

# Revision and Update: The Affordable Care Act (ACA), and Immunizations

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Litjen (L.J) Tan, MS, PhD  
Chief Strategy Officer  
Immunization Action Coalition  
Co-Chair



National Adult and Influenza Immunization  
Summit

# Disclaimer

**The opinions expressed in this presentation are solely those of the presenter and do not necessarily represent the official positions of the Immunization Action Coalition, or the National Adult and Influenza Immunization Summit**

# Objectives

## **The Affordable Care Act (ACA)**

- ACA impact on immunizations**
- What are the challenges for immunization efforts in the era of the ACA**

## **Challenges Facing Providers of Adult immunizations**

# The Affordable Care Act

- **Assure near-universal, stable, and affordable coverage by building on the existing system of public and private health insurance**
- **Note that intent was to improve access, not necessarily to improve payment to providers**
  - **While not the primary motivation in ACA, there are numerous instances where payment is improved**

**HHS enforces that intent through regulation**

# The Affordable Care Act Works to Improve Conditions for Consumers and Small Businesses

## Pre-existing Conditions

- **129 million** Americans with pre-existing conditions can now keep their plans

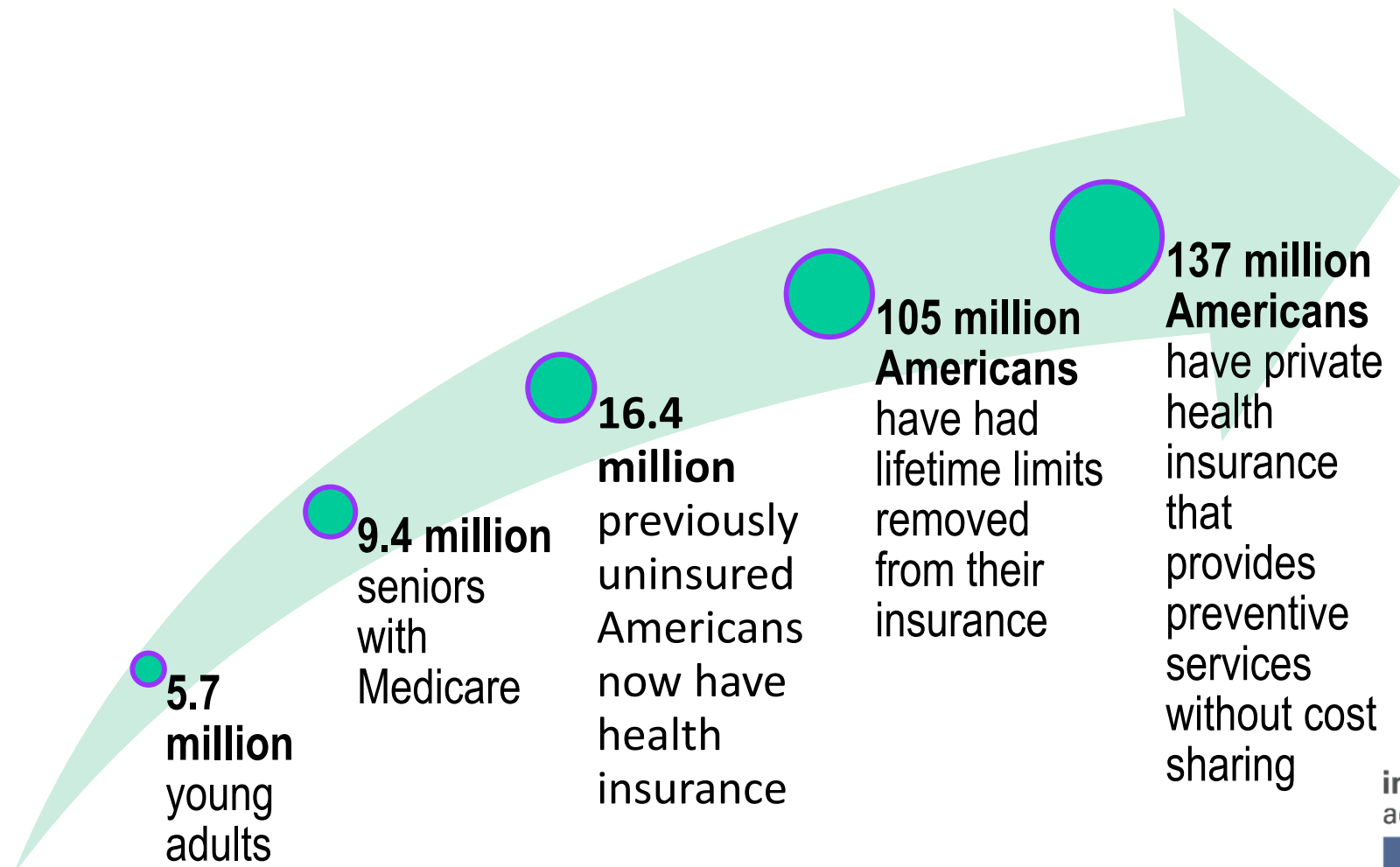
## Affordability

- Insurance companies must publicly justify any rate increase of 10% or more.

## Increased Choice

- Small businesses will have **more options** for affordable coverage.

# The Affordable Care Act Has Had a Measurable Impact on Improving Access to Health Coverage for Millions of Americans



# So What Does the ACA Mean for Immunizations?

# Private Insurance and Group Health Plans

- **ACA mandates provision of ACIP-recommended vaccines at no cost-sharing**
  - Must cover adult children up to age 26 years
  - No pre-existing conditions for children <18 years
- **No plan is required to cover vaccinations delivered by an out-of-network provider.**
  - Plans that do cover out-of-network provider can do so at out-of-network cost-sharing standards



# Self-Insured Group Health Benefit Plans (ERISA plans)

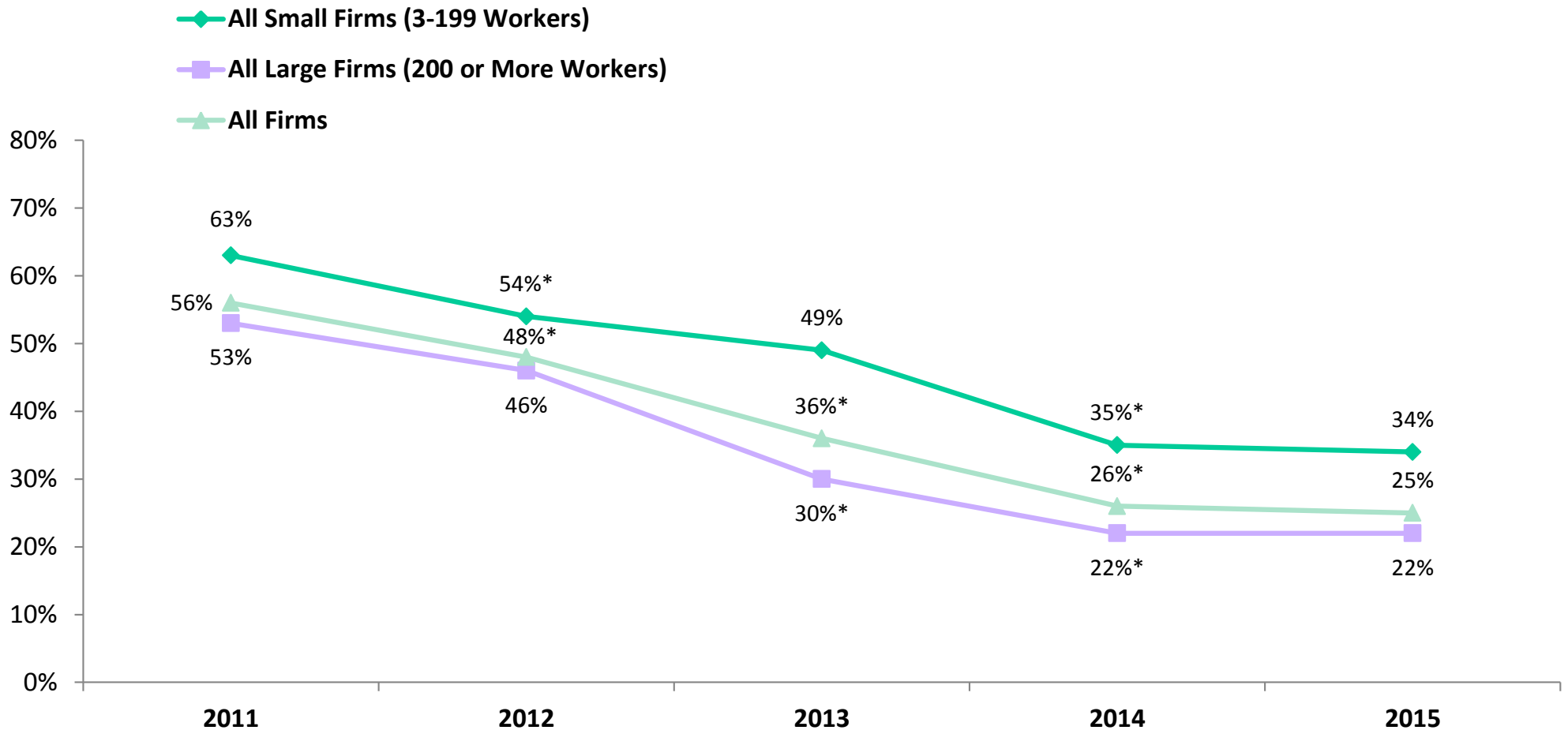
**The ACA extended many of its standards to the self-insured ERISA group health plans**

