# Late Night With Chip & Paulie

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Episode #28
Thursday October 9, 2025 @ 8:00PM ET







Shannon Fox-Levine, MD, FAAP

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# Agenda

- This Week's Focus
- Data Nerd Report
- News Round Up
- Downcoding Issues





## **Data From The Data Nerd**

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In the interview with Mr. Carlson, Mr. Kennedy said research had shown "that 50 percent of revenues to most pediatricians come from vaccines." (The Department of Health and Human Services did not respond to questions about the source of that statistic, and none of the experts interviewed for this article were familiar with it.)

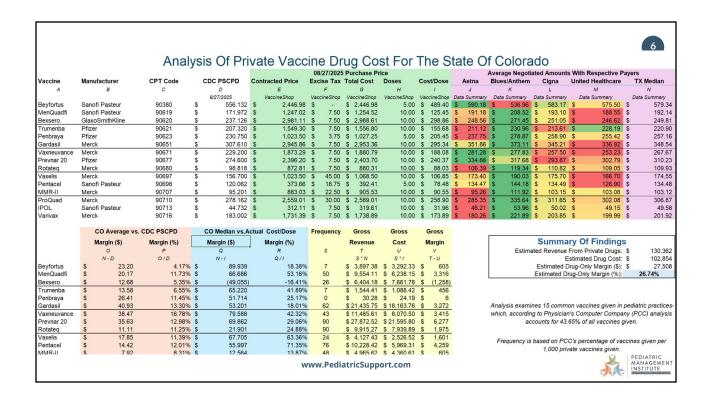


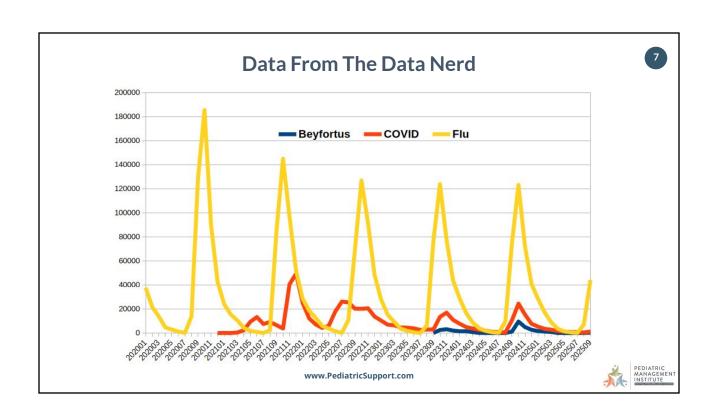


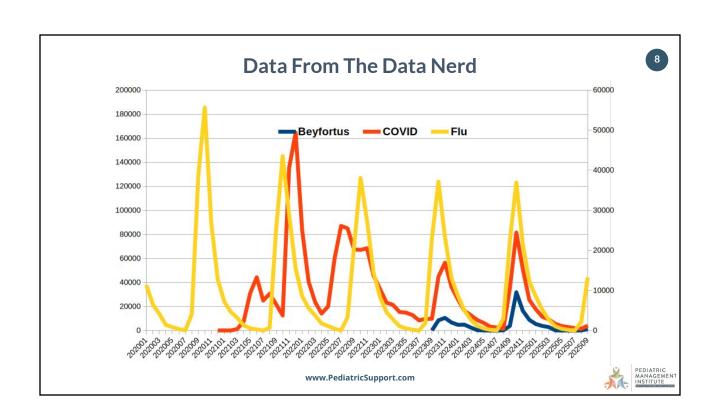
### **Data From The Data Nerd**

- Vaccine product revenue makes up just under 25% of the revenue in our clients' practices.
- If you compare our clients' real payments to the ASP of the products, the margin is negative 4%. I'll say that again: practices have a negative gross margin on vaccine product using public prices.
- Most (nearly all) practices purchase vaccines through a GPO (noted above), which provides pricing better than ASP. If we use the pricing of one of the best-in-class GPOs, the practices' gross margins improve to 20%.
- If we compare the best-in-class GPO costs to PMI's fee schedules, the practices improve their gross margin to 24%.

