



Ensuring Practice Sustainability for Pediatric Immunization Infrastructure Fact Sheet – June 2026

The American Academy of Pediatrics (AAP) is a nonprofit professional organization of 67,000 primary care pediatricians, pediatric medical subspecialists, and pediatric surgical specialists. The mission of the AAP is to attain optimal physical, mental, and social health and wellbeing for all infants, children, adolescents, and young adults. Based on decades of research, maximizing immunization coverage is instrumental in achieving this mission, providing the essential foundation for both individual wellbeing and the collective health of the communities we serve. The AAP has long supported immunization¹ as an essential preventive health measure for children and families.

Sustaining this essential component of pediatric preventive care requires that pediatric practices remain financially viable. Delivering immunizations involves substantial clinical, administrative, and operational infrastructure that must be supported through adequate and predictable payment. Without payment that reflects the full cost of providing immunization services practices face increasing difficulty sustaining this essential public health function, ultimately placing children's access to timely immunization at risk.

Supporting Immunization in the Medical Home

The pediatric medical home is the cornerstone of the nation's pediatric immunization infrastructure. Pediatricians provide comprehensive preventive care, maintain long-term relationships with families, and ensure that children receive recommended immunizations on schedule. To preserve this infrastructure, payment systems must support the full cost of delivering immunizations.

These costs include immunization acquisition, storage and monitoring systems, staff training, clinical workflow and administration, counseling families, and data collection and reporting. Immunizations represent one of the largest expenses after payroll.

National reviews of negotiated commercial rates show two to threefold differences in physician payment for immunizations.² A national survey of pediatric and family medicine practices found substantial payer-to-payer variation in payment for both immunization purchase and administration, with many practices reporting payment levels that barely covered the purchase price and, in some cases, threatened the financial sustainability of providing immunizations.³ Inadequate payment is already forcing difficult and dangerous tradeoffs as some practices have stopped offering vaccines altogether because they cannot afford to purchase them, while others have had to resort to closing their practice all together. In fact, nearly 1 in 4 pediatricians has considered abandoning vaccine delivery due to the financial burden.⁴ This leaves a harmful gap in the pediatric immunization infrastructure.

Components of Immunization Payment

There are two distinct components of immunization coding, and each must be separately recognized and adequately paid to sustain the full immunization infrastructure required to safely deliver vaccines.

Immunization Product – The CPT codes for immunization products capture only the costs associated with acquiring the product itself.

Immunization Administration – The CPT codes for immunization products do not account for the additional work and operational costs involved in administering immunizations, therefore separate immunization administration codes must also be reported to reflect the staff time, clinical expertise, counseling, documentation, safety processes, and infrastructure required to deliver the immunization. (Note: immunization counseling without administration is described below)

Operational Costs of Maintaining Immunizations

While universal purchase states and publicly sourced immunizations (e.g., VFC) remove the invoice cost for many products, practices still incur the indirect costs associated with maintaining an immunization program. These expenses (i.e., staff time for inventory management, storage equipment, insurance, wastage, and reconciliation) exist whether an immunization is purchased privately or supplied through a public program.

Maintaining an immunization program requires practices to absorb a wide range of direct and indirect expenses beyond vaccine purchase price.⁵ These include:

- Personnel time for review of group purchasing organization (GPO) options, ordering, managing inventory, and reconciliation
- Storage equipment and carrying costs including medical-grade refrigeration and temperature monitoring systems
- Insurance coverage against loss of immunization inventory
- Recovery of costs attributable to inventory shrinkage, wastage, and nonpayment
- Lost opportunity costs due to capital tied up in vaccine inventory (*there can be an estimated \$65k per doctor in vaccine inventory in a practices' refrigerators at any given time*)^a
- Administrative systems and reporting

These expenses must be accounted for, either within the immunization product or the administration payment, depending on the purchase scenario. Current payment rates are not just insufficient, they are unsustainable and threaten the broader pediatric immunization infrastructure.

When operational expenses are included, the total cost of maintaining an immunization program may reach up to 30% above the vaccine acquisition price.^b 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.⁶ Payment must account for these additional costs to ensure sustainability of providing immunizations within the medical home.

^a The estimated carrying costs was extrapolated from an EHR company supporting pediatric practices across the country.

^b The percentage of indirect costs may vary for VFC immunizations, as certain components—such as opportunity cost or some categories of wastage—may not fully apply. State program rules also differ (see relevant state immunization program guidance).

Additional Challenges and Considerations

Increasing Cost of Immunizations

New products and technologies often come with higher acquisition prices, expanded storage requirements, and additional operational demands. As these costs rise, practices face increasing financial pressure, particularly when payment rates do not keep pace with the true expenses of stocking and delivering the AAP immunization schedule.

Alternative Sites for Immunization Outside the Medical Home

Inadequate payment for immunization services has reduced vaccine delivery in adult primary care, shifting many adult vaccinations to pharmacies, which are not equipped to serve as the primary immunization infrastructure for children.⁷ State laws restrict pharmacy practice and immunization administration,⁸ reinforcing pediatricians as the primary providers of recommended immunizations.

Immunization Misinformation and Counseling Costs

Pediatricians increasingly spend substantial portions of the visit addressing vaccine misinformation and educating families on the role, indications, and safety of each immunization product.⁹ In some cases, this counseling does not result in an immunization being administered during that encounter, even though the time spent is often essential to achieving immunization at a later visit. The newly published CPT codes recognizing immunization counseling without administration (90482-484) underscore the clinical value of this work;¹⁰ however, payment is still variable. This work must be supported within the overhead of the pediatric medical home, as it is a necessary investment in both individual patient care and the broader public health mission of maintaining high immunization coverage.

Technology Requirements for Sharing Immunization Data

As immunization information systems (IIS) have expanded nationwide, most states now require timely electronic reporting of administered immunizations, making IIS participation an essential component of high-quality pediatric care.¹¹ Even when data exchange functions smoothly, practices must dedicate staff time to review and reconcile records, making this a real and recurring cost that must be reflected in adequate payment for immunization services.

Conclusion

Pediatric practices play an indispensable role in the immunization infrastructure, ensuring that children receive timely, appropriate, and evidence-based protection against immunization preventable diseases. This work extends far beyond the act of administering immunization. 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.

Immunizations remain one of the most effective tools for protecting children and communities. Ensuring sustainable payment is therefore not simply a financial concern, it is a prerequisite to maintaining access, reducing disparities, and safeguarding the health of all children. Removing financial and administrative barriers is essential to supporting pediatricians in this mission and sustaining the nation's immunization infrastructure.

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