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# *Correspondence Memorandum*

**Date:** October 22, 2021

**To:** Group Insurance Board

**From:** Brian Stamm, Deputy Director
Tricia Sieg, Pharmacy Program Manager
Office of Strategic Health Policy

**Subject:** Initial Findings from the 2020 Benefit Change Related to Vaccine Coverage

**This memo is for informational purposes. No Board action is required.**

## Background

On May 15, 2019, the Group Insurance Board (Board) approved adding coverage of vaccines provided at retail pharmacies under the Uniform Pharmacy Benefit (UPB) (Ref. GIB | 5.15.19 | 8C) for non-Medicare Employer Group Waiver Plan (EGWP) members. Prior to this change, vaccines were covered only under the medical benefit; as such, members seeking vaccines at a pharmacy location would often experience issues getting the vaccine covered if the pharmacy was not in their health plan's network.

The timing of the addition of this benefit was valuable, considering the impact and limitations the COVID-19 pandemic had on traditional locations of service for vaccinations. This memo serves to provide the Board with initial results of the impact the benefit change had in the context of the Healthcare Triple Aim framework.

## Utilization

The additional vaccination access and availability brought on by the Board's benefit change had a profound impact on vaccination rates, particularly influenza vaccination. Focusing on influenza vaccinations from calendar year 2016 through 2019, the Group Health Insurance Program (GHIP) saw a 15% increase in flu vaccinations. Including the impact of the benefit change in 2020, the percent increase from 2016 through 2020 jumps to over 50%. An additional 27,621 influenza vaccines were provided in 2020 compared to the year prior as seen in figure 1. Likewise, the percent of members who received at least one influenza vaccine increased over 55%, from a vaccination rate of only 29.5% in 2016 to 46% in 2020.

Figure 1.

Reviewed and approved by Eileen K Mallow, Director, Office of Strategic Health Policy Electronically Signed 11/04/2021

Eileen K Mallow

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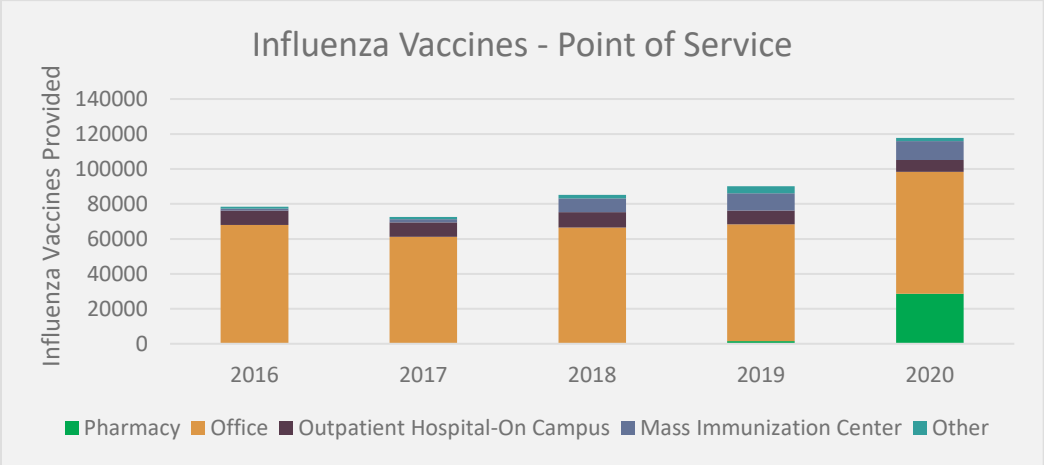


