Members of the NH House Ways and Means Committee:

My name is Dr. Amy Watson. I am a pediatrician and I own and operate a pediatric private practice in Concord.

I vehemently oppose HB524 for dozens of reasons, many of which can be found in this document. As a pediatrician who is passionate about pediatric preventive care, I have many additional reasons to oppose this bill, but in this letter I will focus purely on the financial burden this bill would place on private medical practices, NH children and their families, and demonstrate that the NHVA costs the state nothing financially.

I urge you to oppose HB524 because dismantling the NHVA would not impact the state budget in any positive way.

1) **The NHVA does not cost the state of NH any money**
    a. Representative Kofalt presented incorrect information before the NH House on March 6, either through misunderstanding or misrepresentation. He stated that the NHVA costs the state roughly $1 million annually, which is not true.

    b. DHHS Immunization Program: The New Hampshire Department of Health and Human Services (DHHS) incurs approximately $1 million annually to administer the NH Immunization Program (NHIP), primarily funded by federal grants (roughly $877,000 out of the $941,303 in the 2025 estimated budget for the NHIP is paid for by federal grants). This expense exists independently of NHVA's operations.

    c. NHVA Funding: The NHVA collects funds from insurers to cover vaccine costs, operating without direct state funding.

    CITATIONS: https://nhvaccine.org/wp-content/uploads/2023/11/2025-NH-DHHS-Information-for-NHVA-Assessment.Final_rcvd_8.1.24.xlsx

    https://vaccines.cdc.gov/PDFDocs/2023/New-Hampshire-2023-CDC-Immunization-Investments.pdf

2) **HB524 will create higher healthcare costs for NH families**

    a. Families with high-deductible plans may have to pay $1,500–$9,000+ per child upfront for vaccines until they meet their deductible. For example, the pneumococcal conjugate vaccine alone costs ~$300 per dose, and a full 4 dose series per child is roughly $1,200. This vaccine is given at ages: 2 months, 4 months, 6 months, and 12-15 months.

    b. Insurance premiums will rise as insurers absorb vaccine costs and increased administrative expenses. The NH Insurance Department's fiscal note states that this bill will result in a $7.5 million dollar increase in insurance premiums across the state, which will negatively affect privately insured families.

    c. In 2024, insurance companies paid $12.50 per child per month ($150/year) to supply vaccines for all children up to age 19, at no cost to families. This cost is spread across all individuals under age 19 who are enrolled in private insurance. With full price vaccines, insurance companies will have to pay several hundreds of dollars annually for each child receiving vaccines, depending on how many vaccines they get. These costs will be passed on to consumers, likely in the form of increased insurance premiums.

    CITATIONS: **Microsoft Word - 2023-09-21 NHVA CY2024 Payer Assessment Rate Notice_DRADT v2.docx**

    Current CDC Vaccine Price List | VFC Program | CDC

    d. If this bills passes, small practices (or any practice) may stop carrying vaccines due to the increased cost and complexity of purchasing, inventorying, and billing for them. Families who seek vaccination elsewhere may have to go to out-of-network providers (not covered by their insurance), leading to unexpected costs.

e. Potential Administrative Fees: Families could face higher visit and vaccine administration charges ($20-50 per vaccine administered, adding $400–$1,000+ over childhood for vaccine administration fees alone).

3) HB524 will put HUGE financial strain on pediatric practices

a. Upfront Vaccine Costs: Practices would need to purchase vaccines at private-market rates, as opposed to the current system, in which vaccines are purchased at a 30% bulk discount and provided to medical practices free of cost.
- Estimated Vaccine Purchasing Costs, Based on Practice Size:

   i. Small practice (~1,000 patients): $150K–$200K per year

   ii. Medium practice (~5,000 patients): $750K–$1M per year

   iii. Large practice (~10,000+ patients): $1.5M–$2M+ per year

b. Administrative & Storage Expenses: Increased costs for billing, inventory management, and vaccine storage ($20K–$100K per year).

   i. Vaccine wastage: ~5% of doses may be lost due to expiration or non-payment by patients.

   ii. More than 200 practices will need to develop and implement contracts with 80-90 different insurance companies and spend valuable time ensuring that proper billing is submitted to each of these companies. This will be a MASSIVE, unnecessary administrative burden.

c. Delayed Insurance Reimbursements (30–90+ days): Practices must front costs, risking cash flow issues and reliance on credit.

   i. Insurers typically reimburse at cost (OR LESS), leaving no profit margin to help cover additional administrative costs.

   ii. 5-10% of claims may be underpaid or denied, leading to losses.

d. Net Financial Burden (After Reimbursements): Even with insurer payments, practices will still face unrecovered costs (based on additional administrative burden, billing losses, vaccine wastage, and denied/underpaid claims):

   i. Small practice: $20K–$50K annual loss

   ii. Medium practice: $100K–$200K annual loss

   iii. Large practice: $250K–$400K+ annual loss

e. Practice Closures Likely: Added financial strain could force small private practices to close, further limiting pediatric care in NH during a time of existing pediatrician shortages and limited access to care – certain areas in NH have fewer than 20 pediatricians per 100,000 children (ncbi.nlm.nih.gov)

f. Practice closures would worsen pediatric care shortages, making access more difficult for families.

