DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services

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Vaccine and Vaccine Administration Payments Under Medicare Part D

Health care professionals (sometimes known as "immunizers") who administer certain vaccines to their Medicare patients may receive payment under the Medicare Prescription Drug (Part D) program.

Please note: The information in this publication applies only to Medicare Part D, the prescription drug benefit.

This fact sheet provides information for doctors, pharmacists, and other health care professionals about vaccine and vaccine administration coverage under the Medicare Part D program, as well as how to submit claims for payment.

Background

Medicare Part B covers most of the vaccines Medicare patients need. Under Part B, immunizers administer these vaccines and submit a claim to the Medicare Administrative Contractor (MAC) for both the vaccine and its administration. For patients enrolled in Medicare Advantage (MA) plans, in-network physicians submit claims to the patient's MA plan.

Part D plans generally cover vaccines that Part B does not cover. However, under Part D, you may or may not directly bill the Part D plan. If you cannot bill directly, you may need to work with your patients and their Part D plans to obtain payment.

Part B Vaccines

Medicare Part B covers the following immunizations:

- Hepatitis B vaccine (for patients at high or intermediate risk);
- Influenza virus vaccine;
- Pneumococcal pneumonia vaccine; and
- Vaccines directly related to the **treatment** of an injury or direct **exposure** to a disease or condition.

Part D Vaccines

Except for vaccines covered under Medicare Part B, Medicare Part D plans must cover all commercially available vaccines, as long as the vaccine is reasonable and necessary to **prevent** illness.

Part D plans identify covered drugs and vaccines through formularies. A new preventive vaccine may not specifically appear in the formulary, but the plan may still cover the vaccine. Part D plans may have special rules such as prior authorization, step therapy, and quantity limits. Contact your patient's plan to find out about coverage.

Example of Part B Vaccine Covered Under Part D

Medicare Part B covers the Hepatitis B vaccine for patients at intermediate or high risk. However, a patient who does not satisfy Part B coverage criteria could still obtain the vaccine, with potential payment coming from a Part D plan. Contact your patient's Part D plan for more information.

Part D Plan Contact Information

You can find plan contact information at http://www.medicare.gov/find-a-plan/questions/search-by-plan-name-or-plan-id.aspx on the Medicare website, or call 1-800-MEDICARE.

Coverage for Vaccine Administration Under the Part D Program

The Part D program covers vaccine administration costs as a component of the negotiated price for a Part D vaccine. The negotiated price for a Part D vaccine includes:

- Dispensing fee (if applicable);
- Sales tax (if applicable);
- Vaccine administration fee; and
- Vaccine ingredient cost.

Bill Part D vaccines, including administration costs, on one claim for both in- and out-of-network situations.

Cost-Sharing Considerations

In general, a Part D plan should not charge separate copayments for the vaccine and its administration. If a Part D plan charges coinsurance, it should apply to the entire price of both components.

Reminder:

Immunizers may not bill Part B for administration of Part D vaccines.

NOTE: Individuals who qualify for Part D Low-Income Subsidy (also known as "LIS" or "Extra Help") always pay only one copayment for a vaccine and its related charges.

Elements of Vaccine Administration

Part D plans have the option to implement **either** a single vaccine administration fee for all vaccines **or** multiple administration fees based on:

- Complexity of administration;
- Vaccine type; and
- Variance in provider type.

Contact your patient's Part D plan to learn about specific vaccine administration fees.

Part D Reimbursement for Vaccines in a Physician's Office

Patients may need to pay their physician up front for Part D vaccines and submit a claim to their Part D plan for reimbursement (up to the plan's allowable charge). Ideally, communication between patients and physicians should occur prior to vaccine administration so the patients can determine whether the physician's charges exceed the plan's allowable charge. If patients do not contact the plan before they get the vaccine, the physician's charge may differ from the plan's allowable charge. In this situation, the patients must pay the difference.