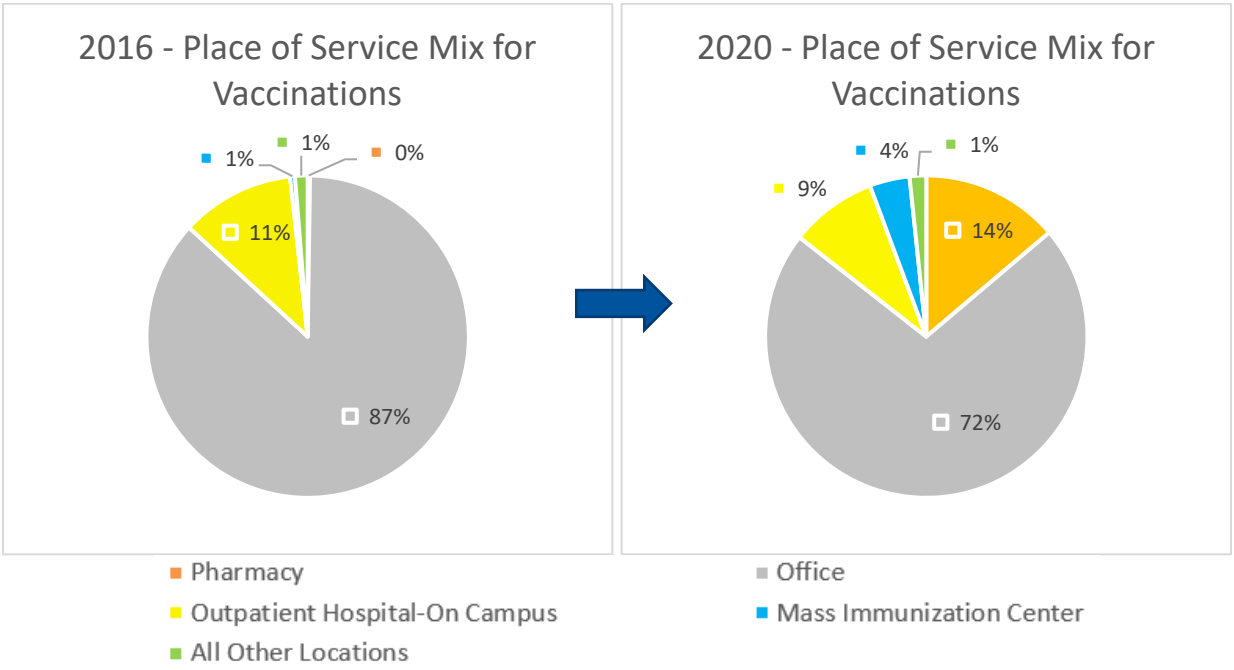

In addition to more vaccines being provided by vaccine type, the benefit change also opened the door for more vaccine types to be provided at pharmacies to the GHIP membership. Prior to the benefit change, pharmacies provided a tiny percentage of the GHIP population's influenza vaccines, a few travel vaccines, and the shingles vaccination to mainly the EGWP membership. After the benefit change, the variety of vaccinations members received at pharmacies grew substantially. The program now has members utilizing their pharmacy benefits for more than a dozen vaccines, including Varicella, Human Papillomavirus (HPV), COVID-19, and Meningococcal disease just to name a few.

The benefit change was not designed to replace traditional sites of care for vaccination; rather, the intention was to increase the accessibility and availability to meet the needs of members as healthcare consumers. One of the metrics the Department of Employee Trust Funds (ETF) analyzed was the distribution of vaccinations by point of service to determine if allowing vaccines at pharmacies would simply cannibalize utilization from other service locations or if it would truly increase the overall utilization. There are 50 place of service codes representing the variety of locations where vaccines can be administered. Table 1 below depicts the total vaccinations provided at the four largest service locations for vaccines and the year-over-year percent change by location. Figure 2 below depicts the change in the mix of location of vaccinations from year 2016 to 2020.

Table 1 – Vaccines Provided by Place of Service

| | 2016 | 2017 | | 2018 | | 2019 | | 2020 | |
|---|---|---|---|---|---|---|---|---|---|
| Location | Total Vaccinations | Total Vaccinations | Percent Change | Total Vaccinations | Percent Change | Total Vaccinations | Percent Change | Total Vaccinations | Percent Change |
| Pharmacy | 559 | 415 | -25.76% | 3206 | 672.53% | 8727 | 172.21% | 37166 | 325.87% |
| Office | 205705 | 195362 | -5.03% | 202143 | 3.47% | 203804 | 0.82% | 192959 | -5.32% |
| Outpatient Hospital-On Campus | 27124 | 27130 | 0.02% | 28526 | 5.15% | 28296 | -0.81% | 23511 | -16.91% |
| Mass Immunization Center | 1147 | 1921 | 67.48% | 8002 | 316.55% | 9977 | 24.68% | 10801 | 8.26% |
| All Other Locations | 2998 | 2914 | -2.80% | 3866 | 32.67% | 6006 | 55.35% | 4481 | -25.39% |
| Total | 237533 | 227742 | -4.12% | 245743 | 7.90% | 256810 | 4.50% | 268918 | 4.71% |

Figure 2 – Place of Service Mix for Vaccinations Over Time




The data shows a significant increase in vaccinations provided at pharmacies and mass immunization centers in both quantity of vaccinations provided and the percent mix of services received at those locations. At first glance the data appears to show market cannibalization; however, the data must be interpreted in the context of COVID-19. For much of 2020, vaccination services at traditional settings (e.g., office and outpatient hospital) were either not available or were severely limited. ETF data shows a marked decline in standard childhood vaccine rates in 2020 compared to previous years, which further suggests clinical care interruptions. We will continue to track vaccination services by service locations moving forward as the healthcare industry adapts to COVID-19.

