

# Survey Report: Immunization Billing Practices by Local Health Departments in Oregon

## EXECUTIVE SUMMARY



### **Oregon Immunization Program**

800 NE Oregon Street,  
Suite 370  
Portland, OR 97232

Prepared by Kelly F. McDonald, MPH  
July 2013

## Executive Summary

As part of the Billable Vaccines Project, contractors for the Oregon Immunization Program are working to help local health departments (LHDs) improve their capacity to bill for the immunization services they provide. In March 2013 a survey was distributed to determine the most current billing practices being implemented at Oregon's public clinics. Questions focused on a wide range of policies and procedures, including health plan contracting, administration fee charges, the tracking of reimbursements, and training or resources needed to improve clinics' capacity to bill.

This report summarizes the responses submitted by Oregon's local health departments (LHDs). While the LHD response rate was 100%—with 34 of the 34 LHDs completing the survey—occasionally, a question was skipped. If a respondent skipped a question, the agency was removed from the corresponding denominator.

This data will be used to help improve billing capacity and reimbursements for local health departments and other public clinics throughout the State.

### Summary of Results:

- 30 of Oregon's 34 LHDs (88%) have some type of contract or other agreement in place with at least one public or private health plan
- Of the 30 LHDs with at least one contract, four contract only with public plans (13%)
- There were 167 individual contracts cited by the 30 LHDs
- The most frequently cited commercial health plans were Regence BlueCross BlueShield of Oregon (77% of contracting LHDs), PacificSource (63%), and ODS/MODA/Moda (60%)
- 85% of contracts are for immunizations and other public health services; 15% are for immunization services only
- 100% of LHDs will provide immunizations to clients with a non-contracted private insurance plan
- Vaccine administration fees for VFC/317 clients range from \$15 (20%) to \$21.96 (65%) for the first injection. Note: Eight LHDs reported plans to increase their VFC/317 administration fee, either at the new fiscal year or upon future authorization from county commissioners
- For successive injections at the same visit, vaccine administration fees for VFC/317 clients match the amount charged for the first injection, with one exception: one LHD charges \$5 for successive injections given to VFC/317 clients
- Eight LHDs (23%) have plans to raise VFC/317 administration fees to the maximum allowable amount (\$21.96) upon approval from county commissioners or some other authorizing body in their jurisdiction

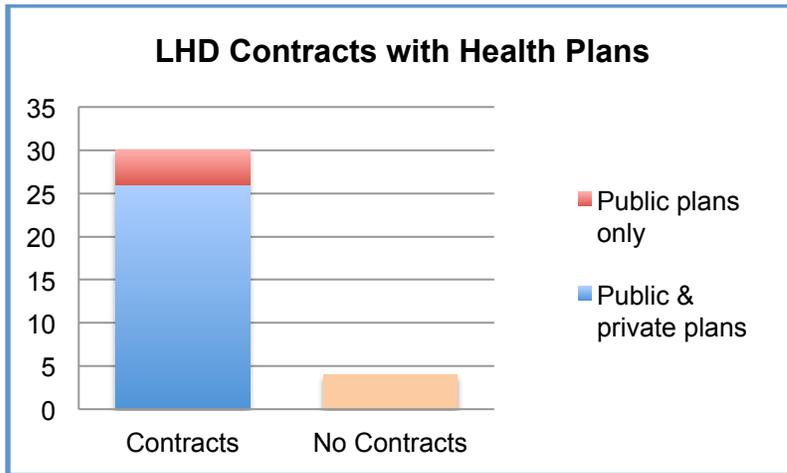
- Vaccine administration fees for non-VFC/317 clients range from \$15 to \$50 for the first injection
- For successive injections at the same visit, vaccine administration fees range from \$5 to \$35 for non-VFC/317 clients
- 47% of LHDs set their non-VFC/317 administration fee to match the VFC/317 fee. Another 32% of LHDs used a cost analysis to determine the appropriate fee
- 94% of LHDs charge the same administration fee for clients who receive Billable (B) vaccine and those who receive Locally Owned (L) vaccine
- Administration fees are waived entirely by 74% of LHDs when clients state they cannot afford the full cost. 38% offer payment plans. 32% use a sliding scale
- 70% of LHDs track reimbursement amounts from the health plans that they bill
- The most common training or resource needs cited were contracting tips (58%), example billing procedures (48%), insurer resources (42%), credentialing help (42%), and coding help (42%)

The following pages provide a detailed account of survey questions and responses, followed by recommendations intended to help LHDs bill successfully for their immunization services.

See Appendix A for a glossary of terms used in this report.

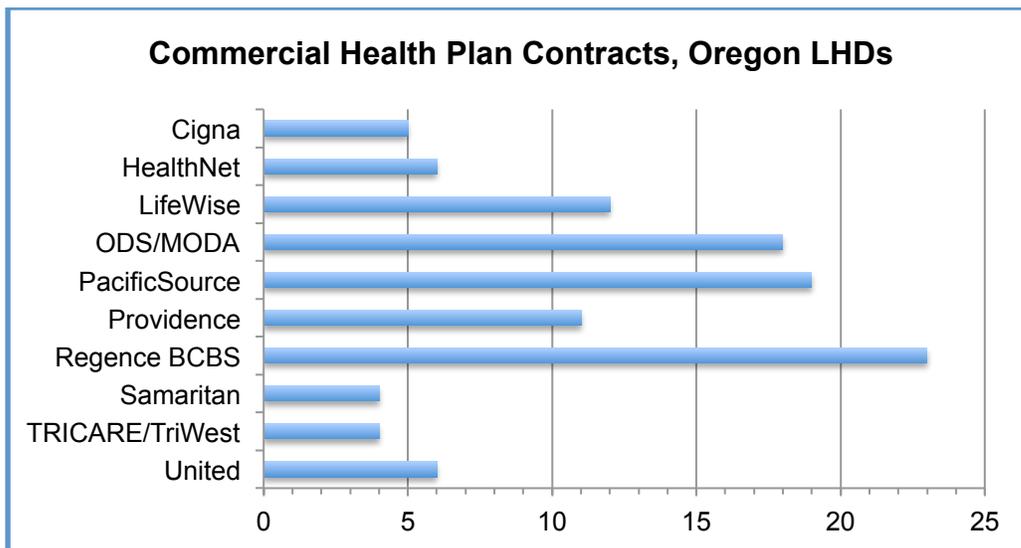
**1. Does your agency currently contract—or have other similar agreements—with any public or private insurance company for the purpose of immunization billing?**

Thirty of the 34 LHDs in Oregon (88%) have some type of immunization contract or other similar agreement with at least one public or private health plan. Four LHDs do not contract with any health plans. Of the 30 LHDs that do contract, four contract only with public health plans.



