



**Third-Party Billing and Community Outreach:
Helping Local Public Health Departments
Prosper**

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Executive Summary

Local public health departments (LHDs) play an essential role in protecting the health of the people in their communities by providing vital health services related to prevention, screening, and treatment of diseases. Primary among these is the important task of providing immunizations and other preventive services that help to minimize the spread of infectious diseases. Traditionally, LHDs have provided these valuable services free of charge or at a nominal cost to the patient. However, recent changes in healthcare policies and cuts in state and federal funding have forced LHDs to bill for these services. Billing for immunizations and other preventive services not only allows LHDs to sustain their ability to provide these services, but it also creates opportunities to expand these services and generate new sources of revenue. This paper will discuss how LHDs can utilize their capacity to bill for immunizations and other services to enhance their community outreach activities, reach a greater portion of the populations that they serve, and generate new sources of revenue.

This paper focuses on the successes of three LHDs in Illinois that have effectively used third-party billing to broaden their community outreach services and increase revenue. The LHDs featured in this paper include McLean County Health Department, Livingston County Health Department, and The Town of Cicero Health Department. All three of these LHDs work with employer groups and schools in their communities to provide immunizations and other preventive and wellness services. In some cases they bill the employer or school directly, and in other cases they bill a group health plan or individual health insurance policies. Each of these LHDs has customized and adapted their community outreach activities to meet specific needs in their communities. The ability to bill both public and private insurance plans has not only helped to pay for these services but is has also enabled each of these LHDs to expand and enhance the community outreach services that they provide. Their success illustrates how third-party billing can enable LHDs to be more innovative and prosperous.

Introduction

Local public health departments (LHDs) play an essential role in protecting and promoting the health of residents in their communities. One of the many ways in which LHDs protect the health and wellbeing of their communities is by providing vital primary health services related to prevention, screening, and treatment of diseases. Among these is the important task of providing immunizations and other preventive services that help to prevent the spread of communicable diseases. Traditionally, LHDs have provided these valuable services free of charge or at a very minimal cost to the patient. However, recent changes in healthcare policies, particularly under ACA, and cuts in funding from federal, state, and county governments, have forced LHDs to bill for these services. Billing for immunizations and other preventive services not only enables LHDs to sustain their ability to provide these services, but it also creates opportunities to expand these services and generate new sources of revenue. This paper will discuss how LHDs can utilize their capacity to bill for immunizations and other preventive services to expand their community outreach activities, and thereby, provide services to even more patients and generate new sources of revenue. The combination of billing and community outreach programs can be a powerful tool for enabling LHDs to accomplish their mission, reach more patients, and generate much-needed financial sustenance.

Before examining how billing for immunizations and other preventive services can create new streams of revenue for LHDs, one must first understand how and why billing for these services has become a necessity. According to the National Association of County and City Health Officials (NACCHO), “Local health departments are facing shrinking federal, state and local budgets.”¹ “Nearly half (48%) of all LHDs have reduced or eliminated services in at least one program area. Immunizations and other clinical health services were two areas frequently affected.”² In the State of Illinois, a State Fiscal Year 2016 budget impasse has put many LHDs in financial dire straits. In April 2016, the Illinois Public Health Association (IPHA) conducted a survey of LHDs regarding the impact of the budget impasse. Sixty-six percent (66%) of the LHDs that responded to the survey reported a decrease in their workforce. There were 119.6 fewer employees working in these health departments. Several health departments have been forced to cut services and/or reduce their hours of operation.³

At the same time, the ability of LHDs to rely on local property tax funds is also diminishing. The economic downturn has limited, and in some cases reversed, the growth in the local Equalized Assessed Value (EAV). This factor has reduced the amount of property tax funds available. On top of that, the aforementioned state budget impasse has limited the amount of state funds flowing to county operations, so there is greater competition for the limited tax resources among county programs. These economic factors are driving new legislation to limit future growth in local property taxes in the form of property tax freezes. All of these economic factors are creating an environment that makes it increasingly difficult for LHDs to rely on traditional methods of funding.

