

VACCINES AND VACCINE ADMINISTRATION

GOAL

Physicians should receive adequate payment for vaccines and their administration.

CURRENT PRACTICE

Despite the CDC publishing private practice costs of vaccines, many health insurance companies pay physicians less than their direct purchase cost. Despite CMS assigning RVUs for vaccine administration costs, many health insurance companies pay physicians at 50% or less of Medicare rates.

PROPOSED SOLUTION

All health insurance companies in Pennsylvania should recognize the CDC private practice costs of vaccines and pay for the actual vaccine costs plus related acquisition costs. In order to break even, total acquisition costs have been shown to be up to 28% above the vaccine cost. In addition, health insurance companies should adjust vaccine reimbursement rates within 30 days of notification of manufacturer price increases, as documented on the CDC website. Payers should also follow CMS recommendations regarding payment of vaccine administration costs and pay a minimum of 100% of Medicare rates, weighted by the appropriate geographic cost price index.

SUPPORTING EVIDENCE/RATIONALE

- Immunizations represent a social investment in both our children's health and that of our country. Failure to improve vaccine reimbursement procedures will price pediatricians out of providing vaccines and lead to under-immunization of our nation's children, unnecessary and avoidable morbidity and mortality, and poor quality of care.
- Immunizations have become a significant financial investment for pediatric practices. Vaccine costs include the vaccine purchase price, personnel to order and inventory vaccine, insurance in the event of vaccine loss, vaccine storage and handling requirements, record keeping (including reminder/recall systems), spoilage/wastage/non-payment, and lost opportunity from having capital tied up in vaccine purchase.
- Vaccine administration costs include physician time (which is increasing exponentially with the current climate of vaccine/autism controversy), technical skill/effort, mental effort/judgment, reporting to state/local vaccine registries, practice expenses direct costs of clinical labor/medical supplies/medical equipment, and practice expenses indirect costs of administration/labor/office expense and other costs.
- Adequate payment for vaccines and vaccine administration in the private office reinforces the medical home and reinforces patient-centered care.

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