

Plan of Operation

The Vermont Vaccine Purchasing Program (VVPP) Plan of Operation is intended to serve the needs of the Vermont Department of Health (VDH), the eligible population, health care providers, and payers.

The major goals of this program are (1) to ensure universal access to vaccines for all Vermont residents at no charge to the individual, (2) to reduce the burden on providers of maintaining an immunization practice, and (3) to reduce the costs of vaccines for payers.

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Exhibit A Definitions

1. “ACIP” means the Advisory Committee on Immunization Practices for the Centers for Disease Control and Prevention, composed of experts in fields associated with immunization. The Committee develops written recommendations for the routine administration of vaccines to the pediatric and adult populations, along with schedules regarding the appropriate periodicity, dosage, and contraindications applicable to the vaccines.
2. “Adult” means all Vermont residents who are age 19 to 64 years of age.
3. “Administrative Fee” means a fee paid to VDH to cover the reasonable costs allocated to the Program for certain expenses related to maintaining supplies of vaccines for the insured population.
4. “Antigen” means the substance that evokes an immune response to a specific disease.
5. “Assessed Entity” means a health insurer as defined in in this Plan.
6. “Assessment” means the health insurer liability with respect to vaccine costs as determined by the Commissioner of Health based on the recommendation of the Immunization Funding Advisory Committee.
7. “Child” or “Children” means all Vermont residents who are under age 19.
8. “Commissioner of Health” means the Commissioner of the Vermont Department of Health.
9. “Covered lives” means the number of Vermont residents covered under a health insurance plan provided or administered by a health insurer. (18 V.S.A. §1130(a)(6)).
10. “Health care facility” shall have the same meaning as in 18 V.S.A. §9402.
11. “Health care professional” means an individual, partnership, corporation, facility, or institution licensed or certified or authorized by law to provide professional health care services. (18 V.S.A. §1130(a)(2)).
12. “Health insurer” means any health insurance company, nonprofit hospital and medical service corporation, managed care organizations, and, to the extent permitted under federal law, any administrator of an insured, self-insured, or publicly funded health care benefit plan offered by public and private entities. But, it does not apply to insurers providing coverage only for a specific disease or other limited benefit coverage. (18 V.S.A. §1130(a)(3)).

13. “Immunizations” means vaccines and the application of the vaccines as recommended by the practice guidelines for children and adults established by the Advisory Committee on Immunization Practices (ACIP) to the Centers for Disease Control and Prevention (CDC). (18 V.S.A. §1130(a)(4)).
14. “IPM” means the Immunization Program Manager of the Vermont Department of Health.
15. “Kidsvax[®]” means KidsVax, LLC. KidsVax[®] provides administrative services to the Vermont Department of Health and also administers similar vaccine programs in New Hampshire, Maine, Washington, Alaska, and Rhode Island. More information on KidsVax[®] is available at www.KidsVax.org.
16. “Medical Expense” means that, for all regulatory purposes, the expense is related to the treatment of a patient, rather than an administrative expense. Therefore, it is a cost that typically would be allowed for rate setting or benefit cost ratio calculation purposes.
17. “Provider” means a person licensed by this State to administer vaccines or provide health care services or a partnership or corporation or other entity made up of those persons.
18. “State” means the State of Vermont.
19. “State health care programs” means any health care program providing immunizations with funds available through State and federal sources. (18 V.S.A. §1130(a)(5)).
20. “Vaccine” means one or more antigens administered to produce or increase immunity to a particular disease or diseases.
21. “VDH” means the Vermont Department of Health.
22. “VHCURES” means Vermont Healthcare Claims Uniform Reporting System.
23. “VVPP” means the Vermont Vaccine Purchasing Program.

Exhibit B

Scope of Program

1. Eligible Population

- a. Individuals from birth to 64 years of age whose receive care in Vermont from licensed health care providers enrolled in the Vaccines for Children and/or Vaccines for Adult program. Vermont residents who receive immunizations out-of-state will be covered according to their insurance policy and the policies or regulations of the state in which their care is provided. Out of state vaccines are neither paid for nor supplied by VVPP.

