

Vaccination under Medicare: Physician Practices and Pharmacies

Richard G. Stefanacci, DO, MGH, MBA, AGSF, CMD

Our discussion about vaccination under Medicare Parts B and D continues from the first article in the January/February issue of *Medicare Patient Management* in which we reviewed the evolution of vaccination coverage from Medicare Part B to Medicare Part D for most, but not all, vaccines and administration fees.

In the second article we addressed the CMS-identified options for providing vaccinations under Medicare Part D.

Here we briefly review the information provided in the first two parts of this series. Then, we also share responses from key stake-

holders who explain how they are managing the vaccination process and reimbursement from Medicare. Finally, we analyze possible changes that loom on the horizon.

This is the third in a series of three articles on vaccinations for Medicare beneficiaries. This series has attempted to clarify for providers access to vaccines for their Medicare patients in an increasingly complex environment.

Vaccination Access Today

The first article (see *MPM* January/February, p. 38 at www.medicarepatientmanagement.com/issues/03-01/mpmJF08-VaccinationsPart1.pdf) provided an examination of the recent past history of vaccination coverage—specifically the addition of certain vaccines in Medicare Part D. It discussed 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 (see *MPM* May/June, p. 32 at www.medicarepatientmanagement.com/issues/03-02/mpmMA08-Vaccinations.pdf) addressed some of the options for providing vaccinations under Medicare Part D that have been suggested by the Centers for Medicare and Medicaid Services (CMS).

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The last article in the series briefly reviews the history of, current regulations for, and CMS-identified options for vaccination. Several providers and insurers explain how they are managing vaccinations and the reimbursement process in their office settings. Future directions for vaccination coverage under Medicare are also discussed.

Vaccine Coverage History and Current Regulations

Medicare Part B generally provides reimbursement to providers for the vaccine cost and administration fees for a limited number of vaccines. Starting January 1, 2006, Medicare Part D became an option to get coverage for the vaccine product cost for vaccines that were not covered in Medicare Part B. From January 1, 2007, to December 31, 2007, while Medicare Part D provided potential coverage for the vaccine product cost for most vaccines not covered in Part B, the administration fees for Part D-covered vaccines were reimbursed by Part B. Since January 2008, both vaccine and administration costs for all vaccines not covered in Part B may be covered in Medicare Part D. The availability of coverage and the amount covered for the patient depends on the patient's Medicare Part D drug plan benefit design and could be subject to copayments and deductibles.

Medicare Part B Coverage

Currently, Medicare Part B covers the following vaccinations:

- Pneumococcal disease 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

Medicare Part D Coverage

In 2008, CMS has said that Part D plan formularies are expected to include commercially available vaccines that are indicated for the Medicare population (unless they are influenza or pneumococcal vaccines and others 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 required). For Part D-covered vaccines, both the vaccine cost and the administration cost are eligible for reimbursement under Part D this year.

Tables 1 to 3 review the current options available for billing and reimbursement.

What Clinicians Are Saying

Health Plan Perspective
 Teresa Koenig, MD, MBA
 Senior Vice President/Chief Medical Officer
 SummaCare, Inc.

The question “to vaccinate or not to vaccinate” now often goes hand-in-hand with the question of “how to vaccinate and get reimbursed.” As a practicing internist/geriatrician, and Chief Medical Officer of a provider-sponsored health plan, I applaud the

Table 1. Billing the Patient

Options	Drug Coverage		Administration Fee	Issues
	Acquires	Bills	Bills	
Default System	MD purchases vaccine product.	MD bills patient who submits claim to Part D plan.	MD bills patient who submits claim to Part D plan.	Upfront payment may be a barrier especially for low income patients.

Table 2. In-Network Pharmacy

Options	Drug Coverage		Administration Fee	Issues
	Acquires	Bills	Bills	
Retail Pharmacy	Patient has vaccine administered or acquires through retail pharmacy.	Pharmacy directly bills Part D plan.	Pharmacy or vaccine services provider bills Part D plan for vaccines administered in pharmacy; MD bills patient who submits claim to Part D plan for vaccines administered in physician office.	Vaccination by pharmacists is not available in all states, and some vaccines require special storage and handling that may preclude transport to a physician's office for administration.
Specialty Pharmacy	MD receives vaccine through specialty pharmacy.	Specialty pharmacy bills Part D Plan and patient.	MD bills patient who submits claim to Part D plan.	Patient or provider needs to contact Part D plan and comply with special process.

Table 3. Part D Direct Billing

Options	Drug Coverage		Administration Fee	Issues
	Acquires	Bills	Bills	
Web-assisted Portal	MD purchases vaccine.	MD submits single bill via Web portal and is paid by Part D plan.	MD submits single bill via Web portal and is paid by Part D plan.	Administrative setup is required.

decision of the Centers for Medicare and Medicaid Services (CMS) to cover vaccines for Medicare recipients. However, the mechanism of payment has made this once (some-what) simple process an exercise in strategic logistics.

