VACCINATION MANAGEMENT: Is Your Practice on Target?

These strategies will protect your patients and your bottom line.

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High costs and inadequate payments make acquiring and administering vaccines a risky business for many family medicine practices. How can you do to immunize your practice against the potential negative financial consequences of providing recommended vaccines to your patients? The following strategies can help.

Acquiring and maintaining vaccines

Given the financial risk associated with providing immunizations in your practice, especially for the newer vaccines for human papillomavirus (HPV) and herpes zoster, you cannot afford to leave the acquisition or maintenance of your vaccine supply to chance. This work deserves as much attention as your practice can give it.

Designate an immunization coordinator. Whether it’s a nurse or other staff member, you should designate someone to organize the immunization process, which includes ordering, receiving and storing vaccine shipments and maintaining the office’s inventory of vaccines and related supplies. This not only builds in-house expertise but also empowers the staff member to help ensure that financing vaccines is not a detrimental business decision. The immunization coordinator can be especially helpful when obtaining vaccines that are in high demand and short supply, such as the influenza vaccine. With experience, this person would know where to get the best prices on vaccines and how to take care of that inventory. Further, the coordinator would track your expenses and payments related to vaccines, monitor developments and related correspondence from manufacturers and payers, and respond appropriately.

For example, on learning of an impending price increase for a particular vaccine and knowing that it typically takes up to three months for payers to update their claims systems when drug prices change, the immunization coordinator might order additional vaccine to secure a four-month supply. This would ensure that the practice wouldn’t have to pay the higher price for the vaccine until health plans have increased physicians’ payments.

Shop around. The cost of purchasing and maintaining a vaccine inventory can consume a significant portion of your practice’s overhead. While it’s tempting to rely on traditional suppliers for your vaccines, this may not always be the best option financially. The person responsible for purchasing your vaccines should periodically do some comparison shopping to ensure that your current supplier is giving you the best deal possible. Some Web sites may offer less expensive options.

Buy directly and collectively. For the most favorable pricing, try to order your vaccines through a group purchasing arrangement. Manufacturers and distributors are more likely to give a price break to those who buy in larger quantities, and joining a buying cooperative can also help increase the chances that your practice will receive its share of high-demand vaccines. As a member of the cooperative, you would still order directly from the manufacturer; however, you would do so under the terms of the purchasing agreement.

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program. Practices may save an average of 25 percent to 35 percent when they purchase vaccines through a group rather than from a medical supply distributor, according to Atlantic Health Partners, a vaccine purchasing cooperative that works with physicians and hospitals (http://www.atlantichealthpartners.com). Kelson Corp. (http://www.kelsoncorp.com/vaccine) and Pediatric Federation (http://www.pediafed.com/vpp) also offer vaccine purchasing programs.

If you are affiliated with a children’s hospital, you may be able to participate in its group purchasing arrangement to obtain vaccines. If none of these options is available to you, consider buying from a distributor. Avoid buying from a retail pharmacy, as this is the most expensive option.

**Take advantage of the Vaccines for Children (VFC) program.** Another option for obtaining vaccines is to become a VFC provider. The VFC program is a federal program that provides free vaccines to immunize children without health insurance, Medicaid recipients, American Indians and Native Alaskans in their doctors’ offices. As a VFC provider, you can receive free vaccines for qualified individuals up to 18 years of age, and over 18 in some states. (For more information on the VFC program, visit http://www.cdc.gov/vaccines/programs/vfc.)

One drawback of the VFC program is that it often takes several months before new vaccines are distributed locally. However, implementing a good call-back or reminder system to bring eligible patients to the office when the vaccine becomes available can help you to overcome this challenge.

**Store vaccines properly.** Proper storage is essential to safeguard your sizable investment in vaccines. Transfer vaccines to their proper storage place immediately after receiving them, and follow the guidelines below (more detailed instructions are available from the CDC at http://www.cdc.gov/vaccines/pubs/downloads/bk-vac-mgt.pdf):

- Store vaccines in a refrigerator with a separate freezer compartment that has its own outer door; avoid small, dormitory-style units.
- Do not keep any food in this unit.
- Monitor the temperatures in the freezer and refrigerator, and record these twice daily in a temperature log (see an example at http://www.immunize.org/catg.d/p3039.pdf).
- If you have to transport vaccines, use an insulated container with a cold source and a thermometer.
- Maintain a power back-up.
- Store ice packs in the freezer and water bottles in the refrigerator along with the vaccine. This will help maintain a stable temperature if the refrigerator door is opened frequently or if there is a power failure.
- In the event of a power failure or a faulty refrigerator or freezer, mark the affected vaccines, record their current temperature and the estimated time during which they weren’t stored at the proper temperature range, and move them to a working refrigerator as soon as possible. Contact the vaccine manufacturer for instructions on how to proceed, including whether you should discard the vaccines.
- Check with your insurance agent to determine what coverage is available to replace spoiled vaccines due to a power failure.