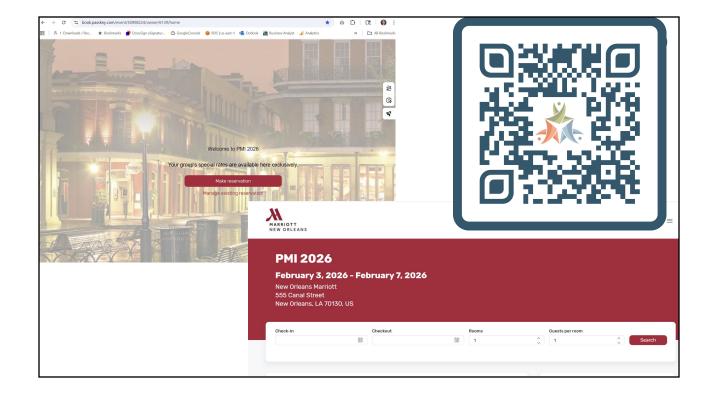












## What's On The Pediatric Practice Management Calendar?

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October 9, 2025
Paulie and Chip Late Show Webinar 8pm

Check Voicemail Greetings (M)
Coding Training for 2026 (Y)
Lock Out Former Users (Q)
WWW Site Updates (M)
Google/Apple Check (Q)
Buy Event Tickets (Q)

## bit.ly/PediatricPracticeManagementCalendar

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# News Round Up ...Important News Pediatricians Need To Know!



News Release

## The American Academy of Pediatrics Releases Its Own Evidence-Based **Immunization Schedule**

Home / News Room / The American Academy of Pediatrics Releases Its Own Evidence-Based Immunization Schedule

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As third parties slowly reshape the practice of medicine and society reshapes itself, pediatricians face many new challenges. Understanding what these challenges are is the first



**Inadequate Compensation** 

- Skyrocketing Expenses
- Pressure to Expand Office Hours
- How To Improve Lifestyle
- Women's Issues
- **Practice Management**
- Finding the Time For Hospital Care
- Malpractice
- Impending Regulation of Office Labs
- **Adolescent Gynecology**

https://chipsblog.pcc.com/the-10-hottest-issues-in-pediatric-care... from-1991

# Limits for 401(k), 403(b) and governmental 457(b) retirement plans for 2025:

Participants 49 years or younger	contribution limit \$23,500	Catch-up contribution	Total annual contribution limit
Participants 50 to 59 or 64 years or older	\$23,500	\$ <b>7,500</b>	\$31,000
Participants 60 to 63 years	\$23,500	\$11,250	\$34,750

Healio

Currently, if you're over 50 and max out your 401(k) contributions up to the federal cap (which is \$23,500 this year), you are eligible to make additional "catch-up" contributions above that amount if you choose.

The limit on catch-up savings this year is \$7,500 (or if your employer allows it, up to \$11,250 for participants between the ages of 60 and 63). Those limits are adjusted for inflation annually.



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Until now, you could choose for all of your 401(k) contributions to be made tax-deferred. That means the amount gets taken out of your paycheck before tax – thereby lowering your income tax bill today – and the contributions are allowed to grow tax-deferred until you start taking distributions in retirement.

But, starting next year, if you're over 50 and made more than \$145,000 in FICA wages — which is the income subject to Social Security and Medicare taxes — in the prior year, any so-called "catch-up contributions" you make will automatically be subject to income tax. In other words, they will be treated as Roth 401(k) contributions.

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- Once invested, your after-tax money will be allowed to grow tax free and be withdrawn tax free assuming certain conditions are met.
- The vast majority of workplace retirement plans (93%) do offer employees the option of creating a Roth 401(k), according to the 2024 annual survey of the Plan Sponsor Council of America. But if your plan doesn't, as a result of the rule change you will no longer be permitted to make catch-up contributions at all even though you're 50 or older
- Check your plan design/documents







# Protecting Your Vaccine Margins



EDIATRIC ANAGEMENT ISTITUTE ISTITUTE		≡	
PMI's Outsour RCM Calo			
Number of Full Time Equivalents videpartment 3 FTE's	vorking in your billing	athenahealth	
1 FTE's	15 FTE's		
Average billing staff hourly wage \$20 per Hour	0		
\$10 per Hour	\$45 per Hour		
Average amount spent per month benefits	on each employee's		
\$500 per mont	h	PRIVIA	
\$0 per month	\$1,200 per month		4
Estimated annual wage & benefit of department	cost for internal billing	HEALTH	
\$142,800 P	er Year		
Annual recurring computer softwa employee	re and hardware cost per		
	\$3,600 Per Month		

### GARDASIL® 9

Human Papillomavirus 9-valent Vaccine, Recombinant

#### HPV9

10 Single-dose Prefilled Luer-Lok® Syringes with Tip Caps (0.5 mL)

00006-4121-02

898502 | MERCK

Gardasil \$2,945.86 Excise Tax \$ 7.50 Total Cost \$2,953.36 Cost Per Dose \$ 295.34

