
Program Memorandum Carriers

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

Transmittal B-01-49

Date: AUGUST 7, 2001

CHANGE REQUEST 1797

SUBJECT: Additional Information Regarding Medicare Payment Allowance for Flu Vaccine

As stated in Program Memorandum (PM) B-00-63, when flu vaccine products are not available, the average wholesale price (AWP) for those products is not considered when applying the pricing methodology in PM AB-00-110 (Payment Limit for Drugs and Biologicals). 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. Because the Food and Drug Administration's (FDA) approval for a number of flu vaccines expired June 30, 2001, the AWP for these products should not be considered in determining the payment allowance for flu vaccines. Carriers 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, 2001. Therefore, carriers will follow the methodology in PM AB-00-110 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. Carriers should publish the revised payment allowance for flu vaccines in the next regularly scheduled bulletin and publish it on their web site.

This PM may be discarded after June 30, 2002.

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