

# Paying for Immunization: The Role of Private Insurance

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# **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-whatism.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**

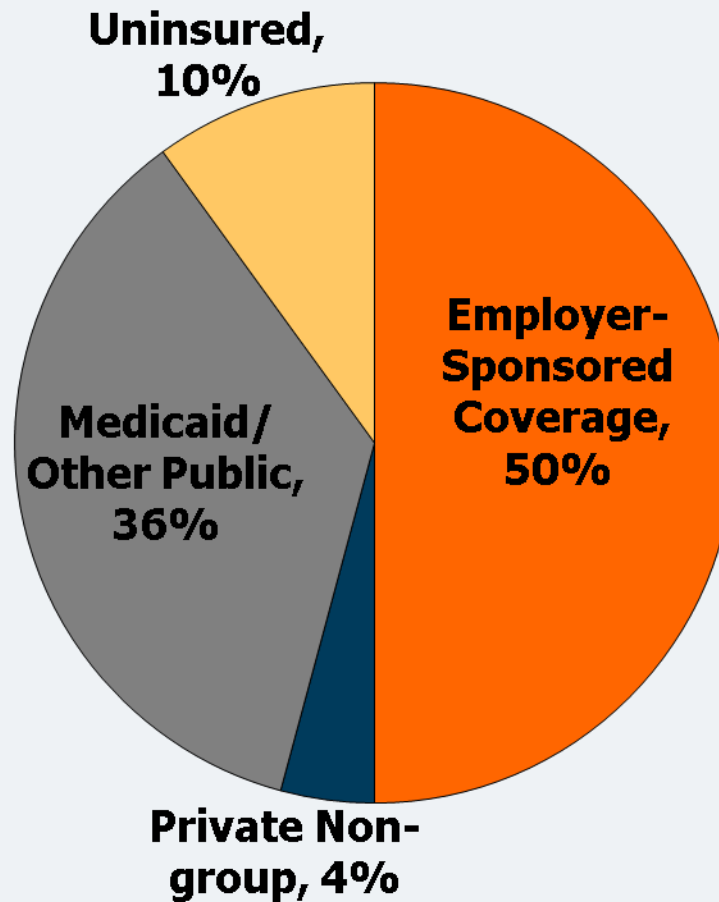
- ❑ New health insurance plans must provide coverage for ACIP recommended vaccines without deductibles or co-pays, when delivered by an in-network provider**
- ❑ As the new plans are written and existing plans lose their grandfathered status, the number of underinsured children and adults should be starting 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

