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www.oregon.gov/OHA/HSD**Date:** October 17, 2023**To:** Coordinated care organizations (CCOs)**From:** David Inbody, CCO Operations director
Medicaid Programs**Subject:** CCO reimbursement of COVID-19 vaccine and vaccine administration expenses to contracted pharmacies

Effective 9/11/2023, the Oregon Health Authority (OHA) reimburses CCOs for payments to participating providers¹ for COVID-19 vaccine and vaccine administration expenses, up to the same rates that OHA pays fee-for-service (FFS) providers. This approach is described in the COVID contract [amendment](#) as a non-risk payment arrangement.

OHA now reimburses for vaccine (i.e., serum) expenses because CCOs must now purchase COVID-19 vaccines due to [commercialization](#). Refer to OHA's CCO [memo](#) dated 10/3/2023 for details about the effect of COVID commercialization on Oregon Health Plan (OHP) coverage for COVID vaccines.

For members age 19 or over, the current FFS reimbursement rate for COVID-19 vaccine administration is \$40. This is the same rate that OHA has paid FFS providers throughout 2023. For members under 19, FFS reimbursement is at the Vaccines For Children (VFC) rate of \$21.96. The effective date for the VFC rate is 9/11/2023, with enforcement beginning 11/1/2023. This coincides with the effective date for the requirement that children's vaccine is provided only at VFC clinics. During the transition, FFS is paying \$40 for non-VFC providers and \$21.96 for VFC-enrolled providers. OHA will reimburse CCOs accordingly under the non-risk payment arrangement. FFS reimburses for vaccine serum at the product's Wholesale Acquisition Cost.

OHA cannot direct CCOs on their payment rates to participating providers for most services; that is a matter between those parties. However, with the guarantee under the non-risk payment arrangement of reimbursement up to FFS rates, **OHA expects that CCOs will pay participating providers at least FFS rates for COVID-19 vaccine and vaccine administration expenses.**

The encounter data for COVID-19 vaccines administered on or after 9/11/2023 shows that some CCOs are paying pharmacies the typical dispensing fee for vaccines rather than the \$40 FFS rate specific to COVID vaccine administration. The typical vaccine dispensing fee is much less than the FFS rate for COVID vaccine administration.

OHA strongly encourages all CCOs to immediately direct their subcontracted Pharmacy Benefit Managers to pay contracted pharmacies at least the FFS rates for COVID-19 vaccine and vaccine

¹ Non-participating providers serving CCO members may bill OHA directly for COVID-19 vaccine and administration under the "No Wrong Door" policy described in the COVID contract amendment.

administration. This includes making whole any contracted pharmacies paid the typical vaccine dispensing fee for COVID vaccine administration provided on or after 9/11/2023.

Why is this happening?

During the COVID-19 Public Health Emergency (PHE), OHA elected to match Medicare payment rates for COVID vaccination administration. OHA further elected to continue this policy for one year after the end of the declared PHE. The effective end date of this policy is 9/30/2024.

Questions?

- About this communication: Please email Cheryl.L.Henning@oha.oregon.gov.
- About FFS payment rates: Please email Jason.H.Daniels@oha.oregon.gov.

Thank you for your continued support of the Oregon Health Plan and the services you provide to our members.