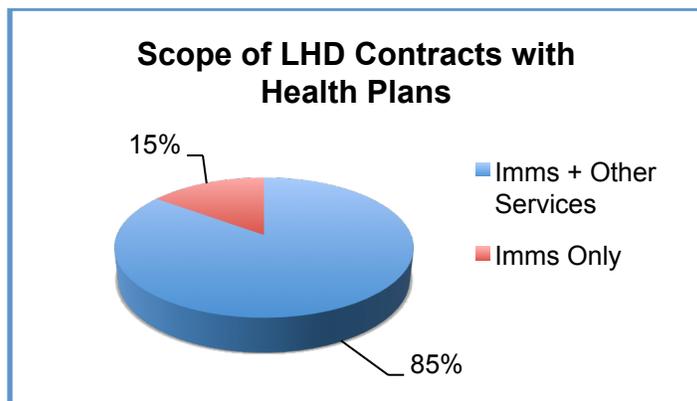
**2. Please list the companies your agency has contracts or agreements with.**

There were a total of 167 contracts listed by 30 LHDs. Each of those 30 agencies cited one or more *public* plan contracts, such as DMAP, OHP, or Medicaid, as well as contracts with various Coordinated Care Organizations from their respective regions around the state. Four of the 30 LHDs that contract do so with public plans only. The graph below highlights the most frequently cited *commercial* insurance companies that the remaining 26 LHDs contract with for immunization services.



**3. Please indicate whether the contracts/agreements are for immunizations only or if they include other services provided by your agency (e.g., family planning, chemical dependency, etc.).**

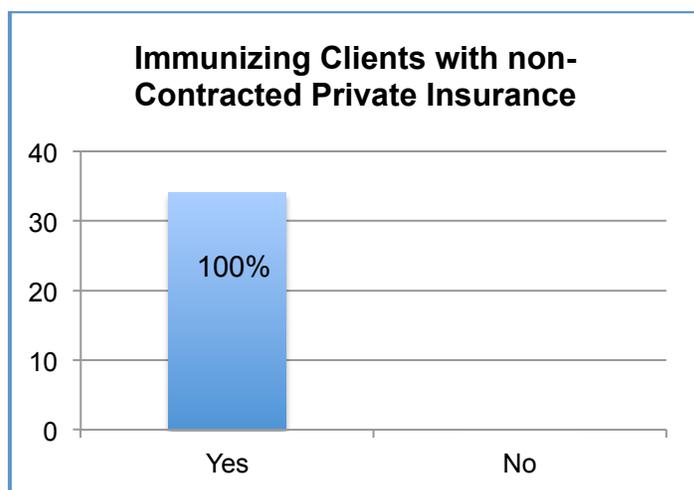
Of the 167 contracts reported by LHDs, 142 of them (85%) were described as including other public health services in addition to immunizations. The remaining 25 contracts (15%) were reported to include immunization services only.



**4. Does your agency immunize clients who are privately insured by companies that you do not have a contract or other agreement with?**

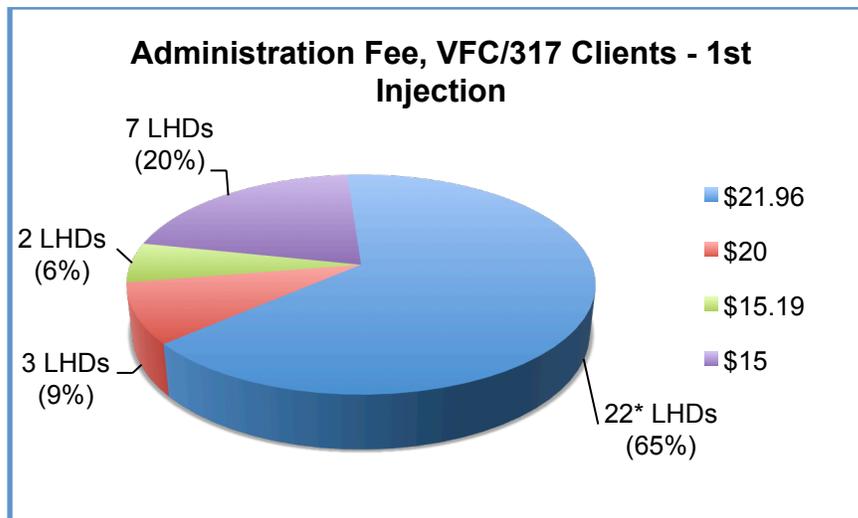
Each of the 34 of survey respondents (100%) indicated that their agency provides immunization services to clients who are privately insured by companies that the LHD does not contract with.

Many LHDs first encourage these clients to see a primary care provider or pharmacy that can bill their insurance. If they elect to be immunized at the LHD, the client is often required to pay out-of-pocket for the service prior to being vaccinated. The client can then seek reimbursement from their health plan.