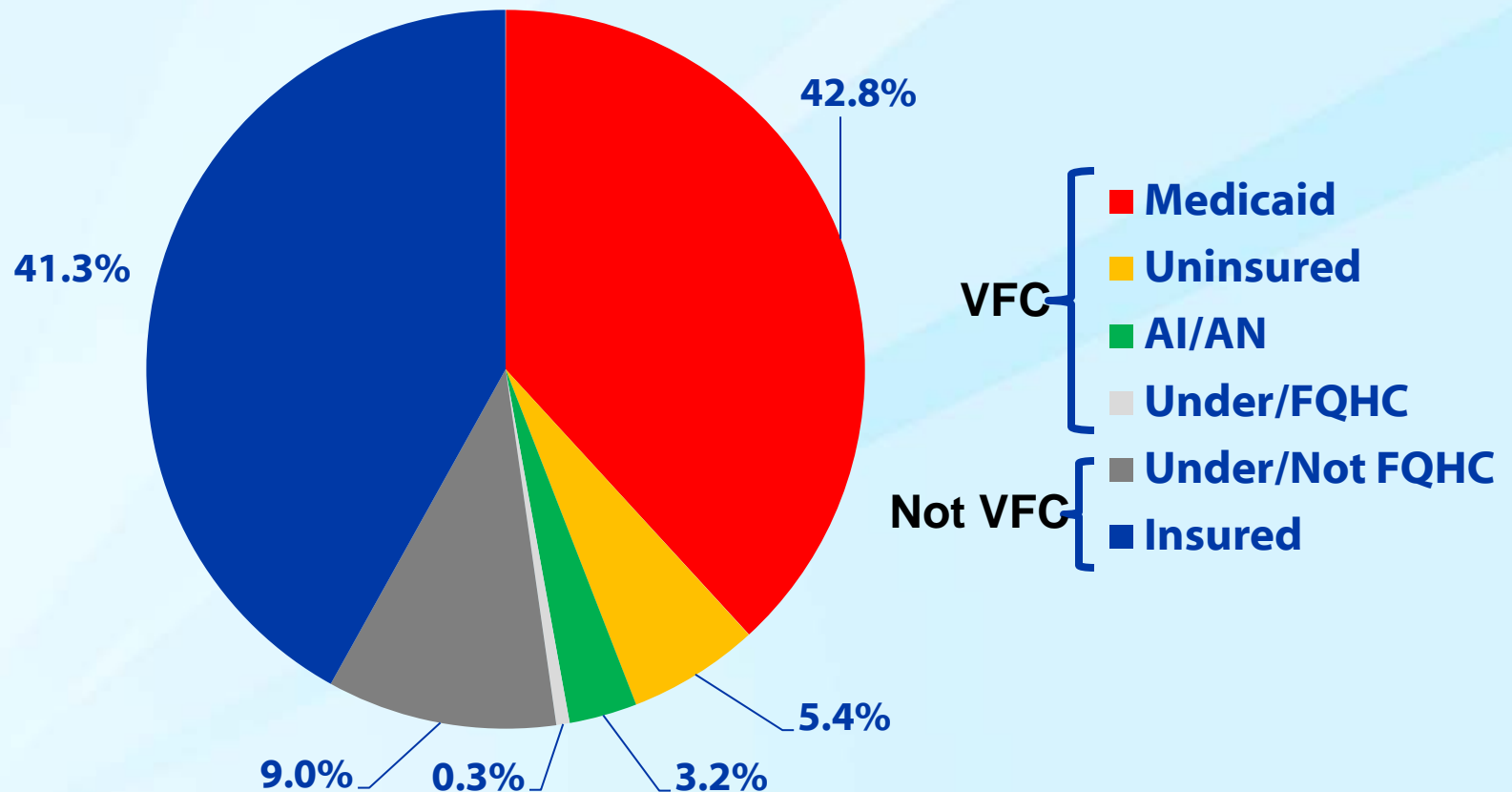


**79.3 Million Children**

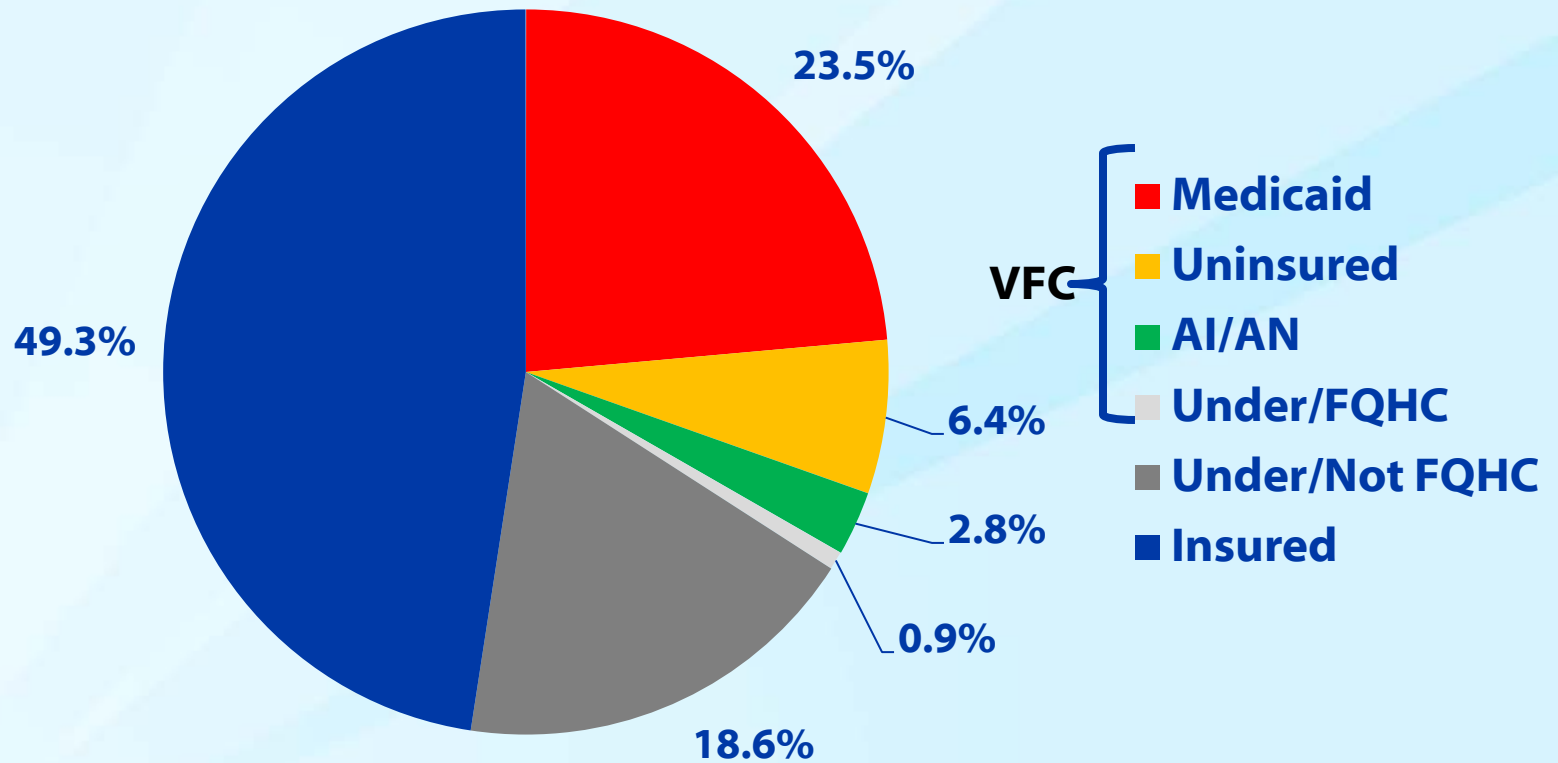
NOTES: Data may not total 100% due to rounding. Children includes all individuals under age 19.

