

March 15, 2021

CMS to Increase Medicare Payment for COVID-19 Vaccine Administration

As urged by the AHA, the Centers for Medicare & Medicaid Services (CMS) today [announced](#) it is increasing the Medicare payment rates for COVID-19 vaccine administration. The agency said it aims to ensure that health care providers can offer prompt access to vaccination for a large number of people as quickly as possible. CMS indicates that this increase reflects updated information about the costs involved in administering the COVID-19 vaccine for different types of providers and suppliers, as well as the additional resources necessary to ensure the vaccine is administered safely and appropriately.

In today's announcement, CMS said that effective for COVID-19 vaccine administration services furnished **on or after March 15**:

- For single dose COVID-19 vaccines, such as the Johnson and Johnson's Janssen vaccine, Medicare will pay approximately \$40 for its administration.
- For COVID-19 vaccines requiring multiple doses, such as Pfizer-Biontech, Moderna and AstraZeneca¹, Medicare will pay approximately \$40 for each dose in the series.

The exact payment rate for administration of each dose of a COVID-19 vaccine will depend on the type of entity that furnishes the service and will be geographically adjusted based on where the service is furnished.

By contrast, for COVID-19 vaccine administration services furnished **before March 15**, the Medicare payment rate for a single-dose vaccine or for the final dose in a series is \$28.39. For a COVID-19 vaccine requiring a series of two doses, the payment rate is \$16.94 for the initial dose(s) in the series and \$28.39 for the final dose in the series. These rates also are geographically adjusted.

In a Dec. 29, 2020 [letter](#) to CMS, AHA recommended that CMS increase the payment rates for the administration of the COVID-19 vaccine, in order to reflect the higher resource costs involved in administering the COVID-19 vaccine compared to other preventive vaccines. We noted that this includes higher vaccine storage and handling costs, higher levels of personal protective equipment, additional time needed to educate and answer patient questions, and greater reporting requirements to public health.

¹ The AstraZeneca COVID-19 vaccine does not yet have an FDA Emergency Use Authorization.

CMS also [updated](#) the list of COVID-19 billing codes, payment allowances and effective dates to coincide with today's announcement. In addition, the agency said it is updating the set of [toolkits](#) for providers, states and insurers to help the health care system swiftly administer the vaccine with these new Medicare payment rates. These resources are designed to increase the number of providers that can administer the vaccine, ensure adequate payment for administering the vaccine to Medicare beneficiaries, and make it clear that no beneficiary, whether covered by private insurance, Medicare or Medicaid, should pay cost-sharing for the administration of the COVID-19 vaccine.

FURTHER QUESTIONS

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