

SUBJECT: Allowing private storage and distribution of vaccines

COMMITTEE: Public Health — favorable, without amendment

VOTE: 8 ayes — Gray, Coleman, Capelo, Delisi, Longoria, Maxey, Uresti, Wohlgemuth

0 nays

1 absent — Glaze

SENATE VOTE: On final passage, April 20 — 30-0, on Local and Uncontested Calendar

WITNESSES: (*On House companion bill, HB 2669:*)
For — *Registered but did not testify:* Jenny Young, Texas Medical Association

Against — None

On — *Registered but did not testify:* Sharilyn Stanley and Linda Linville, Texas Department of Health

BACKGROUND: Congress created the Vaccines for Children (VFC) program in 1993 to help increase childhood immunizations by providing vaccines to eligible children under age 18. The federal Centers for Disease Control and Prevention buys vaccines at a discount and distributes them to states, which in turn distribute them at no charge to private physicians and public health clinics. The Texas Department of Health (TDH) is responsible for buying vaccines for the state and for distributing them to health-care providers.

DIGEST: SB 280 would require TDH to develop a request for information from private entities to determine whether a private entity could store and distribute vaccinations used in the VFC program more effectively and efficiently. TDH would have to develop and distribute the request for information not later than January 1, 2002.

The bill would take effect September 1, 2001.

SUPPORTERS
SAY:

SB 280 could allow for more efficient and effective delivery of vaccinations. The purpose of the VFC program is to ensure that poor and uninsured children have access to free immunizations to protect them against diseases. The program is a high-volume system that interacts with many clinics and doctors across Texas. This bill would allow TDH to consider privatizing the storage and distribution of vaccinations to increase deliveries to poor and uninsured children.

Privatizing the distribution of vaccines could lead to quicker and safer deliveries of vaccines. Access, not price, is the most significant barrier to immunizations. Texas is a very large state with often very high temperatures. Vaccines must be stored in controlled-temperature facilities and transported quickly. If there are only a few centers that store can vaccines, the travel time to certain areas could be considerable. The state now has one central pharmacy in Austin and eight depots scattered about the state. A private entity might be better able to handle Texas' large territory.

SB 280 could lead to cost saving. Besides providing vaccines, states provide outreach, surveillance, education, upkeep of vaccine registries, and, on occasion, vaccine recalls. However, these costly endeavors require constant attention. If a private company could provide the same service for less, both the state and the program would benefit.

SB 280 would not require the privatization of the vaccines for children program. It simply would allow TDH to prepare a request for information to ensure that any company chosen to conduct the program would be able to manage the VFC program successfully.

OPPONENTS
SAY:

The state should be cautious about privatizing the delivery of health-care services that ought to be the state's responsibility. A private company concerned with profitability might be less than diligent in serving remote areas of the state.