Thank you for your time and consideration. Please represent the people of NH and OPPOSE HB524.

Sincerely,

Dr. Amy Watson

Chichester Resident

DETAILED EXPLANATIONS OF THE POINTS ABOVE AND CITATIONS:

1) **The NHVA does not cost the state of NH any money**
    a. Proponents of this bill have made many incorrect, unsubstantiated claims—repealing the NHVA will absolutely cost NH residents more money, it will cost practices money, and inevitably small pediatric practices may have to close their doors due to a huge increase in overhead.
    b. The $941,303 DHHS budget for the vaccine program in 2025 was presented to the NH House as a cost to the state incurred by the NHVA
    c. In fact, in 2023, NH received $877,331 of federal funding to support program operations, covering nearly all of the budget for the vaccine program. (vaccines.cdc.gov)
    d. "Funding for program operations supports provider recruitment and education, program oversight, quality improvement, and the ordering and distribution of VFC vaccines."
    e. Details here: https://nhvaccine.org/wp-content/uploads/2023/11/2025-NH-DHHS-Information-for-NHVA-Assessment.Final_rcvd_8.1.24.xlsx

Per the NHVA statute, R126-Q:2, "The association is formed to assess assessable entities for the cost of vaccines provided to certain children in New Hampshire."

    a. Essentially, the NHVA's role is to collect assessments from insurance companies to fund vaccines for privately insured children in NH.
    b. The NHVA is not involved in maintaining the New Hampshire Immunization Program (NHIP) and therefore, they are not responsible for the costs incurred to DHHS to operate and maintain the NHIP.
    c. The NHIP will remain in place regardless of the result of the result of HB524, so passing HB524 WILL NOT save the state of NH any money on this front.
    d. In other words, NH DHHS would still need to operate its immunization program with or without the NHVA. The department would retain its staff to manage vaccine distribution for public programs (especially the federal Vaccines for Children program), to maintain the NHIIS registry, to provide guidance to providers, and to track immunization data for public health purposes. These core public health functions – and their associated costs – exist independently of the NHVA. In fact, much of the ~$1 million program cost is covered by federal immunization grants and state public health funds.

In summary, the nearly $1 million in annual costs pays for the personnel salaries/benefits, the immunization registry and other technology, and operational needs (like training, materials, and support services) required to keep the state's vaccination program running effectively.

    a. These immunization program costs will continue irrespective of the New Hampshire Vaccine Association (NHVA). The NHVA is essentially a funding mechanism only – it pools money from insurers to finance vaccine purchases, but it does not run the immunization program or set vaccine policy.

2) **HB524 will create higher healthcare costs for NH families**

Currently, families pay NOTHING for vaccines for their children. While the ACA requires insurers to cover vaccines with no copays, families could still face increased costs due to limitations in coverage and shifting financial burdens:

- High-Deductible Plans: Families must pay full vaccine costs upfront until their deductible is met, creating a financial barrier. Some families will pay thousands of dollars to cover these costs (per child).
- Out-of-Network Costs: If pediatricians stop stocking vaccines, families may need to seek immunizations elsewhere, where insurers may not cover the full cost.
- Administrative & Billing Fees: Vaccine administration fees will likely increase ($20-50 per vaccine) and are unlikely to be fully reimbursed, leaving families with unexpected charges.
- Higher Insurance Premiums: Insurers will absorb higher vaccine and processing costs, likely raising family premiums each year.

Estimated Per-Child Vaccine Costs Without NHVA

Vaccine	Doses	Cost Per Dose	Total Cost
Hepatitis B (HepB)	3	$68	**$204**
Rotavirus (RV)	2-3	$107	**$214–$321**
Diphtheria, Tetanus, Pertussis (DTaP)	5	$34	**$170**
Haemophilus Influenzae B (Hib)	3-4	$19	**$57–$76**
Pneumococcal Conjugate (PCV20)	4	$250	**$1,000**
Polio (IPV)	4	$63	**$252**
Measles, Mumps, Rubella (MMR)	2	$85	**$170**
Varicella (Chickenpox)	2	$138	**$276**
Hepatitis A (HepA)	2	$48	**$96**
Tetanus, Diphtheria, Pertussis (Tdap)	1	$52	**$52**
Meningococcal ACWY (MenACWY)	2	$141	**$282**
Meningococcal B (MenB – Optional/High Risk)	2-3	$160	**$320–$480**
Human Papillomavirus (HPV)	2-3	$300	**$600–$900**
Influenza (Flu) – Annual	18+	$22	**$400+ over childhood**
COVID-19 (Annual Booster)	Varies	$115	**$2,000+ over childhood**
RSV Prevention (High-Risk Infants)	1-2	$495	**$495–$990**

SOURCE: Current CDC Vaccine Price List | VFC Program | CDC

Total Estimated Cost Per Child (Birth–Age 18)

Scenario	Total Cost
Basic Required Vaccines Only	**$2,800–$3,500**
With Optional/High-Risk Vaccines, Flu, RSV & COVID Boosters	**$6,000–$9,000+**

Additional Costs & Insurance Considerations

- High-Deductible Plans (HDHPs): Families could pay $2,800–$9,000+ per child upfront until deductibles are met.
- Out-of-Network Charges: If pediatricians stop offering vaccines, families may need to go elsewhere, paying out-of-pocket.
- Rising Vaccine Administration Fees: $20–$50 per vaccine, adding $400–$1,000+ over childhood.

