How are Adult Immunizations paid for in the United States?

Litjen (L.J) Tan, MS, PhD
Chief Strategy Officer, Immunization Action Coalition
Co-Chair, National Adult and Influenza Immunization Summit

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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
### Cost Burden of 4 Adult Vaccine-Preventable Diseases in Persons Age 65 Years and Older, United States, 2013

<table>
<thead>
<tr>
<th>Vaccine-Preventable Disease</th>
<th>Estimated # of CASES</th>
<th>Estimated COSTS (Medical &amp; Indirect) (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Influenza</td>
<td>4,019,759</td>
<td>8,312.8</td>
</tr>
<tr>
<td>Pneumococcal</td>
<td>440,187</td>
<td>3,787.1</td>
</tr>
<tr>
<td>Zoster</td>
<td>555,989</td>
<td>3,017.4</td>
</tr>
<tr>
<td>Pertussis</td>
<td>207,241</td>
<td>212.5</td>
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<td></td>
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<td>$15,329.8</td>
</tr>
</tbody>
</table>

Additional $11.2 billion in costs if ages 50 – 64 years included


### Who pays for vaccines?

- **Vaccines For Children (VFC, covers ~45% of children)**
  - Entitlement for children up to age 19 served by:
    - Medicaid
    - Without health insurance
    - American Indians and Alaska Natives
  - Underinsured children can receive VFC vaccines at Federally Qualified Health Centers (FQHCs) or Rural Health Clinics (RHCs)
- **Section 317**
  - No longer be used to cover routine vaccination of children, adolescents, and adults who have public or private insurance that covers vaccination
  - Also has objective to improve adult IZ
  - Stagnant funding
Who pays for vaccines?

- Medicare
  - Covers vaccines for those 65 years and older
  - Influenza, Pneumococcal and Hepatitis B – Part B (by legislation)
  - All other vaccines – Part D (eg, shingles)

- Medicaid
  - Only public sector payer that provides for administration fee
  - Admin fee set by states with huge state-to-state variance; states have to contribute enough funds to draw the maximum federal matching contribution allowable
  - ACA updated the caps are set by CMS for admin fees but states do not have a floor.

- Private Sector
  - Price of vaccine negotiated with distributors/manufacturers
  - Payment negotiated with payers
  - Providers responsible for administering vaccine then seeking payment (compare with pharmaceuticals where patient fills prescription)

Current coverage of vaccines

Private Payers

- 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 payer 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
Current coverage of vaccines

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

Coverage Challenges

For private insurance

- Concern remains about coverage for differences between an FDA indication and an ACIP recommendation
- **Example – Shingles Vaccine**
  - Shingles has FDA indication for ages 50 and above, no exclusion of immunocompromised. ACIP recommendation has not addressed that population.
  - Provider provides vaccination to 55 year old with immune compromise.
  - Will it be covered? Not likely
- Travel vaccines are not covered unless indicated in the footnotes of the ACIP schedules...
Coverage Challenges

For private insurance

- **Network Adequacy/Out of Network Providers**
  - If patient cost is less of an issue, access to vaccinations becomes primary barrier to coverage.
  - Increase access points for getting vaccinated
    - All providers of care for adults have a responsibility to assess, counsel, recommend, and if feasible, deliver 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
  - CDC “billables” project – contracting to make public health departments in-network providers.

National Standards for Adult Immunization Practice*

ALL providers of health care to adults are to:

1. **ASSESS** patient’s status for all recommended vaccines at each clinical encounter;
2. Educate and counsel the patient on the recommended vaccines and strongly **RECOMMEND** needed vaccines; and,
3. **VACCINATE** at the same visit, OR for providers that do not stock the recommended vaccine, **REFER** the patient to a vaccinating provider.
4. **DOCUMENT** the receipt of vaccine by the patient

Coverage Challenges

Medicaid Expansion

- Expansion and implementation of the Exchanges will be extremely varied given the variability in states’ participation.
  - 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

The Uninsured Population!

- ~30 million adults uninsured, and this number will increase
  - No VFC-like system for adults – public health safety nets!
Coverage Challenges

- The Continuing Medicare B/D challenge
  - 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)

- While payment to provider may not be an issue, adequacy of provider payment for vaccines and administration remains!

Adequacy of Provider Payment - 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
Adequacy of Provider Payment – Cost to provide Vaccines

- 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

Adequacy of Provider Payment – Cost to provide Vaccines

- Staff time:
  - Discussions with parents
  - Vaccine administration
  - Documentation
  - Training
- Supplies
- Billing
Resilience to Influenza with Aging

Vaccine Preventable Disability

Catastrophic disability
- Defined as a loss of independence in ≥ 3 basic Activities of Daily Living
- 14.6% of older adults hospitalized with influenza experience catastrophic disability
- Disability due to influenza hospitalization is also linked to leading causes of catastrophic disability
  1. Strokes
  2. CHF
  3. Pneumonia and influenza
  4. Ischemic heart disease
  5. Cancer
  6. Hip fracture
Are you willing to risk your independence this winter?

Keeping your glass half full!
Exercise, diet, smoking cessation and vaccination

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  - www.izcoalitions.org
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Thank You!