

Summary: 50-State Comparison of Medicaid Adult Vaccine Reimbursement White Paper

Avalere Health | Part of Fishawack Health
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Today's Agenda

1 Whitepaper Overview and Approach

2 Key Findings:

- Physician Office
- Pharmacy
- FQHC

3 Policy Considerations

Avalere Researched Medicaid Reimbursement Policies for Physician Offices, Pharmacies, and FQHCs

Methodology /

- Avalere reviewed publicly available resources from April – December 2021 to answer research questions in each state across Medicaid FFS programs. Resources included, but were not limited to, fee schedules, provider and/or patient manuals, coverage policies, and PDLs. Avalere attempted to contact state Medicaid agencies in states with ambiguous or otherwise unclear policies.
- Avalere also assessed state FQHC reimbursement methodologies for Medicaid vaccine administration.
- The analysis focused on 4 vaccines: Tdap, PCV13, PPSV23, and HPV.
- If there was ambiguity in publicly available information Avalere denoted “Unable to Determine”.

Research Questions /

Physician Office

How are physician offices reimbursed for vaccination (e.g., separate administration and product fee)?

What is the reimbursement amount for both the product and administration, and how does it compare to product costs?

Pharmacy

Are pharmacies eligible to receive reimbursement for vaccine administration?

If so, how are they reimbursed (e.g., separate dispensing and product fee)?

What is the reimbursement amount?

FQHC

How does the state Medicaid program reimburse FQHCs for adult vaccination?

Medicaid Reimbursement for Vaccination Services is Variable

The components of vaccination reimbursement vary by state and may include some combination of:

Vaccine Product: Typically set by the state and listed in a provider fee schedule.



Vaccine Administration: Most states establish a set fee for vaccine administration; this fee is intended to cover additional costs associated with stocking and administering vaccines.

Lower rates may influence provider decisions to stock vaccines, affecting patient access.

Medicaid FFS Physician Office Vaccine Product Reimbursement, Reimbursement Rates Relative to Private Sector Price 2021

State Rate Relative to Private Sector Price*	Vaccine Product			
	Tdap	HPV	PPSV23	PCV13
< 85%	30/38	3/33	4/38	6/39
85% - < 100%	7/38	14/33	6/38	3/39
100% - < 115%	1/38	15/33	26/38	29/39
> 115%	0/38	1/33	2/38	1/39

An analysis of product reimbursement rates compared to publicly available price benchmarks found that the most common benchmark that states used to reimburse providers for **PPSV23 and PCV13 was 95% AWP**. Many states reimbursed **Tdap vaccines at 106% ASP** (i.e., the Medicare Part B therapeutic vaccine rate). **HPV was commonly reimbursed at 100% WAC**.