SOURCE: KCMU/Urban Institute analysis of 2011 ASEC Supplement to the CPS.

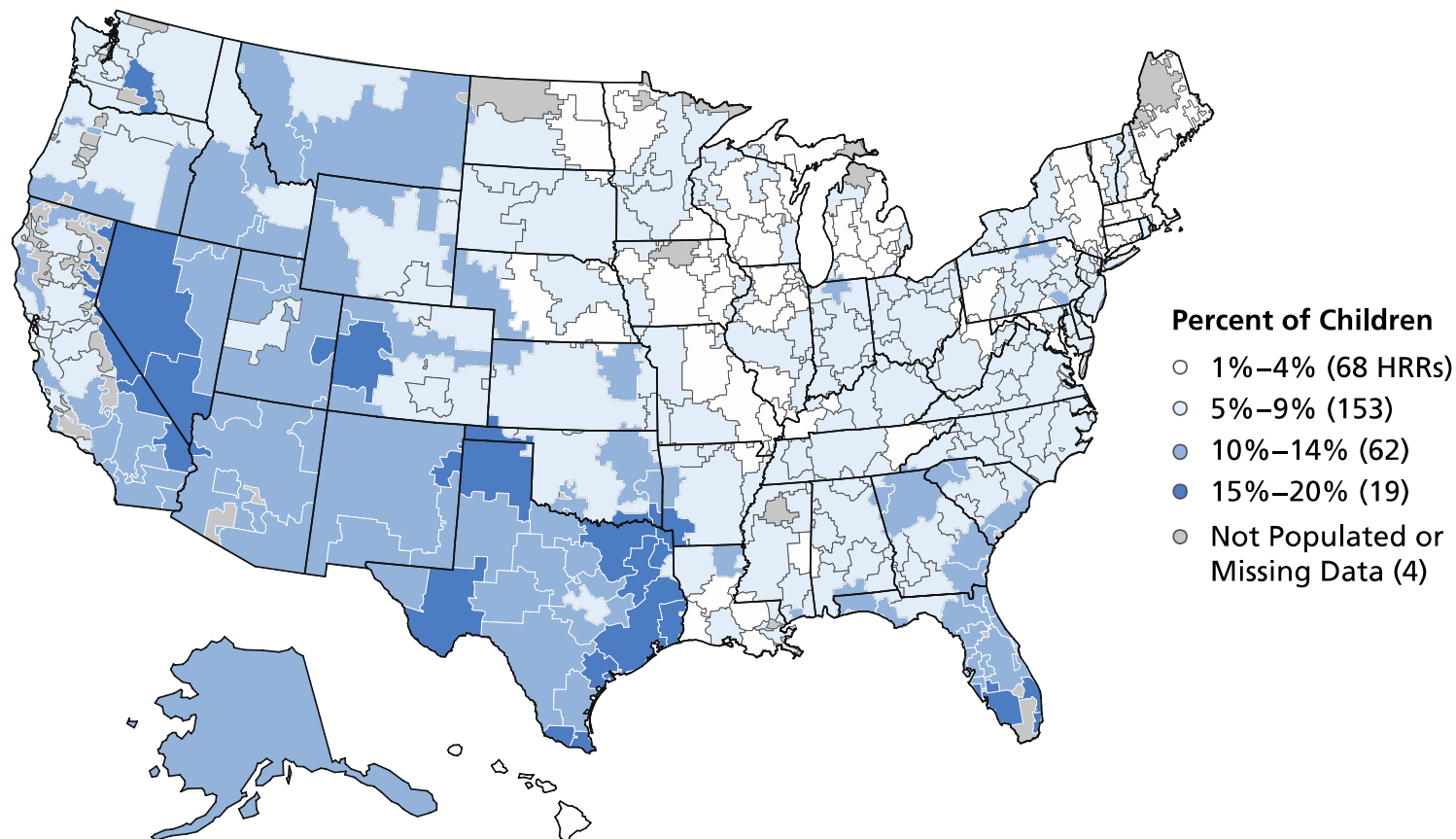
# Insurance/VFC Status 19-35 Month Old Children; 2009 NIS Insurance Module



