

## **ACTION STEP WORKSHEET**

### **Action Title:** Establish Uniform Reimbursement Rates for Vaccine Administration

**Description:** KDHE will work with the Kansas Insurance Department, Health Insurance Providers, Physicians and Local Health Departments to establish uniform, adequate reimbursement rates for vaccine administration. One model that could be used is the "Kansas Uninsurable Health Insurance Plan Act." All companies providing health insurance would contribute to a pool that would then reimburse providers at set rates for administering vaccines. Participation in the fund would be voluntary to allow ERISA plans to participate.

**Rationale:** Financial disincentives for immunization providers are growing to the point where pediatricians are getting out of the immunization business because they are losing money. If this trend continues, immunization coverage is almost certain to fall significantly in Kansas in the coming years. Reimbursement for vaccine administration from insurance companies is highly variable and does not cover the full cost of providing vaccines, including storage, wastage, cost of maintaining inventory, insurance, capital equipment costs, utilities, supplies, nursing time and administrative time.

### **Strategy supported (refer to the IKK strategies):**

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

**Expected Outcomes:** KDHE will approach the Kansas Department of Insurance to establish if that agency has the authority to establish a system. As that is clarified, the participating organizations will establish a forum for determining the actual costs of providing immunizations and negotiating uniform, adequate reimbursement rates.

**Proposed evaluation methods:** Once established, the system will be evaluated by measuring changes over time in the number of physicians and/or clinics providing immunizations in Kansas and immunization coverage rates for the state.

**Challenges:** Establishing the authority to require uniform rates. Establishing the total cost of immunizations. Finding a formula that supports using combination vaccines to reduce missed opportunities. Securing the cooperation of insurers in

negotiating rates that may cost them money. Securing the participation of ERISA health insurance plans.

**Resource Requirements:** The primary resource requirement is the time commitment by organizations with a stake in negotiating uniform, adequate reimbursement rates. Additional resources will be needed for surveys to establish costs of providing immunizations.

**Commitments for Implementation:**

<i>Participant Organization and Name</i>	<i>Suggested Organization and Name</i>
<b>KDHE</b>	<b>Kansas Insurance Department</b>
<b>KAAP</b>	<b>Pharmacists Organization</b>
<b>KAFP</b>	
<b>KMS</b>	
<b>Kansas Association of Osteopathic Medicine</b>	
<b>BCBS, FirstGuard Health Plan, other private health insurance providers</b>	
<b>KHI</b>	
<b>Kansas Health Policy Authority</b>	
<b>KPHA</b>	
<b>Kansas Health Foundation</b>	
<b>Kansas Association of Local Health Departments</b>	