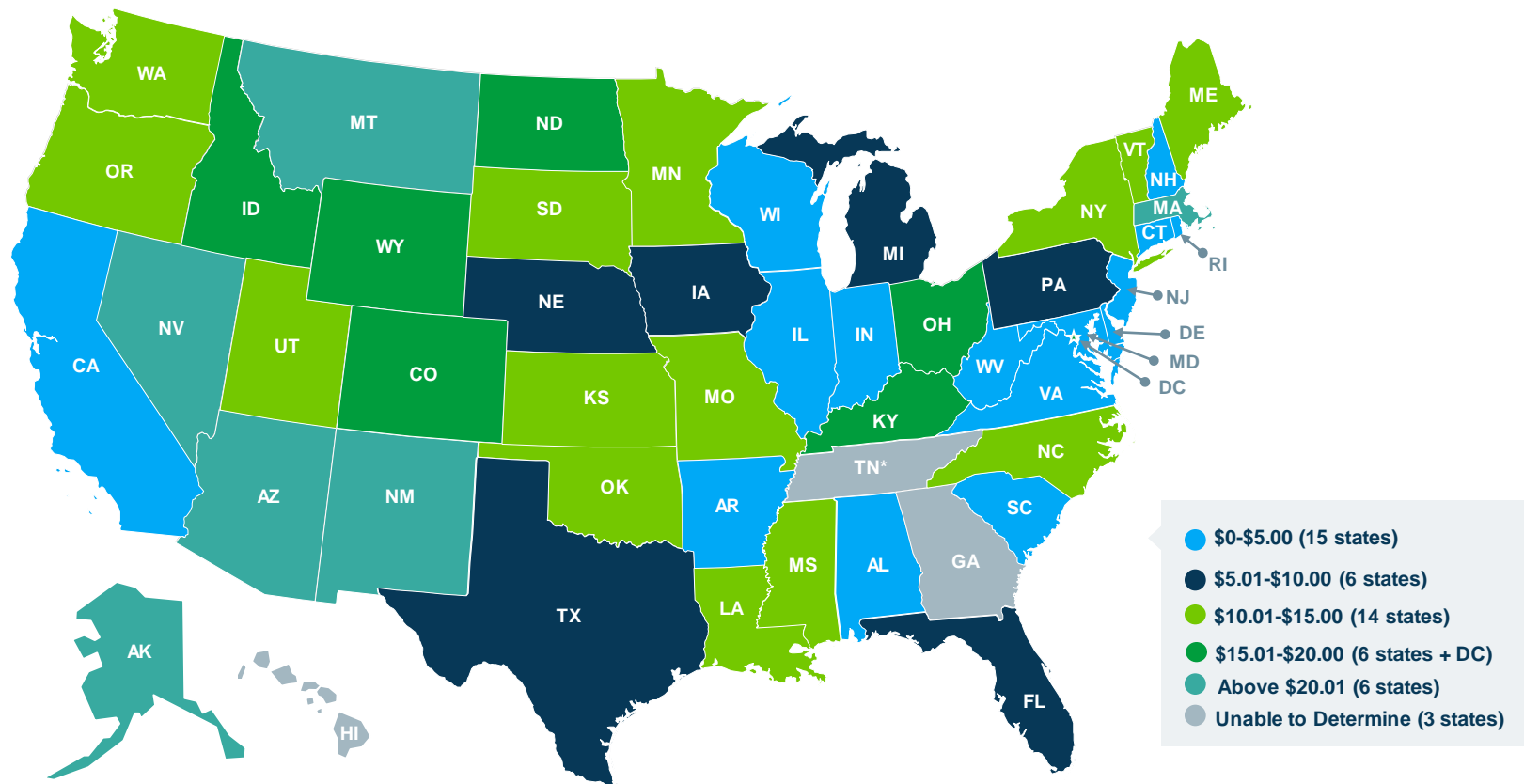
Note: States that did not denote a dollar amount for a vaccine, are Universal Purchase, or did not cover the vaccine were excluded from the table

*Private sector price refers to the price listed on the [CDC Adult Vaccine Price List](#)

FFS: Fee-for-Service; AWP: Average Wholesale Price; ASP: Average Sales Price; WAC: Wholesale Acquisition Cost

Most FFS Programs Reimbursed Physicians for Vaccine Administration Below Medicare Payment Rates

