

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 state and local 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' 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 the following:

- Building administrative capacity to bill third-party payers for administration fees and/or for vaccine.
- 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 local health departments to maximize the utility of such systems including disseminating billing best practices.
- Coalition building to engage medical communities and key stakeholders to navigate potential concerns (i.e., competition with the medical home) and build support.
- Training or peer technical assistance on the billing process and contracting with private insurance providers.
- Educating 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 immunizations. Private providers refer patients to public health clinics as a result of the inadequate reimbursement and administrative burdens associated with vaccination.^{4,5} As the United States health care system transforms as a result of the Affordable Care Act (ACA), local health departments will continue to ensure that there are no missed opportunities to provide vaccines to those in need. While the ACA specifies first-dollar coverage for all Advisory Committee on Immunization Practices (ACIP)-recommended vaccines and their administration,² many people still incur costs associated with deductibles or remain uninsured altogether. According to the National Health Interview Survey, in the first three months of 2015, 29 million (9.2%) persons of all ages and 13.0% of adults aged 18-64 remained uninsured.³ In addition, many people are covered by “grandfathered” insurance plans, to which the first dollar coverage requirement does



not apply. In some states, more than 20 percent 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

Although many public clinics associated with local health departments have billing capabilities, only 66% bill both public and private insurance for at least one service.⁷ This may be the result of the challenges to 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 following:

- The process to develop billing infrastructure, including credentialing, contracting, and submitting claims, is very time consuming.
- Local health departments often do not have adequate or sufficiently trained staff to be credentialed with health plans.
- The medical director is generally the credentialed physician for the health department. 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 collection difficult and time-consuming.
- Health plans may not contract with health departments due to their lack of recognition and understanding for public health as providers.

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 almost \$4.1 million in additional funds over five years with more than \$1 million total revenue generated in 2013.⁸ This type of billing program allows health departments to provide new vaccines not previously available for underserved populations and remain 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

Proposed by NACCHO Immunization Workgroup

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