

The Business of Vaccines: Sustaining Your Practice While Safeguarding Children's Health

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Faculty Disclosure Information

In the past 12 months, I have had the following financial relationships with the manufacturer(s) of any commercial product(s) and/or provider(s) of commercial service(s) discussed in this CME activity:

PCC - Employee

I do not intend to discuss an unapproved/investigative use of a commercial product/device in my presentation.

Learning Objectives:

At the conclusion of the session, participants should be able to:

- Analyze the Comprehensive Cost Structure
- Evaluate Variable and Indirect Administration Expenses
- Implement Effective Inventory and Operational Workflows
- Assess Cost Against Industry Benchmarks
- Develop a Sustainable Model for Immunization

CENTER FOR UNBIASED SCIENCE & HEALTH

THE REAL ECONOMICS OF PEDIATRIC VACCINATION

Examining the Evidence Behind Claims of Pediatric Vaccine Profits

The Center for Unbiased Science and Health, January 2026

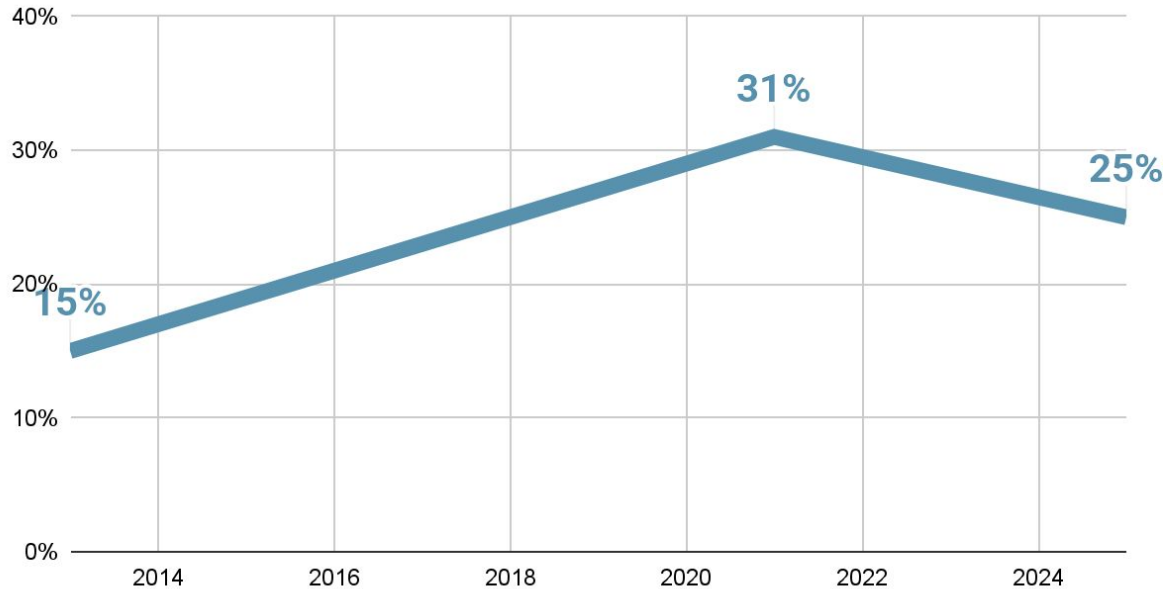
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<https://static1.squarespace.com/static/6646858019fad6412b31bf24/t/6978ce4ee90f934ded355c24/1769524814467/The+Real+Economics+of+Pediatric+Vaccination.pdf>

How much of your revenue is vaccine product?