# Insurance/VFC Status 13-17 Year Olds; 2009 NIS-Teen Insurance Module



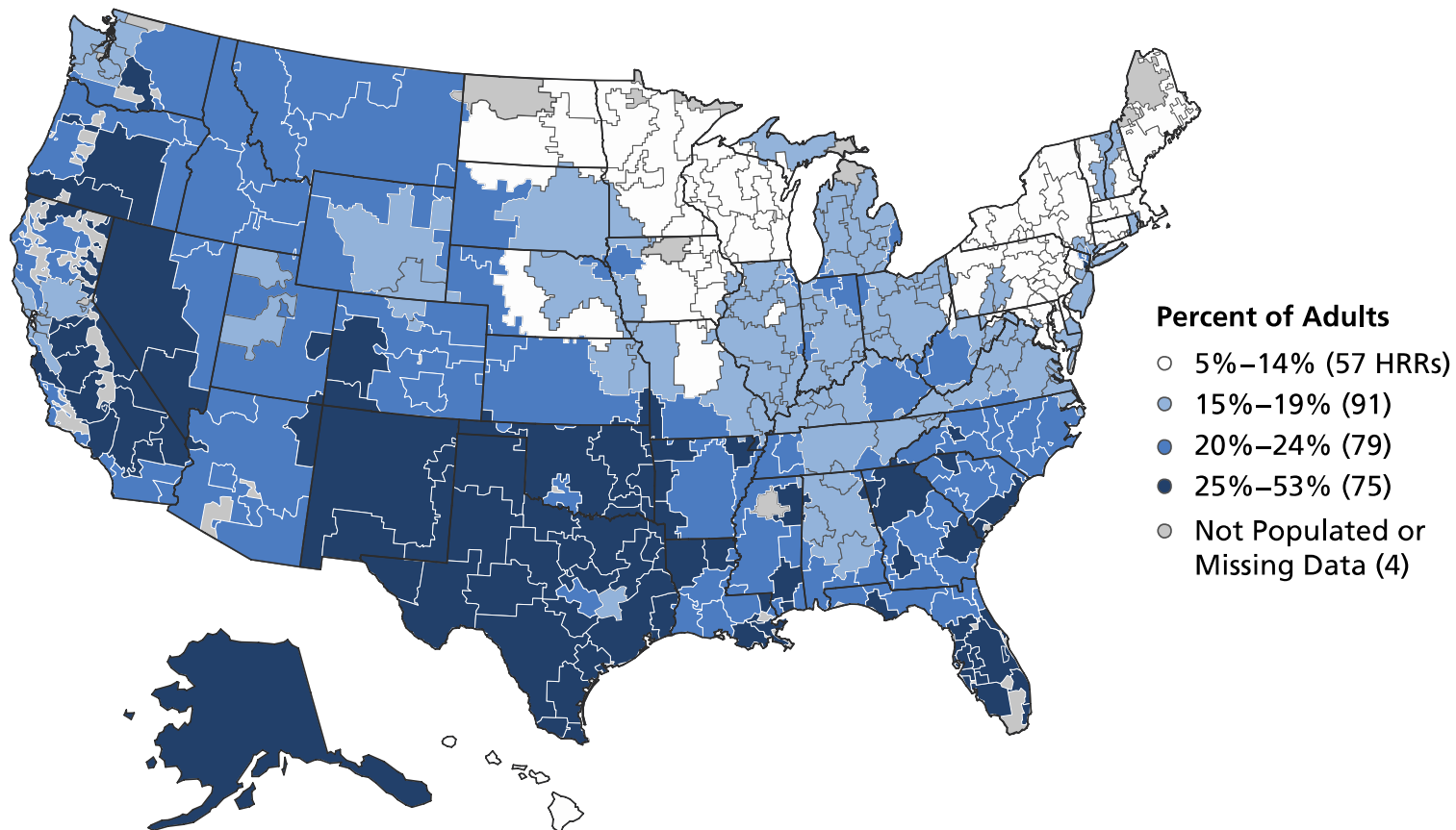
## Percent of Children Ages 0–17 Uninsured, 2009–2010



