Vaccine Payment: *Why Offices Are Concerned*

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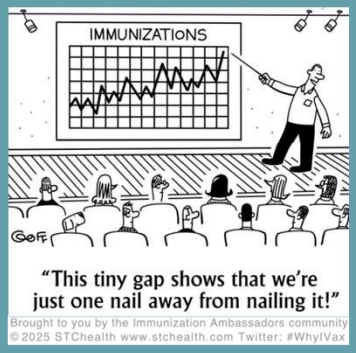
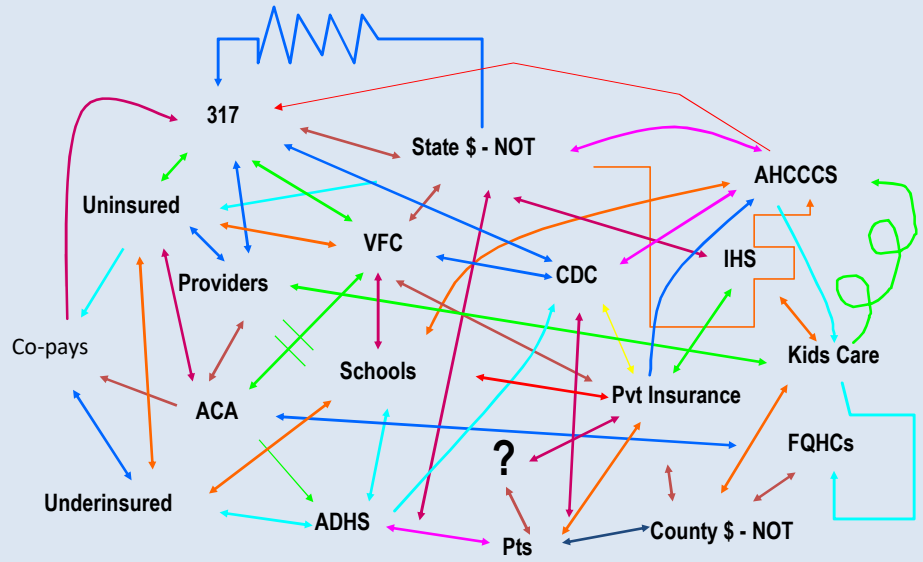
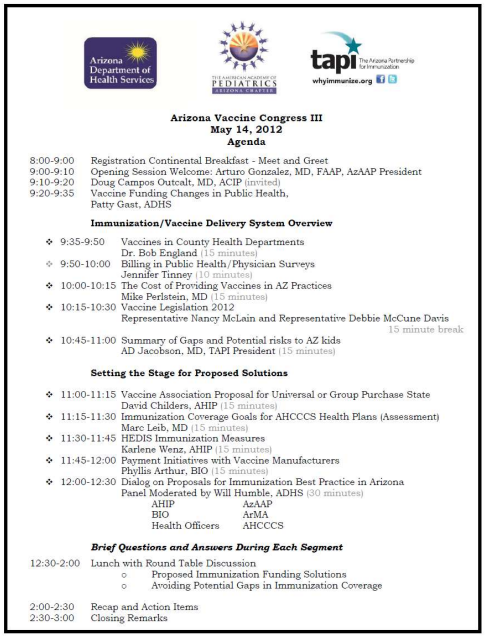


System Level Change

We foster community wellness and advocate for good public policy and best immunization practices.

Vaccine Financing System





Arizona Vaccine Congress III
May 14, 2012
Agenda

8:00-9:00 Registration Continental Breakfast - Meet and Greet
9:00-9:10 Opening Session Welcome: Arturo Gonzalez, MD, FAAP, AzAAP President
9:10-9:20 Doug Campos Outcalt, MD, ACIP (invited)
9:20-9:35 Vaccine Funding Changes in Public Health,
Patty Gast, ADHS

