Era of ‘Free’ COVID Vaccines, Test Kits, and Treatments Is Ending. Who Will Pay the Tab Now?

People without insurance will need to either pay full price, seek free or low-cost vaccines from community clinics or go without.

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Time is running out for free-to-consumer COVID vaccines, at-home test kits, and even some treatments.

The White House announced this month that the national public health emergency, first declared in early 2020 in response to the pandemic, is set to expire May 11. When it ends, so will many of the policies designed to combat the virus’s spread.

Take vaccines. Until now, the federal government has been purchasing COVID-19 shots. It recently bought 105 million doses of the Pfizer-BioNTech bivalent booster for about $30.48 a dose, and 66 million doses of Moderna’s version for $26.36 a dose. (These are among the companies that developed the first COVID vaccines sold in the United States.)

People will be able to get these vaccines at low or no cost as long as the government-purchased supplies last. But even before the end date for the public emergency was set, Congress opted not to provide more money to increase the government’s dwindling stockpile. As a result, Pfizer and Moderna were already planning their moves into the commercial market. Both have indicated they will raise prices, somewhere in the range of $110 to $130 per dose, though insurers and government health programs could negotiate lower rates.

“We see a double-digit billion[-dollar] market opportunity,” investors were told at a JPMorgan conference in San Francisco recently by Ryan Richardson, chief strategy officer for BioNTech. The company expects a gross price — the full price before any discounts — of $110 a dose, which, Richardson said, “is more than justified from a health economics perspective.”

That could translate to tens of billions of dollars in revenue for the manufacturers, even if uptake of the vaccines is slow. And consumers would foot the bill, either directly or indirectly.

If half of adults — about the same percentage as those who opt for an annual flu shot — get COVID

boosters at the new, higher prices, a recent KFF report estimated, insurers, employers, and other payors would shell out $12.4 billion to $14.8 billion. That's up to nearly twice as much as what it would have cost for every adult in the U.S. to get a bivalent booster at the average price paid by the federal government.

As for COVID treatments, an August blog post by the Department of Health and Human Services' Administration for Strategic Preparedness and Response noted that government-purchased supplies of the drug Paxlovid are expected to last through midyear before the private sector takes over. The government's bulk purchase price from manufacturer Pfizer was $530 for a course of treatment, and it isn't yet known what the companies will charge once government supplies run out.

How Much of That Pinch Will Consumers Feel?

One thing is certain: How much, if any, of the boosted costs are passed on to consumers will depend on their health coverage.

Medicare beneficiaries, those enrolled in Medicaid — the state-federal health insurance program for people with low incomes — and people with Affordable Care Act coverage will continue to get COVID vaccines without cost sharing, even when the public health emergency ends and the government-purchased vaccines run out. Many people with job-based insurance will also likely not face copayments for vaccines, unless they go out of network for their vaccinations. People with limited-benefit or short-term insurance policies might have to pay for all or part of their vaccinations. And people who don't have insurance will need to either pay the full cost out-of-pocket or seek no- or low-cost vaccinations from community clinics or other providers. If they cannot find a free or low-cost option, some uninsured patients may be forced to skip vaccinations or testing.

Coming up with what could be $100 or more for vaccination will be especially hard "if you are uninsured or underinsured; that's where these price hikes could drive additional disparities," said Sean Robbins, executive vice president of external affairs for the Blue Cross Blue Shield Association. Those increases, he said, will also affect people with insurance, as the costs "flow through to premiums."

Meanwhile, public policy experts say many private insurers will continue to cover Paxlovid, although patients may face a copayment, at least until they meet their deductible, just as they do for other medications. Medicaid will continue to cover it without cost to patients until at least 2024. But Medicare coverage will be limited until the treatment goes through the regular FDA process, which takes longer than the emergency use authorization it has been marketed under.

Another complication: The rolls of the uninsured are likely to climb over the next year, as states are poised to reinstate the process of regularly determining Medicaid eligibility, which was halted during the pandemic. Starting in April, states will begin reassessing whether Medicaid enrollees meet income and other qualifying factors.

An estimated 5 million to 14 million people nationwide might lose coverage.

“This is our No. 1 concern” right now, said John Baackes, CEO of L.A. Care, the nation’s largest publicly operated health plan with 2.7 million members. “They may not realize they’ve lost coverage until they go to fill a prescription” or seek other medical care, including vaccinations, he said.

What About COVID Test Kits?

Rules remain in place for insurers, including Medicare and Affordable Care Act plans, to cover the cost of up to eight in-home test kits a month for each person on the plan, until the public health emergency ends.

For consumers — including those without insurance — a government website is still offering up to four test kits per household, until they run out. The Biden administration shifted funding to purchase additional kits and made them available in late December.

Starting in May, though, beneficiaries in original Medicare and many people with private, job-based insurance will have to start paying out-of-pocket for the rapid antigen test kits. Some Medicare Advantage plans, which are an alternative to original Medicare, might opt to continue covering them without a copayment. Policies will vary, so check with your insurer. And Medicaid enrollees can continue to get the test kits without cost for a little over a year.

State rules also can vary, and continued coverage without cost sharing for COVID tests, treatments, and vaccines after the health emergency ends might be available with some health plans.

Overall, the future of COVID tests, vaccines, and treatments will reflect the complicated mix of coverage consumers already navigate for most other types of care.

“From a consumer perspective, vaccines will still be free, but for treatments and test kits, a lot of people will face cost sharing,” said Jen Kates, a senior vice president at KFF. “We’re taking what was universal access and now saying we’re going back to how it is in the regular U.S. health system.”

KHN correspondent Darius Tahir contributed to this report.

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