



COVID-19 Vaccine: Financing for Its Administration

February 19, 2021

A U.S. COVID-19 vaccination campaign is underway. *For this effort, [all vaccines and some supplies for their administration to patients have been purchased by the federal government, with appropriations provided for this purpose.](#)* These are available at no cost to providers and patients. When the vaccine delivery approach allows for individual patient transactions, providers may seek reimbursement from available payers for their costs to administer the vaccines, including the costs of their time, vaccine storage, recordkeeping, and additional supplies. In general, by law and regulation, patients should not be charged for the COVID-19 vaccine or the costs of its administration during the campaign. There may be exceptions when the vaccine is administered during a visit in which other services—such as a check-up for a chronic condition—are also furnished, and a visit fee unrelated to vaccine administration may be billed.

This Insight explores the provision of COVID-19 vaccines and payment for their administration, where applicable, from the perspectives of patients, providers, and public and private payers. It does not discuss (1) federal entities that provide direct health care services, such as the [Departments of Defense and Veterans Affairs](#); (2) vaccination sites that are fully financed and do not involve individual patient transactions; or (3) payment policies that may apply after the initial vaccination campaign in spring 2021.

Patients

Patients are the persons who seek to be vaccinated.

- Currently, two COVID-19 vaccine formulations are available under [Emergency Use Authorizations \(EUAs\)](#) granted by the Food and Drug Administration (FDA).
- The Centers for Disease Control and Prevention (CDC) recommends a [priority order](#) (based on age, risk factors, or essential work activities) for vaccination when it is in limited supply. State, city, and territorial officials may modify this guidance.
- States and localities are expected to [create systems](#) to furnish vaccines in priority order. This may involve both large-scale vaccination sites and other sites (e.g., pharmacies) that provide vaccines under federal contracts.

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Figure 1. Provider Administers COVID-19 Vaccine in Puerto Rico



Source: HHS, Assistant Secretary for Preparedness and Response (ASPR).

Providers

Providers are health care workers, for-profit or not-for profit entities, and others who administer COVID-19 vaccines.

- Typically, providers must be authorized by the state or territory in which they practice, whether by typical or emergency licensure. To expand the pool of providers for the COVID-19 vaccination campaign, (1) some states have [allowed nontraditional providers](#)—for example, podiatrists, dentists, and veterinarians—and (2) the federal government [has permitted](#) some pharmacists, health care professionals licensed in other states, and some additional provider types, to [administer the vaccines](#), subject to training and other requirements. Under federal law, providers authorized by state, federal, or local public health authorities to administer the vaccines are [immune](#) from many legal claims for injuries caused by the vaccines.
- All providers who administer COVID-19 vaccines must be [certified by CDC](#) pursuant to a provider agreement in which they pledge to store and handle vaccines properly, adhere to priority guidelines, and collect and [report specified data](#), among other things. They are also prohibited from selling a federally purchased COVID-19 vaccine or receiving any inducement to furnish it to a person not eligible to receive one.
- Providers [may seek payment](#) from available payers, *but not vaccine recipients*, for costs of administering the vaccine. However, *they are prohibited from billing patients for vaccine administration costs not paid by a third party.*

Payers

Payers are the publicly funded programs and private health insurance plans that help enrollees finance their health care services, and the public funds established specifically to cover COVID-19-related health care costs for all individuals, or for some (e.g., the uninsured).

Medicare

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act, P.L. 116-136, Section 3713) requires Medicare Part B to cover a COVID-19 vaccine and its administration. In November 2020, the Centers for Medicare & Medicaid Services (CMS) issued an interim final rule (IFR) clarifying that the provision includes COVID-19 vaccines authorized by EUA. Medicare beneficiaries have no out-of-pocket costs, whether they are enrolled under Part B or Medicare Advantage. CMS established payment rates for the administration of both single and multidose vaccines.

Medicaid/CHIP

Medicaid coverage of COVID-19 vaccine administration without enrollee cost-sharing is mandatory for most Medicaid enrollees during a specified COVID-19 public health emergency (PHE) period for which the state, District of Columbia, or territory claims the temporary federal medical assistance percentage (FMAP) increase, as permitted under the Families First Coronavirus Response Act (FFCRA; P.L. 116-127, Section 6008). For states that do not meet specified conditions to receive the temporary FMAP increase, such coverage may vary by population.

Under separate CHIP programs, states are required to cover COVID-19 vaccines authorized for use in children and vaccine administration without enrollee cost-sharing. Such coverage is optional for pregnant women.

Private Health Insurance

Per CARES Act Section 3203, most private health insurance plans are required to cover recommended COVID-19 vaccines without consumer cost-sharing. The November 2020 IFR clarifies that given the federal purchase of vaccines, applicable plans are still required to cover vaccine administration fees without consumer cost-sharing. However, it is unclear whether consumer cost-sharing is possible in certain circumstances, such as an office visit fee (depending on the primary purpose of the provider appointment and how it is billed).

The statutory coverage requirements are not limited to the PHE period. However, relevant regulatory amendments are limited to the PHE period, including that the coverage requirements apply even if the vaccine is furnished by an out-of-network provider (45 C.F.R. §§147.130(a)(3)(iii) and (e)).

COVID-19 Uninsured Fund

The CARES Act (134 STAT. 563) established the Provider Relief Fund (PRF) to support health care providers. An unspecified amount has been allocated for COVID-19 treatment and vaccine administration costs for the uninsured. HHS has stated this includes any costs associated with vaccine administration to uninsured individuals, and directs providers to seek PRF reimbursement when another payer is not available. Providers are expected to seek payment from the PRF for vaccine administration costs for the uninsured, as they are prohibited from billing the patient.

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