



North Carolina Pediatric Society

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Mr. Dave Richard

Deputy Secretary for Medical Assistance
Division of Medical Assistance
NC Department of Health and Human Services
1985 Umstead Drive
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Dear Mr. Richard:

Thank you for the many ways you and your colleagues at the Division of Medical Assistance are working to protect and improve health services for children insured by Medicaid and Health Choice/Health Check. On behalf of the NC Pediatric Society, we appreciate your understanding that children and the medical professionals who serve them often face unique opportunities and challenges.

We urge you to raise the reimbursement levels for all drugs on the Physician Drug List, starting with vaccines and other basic preventative medications to CDC Private Sector Vaccine Costs + 10%. Especially given the current CHIPRA reimbursement rate, it is our understanding that the cost to the state for this change would be minimal.

Building on the opportunity that most children are mostly healthy, pediatric teams can help set a course that promotes healthier lifetimes. One critical component is timely vaccines. As you well know, vaccines safely protect children from a range of debilitating and deadly diseases both during childhood and adulthood.

For children insured through Medicaid, Vaccines for Children (VFC) provides all of those vaccines at no cost to pediatricians. However, when children are covered through Health Choice/Health Check, those same vaccines are reimbursed at the rate in the Physicians Drug List.

These reimbursements substantially lag the actual out-of-pocket the pediatric practice pays for the vaccine. For example, the chicken pox vaccine costs a practice \$22 more than NCHC pays. This cost creates a substantial barrier for some practices to be able to deliver vaccines timely and effectively. In some cases, families may be referred to local health clinics, resulting in delays, inconvenience (often significant) to working families, and disconnection from the medical home.

The CDC understands that if payments do not keep up with vaccine costs, children will not be vaccinated. They therefore maintain an official CDC private sector price list to provide an accurate price list for private insurance companies. The list can be found here:

<http://www.cdc.gov/vaccines/programs/vfc/awardees/vaccine-management/price-list/>

In addition to the cost of the vaccine, the practice incurs additional cost for acquisition, storage, handling, wastage, insurance against fire/loss/damage, and other costs. Since vaccine prices are raised throughout the year, it is appropriate to have the payments pegged to the CDC Private Sector Vaccine Cost sheet + 10%.

It is our understanding that the rate freeze was due to legislative action. It is also our understanding that the most recent budget bill provided some flexibility to DMA to make changes, including in the reimbursement schedule for the Physician Drug List. We urge you to use this flexibility to reimburse drugs – especially vaccines and other preventative medications – at current costs.

If you have any questions, please feel free to contact our Executive Director, Elizabeth Hudgins at elizabeth@ncpeds or 919-839-1156 x 104.

Thank you for your consideration.

Sincerely,



Deborah Ainsworth, MD, FAAP
Chapter President
NC Pediatric Society, Inc

Cc: John Stancil
Sandy Terrell