CMS Manual System	**Department of Health & Human Services (DHHS)**
Pub 100-04 Medicare Claims Processing	**Centers for Medicare & Medicaid Services (CMS)**
Transmittal 13859	**Date: July 16, 2026**
	Change Request 14542

SUBJECT: Influenza Vaccine Payment Allowances - Annual Update for 2026-2027 Season

I. SUMMARY OF CHANGES: The purpose of this recurring update notification Change Request (CR) is to provide the availability of payment allowances for the seasonal influenza virus vaccines as updated on an annual basis, effective August 1 of each year. The attached recurring update applies to publication 100-04, chapter 17, section 20.5.9.

EFFECTIVE DATE: August 1, 2026
**Unless otherwise specified, the effective date is the date of service.*
IMPLEMENTATION DATE: August 17, 2026

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)
R=REVISED, N=NEW, D=DELETED-*Only One Per Row.*

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
N/A	N/A

III. FUNDING:
For Medicare Administrative Contractors (MACs):
The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

Recurring Update Notification

Attachment - Recurring Update Notification

Pub. 100-04	Transmittal: 13859	Date: July16, 2026	Change Request: 14542

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II. GENERAL INFORMATION

A. Background: Influenza vaccine payment allowances - Annual update for 2026-2027 season.

This recurring update notification provides the availability of payment allowances for the seasonal influenza virus vaccines in the CMS Seasonal Influenza Vaccines Pricing webpage: https://www.cms.gov/medicare/medicare-part-b-drug-average-sales-price/vaccine-pricing.

Seasonal Influenza Vaccines payment is based on 95 percent of the Average Wholesale Price (AWP). The Medicare Part B payment allowances apply for the dates indicated as effective dates on the website.

Payment allowances for codes for which products have not yet been approved will be provided when the products have been approved and pricing information becomes available to CMS.

The payment allowances for pneumococcal vaccines are also based on 95 percent of the AWP and are updated on a quarterly basis via the Quarterly Average Sales Price (ASP) Drug Pricing Files.

B. Policy: The Medicare Part B payment allowance limits for influenza vaccines are 95 percent of the AWP, as reflected in the published compendia, except where the vaccine is furnished in a hospital outpatient department, Rural Health Clinic (RHC), or Federally Qualified Health Center (FQHC). Where the vaccine is furnished in the hospital outpatient department, RHC, or FQHC, payment for the vaccine is based on reasonable cost.

Annual Part B deductible and coinsurance amounts do not apply. All physicians, non-physician practitioners and suppliers who administer the influenza virus vaccination must take assignment on the claim for the vaccine.

III. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility								
		A/B MAC			DME	Shared-System Maintainers				Other
		A	B	HHH	MAC	FISS	MCS	VMS	CWF	
14542.1	Effective for dates of service August 1, 2026 - July 31, 2027, unless otherwise specified, contractors shall determine the Medicare Part B payment allowance for Healthcare Common Procedure Coding System (HCPCS) code Q2039.	X	X							
14542.2	CMS shall make available, via the Cloud, the vaccine pricing data for Medicare Part B vaccines for the 2026-2027 influenza season.									CMS, PCS
14542.3	The contractors shall use the Cloud vaccine pricing data to determine the payment limit for claims for payable Medicare Part B vaccines processed or reprocessed on or after August 1, 2026, with dates of service August 1, 2026, through July 31, 2027.	X	X							
14542.4	Contractors shall reprocess any previously processed and paid claims for the current flu season that were paid using influenza vaccine payment allowances other than the allowances published on the influenza vaccine pricing website for the 2026/2027 season, which began on August 1, 2026.	X	X							
14542.5	The Medicare Administrative Contractors (MACs) shall initiate the mass adjustment process to reprocess claims by November 1, 2026, but any MAC that may require more time to meet this deadline should contact their Contracting Officer's Representative for additional direction.	X	X							

IV. PROVIDER EDUCATION

Medicare Learning Network® (MLN): CMS will develop and release national provider education content and market it through the MLN Connects® newsletter shortly after we issue the CR. MACs shall link to relevant information on your website and follow IOM Pub. No. 100-09 Chapter 6, Section 50.2.4.1 for distributing the newsletter to providers. When you follow this manual section, you don't need to separately track and report MLN content releases. You may supplement with your local educational content after we release the newsletter.

Impacted Contractors: A/B MAC Part A, A/B MAC Part B

V. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements: N/A

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

Section B: All other recommendations and supporting information: N/A

VI. CONTACTS

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VII. FUNDING

Section A: For Medicare Administrative Contractors (MACs):
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ATTACHMENTS: 0