Percentage of Revenue



Ensuring Practice Sustainability for Pediatric Immunization Infrastructure Fact Sheet

*Pediatric practices play an indispensable role in the immunization infrastructure... It includes maintaining complex storage and inventory systems, managing rising product and operational costs, and dedicating significant clinical time to counseling families. For pediatricians to continue fulfilling this public health responsibility, payment must accurately reflect the full cost of delivering immunization services, including the product, administration, infrastructure, staffing, technology, and the expanding counseling burden. **Without sufficient and predictable payment, practices bear uncompensated expenses that threaten the viability of providing immunizations within the medical home.***

<https://downloads.aap.org/AAP/PDF/AAP%20Ensuring%20Practice%20Sustainability%20for%20Pediatric%20Immunization%20Infrastructure%20Fact%20Sheet%20Final.pdf>

The AAP's Business Case

*“When operational expenses are included, the total cost of maintaining an immunization program **may reach up to 30% above the vaccine acquisition price.** To ensure that providers can continue their vital role administering immunizations, the AAP recommends that payments to clinicians for the immunization product should exceed the acquisition cost and overhead expenses associated with the immunization product.”*

<https://downloads.aap.org/AAP/PDF/AAP%20Ensuring%20Practice%20Sustainability%20for%20Pediatric%20Immunization%20Infrastructure%20Fact%20Sheet%20Final.pdf>



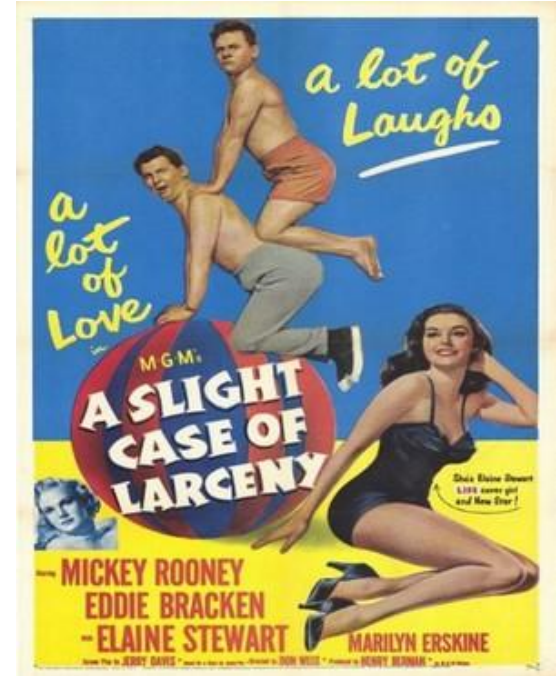


There are two sets of costs:

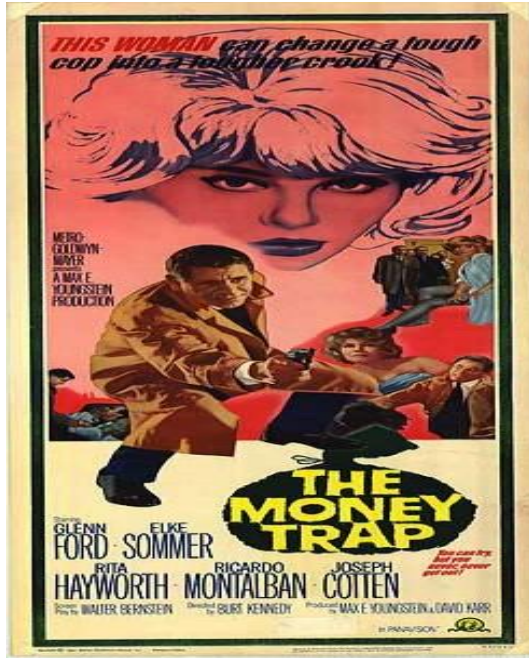
- getting it into the fridge
- getting it into the kid

Unfortunate Reality

You are not paid for
“Carrying Costs” or the
cost of getting it into
the fridge.



The Real Cost of Vaccines



What you actually paid, *plus*
“carrying costs:”

- Fridge Costs+
- Exam Table
- Sharps and Waste management
- Product Insurance
- Wastage, Shrinkage
- Denials, non-payment, collections
- Opportunity

The Real Cost of Vaccines

...and more!

- Personnel Costs
- Negotiation and Research
- Ordering, Delivery, and Payment
- Inventory and Storage Management
- etc.



But wait, what about getting it into the kid?

