

Funds Lacking to Vaccinate Underinsured Teens

BY HEIDI SPLETE
Senior Writer

ATLANTA — The vaccine financing system in the United States continues to derail vaccinations for underinsured children and adolescents, based on new survey data from state immunization program managers.

"Limitations in 317 funding and state funding are clearly contributing to this gap," said Dr. Grace M. Lee of Harvard University, Cambridge, Mass.

"For example, we estimate that about 3.9 billion children are unable to receive Menactra in the private sector and 1.1 billion are also unable to receive Menactra in the public sector," said Dr. Lee, who gave results from a study of states' vaccine financing activities at a meeting of the Centers for Disease Control and Prevention's Advisory Committee on Immunization Practices.

The explosion in the number and cost of vaccines for children and adolescents in recent years prompted the study. In 1985, there were 7 vaccines in the routine childhood and adolescent immunization schedule; in 1995, there were 10; and in 2006, there were 16, said Dr. Lee. "In 1985, it cost \$45 to fully vaccinate a child. In 2006, the estimated cost to vaccinate a female child is approximately \$1,200," she said.

Many underinsured children must pay out of pocket for vaccines. Alternatively, private providers may refer them to the public sector to receive vaccines purchased by the state government with 317 funds or through the federally funded Vaccines for Children (VFC) program. But neither of these sources has kept up with the growth in recommended vaccinations.

The Section 317 program is a discretionary federal grant given to each state (plus all U.S. protectorates, territories, and six cities) to be used for vaccines for un-

derinsured children and adolescents who do not meet the criteria for the VFC program or whose parents or guardians can't afford the out-of-pocket costs for full vaccination. Most of the Section 317 funds are used for routine childhood and adolescent vaccinations, although any remaining funds can be used to pay for vaccinations for underinsured adults. "Historically, vaccines weren't so expensive, but now it is getting harder to vaccinate all children with everything due to a lack of increase in 317 funding," Dr. Lee commented.

Dr. Lee and her colleagues conducted a two-phase study that included qualitative interviews with 48 state immunization program managers followed by a national survey and interviews with the state managers plus two city immunization program managers. The survey and interview questions asked how and whether the cities and states provided vaccines to underinsured children, Dr. Lee said.

Overall, about 50% of underinsured children could not be vaccinated in their medical homes unless they could pay out of pocket, according to the survey results. The meningococcal vaccine (Menactra) was the least-covered vaccine. Menactra was not covered by private providers in nearly 70% of states in the study and it was not covered in public clinics in approximately 40% of the states. Of note, the ACIP recently recommended expanding meningococcal vaccination to include all adolescents aged 11-18 years.

The survey respondents expressed discomfort at having to turn away children who could not afford to pay for new vaccines, Dr. Lee noted. Respondents cited insufficient state funding as a primary barrier to vaccination and reported using several strategies to address the lack of funds.

A total of 27 states' managers reported limiting provider vaccine choice, and 25

used annual state appropriations to address financing limitations. A total of 13 managers reported expanding their definitions of federally qualified health care centers (FQHCs) so more underinsured children would be eligible for the VFC program. In addition, 11 managers reported negotiating state contracts with vaccine manufacturers, 9 reported decreasing their purchases of adult vaccines, and 4 reported designating annual health plan appropriations.

Of the 13 states that reported expanding FQHC designations, 9 designated some public VFC providers in their states, 3 designated all public VFC providers, and 1 state manager designated all public and private VFC providers as FQHCs.

Dr. Lee said in an interview that she was unable to disclose which states had expanded the FQHCs because the inter-

viewees' names were kept confidential.

In particular, the strategy of expanding FQHC designations to improve access for VFC patients could help relieve the increased stress of paying for vaccines for children, Dr. Lee said. But the study did not address the other side of vaccine financing—reimbursement—which remains a hot-button issue for physicians.