Immunization/Vaccine Delivery System Overview

- 9:35-9:50 Vaccines in County Health Departments
  Dr. Bob England (15 minutes)
- 9:50-10:00 Billing in Public Health/Physician Surveys
  Jennifer Tinney (10 minutes)
- 10:00-10:15 The Cost of Providing Vaccines in AZ Practices
  Mike Perlstein, MD (15 minutes)
- 10:15-10:30 Vaccine Legislation 2012
  Representative Nancy McLain and Representative Debbie McCune Davis
  15 minute break
- 10:45-11:00 Summary of Gaps and Potential risks to AZ kids
  AD Jacobson, MD, TAPI President (15 minutes)

Setting the Stage for Proposed Solutions

- 11:00-11:15 Vaccine Association Proposal for Universal or Group Purchase State
  David Childers, AHIP (15 minutes)
- 11:15-11:30 Immunization Coverage Goals for AHCCCS Health Plans (Assessment)
  Marc Leib, MD (15 minutes)
- 11:30-11:45 HEDIS Immunization Measures
  Karlene Wenz, AHIP (15 minutes)
- 11:45-12:00 Payment Initiatives with Vaccine Manufacturers
  Phyllis Arthur, BIO (15 minutes)
- 12:00-12:30 Dialog on Proposals for Immunization Best Practice in Arizona
  Panel Moderated by Will Humble, ADHS (30 minutes)
  AHIP AzAAP
  BIO ArMA
  Health Officers AHCCCS

Brief Questions and Answers During Each Segment

12:30-2:00 Lunch with Round Table Discussion
- Proposed Immunization Funding Solutions
- Avoiding Potential Gaps in Immunization Coverage

2:00-2:30 Recap and Action Items
2:30-3:00 Closing Remarks

Vaccine Congress I, II, III, IV, V

State & County Public Health
Primary Care Offices
Health Plans
Manufacturers

Set of recommendations to improve rates:

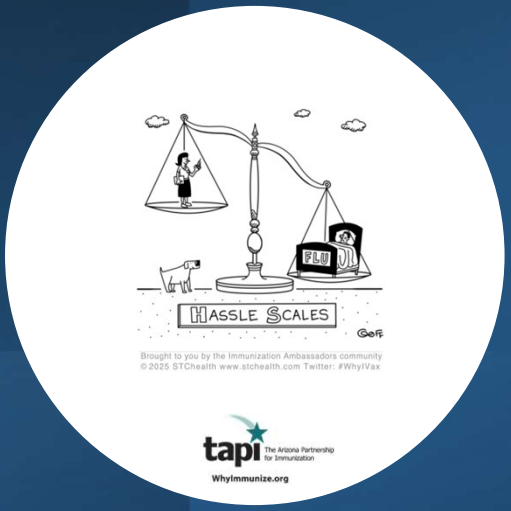
- Bill for patients accessing County clinics
- Increase reimbursement rates above vaccine purchase cost
- Train providers on vaccine business practices

Problem: Cost of Carrying Vaccines

- 44% percent of private practice overhead in vaccine stock.
  - Can be in the hundreds of thousands. Often on credit.
  - Can take months for reimbursement.
- Second only to payroll expenses for an office.

How Vaccines Get Paid

Business Case for Vaccine and Administration Payments



The Business Case for Vaccine Administration Payments

Vaccine Administration includes:

1) **Clinical staff time:** RN/LPN/MA blend, including time for vaccine registry input, refrigerator/freezer temperature log monitoring/documentation, and refrigerator/freezer alarm monitoring/documentation.
2) **Medical supplies:** 1 pair non-sterile gloves, 7 feet of exam table paper, 1 OSHA-compliant syringe/needle, 1 CDC information sheet, 2 alcohol swabs, 1 Band-Aid.
3) **Medical equipment:** exam table, dedicated full-size vaccine refrigerator with alarm/lock [commercial grade], and refrigerator/freezer vaccine temperature monitor/alarm.

