

11-02

STATEMENT OF POLICY

LOCAL HEALTH DEPARTMENT CAPACITY TO CONDUCT THIRD-PARTY BILLING FOR IMMUNIZATION

Policy

The National Association of County and City Health Officials (NACCHO) supports increases in federal funding for policy and technical support to enable state and local health departments (LHDs) to bill private insurers for immunization services. A successful third-party billing program can provide (1) more comprehensive/universal dispersal of recommended childhood vaccination; (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.

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

- Assessment for purchasing or developing systems that will be cost-effective according to the particular needs of the jurisdiction;
- Training or peer technical assistance for LHDs to maximize the utility of such systems;
- Coalition building: Engaging medical communities in order to navigate potential concerns (i.e., competition with the medical home) and build support;
- Training or peer technical assistance on the process of contracting with private insurance providers; and
- Training on billing processes.

Justification

Although state and national vaccination levels have remained high in recent years, the increasing numbers of recommended vaccines along with their increased costs have forced many state and local health departments to make difficult decisions about which vaccines they can afford to provide.

Local public health continues to be a major provider of adult and childhood immunizations. Private providers consistently refer patients to public health clinics because of the inadequate reimbursement and administrative burdens associated with vaccination.^{1,2} In some states, more than 30 percent of children are vaccinated by a public healthcare provider.³ Allowing public health providers to vaccinate any child, regardless of insurance status, can advance the goal of universal childhood immunization. The same principle holds true for advancing the goal of universal immunization against influenza.

Although many public clinics associated with health departments have billing capabilities, the majority are not currently billing private insurers for immunizations.^{4,5} Since private health insurance plans generally pay vaccine administration fees that are higher than the average Medicaid vaccine administration fee,



reimbursements from private insurers represent a significant source of additional funds for LHDs. One statewide direct-billing program resulted in almost \$3 million in additional funds over five years, which allowed the state to fund pilot programs and provide new vaccines not previously available for underserved populations.⁶

The National Vaccine Advisory Committee (NVAC) supports improving and expanding third-party billing capabilities. NVAC suggests that states and localities should develop mechanisms for billing insured people of all ages who are served by the public sector. This period of transition to the new ICD-10 code for medical billing makes this a particularly apt time for such training.⁷ NACCHO urges that the Centers for Disease Control and Prevention should provide support to states and localities by distributing best practices and providing technical assistance to develop these billing mechanisms. NVAC urges states and localities to reinvest reimbursements from public and private payers back into immunization programs.⁸

Record of Action

*Approved by NACCHO Board of Directors
March 18, 2011*

References

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