CMS/CPT Derived:

- Gloves, Paper, VIS
- Syringe, Needle, Swab, Band-aid
- Nurse Time*
 - Drawing, Preparation, Administration, Counseling, Documentation
- Physician Time*
 - Drawing, Preparation, Administration, Counseling, Documentation

* first and subsequent immunizations distinguished

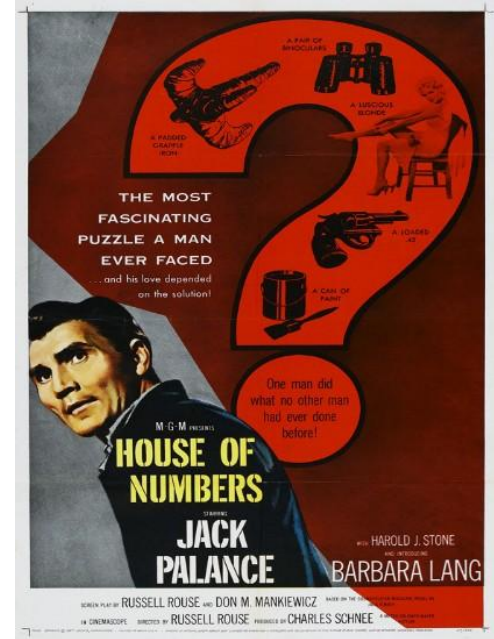


Real Life Calculations

- Many of the costs must be averaged across vaccines
- Approximations required in some instances
- A handful of CMS-derived guidelines

Example Calculation Assumptions:

- 6-8 clinician practice
- ~\$45/vaccine
- 13,000 vaccines/year



Hazardous Waste Costs	\$3,500/year
% of Hazardous Waste due to vaccines	50.00%
\$1,750 divided by 13,000 vaccines	\$.13 / vaccine
Denial/Unpaid Rate	1.00%
Annual Vaccine Product Volume	\$585,000.00
\$5,850 divided by 13,000 Vaccines	\$.45 / vaccine

AAP: “...there is an estimated wastage/nonpayment of at least 5%...”

https://downloads.aap.org/AAP/PDF/The_Business_Case_for_Pricing_Vaccines.pdf

Real Life Calculations - Admin

What are the clinicians' hourly wages?

How much time is spent administering the shot?

Preparation, administration, counseling, billing, recording, registry, etc.

“The total documented variable cost per injection (excluding vaccine cost) averaged \$11.51...”

Cost of Vaccine Administration Among Pediatric Practices, Judith E. Glazner, Brenda Beaty and Stephen Berman, Pediatrics 2009;124;S492-S498

(http://pediatrics.aappublications.org/cgi/content/full/124/Supplement_5/S492)

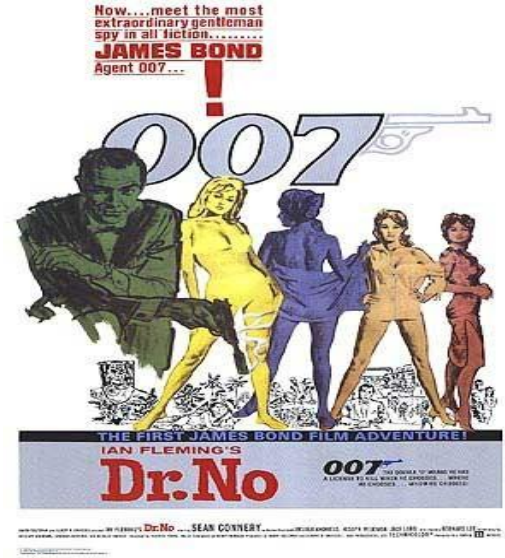
<https://pubmed.ncbi.nlm.nih.gov/19948580/>

Nurse 1 Annual Cost	\$45,000.00
% of job spent on vaccine management (research, delivery, inventory, logging, etc.)	10.00%
\$4,500/year divided by 13,000 vaccines	\$.35 / vaccine
Nurse 2 Annual Cost	\$35,000.00
% of job spent on vaccine management (research, delivery, inventory, logging, etc.)	20.00%
\$7,000/year divided by 13,000 vaccines	\$.54 / vaccine

Real Life Examples

Reconciliation Costs:

- “12 Hours, annually” (\$588)
- “8 Hours, annually” (\$114)
- “325 hours, annually” (\$5950)
- “104 hours, annually” (\$20,300)