HRR = hospital referral region

Data: U.S. Census Bureau, 2009–10 American Community Survey.

## Percent of Adults Ages 18–64 Uninsured, 2009–2010



HRR = hospital referral region.

Data: U.S. Census Bureau, 2009–10 American Community Survey.

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# **HOW DOES INSURANCE WORK FOR IMMUNIZATION?**

change:healthcare

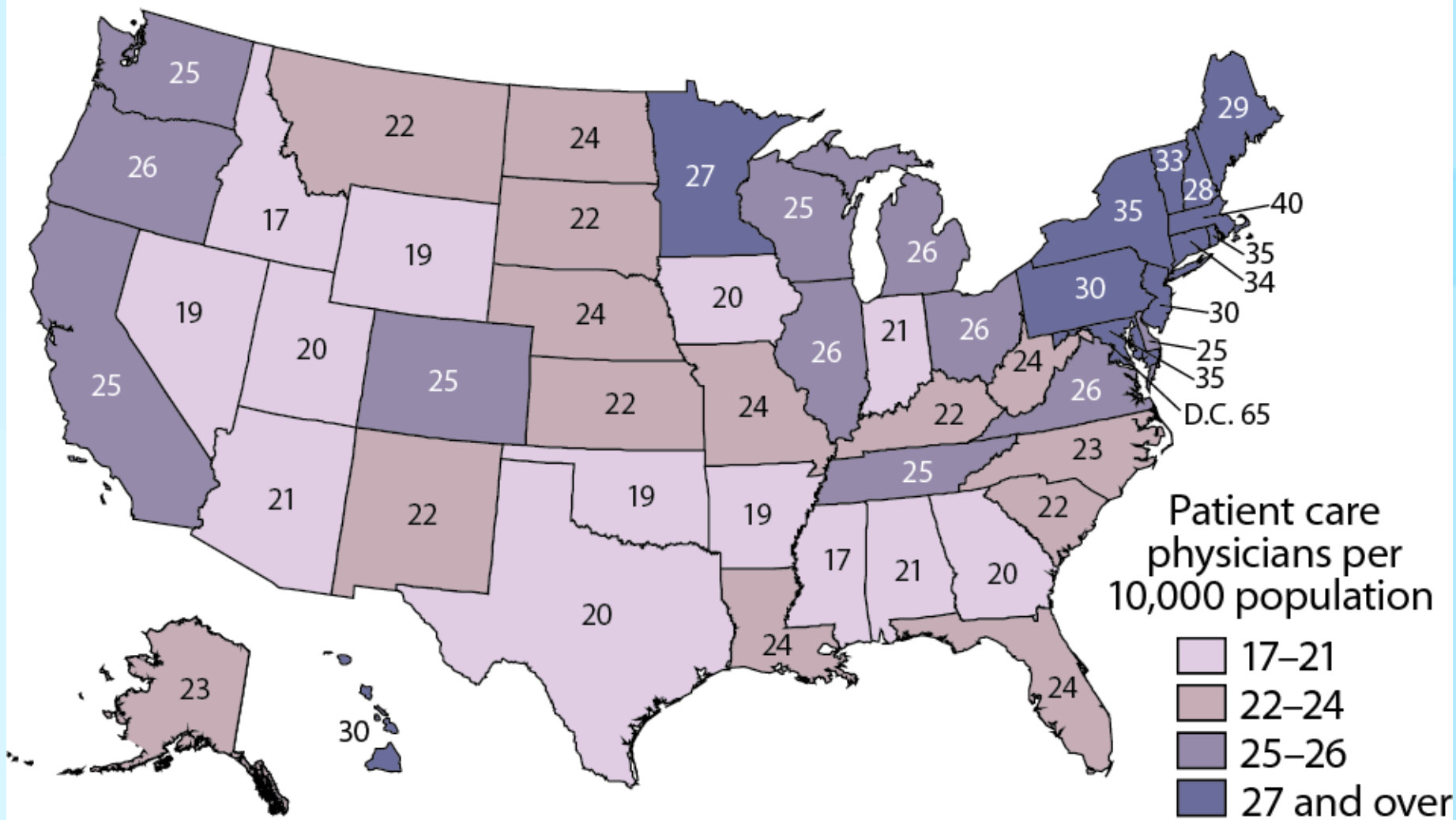
## Insurance Coverage

Everything You Need to Know to Become a Smarter Healthcare Consumer



# Understand In-Network vs. Out-of-Network

# 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

	Mean	Maximum	Minimum
Private practice price per dose	\$120.06	\$129.57	\$116.00
Private practice reimbursement	\$135.81	\$177.67	\$119.25
Net yield	\$15.95	\$57.92	(\$0.94)



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# **WHEN INSURANCE DOESN'T COVER ALL THE COSTS**

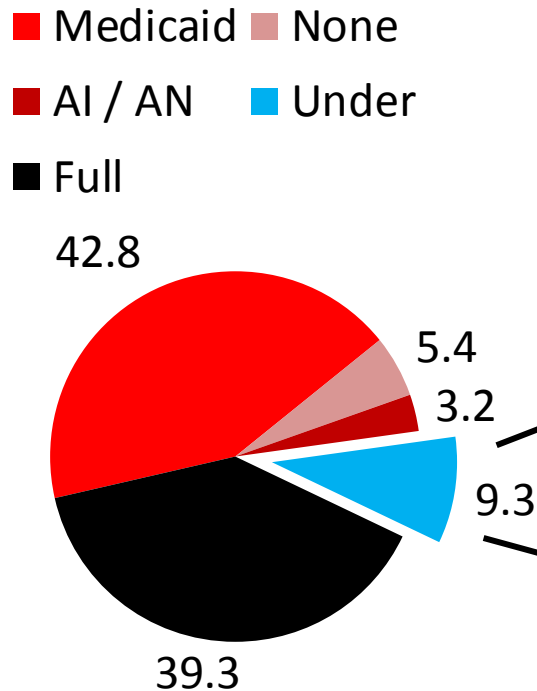
# The Problem of the Underinsured

- ❑ **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)**

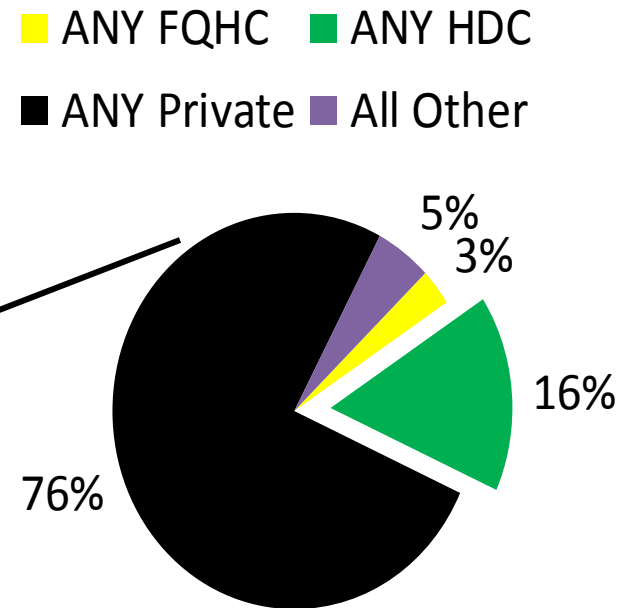
\*Children in this group are not eligible for VFC vaccine at FQHCs or RHCs

