

**Public Health Director Report
Board of Health
January 2009**

- Alice participated in a webinar on “Public Health Survival in Difficult Economic Times.” The basic message was to think outside the box in providing services.
- The proposed Governor’s Budget could have severe impacts for Public Health. Funding is proposed to be eliminated for the Medical Examiner Program, Emergency Medical Services, and Emergency (BT) Preparedness. And, parental co-pays will be required for EI participants. A full analysis is currently being prepared for the County Administrator and will be available in mid-January.
- Alice attended a retreat for Department Heads and Legislators held on December 18th. These meetings will continue to improve communication and to discuss key topics on a deeper level.
- Our first campaign to offer a free flu shot to County employees yielded 334 participants out of approximately 725 County employees.
- The process to narrow down the candidates for the Board of Health vacancy continues. The eight applicants were sent six questions to answer. Then two to three candidates will be selected for face-to-face interviews.

**Medical Director's Report
Board of Health
January 2009**

Immunization – Public Health and the Private Sector

Articles in Pediatrics which appeared in early December of 2008 made national news as they reported that family practitioners and pediatricians were surveyed regarding the amount of reimbursement they received for providing vaccines and whether they planned to continue administering vaccines in their practice.

At issue are several important trends:

1. The number of vaccines indicated for use in childhood and adulthood has increased over the past two decades significantly.
2. The cost of these vaccines has also increased significantly.
3. Reimbursement for vaccines and reimbursement for their administration has not necessarily kept pace with the costs involved and the risks involved. They also have not necessarily kept pace with the cost of ordering, stocking, supplying, and administering these vaccines.

The final conclusion of these articles appears to be the following: While the United States currently (and our region specifically) is not in a crisis state with regard to vaccine delivery, the trends being evidenced by these surveys are worrisome. At risk is the significant role that private practitioners play in achieving immunization goals for all age groups.

Vaccines of significance that are likely not to be provided by internal medicine doctors, family practitioners, and pediatricians are ones such as human papilloma virus vaccine (for the prevention of cervical cancer) and meningococcal conjugate vaccine indicated for the prevention of meningitis and indicated for all age groups above the age of about 11. With the increase in price of the vaccines to practitioners, the significance of these vaccines as a cost for insurance companies has arisen. Accordingly, the margin that is afforded to private practitioners through contracts with third-party insurance companies has been reduced. While advisory committees of the American Academy of Pediatrics recommend vaccine purchase cost and reimbursement should be 17-28% above the purchase price of the vaccine, in reality these margins are often much less. In addition, the administration fee may fall short of truly reimbursing doctors for the administration of these vaccines (usually two charges are rendered for a vaccine – one charge is to cover the cost of acquiring, stockpiling, monitoring, and maintaining the vaccine, while the other charge is for the nurse time to draw up, administer, and document the vaccine itself).

According to the studies done, 20% of physicians reported more than a 20% decrease in vaccine profit during the previous three years.

Of the vaccines given, at least five vaccines were reimbursed at less than 10% above the purchase price; an additional four at less than 18% above purchase price. For 15 of the 21 specific vaccines that were analyzed, more than one practice reported that the vaccine purchase price exceeded the most common payer's reimbursement for the vaccine. It is more common for smaller practice groups to have poor reimbursement for vaccines than extremely large groups. Such large groups might have the advantage of volume in negotiating prices with the vaccine manufacturers or they may be more successful in negotiating contracts with third-party insurance parties. Contracts with insurance companies are extremely complex and involve a great number of reimbursement issues. When contracts are negotiated by practices they may lose sight of the significance of vaccine costs as a factor and thus fail to be included as a significant negotiating point in the heat of negotiations over things like visit fees, surgical reimbursement fees, contractual issues with regard to prompt payment, and overhead control.

The summarizing comment of the editorial accompanying these articles was that, "The market does not seem to be responding well to the public health immunization needs of our country."

Therein lays the crux of the matter, I think, for us in public health. If the private sector drops further out of providing vaccines for the population, a much greater burden will be felt by the official public health sector in providing immunizations.

In our local region, people taking care of infants, adolescents, and children generally provide the vaccines that are indicated. In the adult population, the coverage is much more spotty with some practices not providing influenza vaccine, nor pneumococcal, nor meningococcal, nor the new whooping cough booster doses. Will we see this trickle down to where those of us caring for children find it difficult to provide vaccines for that age group? Certainly it will happen if the economics of providing vaccines just do not make sense.

General Activities

Reviewed Pandemic Influenza planning materials for private practice preparation and met with representatives from Ithaca College, Cornell, and Cayuga Medical Center with regard to coordinating community response to Pandemic Influenza and the impact on private office practice.

Marcellus Gas Drilling

I was pleased to see Senator Schumer's interest in the Board of Health's Resolution of the last meeting, as well as the editorial in the Ithaca Journal which quoted some of the language that the Board Resolution contained.