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Coverage of COVID-19 Vaccines

Pursuant to Arizona Revised Statutes (ARS) §§ 41-1001(22) and -1091, the Arizona Department of Insurance and Financial Institutions (the "Department") occasionally issues Substantive Policy Statements to provide guidance regarding common compliance matters, recurring questions, or matters of public importance. Substantive Policy Statements are intended to promote a level playing field and uniform application of statutory or regulatory provisions.

I. Purpose

The purpose of this Substantive Policy Statement is to address Executive Orders 2020-57 and 58.

II. Scope

This Substantive Policy Statement is intended to provide guidance to all insurers subject to Executive Orders 2020-57 and 58.

III. Background

On November 18, 2020, through [Executive Order 2020-57](#), Arizona Governor Doug Ducey mandated that "all insurers regulated by the State cover influenza and pandemic vaccines and administration without regard to whether the provider is in-network." In addition, the federal Cares Act established that COVID immunizations must be provided at no cost-sharing for non-grandfathered group and individual plans.

¹ This substantive policy statement is advisory only. A substantive policy statement does not include internal procedural documents that only affect the internal procedures of the agency and does not impose additional requirements or penalties on regulated parties or include confidential information or rules made in accordance with the Arizona administrative procedure act. If you believe that this substantive policy statement does impose additional requirements or penalties on regulated parties you may petition the agency under section 41-1033, Arizona Revised Statutes, for a review of the statement.

IV. Department's Guidance

Executive Order 2020-57 applies to insurers regulated by the Department. The order requires plans to cover both influenza and pandemic vaccines regardless of whether the provider is out of network and regardless of whether the vaccine is administered in multiple doses. The Cares Act also requires coverage regardless of the type of provider. Vaccines may be administered by physicians, pharmacies, facilities, organizations, public/county health clinics or others participating in the federal COVID-19 Vaccination Program. County health clinics are permitted to bill like any other provider for vaccines. Insurers will need to establish flexible methods for receiving claims from atypical health providers administering the vaccine.

All types of health insurance plans that provide coverage for vaccines, including major medical, short term, and limited benefit plans, must cover the influenza and pandemic vaccines and the administration of these vaccines by in- and out-of-network providers with no cost-share to the member. This includes plans offered by health care service organizations (HCSO) which require members to receive covered services through network providers except in cases of network exception or emergency.² Executive Order 2020-07 establishes the existence of an emergency in this State. Therefore, HCSOs and other types of insurers are expected to provide coverage for influenza and pandemic vaccines, and administration of those vaccines, at no cost to the member regardless of the provider's network affiliation.

Even if an individual is uninsured, or has a health plan that does not cover vaccines, providers enrolled in the CDC COVID-19 Vaccination Program must administer vaccines without cost-share and without balance billing. The provider can seek reimbursement for the administration of the vaccine through the [Provider Relief Fund](#).

In addition to Executive Order 2020-57, a significant amount of federal guidance and regulations also are relevant to these circumstances. The Centers for Medicare and Medicaid (CMS) has issued a number of [documents](#) that insurers will find instructive, including:

- Toolkit on COVID-19 Vaccine: Health Insurance Issuers and Medicare Advantage Plans - <https://www.cms.gov/files/document/COVID-19-toolkit-issuers-MA-plans.pdf>
- Provider Enrollment, Billing and Administration resource toolkit - <https://www.cms.gov/covidvax-provider>
- Vaccination Partner FAQ - <https://www.cms.gov/files/document/covid-vax-partner-toolkit.pdf>
- Interim Final Rule with Request for Comment (CMS-9912-IFC)- <https://www.cms.gov/files/document/covid-vax-ifc-4.pdf>
- [Vaccine Administration for the Uninsured](#)

² See ARS §§ 20-2801 et seq., AAC R20-6-1902, R20-6-1904(B) and R20-6-1910.

The CMS COVID-19 Vaccine Toolkit states "Consumers enrolled in non-grandfathered group or individual health insurance coverage will be able to receive the vaccine and its administration free of charge from a network provider, and during the COVID-19 [public health emergency], will also be able to receive the vaccine and its administration free of charge from an out-of-network provider. Providers are prohibited by agreement with the U.S. Government from billing patients for the vaccine or its administration, including balance billing." The toolkit explains that providers who administer the vaccine to patients whose insurance "does not provide coverage of vaccination administration fees" can file a claim with the aforementioned provider relief fund "but may not charge enrollees directly for any vaccine administration costs."

Insurers should note that a COVID-19 vaccine will be considered a preventative service if it has in effect a recommendation from the Advisory Committee on Immunization Practices of the Centers for Disease Control and Prevention (regardless of whether the immunization is recommended for routine use).³ Therefore, the vaccine must be provided to health plan members at zero cost-share (i.e. no copay, no coinsurance, no deductible). This prohibition is reinforced by the provisions of [Executive Order 2020-58 Ensuring the Availability of the Vaccine Without Financial Barriers](#) which requires regulated insurers to "waive all cost-sharing for consumers related to the administration of all COVID-19 vaccinations and without regard to whether the provider is in-network." In addition, insurers must ensure that their members are not balance billed in accordance with the federal guidelines. Insurers are encouraged to read CMS guidance regarding the reasonable reimbursement of out of network providers.

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³ See 45 CFR § 147.130(a)(1)(v).