

At a Glance

H.R. 2347, Strengthening the Vaccines for Children Program Act of 2021

As ordered reported by the House Committee on Energy and Commerce on July 21, 2021

By Fiscal Year, Millions of Dollars	2022	2022-2026	2022-2031
Direct Spending (Outlays)	236	1,925	4,072
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	236	1,925	4,072
Spending Subject to Appropriation (Outlays)	*	1	not estimated
Statutory pay-as-you-go procedures apply?	Yes	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2032?	> \$5 billion	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

* = between zero and \$500,000.

The bill would

- Allow providers participating in the Vaccines for Children (VFC) program to submit claims for reimbursement from Medicaid and the Children's Health Insurance Program (CHIP) for each component of multicomponent vaccines they administer under the program
- Expand eligibility for the program to children who are enrolled in CHIP in states that administer CHIP separately from the state's Medicaid program and eliminate the requirement that underinsured children receive vaccinations from specific clinics
- Temporarily increase the federal medical assistance percentage that states receive under Medicaid and CHIP for administering pediatric vaccines
- Authorize the Centers for Disease Control and Prevention to develop a strategy for sharing data with tribal epidemiology centers
- Require the Government Accountability Office to report to the Congress on the VFC program

Estimated budgetary effects would mainly stem from

- Increased Medicaid and CHIP spending on payments for pediatric vaccine administration
- Increased federal spending on vaccines administered through the VFC program

Areas of significant uncertainty include

- Estimating the number of doses of pediatric vaccines administered through the VFC program
- Estimating the ratio of single-antigen to multicomponent vaccines administered through the program

Detailed estimate begins on the next page.



Bill Summary

The federal Vaccines for Children (VFC) program provides recommended pediatric vaccines to eligible children. Under the program, the Centers for Disease Control and Prevention (CDC) coordinates the purchase of vaccines from manufacturers at a discount and distributes them through state and local agencies to private providers and public health clinics. The program is codified within the Medicaid statute, and expenditures for the vaccines and for the program's administration are financed by Medicaid. The costs of administering the vaccines to children are financed either by Medicaid or by CHIP, depending on the coverage category of the eligible child.

The program makes vaccinations available to uninsured children, underinsured children who obtain vaccinations at Federally Qualified Health Centers or Rural Health Clinics, children enrolled in Medicaid or in the Children's Health Insurance Program (CHIP) in states where CHIP is administered through the state's Medicaid program, and children who are classified as Indian under the Indian Health Care Improvement Act.

The provisions of H.R. 2347 would:

- Allow providers to submit claims for reimbursement from Medicaid and CHIP on a per-component basis for the administration of multicomponent vaccines;
- Expand eligibility to all children enrolled in CHIP, regardless of how a state administers that program, and eliminate the requirement that underinsured children receive vaccinations from specific clinics;
- Temporarily increase the federal medical assistance percentage (FMAP) paid to state Medicaid and CHIP programs for pediatric vaccinations administered by VFC providers;
- Authorize CDC to develop a strategy for sharing data with tribal epidemiology centers; and
- Require the Government Accountability Office to report to the Congress on the performance of the VFC program.

Estimated Federal Cost

The estimated budgetary effect of H.R. 2347 is shown in Table 1. The costs of the legislation fall within budget function 550 (health).



**Table 1.
Estimated Budgetary Effects of H.R. 2347**

	By Fiscal Year, Millions of Dollars										2022-2026	2022-2031
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031		
Increases in Direct Spending												
Estimated Budget Authority	236	432	423	417	419	421	424	429	434	440	1,925	4,072
Estimated Outlays	236	432	423	417	419	421	424	429	434	440	1,925	4,072
Increases in Spending Subject to Appropriation												
Estimated Authorization	*	*	*	0	0	n.e	n.e	n.e	n.e	n.e	1	n.e.
Estimated Outlays	*	*	*	0	0	n.e	n.e	n.e	n.e	n.e	1	n.e.

Components may not sum to totals because of rounding; n.e. = not estimated; * = between zero and \$500,000.

Basis of Estimate

For this estimate, CBO assumes that the legislation will be enacted by April 1, 2022, and that spending will follow historical patterns.

Direct Spending

CBO estimates that enacting H.R. 2347 would increase direct spending by \$4.1 billion over the 2022-2031 period.

Provider Reimbursement for Each Vaccine Component Administered. Under current law, providers can seek a single reimbursement from Medicaid or CHIP for each vaccination administered under the VFC program, even though some vaccines have more than one component. H.R. 2347 would allow providers to claim reimbursement for all components of a multicomponent vaccine. For example, a provider administering a five-component vaccine could claim one per-vaccine administration fee and four per-component fees. Using information from the American Academy of Pediatrics, CBO estimates that the provision would result in 51 million new claims annually, on average, each reimbursable at the Medicare Part B payment rate of \$12.91. (H.R. 2347 specifies that rate as the reimbursable amount for per-component administration fees.) Over the 2022-2031 period, CBO estimates, those reimbursements would increase direct spending for Medicaid by \$3.3 billion and for CHIP by \$0.3 billion.

