addition, one study indicates that vaccinated health care workers are less like to get sick and miss days from work if they are vaccinated before the influenza season begins.⁴

The fiscal impact of the potential cost savings from the immunization of residents and employees of adult care and nursing homes cannot be estimated due to data limitations, but any cost savings will reduce the cost for providing the immunizations.

TECHNICAL CONSIDERATIONS: None.

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¹ Kristin I. Nichol et. al., "Benefits of Influenza Vaccination for Low-, Intermediate-, and High-Risk Senior Citizens," Archives of Internal Medicine, 1998; 158:1769-1779.

² Carol B. Gable et. al., "Pneumococcal Vaccine: Efficacy and Associated Cost Savings," JAMA, 1990; 264:2910-2915.

³ J. Potter et. al., "Influenza Vaccinations of health Care Workers in Long-Term-Care Hospitals Reduces the Mortality of Elderly Persons." The Journal of Infectious Disease, 1997; 175:1-6.

⁴ James A. Wilde et. al., "Effectiveness of Influenza Vaccine in Health Care Workers," JAMA, 1999; 281:908-913.