¹ <http://archived.naccho.org/topics/hpdp/billing/>

² http://archived.naccho.org/topics/HPDP/billing/upload/issuebrief_billing_jan2014.pdf

³ <https://ipha.com/content/uploads/April%20Survey%20IPHA%20fact%20sheet.pdf>

These decreases in funding from the local, state, and federal governments come at a time when the operational costs for LHDs are increasing. As reported by NACCHO, “Although public health has traditionally been free, the cost of providing preventive and clinical services such as immunization as well as HIV, STI, and TB testing has been growing for health departments.”⁴ Given the current uncertainty regarding budgets and funding, every health department in Illinois is being forced to seek new and alternative sources of revenue. Billing third-party payers allows health departments to generate revenue that is not dependent on state or federal funding. “Revenue earned through third-party reimbursement helps ensure that LHDs continue to provide essential services, conduct core public health functions, and improve the health and well-being of their communities.”⁵ In the current business climate for public health departments, billing for services is no longer optional, it is a matter of survival.

In order to help LHDs build their capacity to bill for immunizations, the Centers for Disease Control and Prevention (CDC) has instituted the Immunization Billables Project. “The Billables Project is a CDC-funded effort to enable state and local health departments to bill insurance companies for immunization services provided to insured patients.”⁶ “Since 2009, it has enabled project awardees to develop plans that will enable them to bill for vaccine services. Each billing program awardee organization develops a public health action plan describing activities, protocols, and procedures needed to pilot, initiate, and sustain a successful billing effort within the immunization program.”⁷ “The funds recovered through such billing programs can be used to expand and improve state and local immunization services for both children and adults.”⁸

To implement the Immunization Billables Project in the State of Illinois, CDC has partnered with the Illinois Department of Public Health and the Illinois Public Health Association. The project began in September of 2012. Ten pilot sites were selected and they began the process of credentialing and contracting with third-party payers. As payer/provider contracts were completed, the pilot sites gradually began billing for immunizations and other preventive services throughout 2013. “After the pilot billing program brought in close to \$1 million in revenue, it was clear that the funds generated through billing would allow local health departments to expand and enhance the immunization and other services they offer.”⁹ Illinois moved into the implementation phase of its Immunization Billing Project in September 2015. In early 2016, a billing capacity survey determined that at least 84 Illinois LHDs are billing for at least one immunization-related or preventive health service.

Case Studies

One of the initial Immunization Billing Project pilot sites in Illinois was McLean County Health Department. Located in Bloomington, this health department serves the largest geographic county in Illinois, with a population of more than 165,000.¹⁰ According to Cathy Dreyer, Fiscal Manager for the McLean County Health Department, “When the pilot program was introduced,

⁴ <http://archived.naccho.org/topics/hpdp/billing/>

⁵ http://archived.naccho.org/topics/HPDP/billing/upload/issuebrief_billing_jan2014.pdf

⁶ <https://www.cdc.gov/vaccines/programs/billables-project/index.html>

⁷ <https://www.cdc.gov/vaccines/programs/billables-project/billing.html>

⁸ <https://www.cdc.gov/vaccines/programs/billables-project/index.html>

⁹ <https://www.cdc.gov/vaccines/programs/billables-project/success-stories.html#il>

¹⁰ <http://health.mcleancountyil.gov/122/About-McLean-County-Health-Department>

agencies were seeing decreased and delayed payments from the state and since then the situation has not improved. The credentialing that was provided through the program has allowed the health department to find a source of revenue to continue operations during a time of delayed payments and also provide immunization services to a larger population.” This health department has been very successful in utilizing its billing capacity to expand its community outreach programs. “2014 was the first year that the outreach program was operated and the main focus was flu immunizations,” stated Dreyer. “It started out with going to the schools and daycares to give flu shots to teachers and staff. The program was very well-received as the teachers did not have to take time off of work to get an immunization, several stated that they would not have taken the time to get a flu shot had we not come to them. Health department staff went either before or after school hours or during an institute day to provide the immunizations. There was no cost to either the school or the teacher since we were able to bill insurance. We also did a few businesses that wanted to pay for their employees’ flu shots instead of billing insurance. During 2014 we had a total of 49 flu clinics and provided 1,273 immunizations. This first year total revenue in was \$33,511.00”