- b. VVPP will work with neighboring states to seek to develop policies that are consistently applied across the region to equitably allocate vaccine costs among payers. The goal will be to prevent duplication in services or reimbursements. For example, KidsVax[®] works with similar programs in Maine and New Hampshire. It is the policy of this program to cooperate with these other programs to resolve any payer's concern about possible double counting of covered lives.

2. Participation by Health Insurers

- a. All health insurers are required to participate.
- b. Health Insurers which have no covered lives, and do not wish to file quarterly reports, are expected to file either an annual or a permanent covered lives report.
 - i. An annual zero covered lives report is appropriate if, for the remainder of the year, the health insurer will not have any covered lives. This report would need to be filed each year that the insurer has zero covered lives.
 - ii. A permanent covered lives report may be filed by a health insurer which currently has zero covered lives and reasonably expects that it will never have a covered life. Once this report is filed, the insurer is not required to file periodical reports. However, if the insurer's situation changes, and it has covered lives in the future, it is required to begin filing quarterly reports at that time.

3. Participating Health Care Providers

- a. All primary health care provider practices are encouraged to participate and are required to offer all vaccines recommended by ACIP. Primary care providers include:
 - i. MD's practicing as pediatricians, family medicine and general internal medicine
 - ii. nurse practitioners or physician assistants
 - iii. naturopathic physicians.

Primary care practice settings include public or private practice, federally qualified health centers, rural health centers, and clinics for the uninsured. It does not include college health services.

- b. Provider practices that have the option to enroll at any time include:
 - i. Obstetrics and/or gynecology
 - ii. Hospital newborn services, only.
- c. Providers practices NOT included in the purchasing program:
 - i. Specialty care providers, nursing homes, home health agencies, hospitals (other than newborn services), campus health for institutions of higher learning and certain other providers. These settings may be included at a later time.

- ii. Retail outlets that administer vaccines
- iii. Employer worksites that administer vaccines.
- d. To participate, providers shall:
 - i. Review and sign VDH enrollment forms for the VFC and/or VFA programs governing vaccine ordering, accounting, documentation in the Immunization Registry, quality control and patient education.
 - ii. Agree that individuals will not be billed for vaccine antigens provided by the VDH.
- e. For individuals that are uninsured and paying out of pocket, providers may charge a vaccine administration fee.
- f. Providers must submit claims to health insurers in accord with Exhibit M.

4. Vaccines Provided

- a. Neither the VVPP nor KidsVax[®] takes a position for or against the administration of any particular vaccine to any specified individual. These organizations exist to efficiently and reliably provide funds to public health officials so that they can maintain a cost efficient supply of vaccines as recommended by others. VVPP will generally fund the vaccines shown on the Vermont Recommended Immunization Schedule, along with the adult vaccines listed on the annual assessment worksheet.
- b. The Vermont Recommended Immunization Schedule, issued and updated periodically by VDH, is published [here](#). The Schedule is based on the Advisory Committee on Immunization Practices (ACIP) recommendations published and updated periodically by the Centers for Disease Control and Prevention.

5. Vaccines Not Provided at this time

- a. Seasonal influenza vaccine for adults.
- b. All vaccines for adults 65 years and older.
- c. Vaccines recommended for overseas travel.
- d. Some brands of vaccine or combinations of antigens.
- e. Vaccines that are used primarily to support delayed immunization schedules.
- f. Vaccines required by OSHA for employees and for which employers are required to pay.

Exhibit C Assessed Entities

The Vermont Vaccine Purchasing Program (“VVPP”) will seek to identify all Assessed Entities so that it may equitably distribute vaccine costs among all financially responsible parties whose beneficiaries can access state supplied vaccines at no cost to the beneficiary. If small Assessed Entities do not pay their equitable share, then their costs are shifted to the larger payers. This shifting has been a legitimate past concern of the larger payers, but it is ameliorated through operation under the Plan.

The Plan of Operation enables VVPP to collect payments from a broad range of payers, thereby equitably distributing the cost of vaccines. Medicare does not participate in VVPP at this time, so the Program is not able to provide vaccines to individuals age 65 and older. Adults may be included in the program in the future if Medicare makes arrangement to contribute towards the vaccines received by their beneficiaries.

VDH has contracted with KidsVax[®] for administrative assistance with identifying these smaller assessed entities. KidsVax[®] has prepared training materials related to its custom-designed webpage so that all assessed entities will be able easily to file quarterly reports. KidsVax[®] has also prepared enforcement guidelines (See Enforcement Exhibit), and will follow up with any delinquent assessed entities based on these guidelines.

