

Eye on Washington

Legislative Update



Home COVID-19 Tests to Be Covered by Insurance

On Monday, January 10, the Biden Administration announced a requirement to expand access to free at-home COVID tests.

Background

The Families First Coronavirus Response Act (FFCRA) was enacted March 20, 2020 (effective April 1, 2020) and generally requires coverage related to detection or diagnosis of COVID-19 during the applicable public emergency period. Under the FFCRA, plans and issuers must provide this coverage without imposing any cost-sharing requirements (including deductibles, co-payments and coinsurance), prior authorization or other medical management requirements.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was enacted on March 27, 2020. The CARES Act amended the FFCRA to include a broader range of diagnostic items and services that plans and issuers must cover without any cost-sharing requirements, prior authorization or other medical management requirements. In June 2020, the coverage requirement was updated to cover home COVID-19 tests, when the tests are ordered by an attending health-care provider.

New Coverage Requirement for Home COVID-19 Tests

Beginning Jan. 15, 2022, with or without an order by a health-care provider, individuals covered by an employer group health plan or with private health insurance coverage who purchase an over-the-counter (OTC), FDA-approved COVID-19 diagnostic test will be able to have those test costs covered by their plan or insurance. Insurance companies and health plans are required to cover eight free OTC home COVID-19 tests per covered individual per month. There is no obligation for health plans to reimburse for COVID tests provided for employment purposes, whether OTC or otherwise.

That means a family of four, all on the same plan, would be able to get up to 32 of these tests covered by their health plan per month. There is no limit on the number of tests, including at-home tests, that are covered if ordered or administered by a health-care provider following an individualized clinical assessment, including for those who may need them due to underlying medical conditions.



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Home COVID-19 test purchases will be covered in the commercial market without the need for a health-care provider's order or individualized clinical assessment, and without any cost-sharing requirements such as deductibles, co-payments or coinsurance, prior authorization or other medical management requirements.

While plans and insurers cannot limit reimbursement to home COVID-19 tests provided through a preferred pharmacy or retailer, there is a safe harbor if a plan (a) provides direct, upfront coverage of home COVID-19 tests from preferred pharmacies and through a direct-to-consumer shipping program, and (b) reimburses for non-preferred pharmacy/retail home COVID-19 tests no less than actual price or \$12 per test, whichever is lower. If tests come in boxes containing two or more, the plan must reimburse for the total number of tests within each box.

Additionally, plans are permitted to implement reasonable steps to prevent fraud and abuse. For example, a plan could require that a participant attest that the plan is for his or her own personal use,

not for employment purposes, and will not be resold or reimbursed from another source. The plan can also require reasonable proof for substantiation (e.g., receipt from the pharmacy).

For more information, view the full announcement [here](#).

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