This revenue enabled McLean County Health Department to substantially increase its community outreach program. “In 2015 the program grew significantly,” Dreyer reported, “We continued to serve the schools and daycares and added 10 businesses. Information on the immunization services provided by the health department was distributed through the community by radio interviews, the MCHD website and ‘word of mouth.’ In August of 2015, a large employer in the community contacted the Health Department and asked if we could provide flu immunizations to their employees. Again, the service was provided at no cost to the business because we were able to bill the employee’s insurance. During the year, we had \$115,267 in revenue and immunized 3,163 individuals.”

The success of this program continued. In 2016, McLean County Health Department conducted 80 clinics, at which staff provided 3,045 immunizations. The revenue generated by billing for these services during 2016 was \$103,127.00.

Since its inception in 2014 through 2016, the total revenue generated by McLean County Health Department’s community outreach program is \$251,905.00. At a time when additional sources of revenue are desperately needed for all LHDs in Illinois, the revenue generated by providing these services is a great financial boost for the health department. Even more important than that, the health department has provided 7,481 immunizations through their community outreach program. These immunizations were provided to people who most likely would not have taken the initiative to visit the health department and seek out these services. By bringing these services directly to people in the community, the health department was successful in reaching many patients who otherwise would not have been vaccinated.

Livingston County Health Department is another example of a LHD that has been very successful at enhancing its community outreach programs through its capacity to bill third-party payers. This LHD provides health care services to individuals and employer groups in its county through its Wellness Clinics, which provide a variety of preventive services such as screenings and immunizations. By providing services onsite at employers in its community, the health department generates revenue by billing the employer’s group health insurance or individual

insurance plans. In some instances, the employer pays the health department directly for services provided to its employees instead of billing insurance. One example is a local employer who has a self-insured group health plan and utilizes the health department to provide health screenings for employees and their spouses. The health department charges a fee for basic screening services and if individuals desire additional tests such as a PSA (prostate specific antigen testing, TSH (thyroid), HgA1C (diabetes), there is an additional charge. Total revenue from providing these services was \$38,995.00, with expenditures of \$24,576.00 for a net gain of \$14,419.00.

According to MaLinda Hillman, Administrator of the Livingston County Health Department, “The Wellness Clinic was established in the fall of 1988 to provide health screenings. A local resident designated a portion of his trust funds to the health department. This program has developed over the years with lab services now an essential component of the program. The goal was to serve the uninsured and underinsured individuals in the county by providing low cost basic lab tests. As the health department became involved with third-party billing, it became possible for the health department to bill insurance companies for the lab services instead of having everyone pay privately.” The addition of third-party billing enabled the health department to extend these services to those that have insurance coverage. This additional revenue also helped to diversify and supplement funding for the program, and has allowed the health department to keep its fees as low as possible. “Satellite clinics have been conducted at various businesses and schools with either the business paying for the services or by us billing each individual’s insurance company,” reported Hillman. In fiscal year 2016, 864 patients were served by the wellness clinics. During that time, the total revenue generated by the wellness clinics was \$80,690.00. Expenditures for the clinics were \$60,856.00. The net revenue for fiscal year 2016 was \$19,834.00.

Livingston County Health Department also operates a School Based Health Center (SBHC) that that is primarily funded by grants and a local charitable trust. The health department also offers school nursing for a fee to one school for several hours a week. Teachers are provided with flu shots and the services are billed to their health insurance. The services provided by the SBHC are not just limited to providing vaccinations, it also provides services like early detection of chronic diseases, initial emergency treatment for injuries, prevention programs for smoking and tobacco use, and various other preventive services. In the 2014-2015 school year, 593 students were enrolled in the SBHC program with 2,129 total visits made. In the 2015-2016 school year, the student enrollment increased to 634 and the number of visits increased to 4,377. Initially, the SBHC did not bill insurance for services provided to students. However, as the enrollment and number of visits increased, it became necessary to bill third-party payers when such coverage is available. The SBHC began billing insurance in 2009. From July 2009 to June 2016, a total of \$51,035 has been generated from insurance billing. While this amount is only a small portion of the SBHC’s total funding, it is an important resource that enables the SBHC to keep up with the increasing demand for the vital services that it provides. The following table shows the amount of revenue that has been generated each year for the SBHC by insurance billing.