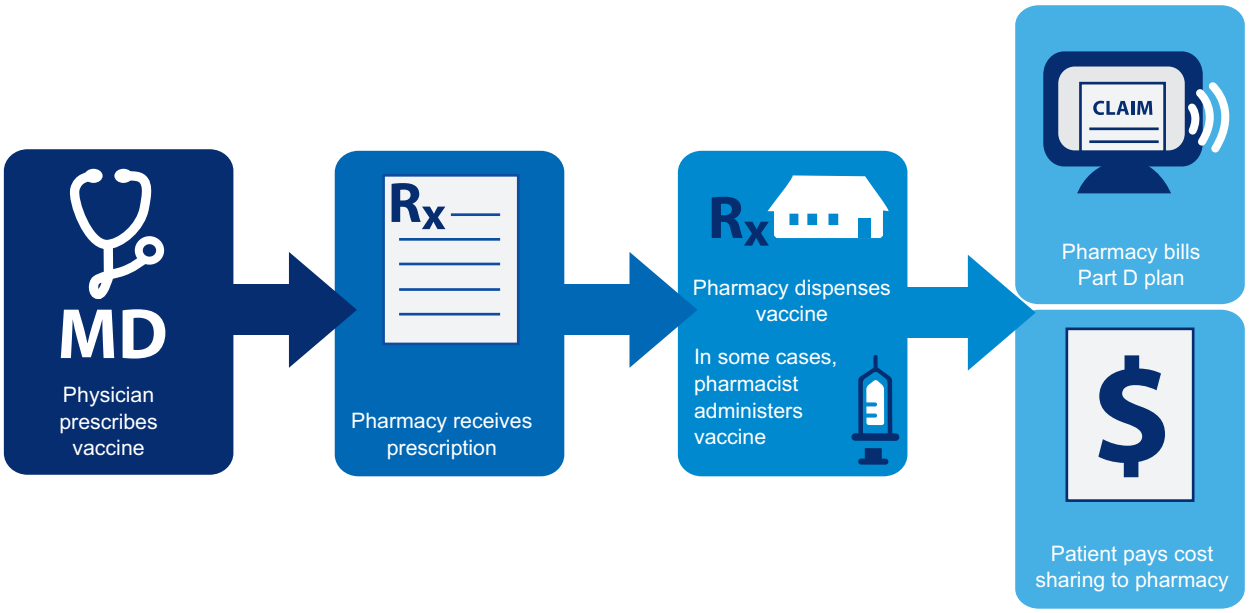
Requiring patients to pay the full charge out of pocket and get reimbursement from the plan later is not an ideal solution. CMS encourages Part D plans to improve vaccine access without requiring patients to pay the full charge out of pocket and request reimbursement from their plans. Medicare has various options for patients with Part D coverage to obtain vaccines. We explain these options below so immunizers may understand the options available to Medicare patients, the resulting costs to patients, and the reimbursement options for physicians.

Options to Ensure Adequate Access to Vaccines Under Part D

In-Network Options

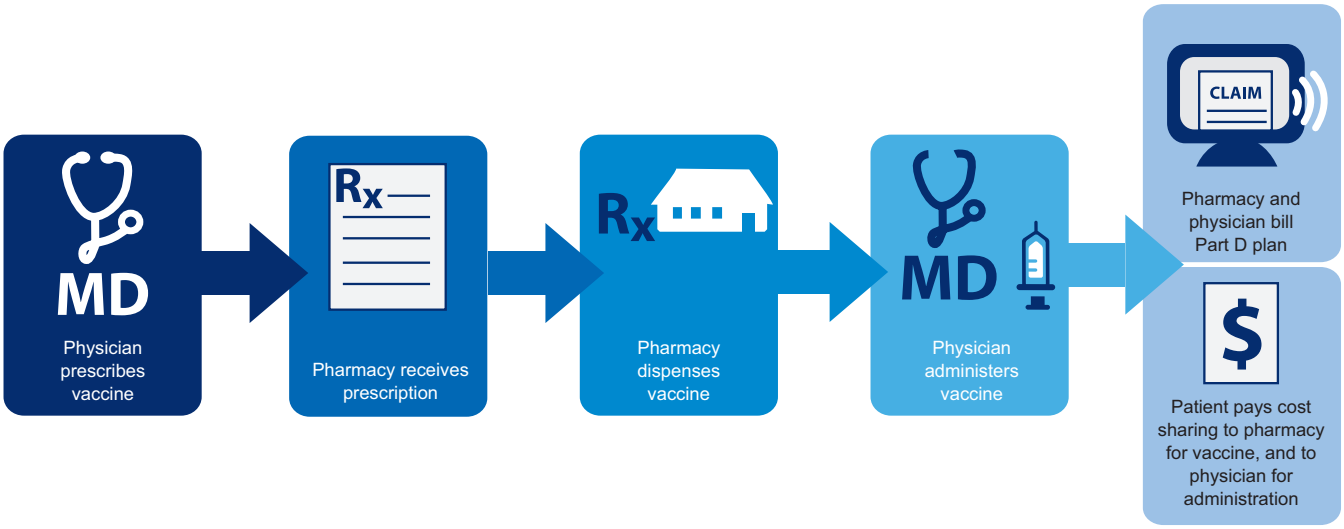
In-Network Administration by Pharmacy: Patients get a prescription from their physician and bring it to their local network retail pharmacy (or the physician transmits it electronically). In some cases, a pharmacist administers the vaccine (unless prohibited by State law). The pharmacy bills the Part D plan, and patients pay the pharmacy the required Part D cost sharing amount.

Image 1. In-Network Pharmacy Administers the Vaccine



In-Network Pharmacy Distribution to Physician: Patients get a prescription from their physician and bring it to the pharmacy (or the physician transmits it electronically). The pharmacy then fills the prescription, ships, or delivers it to the physician's office, and bills the Part D plan for dispensing and providing the vaccine. The pharmacy bills the Part D plan, and patients pay the pharmacy the required Part D cost sharing amount as well as paying the physician for administering the vaccine.

