

# Innovative Projects to Improve Reimbursement in Public Health Department Clinics

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DEPARTMENT OF HEALTH AND HUMAN SERVICES



# Once Upon a Time

- Only seven diseases were protected against by vaccines.
- Vaccines were not considered to be “expensive”
- Health Departments were expected to be the safety-net for all health care that individuals were not able to get elsewhere.
- Health Departments provided these services free of charge without being reimbursed.
- Privately insured patients pay premiums to private insurance companies with the agreement that they would cover the cost associated with receiving vaccines. Getting a free vaccine in the Health Department means the government is paying the insurance company to vaccinate these patients.



# Today

- Routine vaccination protects us against 17 deadly diseases.
- Cost to purchase recommended vaccines for children increased 360% within the past 10 years.
- Health Departments are critical infrastructure for emergency response and response to pandemic.
- Some Health Departments understand that they can no longer continue to provide all services with government dollars and have started to look into the concept of billing private insurance, Medicare, and Medicaid.
- Health Departments will not survive economically if they continue to give away services that are otherwise covered by private medical insurance.



# Questions to Ask Yourself

- Why do children and adults seek care (specifically vaccine services) at health department clinics?
  - Provider does not offer specific vaccine
  - Patient cannot get an appointment prior to school starting
  - Patient does not have provider
  - Inability to pay for office visit



# Questions (cont.)

- Why do insurance companies reimburse private providers for vaccine services, but not health departments?
  - Is there a law that keeps them from reimbursing the health department?
  - Are the services being provided different in some way?



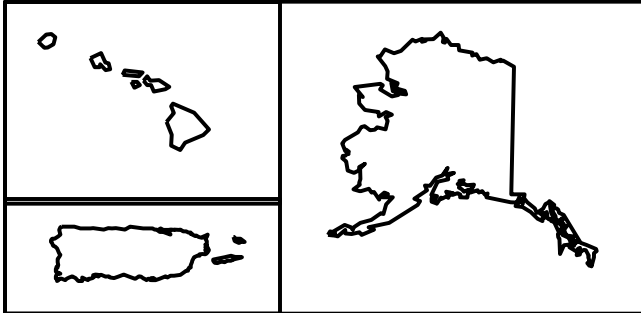
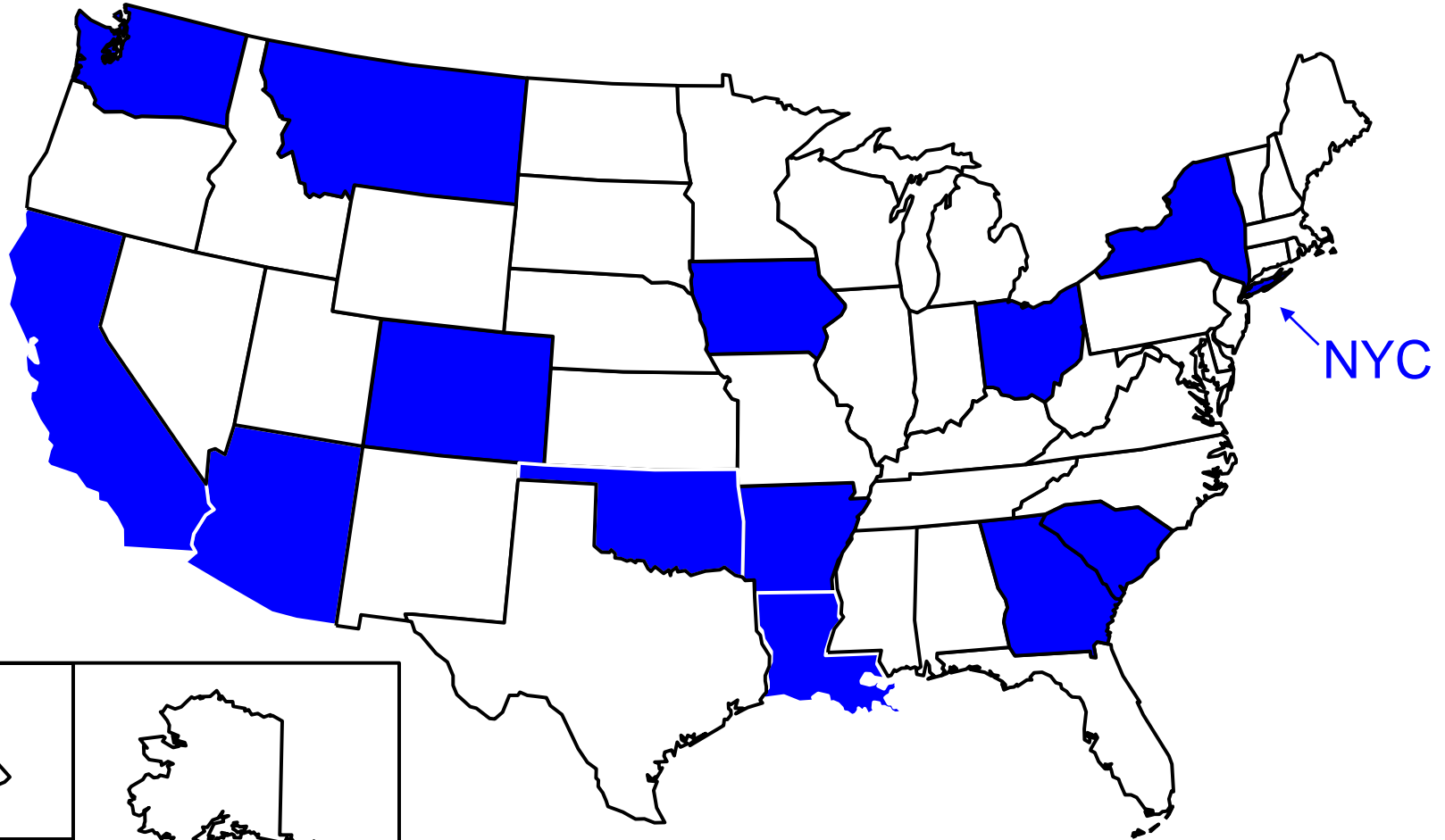


