

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 public health departments to bill private insurers for (1) the price of the vaccine, (2) the administration fee for giving the immunization, and, if possible, (3) vaccine counseling. NACCHO urges the Centers for Disease Control and Prevention (CDC) 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 (LHDs) to establish third-party billing systems including:

- Building 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 in navigating potential concerns (i.e., reimbursement inadequate to cover vaccine costs) and build support.
- Ongoing training and peer-to-peer technical assistance on the billing process and contracting with private insurance providers.
- Education of public and private insurers about the role of local health departments in providing immunizations.

Justification

LHDs continue to be major providers of childhood and adult immunizations.¹ In particular, LHDs often fill a coverage gap for un- and under-insured individuals. While the Affordable Care Act required most insurance plans to provide first-dollar coverage (i.e., no deductibles, co-pays, or other out-of-pocket expenses before coverage commences) for all Advisory Committee on Immunization Practices (ACIP) recommended vaccines and their administration,² many



individuals remain uninsured or still incur costs such as co-pays and deductibles related to medical visits that coincide with vaccination appointments. According to the National Census Bureau's Health Insurance Coverage report, in 2022, 8.3% of persons of all ages and 10.8% of adults aged 19-64 were uninsured at any point during the year.³ In 2020, 14% of insured workers had coverage through a "grandfathered" insurance plan, to which the first dollar coverage requirement does not apply.^{2,4} For these individuals who don't have insurance coverage of vaccines, LHDs are a vital resource to ensure access to vaccination. However, to cover their costs for providing vaccines at low and no cost to un- and under-insured individuals, LHDs must be able to bill for those individuals who do have insurance.

While a significant number of LHD immunization programs have the capability to bill public and private insurance for vaccine administration (77% and 64%, respectively), there is room for improvement, particularly in billing for vaccine costs – in 2022, 61% of LHDs were able to bill public insurers for vaccine costs and 59% were able to bill private insurers.⁵ For LHDs unable to bill, challenges may be associated with developing the necessary capacity and infrastructure to establish successful third-party billing services. Therefore, federal support is crucial. The challenges to developing third-party billing include:

- The process of developing billing infrastructure, including credentialing, contracting, and submitting claims is very time-consuming.
- LHDs often lack the necessary staff or adequately trained personnel for health plan credentialing.
- Credentialing in LHDs is typically tied to a single physician employee, such as the Medical Director. If this individual leaves, the credentialing process must restart, creating significant gaps in reimbursement opportunities.
- Many LHDs share tax IDs with other agencies, counties, and/or local hospitals, making it difficult and time-consuming to collect reimbursements specifically allocated for the health department.
- Health insurers, both public and private, may not extend credentialing to LHDs due to lack of recognition or understanding of the role LHDs play in providing health care and public health services.

Private health insurance plans typically pay higher vaccine administration fees than the average Medicaid fee, meaning reimbursements from private insurers could potentially be a significant additional funding source for LHDs. One statewide direct-billing program resulted in collecting \$20 million in reimbursements over the course of their program. These funds enabled them to hire additional staff and expand their services.⁶ Such billing programs enable LHDs to allocate resources to other areas and necessary services, 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 maintaining viability as a community provider in economically challenging times.⁷ Overall, a successful third-party billing program can provide (1) more comprehensive and universal distribution of recommended childhood and adult vaccines; (2) increased funding for programs targeting vulnerable

populations; (3) 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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