
Program Memorandum Intermediaries/Carriers

Department of Health &
Human Services (DHHS)
Centers for Medicare &
Medicaid Services (CMS)

Transmittal AB-02-084

Date: JUNE 20, 2002

CHANGE REQUEST 2190

SUBJECT: Additional Information Regarding Medicare Payment Allowance for Flu Vaccine

As stated in prior Program Memorandums (PMs) concerning payment for flu vaccines, when the flu vaccine products are not available, the average wholesale price (AWP) for those products is not considered when applying the correct pricing methodology. For determining the payment limit for drugs covered by Medicare, you must disregard the AWP of any flu vaccine product that is not available at this time. The Food and Drug Administration's (FDA) approval for a number of flu vaccines expires June 30, 2002. The AWP for these products should not be considered in determining the payment allowance for flu vaccines. You should consider only flu vaccine products listed for the current flu season when setting Medicare's payment allowance for the next update.

The FDA has approved several new vaccines for use effective July 1, 2002. Therefore, you will follow the existing methodology and consider the AWP's of these new products when determining Medicare's payment allowance for flu vaccines.

This PM is a clarification of procedure. Therefore, there is no effective date or implementation date.

These instructions should be implemented within your current operating budget.

You should publish the revised payment allowance for flu vaccines in the next regularly scheduled bulletin and publish it on your Web site.

This PM may be discarded after June 30, 2003.

If you have any questions, contact Glenn McGuirk, (410) 786-5723.