Medicaid FFS Physician Office Vaccine Administration Reimbursement, 2021 /



FFS: Fee-for-Service
 *TN is managed care only

States May Restrict Pharmacy Reimbursement Eligibility

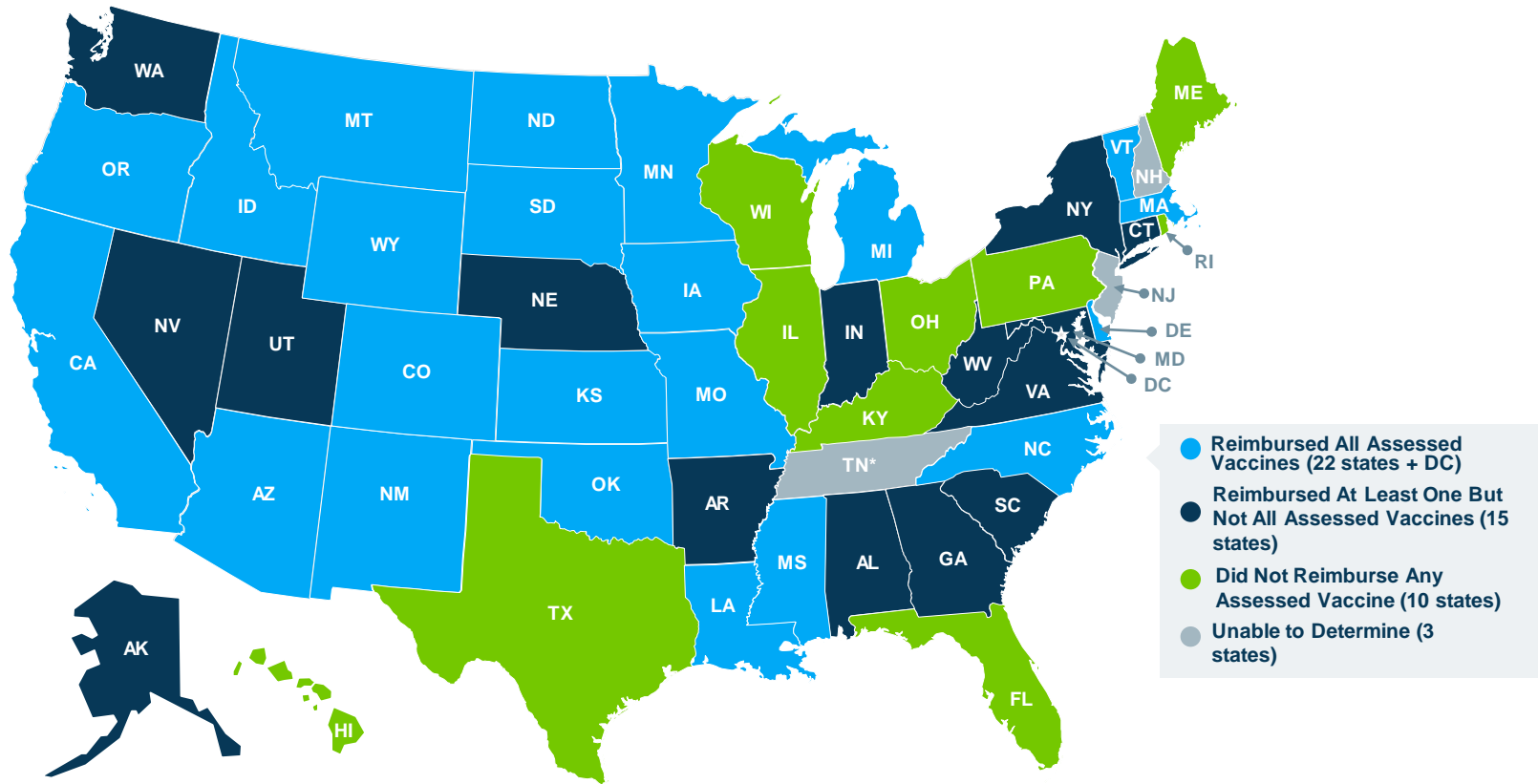
Medicaid programs can impose restrictions on the services (e.g., vaccination) for which pharmacies are eligible for reimbursement. In cases where pharmacies are not eligible to receive reimbursement, patients may face barriers to accessing vaccines.

Avalere's assessment focused only on Medicaid reimbursement for vaccines administered at the pharmacy. It did not include an assessment of state scope of practice policies. Whether or not a pharmacist can administer a vaccine and for whom is determined by state scope of practice policies.

State scope of practice and pharmacy reimbursement policies can impact adult vaccine access.