School Year	Income from Insurance Billing
7/1/2009-6/30/2010	\$6,144.00
7/1/2010-6/30/2011	\$4,678.00
7/1/2011-6/30/2012	\$5,661.00
7/1/2012-6/30/2013	\$6,248.00
7/1/2013-6/30/2014	\$11,191.00
7/1/2014-6/30/2105	\$7,513.00
7/1/2015-6/30/2016	\$9,540.00
Total	\$51,035.00

Combining community outreach with third-party billing has also helped Livingston County Health Department sustain its immunization services. The health department provides immunizations and international travel consultations, and the number of adults receiving preventive vaccines at the health department has been increasing. In fiscal year 2016, influenza clinics were held at various towns throughout the county. There were 1,783 flu shots given and fiscally the flu clinics “broke even” for the year. For fiscal year 2016, the health department’s total revenue for other child and adult immunization clinics (not including the flu clinics) was \$110,873 with expenses of \$97,725 for a net gain of \$13,148. “The health department strives to purchase vaccines at the lowest possible price and has a hardship program for those who don’t have third-party coverage for the vaccines and who don’t qualify for the VFC program,” reported MaLinda Hillman. “Immunizations are a good way to obtain additional revenue to support our Communicable Disease Program, which is a mandated public health program.”

For Livingston County Health Department, the advantage of its community outreach programs is twofold. First, it generates much needed revenue for the health department to help sustain services in an environment of increased operational expenses and decreased funding from state and federal governments. Second, and most importantly, it enables the health department to reach a significantly greater portion of its population, many of whom would not otherwise receive these important wellness services. According to MaLinda Hillman, “What’s been important to the Livingston County Health Department is the diversification of services. This has been extremely helpful while the state continues to deal with the budget situation. By cross-training staff to work in a variety of programs, it eases the financial burden for programs. It also assures a revenue stream. Of course there are always challenges, such as scheduling, but creative thinking has always been a way to meet the needs of the public. Public health has long been underfunded so any way to generate revenue to assist in program implementation is important.”

The Town of Cicero Health Department has combined community outreach and third-party billing to help local employers comply with a municipal ordinance. This ordinance requires all food handlers to show proof of a current series of vaccinations for Hepatitis A or a blood test indicating no need for Hepatitis A vaccinations. This proof must be kept on file with the food establishment and must be made available to the health department upon demand. This documentation must also be provided to the health department on an annual basis in order for the establishment to receive the health clearance that is needed to renew its business license. To help facilitate compliance with this ordinance, the Town of Cicero Health Department goes to various businesses to provide these immunizations on site. According to Sue Grazzini, director of the health department, “This facilitates the businesses in obtaining the needed requirements for a

health clearance in a timely manner. The businesses are then billed for these immunizations.” The health department will also go to a new business and provide immunization services on site to help the business obtain the health clearance they will need in order to apply for a business license. In 2016, the Town of Cicero Health Department provided immunization services to 1,192 employees of local food establishments, total revenue collected by the health department for providing these services was \$41,685.57.

In addition to providing immunization services to local food establishments, the Town of Cicero Health Department also provides immunization services on site to school district employees and bills the school district for those services. The health department also has a Memorandum of Agreement (MOA) with the school districts in Cicero to provide immunizations on site to students. Thus far, immunizations at the local schools have been limited to VFC-eligible children only. However, this health department has recently made a substantial investment in building its capacity to bill third-party payers. (This included the implementation of a new electronic health records system that also enabled the health department to successfully attest for Stage 1 of Meaningful Use and earn an incentive payment from the Centers for Medicare and Medicaid services of \$21,000.00.)¹¹ With the recent upgrades to its billing system, the health department may now bill third-party payers such as Medicaid, CHIP, Managed Care Organizations, and private insurance for immunizations provided at the schools. This will enable it to provide immunizations to more students.