Your price

\$2945.86

\$7.50/package Federal Excise Tax will be added



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# **Impact Of Gardasil**

Payment Amount	\$315.63	\$315.63	\$315.63	\$315.63	\$315.63	\$315.63
Fee (%)	0.00%	3.00%	5.50%	7.50%	11.00%	13.50%
Fee (\$)	\$ -	\$ 9.47	\$ 17.36	\$ 23.67	\$ 34.72	\$ 42.61
Cost	\$295.34	\$295.34	\$295.34	\$295.34	\$295.34	\$295.34
Total Cost	\$295.34	\$304.81	\$312.70	\$319.01	\$330.06	\$337.95
Practice Clear (\$)	\$ 20.29	\$ 10.82	\$ 2.93	\$ (3.38)	\$ (14.43)	\$ (22.32)
Practice Clear (%)	6.87%	3.55%	0.94%	-1.06%	-4.37%	-6.60%

Regardless of such percentage, never offer a productivity incentive program that includes revenue from vaccine drugs! PEDIATRIC MANAGEMENT INSTITUTE



# **Buy In/Out Transaction**

Value of Private Inventory Count

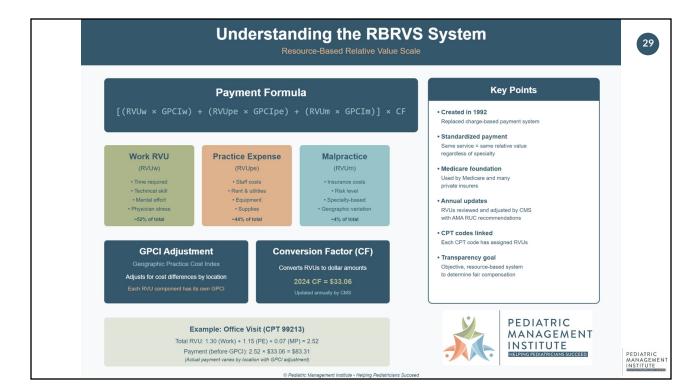


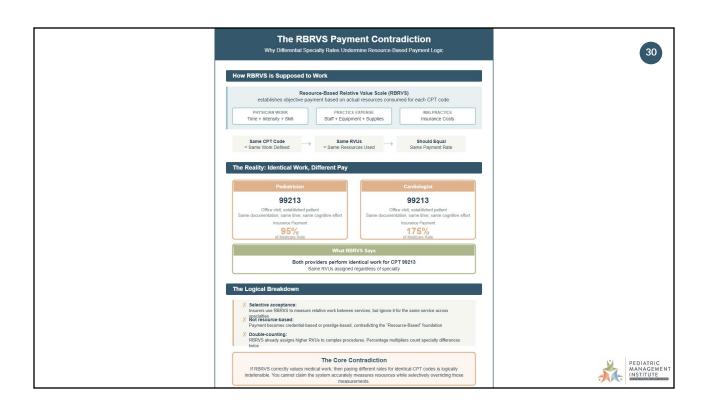
Outstanding Invoices



Total Value Of Vaccines To Be Included In Transaction







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# Tail Coverage For Departing Physician





# Real estate holding value

Increase in rent (practice expense) has disproportionate increase in real estate value based on capitalization rate.



/ Net Gain In Value	\$	232,500 E+H STITUTE
H Increased Real Estate Value	\$	375,000 F/G
F Increased "Free Cash Flow" G Capitalization Rate	\$	30,000 <i>B</i> 8.00%
D Valuation Multiple  E Valuation Impact	\$	4.75 (142,500) <i>C</i> * <i>D</i>
C Reduction in Net Income	\$	(30,000) B * -1
A Monthly Rent Increase  B Annual Increase	\$ \$	2,500 30,000 <i>A*12</i>



## American Academy of Pediatrics



DEDICATED TO THE HEALTH OF ALL CHILDREN®

Child Health Finance & Payment Strategy



#### Coding & Payment Hotline

Visit AAP's official landing page for the Coding and Payment Hotline. This service is available to members and non-members with questions regarding the fundamentals of coding and payment or to flag current payer policy issues.



#### **Coding and Valuation**

Helpful resources on various CPT, ICD-10 and HCPCS coding concepts for services delivered by primary care pediatricians and pediatric subspecialists. Educational materials on how members can support the AAP in offering proper RVU recommendations for CPT codes to the AMA.

For more information and payment and billin resources, please visit the AAP's Child Healt Finance and Payment Strategy page



#### Payment and Financial Resources

Explore the wide range of resources available on topics such as analyzing and negotiating payer contracts, understanding coverage policies, navigating value-based payment models and utilizing cost analysis tools.



#### Payment and Finance Advocacy

Learn more about how the Academy is supporting efforts around public and private payer advocacy.