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What it takes to give a shot

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Contract with all health plans
Credential site and all providers
Contract with vaccine suppliers
Order and pay for private vaccine supply
Sign up for VFC
Sign up for ASIIS
Order VFC vaccine through state registry
Accept shipment for
chain
Refrigerate vaccine
Check refrigerator twice daily for temps
Insure vaccine
Schedule vaccine appointment
Check insurance and VFC eligibility
Gather accurate and complete insurance data
Verify insurance coverage for private

Check the patient record book
Check ASIIS for shot history
Screen patients for what's needed and contraindications
Counsel patient
Give VIS for every vaccine
Get consent from each vaccine
ASIIS
Inject vaccine
Band-Aid the site
Comfort the child
Update the parent record book
Record correct diagnosis code to record
Record cpt to record
Record NDC and lot number to record
Update EHR
Report to ASIIS (registry)

Inventory vaccine stock in refrigerator
Reconcile ASIIS inventory
Report dose by lot number and NDC to ASIIS for VFC
Send temp logs to VFC
Review report cards
Send record to billing
Build claim in electronic system all 33 boxes
Send claim to clearinghouse and on to payers
Receive EOB with payment or denial
Rebill 15% of claims for denial
Adjust actual payment in billing system
Report payment to patient Record in billing system
Bill patient directly for outstanding balance

$3.67-$26.55 Admin Fee
Payments don't always cover vaccine purchase prices

The Business Case for Vaccine Payments

Vaccine Acquisition and Management Costs includes:

1) Purchase price with excise tax.
2) Staff cost of vaccine inventory management.
3) Cost of insurance on vaccine inventory.
4) Average time between purchase of a vaccine and payment for administering it.
5) Percentage of doses that are wasted or for which payment is uncollectible.
6) Cost of billing and collection activity attributable to vaccines.

Payment should include: Retail Cost of Vaccine + 25% for #'s 2-6

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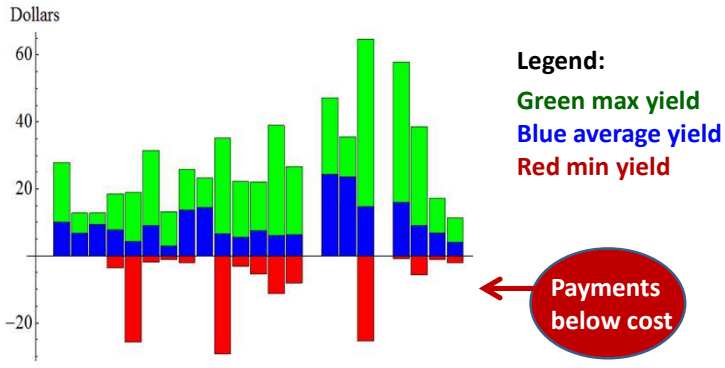
Insurance Payments vs. Vaccine Cost

Net Yield: Insurance payment minus vaccine purchase price in dollars



Each Bar = payment for one vaccine

Adapted from Gary Freed et al. Pediatrics 2008; 122:1325–1331

Problems Getting Paid

(Just as complex as how we do public funding for vaccines.)

ACA & IRA Vaccine Coverage.

- Has helped tremendously to expand access but does not fix payments for the providers.
- 1st dollar coverage for patient does not mean adequate payment for provider.
- Plans have 1 year from the ACIP vote to implement coverage in the following year's policies. Offices are not sure when it will be covered or amount.
- New vaccines, new recommendations, Federal programs and private coverage all have different complexities.

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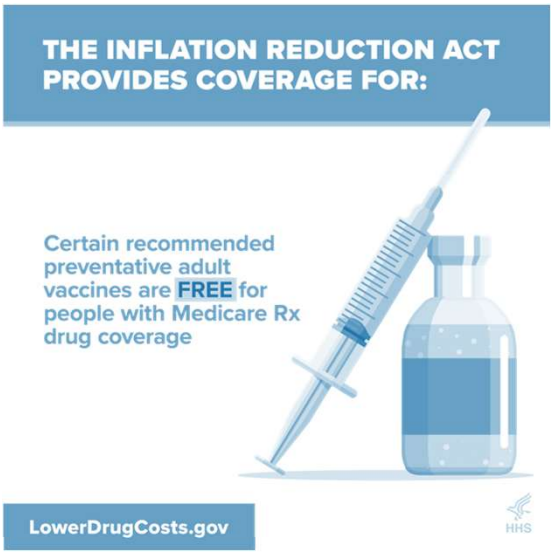
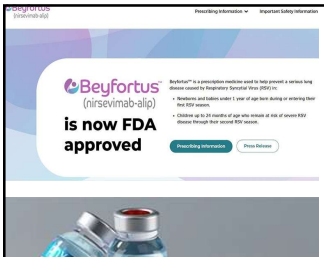
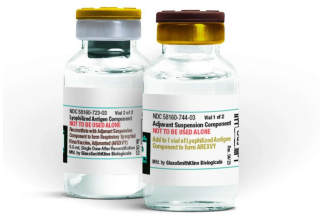


Payments for a **New Vaccine** Added to Schedule:

Can be a 6-12 Month Delay Loading & Paying New Codes. Don't always know if the payments will cover the cost of the vaccine until claims are processed.

