

April 19, 2021

The Department of Healthcare and Family Services (HFS) posted a [Provider Notice](#) informing hospitals that the Department will cover vaccine administration costs, specifically in hospital-based outpatient settings. Additionally, the notice highlights a rate increase for payment of the administration fees, effective for claims with dates of service on or after March 15, 2021. This rate increase and coverage for hospital providers is consistent with all other covered provider types (see [HFS Provider Notice](#)) and the current [COVID-19 fee schedules](#).

#### Background

Vaccine administration is typically only covered under professional billing for the Medicaid program. The clinical delivery model has historically been that a patient sees a primary care provider to render any immunization service; however, the Public Health Emergency (PHE) represents a uniquely urgent situation, justifying the use of all available pathways for Medicaid patients to receive the vaccine and for hospital providers to be reimbursed for the resources involved in administering the COVID-19 vaccine. Examples include: hospital-based cancer clinics, general/specialty outpatient clinics, and outpatient laboratory settings.

#### IHA Advocacy

On April 8, 2021, HFS posted an initial [Provider Notice](#), which raised concerns for IHA and a number of member hospitals. It was unclear in the initial notice whether hospitals would receive reimbursement for administration of COVID-19 vaccines dispensed in hospital-based outpatient departments. After numerous discussions with both HFS and the Managed Care Organizations (MCOs), HFS agreed that hospitals would receive reimbursement for the administration of the COVID-19 vaccines in the hospital outpatient setting. Additionally, a proposed billing solution has been enacted that would be most efficient and effective for HFS, the MCOs and hospitals. IHA also received additional confirmation and approval from HFS to share the following key points related to the [Provider Notice](#) posted on January 7, 2021, to provide further clarity and protection as member hospitals implement this process:

- HFS agreed that the direction in this [notice](#) is an “exception” to the current hospital billing policy to accommodate temporary coverage (under PHE guidelines) to allow reimbursement for vaccines administered in a hospital outpatient based setting, and that since this is being directed by HFS, billing in accordance with these instructions will not be considered a billing violation and members will be exempt from any compliance penalties or recoupments;
- HFS agreed that a qualified healthcare professional (as defined under hospital bylaws and/or state licensure) are able to administer the COVID-19 vaccine to patients (i.e., nurse, certified medical assistants, pharmacists, etc.);
- HFS confirmed that the MCOs were directed to reimburse vaccine administration at no less than the rates listed in the [notice](#); and
- MCOs confirmed they are aligned with the billing process and policy set forth by HFS in this [notice](#).

#### Additional Technical Billing Details

In addition to the key policy points, the HFS Hospital Billing Unit also verified the following details for further guidance surrounding claims submission to IHA, which we are able to share with our members:

- Claims should be billed on an 837P/1500 professional claim format;
- An authorized NPI (providers can decide to designate one person for all COVID-19 vaccine administrations – Medical

Director, Chief Medical Officer, etc.), registered in IMPACT, needs to be on the claim as the authorized practitioner name, in order for the claim to accurately pass-through the fee-for-service non-institutional unit;

- Place of service should be (22) – Hospital Outpatient as HFS will lift the necessary edit to allow the claim to adjudicate;
- Applicable HCPCS code for the vaccine administration by product description (see chart in notice) must be present on the claim;
- HFS has instructed providers (similar to Medicare guidance) to omit the actual vaccine product code itself, as it is being provided free of charge. If a provider is unable to omit the vaccine product charge with accompanying HCPCS code during the charge capture process, you can represent the vaccine product with a token \$.01 to allow submission; however, HFS notes that line item only will reject with a “C16”; and
- If providers have previously submitted institutional claims for COVID-19 vaccine administration on an 837i/UB-04 through Hospital Billing, the claim will need to be voided and re-billed through the professional claim format (837p/1500) to receive accurate payment.

Finally, it is important to note that per the Centers for Medicare & Medicaid Services, as a condition of receiving free COVID-19 vaccines from the federal government, vaccine providers are prohibited from charging patients any amount for administration and may not deny a vaccine to anyone regardless of income, immigration, or insurance status. The reimbursement rates listed in this [notice](#) and on the [COVID-19 fee schedules](#) are directly related to administration costs associated with the vaccine only as the vaccine product itself is free to providers.

Technical billing questions regarding repricing hospital outpatient claims billed with COVID-19 diagnosis and procedure codes may be directed [to IHA](#).

Policy questions may be directed [to IHA](#).

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