3) **HB524 will put HUGE financial strain on pediatric practices**

Small practices (roughly 1000 patients): approximately **$150,000-$200,000 per year** to buy all of the recommended childhood vaccines.

> i.e.) solo pediatrician serving 1000 children would need roughly 1,800 vaccine doses per year (accounting for multiple doses per infant in the first 1-2 years of life, boosters at age 4-6, and boosters at age 11-16). At the current private sector pricing, this inventory costs well over $100,000. For example, the pneumococcal conjugate vaccine alone costs ~$300 per dose, and a full 4 dose series per child is roughly $1,200.

Medium Practices (~5,000 patients): Approximately **$750,000–$1,000,000 per year** in vaccine purchases. With a larger patient panel, the practice must buy more doses of every vaccine. For ~5,000 children, this means on the order of 9,000+ doses annually (including infants, catch-up doses, and seasonal flu shots). At retail prices, the yearly outlay can approach $1 million, a massive cost that did not exist under NH's universal program. (For perspective, a multi-provider group in one report carried about $100,000 of vaccine stock in its refrigerators at any given time, indicating the scale of capital tied up in inventory for a medium-to-large practice.)

https://www.vaxserve.com/assets/pdf/library/MKT13859-BusinessCase_0407.pdf

Large Practices (~10,000 patients): $1.5–$2+ million per year in vaccine costs. Large pediatric groups or hospital-affiliated practices serving 10k+ children must purchase thousands of doses for the full immunization schedule. This could mean 18,000+ doses a year, translating to seven-figure vaccine expenditures. Such high volume might afford *some* bulk purchasing discounts, but the overall cost is still enormous. High-cost vaccines (like HPV at ~$300 per dose and newer products like RSV immunization at ~$495 each) compound the expense. In sum, a large NH practice could be spending well over $1 million annually to stock all recommended vaccines if the NHVA is repealed.

Vaccine prices continue to increase, year after year.

Childhood Vaccine Purchase Costs in the Public Sector: Past Trends, Future Expectations - PMC

After accounting for vaccine purchase costs, insurance reimbursements, administrative costs, storage, cash-flow delays, and wastage, the approximate annual net financial burden on pediatric practices would be:

Practice Size	Total Vaccine Costs	Reimbursement Shortfalls, Admin Costs, Storage, & Delays	Net Financial Burden
Small (~1,000 patients)	**$150K – $200K**	**$20K – $50K**	**$20K – $50K**
Medium (~5,000 patients)	**$750K – $1M**	**$100K – $200K**	**$100K – $200K**
Large (~10,000+ patients)	**$1.5M – $2M+**	**$250K – $400K+**	**$250K – $400K+**

Breakdown of Net Costs

- Reimbursement Shortfalls & Denials (5–10%) → Some insurers may underpay or deny claims (~$10K–$100K depending on practice size).
- Administrative Costs → Billing, claims processing, inventory management (~$20K–$100K).
- Storage & Equipment → Refrigeration, monitoring, insurance, backup power (~$5K–$30K).
- Vaccine Wastage (5% loss rate) → Expired/spoiled doses or unpaid patient balances (~$10K–$100K).
- Cash Flow Delays (30–90 days) → Practices front tens to hundreds of thousands of dollars, potentially requiring credit (~$10K–$75K in interest or lost capital).

Crucially, insurer payments rarely account for the indirect costs of providing vaccines – storage, staff time, financing the inventory, etc. The American Academy of Pediatrics (AAP) has noted that when you factor in these indirect expenses, the true cost to the practice is ~17–28% above the vaccine's purchase price. If insurers only reimburse roughly the acquisition cost, the practice is left covering that ~20% overhead gap out-of-pocket. For example, if a medium clinic spends $800,000 on vaccines, there may be ~$160,000 in additional operational costs that aren't covered by the vaccine's price reimbursement. Unless negotiation or state programs offset this, that difference becomes a net expense for the practice (or forces them to raise vaccine charges). In short, typical reimbursements often do *not* fully cover the total cost of vaccine delivery.

Pediatric clinics therefore face slim or negative margins on immunizations.

Bottom line: Even after insurance payments, a practice can expect to absorb a portion of vaccine costs. At best the vaccine supply might break even; at worst, the practice may lose money on each dose once unreimbursed expenses are included. Smaller practices with less negotiating power might be especially vulnerable to underpayment. Any systematic shortfall – even 5–10% of costs – can mean thousands of dollars in annual net losses for the practice.