- Health Plan systems are hard to change.
- Takes months to get codes in system so claims are rejected.
- Once codes are loaded, claims have to be resubmitted, and payments can be further delayed.
- Offices carry the cost of the vaccines purchased for 6-18 months.
- Particularly difficult with newer expensive vaccines.





- Large Older Adult practice discovered the payment margin was too low to cover cost after 6 months. Stopped offering RSV vaccine to high-risk patients and rethinking all vaccines.
- Office capped RSV immunization 2 months after approval when reached $500,000 in purchases. Ran through reserves before end of season.
- Health Department waited 8 months(Oct-May) for outstanding $1.5 million for RSV vaccine & monoclonal.

ACIP Schedule & Price **Changes** and Delayed Payments

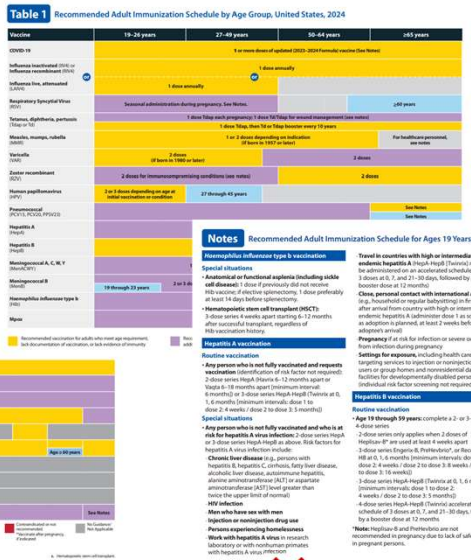
Health Plan systems are hard to change to follow ACIP recommendation changes and vaccine price increases.

- Some only review formulary every 18 months.

Examples:

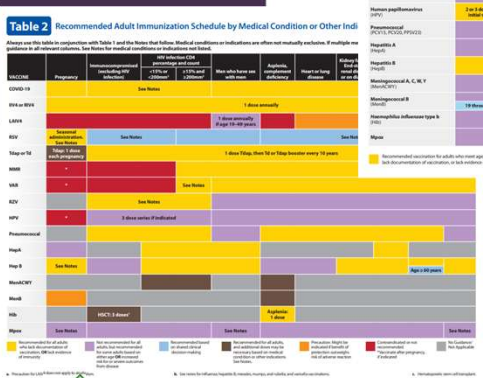
- New recommendation for RSV at age 50 has same payment delay as new vaccine.
- MMR age vs birth year.
  - Companies don't always update their systems yearly or think about MMR "born after". Denied for out of age range (age 66 this year, some only go to age 50).
- Price change for HVP decreased margin in practice's largest health plan to 1.5%. Not enough to cover inventory management. Paused program
- Shared clinical, footnotes, & high risk often get rejected.

Footnotes, algorithms & Payments



✓ Yes

Age-Based Schedule usually reimbursed by most plans.



✓ Yes…But

Medical Condition Schedule often reimbursed but requires additional documentation.

✗ No

Footnotes rarely get through algorithms. Require appeals for payments. 18 months fix.

Payments for **Non-Traditional** Providers

Trends that are impacting large groups of providers that are crucial to vaccine delivery.

- Narrow networks exclude many.
- Stricter requirements to credential mass immunizers with hospital privileges.
- Paying Nurse Practitioners 80% of physician fee schedule including the hard cost of the vaccine purchase.
- Hard expansion for dentists, LTC, specialty.
- Increased denials for Coordination of Benefits.
  - Verify as insured.
  - Requires patient submit form to insurer.
  - Only find out after appt and mass immunizers have limited relationship with patient to follow up.