Half of States Did Not Permit Pharmacy Reimbursement for All Assessed Vaccines

Medicaid FFS Pharmacy Vaccine Product Reimbursement, 2021 /



FFS: Fee-for-Service
 *TN is managed care only

Most FQHCs Are Reimbursed a Per-Visit Payment, Known as the PPS/ Encounter Rate

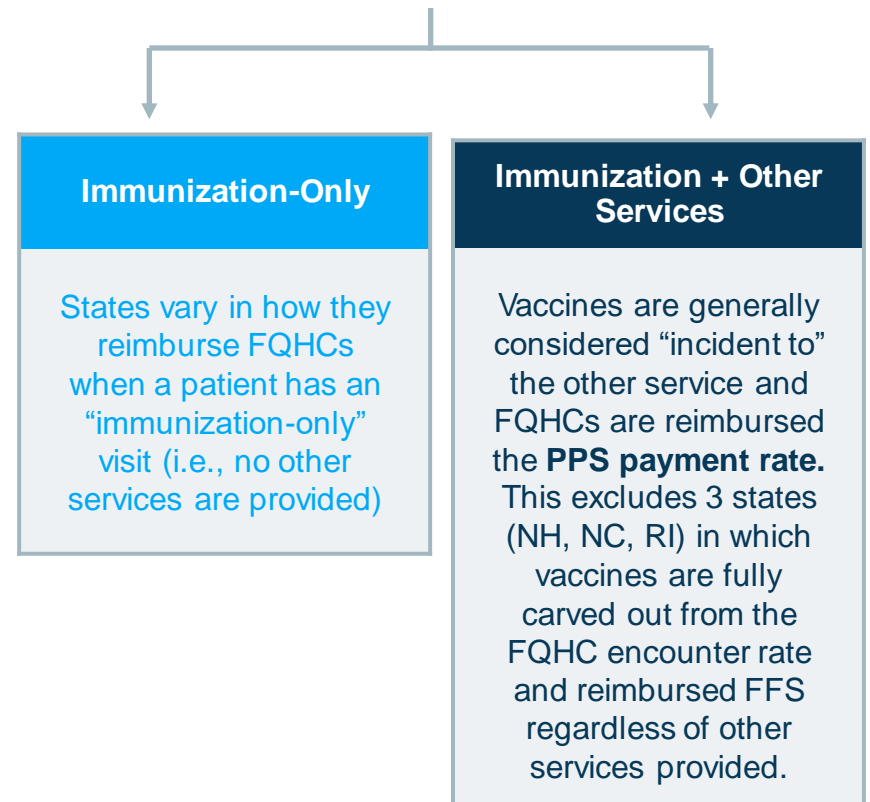
States can opt to reimburse FQHCs via the PPS or an APM. The PPS establishes a predetermined per-visit payment rate for each FQHC based on costs of services.

Vaccines and PPS Payments/

PPS payments are prospective and based on the FQHC’s base year cost report (i.e., 1999-2000 for states using PPS). The PPS rate is determined by dividing the FQHC’s total allowable costs in the base year by the total number of billable visits in the base year.

