Paying for Immunization: The Role of Private Insurance

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Paying for Immunization

BACKGROUND
Immunization: A Shared Responsibility

- The U.S. immunization program was designed as a public-private partnership

- **Public sector responsibilities for vaccine purchase:**
  - The Vaccines for Children Program, including children on Medicaid
  - Medicaid for adults on Medicaid
  - Medicare for persons 65 years and older
  - Outbreak control and other public health responses

- **Private sector responsibilities for vaccine purchase:**
  - Privately insured children and adults
“Vaccines Don’t Give Themselves”

- Building and maintaining the public-private partnership of immunization providers
  - Quality assurance
  - Provider education
  - Immunization information systems

- Providing evidence-based immunization policy
  - Understanding disease burden
  - Vaccine risks and benefits

- Knowing how we are doing
  - Surveillance for disease and for safety
  - Surveillance for coverage

- Fostering multi-sector partnerships and coalitions to broaden access and awareness

- Responding to protect public health
Vaccines for Children Program (VFC)

- Created by the 1993 Omnibus Budget Reconciliation Act, operational since October 1994
- Eligible children (through age 18 yrs): Medicaid eligible, uninsured, American Indian/Alaska native, underinsured in Federally-Qualified Health Centers or Rural Health Centers
- Legislation gives the Advisory Committee on Immunization Practices the authority to determine the vaccines that will be provided in the VFC Program
- VFC is a federal entitlement program

http://www.cdc.gov/vaccines/programs/vfc/default.htm
http://www.cdc.gov/vaccines/programs/vfc/providers/acip-whatis.htm
Insurance Coverage for Immunization Services (before the Affordable Care Act)

- Most private health insurance includes coverage for routine immunizations
- There may be delays in inclusion of new vaccines in health care plans
- Insurance plans may not cover entire cost of vaccine or of office visit (a co-payment may be required)
- A deductible may need to be met before the costs of immunizations are covered by the plan
The Affordable Care Act (ACA), 2010

- New health insurance plans must provide coverage for ACIP recommended vaccines without deductibles or co-pays, when delivered by an in-network provider.
- As the new plans are written and existing plans lose their grandfathered status, the number of underinsured children and adults should be starting to decrease.
- Although some uncertainties around the ACA remain, with full implementation over the next several years expect that the problem of the underinsured should largely be solved.
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WHO HAS INSURANCE?
Health Insurance Coverage of Children, 2010

Uninsured, 10%

Medicaid/Other Public, 36%

Employer-Sponsored Coverage, 50%

Private Non-group, 4%

79.3 Million Children

NOTES: Data may not total 100% due to rounding. Children includes all individuals under age 19.
SOURCE: KCMU/Urban Institute analysis of 2011 ASEC Supplement to the CPS.
Totals add to > 100% because some AI/AN children are enrolled in Medicaid

Phil Smith et al., Public Health Reports 2011
Insurance/VFC Status 13-17 Year Olds; 2009 NIS-Teen Insurance Module

Totals add to > 100% because some AI/AN children are enrolled in Medicaid.
Percent of Children Ages 0–17 Uninsured, 2009–2010

HRR = hospital referral region
Data: U.S. Census Bureau, 2009–10 American Community Survey.

Source: Commonwealth Fund Scorecard on Local Health System Performance, 2012.
Percent of Adults Ages 18–64 Uninsured, 2009–2010

HRR = hospital referral region.
Data: U.S. Census Bureau, 2009–10 American Community Survey.