# Questions (cont.)

- Should the insurance plan covering vaccination services be billed for services rendered in health department clinics?
  - Equity
  - Common Sense
  - Stewardship
  - Preparedness



# 14 Grantees Funded in 2009 Through ARRA-317 Innovative Projects to Improve Reimbursement in Public Health Department Clinics



# Project Goals

- Facilitate strong active support from a network of stakeholders that will be necessary for the development of a successful billing program.
- Determine what resources and processes will be needed to develop a successful billing program.
- Provide analysis of data to determine benefits and potential barriers to the development of a successful billing program.
- Develop a program plan that will enable public health clinics to bill private health insurance for immunization services.
- Assess the ability for this billing program to operate successfully.





# Billing Plan

- State profile
- Description of stakeholder involvement
- Current capacity to bill for all services
- State regulations that may support or hinder the billing process for immunization.
- Overview of potential barriers or resistance to billing
- Agreements that may be necessary with payers
- Mechanisms to bill private insurance
- Break even analysis
- Public health arguments in support of billing
- Financial arguments in support of billing
- Assessment of readiness to begin billing
- Discussion of needs associated with implementing billing plan

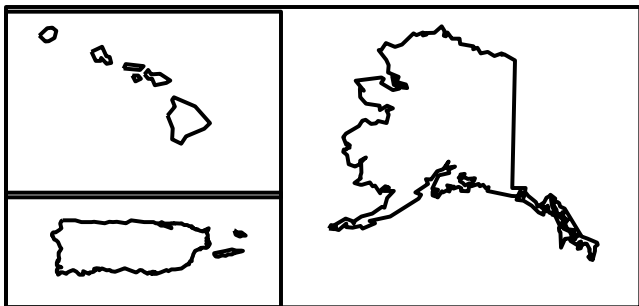
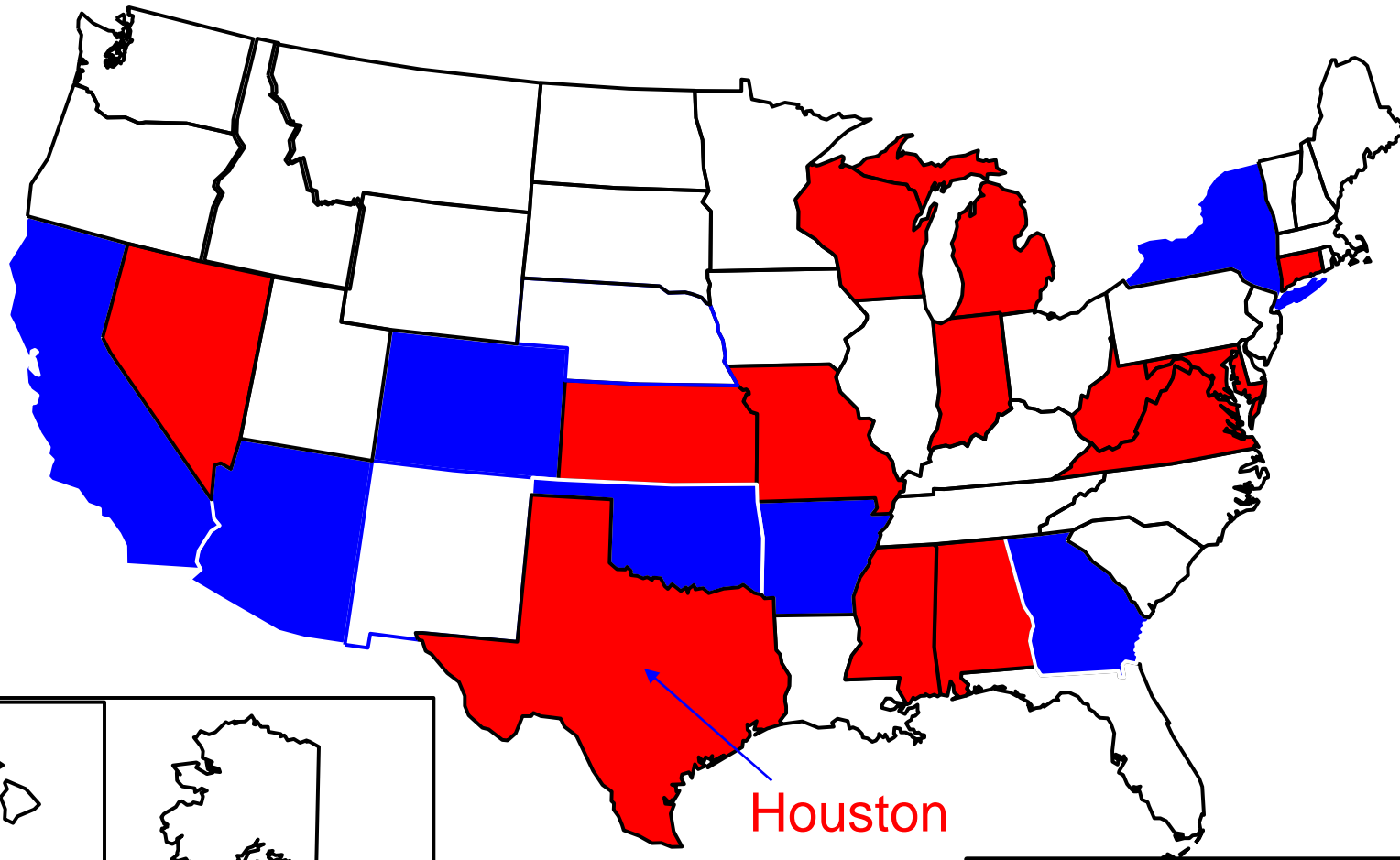


