Reducing Cost Barriers to Vaccines Can Improve Uptake and Support Better Health Outcomes

Vaccines are one of the most powerful and cost-effective public health tools we have to help prevent, eliminate and control disease, including serious illnesses like polio, flu and measles.

Vaccines also reduce strain on the health care system – significantly curtailing chronic illness, hospitalizations and the costs associated with disease and severe complications that could otherwise be prevented.

Policies that remove cost-sharing barriers for patients – such as first-dollar coverage – are proven tactics to increase vaccine uptake, improve health outcomes and reduce long-term health care costs. Ensuring that populations of all ages can get recommended vaccines without financial barriers is a smart investment in a healthier, more resilient population and a stronger United States health care system.

BUILDING EARLY IMMUNITY THROUGH ACCESS: VACCINES FOR CHILDREN PROGRAM

Vaccines are especially important during the early stages of life, helping children build immunity and avoid serious, preventable illness. Supporting public health infrastructure and removing cost barriers to routine childhood vaccines promotes broad, equitable access and keeps kids and communities healthy – while also helping prevent complications and costly care later in life.

The Vaccines for Children (VFC) program – established by the federal government in 1994 – provides no-cost vaccines to children who are uninsured, underinsured or enrolled in Medicaid or CHIP, as well as American Indian and Alaska Native Children.[1] Every year, millions of children receive the vaccines they need through VFC and the impacts of the program have been substantial:

- In 2023, VFC administered over 74 million pediatric vaccines.[2]
- Since the launch of VFC, routine vaccinations for children born between 1994 and 2023 have:[3]
  - Prevented **508 million** illnesses, **32 million** hospitalizations, and **1.1 million** deaths.
  - Saved the U.S. health care system an estimated **$540 billion** in direct costs and **$2.7 trillion** in societal costs.

By removing financial barriers, the VFC program has ensured that children receive the vaccines they need, protected millions of children from preventable disease and supported stronger and more equitable public health outcomes.

SUSTAINING LIFE-LONG PROTECTION: ELIMINATING COST-SHARING FOR VACCINES COVERED BY MEDICARE PART D

As people get older, their risk of serious illness from certain diseases that vaccines can prevent increases.[4] Ensuring older adults can access vaccines without financial barriers supports healthier aging and prevents costly complications.

For those insured through Medicare, vaccines are covered under both Part B and Part D. While historically, Part B vaccines – like flu, pneumococcal and COVID-19 vaccines – have been covered with no out-of-pocket costs, the same was not true for vaccines covered under Medicare Part D, including shingles, Tdap (which protects against tetanus, diphtheria, and pertussis [whooping cough]) and RSV.[5] These Part D vaccines often required cost-sharing, creating financial barriers and limiting uptake.

In 2023, Congress eliminated cost-sharing for all ACIP-recommended Part D vaccines, which removed a key barrier to access. Research shows that removing vaccine cost-sharing under Part D has:

Increased vaccine uptake

- From January 2022 to December 2023, the number of Part D enrollees who received a shingles vaccine increased by **46%**.[6] The shingles vaccine accounts for more than 90% of the vaccinations covered under Part D.[7]
- Nearly 1.5 million Part D enrollees received the Tdap vaccine in 2023, an estimated **114%** increase in vaccinations from 2021.[8]

Saved health care spending dollars for patients

- Part D enrollees saved an estimated **$300 million** in 2023 in shingles vaccine costs alone – and over **$400 million** in total out-of-pocket costs for vaccines.[9]

Policies and programs that remove cost barriers for vaccines enable people of all ages to access the care they need while keeping them and their families healthy, preventing the spread of serious illnesses and advancing public health, while generating long-term savings for the health system.

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1 https://www.cdc.gov/vaccines-for-children/hcp/program-eligibility/index.html
2 https://www.cdc.gov/vitalsigns/vaccines-for-children/index.html
3 https://pmc.ncbi.nlm.nih.gov/articles/PMC11309373/
4 https://www.frontiersin.org/journals/aging/articles/10.3389/fragi.2020.602108/full
5 https://aspe.hhs.gov/sites/default/files/documents/3854c8f172045f5e5a4e000d1928124d/part-d-covered-vaccines-no-cost-sharing.pdf
6 https://pmc.ncbi.nlm.nih.gov/articles/PMC11117145/
7 https://aspe.hhs.gov/sites/default/files/documents/3854c8f172045f5e5a4e000d1928124d/part-d-covered-vaccines-no-cost-sharing.pdf
8 Ibid.
9 Ibid.