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## American Academy of Pediatrics



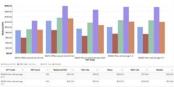
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## **Supporting Pediatric Care:** A Data-Driven Partnership between PMI and AAP

Pediatric Management Institute (PMI) and the American Academy of Pediatrics (AAP) have partnered to provide a powerful resource for pediatricians. This analysis displays negotiated payment rates for the most common CPT codes in pediatric practices and offers insights into the valuation of pediatric services across the country by major payers.

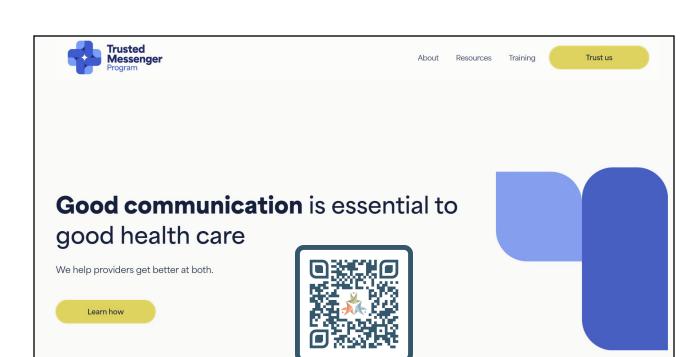
PMI and AAP are committed to fostering a thriving healthcare environment for children and the professionals who care for







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## Our trusted messengers

A veteran, field-tested team unlike any other in health care



Todd Wolynn, MD, MMM Executive Director

LinkedIn <sup>™</sup> TikTok <sup>™</sup>



**Todd Wolynn** is a pediatrician with 30+ years of experience in primary care, vaccine research, and public health advocacy. He co-founded Kids Plus Pediatrics in 2010, served as its CEO for 12 years, and led the practice to nationally recognized expertise in innovation, patient engagement, and clinical quality. Todd most recently served as VP of Medical Affairs in Communication & Integration for Pediatric Associates Family of Companies.

In 2019, he co-founded Shots Heard Round the World, a nonprofit dedicated to protecting the online safety of health care providers and practices. For his pioneering work in health care innovation and science communication, Todd has been named an EY Health Care Entrepreneur of the Year, a *People* magazine national Vaccine Hero, and an AAP Holroyd-Sherry Award winner.

**Maximizing Trust & Reducing** 

Resistance, the first module of the Trusted Messenger Program Training Series, is now LIVE.

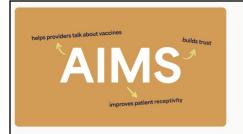
The free 1-hour module, worth 1.0 CME credits, includes four discrete video lessons, plus review and reflection documents, that explore:

It's fully asynchronous, so it can be taken at your own pace and on your own schedule.

Just sign up on our website to get started.



www.PediatricSupport.com



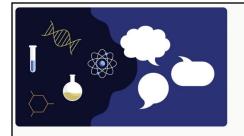
# Taking AIMS: How to Handle, and Overcome, Patient Resistance

This lesson offers an overview of AIMS, a four-step, evidence-based communication approach that helps you meet patient resistance and navigate difficult conversations—including talks about vaccines—in a way that builds trust and improves patient receptivity.

### The Power of Presumptive Recommendations

This lesson explores three common missteps HCPs make when making recommendations and explains how clear, concise presumptive recommendations can reduce resistance, build trust, and improve patient outcomes—especially for vaccines.





### **HCPs as Trusted Messengers**

This lesson explores why, in an age of increasing skepticism and declining institutional trust, local health care providers are still the most trusted messengers, why good communication is essential to good health care, and what you can do and say to maximize that trust and help turn the tide.

#### How to Answer Any Question

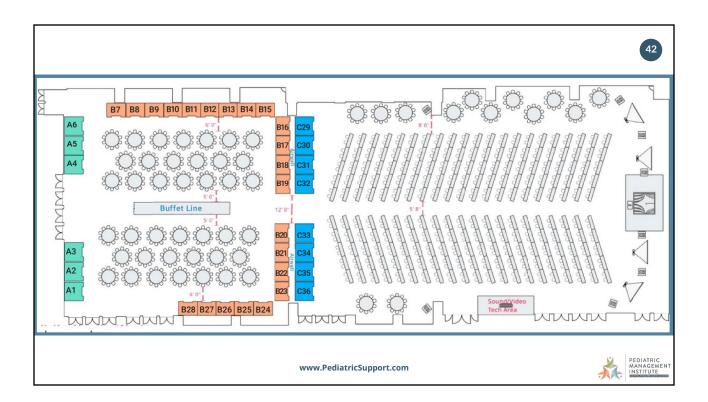
This lesson explores a set of tools, techniques, and strategies that make you a better, more confident communicator and empower you to answer any question with power and precision.













