

Vaccination Access Today

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Seniors can benefit significantly from vaccination as an important preventive care measure. One problem for providers of preventive care for Medicare beneficiaries can be sorting out the reimbursement processes to help their patients receive appropriate vaccinations.

ushered in a new policy that increased vaccine coverage for Medicare beneficiaries. But it wasn't that simple. Certain vaccines continued to be covered under Medicare Part B for both the drug cost and the administrative fee, whereas other vaccines were covered under Part D. Another factor is that the administration fee for a Part D-covered vaccine was reimbursed by Part B in 2007. On January 1, 2008, the administration fee for a Part D-covered vaccine was moved into Part D.

History of Vaccine Coverage

Prior to January 1, 2006, when Medicare Part D took effect, vaccination reimbursement for physicians providing care to Medicare

beneficiaries started and ended with Medicare Part B. In many cases, beneficiaries were forced to pay for their vaccine out of pocket. The advent of Medicare Part D

This is the first in a series of three articles on vaccinations for Medicare beneficiaries. This series will provide Medicare providers with information to help them understand how access to vaccines is available for their Medicare patients in an increasingly complex environment.

Vaccination Access Today

This first article provides an examination of the recent past history of vaccination coverage—specifically the addition of certain vaccines in Medicare Part D. It will also discuss those vaccines that are still covered under the Medicare Part B benefit.

Current Options Regarding Administration of Vaccines Under Medicare Part D

The second article will address some of the options for providing vaccinations under Medicare Part D that have been suggested by the Centers for Medicare and Medicaid Services (CMS). Detailed descriptions of each option will include a discussion of related issues.

Vaccination Under Medicare: How Some Physician Practices and Pharmacies Make It Work

The last article in the series will briefly review the history of, current regulations for, and CMS-identified options for vaccination. Three physicians and pharmacists will explain how they are managing vaccinations in their office settings. Possible future directions for vaccination coverage under Medicare will also be discussed.

The negotiated price for a Part D vaccine will comprise the vaccine ingredient cost, dispensing fee (if applicable), sales tax (if applicable), and vaccine administration fee.

Medicare Part B Coverage

Medicare Part B will continue to cover the following vaccinations in 2008¹:

- Pneumococcal vaccine
- Influenza virus vaccine
- Hepatitis B vaccine for individuals at high or intermediate risk
- Other vaccines (eg, tetanus toxoid) when administered as part of treatment of an injury or direct exposure to a disease or condition

Reimbursement of hepatitis B vaccine for low-risk individuals would come from Part D, if available.

Medicare Part D Coverage

Part D plan formularies generally include commercially available vaccines that are indicated for the Medicare population unless they are covered under Part B. If a particular vaccine is not listed on a Part D plan formulary, the provider can contact the Part D plan to request coverage (and provide supporting information that may be requested).¹

For Part D-covered vaccines, both the vaccine cost and the administration cost will be covered under Part D beginning on January 1, 2008. The Centers for Med-

Table 1. CMS-identified Strategies for Vaccine Access under Part D

Options	Access Method
Default System	<ul style="list-style-type: none"> • Physician acquires vaccine. • Physician administers and bills Part D beneficiary the physician's "usual and customary" charge. • Beneficiary pays physician and submits claim to Part D plan for reimbursement up to allowable amount.
In-Network Specialty Pharmacy Distribution	<ul style="list-style-type: none"> • Physician calls in Rx to pharmacy or patient delivers the Rx. • Pharmacy ships vaccine to physician, bills Part D for vaccine, and collects co-pay from beneficiary. • Physician administers vaccine to beneficiary in office and bills beneficiary the "usual and customary" charge for the vaccine administration fee. Beneficiary pays physician and submits claim to Part D plan for reimbursement for the vaccine administration fee only.
In-Network Retail Pharmacy Access	<ul style="list-style-type: none"> • Beneficiary obtains physician-written Rx . • Beneficiary takes Rx to pharmacy for filling and administration (depending on state law). • Pharmacy bills Part D plans and collects co-pay from beneficiary.
Out-of-Network: Model Vaccine Notice for Physicians (Paper Claim Enhancement)	<ul style="list-style-type: none"> • Part D plans provide beneficiaries with vaccine-specific notice (including rules about reimbursement for physicians). • Beneficiary takes notice to physician who administers vaccine (vaccine already in physician's office). • Physician submits claim to Part D plan, which pays physician directly.
Out-of Network: Web-Assisted Electronic Physician Billing	<ul style="list-style-type: none"> • Physician acquires vaccine. • Physician electronically bills Part D plan on behalf of beneficiary for vaccine and administration costs (physician must contract with Part D plan and must accept Part D plan reimbursement rate as full payment).

