



November 5, 2014

141 Northwest Point Blvd
Elk Grove Village, IL 60007-1019
Phone: 847/434-4000
Fax: 847/434-8000
E-mail: kidsdocs@aap.org
www.aap.org

Dear Medical Director:

Recently, Pfizer announced a 12% price increase for Prevnar 13® (Pneumococcal 13-valent Conjugate vaccine). I am writing to encourage you to ensure that your claims adjudication systems are immediately updated to cover the increased costs for this vaccine.

Waiting for carriers to make quarterly updates in their claims systems places an excessive and unfair burden on pediatric practices. Pediatricians cannot be expected to subsidize immunizations by absorbing vaccine price increases into their practices while waiting several months for health insurance plans to update the fee schedules.

We encourage you to use the Centers for Disease Control (CDC) Vaccines for Children (VFC) site which lists the current catalogue prices for vaccines for the private sector at: <http://www.cdc.gov/vaccines/programs/vfc/cdc-vac-price-list.htm>. The CDC price list is the anticipated price of the vaccine for all practices and for Prevnar 13® the manufacturer does not offer discounts beyond that price.

This public site provides transparency that payers can use to update vaccine payments in a more timely manner. Further, appropriate vaccine payments need to account not only for the vaccine cost, but also need to adequately cover the costs of ordering, storage, insurance, etc. as outlined in the attached Business Case for Pricing Vaccines. Inadequate payment for vaccines creates a barrier to accessing appropriate medical care.¹

Lack of access to preventive care services leads to more costly medical interventions borne by the family, patient, health insurance plan and employer. Immunizations are a proven cost effective method that prevent or lessen the risk of more severe illnesses. Therefore, it is in the best interests of all that there be incentives to immunize as many children as possible.

Please respond as soon as possible when you will be increasing payments to cover the increased vaccine costs borne by our members. Should you require additional information, please contact Lou Terranova, Senior Health Policy Analyst at lterranova@aap.org

Sincerely,

/S/
James M. Perrin, MD, FAAP
President

Enclosure: The Business Case for Pricing Vaccines

Reference

¹ Yoo, BK, Berry A, Kasajima M, SzilagiP, Association Between Medicaid Reimbursement and Child Influenza Vaccination Rates, Pediatrics, Vol. 126 No. 5, November 2010

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