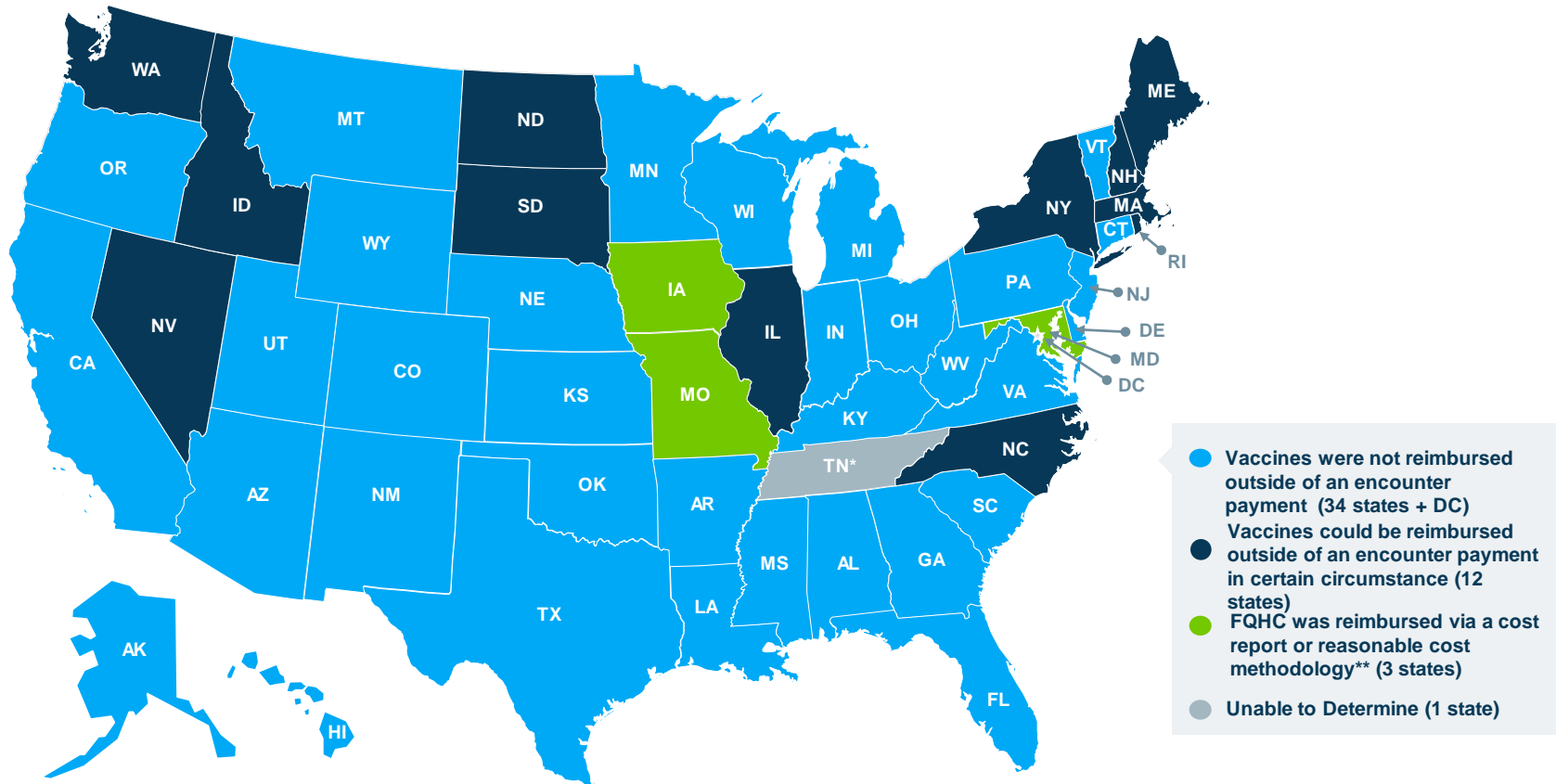
$$\frac{\text{Total Allowable Costs}}{\text{Total \# Billable Visits}} = \text{PPS Rate}$$

Operationalizing PPS Payment /



Most States Do Not Allow Vaccine Reimbursement Outside of an Encounter

Medicaid FQHC Reimbursement in FFS, 2021 /



- Vaccines were not reimbursed outside of an encounter payment (34 states + DC)
- Vaccines could be reimbursed outside of an encounter payment in certain circumstance (12 states)
- FQHC was reimbursed via a cost report or reasonable cost methodology** (3 states)
- Unable to Determine (1 state)

*TN is managed care only

*Adult vaccines are not covered under FFS for FQHC beneficiaries

FQHC: Federally Qualified Health Center; FFS: Fee-for-service



Looking Ahead, Policymakers May Turn Their Attention to Issues Related to Provider Financial Barriers.

Prior reforms have focused on ensuring coverage without cost sharing for all ACIP-recommended vaccines. As a next step, stakeholders may consider reimbursement-related reforms such as:

Creating federal standards for Medicaid provider reimbursement rates for both products and their administration (e.g., CMS payment regulations, SPAs in states with low reimbursement rates).

Establishing Medicaid coverage and reimbursement parity among all provider types that vaccinate adults including pharmacists, physicians, and nurses (e.g., CMS guidance outlining reimbursement strategies to expand Medicaid providers administering adult vaccines, state minimum standards for vaccine reimbursement across all provider type).

Ensuring that FQHCs are incentivized to vaccinate Medicaid beneficiaries through payment reform (e.g., CMS toolkits informing states on how vaccines can be excluded from the encounter payment, SPAs in states that do not exclude vaccines from the encounter payment).