

ACTION STEP WORKSHEET

Action Title: Maximize Medicaid Reimbursement for Vaccine Administration.

Description: KS Medicaid rates will be raised to the maximum permitted by the federal Medicaid program. KS Medicaid will request the federal government to review the actual costs of administering vaccines and raise federal reimbursement rates to reflect current costs. The federal review should include a specific review of reimbursement rates for administration of combination vaccines.

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. This trend is manifested both in Kansas and at the national level. If this trend continues, immunization coverage is almost certain to fall significantly in Kansas in the coming years. The fees paid by the Kansas Medicaid program for vaccine administration are below the federally maximum permitted rate. Medicaid reimbursement rates may 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. In addition to this acute crisis over vaccine reimbursement rates, Kansas has a chronic problem with an insufficient number of private clinics providing immunization services to Medicaid patients.

Increasing the KS rate to the federal maximum will provide additional financial incentives for private clinics to provide immunization services to Medicaid clients and stay in the immunization business, supporting the concept of a “medical home” for Medicaid children. It may also increase the number of VFC providers in the state. In addition, raising Medicaid reimbursement rates will increase financial support for immunization programs at local health departments throughout Kansas. Increasing KS Medicaid reimbursement rates may help create an environment for private health insurers to increase their reimbursement rates for vaccine administration.

Despite the introduction of combination vaccines (which help increase immunization coverage rates) and many new, expensive vaccines as well as the rising costs of providing immunization services, the federal Medicaid program has not raised rates for many years. One reason for this is that many states are not paying the maximum permitted rate and few states have requested an increase in rates. Raising Medicaid rates in Kansas and requesting a formal review of federal vaccine reimbursement rates will be a step forward in solving the national

immunization crisis. If the national crisis is not resolved, immunization rates may fall nationally, increasing the probability that the incidence rates of vaccine preventable diseases will rise nationally and be brought into Kansas from elsewhere in the country. Falling immunization rates in Kansas will increase the chance of outbreaks of vaccine preventable diseases in Kansas, increasing the cost of acute health care for both Medicaid and private health insurance companies. Children with blindness, deafness and mental handicaps from rubella, measles and meningitis will increase costs for state programs.

A federal review supporting increased reimbursement rates for combination vaccines may increase utilization of these vaccines, which should then help raise immunization coverage rates both nationally and in Kansas.

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: The KS Medicaid program will increase reimbursement rates to the federal maximum permitted rate. The KS Medicaid program will request a formal review of the cost of vaccine administration.

Proposed evaluation methods: The number of physicians/clinics in Kansas providing immunization to Medicaid clients. Immunization coverage rates.

Challenges: The principal challenge will be securing the commitment of Medicaid to increasing reimbursement rates in Kansas, which has the potential to either increase their needs from the state or shifting resources from other priorities.

Resource Requirements: Staff time at Medicaid. Additional state funding for Medicaid to pay for vaccine administration. Support from the organizations that represent immunization providers in Kansas.

Commitments for Implementation:

<i>Participant Organization and Name</i>	<i>Suggested Organization and Name</i>
KDHE	
KS Medicaid	
KAAP	
KAFP	
Kansas Association of Osteopathic Medicine	
Kansas Association of Local Health Departments	
Kansas Health Policy Authority	
KMS	