**Cost**

Place of Service Cost Differences

Utilizing the Data Analytics and Insights (DAISI) data warehouse, we determined the average cost of vaccinations at different places of service. Focusing on the influenza vaccination for commercial claims, the places of service with the highest quantity of vaccinations provided fall into two main buckets. Office setting and Outpatient Hospital-On Campus are grouped together on the more expensive end of the spectrum, with average cost per vaccination ranging between $53-$58 per episode of care. Mass Immunization Centers, Pharmacies, and Public Health Clinics are grouped together on the less expensive end of the spectrum, with average costs per vaccination ranging between $28-$33 per vaccination. In general, there is a savings of approximately $20-$25 per vaccine when the vaccine is provided at a lower-cost-of-care place of service. If

we were to assume that all influenza vaccinations provided at pharmacies in 2020 would have otherwise been provided in an Office setting, then the savings to GHIP by offering a lower cost of care setting was roughly $611,000.

Return on Investment of Vaccine Preventable Diseases

In 2016, a paper published in *Health Affairs* attempted to estimate the economic burden of vaccine-preventable diseases in the United States. The study estimated both direct costs for treatment of 10 vaccine-preventable diseases and the productivity losses associated with the diseases. The study then compared the costs between vaccinated and unvaccinated cohorts to determine the economic burden an unvaccinated population creates.

The results of the study showed nearly 80% of the economic burden brought on by the diseases covered by the 10 vaccines were attributed to individuals who were unvaccinated.[1] Influenza alone contributed to 65% of the total economic burden estimated in the study, which is driven heavily by the high incidence of infection.[1] The unit cost per case of vaccine-preventable disease varied by pathogen and by site of care. Focusing on influenza, the study identified that the average inpatient unit cost was $5,770 per treated case, while the average outpatient unit cost was $248.[1] This can be interpreted as the potential financial risk to an employer sponsored health plan, such as the GHIP, for each treated case, of which many are preventable via vaccination. Flipping that equation on its head, this can also be interpreted as the potential return on investment for the coverage of a low-cost vaccine for an individual who would have otherwise become infected and needed treatment. This should serve as a motivating factor to support efforts towards increasing recommended vaccinations amongst our membership.

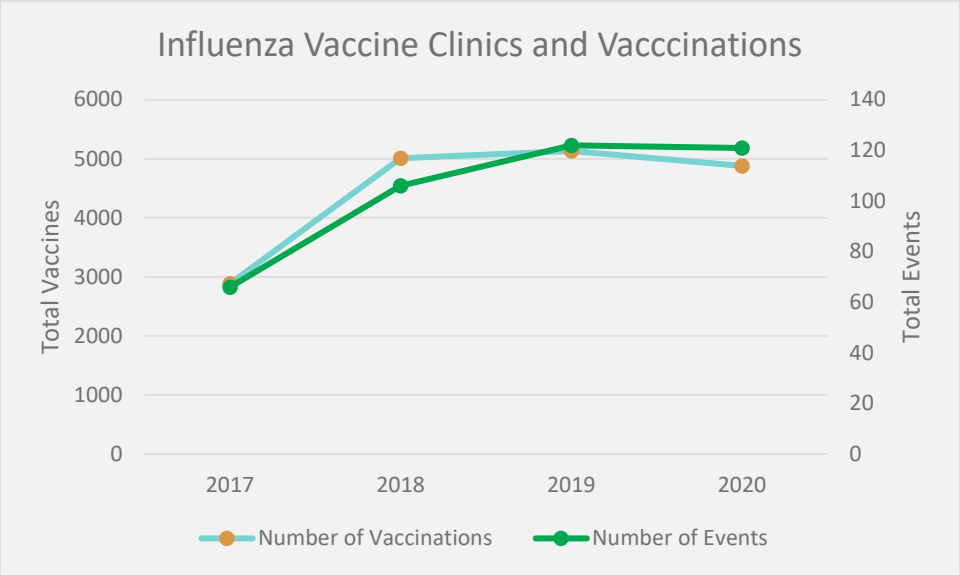
**Additional Determinates**

Wellness Impact

Annual influenza vaccination clinics at employer locations are included as part of the Well Wisconsin wellness program administered by WebMD. Starting in 2018, the Well Wisconsin program nearly doubled the number of vaccination clinics offered to employers, per ETF's request. The increase in vaccine clinics was strongly correlated with an increase in influenza vaccinations provided, as shown in Figure 3. Since the onset of additional vaccination clinics made available, the Well Wisconsin program has administered more than 2,100 additional influenza vaccines per year on average.