Source: Commonwealth Fund Scorecard on Local Health System Performance, 2012.
HOW DOES INSURANCE WORK FOR IMMUNIZATION?
Patient care physicians per 10,000 population, 2009

NOTE: U.S. average is 25 per 10,000 population.
SOURCE: CDC/NCHS, Health, United States, 2011, Figure 19. Data from the American Medical Association and the American Osteopathic Association.
The Challenge of An In-Network Provider for Every Person with Insurance

- Not all primary care providers provide all ACIP-recommended vaccines
  - Investment needed to become a vaccinator
  - Small number of eligible patients in practice
  - Reimbursement rates inadequate

- In some communities, health department immunization services are seen as convenient and more accessible than an in-network provider

- Health departments that provide immunization services to insured persons need to identify funds other than 317 vaccine funding for vaccine purchase
Provision of ACIP-Recommended Vaccines by Primary Care Providers

- **2007 survey of pediatricians and family physicians:**
  - 89% of pediatric practices and 77% of family medicine practices reported purchasing HPV vaccine
  - 97% of pediatric practices and 73% of family medicine practices reported purchasing MCV4
  - 49% of respondents reported that their practice had “delayed the purchase of a new vaccine due only to financial concerns”

- **2008 survey of pediatricians and family physicians:**
  - 98% of pediatricians and 88% of family physicians reported that they were administering HPV vaccine in their practices
  - Most common barriers cited by both pediatricians and family physicians were financial

Freed GL et al., Pediatrics 2009;124:S466-S471
Daley MF et al., Pediatrics 2010;126:425-433
# Private Provider Costs & Reimbursements for Gardasil, 2007

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Grantees Funded Through 2009 - ARRA and 2011 - 2012 PPHF Innovative Projects to Improve Reimbursement in Public Health Department Clinics
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WHEN INSURANCE DOESN’T COVER ALL THE COSTS
The Problem of the Underinsured

- Persons who are covered by private insurance that does not cover all the costs of all recommended vaccines are considered underinsured
  - Some insurance plans do not cover ACIP-recommended vaccines
  - Individuals or families may be responsible for some or all of the cost of vaccination because of high deductibles and/or co-payments*
- Many families and individuals can and do pay these out-of-pocket costs, but for some they are a financial burden and an economic barrier to vaccination
- Some underinsured children can receive VFC vaccine at FQHCs and RHCs (~3000 clinics)

*Children in this group are not eligible for VFC vaccine at FQHCs or RHCs
Insurance / VFC Status and Vaccination Venue, 19-35 Months of Age: 2009 NIS

Insurance / VFC Category

- Medicaid: 42.8%
- None: 5.4%
- AI / AN: 3.2%
- Underinsured: 9.3%
- Full: 39.3%

Underinsured’s Venues

- ANY FQHC: 76%
- ANY HDC: 16%
- ANY Private: 5%
- All Other: 3%
Percentage of Covered Workers Enrolled in a Plan with a General Annual Deductible of $1,000 or More for Single Coverage, By Firm Size, 2006-2011

* Estimate is statistically different from estimate for the previous year shown (p<.05).

Note: These estimates include workers enrolled in HDHP/SO and other plan types. Because we do not collect information on the attributes of conventional plans, to be conservative, we assumed that workers in conventional plans do not have a deductible of $1,000 or more. Because of the low enrollment in conventional plans, the impact of this assumption is minimal. Average general annual health plan deductibles for PPOs, POS plans, and HDHP/SOs are for in-network services.

Insurance Coverage for Immunization: A Critical Element of Vaccine Financing

- Most insurance plans have provided coverage of ACIP-recommended vaccines
- The Affordable Care Act should result in further improvements in coverage, as plans lose grandfathered status
- For coverage to translate to access:
  - Insurers need a robust network of in-network providers
  - Consumers need to seek and receive services from an in-network provider
  - Providers need to assure availability of all ACIP-recommended vaccines
For more information please contact Centers for Disease Control and Prevention

1600 Clifton Road NE, Atlanta, GA 30333
Telephone, 1-800-CDC-INFO (232-4636)/TTY: 1-888-232-6348
E-mail: cdcinfo@cdc.gov  Web: www.cdc.gov

The findings and conclusions in this report are those of the authors and do not necessarily represent the official position of the Centers for Disease Control and Prevention.