To implement this plan, KidsVax[®] must work to identify each assessed entity in the State of Vermont. It is expected that KidsVax[®] will continue to identify non-participating assessed entities, and to reach out to them to bring them into compliance with the program.

On an annual basis, the list of entities reporting covered lives will be compared with reports in VHCURES. At the direction of VDH, KidsVax[®] will follow up on apparent inconsistencies between the two reports.

KidsVax[®] will provide reports to the VDH periodically on their progress towards identifying and collecting assessments from these assessed entities.

Exhibit D

Role of the Immunization Funding Advisory Committee

The Immunization Funding Advisory Committee was established to provide the Commissioner of Health with recommendations regarding vaccine cost and funding. This Committee was established by amendments to 18 V.S.A. §1130 which went into effect on July 1, 2014.

KidsVax[®] is currently under contract to provide administrative support and assistance to the Committee. However, KidsVax[®] does not set policy. Any information KidsVax[®] provides is to assist the committee in performing its duties. Any recommendations issued will be those of the Committee.

Exhibit E

Selection of Committee Members

The July 1, 2014 amendment to the immunization funding statute contained specific criteria for individuals who would serve on the Immunization Funding Advisory Committee. 11 V.S.A. § 1130(g)(1).

It is anticipated that the Commissioner of Health will appoint individuals to the Committee by July 1 of each year. Each appointment will be for a one year term. Committee members may continue to serve after the expiration of their one year term until the appointment of their replacement or their reappointment to the Committee.

To assist the Commissioner, VDH will provide recommendations regarding possible Committee members to the Commissioner by June 15th of each year.

The Statute allows the Director of the Vermont Blueprint for Health to nominate a representative to sit on the committee. §1130(g)(1)(C). VDH requests that this nomination be provided by June 15th of each year so that it may be forwarded to the Commissioner with the other recommendations.

The Statute provides for the appointment of “three representatives of health insurers, one from each of the State’s largest private health insurers, as determined by the number of covered lives”. §1130(g)(1)(D). VDH will use the following information to determine the three “largest private health insurers” and to implement the intent of this statute in an orderly fashion:

1. The “number of covered lives” will be based on the covered lives reports due on February 15th of that year.
2. When counting covered lives, VDH will combine the covered lives totals from related entities when VDH knows that they are related. In other words, VDH will look at the size of the insurer based on all the reports it files, not just the size reported under a particular EIN in the assessment system. Any entities that would like to be considered related entities may submit supporting information to VDH by May 15th for consideration for that year.

Exhibit F

Calendar

The VVPP Calendar can be found at www.VTvaccine.org. To link directly to the calendar, click [here](#).

Exhibit G

Financial Accountability Schedule

All income received by VVPP is sent directly to the Vermont Department of Health (VDH). VDH prepares the financial information for the Assessment Calculation Worksheet. All expenses for KidsVax[®] are included in its contract. All VDH expenses that exceed the VDH Administrative Fee are currently absorbed by the Department of Health. The cost of the vaccines is set annually by the federal CDC contract, through which purchases are made by VDH.

Additional information regarding the calculations used for income and expenses can be found in the annual [Assessment Calculation Worksheets](#).

Exhibit H

Assessment Collection Schedule

Forty-five days after the end of each quarter, a quarterly report and payment is due. The due dates are as follows:

1. February 15
2. May 15
3. August 15
4. November 15

Exhibit I

Purchasing Program Fund Management

Calculation of Insurer Assessments

VVPP will use the following process to calculate the total vaccine budget for each calendar year. The budget will be used to calculate the assessment:

1. VDH will project the estimated number of child and adult vaccine doses and the anticipated cost of the vaccines to be purchased in the next federal fiscal year.
2. KidsVax[®] will prepare a “Current Estimate of Covered Lives” showing the total number of child and adult covered lives based on health insurer reports filed through the assessment system. This total will be reduced by “Possible Deductions” and increased by “Possible Additions”. This information will be shown on the Covered Lives Estimates page of the annual worksheet. The Possible Deductions or Possible Additions could include, for example, adjustments if it is known that an Assessed Entity has filed a

covered lives report, but has since notified KidsVax[®] that the report contained incorrect numbers.

