

## **Step 7: Financial Considerations: Paying for Your Vaccination Program**

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You've got your clinic procedures established, and you may already be vaccinating adults, but is your program staying in the black? Have you worked out a way to find free or low-cost resources and how to bill for services provided to your clients? While we don't profess to be experts in the field of medical reimbursement, we'll give you a few suggestions that may help in recovering some (or all) of your expenditures.

Perhaps your primary mission is not administering vaccinations to your clients, and you may even be struggling to find funding to do what you do now. We're hoping that you can use your existing human resources to implement and manage this program; however, you will likely need additional financial resources to acquire vaccines and the other supplies itemized in "Step 2: Setting Up for Vaccination Services." This chapter will offer suggestions on how to cover these additional costs.

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### **Step-by-Step Vaccination Program Financing Tasks**

- Find free or discounted vaccines that may be available to help reduce your overall costs
  - Vaccines for Children (VFC)
  - Health departments
  - Other organizations
  - Bulk purchasing
- Investigate possible third-party coverage for the costs of vaccine and/or its administration
  - Insurance
  - Medicare
  - Medicaid
- Sort through the billing maze
  - Code your work for billing purposes

## Find free or discounted vaccines

### Vaccines for Children (VFC)

Vaccines for Children (VFC) is a federal program that provides free vaccine for all persons from birth through 18 years of age who are either uninsured, Native American or Alaska Native, or enrolled in Medicaid. Some states have used other resources to expand their VFC programs to include even more categories and/or persons older than 18 years. If your clientele includes persons eligible under the VFC criteria, contact the VFC coordinator at your state health department (see the list of VFC coordinators on our website at [www.immunize.org/coordinators](http://www.immunize.org/coordinators)).

### Health departments

Be sure to let staff at the state health department know what you are planning to do. They *may* have purchased vaccine through non-VFC sources that they would be willing to provide for your immunization work. The federal Section 317 grant program is the primary funding source for the immunization program in all territories, state health departments, and some major city health departments. If they can't help you out this year, they may be able to include your request in their annual grant application to the Centers for Disease Control and Prevention (CDC) for the following year. If you don't already know whom to contact, you can probably learn this through the VFC contacts indicated above.

#### Materials for you to use

- How to Bill for Adult Immunizations (100–107)

Local public health departments may also be able to purchase vaccines off of federal vaccine contracts if they have received prior authorization from the CDC and the state health department. These federal contracts usually offer very competitive pricing; however, vaccine purchased off of these contracts cannot be re-sold nor can the patient be charged for the vaccine. You may ask the patient for a donation to help defray your administrative costs, but it must be clearly a donation and not a charge.

### **Other organizations**

Local civic organizations, foundations, or even service organizations (e.g., Rotary, Lions, Eagles, etc.) *may*, on occasion, be able to give support for a one-time vaccination effort (e.g., a special Td booster clinic, etc.). These local funding sources will give you an opportunity to develop an ongoing relationship. It never hurts to ask.

### **Bulk purchasing**

Bulk purchasing of vaccine will usually lower the per-unit cost. If your agency is a government entity (e.g., county jail, public school, etc.), check to see if there is a government contract in your state from which you can purchase vaccines. Or, you might consider forming a coalition of agencies in your area and exploring your purchasing options.

### **Investigate possible third-party coverage for the costs of vaccine and/or its administration**

#### **Insurance**

Clients who have third-party coverage might be enrolled in any

number of insurance plans, either managed in the government or in the private sector. In addition, the spread of managed care throughout the nation has meant that many individuals have coverage only through a select network of clinics and providers. If your agency or clinic is already enrolled in such a plan, congratulations!