Based on sample responses from survey data, 2009, supplied by the Verden Group

Staff Carrying Costs	Salary and Benefits	% of Carrying Cost Work	Total Staff Carrying Costs	Average Cost
Nurse 1	\$50,000.00	40%	\$20,000.00	\$1.54
Nurse 2	\$45,000.00	25%	\$11,250.00	\$0.87
Nurse 3	\$38,000.00	10%	\$3,800.00	\$0.29
Doc 1	\$250,000.00	1%	\$2,500.00	\$0.19
Doc 2	\$300,000.00	1%	\$3,000.00	\$0.23
			\$35,550.00	\$3.12
Waste Management	Attributable to Vaccines		Total Waste Management	
\$6,000.00	70.00%		\$4,200.00	\$0.32
Value of Imms On Site		Interest	Total Cost of Capital	
\$200,000.00		5.00%	\$10,000.00	\$0.77
Physical Overhead (Fridge, etc.)				
\$8,000.00				\$0.62
TOTAL PER VACCINE			Per Vaccine	\$4.83

Vaccine	Invoice	Units	Wasted/ Missing Value	Unpaid Value	Distributed Carrying Costs	Estimated Cost	%age Of Cost	125% Of Direct Cost
Tdap	\$100.00	1000	\$1.00	\$3.00	\$12.69	\$116.69	117%	\$125.00
HPV	\$180.00	500	\$1.80	\$5.40	\$12.69	\$199.89	111%	\$225.00
IPV	\$8.95	2000	\$0.13	\$0.27	\$12.69	\$22.04	246%	\$11.19
		3500	\$2,169	\$6,237				

Vaccine	Units	Actual Product Payments	Actual Admin Payments	Invoice	Calculated Carrying Costs	Calculated Antigen-Admin Costs	Total Calculated Antigen Costs	Actual Antigen Payment	Calculated Difference
Tdap	1000	\$30	\$18	\$28	\$8.75	\$14.25	\$51.00	\$48.00	\$3000.00
MMR	2000	\$10	\$22	\$8	\$6.75	\$14.25	\$29.00	\$32.00	\$6000.00
DTaP	500	\$100	\$22	\$101	\$10.75	\$14.25	\$126.00	\$122.00	-\$2000.00

<https://chipsblog.pcc.com/estimating-the-cost-of-your-vaccine-business>

<https://chipsblog.pcc.com/vaccine-business-viability-analysis>



Vaccine Business Viability Calculator v7

↓ Export

Determine your vaccine business margin and compare it to a third-party platform.

Calculator

Instructions

1. Overhead & Rebates

Admin Cost \$

18

Carrying Cost %

20

Rebates \$

0

2. Margin Comparison

PRESENT

Admin Rev:	\$681,537.45
Admin Cost:	\$262,206.00
Admin Margin:	\$419,331.45
Prod Rev/Reb:	\$2,358,149.00
Prod Cost:	\$2,355,368.02
Prod Margin:	\$2,780.98
Total Margin:	\$422,112.43

