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Vermont Immunization Vaccine Purchasing Pool Pilot
Frequently Asked Questions
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The Health Department's response to questions and comments were primarily incorporated into the revised procedures. Only those that did not require a change in procedure, or that needed further explanation are included here.

1. Can the start date be delayed?

Response: Yes

- In an effort to allow insurers time to make system changes, communicate with providers and meet vaccine financing needs, the start date for the Vaccine Purchasing Pool Pilot (Pilot) has been delayed until April 1, 2011.

2. Will the Patient Protection Affordable Care Act (PPACA) preempt any provision(s) of the Immunization Pilot Program?

Response: No

- The PPACA does not preempt any provision of State law unless a State law requirement prevents the application of a requirement of the PPACA. The Immunization Pilot Program supports the PPACA requirement that coverage be provided without the imposition of cost-sharing for immunizations for routine use in children, adolescents, and adults.

3. Can you describe the BISHCA reports that will be used to: a) determine the percent of children and adults with private insurance and b) determine the Vaccine Purchasing Pool fee?

Response:

a) Determination of the proportion of the population with private insurance

- The 2009 Vermont Household Health Insurance Survey is being used to determine the proportion of privately insured individuals. The 2009 report indicates that 56% of children and 70% of adults have private insurance. Because this survey is done periodically VDH recognizes it will not be exact.

b) Determination of the Vaccine Purchasing Pool Fee

- *The "Average Annual Enrollment and Paid Claims Report of Paid Claims Period: July 1 – June 30"*. This is reported by all insurers to BISHCA under the requirements of the Vermont Healthcare Claims Uniform Reporting and Evaluation System (VHCURES).

- Enrollment changes during the year will not alter the annual fee. The total number of covered lives and the annual fee will be determined solely by this annual report, due on October 1st.
- This report includes organizations doing business under several company names; therefore, organizations will receive invoices for each of those companies.

4. Are ERISA plans included in the Pilot program?

Response: Yes

- Any plan that is required to submit to BISHCA the *"Average Annual Enrollment and Paid Claims Report for the Period: July 1 – June 30"* as required by the VHCURES legislation is expected to participate. This legislation encompasses plans that offer Administrative Services Only (ASO) for ERISA employers.
- Under ERISA, states can not mandate the provision of a benefit. The Pilot Program does not mandate a benefit rather it establishes a bulk purchasing pool for vaccine and requires the State to be reimbursed for the actual cost of vaccines provided to beneficiaries.
- ERISA does not preempt the State from assessing fees on the payer.

5. Can the Health Department require <u>all</u> providers to participate in the Pilot program?

Response: No

- The enabling legislation states that …"the department shall solicit, facilitate and supervise the participation of health care professionals, health care facilities..." The Department cannot require participation by health care professionals, however is committed to working with insurers to enroll providers.
- The Department will support insurers who require providers to participate.

6. Can the Health Department provide a list of participating providers in "real time"?

Response: Yes, an updated list will be made available on the VDH website.

7. Why are hospitals being included in the program at this time?

Response:

- Only hospital newborn services are eligible for inclusion in the program at this time. This is not a change to current policy.
- No expansion to other hospital units is anticipated at this time.

8. What format is required for insurer reports for the immunization registry?

Response:
- This is under development and will be brought to the Pilot Advisory Committee for review.

9. Is the cost of seasonal flu vaccine included in the estimates of vaccine costs?

Re**sponse:**
- The cost of seasonal flu vaccine for children is included in vaccine estimates and the cost calculations.
- The cost of seasonal flu vaccine for adults is not included in either the vaccine estimates or cost calculations.

10. Can you further define the account reconciliation process the Health Department will use?

Response:
- The annual estimated vaccine need is determined by using the total doses ordered in the previous federal fiscal year adjusted to meet current program demand/expansion. The newly implemented Economic Ordering Quantity (EOQ) required by the CDC will continue to be used to ensure ordering is based on estimated need.
- By law, the Health Department must manage the account to avoid either a surplus or a deficit. The goal for reconciliation is to ensure that insurers receive a timely "credit" for any overcharge or notice of an underestimate of funds required for vaccine purchase.
- The timing of the reconciliation can be adjusted to meet the needs of the insurers. VDH proposes that reconciliation estimates be provided to all affected insurers annually by November 15th.

11. Can insurers receive "credit" for participation in vaccine purchasing programs in neighboring states?

Response:
- Current practice relative to childhood immunization in Vermont and neighboring states is that vaccines are provided for the benefit of children receiving care in that state, regardless of state of residence.
- New Hampshire assesses insurers for child vaccines using a market share system similar to that which will be used in Vermont. Therefore, assessments paid in New Hampshire cover children from Vermont receiving care in that state and assessments paid in Vermont cover children from New Hampshire who receive care in Vermont.

12. Have the Pilot procedures been integrated into the existing vaccine services at VDH?

Response: Yes, fully.

- Provider agreements, required for Vaccines for Children's and Vaccine for Adults Program participation are also used to govern the use of state purchased vaccines. The ordering and distribution systems will be the same for all vaccines and providers regardless of funding source.

13. Can providers charge $0.00 instead of the proposed $0.01? Updated 02/28/2011

Response:

- The Health Department is committed to continue working with insurers toward a single resolution that will be used by all insurers.

Based on feedback from major insurers, providers should be instructed to use the Health Care Procedure Coding Systems (HCPCS) National Level II Medicare Code Modifier: (SL: State supplied vaccine) when submitting state supplied vaccine. State supplied vaccines should be billed with a charge of $0.00.

14. Will payments made by insurers be accountable as a medical expense?

Response: Yes, payments are seen as a medical expense for the following reasons:

- Payment for vaccine costs meets the requirement for a medical expense under *"The Regulation for Uniform Definitions and Standardized Rebate Calculation methodology for Plan years 2011, 2012 and 2013..."*
- Per the regulation: "The numerator used to determine the medical loss ratio for the plan year is calculated as incurred claims plus any expenses to improve health care quality."
- Definition per the regulation: "Expenses to improve health care quality" means those expenses as a defined in Appendix C and derived from the NAIC Supplemental Health Care Exhibit as adopted by the National Association of Insurance Commissioners on 8/17/10.
- Appendix C of the regulation: Improving Health Care Quality Expenses – General Definition: Quality Improvement (QI) expenses are expenses, other than those billed or allocated by a provider for care delivery (i.e. clinical or claims costs), for all plan activities that are designed to improve health care quality and increase the likelihood of desired health outcomes in ways that are capable of being objectively measured and of producing verifiable results and achievements. The expenses must be directed toward individual enrollees or may be incurred for the benefit of specified segments of enrollees, recognizing that such activities may provide health improvements to the population beyond those enrolled in coverage as long as no additional costs are incurred due to the non-enrollees other than allowable QI expenses associated with self insured plans. Qualifying QI expenses should be grounded in evidence-based medicine, widely accepted best clinical practice, or criteria issued by recognized professional medical societies, accreditation bodies, government agencies or other nationally recognized health care quality organizations. They should not be designed primarily to control or contain cost, although they may have cost reducing or cost neutral benefits as long as the primary focus is to improve quality.