**5. How much does your agency charge for the vaccine administration fee for VFC-eligible children (birth through age 18) and 317-eligible adults?**

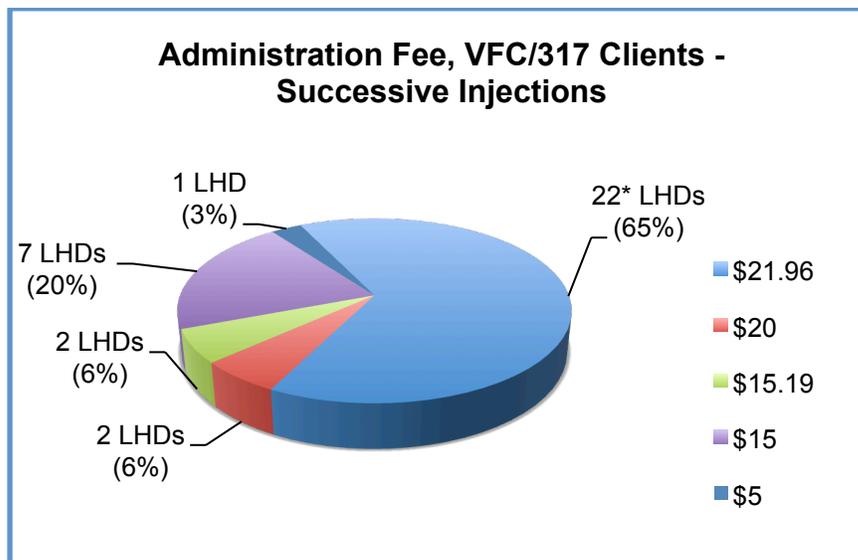
For the first vaccine administered during a clinic visit, 22 LHDs (65%) charge the maximum allowable vaccine administration fee as determined by the Centers for Medicare and Medicaid Services (CMS), \$21.96. Another 7 LHDs (20%) charge \$15 for the first injection. Three LHDs (9%) charge \$20 for the first injection. The remaining two LHDs (6%) charge \$15.19.



**NOTE:** See Addendum for administration fee data updated in **December 2013**

\*Two LHDs charge \$21.95 per injection (\$0.01 less than the CMS-allowable max)

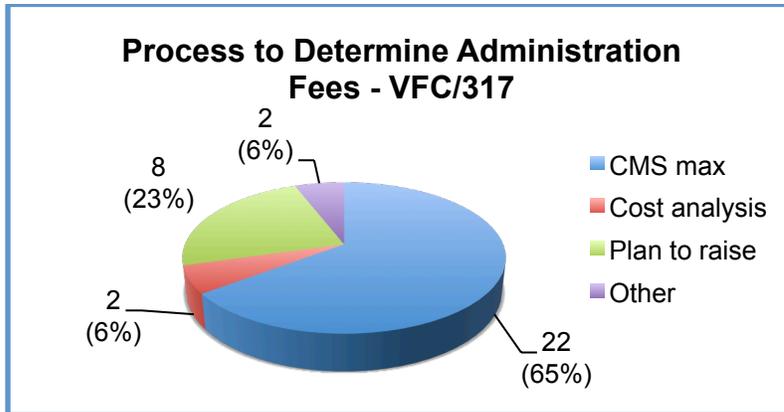
For successive injections given at the same clinic visit, the responses closely matched those provided for the first injection. The only difference was that one agency reported a \$5 administration fee for successive injections.



\*Two LHDs charge \$21.95 per injection (\$0.01 less than the CMS-allowable max)

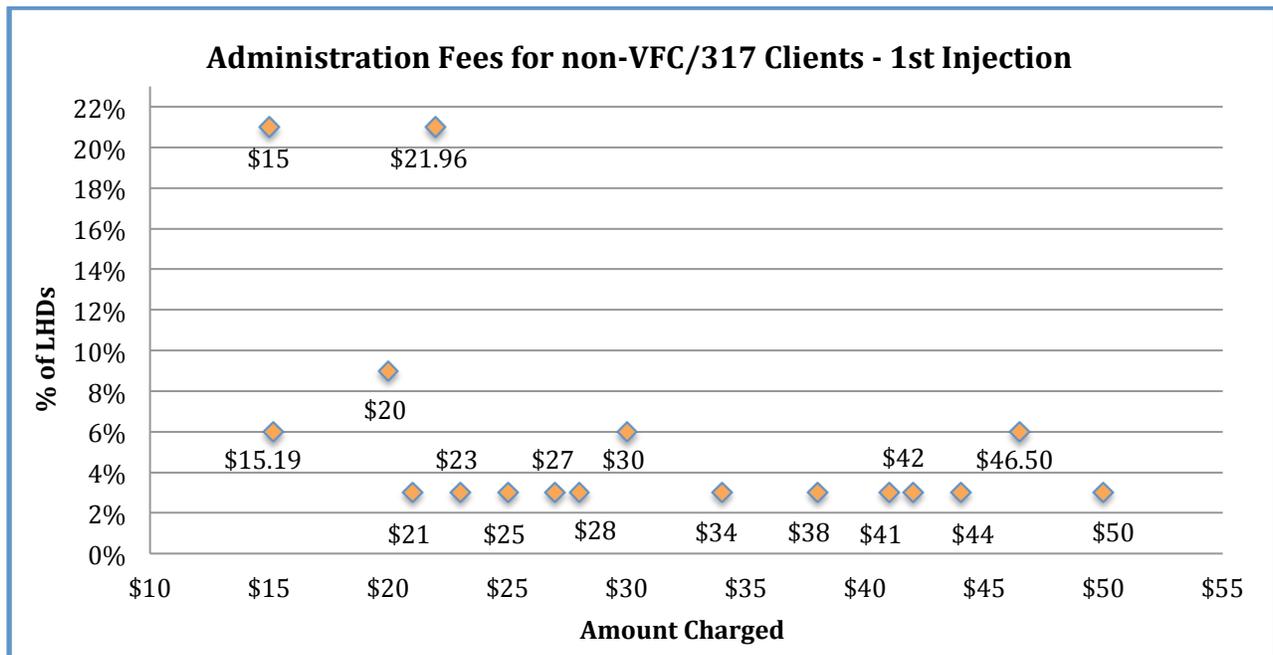
**6. How did your agency determine the administration fee for VFC/317 clients?**

