



## AAP Private Sector Advocacy Model Contract Language for Vaccines

Pediatricians need to evaluate the immunization benefit and determine how it has been priced. It is strongly recommended that pediatricians negotiate a fee-for-service carve out for immunization. Some managed care organizations pay for immunizations on a separate fee schedule. If immunizations are not covered under an all-inclusive or separate capitation, levels of reimbursement should be identified. Reimbursement should be at least at the level of practice costs, (i.e., the cost of the vaccine, the cost of associated supplies, and the administrative cost). In situations where immunizations are included in the capitated rate and the price of the vaccine increases, or a new vaccine is introduced and recommended during a contract period, an additional amount should be paid by the health plan to cover this increase during the contract period.

Below is model contract language regarding vaccines:

*Physician shall be reimbursed by Health Plan in an amount equal to the sum of the cost of the immunizations and injectables (i.e., antibiotics, hormones, etc.) utilized in the provision of Covered Services to Plan members, including the cost of the drugs and supplies associated with such injections, plus a fee of [\$ \_\_\_\_\_] for each immunization or injection administered by Physician.*

*Note: Physicians should be wary of arrangements pursuant to which the immunization reimbursement amount is based on an average wholesale price as physicians may not be able to obtain such favorable pricing from their suppliers. The language in this provision also states that the physician will receive a separate fee for administration of the immunization or injection. (AAP Pediatricians Guide to Managed Care, page 190).*

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