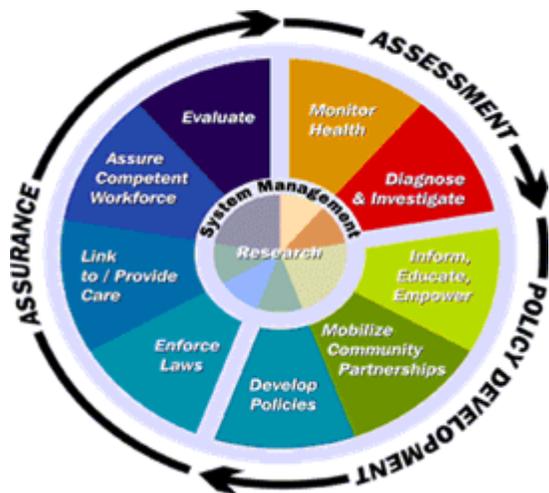
The Town of Cicero Health Department also provides required immunizations to the Cicero Fire Department and the Cicero Police Department and bills the departments directly for those services. This health department is now exploring more ways to leverage its enhanced third-party billing capabilities to expand services in its community. Director Grazzini stated, “The Town of Cicero is constantly striving to work toward the betterment of the community and provide needed services in conjunction with our schools, businesses, and residents. I would like to endeavor to reach out to businesses to provide various immunizations – Flu, Pneumonia, Tdap. I have recently hired a full-time nurse so I do plan to reach out to various businesses, organizations, and clubs to offer these services.”

Conclusion

Community outreach is not a new concept for local public health departments. It has long been an important strategy that most health departments employ to varying degrees in order to serve the unique needs of their communities. The Centers for Disease Control and Prevention (CDC) has recognized the importance of community engagement in its list of **10 Essential Public Health Services** that all communities should undertake; number four on the list is, “Mobilize community partnerships and actions to identify and solve health problems.”

¹¹ <https://www.ipha.com/news/post/315/town-of-cicero-health-department-receives-more-than-20-000-in-meaningful-use-monies>

The 10 Essential Public Health Services¹²



Although most public health officials recognize the importance of community outreach, the challenge that many local health departments face is how to pay for these services, especially at a time when operational costs are increasing and funding is decreasing. Public health departments have very limited financial resources and the increasing cost of providing immunizations and other services puts a strain on those limited resources. Therefore, new and innovative sources of revenue must be pursued. According to NACCHO, “Billing public and private insurance providers for reimbursable services, such as immunizations and HIV/STI testing, allows LHDs to sustain their services, ensures stewardship of public funds, and promotes equity. Health departments should be reimbursed the same as any other healthcare provider for the billable clinical services they perform...Billing can create a revenue stream for health departments and keep health department clinics viable in the face of decreasing state and federal funds.”¹³

The need to bill third-party payers has already moved many LHDs toward building their capacity to bill for services. Many public health officials have approached billing for services reluctantly, but in order to thrive in the current business climate, LHDs must embrace third-party billing and the opportunities that it creates. “For LHDs, billing is a comprehensive approach and not isolated to just one clinical service. Most LHDs establish billing programs to include all of the clinical services that they provide. Once a health department has established a billing infrastructure, it can seek revenue across programs for reimbursable services such as immunizations and testing and counseling for HIV, STIs, and tuberculosis.”¹⁴ Third-party billing enables LHDs to go beyond mere survival. When combined with community outreach programs, billing can open doors to many additional sources of revenue. At the same time, it enables the LHD to reach new, under-served populations and provide services to more people in need in the community.

¹² <https://www.cdc.gov/nphsp/essentialservices.html>

¹³ http://archived.naccho.org/topics/HPDP/billing/upload/issuebrief_billing_jan2014.pdf

¹⁴ http://archived.naccho.org/topics/HPDP/billing/upload/issuebrief_billing_jan2014.pdf

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