

INTERIM STUDY PROPOSAL 2019-146

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2
3 REQUESTING THE HOUSE COMMITTEE ON PUBLIC HEALTH, WELFARE, AND
4 LABOR STUDY INCREASING ACCESS TO THE INFLUENZA VACCINE IN
5 ARKANSAS BY MODERNIZING THE INFLUENZA VACCINE REIMBURSEMENT
6 METHODOLOGY IN THE ARKANSAS MEDICAID PROGRAM.
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8 WHEREAS, thirty-six (36) influenza-related deaths have been reported in
9 Arkansas this influenza season, with one (1) of the deaths being a pediatric
10 death; and
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12 WHEREAS, the Centers for Disease Control and Prevention estimates that
13 as of February 1, 2020, there have been at least twelve thousand (12,000)
14 influenza deaths, including seventy-eight (78) influenza-associated pediatric
15 deaths, two hundred ten thousand (210,000) hospitalizations, and twenty-two
16 million (22,000,000) influenza illnesses in the United States this influenza
17 season; and
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19 WHEREAS, the average Arkansas school absenteeism rate for the week
20 ending February 1, 2020, was seven and six-tenths percent (7.6%) among public
21 schools, with Dallas County schools having an astonishing twenty-seven and
22 eighty-seven-hundredths percent (27.87%) of students absent for the week
23 ending February 1, 2020, and at least twenty-three (23) schools and school
24 districts have closed due to widespread influenza outbreaks this season; and
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26 WHEREAS, influenza has led to four (4) worldwide pandemics in the last
27 century, most recently in 2009, and the influenza pandemic of 1918 was the
28 deadliest pandemic of the twentieth century, killing fifty million
29 (50,000,000) people worldwide, infecting one-third (1/3) of the population of
30 the world, and causing life expectancy in the United States to drop by twelve
31 (12) years; and
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33 WHEREAS, the 1918 pandemic tragedy occurred prior to the invention of
34 the first influenza vaccine in 1938, and the Centers for Disease Control and
35 Prevention now recommends annual vaccination as the single best way to
36 prevent influenza and its spread within a population; and

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WHEREAS, lack of access to influenza vaccine leads to a dangerously low immunized population, which creates a public health and national and state security risk; and

WHEREAS, the Centers for Disease Control and Prevention is currently reporting that deaths for the year 2020 attributed to pneumonia and influenza in the United States are nearing the epidemic threshold; and

WHEREAS, the Centers for Disease Control and Prevention estimates that the influenza vaccination rate for Arkansas citizens during the 2017-2018 influenza season was forty-one seven-tenths percent (41.7%) but only twelve three-tenths percent (12.3%) of the population served by the Arkansas Medicaid Program received an influenza vaccine in 2017-2018 according to the Office of Medicaid Inspector General, meaning that a member of the general population in Arkansas was at least three (3) to four (4) times more likely to receive an influenza vaccination than was a patient with Arkansas Medicaid Program coverage; and

WHEREAS, an estimated one (1) in three (3) Arkansans and three (3) in four (4) children under eighteen (18) years of age, or seventy-five percent (75%) of Arkansas children, receive their medical and pharmacy benefit coverage through the Arkansas Medicaid Program; and

WHEREAS, the entire state and communities suffer when such a large population of patients has poor access to vaccination because the low vaccination rate and increased risk for vaccine-preventable infectious diseases put our entire economy and population at risk; and

WHEREAS, the Stephen Group, a health policy consultant, made recommendations in 2016 to the Arkansas Health Reform Legislative Task Force to increase state vaccination rates by:

- (1) Reevaluating vaccination reimbursements made to all providers;

1 (2) Separating the ingredient reimbursement from the
2 reimbursement for the professional administration fee for adult vaccinations;
3 and

4 (3) Reevaluating the reimbursement for the professional
5 administration fee for free vaccines distributed as part of the Vaccines for
6 Children Program, also known as the "VFC Program"; and

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8 WHEREAS, the Office of Medicaid Inspector General issued a memorandum
9 in 2018 finding that:

10 (1) Despite the heightened community warnings and influenza
11 clinics provided by the Department of Health during the 2017-2018 influenza
12 season, only twelve and three-tenths percent (12.3%) of Medicaid
13 beneficiaries, or approximately one hundred twenty-six thousand (126,000)
14 person, received the influenza vaccine, leaving over nine hundred thousand
15 (900,000) beneficiaries unprotected, many of whom were children;

16 (2) Pediatric and obstetrics/gynecology clinics were no longer
17 able to financially absorb the negative margin associated with vaccinating
18 innocent women and children against contagious infectious diseases;

19 (3)(A) The 2017-2018 influenza season resulted in over twenty-
20 five million dollars (\$25,000,000) in direct outpatient costs to the Arkansas
21 Medicaid Program, and most of those costs were related to influenza
22 treatment.