Figure 3.

[1]Ozawa S, Portnoy A, Getaneh H, et al. Modeling the economic burden of adult vaccine-preventable diseases in the united states. *Health Aff*. 2016;35(11):2124-2132. https://www.proquest.com/scholarly-journals/modeling-economic-burden-adult-vaccine/docview/1844316021/se-2?accountid=11752. doi: http://dx.doi.org/10.1377/hlthaff.2016.0462.




Quality Measure Impact

As part of the 2021 plan year rate setting process (performed in 2020), ETF expanded the measures utilized for the Quality Credit calculation. The Quality Credit is a rate bonus available to health plans who score the highest among a pre-selected collection of Healthcare Effectiveness Data and Information Set (HEDIS) and Consumer Assessment of Healthcare Providers and Systems (CAHPS) measurements. The addition of new measures to the Quality Credit calculation expanded the number of measures focused on vaccinations to four measures, up from one, and now equates to 25% of the overall Quality Credit score. There has been a steady increase in reported measurement rates across the health plans, which could be associated with the updated quality metrics. Included in this trend are a few dramatic increases, such as a 16.55% year-over-year increase in influenza vaccinations from one plan and a 70.42% year-over-year increase in Immunizations for Adolescents (IMA Combo #2) from another plan.

Legislative Impact

Since the Board approved vaccines in pharmacies for non-EGWP members in May 2019, Wisconsin has enacted two laws that have allowed for the safe and regulated administration of vaccines in pharmacies from an even larger pool of trained professionals.

2019 Wisconsin Act 24 (Act 24) signed into law November 19, 2019, modified the authority of pharmacists and pharmacy students to administer vaccines in two specific ways. Act 24 changed state law to allow pharmacists to administer vaccines pursuant to a prescription order issued within the prior 29 days to children under the age of six if the pharmacist had completed the required training on giving a vaccine to a child under six.

The new law also allows pharmacists and pharmacy students, acting under the direct supervision of a pharmacist, to administer vaccines without a prescription order to patients six years old and over if the vaccine is listed in the current immunization schedules recommended by the Federal Advisory Committee on Immunization Practices and published by the Centers for Disease Control and Prevention. Vaccines not on that list can be administered by a pharmacist or pharmacy student if there is a prescription order, standing order or written vaccination protocol agreed to by a physician and a pharmacist.

2021 Wisconsin Act 3 (Act 3), which became law February 21, 2021, allows Pharmacy Technicians and Pharmacy Students to administer vaccines if certain conditions are met. Those conditions include:

- Two hours of course training approved by the Pharmacy Examining Board and Accreditation Council for Pharmacy Education
- Direct supervision of a pharmacist who has completed training relating to vaccinations
- The Pharmacy Technician or Pharmacy Student holds a certificate in basic life support or cardiopulmonary resuscitation
- The person must hold a certified Pharmacy Technician Certification

Act 3 also allows health care providers authorized to administer vaccines, not just pharmacist, to supervise a pharmacy student while they administer a vaccine. In addition, the law provides that any person who is enrolled at an accredited school of pharmacy may administer vaccines pursuant to the same regulations for a pharmacy student who has completed two years of pharmacy school.

COVID-19 Impact

It should be noted that the number of vaccines given under the pharmacy benefit to non-Medicare members in 2020 and 2021 could be artificially high due to the COVID-19 pandemic. What with medical providers not seeing patients at all or seeing fewer patients in general for routine visits, and patients not scheduling routine medical office appointments, a pharmacy could have proven to be the easiest, most convenient, least intimidating place to get vaccines for many people. ETF will continue to monitor the data regarding vaccinations under the pharmacy benefit.

**Conclusion**

The Board did not know in May of 2019 how the healthcare landscape would change in 2020, and how important having the vaccine in the pharmacy benefit would be to our non-Medicare members in 2020 and 2021. However, this change of benefit made it easier for members to get their vaccinations. ETF suggests the Board continue to monitor the financial impact of allowing vaccines at lower-cost places of service.