Plan Specific **Glitches** that Impact Offices

Health Plans have big systems that sometimes have bugs. There is always a payment problem for at least one vaccine in just about every plan.

Examples:

- Health Plan A - problems with out of state claim submissions leading to claims just not being processed. (2 years)
- Health Plan B - denying separate injections for MMR and Varicella stating that the combo MMRV should be used. Paying the claim amount for just MMRV which does not cover the cost of the separate vaccines. (16 months)
- Health Plan C – new provider swapping error so taking back $50,000 in previous claims. (11 months)
- Health Plan D - RSV admin code not loaded for over a year (impacted 2nd season)

Federal Programs and Immunization Payments

Though the Federal programs like Medicare, Medicaid, TRICARE & IHS are quicker to cover recommendations, the system update delays & glitches still impact provider payments.

Examples:

- State Medicaid not covering private purchase mpox until after 10/01/2024 despite it going commercial June 2024. Only certain health departments have the Federal doses. (No appeals possible.)
- Mixed Message - State Medicaid saying that Federal statutes do not support paying admin codes for combo vaccines.
- Medicaid IHS denying vaccines for preauthorization.
- Tricare denied additional COVID vaccine doses if they did not have claim for 1st. (Still in appeals.)
- Hep B added to Medicare Part B Jan 2025 for mass immunizers, but plans have until July to add the codes. Claims being rejected.
- State Medicaid agency only updates fee schedule every 18 months.
- Medicare Part A, Part B, Part D and who can be paid creates missed opportunities. Low payments for D in offices.

Federal Programs
Health Plan Complex Systems
Non-Traditional Providers
Traditional Providers
Pharmacists
New Prices
New Vaccines
New Recommendations

Payment problems in every state, for every vaccinator, with every plan, for every plan, being managed daily, by multiple staff…is shifting the cost burden to providers and public health and breaking the vaccine delivery system.

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So, What Do We Do?

Share Your Expertise with the Billing & Coding Task Group

What are payment concerns you're hearing about?

What successes have you had that might help others?

What policies should we be aware of that impact payment systems?

Overarching Solutions

TAPI partners Vaccine Congress 2023

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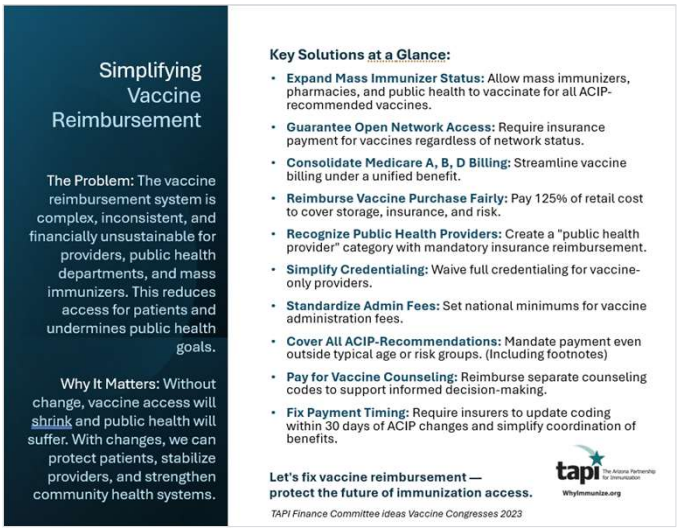
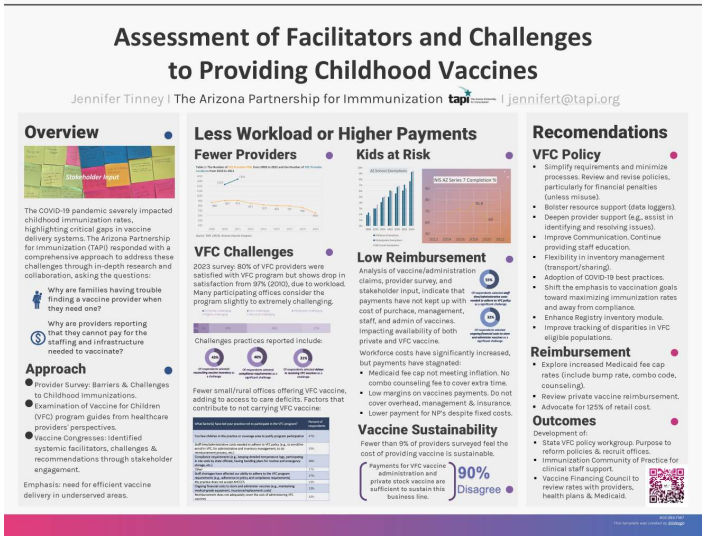
Wishful Thinking(?):