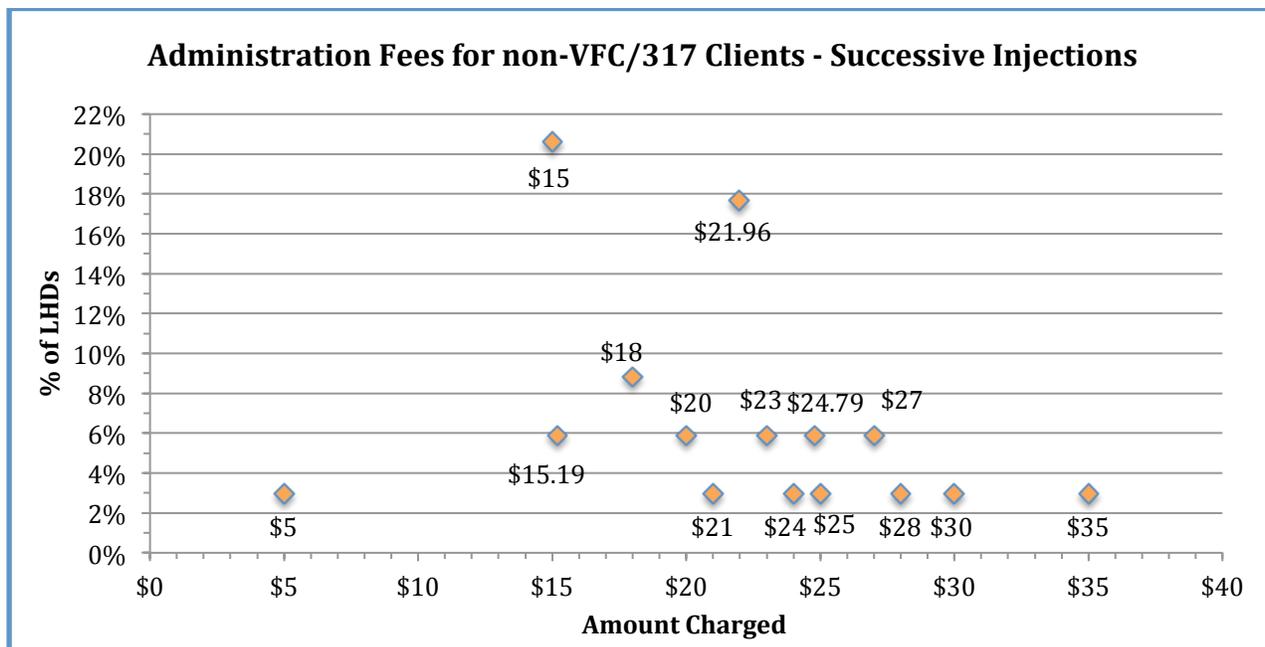
The majority of respondents, 22 LHDs (65%), reported basing their administration fee on the CMS maximum allowable amount. Another eight LHDs (23%) reported that they plan to raise their administration fee up to the CMS maximum (\$21.96) upon approval from county commissioners or some other authorizing body. The remaining four LHDs were split evenly, with two LHDs (6%) using a cost analysis to determine fees and another two LHDs (6%) citing "Other." Of the two "Other" responses, both stated that they prefer to bill a flat amount for ease of calculations.



**7. How much does your agency charge for the vaccine administration fee for your OTHER clients (private insurance, Medicare, adult Medicaid, non-VFC/317)**

The charts below depict the variety of fees charged for non-VFC/317 clients.





### 8. How did your agency determine the administration fee for non-VFC/317 clients?

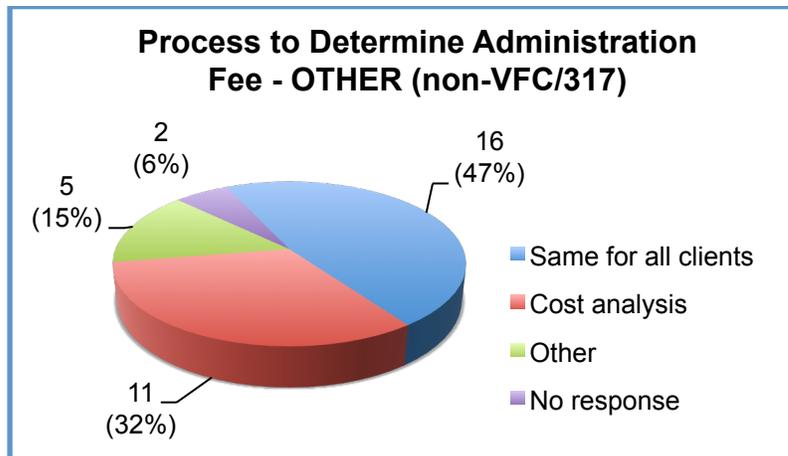
Sixteen LHDs (47%) reported that their agency bills an administration fee that matches the amount billed for VFC/317 clients.\* Another 11 LHDs (32%) used a cost analysis to determine the fee for each injection. Five LHDs (15%) selected “Other,” and the remaining two LHDs (6%) did not respond.

There were a variety of responses provided by the 15% who selected “Other:”

- *“Did mini survey of what other health departments charged.”*
- *“These rates have been in effect since I have been here, 4 years. I do not know how they determined the fee.”*
- *“State approved amount.”*
- *“Used the lower of cost per RVU (cost analysis derived) or market rate cost per RVU.”*
- *“Medicare allowable amount is \$19.68.”*

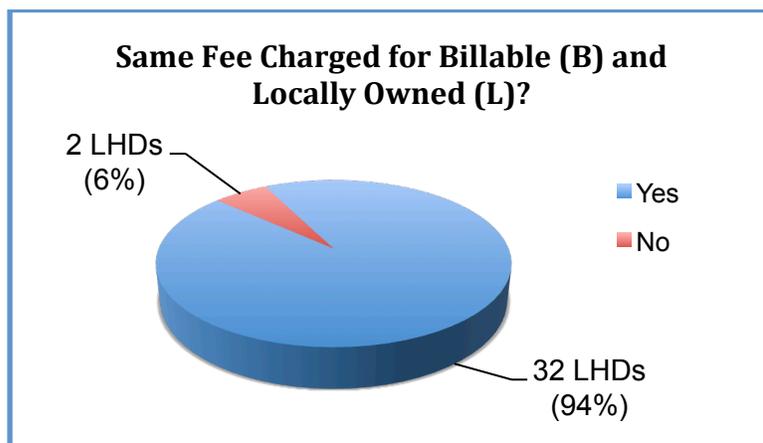
\*It is important to note that, for some agencies, the decision to set administration fees at the same amount across all payer types is set in policy; for others it is more of a long-held philosophy that all clients should be billed the same amount. While some LHDs have conducted costs analysis that have shown the actual cost of their immunization services to be at or near the CMS maximum allowable amount, many others have not yet conducted this type of analysis. The Oregon Immunization Program (OIP) would like all agencies to conduct a cost analysis to determine the actual cost of each injection and then adjust administration fees as needed for various payer types. This will move LHDs

closer to the goal of “full cost recovery” for the immunization services provided. (Note: In August 2013, OIP received approval from the Executive Committee of the Conference of Local Health Officials to implement a new set of billing standards that include a requirement for this type of cost analysis.)