# Our ARRA Experience

- Approximately 50% of health department clinics in the funded states have never billed Medicaid for vaccine service administration fees.
- As many as 45% to 55% of patients seeking vaccine services in some health departments are privately insured.
- More than half of the 14 original ARRA grantees have successfully piloted a billing program and successfully processed some bills for reimbursement.
- Final plans from the original 14 ARRA grantees are due in December 2011.



# PPHF Funded in 2011- Innovative Projects to Improve Reimbursement in Public Health Department Clinics



**New Planning Grants**  
**New Implementation Grants**



# New Programs

- New Planning grantees will take lessons learned through the ARRA grant and work to develop viable billing plans for their state.
- New implementation grantees will implement their developed plan that moves them as close to full implementation (billing Medicaid, Medicare, and private insurance for administration fees and reimbursement for vaccine cost) state wide as possible.



# Billing Success Stories

## Arizona

- Completed a pilot in Maricopa County.
- TAPI (AZ State Immunization Coalition) works as the clearing house and is able to process 2000 -2500 claims per month on average, with 3 full time data entry clerks.
- Funds recovered enabled the health department to remain open 4 days each week instead of the proposal to close one of those days.



# Billing Success Stories Cont'd

## Arkansas Department of Health

- Piloted billing private insurers for flu immunization services delivered beginning Fall 2010.
- The flu pilot project generated \$756,918 from the major insurers in the state.
- Total revenue generated from Medicaid, Medicare and insurers was \$1,661,393.

# Billing Success Stories Cont'd

## Montana

- The number of health departments that are billing electronically has more than doubled from 13 to around 28+.
- The reports from the health departments indicate that they receive payment faster and identify issues sooner when billing electronically.
- Nine health departments are currently piloting electronic billing.



# Billing Success Stories Cont'd

## California

- Kern County has been able to realize between \$30,000-\$40,000 additional revenue each month for other services provided as result of implementing a new fee schedule and improving coding of bills and internal processes for accurate billing.