- Investigate how system algorithms work for high risk and footnote recommendations.
- Create a "Vaccine Access Bill of Rights."
- Launch a Federal Vaccine Payment Reform Task Force or workgroup under ACIP.

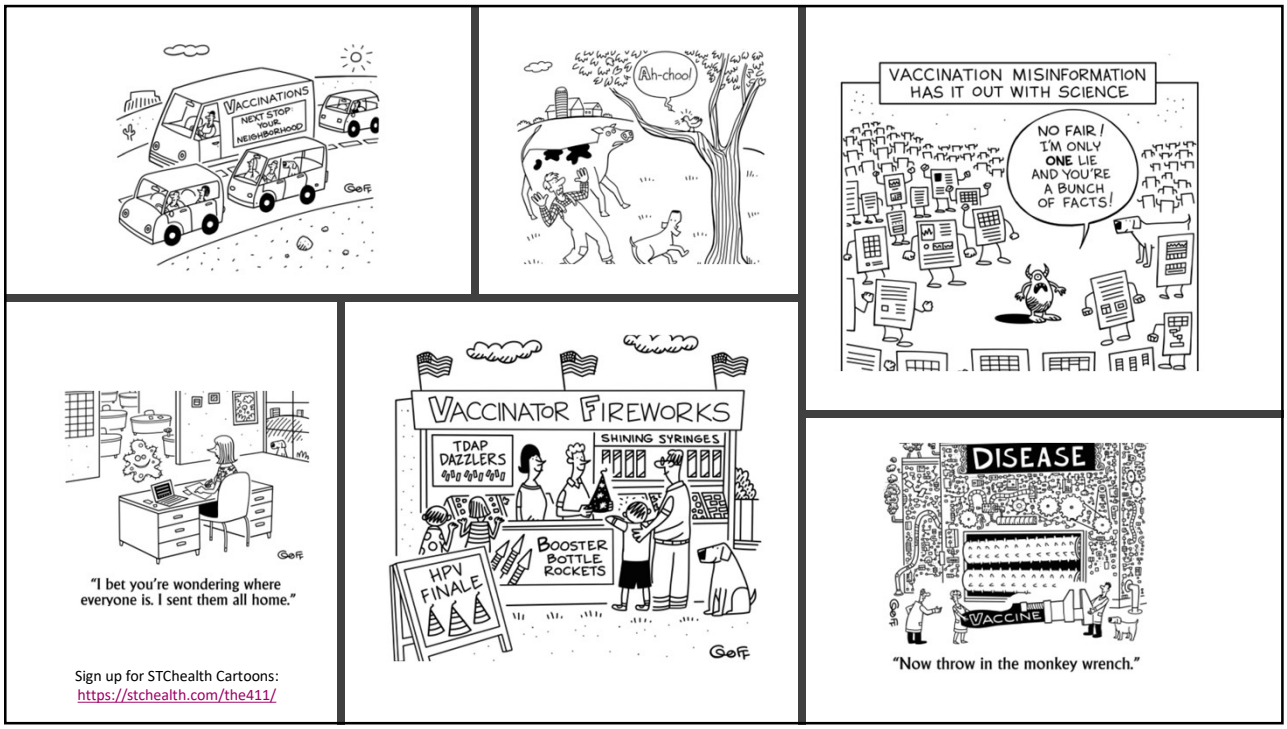
Key Principles:

- Open access.
- Fair payment.
- Fast updates.
- Simplified billing rules.





Information on managing vaccines and reimbursement recommendations – also applies to adult vaccines



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