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Date: January 11, 2024

To: Coordinated care organizations (CCOs)

From: David Inbody, CCO Operations director
Medicaid Programs

Subject: Updates to CCO reimbursement of COVID-19 vaccine and vaccine administration expenses

Oregon Health Authority (OHA) is partially reversing the requirement stated in the October 3, 2023, [memo](#) to return to use of Vaccines for Children (VFC) providers as the established pathway for children's vaccines. In addition to VFC providers, CCO members under age 19 may receive COVID-19 vaccines from any Oregon Medicaid pharmacy, regardless of VFC enrollment, through September 30, 2024.

Effective January 1, 2024, the fee-for-service (FFS) reimbursement rate for COVID-19 vaccine administration increased from \$40 to \$43.43. This rate will continue through September 30, 2024.

- This rate applies to **all** Oregon Medicaid providers, including VFC providers and pharmacies.
- OHA reimburses CCOs for payments to participating providers¹ up to OHA's FFS rate. The COVID contract [amendment](#) describes this approach as a non-risk payment arrangement.

Why is this happening?

In November 2023, the Centers for Medicare & Medicaid Services announced that non-VFC pharmacies may continue to receive reimbursement for COVID-19 vaccines administered to children under age 19 through September 30, 2024. OHA's FFS vaccine administration rates are based on Medicare's rates, which increased January 1, 2024.

What should you do?

Due to the non-risk payment arrangement in the COVID contract amendment, OHA:

- Requires CCOs to pay for all COVID-19 vaccines administered to members under age 19 by contracted pharmacies that are not VFC providers.
- Strongly encourages CCOs to pay at least FFS rates for all COVID-19 vaccines administered by contracted providers and to direct their subcontracted Pharmacy Benefit Managers to do the same.

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.

¹ "Participating provider" means a provider that has a contract with the CCO. "Non-participating provider" means a provider that does not have a contract. 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.