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**DATE:** October 28, 2020

**TO:** Medicare Advantage Organizations, Medicare-Medicaid Plans, 1876 and 1833  
Cost Plans

**SUBJECT: COVID-19 Vaccine Significant Cost Determination**

Section 3713 of the CARES Act established Medicare Part B coverage and payment for the COVID-19 vaccine and its administration. Section 1852(a)(5) of the Social Security Act and 42 CFR § 422.109 provide that if the projected cost of a National Coverage Determination or a legislative change in benefits meets a significant cost threshold, coverage of the new benefit for beneficiaries enrolled in a Medicare Advantage (MA) plan will be provided through the Medicare Fee-For-Service (FFS) program until the MA capitation rates take the new significant cost into account. Based on current information and projections, CMS has determined that the legislative change in benefits to add Part B coverage of a COVID-19 vaccine and its administration meets the significant cost threshold.

The MA capitation rates for contract years 2020 and 2021 do not take into account the projected cost for a COVID-19 vaccine or its administration. Therefore, given the significant cost determination, Medicare payment for COVID vaccinations administered during calendar years 2020 and 2021 to MA beneficiaries will be made through the Medicare FFS program. Medicare beneficiaries enrolled in MA plans will be able to access the COVID-19 vaccine, without cost sharing, at any FFS provider or supplier that participates in Medicare and is eligible to bill under Part B for vaccine administration, including those enrolled in Medicare as a mass immunizer or a physician, non-physician practitioner, hospital, clinic, or group practice. MA organizations should inform their contracted providers about this coverage policy and direct them to submit claims for administration of the COVID-19 vaccine to the CMS Medicare Administrative Contractor (MAC) for payment.