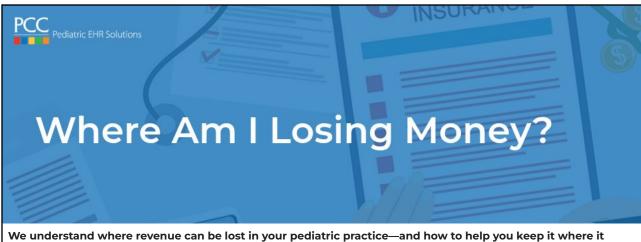
**Spotify**: https://open.spotify.com/show/7pXIOoLPiSMgRRC8BGqoTj

Apple: https://podcasts.apple.com/us/podcast/charting-the-future-with-pcc/id1840246409

Amazon: https://music.amazon.com/podcasts/661f793e-e908-4617-939e-e4eab25e03ea/charting-the-future-with-pcc



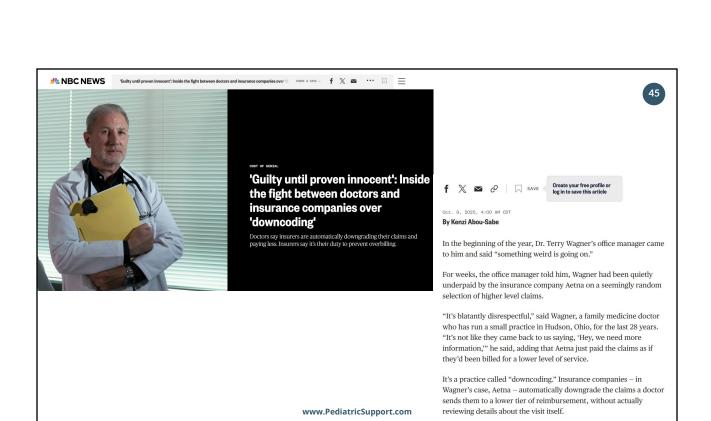
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belongs. Join Chip Hart live on October 29th at 5:00 PM ET to learn about the four primary areas pediatric practices miss out on revenue and how you can capture every dollar. Sign up on the right to reserve your spot!

https://info.pcc.com/webinar-where-am-i-losing-money





Despite the Texas Medical Association asking for its repeal, Cigna's new downcoding policy will take effect Oct. 1 – but the payer says the process will not apply universally to all physicians.

management (E/M) codes to a lower level - a practice also known as downcoding when the payer determines the encounter criteria in the claim do not rise to the complexity required for the E/M code in the submitted claim. So far, the policy will apply to codes:

- 99204-99205;
- · 99214-99215; and
- 99244-99245

The payer also confirmed the policy will allow physicians to request to be removed from the review process after they appeal five decisions. If the appeals review demonstrates that the physician billed appropriately at least 80% of the time, the physician can bypass the downcoding policy. This will apply to the individual physician, not the group level. Physicians meeting these criteria can request to have their claims bypassed from the policy by contacting Cigna.

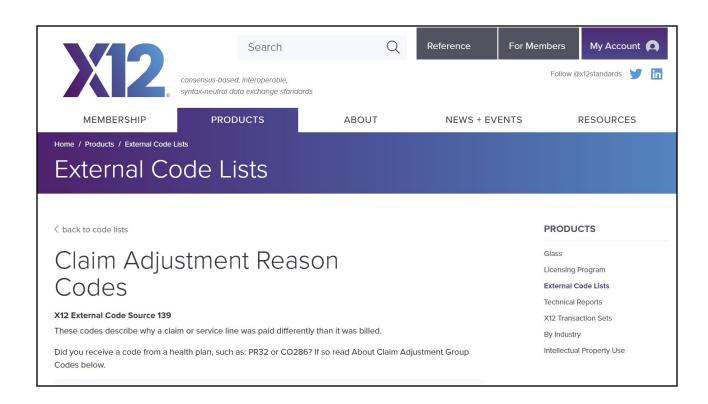
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# **Watch for Downcoding!**

- 1. Compare the CPT code billed vs the CPT paid (99215 billed by EOB shows payment for 99213)
- 2. Check the allowed amount if the CPT is the same but the allowed amount is lower than expected, the payer may have mapped it internally to a lower-payer category
- 3. Look for adjustments codes/remarks
- 4. Check for modifiers removed or altered if modifier 25 was removed, the service may have been bundled or altered









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# Compare Payment To Contracted Rates

Pull Contract
PayerIntel Data