3. The federal contract for pediatric and adult vaccines is renewed annually on April 1 and July 1, respectively. In order to account for the anticipated increase for part of the year, the Assessment Calculation Worksheet will include an adjustment to account for the estimated future rate increase for the applicable portion of the year.
4. The assessment calculation worksheet will include an Administrative Fee paid to VDH for the costs of administration of the Vermont Vaccine Purchasing Program and a fee for the services provided by KidsVax[®].
5. The assessment calculation worksheet also will include any additional amount which VDH and the Immunization Funding Advisory Committee may determine necessary to ensure that adequate funds are collected. These additional line items may include amounts for Collection Losses, Leakage, Reserves or Expenses (e.g.: Legal Fees, Audits, Insurance, etc.).
6. The total of non-vaccine costs will be allocated between the adult and the child covered lives as directed by the VDH. Generally, it is expected that the allocation of costs between the two programs will be proportional to the relative vaccine costs of each program. Any additional costs will be allocated between the adult and child vaccine assessment as directed by VDH.

Reconciliation

1. The Purchasing Program Fund will be reconciled annually by VDH.
2. VDH will provide the federal fiscal estimated and actual vaccine costs.
3. KidsVax[®] will report the total amount collected through insurer assessments for the prior program year, based on a modified cash accounting method with assessments counted as revenues in the month that payment is due.
4. Any overpayment will be applied as follows:
 - i. To repay any advance funding provided by the state, then
 - ii. To reduce the assessment for the following year.

5. Any underpayment will ordinarily be recovered through an increased assessment in the following year. In certain circumstances, such as a public health emergency, it could be necessary to collect a special or interim assessment.
6. Based on the budget to be prepared in consultation with VDH and the covered lives data obtained through payer reporting, KidsVax[®] will prepare the proposed total assessment to cover all costs in both the adult and child vaccines. This proposal will be presented to the Immunization Funding Advisory Committee.
7. The assessment rate actually implemented will be set by the Commissioner of Health after considering the recommendations of the Advisory Committee and consulting with the Immunization Program Manager.

Exhibits J and K Assessment Calculation Worksheet and Vermont Vaccine Purchasing Program Budget

The Assessment Calculation Worksheet, which includes the program budget, can be found on the [Reference Page](#). This Worksheet is part of the Plan of Operation, but it is saved as a separate file for annual updates.

The Assessment Calculation Worksheet provides detailed information on the calculations used to develop the annual assessment rate. VVPP provides a draft Assessment Calculation Worksheet to the Immunization Funding Committee for consideration. This draft Worksheet assists the Committee with the performance of their duties but, does not set policy. All policy decisions are made by the Committee and VDH. The draft Worksheet will be revised based on the recommendations of the Committee and VDH.

After discussion and vote, the Committee will provide the Commissioner of Health with an annual per-member per-month cost for vaccines for both the pediatric and adults populations, and a recommendation for the amount of the annual vaccine assessment.

VVPP will promptly forward the Committee's recommendations to the Commissioner. Once the Commissioner sets the assessment rate, VVPP will post a notice of the assessment rate at on the [Reference Page](#).

Exhibit L Enforcement

If a report is late, VDH has instructed KidsVax[®] to encourage the entity to file their report as soon as possible. If the report is not filed in a timely manner, KidsVax[®] will notify VDH of the failure, and take the additional follow up actions described in this Exhibit. VDH will take enforcement action should that become necessary.

FOLLOW-UP FOR PAST DUE ASSESSMENTS

Implementation Considerations:

1. Payments are wired or mailed to the VDH, and KidsVax[®] receives a payment report from VDH itemizing who has paid.
2. KidsVax[®] will compare the payment report from the VDH to the assessment report filed by insurers to identify late payments. The following dates begin to run from the date that KidsVax[®] determines that a payment is late. (the “Late Report Date”).

Protocol A: for all carriers falling within the top 90% of assessments due:

- Make a phone call one business day after the Late Report Date.
- Send a fax reminder five business days after the phone call.
- Send a letter reminder three business days after the fax reminder with a copy to the Immunization Program Manager “IPM”.

