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COVID-19 Vaccine Administration Costs:

What You Need to Know

The fight against COVID-19 took a giant leap forward on December 10, when the Food and Drug Administration (FDA) advisory panel endorsed Pfizer's COVID-19 vaccine and the FDA granted an emergency use authorization (EUA) for the vaccine the next day. Priority groups started receiving their first doses on December 14.

On December 15, the FDA advisory panel endorsed Moderna's COVID-19 vaccine. This clears the way for the FDA to issue an EUA for a second vaccine, which will provide millions of additional doses to Americans. With the EUA, distribution of the Moderna vaccine will likely begin the week of December 21.

This is an exciting time. However, it may be some time before those outside the priority groups have access to a vaccine. The Centers for Disease Control and Prevention (CDC) and state health agencies are prioritizing healthcare personnel, essential workers in critical industries, high risk individuals with underlying medical conditions, and people 65 years and older to receive the vaccine first.

As the vaccine is distributed to these priority groups, information is emerging regarding employer administration costs. The following is a summary of details for employers to consider as they plan for 2021.

- Members will have \$0 cost-share (copayment, coinsurance or deductible), including when two doses are required (as is the case for the Pfizer vaccine and the Moderna vaccine currently under FDA review).
- The federal government will cover the cost for the vaccine itself – as part of the **Coronavirus Aid, Relief, and Economic Security (CARES) Act** – purchasing initial supplies of the vaccine and allocating them to the states for prioritized distribution.
- The CARES Act classifies COVID-19 vaccines as “preventive services,” and they will be managed like other preventative vaccines, with administration through physicians' offices and pharmacies.



Health plans and self-insured plans will be required to pay COVID-19 vaccine admin costs.

- Health plans and self-insured plans will be required to pay for the administration of the COVID-19 vaccine.
 - Administration cost for two dose vaccine: first dose \$16.94/second dose \$28.39
 - Administration cost for a single dose vaccine: \$28.39
- Clients can cover vaccine administration costs through their medical benefit and/or their PBM pharmacy benefit. Given the **HHS announcement** regarding the federal government partnership with pharmacy chains and community pharmacies to access and administer the vaccines, we encourage PBM clients to cover the administration fee under their PBM pharmacy benefit.
- Clients are encouraged to consult with their respective state health department to confirm priority groups. Depending on the state, those considered “essential” may not qualify for phase 1 if they are not at a high risk of exposure.
- Administration fees for Medicare plans will be covered by Medicare Fee For Service.

Making the Vaccine Mandatory

The conversation regarding making the vaccine mandatory continues. With legal, ethical and cultural considerations, early assessments indicate that employers likely have the right to require the vaccine if it is “job related and consistent with business necessity,” the standard set forth in the Americans with Disabilities Act.

There will be exceptions, extenuating circumstances like employee concerns regarding vaccine safety, and liability questions. This recent article in the [Chicago Tribune](#) provides a solid Q&A to get up to speed as employers consider their respective positions. We will stay on top of developments and provide updates as the vaccine distribution process continues.

Looking Ahead

This is one of the largest and most complex public health initiatives in our nation’s history. Success requires that we learn, plan and remain flexible throughout the process. As the distribution of the Pfizer vaccine gets underway, and the FDA reviews additional vaccines, we will be watching closely and providing additional information and insight that supports employers and their employees.

Please let us know if you have questions regarding vaccine distribution, administration costs or other areas where NFP can be helpful.

Related Resources:

[Chicago Tribune: “Employers can require COVID-19 vaccination, but there are exceptions. Here’s what you and your boss need to know.” \(December 14, 2020\)](#)

[Optum Rx: “Latest information on COVID-19 vaccines” \(December 3, 2020\)](#)



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