

3. Physician successfully fights Aetna all-products requirement

Jill Stoller, MD, FAAP and co-chair of the New Jersey pediatric council reports that Aetna was imposing on her practice an all products requirement that was in violation of the settlement agreement. Per article 7 (b) of the Aetna settlement, the carrier could not require physicians to participate in capitated plans if they chose to participate only in fee-for-service plans. After filing the compliance dispute, Aetna agreed to allow Dr. Stoller's practice to participate only in the fee-for-service plans. Dr. Stoller advises pediatricians to become aware of the settlement terms with the major carriers (Aetna, CIGNA, HealthNet, Humana, and Wellpoint/Anthem) and monitor and report carrier non-compliance.

Information on the carrier settlements and compliance dispute process can be found at www.hmosettlements.com

4. Payment Tip: Identify source of average wholesale price (AWP) used by carriers to determine vaccine payment

Most carriers base vaccine payments on AWP, which generally is the manufacturer's list price plus a percentage markup. Since there are several sources of AWP such as Thomson Red Book, Mediscan, First Data Bank, and even carrier's own data, make sure payers identify the source of AWP and that it is current. The variation in AWP is due to what the current average list price is at the time and the percentage markup applied by the vendor. Since AWP is considered proprietary due to vendor licensing agreements, there are restrictions on how the AWP data can be exchanged (such as posting lists of AWP on websites and listserves). Vaccine manufacturers have established reimbursement support programs that physician practices can call to obtain AWP information on the manufacturers own vaccines:

sanofi pasteur: Reimbursement Support Service 800/822-2463

GlaxoSmithKline: Reimbursement Hotline 888/822-2749

Merck: 800/734-6282

MedImmune: 800/949-3789

Wyeth: 800/666-7248

In addition to identifying all vaccine related expenses, knowing the AWP is helpful in determining a pediatric practice's acceptable payment for vaccines. For example, the current AWP for the HPV vaccine (CPT code 90649) per Thomson Red Book is \$144.00. Knowing what percentage of AWP that carriers will pay will enable pediatricians to determine whether it is cost effective to provide the vaccine or negotiate for adequate payments.

5. Resources on Vaccine Pricing and Consumer Driven Health Plans added to the Private Payer Advocacy Page

PowerPoint presentations made at the 2006 NCE are now available on the private payer advocacy page of the AAP Member Center:

Pricing Vaccines – The Business Perspective Presented by Mark Reuben, MD, FAAP
Access on the AAP Member Center and link to private payer advocacy and scroll down to the link on Immunizations in the green box

HSA's, HRA's CDHP's – The New Alphabet Soup of Health Insurance and What it Means for You Presented by Tom McNerny, MD, FAAP and

Consumer Directed Health Plans: The Next Payment Wave Presented by Anne Francis, MD, FAAP

Access on the AAP Member Center and link to private payer advocacy and scroll down to the link on Consumer Driven Health Plans in the blue box

6. AAP News articles

The November 2006 issue of AAP News features an article on the recent meeting with CIGNA on pediatric issues. The article can be accessed at:

<http://aapnews.aappublications.org/cgi/content/full/27/11/34>

The issue also has a cover story on the AAP policy statement on retail based clinics at

<http://aapnews.aappublications.org/cgi/content/short/27/11/1>

For additional information on AAP private sector advocacy, contact Lou Terranova, Senior Health Policy Analyst at lterranova@aap.org or 800/433-9016 ext 7633.

Have a carrier concern? Complete the AAP Hassle Factor Form on the AAP Member Center at www.aap.org/moc/ and link on Hassle Factor Form under More Resources. The AAP and chapters use the data to identify issues and discussion points with payers.