Expand Eligibility. H.R. 2347 would extend eligibility for the VFC program to include children who are enrolled in CHIP in a state that administers CHIP separately from Medicaid. Under current law, children enrolled in CHIP in those states cannot be vaccinated through the VFC program even though those states can purchase vaccines for their CHIP programs through CDC’s discount contracts with manufacturers. The federal government shares the costs of the vaccine purchases with states according to each state’s FMAP



provided under CHIP. Using information from CDC, CBO expects that under current law, those purchases will total \$1.5 billion over the 2022-2031 period. States will pay roughly 30 percent, or \$415 million, of that amount; the federal government will cover the remainder. Under H.R. 2347, the cost of vaccines for the VFC program would be financed completely by the federal government through Medicaid. As a result, CBO estimates that enacting this provision would increase direct spending for Medicaid by \$415 million over the 2022-2031 period.

H.R. 2347 also would remove the requirement that underinsured children receive VFC program vaccinations from specific clinics. For the purposes of VFC eligibility, underinsured children are those whose insurance does not cover a given vaccine. According to CDC, children in that category constitute less than 5 percent of all children who are eligible for the program. CBO expects that underinsured children would mostly continue to receive vaccinations from the currently approved facilities and that the share of underinsured children who qualified for the VFC program would not increase. As a result, CBO estimates that enacting this provision would result in an insignificant increase in direct spending for Medicaid and CHIP.

Temporary FMAP Increase for Vaccine Administration. H.R. 2347 would increase the FMAP for vaccine administration costs by one percentage point for eight calendar quarters beginning with the first quarter after enactment. To receive the increase, states would be required to conduct outreach campaigns that include messaging to encourage pediatric immunizations. CBO expects that all states would meet the requirement.

CBO projects that in 2022, current-law federal spending under Medicaid and CHIP to reimburse providers for administering vaccinations through the VFC program will total \$920 million and \$110 million, respectively. This provision, CBO estimates, would increase federal spending on Medicaid and CHIP by approximately \$28 million and \$3 million, respectively, over the 2022-2031 period.

The estimated increases in direct spending under H.R. 2347 are shown in Table 2.



Table 2.
Estimated Increases in Direct Spending Under H.R. 2347

	By Fiscal Year, Millions of Dollars										2022-2026	2022-2031
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031		
Medicaid												
Estimated Budget Authority	218	398	390	385	387	389	392	397	402	407	1,778	3,765
Estimated Outlays	218	398	390	385	387	389	392	397	402	407	1,778	3,765
CHIP												
Estimated Budget Authority	18	33	33	32	32	32	32	32	32	32	148	308
Estimated Outlays	18	33	33	32	32	32	32	32	32	32	148	308
Total Direct Spending												
Estimated Budget Authority	236	432	423	417	419	421	424	429	434	440	1,925	4,072
Estimated Outlays	236	432	423	417	419	421	424	429	434	440	1,925	4,072

Components may not sum to totals because of rounding; CHIP = Children's Health Insurance Program.

Spending Subject to Appropriation

H.R. 2347 would authorize CDC to create a strategy for sharing information with tribal epidemiology centers. CBO estimates that implementing this provision would not require substantial action by CDC and would not have a significant cost. The bill also would require the Government Accountability Office to report to the Congress on the VFC program. Based on the cost of similar reports, CBO estimates that enacting that provision would cost \$1 million over the 2022-2026 period. Such spending would be subject to the availability of appropriated funds.

Uncertainty

CBO's estimates of the budgetary effects of H.R. 2347 over the 2022-2031 period entail a significant amount of uncertainty. CBO's estimates of the number of doses for which providers would seek reimbursement under the bill took account of state-level Medicaid and CHIP enrollment, vaccination rates among populations eligible for the program, and the number of doses of each type of vaccine administered under current law. Because of uncertainty in those data, the ultimate costs could differ significantly from CBO's estimates.

Another significant source of uncertainty concerns the variety of vaccinations for which providers would seek reimbursement under the bill. Reimbursement costs could rise or fall, depending on the adoption of new VFC-eligible vaccines and on the relative numbers of single-antigen or multicomponent vaccines administered through the VFC program under H.R. 2347.



Pay-As-You-Go Considerations

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The changes in outlays that are subject to those pay-as-you-go procedures are shown in Table 2.

Increase in Long-Term Deficits

CBO estimates that enacting H.R. 2347 would increase on-budget deficits by more than \$5 billion in at least one of the four consecutive 10-year periods beginning in 2032.

Mandates: None.

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