23 (B) Of the outpatient costs related to influenza during
24 the 2017-2018 influenza season, only eight and eight-tenths percent (8.8%) of
25 expenditures, or approximately two million three hundred thousand dollars
26 (\$2,300,000), were dedicated to prevention via the influenza vaccine;

27 (4) The Arkansas Medicaid Program spent ten dollars (\$10.00) on
28 outpatient treatment of influenza for every one dollar (\$1.00) spent on
29 preventing influenza through vaccination during the 2017-2018 influenza
30 season, which did not include hospitalization data or mortality data;

31 (5)(A) The Arkansas Medicaid Program spent twelve million three
32 hundred thousand dollars (\$12,300,000) on drugs used to treat influenza.

33 (B) Since eighty-eight percent (88%) of Tamiflu
34 prescriptions in 2016-2017 and 2017-2018 were dispensed to children under
35 eighteen (18) years of age, it appears that no matter how severe the
36 influenza season, thousands of children are not being immunized.

1 (C) Since only three percent (3%) of Medicaid
2 beneficiaries who received the influenza vaccine in 2016-2017 and 2017-2018
3 still required treatment with Tamiflu, it is reasonable to assume that any
4 increase in the influenza vaccination rate would result in a decrease in
5 Tamiflu expenditures and a direct savings to the Arkansas Medicaid Program;

6 (6) The influenza vaccine reimbursement methodology used by the
7 Arkansas Medicaid Program was not meeting the requirements of federal law, 42
8 U.S.C. 1396a(a)(30)(A), that state Medicaid programs design their benefit
9 plans "to assure that payments are consistent with efficiency, economy, and
10 quality of care and are sufficient to enlist enough providers so that care
11 and services are available under the plan at least to the extent that such
12 care and services are available to the general population in the geographic
13 area";

14 (7) The root causes associated with the low Medicaid beneficiary
15 influenza vaccination rate were a decline in medical and pharmacy provider
16 participation in offering vaccinations and the lack of availability of the
17 vaccine to Medicaid beneficiaries compared to the general population; and

18 (8) The Arkansas Medicaid Program did not adequately reimburse
19 providers for the cost of influenza vaccine ingredients and the
20 administration fee charged for adult vaccinations, nor did it adequately
21 reimburse providers for the administration fee charged for pediatric
22 vaccinations; and
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24 WHEREAS, the Arkansas Medicaid Program reimburses providers nine
25 dollars fifty-six cents (\$9.56) for each administration fee charged for
26 vaccinating a patient who is eligible for the Vaccines for Children Program
27 or the State Children's Health Insurance Program, also known as "SCHIP"; and
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29 WHEREAS, the cost for providers to manage the complexities and to
30 administer vaccines far exceeds nine dollars and fifty-six cents (\$9.56) as
31 evidenced by fourteen (14) of seventy-five (75) counties in Arkansas have
32 zero (0) private providers offering vaccines to seventy-five percent (75%) of
33 our state's children enrolled in ARKids A or ARKids B within the Arkansas
34 Medicaid Program which live in those counties; and
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1 WHEREAS, these fourteen (14) counties are vaccine deserts for children,
2 as many of the children who live within those counties can only receive
3 vaccines from a local health department and the department's staff; and
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5 WHEREAS, the 2018 Office of Medicaid Inspector General memorandum also
6 states that the acquisition cost, or purchase cost, for one (1) dose, the
7 ingredient cost alone, of the adult quadrivalent influenza vaccine is
8 estimated to be seventeen dollars and ninety-seven cents (\$17.97), more than
9 the total reimbursement from the Arkansas Medicaid Program of sixteen dollars
10 and fifteen cents (\$16.15); and
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12 WHEREAS, the 2018 Office of Medicaid Inspector General memorandum
13 recommends that:

14 (1) In order for the Arkansas Medicaid Program to return to
15 compliance with federal law, 42 USC § 1396a(a)(30)(A), the methodology used
16 to determine reimbursement rates for the influenza vaccines be amended for
17 the providers participating in the Vaccines for Children Program and the
18 State Children's Health Insurance Program as well as medical and pharmacy
19 providers to better reflect a pricing methodology used in neighboring states;

20 (2) The Arkansas Medicaid Program reimburse at least seventeen
21 dollars (\$17.00) for one (1) dose of influenza quadrivalent vaccine and
22 reimburse at least nineteen dollars (\$19.00) of the administration fee
23 charged for an adult vaccination; and

24 (3) Reimbursement of the administration fee charged for a
25 pediatric vaccination be increased to nineteen dollars (\$19.00) per
26 vaccination, instead of the current unsustainable nine dollars and fifty-six
27 cents (\$9.56) reimbursed for a vaccination provided as part of the Vaccines
28 for Children Program and the State Children's Health Insurance Program; and
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30 WHEREAS, while the Arkansas Medicaid Program reimburses an inadequate
31 sixteen dollars and fifteen cents (\$16.15) for adult influenza vaccinations
32 and provides no reimbursement for administration fee, other health programs
33 reimburse an adequate amount, including:

34 (1) The Mississippi Medicaid Program, which reimburses thirty-
35 nine dollars and eighty cents (\$39.80) for each influenza vaccination

1 provided to an adult Medicaid patient, with twenty dollars seventy-seven
2 cents (\$20.77) of that total reimbursement for the administration fee; and

3 (2) Medicare, which reimburses approximately forty dollars
4 (\$40.00) for an adult influenza vaccination in Arkansas; and

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6 WHEREAS, reimbursement rates for the cost of vaccine ingredients should
7 be updated weekly, as prescription drug prices are, to account for prices
8 made by the manufacturer; and

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10 WHEREAS, influenza vaccines should be covered and providers adequately
11 reimbursed for both ingredient costs and administration costs in the fee-for-
12 service Arkansas Medicaid Program and the Provider-led Arkansas Shared
13 Savings Entity system, also known as the "PASSE system", to remove barriers
14 for all healthcare providers who are trained and able to administer influenza
15 vaccinations under Arkansas law; and

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17 WHEREAS, all Arkansas health plans, including the fee-for-service
18 Arkansas Medicaid Program and the Provider-led Arkansas Shared Savings Entity
19 system, also known as the "PASSE system", should cover immunizations that are
20 routinely recommended by the Centers for Disease Control and Prevention's
21 Advisory Committee on Immunization Practices and provide adequate
22 reimbursement to all providers who are trained and able to administer the
23 immunizations, including influenza vaccinations, under Arkansas law; and

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25 WHEREAS, the General Assembly should study how to increase access to
26 the influenza vaccine to protect the public health of the citizens of
27 Arkansas,

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29 NOW THEREFORE,
30 BE IT PROPOSED BY THE HOUSE COMMITTEE ON PUBLIC HEALTH, WELFARE, AND LABOR OF
31 THE NINETY-SECOND GENERAL ASSEMBLY:

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33 THAT the House Committee on Public Health, Welfare, and Labor study
34 increasing access to the influenza vaccine in Arkansas by modernizing the
35 influenza vaccine reimbursement methodology in the Arkansas Medicaid Program,
36 including by:

1 (1) Reimbursing providers for the administration fee charged for
2 an adult influenza vaccination covered by the fee-for-service Arkansas
3 Medicaid Program;

4 (2) Increasing reimbursement in the fee-for-service Arkansas
5 Medicaid Program for:

6 (A) Vaccine ingredient costs and administration fees
7 charged for adult influenza vaccinations; and

8 (B) Administration fees charged for pediatric influenza
9 vaccinations;

10 (3) Implementing a process similar to that in place for
11 prescription drug prices to update reimbursement amount for the cost of
12 influenza vaccine ingredients weekly for the fee-for-service Arkansas
13 Medicaid Program and the Provider-led Arkansas Shared Savings Entity system,
14 also known as the "PASSE system"; and

15 (4) Providing coverage in both the medical benefit and pharmacy
16 benefit for influenza vaccinations to remove barriers for all healthcare
17 professionals to provide influenza vaccinations under the fee-for-service
18 Arkansas Medicaid Program and the Provider-led Arkansas Shared Savings Entity
19 system, also known as the "PASSE system".

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21 Respectfully submitted,

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25 Representative Justin Boyd

26 District 77

27 Prepared by: JMB/JMB
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