Immunization Financing: Key Area for American Academy of Pediatrics Advocacy

After reading these very informative articles, I cannot help but imagine that, if I were a business person charged with organizing a pediatric practice, I would immediately eliminate immunizations from the menu of services offered. However, immunizations are the most effective public health tool ever invented. They are the backbone of preventive pediatrics and the most valuable “carrots” pediatrics have to attract families to their practices. Furthermore, pediatricians chose their profession not from a business perspective but to experience the excitement and gratification of providing comprehensive health services for all children in a pediatric medical home.

In light of that calling, these articles serve as a wake-up call. Pediatricians must examine their immunization practices carefully and must work within the public and private health care sectors to improve the financing of child and adolescent immunization. If there is no profit margin in this large portion of their pediatric businesses, then surely there will be a reduction in their ability to accomplish their holistic child health mission. What should be the strategy of the American Academy of Pediatrics (AAP)?

Tradition and facts are on the side of pediatricians, and the AAP must use this information to promote its cause. Parents expect their children to receive immunizations from pediatricians. Up to 85% of childhood vaccines currently are administered in pediatric practices, as a result of the Vaccines for Children (VFC) program. Immunization rates for 2-year-old children have increased from the range of 50% to 60% to 80% since VFC was implemented in October 1994. The private sector provides and pays for ≈50% of childhood immunizations. Pediatricians implement the private-sector immunization program, in addition to most of the public-sector vaccine initiative. Public health authorities currently do not have the resources to immunize all children in public health departments, because Congress has not funded the immunization safety net adequately (Section 317 funds) and most states have not committed sufficient funds to public-sector immunization. Therefore, families and public health authorities should assist pediatricians to ensure that their vaccine-related costs are paid for by public- and private-sector, third-party payers.

Federal benchmarks for vaccine administration fees are available within Medicare ($20.92 for the first vaccine and $10.46 for each additional vaccine), and these federal benchmarks are above the fees paid by most Medicaid, State Children’s Health Insurance Program (SCHIP), and private insurance plans. Pediatricians must be compensated fairly, on the basis of federal benchmarks, for the work they do immunizing US children.

Child and adolescent immunizations are in the best interests of public health. The AAP urges the federal government to take more responsi-
bility for ensuring the timely immunization of all children and adolescents in a pediatric medical home. Federal government actions should include (1) encouraging (and mandating, if necessary) proper payment by Medicaid, SCHIP, and all commercial health plans for the immunization costs of physicians according to federal benchmarks established by the National Vaccine Program and (2) ensuring that vaccine administration payments of at least Medicare levels are paid to all physicians who participate in VFC. Congress could amend VFC so that the federal government gives the states the funds they need to pay for vaccine administration at Medicare rates. VFC is an entitlement program, and the AAP must weigh the advantages and disadvantages of asking Congress to consider any amendments to this program, because other parties could offer harmful amendments during this time of economic strife.

Improving the vaccine financing situation is a top priority for the AAP, and a number of AAP leaders are working toward that goal within the federal government. Jon Almquist, MD, FAAP, former chairperson of the AAP Immunization Task Force, now serves on the National Vaccine Advisory Committee (NVAC). This committee makes recommendations to the Assistant Secretary for Health concerning vaccine issues. Jon Abramson, MD, FAAP, former chairperson of the Advisory Committee on Immunization Practices, is a member of the Vaccine Financing Working Group. Gary Freed, former chairperson of the NVAC, also is a member of the Vaccine Financing Working Group. Walt Orenstein, MD, FAAP, former director of the National Immunization Program at the Centers for Disease Control and Prevention, and Lance Rodewald, MD, FAAP, director of the immunization branch of the National Immunization Program at the Centers for Disease Control and Prevention, also attend NVAC meetings. AAP Washington office staff members, specifically Jackie Noyes, MA, associate executive director, and Karen Hendricks, JD, assistant director of the Department of Federal Affairs, attend innumerable vaccine-related meetings within the federal government. The AAP understands that vaccine financing policy that is promulgated at the federal level will have a dramatic influence on the ability of pediatricians to implement AAP immunization recommendations in their practices.

In their practices and within state AAP chapters, pediatricians should use AAP resources (such as the Business Case for Pricing Vaccines and Administration and Practice Management Online) to insist on fair payment for vaccination services by commercial health plans and state Medicaid/SCHIP programs. The AAP Division of State Government Affairs and the Department of Practice stand ready to assist chapters and pediatric councils that are working on these issues with government and commercial payers. Chapters may need the assistance of state insurance commissioners and state medical society staff members to accomplish their goals at the state level.

As a community pediatrician, I have worked with state government leaders and administrators to assist our AAP chapter in establishing an effective childhood vaccination program that includes a “universal select” option and payment for VFC vaccine administration that is close to Medicare rates. The chapter chairperson for government affairs and I met with state Medicaid administrators in the middle of December 2008 to address the issue of vaccine administration payment for the newer combination vaccines, as we continue our struggle for optimal child and adolescent immunization in North Carolina. I encourage other pediatricians and chapters to reach out to their states in a similar fashion, and I assure you that the AAP is committed to making sure our members receive the support they need to ensure that all children can receive timely immunizations in the practices of their pediatricians.
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