- **In particular, all ERISA plans are subject to the ACA's standards on preventive services coverage**
- **Thus, must cover all ACIP-recommended vaccines at no cost-sharing**

# What are Grandfathered Plans?

**State-regulated private health insurance sold in individual and group health markets, prior to March 23, 2010, are grandfathered into the ACA**

# Change in Number of Grandfathered Plans\*\*



\*p<.05; statistically different from previous year

\*\*Kaiser Family Foundation and Health Research and Educational Trust, 2014. Employer Health Benefits 2015 Annual Survey. At: <http://kff.org/report-section/ehbs-2015-section-thirteen-grandfathered-health-plans/>.

# The Healthcare industry has greatest number of grandfathered plans\*\*

INDUSTRY	
Agriculture/Mining/Construction	22%
Manufacturing	24
Transportation/Communications/Utilities	12*
Wholesale	23
Retail	18
Finance	28
Service	26
State/Local Government	28
Health Care	35*

\* Estimate is statistically different from estimate for all other firms not in the indicated size, region, or industry ( $p < .05$ ).

\*\*Kaiser Family Foundation and Health Research and Educational Trust, 2014. Employer Health Benefits 2015 Annual Survey. At: <http://kff.org/report-section/ehbs-2015-section-thirteen-grandfathered-health-plans/>.

# State regulated health insurance

ACA established market standards for state-regulated health insurance (eg, coops, FEHBP) regardless whether through an exchange or in open market

- Essential health benefits, including preventive services, must be covered
- State health insurance exchanges established by 2014 for small businesses

**All state-regulated, non-grandfathered insurance plans must include ACIP-recommended vaccines at no cost-sharing**

# Medicaid Expansion

Effective 2014, all non-elderly persons with incomes up to 133% FPL, based on “modified adjusted gross income,” are Medicaid eligible, in states that opt in\*

- States offer new eligible enrollees an “alternative benefits package,” which **includes immunization services to children and adults at no cost sharing\*\***
- States decide whether existing Medicaid enrollees are to be covered for the alternative benefits package
- Creates disparity between newly eligible and already enrolled persons in expanded states, and between expanded states and states with traditional Medicaid

