The per-dose prices of COVID-19 vaccines are likely to skyrocket if the US Congress declines to authorize continued funding for the federal government’s bulk purchasing program, according to a new report from the Kaiser Family Foundation (KFF).

The US government has spent more than $30 billion on COVID-19 vaccines to date, the report notes, to encourage vaccine development and provide drug makers with a guaranteed market. The government’s commitment also enabled the vaccines to be offered free of charge to the US public.

But unless Congress acts, new vaccine funding will not be available. “As early as January 2023, the Administration anticipates no longer having federal funds to purchase or distribute vaccines and will need to transition these activities to the commercial market, similar to seasonal flu or other commercially available vaccines,” Dawn O’Connell, JD, who heads the US Department of Health and Human Services’ Administration for Strategic Preparedness and Response, noted in an online post.

If this occurs, prices are expected to increase substantially. “Pfizer and Moderna have signaled likely ranges that are 3 to 4 times greater than the prepurchased federal price for the bivalent booster,” the KFF report says, noting that Pfizer said that the company expected a commercial per-dose price for its vaccine to be between $110 and $130 and that Moderna has suggested a commercial per-dose price between $82 and $100.

The KFF researchers estimated that the average commercial price per dose would range from a low of $96 to a high of $115 if equal amounts of each manufacturer’s vaccine are used, compared with the weighted average price per dose of approximately $29 paid by the federal government for Moderna and Pfizer bivalent boosters. In total, the US government paid $4.9 billion for 171 million doses of these bivalent boosters.

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The researchers considered different scenarios to calculate the total potential costs for 1 dose of a COVID-19 vaccine for various percentages of US adults at the announced expected commercial prices. For example, if half of US adults receive a dose—an uptake rate among adults similar to that of the annual flu vaccine—the cost at the commercial price could range from $12.4 billion to $14.8 billion, which is substantially more than the $7.5 billion cost of purchasing enough vaccine doses for all US adults at the current federal bivalent booster price.

However, the authors added, “it is important to note that even at higher spending levels driven by commercial pricing, COVID-19 vaccination is likely to be cost-effective compared to not vaccinating, given the effectiveness of these vaccines at preventing hospitalizations and deaths.”

Even though US public health authorities recommend the bivalent booster for all adults, only about 14% of US adults had received it as of November 24. The report notes, however, that bivalent boosters only recently became available. Efforts continue to encourage people to get boosted, and according to a recent KFF survey, about one-third of adults said they had either received the bivalent booster or planned to do so as soon as possible.

In a previous report in October, KFF researchers analyzed the implications of commercialization for access to and coverage of COVID-19 vaccines. They found that most people—but not...
everyone—would still have free access after depletion of the federally purchased doses, with the cost being assumed by public and private payers.

There will also be additional costs, such as the cost of administering the vaccine, which could range from about $25 to $40 per dose, as well as a possible fee for a physician visit. For people with insurance, these are costs that insurers would cover, as they currently do, but the expense could drive up premiums for private insurance plans.

Medicare beneficiaries, however, will continue to have access to COVID-19 vaccines at no cost under Medicare Part B. If Congress fails to authorize funding for the federal government’s bulk purchasing program, Medicare will determine a payment rate for the vaccines and pay clinicians and facilities for the cost of the vaccine itself and for administering it. Because older adults are more likely than younger individuals to get booster shots, the Medicare program may shoulder a disproportionate share of the total national spending on COVID-19 vaccine costs.

In the new report, the KFF authors noted that the higher commercial prices of the COVID-19 vaccines could discourage vaccination for the 23.4 million uninsured adults, as well as underinsured individuals, such as people with short-term private insurance plans that are not subject to the Affordable Care Act’s requirement to provide all federally recommended vaccines with no out-of-pocket cost. The suggested average price for COVID-19 vaccines after commercialization is significantly higher than the commercial price for the annual influenza vaccine ($18 to $28 per dose) and “could be a cost barrier for the uninsured and underinsured, who have no guaranteed mechanism for receiving COVID-19 (or any) vaccines once federal supplies are depleted,” the authors wrote.

The Centers for Disease Control and Prevention has proposed the creation of a new “Vaccines for Adults” program, at a cost of $25 billion over 10 years, to provide uninsured adults with free access to federally recommended vaccines for COVID-19 and other infections. However, Congress has not yet approved funding for the program.

Access to COVID-19 treatments and tests would also be affected by the depletion of federal supplies, along with the anticipated end of the COVID-19 public health emergency declaration sometime in 2023, according to the October analysis by KFF researchers. Barriers to access for tests and treatment are likely to be more problematic than barriers for vaccines and will vary by insurance coverage (Medicare, Medicaid, Children's Health Insurance Program, private insurance, no insurance, or underinsurance). With no coverage for the cost of treatments and tests, uninsured and underinsured individuals stand to lose the most, the report said.

Even if consumers are still guaranteed free access or are protected against some costs, the report noted, accessing vaccines, tests, and treatments could be challenging “if sufficient supplies are not available from manufacturers or procured by pharmacies or other providers.”