Protocol B: for all carriers falling within the 90% to 98% of assessments due:

- Make a phone call three business days after the Late Report Date.
- Send a fax reminder seven business days after the call.
- Send a letter reminder five business days after the fax reminder with a copy to the IPM.

Protocol C: for all carriers falling within the 98% to 100% of assessments due:

- Make a phone call five business days after the Late Report Date.
- Send a fax reminder eight business days after the call.
- Send a letter reminder ten business days after the fax reminder and add the carrier to the delinquency report to the IPM.

Exhibit M Background Regarding Procedure for Submitting Claims

The Vermont Immunization Pilot: Vaccine Purchasing Pool Implementation Procedures, as updated through April 2011, describes the submission of claims process for payers and providers. The guidance regarding submission of claims included in these procedures was established by VDH, and will remain in effect.

The claims submission process is a matter of contractual relationship between payer and provider and will be handled by payer-provider contracting, not by the VVPP.

The following recommendations are provided to make it easier to identify, during the claims process, the vaccine(s) that were provided at no cost to the health care provider.

1. Health Care Provider submission of claims to Health Insurers

Providers will be instructed to identify state supplied vaccines by using the Health Care Procedure Coding Systems (HCPCS) National Level II Medicare Code Modifier: (SL: State supplied vaccine) when submitting information on claims forms to insurers.

Claims submitted without the modifier code will indicate vaccines purchased by the health care provider.

2. Health Insurer Payment to Health Care Providers

All health insurers, will provide payment to health care providers on all claims submitted for administration of vaccine with an accompanying **zero (\$0.00) or one (\$0.01)** cent claim identifying the vaccine administered by CPT code, using the state modifier code.

All insurers will monitor claims submitted by participating providers to ensure that no bills in excess of **\$0.00 or \$0.01** are submitted for state provided vaccine and deny payment if such claims are submitted.

Insurers will provide technical assistance to providers to facilitate compliance with their claims and reporting processes.

3. Other claims for payment

Payments for vaccine that has not been supplied by the state may be paid, or denied, according to individual insurer payment policies.

Payment for claims for vaccine by non-participating providers may be paid or denied according to health insurer payment policies.

Exhibit N Evaluation

VDH intends periodically to evaluate the Vermont Vaccine Purchasing Program to ensure that it is moving Vermont closer to its goal of ensuring universal access to vaccines for all Vermonters at no charge to the individual. Additional information on these evaluations will be posted to the VVPP website when available.

Each year, VDH will ask the Immunization Funding Advisory Committee to evaluate the performance of the program. The Committee may report on this evaluation verbally at a Committee Meeting or in a written report prepared by the Committee and submitted to VDH.

Exhibit O Refund Policy

Any requests for refunds from the Vermont Vaccine Purchasing Program are to be directed to the Vermont Department of Health's servicer, KidsVax.org[®]. KidsVax[®] uses the following designated e-mail address for questions relating to overpayments: help@VTvaccine.org. Requests for refunds should be sent to this e-mail account.

When requests are received, they will be evaluated to determine whether there was an overpayment. Once the amount of the overpayment, if any, has been verified, KidsVax[®] will review the request to determine whether the overpayment was due to VVPP's error or to the payer's error.

If the overpayment is due to no fault of the payer, then KidsVax[®] will offer to refund the overpayment or to credit it towards future payments. If the payer requests a refund, KidsVax[®] will coordinate with VDH for a refund check to be issued by VDH. KidsVax[®] does not have the authority to write checks on behalf of VDH. If the payer requests that the funds be carried forward, KidsVax[®] will track the funds to be sure they are properly applied.

If the overpayment is due to the fault of the payer, then overpayment will typically be applied to their next payment. KidsVax[®] will track this as well. If the payer requests a refund of the overpayment, KidsVax[®] will instruct the payer to submit a written request explaining the situation and the need for a refund. KidsVax[®] will then forward the request to VDH.

While each request will be considered on a case by case basis, VDH will consider matters such as the impact on the refund on the assessment, the delay in bringing the request, and the cost of processing the refund as compared to the amount of the overpayment. Payers should expect that overpayments of less than \$1,000 will typically carry forward to the next assessment and will not be refunded.

All refunds are subject to availability of funds after meeting all other cash flow requirements of VVPP.