Image 2. In-Network Pharmacy Provides Vaccine to Physician to Administer

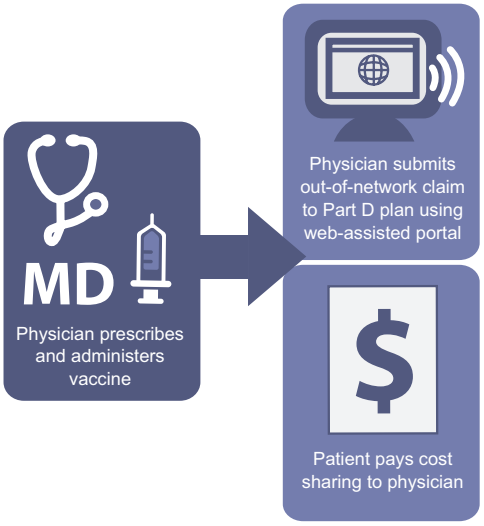


Out-of-Network Options

For out-of-network approaches, you do not become a network provider. You are simply assisting your patient with submitting the claim.

Web-Assisted Out-of-Network Physician Billing: Physicians enroll with a commercial company that offers a web-assisted portal for Part D vaccines they administer in their office. This portal enables the physician to electronically submit out-of-network claims to Part D plans on behalf of the patient. The physician agrees to accept Part D payment as payment in full. The patient pays only the appropriate deductible, copayment, coinsurance, or cost sharing amount, which the patient pays directly to the physician.

Image 3. Physician Administers Vaccine and Bills Part D Plan Using Web-Assisted Out-of-Network Billing

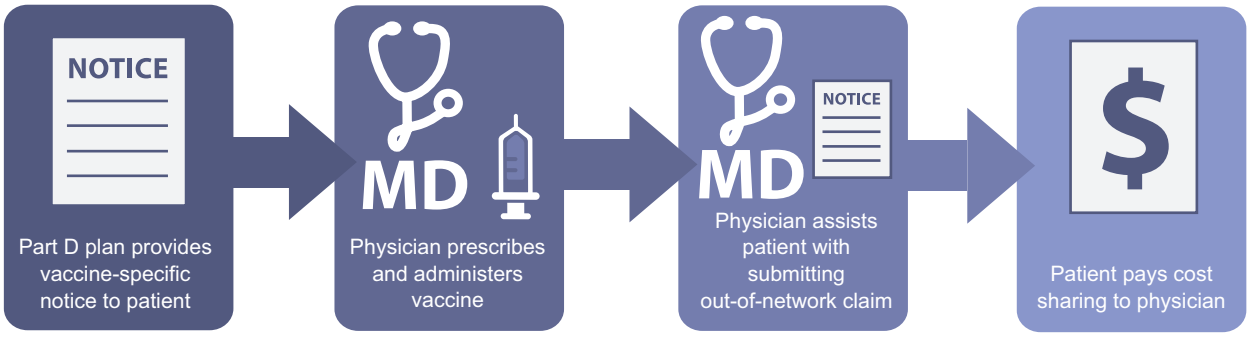


Physician Obtains Authorization from Part D Plan: The physician or patient contacts the patient's Part D plan to obtain a vaccine-specific notice. The notice provides the following information:

- How to obtain authorization for coverage for a particular vaccine;
- Instructions on how to submit an out-of-network claim on the patient's behalf;
- Patient cost-sharing information; and
- Reimbursement rates.

The physician agrees to accept Part D payment as payment in full, except the appropriate deductible, copayment, coinsurance, or cost sharing amount, which the patient pays directly to the physician.

Image 4. Out-of-Network Authorization



Frequently Asked Questions from Physicians

I need to immunize a patient with a Part D vaccine. What do I need to do?

Call the patient's Part D plan to discuss the cost sharing and allowable charges for the vaccine as part of the Part D plan's out-of-network access, or ask if there are any other vaccine access options.

Do I need to provide an Advance Beneficiary Notice (ABN) if I administer a vaccine and plan to bill the patient?

No. Part D does not require ABNs. For more information about ABNs, please refer to the "Advance Beneficiary Notice of Noncoverage" booklet at http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/MLN-Publications-Items/CMS1236637.html on the CMS website.

Can I charge an administration fee?

Yes. See the model scenarios in this fact sheet to determine whether to bill the patient or the Part D plan.

Does Medicare Part D cover the shingles (herpes zoster) vaccine?

Yes. The herpes zoster vaccine is a preventive vaccine and, therefore, covered by Part D.

Resources

Table 1 provides resources for additional information.

Table 1. Part D Vaccine Resources

Resources	Websites
Medicare Part D Resources	Patient information on Part D coverage http://www.medicare.gov/part-d http://www.medicare.gov/part-d/coverage/rules/drug-plan-coverage-rules.html Part D general information on prescription drug coverage http://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovGenIn or scan the Quick Response (QR) code on the right with your mobile device Chapter 6 of the "Medicare Prescription Drug Benefit Manual" (Publication 100-18) http://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovContra/Downloads/Chapter6.pdf
Medicare Learning Network® (MLN) Guided Pathways	http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNEdWebGuide/Guided_Pathways.html

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