PROVIDER ACTION

Impact to You

While Medicare Part B will continue to cover influenza, pneumococcal, and the hepatitis B series vaccines as it has previously, other vaccines may be reimbursed under Medicare Part D. In 2008 Medicare Part D coverage can include not only the cost of the vaccine but also its administration. As a result, physicians will no longer be able to bill Medicare Part B for administering Part D vaccines in their office as was the case in 2007. Instead the cost for administration of Medicare Part D vaccines will fall on the Medicare Part D plans.

What You Need to Know

Providers need to know the options available for ensuring that their patients can receive appropriate vaccinations.

What You Need to Do

Providers should consider developing a specific plan based on an understanding of vaccination coverage under Medicare. Although the next article in this series will focus on some of the CMS-identified options for providing vaccinations under Medicare Part D, providers need to have a very specific plan to address the current situation. This plan can focus on developing an effective in-office vaccination process so that vaccines can continue to be administered in the office setting or on referring patients to pharmacies and other outlets (per state laws) that can provide vaccinations.

icare and Medicaid Services (CMS) interprets this new statutory requirement (part of the Tax Relief and Health Care Act [TRHCA]) to mean that the negotiated price for a Part D vaccine will comprise the vaccine ingredient cost, dispensing fee (if applicable), sales tax (if applicable), and vaccine administration fee.¹ The level of reimbursement is set by individual Part D plans.

A challenge with vaccine coverage in Medicare Part D is that Medicare Part D is a prescription drug program delivered through retail pharmacy networks and physicians are considered “out-of-network” providers for the purposes of Medicare Part D, absent a special process. This means that, absent a special process, physicians cannot submit and be directly reimbursed for a vaccine covered in Medicare Part D. The standard or “default” process that

CMS identified is for the beneficiary to pay the physician up front for the cost of the vaccine and its administration and to submit a paper claim to their Medicare Part D plan for reimbursement up to the plan’s allowable charge.

Part D Reimbursement for Vaccines in Provider Settings

Because most stand-alone Part D plans and Medicare Advantage plans have not previously had contracts or reimbursement procedures set up with physicians for these vaccines and services, CMS has urged Part D plans to put in place procedures that will ensure cost-effective, real-time billing options for physicians at the time of administration. Guidance was provided to Part D plans to consider alternative approaches that would not require beneficiaries to pay upfront costs for vaccines (Table 1).¹ CMS also indicates that

plans should only charge one co-pay for the vaccine and administration fees.

Coverage for patients in skilled nursing facilities has been clarified as well. Part D–covered vaccines provided to patients who are inpatients in a skilled nursing facility during a Part A–covered stay are still reimbursable by Part D.

Setting Vaccine Reimbursement Rates for Administration Fees

According to CMS, Part D plans should consider 2007 Part B vaccine administration fees when setting 2008 administration fees. Plans may implement a single vaccine administration fee for all vaccines or set variable fees for different types.

Options for Accessing Vaccinations

This information about how vaccination coverage will work in 2008 can help providers prepare for and ensure that their patients will have access to needed vaccines this year. Various options have been identified by CMS for providing vaccinations under Medicare Part D (see Table 1). The next article in this series will focus on some of these options in more detail.

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References

1. Reimbursement for vaccines and vaccine administration under Medicare Part D. *MLN Matters. No SE 0727*. July 10, 2007. CMS Web site. <http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0727.pdf>. Accessed November 15, 2007.