**9. Do you charge this same administration fee for both Billable (B) and Locally (L) owned doses?**

Thirty-two of the 34 LHDs (94%) reported charging the same administration fee for Billable (B) clients and those who receive Locally Owned (L) vaccine. The two LHDs with different fees cited variable costs associated with seasonal flu vaccine.

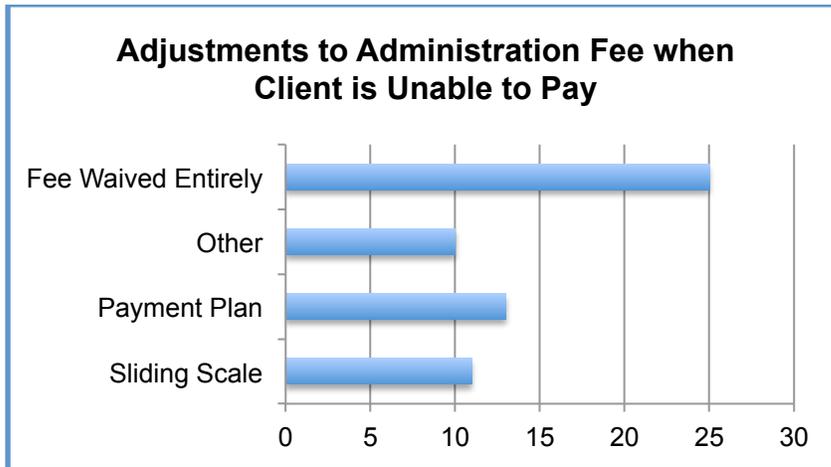


**10. What adjustments do you make to your administration fees for clients who state they cannot afford the full cost? Select all that apply.**

Twenty-five LHDs (74%) reported that fees are fully waived for clients who state they cannot afford the full cost of immunization services. Another 13 LHDs (38%) reported offering payment plans. Eleven LHDs (32%) use a sliding scale based on income to

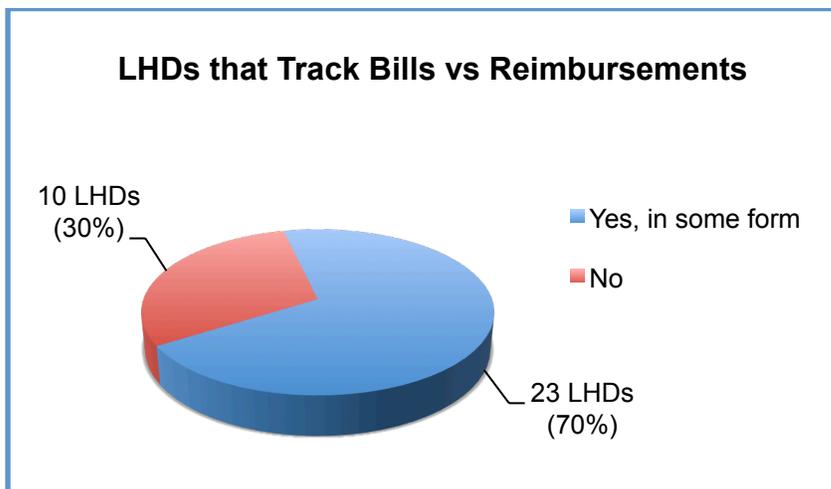
determine the amount owed, and 10 LHDs (29%) reported an “Other” method of fee adjustments.

Of the 10 LHDs that answered “Other,” four commented that they ask for partial payment or a donation at the time of service. The remaining six respondents commented that they require payment in full at the time of service.



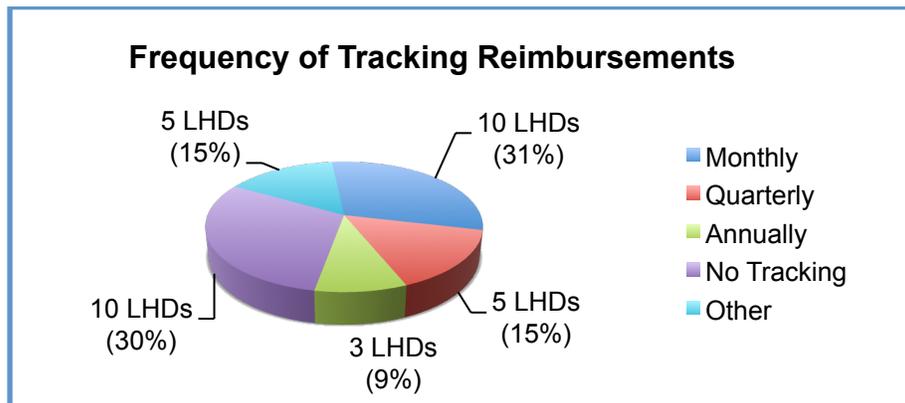
**11. Does your agency track the amount you bill for immunizations and how much you are reimbursed?**

Twenty-three LHDs (70%) reported that their agency tracks reimbursements for immunizations. One agency did not respond to this question.