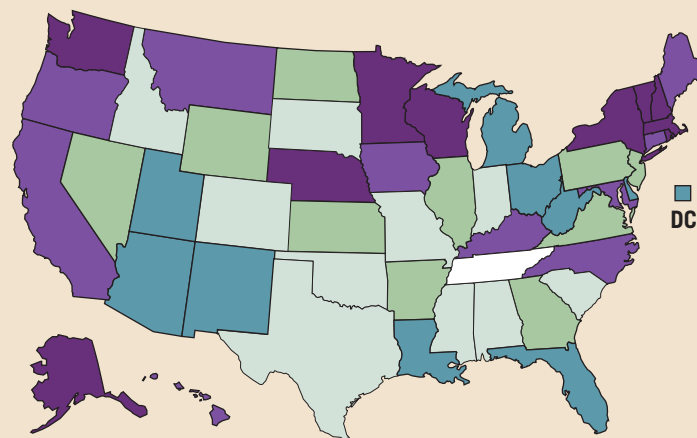
"All is not well in the realm of private providers," Dr. Jonathan Temte said during the discussion period following the presentation. "A bigger issue is reimbursement. Even if a vaccine is covered you won't necessarily get paid for all your expenses," said Dr. Temte of the University of Wisconsin, Madison, and the American Academy of Family Physicians' liaison to ACIP.

For up-to-date information on FQHC coverage, billing, and policies, visit www.cms.hhs.gov/center/fqhc.asp. ■

DATA WATCH

Rankings of State Medicaid Programs

1-10 11-20 21-30 31-40 41-50 Data not available



Note: Ranking is based on eligibility, quality of care, reimbursement, and scope of services.
Source: 2000-2006 data, Public Citizen Health Research Group

ELSEVIER GLOBAL MEDICAL NEWS

Hospitals Are Increasing Joint Ventures With Physicians

BY JOEL B. FINKELSTEIN
Contributing Writer

WASHINGTON — Hospitals are getting smart instead of angry about competition from physicians.

"A lot of care is moving from the hospital to the ambulatory sector, some of which is still under the auspices of the hospital, but increasingly into doctor's offices, into physician-owned ambulatory surgery centers, imaging centers, testing facilities," Dr. Robert Berenson, a senior fellow at the Washington-based think tank The Urban Institute, said at a press briefing on health care costs sponsored by the Center for Studying Health System Change.

Physicians often set up these centers in part out of frustration with hospital bureaucracy, but also in response to economic pressures, said Adam Feinstein, a managing director at Lehman Brothers where he coordinates the health care facilities research team. "Physician incomes have been going down. They have been looking to make up for the lost income, and they're competing more ag-

gressively with the hospitals," he said.

Over the past 10 years, the number of ambulatory surgery centers has doubled to approximately 5,000. There are now almost as many surgery centers as there are hospitals in the country. By comparison, there are only about 100 specialty hospitals in the United States, despite all the political attention they get.

Jeff Schaub, who rates acute care hospitals for the international credit rating firm Fitch Ratings, pointed out that when hospital leadership does not focus on "what their physicians are doing and want to do, we have seen dozens of places have their outpatient surgery volumes cut in half because docs have gone out and put up buildings."

To counteract such trends, "what we have seen over the last 5-8 years is tremendous interest on the part of hospitals and systems to do joint ventures with physicians, figuring that they would rather lose half the business than all of it," he said.

Alternatively, some hospitals have tried to integrate physicians into more of the business decisions, hoping to create a

more comfortable environment for them to work and minimizing their desire to go off on their own, Mr. Schaub said.

"It is really interesting how things come full circle," said Mr. Feinstein. "Hospitals were letting doctors partner with them back in the mid-1990s, there was a lot of scrutiny over this so everyone stopped do-

ing it, and now here we are again and everyone is doing it."

There are similarities, but some important differences this time around, Mr. Schaub said. "In the 1990s, everybody was buying practices just because everybody else was buying practices. Now what I see is a much more strategic focus," he said. ■

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