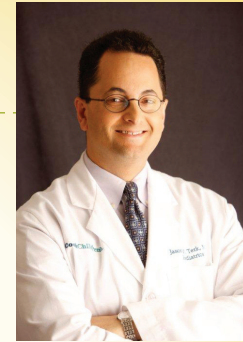


VaccineView: A New Paradigm in Transparency

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If there is one thing that you can count on hearing an earful about from us pediatricians, it is the challenge of providing vaccines to our patients while keeping our practices financially viable. With the exception of personnel costs, vaccine purchases represent the largest portion of overhead for almost all pediatricians. This is due in large part to the happy fact that we have many more life-saving vaccines we can provide to our patients and the not-so-happy fact that most of these newer vaccines are much more costly than their predecessors.

As physicians who care for children, we recognize that the provision of vaccines to our patients is perhaps the most important service we can provide. This is because vaccines protect both the patient we are seeing in our office at the point of care as well as the entire community through the effect of herd immunity. In fact, out of all the thousands of services provided in any medical setting, vaccine provision is the only service given to an individual that benefits the rest of society. It is truly a linchpin of public health.

However, the sustainability of this service is greatly threatened by the financial reality that so many vaccine providers (mostly pediatricians who are already at the bottom of the income food chain) are losing money trying to do this important public health mission.



One of the most challenging variables impacting on this issue is that of payer reimbursement for vaccine products. We know based upon an excellent analysis by the American Academy of Pediatrics² that payment for the direct and indirect costs of vaccine products must be 17 to 28% above the acquisition cost basis in order for one's vaccine business to be viable and sustainable. Heretofore, vaccine providers had no mechanism to see the larger field of reimbursements by payers for vaccine products so that they could make informed choices and negotiate effectively with payers. Antitrust laws prevent physicians from exchanging information about what a specific payer will reimburse for a specific charge.

VaccineView changes the game entirely. With this powerful new tool, sunshine is cast onto a previously shadowed field where vaccine providers have struggled to remain viable. Like PayerView, VaccineView allows anyone and everyone to transparently see how well or poorly providers are doing by vaccine type and practice size by looking at payer performance relative to the accepted standard of acquisition cost, plus 17%. From the 158,983 charges analyzed from January 2009 to December 2010, an astounding 47.2% of payments for the eight childhood and adolescent vaccines analyzed were below that standard—cold affirmation of what many of us have suspected for years.

Never before has such a tool existed that so plainly and unequivocally shows what reimbursements for vaccines really are across such a broad cross section of practice sizes, vaccine types, and payers. This tool will tangibly support individual physicians and practices that provide vaccines as they negotiate with payers. It will also allow organizations such as the AAP to more effectively advocate for fair and appropriate vaccine reimbursements. athenahealth's newest tool has the promise to make a real difference in helping us do this important work to support public health!

October 14, 2011

1. Cook Children's is a client of athenahealth.
2. "The Business Case for Pricing Vaccines and Immunization Administration," American Academy of Pediatrics, January, 2011, <http://practice.aap.org/content.aspx?aid=1808&nodeID=2021>.

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