

The Great Flu Shot Conundrum

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Urgent Message: Flu shots decrease health-care expenses, workplace absenteeism, and lost productivity, so why do most insurers not cover their cost when patients get the shots at urgent care centers? It is time for this practice to change.

According to the U.S. Centers for Disease Control and Prevention (CDC), the surest way to avoid contracting influenza is to get a flu shot. Given that flu-related health-care expenses (hospitalizations and direct outpatient expenses) in the United States are estimated at \$10.4 billion annually,¹ not counting the cost of absenteeism and lost productivity due to illness, increased immunization rates would be to everyone's advantage (payers, employers, government, and patients). That is why the CDC recommends an annual flu vaccination for everyone aged 6 months and older and encourages promotion of flu vaccinations in communities and hosting of flu vaccination events at workplaces. That is also why the flu shot is included in the Patient Protection and Affordable Care Act as a preventive service that insurers must fully cover without charging a co-payment or co-insurance—even if a patient has not yet met their annual deductible. Medicare likewise provides beneficiaries with a free annual flu shot.

Urgent care centers seem to be the ideal setting to provide flu shots: The shots are easily administered by medical assistants, and patients presenting for episodic illnesses or injuries or ancillary services like physical examinations required for work or school can take advantage of the convenience of getting a flu shot while they are already at the center, without the hassle of having to schedule an appointment for a preventive examination with a primary-care physician. In addition, many urgent care patients either do not have a primary-care physician or may be unable to take time off work to visit their primary-care physician during the busy autumn months when flu shots are typically administered. Urgent care can therefore be on the front line, protecting patients against this potentially deadly virus.

Using methods such as these, urgent care centers can raise awareness that they offer flu vaccines:

- Displaying promotional visuals such as exterior flags and banners
- Displaying posters and flyers at the front desk and in examination rooms
- Asking patients via intake paperwork or during triage whether they have received a flu shot
- Mentioning flu shot availability directly to patients when health-care providers and staff members review chart documentation
- Engaging in community outreach, including grassroots vaccination clinics, which can effectively drive top-line revenue

When a well-executed flu vaccination campaign results in center use by new patients, those same patients will return to the center for additional visits for unrelated illnesses and injuries in subsequent months.

The problem with administering flu shots in urgent care center is simply one of getting paid. Many insurance companies consider a flu shot to be a preventive service that should only be offered by a primary-care physician as part of an annual wellness physical. Large national payers offer urgent care centers global or flat-fee contracts covering all services during a visit when an evaluation management code is billed, with carve-outs or exceptions for flu shots being rare. When using the fee-for-service model, some payers routinely deny reimbursement for flu vaccine administration and vaccine codes if there is no accompanying evaluation and management code or if the place of service is labeled urgent care. Because in-network urgent care centers are required to bill for and accept assignment according to their contracts, insurance payments for flu shots can be unpredictable at best.

Being unable to get reimbursed by insurance means that urgent care centers must either absorb the cost of flu shots into their overhead—resulting in a financial loss on those visits—or charge patients cash. The cash price is typically the rate billed to Medicare, to remain in compliance. The problem with cash is that patients are often unwilling to pay out of pocket for something they consider to be free from their insurance provider. Even if patients are willing to pay cash, the urgent care center is still obligated to bill contracted insurance for services performed.

The conundrum faced by urgent care centers is further complicated by competition. According to *Supermarket News*,² food, drug, and mass retailers, including Walmart, Target, Walgreens, CVS, Kroger, and Safeway, have embraced flu shots as a means of driving traffic into their stores. Shoppers who stop in for a flu shot normally purchase other merchandise, and the availability of vaccines brands the retailer as a go-to destination for health-related needs in addition to food and household needs. Thus, in 2014 major retailers ran flu vaccination price promotions that included coupon books, shopping passes, donations to charity, and even flu shots “free with insurance.” In the latter case, the vaccines were given to patients at no charge when the pharmacy or retail clinic had contracted with patients' insurance providers to offer the service or when it otherwise failed to collect from the patient. Routinely overlooking deductibles or failing to bill patients the balances due under insurance companies' explanation of benefits could be considered a violation of insurance contracts and may even run afoul of the law if it induces people to overuse benefits.

The obvious challenge in competing against retailers of food, drugs, and general items is that urgent care centers must be able to offer flu shots as a profitable, stand-alone service. Urgent care centers do not have an entire store full of merchandise to offset losses from flu shots.

A big part of the urgent care value proposition is cost savings. The availability of on-demand care for acute illness and injury has been proven to reduce the number of unnecessary trips to emergency departments and to prevent minor conditions from escalating into issues more serious and costly to treat. The flu vaccine has likewise been proven to bring cost savings by reducing direct medical costs, absenteeism, and lost productivity caused by the flu. Therefore, it only makes sense that urgent care centers be a go-to resource for flu shots. Payers should take advantage of urgent care's traffic, visibility, and accessibility by enabling reimbursement—including carve-outs in flat-fee contracts—for this vital service.

References

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