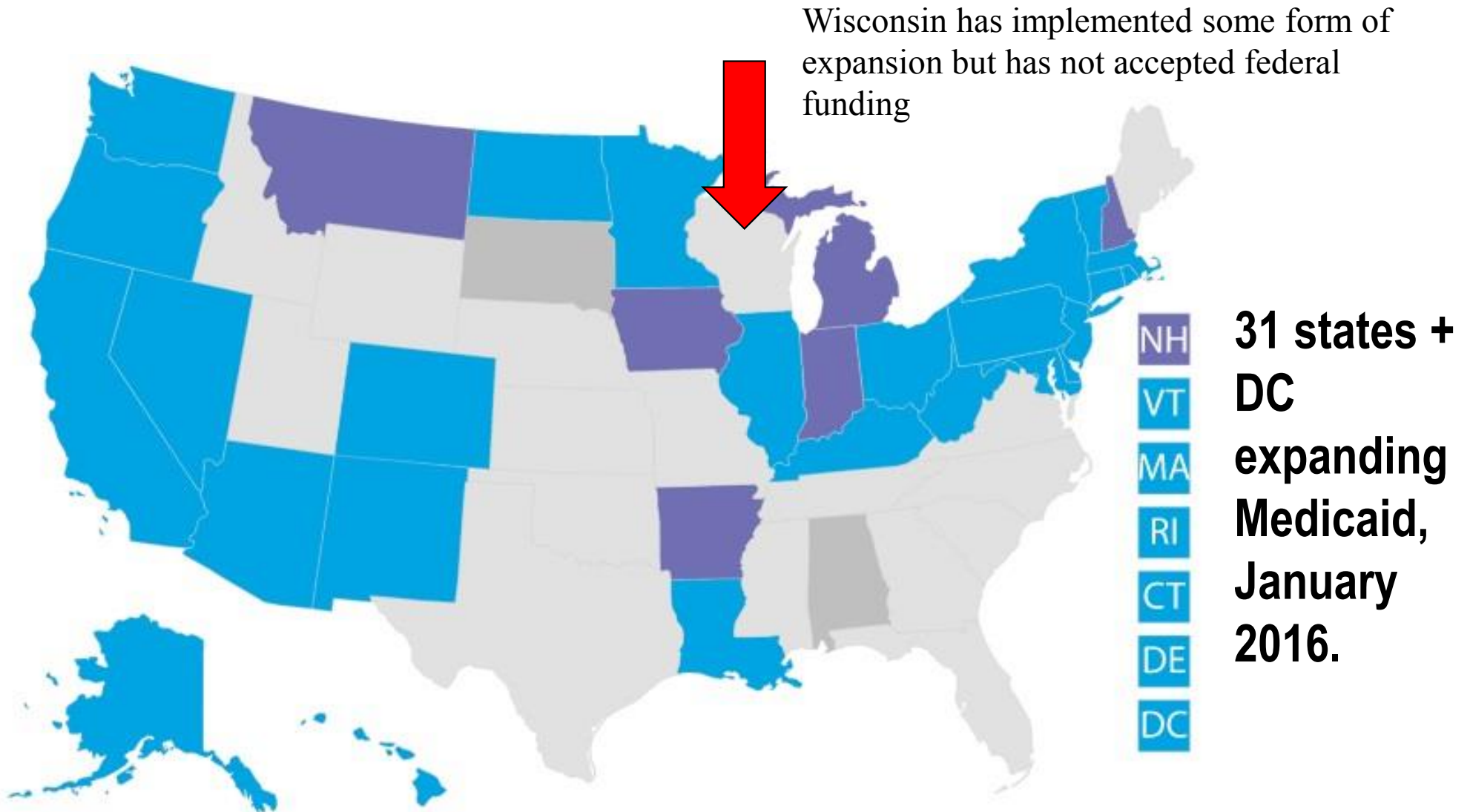
\*National Federation of Independent Business v. Sebelius. Roberts, C.J., Slip Opin. at 50. Available at:

<http://www.kff.org/healthreform/upload/8332.pdf>

\*\*CMS Final regulation, July 5 2013. Available at:

[http://www.ofr.gov/%28X%281%29S%281vpecb3pcilomwwwusd4jf2b%29%29/OFRUpload/OFRData/2013-16271\\_P1.pdf](http://www.ofr.gov/%28X%281%29S%281vpecb3pcilomwwwusd4jf2b%29%29/OFRUpload/OFRData/2013-16271_P1.pdf).