**Avoid having patients pick up and carry their vaccines.** Although having patients obtain vaccines at a local pharmacy for you to administer in your office may reduce the financial risk you must take to stock expensive vaccines, there are drawbacks. For instance, most commercial insurance plans cover vaccines when provided in your office. However, if a patient takes a prescription for the vaccine to the pharmacy, coverage for the vaccine will be queried under the patient’s pharmacy benefit plan, which may not cover vaccines. When told that the pharmacy benefit plan does not cover the vaccine, the patient may not understand that his or her medical benefit plan does. The patient may leave the pharmacy empty-handed and not get the needed care. Those who pay for the vaccine out-of-pocket, only
to have their claims denied or not fully reimbursed by their health plans, may focus their frustration on you. Further, if the patient picks up the vaccine at the pharmacy, you cannot guarantee that the storage conditions have been met, with the result that you may be administering a vaccine that is ineffective by the time it reaches your office.

Maximizing immunization rates

Purchased vaccines that go unused represent a loss to the practice and, potentially, to patients whose health may depend on them. Administering a vaccine at each appropriate opportunity is critical both to getting a return on your investment and to providing high-quality care.

Don’t miss an opportunity to give a vaccine. Develop a culture where every visit is seen as an opportunity to assess immunization status. This means empowering your staff to evaluate vaccination history, eligibility and contraindications through standing orders (see examples at http://www.immunize.org/standingorders) as well as training your staff to help administer vaccines and document them properly.

The immunization coordinator can be effective in this area by deciding where vaccines should be administered in the office and how to implement the workflow. Those on your staff who are involved with providing vaccinations should be familiar with current childhood, adolescent and adult vaccines and catch-up schedules, available at http://www.cdc.gov/vaccines.

To remind patients that they are due for an immunization, you can use a variety of communication methods. A community-wide flu shot initiative is described in the article on page 19. The simplest and most effective strategy for helping patients stay up-to-date on other vaccinations may be a postcard reminder that the patient or parent self-addresses during a visit for you to file and mail later when the immunization is due.

Getting paid

As is the case for so many of the services you provide, coding and billing for vaccinations is more difficult than it should be. But as family medicine practices’ profit margins narrow, you can’t afford to leave money on the table. The advice in this section should help you get paid what you’re owed.

Document what you’ve done. The old axiom in coding and billing is, “If it isn’t documented, it didn’t happen.” To ensure that your claims for vaccines and their administration stand up to any challenges they may face, you need to document appropriately. Federal requirements mandate that you document five things when you administer a vaccine:

1. The name of the vaccine and the manufacturer;
2. The lot number and expiration date;
3. The date of administration;
4. The name, address, title and signature (electronic is acceptable) of the person administering the vaccine;
5. The edition date of the Vaccine Information Statement (VIS) and date the patient or parent receives the VIS.

The VIS is a CDC-approved description of the vaccine, its benefits and adverse effects, and the disease it protects against. It is written at a level most patients can understand and is available in multiple languages. Current statements are available at http://www.cdc.gov/vaccines/pubs/vis and at http://www.immunize.org.

It is not necessary to have the VIS signed by the patient or parent; simply provide a copy of the VIS for each vaccine received. It’s possible that a VIS may not yet be available for a newly released vaccine. The list of available statements is updated periodically, so check for updates every few months.

Your practice must document the five required components in a permanent record or log. In addition, if your state has an immunization registry, be sure you enter your patients’ vaccination information to prevent unnecessary vaccination duplication.
**Code correctly for the vaccine.** When you provide vaccines that were not supplied to your office for free, the code specific to the vaccine should be reported in addition to the code for administration, which is discussed below. It is a good idea to review your billing reports periodically to verify that each service was reported. Specific vaccine codes are found in the Current Procedural Terminology (CPT) manual beginning with 90476, “Adenovirus vaccine, type 4, live, for oral use,” and ending with 90749, “Unlisted vaccine/toxoid.” To facilitate immunization reporting, when applicable, the most current vaccine product codes are published on the American Medical Association CPT Web site (http://www.ama-assn.org/ama/pub/category/10902.html) in advance of publication of the CPT book.

Coding vaccines correctly is essential because there are multiple codes for some vaccines (e.g., influenza), and they may not be paid at the same rate. If you choose the wrong code for a given vaccine, you may be short-changing your practice.

**Code correctly for the administration.**

The CPT code for the vaccine is only part of the claim; payment for this code is intended to cover only the costs associated with the vaccine itself (e.g., its purchase and storage). To get paid for the costs associated with administering the vaccine (staff time, syringe, etc.), you also need to report a code for the administration. This may be a CPT code or, in a few instances, a Healthcare Common Procedure Coding System (HCPCS) code.

The CPT immunization administration codes run from 90465 through 90474. Codes 90465 through 90468 are for vaccinating patients younger than eight years of age when the physician counsels the patient or family, which is a critical influence on patients’ willingness to be vaccinated. Codes 90471 through 90474 are for vaccine administration when the patient is eight or older or when the physician does not counsel the patient or family. In both code sets, the correct choice depends on the route of administration and whether the vaccine administered was the first one or an additional one.

