

# Medicare increases payments for COVID-19 vaccine administration

CMS has announced an increase in the Medicare payment amounts for administering COVID-19 vaccines. Since vaccine supplies are increasing, CMS is supporting providers' efforts to expand capacity and provide vaccinations as quickly as possible.

Effective March 15, 2021, the national average payment rate for COVID-19 immunizations administered by physicians, hospitals, and pharmacies will be \$40 per dose. This is an increase from approximately \$28 to \$40 for single-dose vaccines, and an increase from approximately \$45 to \$80 for vaccines requiring two doses. CMS notes that the exact payment rate for administration of each dose of a COVID-19 vaccine will depend on the type of entity furnishing the service and will be adjusted based on where the service is furnished, geographically.

In its notification, CMS reminded providers about the published toolkits available to help healthcare systems administer the vaccine under these new Medicare payment rates. The toolkits are designed to increase the number of providers that can administer the vaccine, ensure adequate payment for administration, and clarify that no beneficiary — whether covered by private insurance, Medicare, or Medicaid — should personally pay cost sharing for vaccine administration.

## We recommend healthcare providers review the CMS toolkits to:

- Understand that the requirement for receiving free vaccines from the federal government means patients should not be personally charged any amount.
- To ensure broad and consistent coverage across programs and payers, the toolkits have specific information for several programs, including:

**Medicare:** Beneficiaries with Medicare pay nothing for COVID-19 vaccines. There is no applicable copayment, coinsurance, or deductible.



## Medicare Advantage (MA) plans:

For calendar years 2020 and 2021, Medicare will pay providers directly for the COVID-19 vaccine (if they do not receive it for free) and its administration for beneficiaries enrolled in MA plans.

MA plans are not responsible for paying providers to administer the vaccine to MA enrollees during this time.

Like beneficiaries in original Medicare, Medicare Advantage enrollees also pay no cost sharing for COVID-19 vaccines.

**Medicaid:** State Medicaid and Children's Health Insurance Program agencies must provide vaccine administration with no cost sharing for nearly all beneficiaries during the public health emergency (PHE) and for at least one year after it ends.

Through the American Rescue Plan Act signed by President Biden on March 11, 2021, the COVID-19 vaccine administration will be fully federally funded.

The law also provides an expansion of individuals eligible for vaccine administration coverage. CMS will provide more information in upcoming updates to its [Medicaid toolkit](#).

**Private plans:** During the PHE, CMS and the Departments of Labor and Treasury are requiring that most private health plans and issuers cover the COVID-19 vaccine and its administration, both in- and out-of-network, with no cost sharing. Current regulations provide that out-of-network rates must be reasonable as compared to prevailing market rates, and they reference the Medicare reimbursement rates as a potential guideline for insurance companies. Considering CMS's increased Medicare payment rates, CMS expects commercial carriers to continue ensuring their rates are reasonable as compared to prevailing market rates.

**Uninsured:** For uninsured individuals, providers may submit claims for reimbursement for administering the COVID-19 vaccine through the Provider Relief Fund, administered by the Health Resources and Services Administration (HRSA).

For more information:

- [Medicare COVID-19 Vaccine Shot Payment](#) webpage: Payment information for COVID-19 vaccine administration, including a list of billing codes, payment allowances, and effective dates
- [CDC COVID-19 Vaccination Program Provider Requirements and Support](#) webpage: Explains how the COVID-19 vaccine is provided at no cost to recipients
- [HRSA COVID-19 Claims Reimbursement to Health Care Providers and Facilities for Testing, Treatment, and Vaccine Administration for the Uninsured](#) webpage

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**Questions? Please contact us today.**

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