

ACTION STEP WORKSHEET

Action Title: Large-Volume Vaccine Purchase

Description: Common childhood vaccines will be purchased in large volumes by a unique, voluntary public-private partnership. Large-volume purchasing through a centralized source should help reduce vaccine costs for both third-party payers and providers, reinforcing the ability of private health providers to continue offering office-based immunization services.

Rationale: Physicians are concerned about fiscal losses in providing office-based vaccination services. One source of loss is when reimbursement for vaccine products from third-party payers does not match the cost of the vaccine product itself (exclusive of administration charges) to private providers. The ongoing financial burden is causing some private health care providers to reconsider the viability of providing office-based immunization services. Loss of these services within private offices disrupts the concept of the “medical home” and may lead to delayed immunizations because children are being immunized by multiple providers. Decreasing availability of immunization services in the private sector will place an excessive burden on local health departments.

Strategies supported (refer to the IKK strategies):

Strategy #2: Expand opportunities for children to receive immunizations through a “medical home.”

Strategy #4: Promote policies, regulations, and environmental changes that increase access to and utilization of immunization services.

Expected Outcomes: A formal working group will be established to develop a model plan. This will lead to a public-private partnership between provider organizations, health insurance companies and KDHE being established to provide large-volume purchasing services for common childhood vaccines. While the exact structure, funding, and operational schemes are to be determined by the stakeholders, it is presumed that the partnership will be voluntary, funded with private resources rather than state tax revenues and involve a centralized ordering and distribution system.

Proposed evaluation methods: The program will be evaluated by monitoring number of vaccine doses ordered, number of providers participating, number of children served, and estimated cost savings over current purchasing plans

Challenges: Establishing the total cost of immunizations and potential cost savings. Finding a formula that supports using combination vaccines to reduce missed opportunities. Securing participation of both providers and insurers in a new system. Designing a system that minimizes administrative burden.

Resource Requirements: Resource requirements include the time commitment with stakeholders to form an organizational structure to perform large-volume purchasing and provide oversight for the program; financial commitments from private third-party payers for the purchase and to support infrastructure or contracted services; support from other state agencies for this unique public-private partnership; and support from professional organizations to promote the program to their members.

Commitments for Implementation:

<i>Participant Organization and Name</i>	<i>Suggested Organization and Name</i>
KDHE	Kansas Insurance Department
Blue Cross and Blue Shield of Kansas	KHI
Private health insurance carriers operating in Kansas	Kansas Health Policy Authority
Kansas Association of Osteopathic Medicine	Pharmaceutical Manufacturers Association
KMS	
KAFP	
Kansas Association of Local Health Departments	
KAAP	