# Insurance / VFC Status and Vaccination Venue, 19-35 Months of Age: 2009 NIS

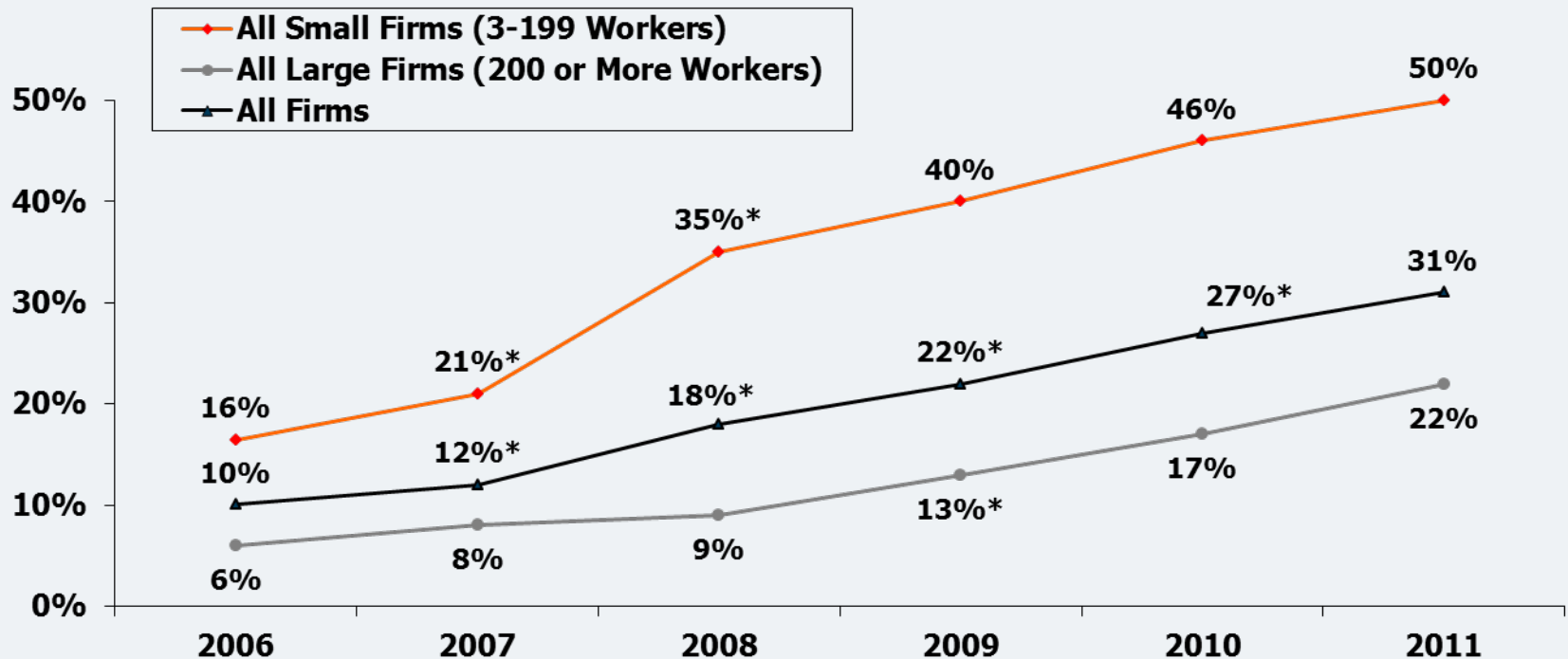
## Insurance / VFC Category



## Underinsured's Venues



# 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.

Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2006-2011.



# **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**

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E-mail: [cdcinfo@cdc.gov](mailto:cdcinfo@cdc.gov) Web: [www.cdc.gov](http://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.