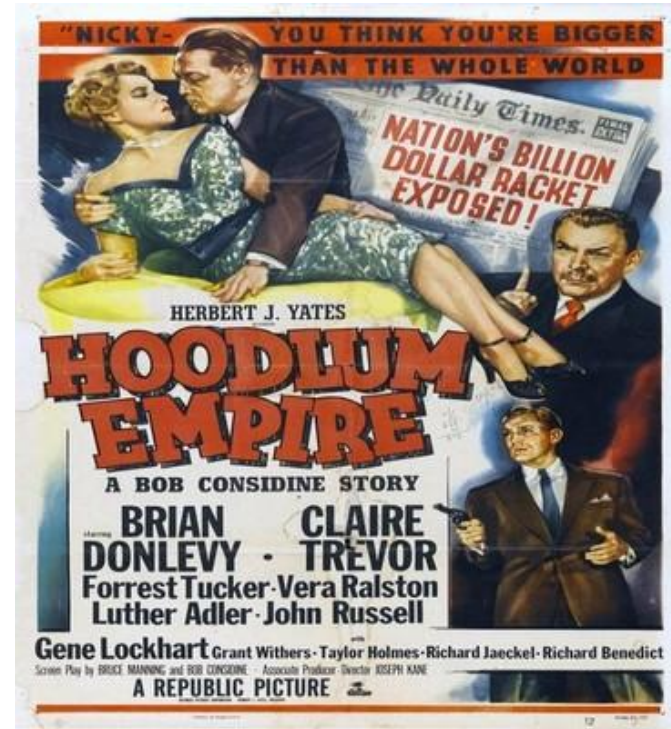
PROPOSED

Admin Rev:	\$0.00
Admin Cost:	\$262,206.00
Admin Margin:	-\$262,206.00
Prod Rev:	\$0.00
Prod Cost:	\$0.00
Prod Margin:	\$0.00
Total Margin:	-\$262,206.00

How Do I Fix This?

Vaccine Payments

- *Negotiate*
- Determine methodology
- Use CDC public pricing, not your invoice!
- Manage price increases
- Multiple CPT options



<https://www.aap.org/en/patient-care/immunizations/implementing-immunization-administration-in-your-practice/managing-costs-associated-with-vaccinating/>

<https://www.aap.org/en/patient-care/immunizations/implementing-immunization-administration-in-your-practice/ice/known-cost-of-pediatric-vaccines/>

How Do I Fix This?

Administration Payments

- Code properly
- Negotiate
- New Vaccine Admin Codes

Vaccine Costs

- GPO
- Fridge-based purchasing
- Maximize purchasing/inventory
- Credit Cards, payment terms



<https://chipsblog.pcc.com/2026-new-immunization-administration-measuring-tool>

<https://downloads.aap.org/AAP/PDF/FS%20Vaccine%20Counseling%20without%20Admin.pdf>



Immunization Admin/Product Check v3

[Print](#)[Export](#)

Make sure the vaccine products you billed actually line up with the administrations you billed. Radical concept.

[Calculator](#)[Instructions](#)

Primary Vaccine Analysis

[Review](#)

90460, 90471-90474 compared to non-COVID/non-RSV product units. 90461 stays out of this direct match.

ADMINS

2,078

PRODUCTS

775

DIFF

1,303

Primary vaccine work has 1,303 more admin units than product units (168.1% of product units). Review product/admin posting, VFC exclusions, and payer-specific workflows.

90461 Component Check

[Review](#)

Expected additional antigen/component count based on combination products.

ACTUAL 90461

1,240

EXPECTED

1,640

DIFF

-400

This is a warning light, not a compliance conclusion. It will get cranky when combination-vaccine logic and your billing data disagree.

How Do I Fix This?

Administration Costs

- Improve Efficiency
- 2D Barcoding
- Inventory Management



<https://www.aap.org/en/patient-care/immunizations/implementing-immunization-administration-in-your-practice/using-2d-barcode-scanners-for-immunizations/>

Changes You May Wish To Make In Practice

- Calculate your “carrying costs” and apply them to the cost of your vaccines.
- Determine what your true overhead for vaccines is – does it match the AAP expected value of 25% above invoice costs?
- Review your vaccine delivery workflow to look for \$\$ leaks.
- Confirm that you are on an actively managed and effective GPO.
- Use the AAP literature to support your negotiations with payors.

References

For more information on this subject, see the following publications:

[The Business Case for Pricing Vaccines \(2022\)](#)

[The Business Case for Pricing Vaccines](#)

[The Business Case for Pricing Immunization Administration](#)

[The Business Case for Supplying Vaccines In a Federal or State Supplied Vaccine Environment](#)

[Administering Immunizations in Your Practice](#)

[A Guide for Pediatricians on Immunization Information Systems and Two-Dimensional Barcoding](#)

Cost of Vaccine Administration Among Pediatric Practices, Judith E. Glazner, Brenda Beaty and Stephen

Berman, Pediatrics 2009;124:S492-S498

<https://pubmed.ncbi.nlm.nih.gov/19948580/>

[Vaccine 2D Barcode: Scanning Implementation Toolkit](#)

[Vaccine Two-Dimensional \(2D\) Barcodes | Immunization Information Systems \(IIS\) | CDC](#)

Great Old Movie Poster