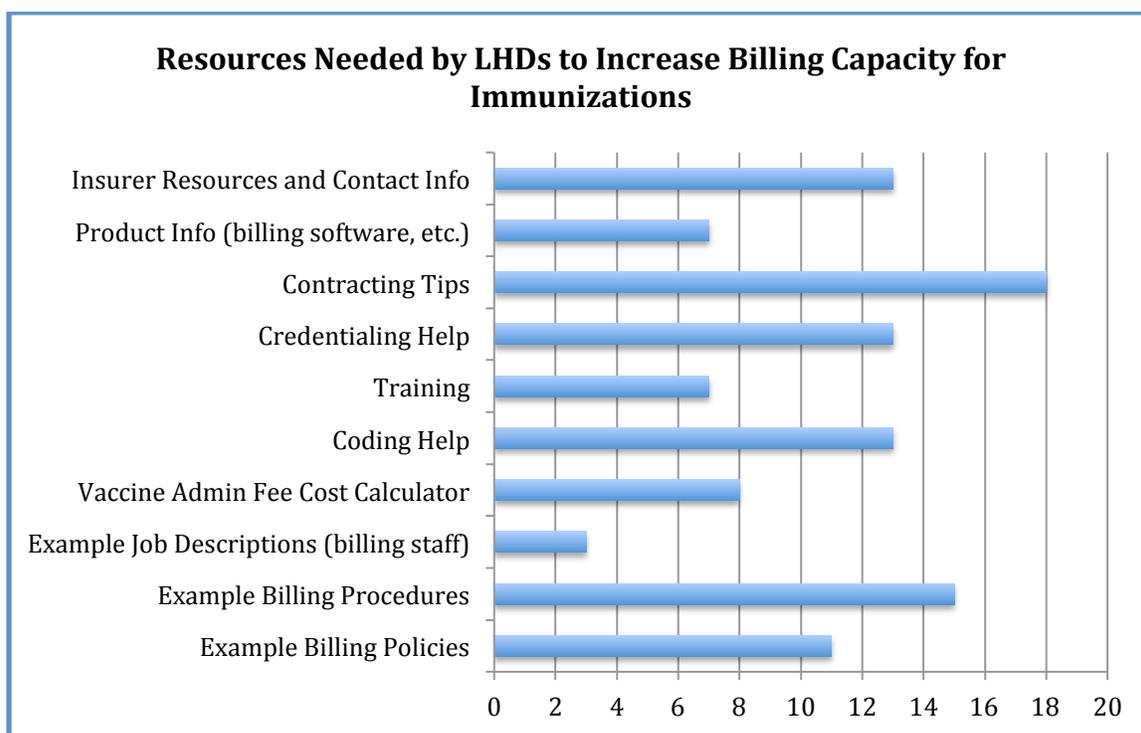
Participants were asked to specify the frequency with which they compare immunization bills to reimbursements. Ten LHDs (31%) track these figures monthly, five LHDs (15%) track reimbursements quarterly, and three (9%) track them annually. The remaining five LHDs (15%) cited an “Other” frequency of tracking. Each of the five respondents who

selected “Other” did not know the frequency of this analysis but indicated that they do track the information.



**12. What resources do you need to increase your billing capacity for immunizations? Check all that apply.**

Thirty-one of the 34 LHDs responded to this question. Of those, the most frequently cited training or resource needs selected were contracting tips (58%), example billing procedures (48%), insurer resources (42%), credentialing help (42%), and coding help (42%). LHDs were also interested in example billing policies (35%), vaccine administration fee cost calculators (26%), billing product information (23%), and example job descriptions for billing staff (16%).



### **13. Is there anything else you would like us to know regarding your immunization billing needs?**

For this final question, participants were provided with space to detail any additional concerns or comments not yet stated. There were a variety of issues mentioned by those who responded:

- *“We need help with insurance companies that state we have a multi-plan discount and only pay us for half the cost of the vaccine, i.e. Aetna and Cigna.”*
- *“We are seeking assistance with contracts in order to be recognized as an in-network provider.”*
- *“We currently do not bill private insurance for immunizations but realize that we need to in order to increase revenue and stay viable.”*
- *“I am not in favor of raising the admin fee to \$21+. For our patients who are low income, raising the price is presenting a barrier in my opinion.”*
- *“(We are) understaffed. (We need) general fund support.”*
- *“We will have a new billing clerk starting on 5/20.”*
- *“There will need to be on-site, webinar, or audio training for billing staff.”*

## Recommendations:

While LHDs in Oregon provide a safety net of immunization and other services for the uninsured, these agencies also provide services for many insured individuals. Many LHDs are not set up to fully manage the billing process, and there is a broad range of practices being implemented across the state. The result of these differences is that LHDs are having varying degrees of success in collecting reimbursements that sufficiently cover the cost of services provided. Listed below are recommendations that may help LHDs increase immunization reimbursements:

1. LHDs that have not already done so should **consider undergoing a cost analysis** to determine the true cost of the immunization services provided. This analysis should take into account both the direct and indirect costs associated with a vaccine visit and enables LHDs to set an administration fee, per injection, that allows for the full cost recovery of services. Undergoing this process will also provide the rationale for fee increase requests to LHD administration and county commissioners. Costs associated with vaccine administration are separate from those associated with the vaccine product and may include:
  - a. Front office staff time – scheduling client, screening for vaccine eligibility, processing client at check-in
  - b. Clinical staff time – reviewing vaccine history, drawing up vaccine, answering vaccine-related questions for client, documentation in client record and immunization registry
  - c. Supplies– medical supplies, Vaccine Information Statements, temperature logs
  - d. Equipment – refrigerator, freezer, exam table, alarm for refrigerator/freezer unit, sharps containers
  - e. Building expenses – rent, utilities

Once established, the vaccine administration fee may need to be adjusted for some clients based on age and vaccine eligibility. The specifics of these adjustments should be included in the LHD's billing policy.

2. Many LHDs reported that their agency waives fees entirely for all clients who state that they cannot afford the cost of services. For Billable (B) clients, these agencies should **consider other options in order to recoup some or all of the cost of services provided:**
  - a. Request a donation or partial payment at the time of service
  - b. Set up a payment plan with the client to collect full or partial payment over time
  - c. Refer client to another facility (i.e., pharmacy or primary care clinic) where the client may face fewer out-of-pocket costs

3. **Take advantage of billing resources and training opportunities** as they arise. As part of the Billable Vaccine Project, contractors for the Oregon Immunization Program are working to improve immunization billing capacity by standardizing billing practices, working with health plans to make contracting, credentialing, and reimbursement processes simpler and more uniform across all LHDs, and providing resources and training to help improve billing processes and outcomes. LHDs will have multiple opportunities to participate in regional and/or statewide training, workgroup conference calls, and webinar events and should participate whenever feasible.
4. LHDs that are not already doing so should **consider regularly tracking the amount billed for immunizations in a given time period as compared to reimbursements during the same period.** By implementing these regular quality assurance measures, LHDs can identify needed efficiencies in billing processes, such as staff training needs, and problem areas with health plan contracts.
5. **LHDs should continue to communicate with OIP staff and contractors about the billing challenges they are experiencing.** OIP staff and contractors are working to help LHDs improve billing capacity. To this end, information on specific billing challenges and successes are being used to develop resources and training for LHDs and to advocate on behalf of LHDs with the major health plans. The more information that is shared, the better informed OIP staff and contractors will be to provide needed assistance to LHDs.