# Thank You

## Questions???

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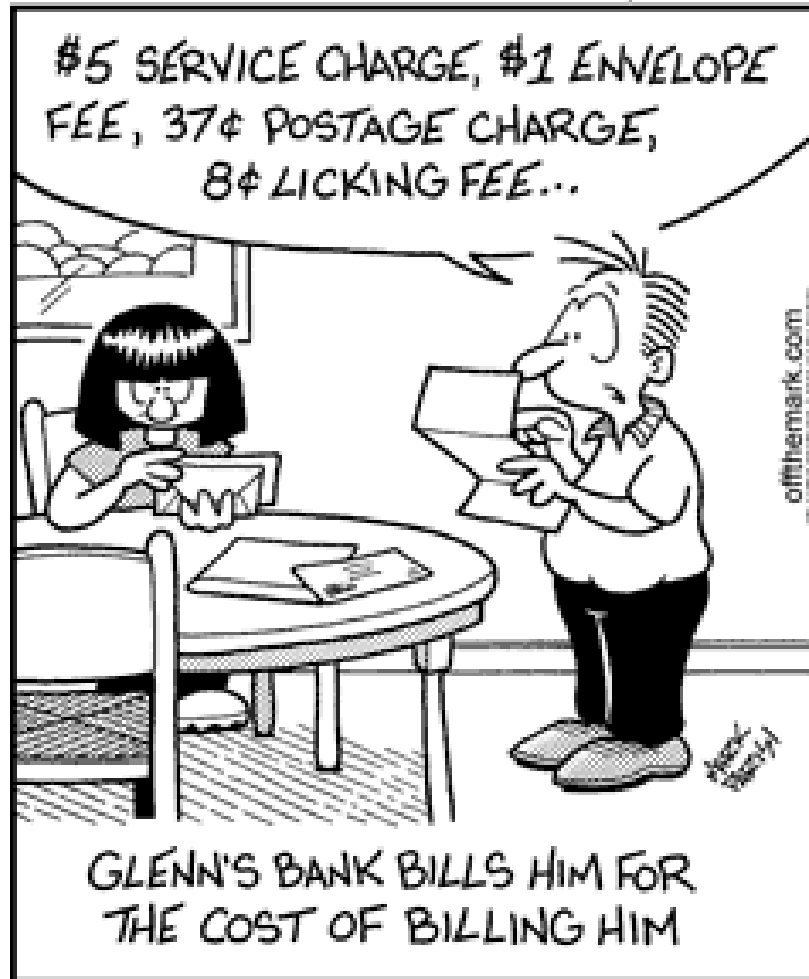
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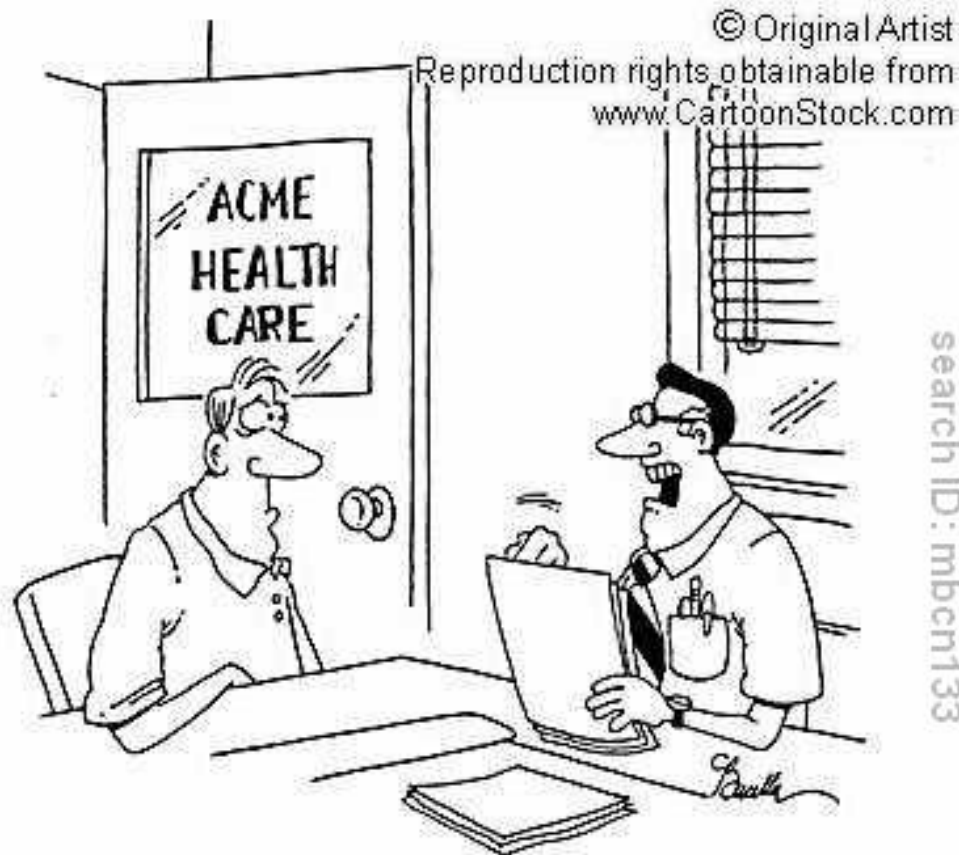


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"I'm sorry, but stress caused by trying to figure out your health insurance is not covered by it."



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**“The word ‘invoice’ is too soft and friendly.  
We need a new word that means ‘pay up or die’.”**



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