

11-02

STATEMENT OF POLICY

Third-Party Billing for Immunization

Policy

The National Association of County and City Health Officials (NACCHO) supports increased federal funding for policy and technical support to enable local and state health departments to bill private insurers for immunization and other public health reimbursable services. NACCHO urges the Centers for Disease Control and Prevention to provide continued support to states and localities by distributing best practices, providing technical assistance to develop billing mechanisms, and educating insurers about local health departments' critical role in providing immunization services.

NACCHO supports federal funding for activities necessary for state and local health departments to establish third-party billing systems including:

- Development of administrative capacity to bill third-party payers for administration fees and/or for vaccines.
- Assessment for purchasing or developing billing systems that will be cost-effective according to the particular needs of the jurisdiction.
- Ongoing training or peer-to-peer technical assistance for local health departments to maximize the utility of such systems.
- Publications on best practices in third-party billing specifically for local health departments.
- Coalition building to engage medical communities and key stakeholders to navigate potential concerns (i.e., competition with the medical home) and build support.
- Ongoing training and peer-to-peer technical assistance on the billing process and contracting with private insurance providers.
- Education of private insurers about the role of local health departments in providing immunizations.

Justification

Local health departments continue to be major providers of adult and childhood immunizations¹. Because of inadequate reimbursement and administrative burdens associated with vaccination, 10% of physicians have seriously considered discontinuing providing childhood immunizations². When this happens, patients must rely on public health and community immunizers for their



immunizations. The United States health care system transformed as a result of the Affordable Care Act (ACA), and local health departments navigated this evolution to ensure that there are no missed opportunities to provide vaccines to those in need. While the ACA specified first-dollar coverage for all Advisory Committee on Immunization Practices (ACIP)-recommended vaccines and their administration³, many people remain uninsured or still incur costs (e.g. co-pays, deductibles) associated with medical visits that accompany a vaccination appointment. According to the National Census Bureau's Current Population Survey Annual Social and Economic Supplement, in 2018, 27.5 million (8.5%) persons of all ages and 11.0% of adults aged 18-64 were uninsured at any point during the year⁴. In 2018, 16% of covered workers had coverage through a "grandfathered" insurance plan⁵, to which the first dollar coverage requirement does not apply³. Nationally, about 10.5% of children are vaccinated by a public healthcare provider, and this will continue as uninsured patients seek safety net services and insured individuals continue services at the health department.⁶

While some local health department immunization programs (80%) are able to bill public insurance, there remains opportunity for improvement for health department immunization programs that are able to bill private insurance for immunization services (56%). Even still, there are a large percentage of areas that do not have billing capabilities, particularly for private insurance⁷. For these local health departments, it may be due to the challenges of developing the capacity and infrastructure necessary to set up successful third-party billing services, which is why federal support is so important. Challenges to developing third-party billing include:

- The time-consuming process of developing billing infrastructure, including credentialing, contracting, and submitting claims.
- Local health departments often do not have adequate or sufficiently trained staff to be credentialed with health plans.
- Typically, a health department's credentialing is attached to one physician employee (e.g. the Medical Director.) If this person leaves, the credentialing process has to start over, which causes a large gap in reimbursement opportunities.
- Many local health departments share tax IDs with other county agencies, counties, and/or with the local hospital, making it difficult and time-consuming to collect reimbursement which is earmarked for the health department.
- Health plans may not extend credentialing to a health department due to lack of recognition or understanding of the role of health departments in the provision of health care and public health services.

Since private health insurance plans generally pay vaccine administration fees that are higher than the average Medicaid fee, reimbursements from private insurers represent a significant source of additional funds for local health departments. One statewide direct-billing program resulted in reaching \$20 million in reimbursements over the course of their program in 2019, enabling them to hire additional staff and expand their program beyond vaccinations.⁸ This type of billing program allows health departments to direct these resources elsewhere, including providing vaccines to underserved populations; increasing their vaccine supply; hiring additional staff such as nurses and community educators; expanding billing to other services; and remaining

a viable community provider in challenging economic times.⁹ Overall, a successful third-party billing program can provide (1) more comprehensive/universal dispersal of recommended childhood vaccines; (2) increased funding for programs targeting vulnerable populations; (3) a reduced burden for primary care providers not equipped to administer widespread immunization; and (4) improved access to covered immunizations.

References

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Record of Action

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