# Where states are on expanded Medicaid



# 1% FMAP (Section 4106 of ACA) - Update

- **To incentivize states to cover preventive services, ACA provides for a 1 percent increase in state's FMAP for preventive services if they cover all USPSTF Grade A/B recommended preventive services and all ACIP-recommended vaccines without cost sharing.**
- **CMS has provided guidance on this provision**
  - **States will have to submit a state plan amendment in order to receive this benefit**
  - **11 states have approved 4106 SPAs:**
    - **CA, CO, DE, HI, KY, NV, NH, NJ, NY, OH, WI**
  - **There is no deadline for states to submit SPAs and no end date for the 1 percent increase**



# Medicaid Primary Care Payment Increase

- Medicaid “Bump Up” - payment increase for primary care services to 100% of Medicare payment rates; 100% FMAP for first 2 years\*
  - Increases immunization administration fee to Medicare levels for two years: 2013 and 2014
  - Intent was to encourage physician participation as Medicaid expanded.
  - Reauthorization language introduced in 2014 but failed to make it out of committee. Eliminated in 2015 CHIP bill that was passed into legislation

\*Section 1202 of the Affordable Care Act (ACA)

# Medicare, Effective From 2011

- Any preventive service received in outpatient setting in hospital paid for at 100%
  - Improves access to immunizations provided under Part B of Medicare
- GAO study on impact of Medicare Part D payment on access to immunizations
  - Highlighted access problems with adult vaccine covered under Part D
  - Vaccines provided under Part D still have cost sharing.
  - Urges appropriate steps to address administrative challenges (eg, verifying beneficiaries' coverage)

# Other considerations

## For private insurance

- **ACIP Category B recommendations that apply for certain individuals with clinical decision making (rather than an entire population – Category A) are covered**
  - **If the vaccine is prescribed by a health care provider consistent with the ACIP recommendations, a plan or issuer is required to provide coverage.\***
- **Travel vaccines are not covered unless indicated in the footnotes of the ACIP schedules...**

\* Available at: <http://www.dol.gov/ebsa/pdf/faq-aca12.pdf>

# Other Considerations

## For private insurance

- **Network Adequacy/Out of Network Providers**
  - Increasing number of access points for getting vaccinated
    - All providers of care for adults have a responsibility to assess, counsel, recommend or refer, and administer the vaccine
    - Need to improve the number of in-network providers
  - Complementary immunizers such as pharmacists, school-based clinics or public health clinics are considered out-of-network providers and thus ACA provisions do not apply

# Other Considerations

## Medicaid Expansion

- Differences will exist even in “expanded” states between newly enrolled and those enrolled before 2014
- “Traditional” Medicaid adult enrollees (in states that opt out of expansion) will not be protected by the ACA provisions
  - About 20 million non-elderly persons comprising pregnant women, parents/caretakers of dependent children, low income parents, working age adults with disabilities.
  - Immunization is optional preventive service for adults
- Need to advocate for immunization inclusion in Medicaid and Exchanges

# Challenges Remain

- ~30 million will remain uninsured so public health safety nets are still necessary
- Improved access for the newly insured but...
  - Disproportionately lower income and residents of medically underserved communities
- Continuing Medicare B/D challenge
- How will health plans continue to implement new coverage still fuzzy...
  - While payment may not be an issue, adequacy of provider payment for vaccines and administration remains!