As seems so often the case, Medicare has some special HCPCS administration codes for the vaccines it covers:

- G0008 Administration of influenza virus vaccine,
- G0009 Administration of pneumococcal vaccine,
- G010 Administration of hepatitis B vaccine.


**Code the diagnosis correctly.** A mismatch between the diagnosis code and CPT or HCPCS code you use may cause your claim to be rejected or denied, prohibiting you from receiving payment for the vaccine and its administration until the error is corrected. The diagnosis codes supporting prophylactic vaccination begin with V03.0 (“Need for prophylactic vaccination and inoculation against bacterial diseases; cholera alone”) and end with V06.9 (“Need for prophylactic vaccination and inoculation against combinations of diseases; unspecified combined vaccine”).

**Don’t give anything away.** Some practices have the unfortunate habit of neglecting to claim everything they legally can. For example, a practice will bill for a vaccine but fail to claim the corresponding vaccine administration code or bill for administering an injection but fail to bill for the substance injected. Forgetting such charges is providing inadvertently free care.

Likewise, if you provide an immunization during a visit at which you provide another service, bill for both services. For instance, an evaluation and management (E/M) service is often provided on the same date as a vaccination. When a significant and separately identifiable E/M service other than a 99211 service is provided on the same date as vaccination, the E/M service should be reported with modifier 25. For Medicare and other payers who follow the National Correct Coding Initiative, code 99211 is not reportable with a vaccine administration code on the same date of service.

**Know your payers’ rules.** Of course, some payers will not pay for two services provided at the same visit, or they may have special rules for these situations, so it is important that your billing staff learn the coverage policies of the third-party payers with which you contract. For instance, some payers may require prior authorization to cover vaccine services, and others might delay their coverage of newly licensed vaccines or might not cover...
vaccines at all or for patients beyond a certain age range.

**Know whom to bill (Part B or Part D) when dealing with Medicare.** Medicare covers influenza, pneumococcal and hepatitis B (for those at high or intermediate risk) vaccines on a preventive basis under Part B. Medicare does cover other vaccines under Part B on a therapeutic basis (e.g., tetanus toxoid if a beneficiary steps on a rusty nail), but all other available vaccines not covered under Part B are covered under Part D.

Payment for vaccines covered under Part D and for their administration comes solely from participating prescription drug plans, not through Medicare Part B carriers. Consequently, unless your practice is considered a specialty pharmacy for Part D purposes, you may want to charge your Medicare patients directly for vaccines that are covered under Part D. To facilitate a patient’s reimbursement for the vaccine by his or her Part D plan, you should also complete a CMS-1500 form for the vaccine and give it to the patient to file as an unassigned, out-of-network claim.

Alternatively, a unique Web-based billing program is available that enables you to bill prescription drug plans and get paid for Part D vaccines directly rather than having to collect payment in full from Medicare patients and then have the patients submit paper claims to their Part D plans. This program, known as eDispense Vaccine Manager (http://www.dispensingsolutionsinc.com), permits contracted physicians to validate benefit coverage, determine patient out-of-pocket responsibilities and electronically submit claims for payment of Part D vaccines and their administration when the patient is insured by a plan that is participating in the eDispense network. There is no charge and no volume requirement to participate.

**Don’t forget to bill the patient, especially at the time of service.** Some practices simply fail to ask the patient to pay for his or her portion of the bill. Most insurance plans have a patient cost-sharing feature, and if you don’t ask or bill the patient for payment, you are unlikely to collect it. You should ask for co-payments when the patient checks in. This approach is infinitely more cost-effective than generating and mailing a bill after the fact and will probably increase your likelihood of collecting. An added bonus of doing this is that your practice earns interest on the income in the meantime.

To ensure you get paid for what you administer, consider collecting up-front payment for expensive vaccines if the patient does not have insurance coverage or has only limited coverage for a vaccine. For uninsured patients, investigate whether vaccine manufacturers offer patient assistance programs. Companies that offer patient assistance programs include Merck (http://www.merck.com/merckhelps/vaccines/home.html) and Sanofi Pasteur, through the National Organization of Rare Disorders (http://www.rarediseases.org/programs/medication).

**Ask about vaccine manufacturer/supplier programs.** Be sure to ask your vaccine supplier (manufacturer or distributor) if it has any special vaccine financing programs. For instance, last May Merck introduced a dose replacement program for Gardasil that provides a limited number of free replacement doses of the vaccine when administered to privately insured 19- to 26-year-old women whose insurance plans provide no HPV vaccine coverage. (See http://www.drp4gardasil.com for details.)

**An ongoing challenge**

Many family physicians consider providing vaccinations to be a core function of family medicine and one of the services offered in the medical home. With the rising costs of some vaccines, continuing to offer all recommended immunizations is increasingly difficult. Hopefully, the strategies offered above will help your practice to meet the challenge. **FPM**

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