



Health Insurance Billing and Reimbursement are Critical to the Success of Your Immunization Program

Vaccines are among the top overhead expenses for pediatric and family practices.

. . . To promote maximum immunization coverage for all infants, children, adolescents, and adults . . . physicians must be paid the full cost of vaccine-related expenses (direct and indirect), including vaccine administration expenses and overall overhead expenses.

American Academy of Pediatrics (AAP) <http://www2.aap.org/immunization/pediatricians/pdf/thebusinesscase.pdf>

Practices that administer vaccines should keep the following important points in mind when negotiating vaccine reimbursement rates with insurance companies:

Health insurance immunization reimbursement should include immunization administration fees and the cost of vaccines. Immunization administration fees have been estimated by the Centers for Medicare and Medicaid Services (CMS) to cover specific costs involved in administering vaccines. These costs include supplies, the time required to administer vaccines, technical skill and judgment, medical equipment and liability insurance expense.

Health insurance payments for vaccines should cover the ALL THE COSTS associated with purchasing, stocking and managing vaccine. The American Academy of Pediatrics (AAP) (<http://www2.aap.org/immunization/pediatricians/pdf/thebusinesscase.pdf>) and the Arizona Vaccine Financing and Availability Advisory Committee (<http://www.azdhs.gov/phs/immunization/financing-advisory-committee.php>) recommend that insurance companies reimburse, at a minimum, 123% of the retail price of vaccine to cover a practice's total vaccine expense. These expenses/costs include:

- Cost of purchasing vaccine. The Centers for Disease Control and Prevention (CDC) vaccine price list for the private sector is a transparent and verifiable data source for vaccine pricing (<http://www.cdc.gov/vaccines/programs/vfc/awardees/vaccine-management/price-list/index.html>)
- Personnel costs incurred when ordering, storing and managing vaccine inventory; needed technical skill and judgement when administering vaccines; and liability insurance expense
- Storage equipment costs (correct refrigeration/freezer equipment, digital thermometers, emergency back-up plans in the event of a power outage or equipment failure, etc.)
- Cost of Insurance for potential vaccine loss
- Recovery of costs attributable to wastage and non-payment
- Return on the investment cost of maintaining a vaccine inventory.

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Best practices to ensure accurate and adequate reimbursement for immunizations:

- Check the patient's insurance eligibility at every visit, and verify if the patient has dual primary and secondary insurance coverage.
- If stocking both VFC and private-purchase vaccine, maintain as separate stocks by storing on separate shelves in the refrigerator/freezer or in separate bins, and label vaccine boxes or bins as "VFC" or "Private." VFC and private vaccine stocks must also be managed separately in ASIIS.
- If a VFC eligible individual has dual coverage (AHCCCS and private insurance), as of November 2014 AHCCCS is the payer of first resort.
- List the correct CPT codes for the vaccine product per antigen and for the vaccine administration on your claims.
- Add the National Drug Code (NDC) for the vaccine to your claim line for each vaccine product. Record the correct NDC in the patient's ASIIS immunization record. Remember that the correct NDC is found on the vaccine packaging (box label) and not on the vials/syringes. Although the NDC is displayed on the package in a 10 digit format you must convert this 10 digit format into an 11 digit format for billing. Example: The package NDC of 49281-215-15 should be converted to 49281-0215-15 for billing purposes.
- When a plan denies a claim for a dually insured person, you may decide to resubmit the claim to the alternative plan. In this case, if you need to swap VFC vaccine for private vaccine or vice-versa, be sure to remember the extra steps of swapping these doses in the ASIIS inventory and in the patient's ASIIS immunization record.

If you have any billing questions, please contact:

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