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Costs of COVID-19 Vaccines: What We Do and Don't Yet Know

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The roll-out of vaccine approvals has led to some confusion over what charges consumers might be asked to cover. This echoes the confusion previously discussed with respect to COVID-19 diagnostic and antibody test pricing. But consumers, providers, and others that will have any involvement with vaccine production, distribution, or administration should be aware that the Coronavirus Aid, Relief, and Economic Security (CARES) Act provides different rules for treatment (including testing) than it does for preventative care, like the recently approved vaccines.

The CARES Act provides that all insurance plans that are subject to the Affordable Care Act's preventative services coverage standards must cover any qualifying coronavirus *preventive* services, including approved vaccines, without cost-sharing. It also provides that Medicare plans must cover the cost of the COVID-19 vaccine and its administration, without cost-sharing. This coverage applies to both in- and out-of-network providers. In short, if the primary purpose of a medical visit is to receive a covered vaccine, then the vaccine recipient should not be responsible for any out of pocket costs. However, if their appointment or doctor's visit includes health services unrelated to COVID-19—such as bloodwork—the recipient may be charged for those services.

Notably, federal rules require that coverage must begin to apply within 15 days of a vaccine's approval by the Advisory Committee on Immunization Practices (ACIP), accelerating the usual timeline required for plans to incorporate a new recommendation. Insurance plans are therefore currently required to cover the cost of both of the vaccines that have been approved in the United States. (The ACIP provided its interim recommendation for the Pfizer-BioNTech COVID-19 vaccine on December 12, 2020 and subsequently issued its interim recommendation for the Moderna COVID-19 vaccine on December 19, 2020.)

Not all health care plans are covered by these requirements. Plans that are not subject to the ACA's preventative services coverage standards are not subject to the CARES Act and its vaccine coverage requirement. These plans—which could include short-term health plans, fixed indemnity plans, or some grandfathered plans—may take varying approaches to vaccine coverage. It appears that these plans can require that beneficiaries pay cost sharing for vaccines or can exclude recommended vaccines from coverage altogether. Individual states may ultimately require plans to cover the vaccine and waive cost-sharing. Alternatively, the plans may decide, for any number of reasons (including, e.g., concerns about employee health and safety) to provide coverage, though they may or may not decide to waive cost-sharing. At least one such plan has already said that COVID-19 vaccine costs will be "shareable."

Several open questions remain. First, it is unclear how much the vaccine could cost (either to recipients or to insurers) in the future, following the conclusion of the public health emergency.

Second, uninsured vaccine recipients may see differences in billing in the long term. Providers that administer an approved COVID-19 vaccine to uninsured recipients will be reimbursed for vaccine administration costs through a provider relief fund created by the CARES Act. The federal government has not indicated how it will handle these reimbursements if that relief fund should be depleted.

Third, because vaccine coverage arises from the ACA's preventative services coverage standards, the Supreme Court's forthcoming decision on a pending challenge seeking to invalidate the law's individual mandate could greatly impact this area, and potentially eliminate or reduce cost coverage.

Finally, and of particularly salience for price gouging concerns, even though the vaccine itself is free, vaccine recipients might still see bills. Some providers can legally charge an administration fee for giving the shot, according to the CDC. Those providers can seek reimbursement for such a fee from either the recipient's "public or private insurance company or, for uninsured patients, by the Health Resources and Services Administration's Provider Relief Fund." Several states prohibit price gouging for medical services, and it remains to be seen whether and how any fees could be justified or challenged under different state laws.

In summary, most but not all COVID vaccines costs should be covered without cost sharing to recipients, related additional charges for the treatment visit might not be covered, and all the non-covered charges likely are subject to state price gouging laws.

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