

# Improving Access to and Financing of Vaccines Across the Lifespan

## Panel Discussion:

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# Financial Barriers in Adult Immunizations

From the Family Physician  
Perspective

David G. Cope, M.D., FAAFP



AMERICAN ACADEMY OF  
FAMILY PHYSICIANS

# Barriers and Concerns

## ❖ Physician/Clinic/System

- Physicians will “lose money”
  - Hidden Costs, e.g. storage, handling, administration, documentation etc.
  - Reimbursement nearly equals acquisition cost
- Spoilage (expired, wasted, errors, duplicate/redundant doses)
- Record keeping (coding/pricing) burdensome and disjointed
  - Keeping Up to Date on coding and pricing and reimbursement
  - Maintaining consistent Inventory
- Variation in coverage between Insurances
  - Time & Energy spent reassuring and educating patients of coverage
- Training/expertise with low-volume procedure or service

## ❖ Patient

- “Is it covered”
- Co-pay or cost sharing – Out of Pocket expense?
- Duplicate Vaccination – safe and/or covered?

# Overcoming the Barriers and Concerns

- Support development and alignment of State Vaccine Registers
  - Interoperability. Common data fields.
  - Bidirectional interfaces with Electronic Health Records/Software
- Develop and Promote National Vaccine Register
  - Entice/Incentivize participation/reporting
- Medicare coverage of all ACIP recommended vaccines
  - Standardize as either Part B or Part D (with clinic coverage)
- Lower the costs of vaccines.
  - Clearinghouse or Co-op: Group purchasing discounts
- Universal supplier model where states provide the vaccines
- Development of and support of a model to make it feasible for low volume practices (FP, IM, OBGYN) to access and administer vaccinations.



Physicians want to provide vaccines  
but

They cannot lose money doing so  
nor spend inordinate amount of time  
in the administration of them.

# Vaccine Financing Challenges: The Pediatric Perspective



American Academy of Pediatrics  
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# PEDIATRIC CHALLENGES

- Coding
  - Standards have been set in the form of CPT codes
  - However, payers interpret the coding inconsistently
- Payment
  - Plans pay widely variable rates for both product and administration fees
  - VFC and Medicaid do not provide administration payment for multiple component vaccines
- Infrastructure
  - Storage and Handling
  - Program Administration and Eligibility



# STRATEGIES FOR MOVING FORWARD

- Establishing and enforcing a national coding standard to improve the efficiency of practice billing and coding
- A carve-out for immunizations may be needed in value-based payment models.
- Further review of Medicaid payments to address substantial variability of in payment for both pediatric and adult immunization. For many Medicaid programs, higher payment is needed particularly to resolve the disparities in payment between states.
- For VFC , better alignment of payment with private sector practices for payment of combination vaccines



**Improving Access to and Financing of Vaccines  
Across the Lifespan**  
*Remarks from ACP to the National Vaccine  
Advisory Committee*

**C. Michael Soppet, MD, FACP**

**Internal Medicine Associates of Dothan**

**American College of Physicians, Medical Practice and Quality  
Committee**

*June 7, 2016*

*Washington, DC*

# MEDICARE VACCINE PROFIT-2014

## (ideal situation-all doses accounted for)

10

Vaccine Cost	Vaccine Administration Fee
<ul style="list-style-type: none"><li>Vaccine Reimbursement exceeds vaccine cost by \$6-\$25 per dose</li></ul>	<ul style="list-style-type: none"><li>Administration fee reimbursement</li><li>\$24.85 for first shot *</li><li>11.00 for second shot **</li></ul>

\* 90471 or G0008

\*\* 90472 for second shot

Return on Investment is 19% to 207%

# MEDICARE VACCINE PROFIT-2016 (ideal situation-all doses accounted for)

11

Vaccine Cost	Vaccine Administration Fee
<ul style="list-style-type: none"><li>Vaccine Reimbursement exceeds vaccine cost by \$0 - \$4 per dose</li></ul>	<ul style="list-style-type: none"><li>Administration fee reimbursement</li><li>\$23.12 in Alabama *</li><li><b>**\$11.62 for second shot</b></li></ul>

\* 90471 or G0008

\*\* Second shot=90472

Return on Investment is -1 % to 3%

# Financial Barriers to Adult Immunizations

- Complexity of coding under Medicare
- Inadequate reimbursement rates under Medicaid and some private insurers
- Medicare part D

# Implications of Financial Barriers to Adult Immunizations

- Complexity of coding under Medicare: **Lost revenue and potential scrutiny from CMS**
- Inadequate reimbursement rates under Medicaid and some private insurers: **Practices lose money immunizing**
- Medicare part D: **Patient burden and cost, with increased disparities**

# Potential Steps to Reduce Financial Barriers to Adult Immunizations

- Complexity of coding under Medicare: **CMS study of most common mistakes and development of tool to help clinicians avoid them**
- Inadequate reimbursement rates under Medicaid and some private insurers: **Study reimbursement rates across country/populations and work to set adequate baseline rate**
- Medicare part D: **Change all vaccine immunizations to be reimbursed under part B**
- **Highlight adult immunization under MACRA rule**

# Adult Immunizations Under MACRA Quality Payment Program

- Include as a cross-cutting measure and population measure
- Count and highlight reporting to IIS and other AI QI activities as a clinical practice improvement activity
- Under base and performance score, under advancing care information, promote use of patient portal to inform patients of vaccine need under the patient electronic access requirement
- In efforts to promote innovation, highlight support for IIS development and use of EHRs for e-Prescribing

# NVAC MEETING

Debra Hawks, MPH  
Senior Director, Practice Activities,  
Obstetrics and Immunization  
American College of Obstetrician and  
Gynecologists

JUNE 7, 2016 2:15-3:45 PM EST

# Major IZ Reimbursement Issues for Ob-Gyns by Ob-Gyn Experts

- ▶ 1. **Cost**—Biggest barrier for Ob-Gyns. Vaccines are expensive eg 3 series HPV vax costs a practice \$400 so a supply of 100 on the shelf is over \$12K in inventory. Add to this cost of storage, monitoring, personnel, administration and costs go up even more. A practice with a large vaccine inventory is one power outage or unclosed refrigerator door from financial disaster.
- ▶ 2. **Reimbursement**—2<sup>nd</sup> biggest barrier for Ob-Gyns. Typical profit margin for vax product reimbursed by 3<sup>rd</sup> party is 5-10%, which is break even at best for medical practice. Payers lag behind in covering price increases. Some payers will pay on a “cost plus” basis if an invoice is provided but filing is more cumbersome and adds to administrative costs. Administration services have high overhead with supplies and both clerical and clinical personnel but payment is low for vax administration fees. Ob-gyn practices MUST diligently track EOBs to ensure that, at a minimum, the cost of goods purchased are being covered.

# Major IZ Reimbursement Issues for Ob-Gyns, cont'd

- ▶ 3. **Competition**—Gets very little attention—but many patients prefer getting vax at pharmacy for lower cost and convenience. An Ob-Gyn practice can't compete with these prices, especially if vax isn't covered first dollar in the office. Most immunizations are subject to co-pays and deductibles, and some are not covered at all. In the latter two scenarios, the Ob-Gyn can't compete with pharmacy prices
- ▶ 4. **Culture**—If the Pediatricians can make a living giving vaccines—why not the Ob-Gyn? One word—volume. This is what a pediatrics practice does and they do it a lot. Ob-Gyns just don't have the volume of vax services to profoundly affect the bottom line—especially in a busy practice.