Local health departments are tasked with providing immunizations and other crucial services to entire communities. Unfortunately, these services are in danger for some agencies, in part due to budgetary and other related issues. These challenges are only magnified for counties that are unable to cover the cost of providing vaccines to insured clients. By implementing more efficient and effective billing practices, LHDs may be able to increase reimbursements and more fully cover the cost of the immunization services they provide, thus keeping their doors open to serve all populations.

# Appendix

## Appendix A Glossary

**317 clients** – Section 317 of the Public Health Service Act authorizes the federal purchase of vaccines to vaccinate children, adolescents, and adults. Over its 50 year history, Section 317-purchased vaccine has been directed towards meeting the needs of priority populations, such as underinsured children not eligible for VFC, uninsured adults, and other specific groups. Section 317 discretionary funding also supports immunization program operations at the local, state, and national levels.

**Administration fees** – The amount charged for the administration of vaccines, factoring in expenses such as staff time, medical supplies, and other overhead expenses. This amount does not include the cost of the actual vaccine being administered.

**Billable (B) vaccine** – Vaccine provided to insured clients.

**Billable Vaccines Project** – The Oregon Immunization Program (OIP) established the Billable Vaccines Project in 2003 to allow well insured Oregonians to be vaccinated through local health departments and other public immunization clinics without needing to access federally funded vaccine meant for uninsured or poorly insured Oregonians. The Project has billed private health plans or insured clients for \$11.8 million dollars through 2012 and generated for local health departments previously absent administration fees as a source of local revenue (estimated at over \$2 million).

**Centers for Medicare and Medicaid Services (CMS)** – A federal agency within the United States Department of Health and Human Services, previously known as the Health Care Financing Administration (HCFA). CMS administers the Medicare program and works in partnership with state governments to administer Medicaid, the State Children's Health Insurance Program (SCHIP), and health insurance portability standards.

**CMS-allowable maximum** – The regional maximum allowable charge for the administration of pediatric vaccines to vaccine-eligible children under the Vaccines for Children program. On January 1, 2013, the maximum charge set for the State of Oregon increased from \$15.19 to \$21.96.

**Contracting** – When a local health department (LHD) enters into a written agreement with a health plan that details the dollar amount billed for services and reimbursement provisions by the health plan.

**Coordinated Care Organizations (CCOs)** – Coordinated Care Organizations are local health entities throughout the state of Oregon that deliver health care and coverage for people eligible for the Oregon Health Plan (Medicaid), including those also covered by Medicare. CCOs are accountable for health outcomes of the population they serve and will have one budget that grows at a fixed rate for mental, physical and ultimately dental care.

**Credentialing** – The application process that health care providers and agencies go through to participate with an insurance company.

**Full cost recovery** – A full cost recovery occurs when all costs for the provision of services, such as immunizations, are recouped by the local health department (LHD), including both direct and indirect expenses.

**Locally Owned (L) vaccine** – Vaccine that is purchased by the local health department (LHD) that is separate from that used for Billable (B) clients. This could include seasonal influenza vaccine and travel vaccines.

**Oregon Immunization Program (OIP)** – The Oregon Immunization Program works to reduce the incidence of vaccine-preventable disease in Oregon. Staff members seek to identify and promote evidence-based public health best practices to both the public and to health care professionals throughout the state and provides technical assistance and quality improvement for both public and private practices. The Oregon Immunization Program is part of the Center for Public Health Practice within the Oregon Public Health Division.

**Out-of-pocket** – The amount paid directly by the client for immunization services.

**Reimbursements** – The dollar amount paid by insurance companies or individual clients to the local health department (LHD) for vaccine services.

**Underinsured** – A person with health insurance that either does not cover the cost of vaccines or it does not cover certain vaccines. That person would be underinsured for the vaccines not covered. Additionally, if a person has insurance coverage with a fixed dollar limit or cap for vaccines, once that fixed amount is reached, they are underinsured.

**Vaccines for Children program (VFC)** – The Vaccines for Children Program (VFC) is a federally funded program that provides vaccines at no cost to children birth through age 18 years who might not otherwise be vaccinated because of inability to pay. Enrolled public and private medical practices can then offer the vaccines at no charge to qualified patients, allowing providers to make all routine pediatric vaccines available to eligible children without high out-of-pocket costs. To be eligible for VFC, a child must fit one of these categories:

- Enrolled in Medicaid/Oregon Health Plan
- Uninsured
- American Indian/Alaskan Native

**ADDENDUM :**  
**Vaccine Administration Fee Update**

**December 2013**

**ADDENDUM:**  
**Survey Report: Immunization Billing Practices by Oregon LHDs**  
**December 30, 2013**

In March 2013, Oregon local health departments were surveyed to determine current billing practices related to their immunization services. Questions focused on a wide range of policies and procedures, including health plan contracting, administration fee charges, the tracking of reimbursements, and any training or resources needed to improve clinics' capacity to bill.

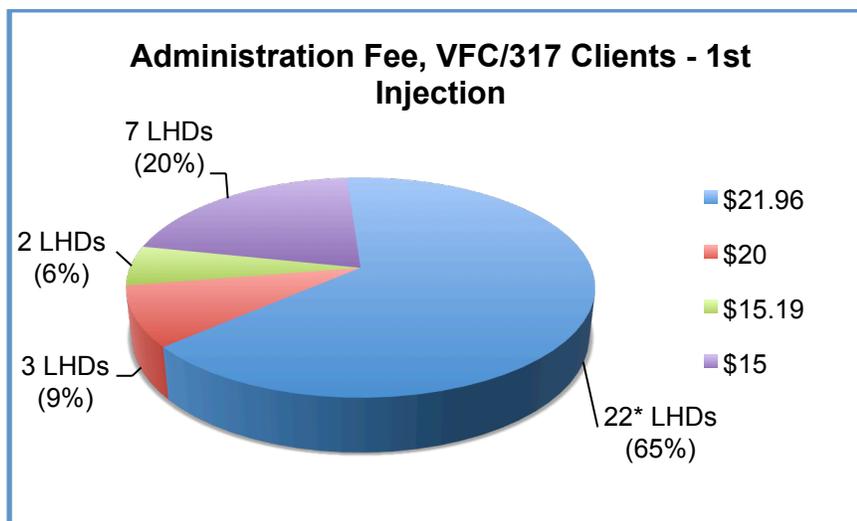
Through the course of analyzing the survey data and compiling the report, it was discovered that several LHDs had plans to raise their vaccine administration fee for VFC/317 clients at the new fiscal year, July 1, 2013. This addendum provides an update on the numerous changes to vaccine administration fees for these clients.