# Issues with the Purchase of Adult Vaccines

- **Newer vaccines are more expensive**
- **There is no federal vaccine purchase program for adults**
- **Vaccine prices can vary as much as 3-fold from provider to provider depending on negotiated prices, which are confidential**
- **Adult vaccine providers do not have the benefits of economies of scale that pediatric practices have**

# Cost of Vaccine Storage and Handling

- **Equipment: refrigerator/freezer, temperature monitoring devices**
- **Up front purchase costs**
- **Labor costs to order, track, maintain supply**
- **Backup power**
- **Insurance for inventory**
- **Opportunity cost of hundreds of thousands of dollars tied up in inventory**



# Costs of vaccine administration

- **Staff time:**
  - **Discussions with parents**
  - **Vaccine administration**
  - **Documentation**
  - **Training**
- **Supplies**
- **Billing**

# **Remember: Affordable Care Act (ACA) mandates coverage of all ACIP recommended vaccines**

- **Coverage with NO cost-sharing**
- **Actual dollar payments often vary by insurer and by individual insurance plan**
- **Each claim submission requires appropriate Current Procedural Terminology (CPT®) and ICD-9-CM codes (October 1, 2015 for ICD-10), even if the insurer considers immunization a routine service**

# What about Medicare Part D vaccines?

- **Payment for Part D vaccines and their administration are made solely by the participating Prescription Drug Plan**
- **Physicians are considered out-of-network providers**
- **Charge the patient for the vaccine and its administration and then...**
- **Provide patient with CMS-1500 claim form for the vaccine and administration service for patient to file**
- **Enroll in TransactRx Vaccine Manager**

## Example with Shingles in a physician's office

- If patient is 60 – 64 years of age, seek coverage under patient's private insurance
- If patient is 65 years of age and older with secondary insurance to Medicare, seek coverage under patient's private insurance
- If patient is 65 years of age and older who have enrolled in Medicare Part D, charge patient and provide CMS-1500 form
- Use CPT code 90736 for vaccine, CPT code 90471 for the administration fee, and ICD-10 code Z23

## **Manufacturers Provide Hotlines**

- **Many manufacturers provide hotlines to assist coders; these may also offer guidance for claims preparation, appeals, and specific payers' vaccine coverage and reimbursement policies**
- **Contact your vaccine representative to learn more about their reimbursement support services**

# ACA Web Resources

- **AAP**

<http://www.aap.org/en-us/advocacy-and-policy/federal-advocacy/health-reform-law/Pages/Federal-Implementation-of-the-Affordable-Care-Act.aspx>.

- **AAPA**

[http://www.aapa.org/the\\_pa\\_profession/federal\\_and\\_state\\_advocacy/AAPA\\_Navigating\\_Healthcare\\_Blog/item.aspx?id=6612&terms=aca](http://www.aapa.org/the_pa_profession/federal_and_state_advocacy/AAPA_Navigating_Healthcare_Blog/item.aspx?id=6612&terms=aca).

# ACA Web Resources

- **ACP**

[http://www.acponline.org/advocacy/where\\_we\\_stand/affordable\\_care\\_act/](http://www.acponline.org/advocacy/where_we_stand/affordable_care_act/).

- **ACOG**

[http://www.acog.org/About\\_ACOG/ACOG\\_Departments/Government\\_Relations\\_and\\_Outreach/HCRImplementation](http://www.acog.org/About_ACOG/ACOG_Departments/Government_Relations_and_Outreach/HCRImplementation).

- **AAFP**

<http://www.aafp.org/advocacy/act/aca.html>

# ACA Web Resources

- **CMS**

<https://www.cms.gov/about-cms/aca/affordable-care-act-in-action-at-cms.html>.

- **Office of Health Care Reform**

<https://www.healthcare.gov/prevention/index.html>.

- **Medscape**

<http://www.medscape.com/viewarticle/808532>

<http://www.medscape.com/viewarticle/824823> (on meaningful use)



# Visit IAC Resources!

- **Read our publications!**
  - <http://www.immunize.org/publications/>
- **Visit our websites!**
  - [www.immunize.org](http://www.immunize.org)
  - [www.vaccineinformation.org](http://www.vaccineinformation.org)
  - [www.izcoalitions.org](http://www.izcoalitions.org)
  - [www.preventinfluenza.org](http://www.preventinfluenza.org)
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