Administration of certain vaccines has been and still is covered under Medicare Part B. Medicare enrollees receive these vaccines, and the costs of the vaccines and their administration are covered by their Part B plans. Some of these part B-covered vaccinations do not require copayment and there are no deductibles.

Beginning in January 2008, the Part D vaccines and administration became bundled into one payment. This left providers and Medicare Advantage payers scrambling for a process to get the vaccines administered and appropriately reimbursed.

The coverage of new vaccines under the Part D program has introduced new issues for handling the appropriate administration of vaccines in an office ambulatory setting. If a physician office or clinic opts to stock the higher-cost newer vaccines, it cannot receive reimbursement through Part B for the vaccine. Since very few if any physician offices have a dispensing pharmacy, they cannot recoup the cost of the vaccine from Part B. They can recoup the cost by billing the patient or using the Web portal for certain plans. Additionally, the process of appropriate clinical administration caused by vaccine storage requirements makes administration at a site other than the dispensing site somewhat challenging.

Pharmacy administration, mail order shipment to physician of-

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fices, and an on-line billing option for physicians to be reimbursed for both the vaccine and administration are worthy of exploration to meet the bundled payment criteria sought by CMS while ensuring adherence to storage and handling requirements for some vaccines.

I would hope that while CMS continues to expand healthcare coverage benefits for its enrollees, it also looks at the operational barriers that its policies create.

LTC Perspective

Barney Spivack, MD
Medical Director, LifeCare, Inc.

The processes used by long-term care facilities may depend on their relationship with their pharmacy providers, state laws for pharmacy administration of vaccines, possible pharmacy collaborative practices (more relevant, however, to anticoagulation treatment than vaccines), and a person's anticipated length of stay in the facility (vs. potential for physician administration of the vaccines in outpatient settings). The situation for assisted living facilities is similar to that of the community unless the facility has an arrangement with a phar-

macy provider to deliver it to the facility for administration.

Pharmacy's Perspective

The simplest scenario for us occurs if the member gets a Part D-covered vaccine administered through one of our pharmacies. Most states allow this practice, and we believe our customers are well served by having their vaccines administered by one of our trained pharmacists. If patients are insured through Medicare Part D, the pharmacist is paid directly by the plan for both the vaccine and the administration fee. Everybody wins.

Part D Plan Industry Response

One response by industry is to create a system for electronic submission of Medicare claims. For instance, Dispensing Solutions, Inc., recently entered into national contracts with several Part D sponsors to offer eDispense Vaccine Manager, a Web-based program for submission and adjudication of claims for physician-administered vaccines that may now be covered by Medicare Part D.

The company is working closely with third-party payers, government agencies, physicians, and manufacturers. At the point of care, DSI's participating physicians are advised of the patient's financial responsibility and told the amount that will be reimbursed for administered vaccines. According to the company, the entire coverage inquiry and claims submission process takes less than 2 minutes. Payments are made to physicians electronically for all transactions during each month. More information is available

PROVIDER ACTION

Impact to You

Many vaccines are indicated for older adults. Physicians can either administer these vaccines themselves or refer their patients to a site that can provide the vaccine.

What You Need to Know

Physicians and their practices need to know the changes that are occurring in vaccination coverage under Medicare. The changes have added potential coverage in Medicare Part D for vaccines that were not previously covered in Medicare Part B. This potential coverage under Medicare Part D is for both vaccine product and administration fee.

What You Need to Do

To provide vaccines to older adults in an efficient and effective manner, physicians and their practices need to create a system for either (1) direct billing of the Part D provider, (2) billing of their patient, or (3) sending their patients to pharmacies or other sites that have the ability to provide vaccines. This process is best worked out before a patient is sitting in a practice's exam room waiting to see the physician.

from the company at: www.dispensingsolutionsinc.com/.

Future Directions

Given the increasingly limited resources under which Medicare operates, it is unlikely that vaccination coverage will move back to Medicare Part B. This is because Medicare Part B is limited in its ability to control costs. Medicare will likely continue to move the responsibility for managing utilization onto its intermediaries, such as prescription drug plans.

This process can work but only if electronic claims processing systems and collaboration with pharmacy practices facilitate vaccine administration for physicians and patients alike. At present, we are not at this stage. Specialty vaccine administration sites, such as convenient care clinics located in pharmacies, may provide one answer. These sites have ready access to vaccines and an established system for billing Part D plans for both the medication and administration fee.

Legislative Initiatives

Beyond the development of efficient and effective systems, legislators and policy makers are examining the importance of providing extended coverage for vaccines. To improve access to adult vaccines, barriers to vaccines must be eliminated.

Vaccinations are an important part of care for our patients and for society as a whole. An efficient and effective system is essential to ensure access to vaccinations for our older patients. This can occur only if clinicians continue to gain knowledge on this topic and work with regulators and payers to provide a system that encourages instead of discourages the use of vaccines. *MPM*

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Richard G. Stefanacci, DO, MGH, MBA, AGSF, CMD, Faculty Director for the Center for Medicare Medication Management (cm3) and Executive Director of Mayes College, University of the Sciences in Philadelphia (USP).