Note that, based on anecdotal evidence, it appears the administration fees billed for *non*-VFC/317 clients likely increased to match or exceed the new VFC/317 fees. This update addresses the VFC/317 fees only, as the *non*-VFC/317 fees were not formally re-assessed.

From Page 5 of original report (March 2013):

**Question 5. How much does your agency charge for the vaccine administration fee for VFC-eligible children (birth through age 18) and 317-eligible adults?**

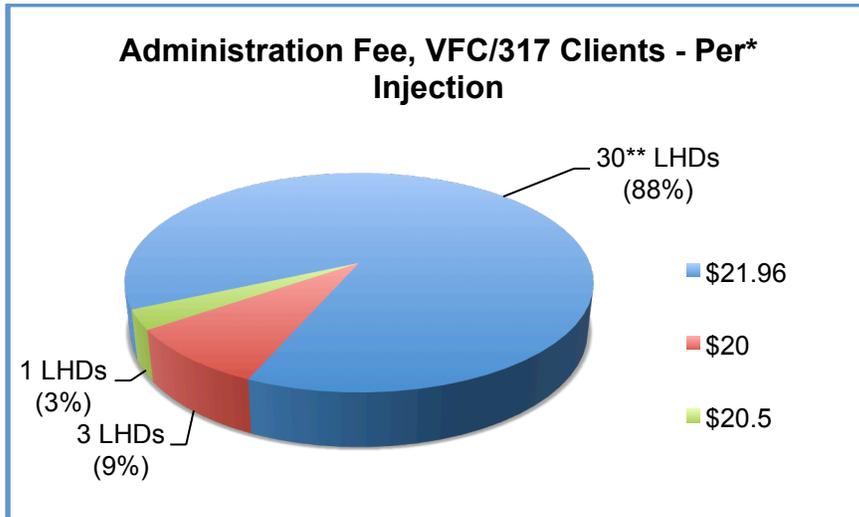
For the first vaccine administered during a clinic visit, 22 LHDs (65%) charge the maximum allowable vaccine administration fee as determined by the Centers for Medicare and Medicaid Services (CMS), \$21.96. Another 7 LHDs (20%) charge \$15 for the first injection. Three LHDs (9%) charge \$20 for the first injection. The remaining two LHDs (6%) charge \$15.19.



\*Two LHDs charge \$21.95 per injection (\$0.01 less than the CMS-allowable max)

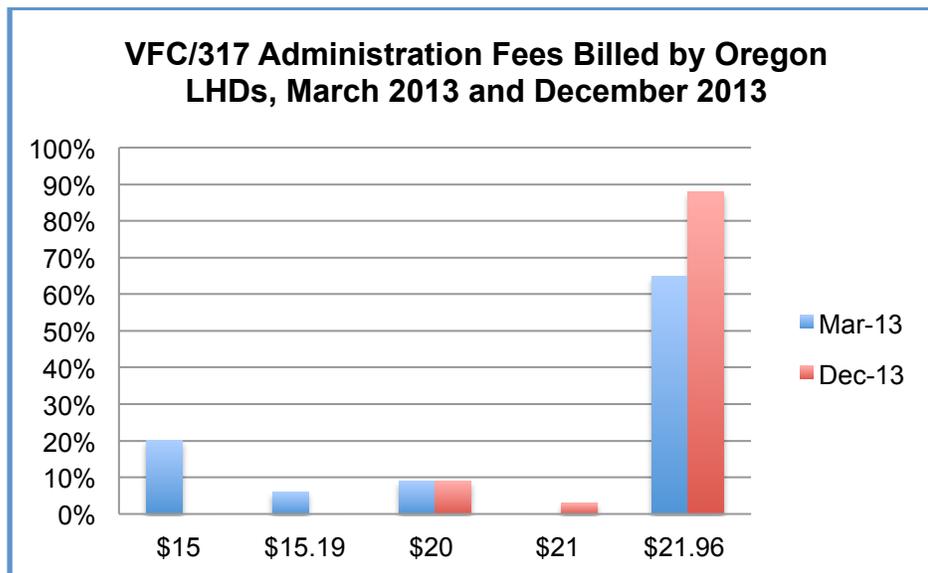
**UPDATE, December 2013:**

For each vaccine administered during a clinic visit, 30 LHDs (88%) now charge the maximum allowable vaccine administration fee as determined by CMS, \$21.96. One LHD (3%) charges \$20.50. The remaining three LHDs (9%) charge \$20 per dose administered.



\*The original report included separate charts for “1<sup>st</sup> Injection” and “Successive Injections.” All 34 LHDs are now billing a matching amount for each dose provided.  
 \*\*Two LHDs charge \$21.95 per injection (\$0.01 less than the CMS-allowable max).

The chart below demonstrates the significant shift towards higher vaccine administration fees between March and December 2013. The potential fiscal impact of this shift is noteworthy in that an average of \$6.08 of additional revenue—per first injection—could be gained by these ten LHDs (range = \$1.96 to \$6.96). For successive injections at the same visit, an average of an additional \$7.58 per injection could be realized by the LHDs (range = \$5 to \$16.96).



In summary:

- Ten of Oregon's 34 LHDs (29%) increased their VFC/317 vaccine administration fee between March and December 2013.
- Thirty LHDs (88%) are now billing the CMS-allowed maximum allowable amount for the State of Oregon compared to 22 LHDs (65%) in March 2013.
- An average of \$6.08 of additional revenue—per first injection—could be gained by these ten LHDs (range = \$1.96 to \$6.96). For successive injections at the same visit, an average of an additional \$7.58 per injection could be realized by the LHDs (range = \$5 to \$16.96).