



**PUBLIC HEALTH DEPARTMENT**  
*Clinical and Community Health Services Division*

June 19, 2019

To: Layton Long, Health Director

From: Zach Deaton, Division Director, Clinical and Community Health Services

Subject: Request for use of Formulary in Setting of Clinic Charges

The Clinical and Community Health Services Division would like to make the request to modify ‘Clinic Charges’ from a flat, set fee methodology to a formulary approach beginning in fiscal year ’19-20. Currently fees are set and remain throughout the year, regardless of the agency’s fluctuating costs. A formulary approach would give the agency the flexibility to adjust charges throughout the year- which is based on the agency’s actual costs (our cost: cost of vaccine/cost of supplies used/staff costs) - rounded to the next dollar. This mechanism would also allow the agency to add additional services throughout the year, attaching the charge, without requesting Board of Health or Board of County Commissioner’s approval.

Example:

**Immunization Charge Influenza:** CPT Code: 90686

Current: flat fee of: \$30.00 (no other codes or costs; administration cost is included in this fee)

Proposed: Vaccine Cost: \$16.82 + \*Supplies Cost: \$2.16 = \$ 18.98 New charge: \$19.00

In addition to the charge assigned to CPT 90686 (19.00), we will code for the administration of the vaccine, CPT 90471 which has a charge of \$20 for a total charge of \$39.00.

<b>Supplies:</b>	
1 pair Gloves	0.08
1 Gauze	0.02
1 Alcohol pad	0.01
1 Bandaid	0.03
1 Needle	0.35
1 Syringe	0.35
Paper	0.40
Monitoring	0.92
<b>TOTAL:</b>	<b>\$2.16</b>

<b>Staff:</b>	
Nurse	0.48 x 30 = 14.40
Billing	0.30 x 10 = 3.00
Registr	0.25 x 10 = 2.50
<b>TOTAL:</b>	<b>\$19.90</b>

**Leading the Charge to a Healthier Chatham**

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[www.chathamnc.org/clinicalservices](http://www.chathamnc.org/clinicalservices)

Clinic Charges are divided by 5 categories:

1. Immunization Charges
2. In-House Labs
3. Quest (Outside) Labs
4. Provider Visits
5. Procedures