In the past, most providers were reimbursed on a fee-for-service basis from their patient's indemnity insurance plan. Today, more and more health plans in the U.S. are moving to a system of managed care. This means that the health plan is prepaid for each client in exchange for providing or arranging for all covered services for the client through a network of clinics. The health plan is then responsible for paying all authorized providers for the covered services the member receives. In general, managed care plans may be more likely to cover the costs of vaccination for their enrollees than traditional indemnity insurance plans. The downside of this is that they are likely not to cover the costs of services provided outside of their own network of clinics. Unless you are one of their approved in-network or out-of-network providers, you may not be able to recoup the costs. Either way, be sure to provide managed care plans with the essential immunization information each and every time that you provide a vaccination to one of their members. This will help to keep the patient's medical record up to date.

### **Medicare**

If you plan to provide influenza or pneumococcal vaccines to patients 65 years of age or older who are enrolled in Medicare Part B, the costs of the vaccine and its administration are reimbursable without any co-pay or deductible. However, you must be enrolled as a Medicare provider in order to bill for these services. Medicare does not cover other immunizations unless

they are directly related to the treatment of an injury or direct exposure to a disease such as anti-rabies treatment or tetanus antitoxin. In the absence of injury or direct exposure, preventive immunization against tetanus or diphtheria is not covered at this time.

If you're not a Medicare provider, it's easy to enroll. Just contact the Medicare Part B carrier in your state or the Regional Office of the Centers for Medicare and Medicaid Services (CMS) serving your area to inquire about how you can become a Medicare provider. To find out whom you should contact, go to [www.cms.hhs.gov/providers/enrollment/contacts/](http://www.cms.hhs.gov/providers/enrollment/contacts/)

### **Medicaid**

Medicaid is the nation's largest public insurance program for low-income and medically indigent persons. It is jointly funded by the federal and state governments but administered by the states. Federal regulations mandate minimum standards for eligibility and coverage of benefits, but grant considerable discretion to the states in a number of program areas. Routine immunization for persons up to 21 years is a mandatory service. States have the option of covering all routine and risk-related immunizations for Medicaid-enrolled adults (both elderly and nonelderly) that have been recommended by the ACIP; however, the extent to which states have opted to include that coverage varies from state to state. You'll have to check with your state agency.

### **Sort through the billing maze**

Yes, it can be a real maze to figure out, but usually there's someone in your clinic who deals with these issues routinely and can

already recite many of the Current Procedural Terminology (CPT) codes without opening up the latest coding manual from the American Medical Association (AMA). To help you along, however, we've included a primer on billing and coding called "How to Bill for Adult Immunizations" on pages 100–107 in Appendix A. You can also obtain instructions for billing Medicare from your local Medicare Part B carrier or by visiting <http://cms.hhs.gov/preventiveservices/2f.pdf>

### Code your work for billing purposes

Whether you are submitting a paper bill or billing electronically, the specific vaccination services provided will need to be coded. The coding system currently used to identify medical procedures is the Physicians' Current Procedural Terminology (CPT), developed in 1966 by the American Medical Association (AMA) and updated annually. CPT codes are used to define the services provided to individual patients with specific diagnoses. Accurate coding on a standard claim form ensures that patients and third-party payers are billed for services received and that health care providers are paid for the services rendered. It also provides a uniform language for all medical, surgical, and diagnostic services, and thereby serves as an effective means for reliable nationwide communication among health care providers, patients, and third parties. All carriers use the same CPT codes for billing, as do most third-party carriers.

A 5-digit CPT code has been established for most medical services and procedures. And for almost every CPT code, there is a corresponding financial value.

In addition to the procedure code (CPT) that describes the service performed, a diagnostic code (ICD-9-CM) is usually required. The ICD-9-CM, or International Classification of Dis-

eases, 9<sup>th</sup> Revision, Clinical Modification, the official system of assigning codes to diagnoses, is a tabular listing of diseases. For patient billing purposes, both a CPT code and an ICD-9-CM code are required.

You can find a list of the CPT and ICD-9-CM billing codes that are currently used for most vaccines on pages 104 and 105 in “How to Bill for Adult Immunization.”

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