

DATE: May 9, 2025

TO: Public Hospital Outpatient Services Supplemental Reimbursement Program Participants

SUBJECT: Public Hospital Outpatient Services Supplemental Reimbursement Program Policy for COVID-19 Vaccines

PURPOSE: The purpose of this Policy and Procedure Letter (PPL) is to clarify guidance regarding Covid-19 vaccines in the Public Hospital Outpatient Services Supplemental Reimbursement program

BACKGROUND

The Public Hospital Outpatient Services Supplemental Reimbursement Program, also known as the Assembly Bill (AB) 915 Program, is a Certified Public Expenditure program that provides annual supplemental reimbursement to public acute care hospitals for outpatient (OP) fee-for-service (FFS) services provided to Medi-Cal beneficiaries. In accordance with State Plan, [Attachment 4.19-B, pages 46-50](#) and Welfare and Institutions Code (W&I Code) [14105.96](#), supplemental reimbursement, when combined with the amount received from all other sources of reimbursement from the Medi-Cal program, shall not exceed 100 percent of projected costs.

COVID-19 vaccines and their administration are authorized by State Plan [20-0040](#) and paid pursuant to W&I Code [14124.12](#). The COVID-19 Public Health Emergency (PHE) was declared on January 27, 2020, and ended on May 11, 2023. The phase-out period was from May 12, 2023, to September 10, 2023. During the PHE and phase-out period, the federal government paid for the vaccines, so there was no cost to Medi-Cal providers for the vaccine itself. Providers were allowed to bill the vaccine administration fee, which was reimbursed by the Department of Health Care Services (DHCS) at the [Medicare Allowable Rate](#) for all claims. In September 2023, after the PHE and phase-out period ended, a Medi-Cal policy update was published for the [2023-24 commercialized COVID-19 vaccines](#) that indicated the cost of the vaccine and administration fee were reimbursable at the Medicare rate that is listed on the [Centers for Medicare & Medicaid \(CMS\) website](#).

The AB 915 program utilizes the California Medicaid Management Information System (CA-MMIS) to extract AB 915 reimbursable OP FFS paid claims data. The CA-MMIS data is also used to validate charges and revenues reported on Affordable Care Act (ACA) interim claims. Additionally, the CA-MMIS data will also be used to validate charges and revenues for traditional and ACA claims during final reconciliations.

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POLICY

COVID-19 vaccines are billed and reimbursed at cost, which is currently at the Medicare rate. The administration fee is also reimbursed at the maximum allowable rate. As a result, there are no uncompensated costs to claim under the AB 915 program.

Beginning with the interim claim payments for State Fiscal Year (SFY) 2023-24 and for final reconciliations for applicable SFYs, the AB 915 program will exclude claims associated with COVID-19 vaccines from the AB 915 CA-MMIS data. Providers should not include COVID-19 vaccine data in their AB 915 program interim claim submissions. The AB 915 program will exclude COVID-19 vaccinations from the AB 915 CA-MMIS data by using the healthcare common procedure coding system codes from COVID-19 vaccines and their administration payment allowance calendar year 2020–2024 tables provided on the [CMS website](#).

If you have any questions or require further assistance regarding this PPL, please contact the AB 915 Program mailbox at OPSupplemental@dhcs.ca.gov.

Sincerely,

ORIGINAL SIGNED BY KATIE BROOKS

Katie Brooks, Chief
Safety Net Financing Division
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