

Agencies Issue Guidance on Coverage of OTC COVID-19 Tests

On January 10, 2022, the Depts. of Labor, Health and Human Services (HHS), and the Treasury issued FAQ guidance regarding the requirements for group health plans and health insurance issuers to cover over-the-counter (OTC) COVID-19 diagnostic tests purchased on or after January 15, 2022, and during the public health emergency.

Plans must cover the costs of COVID-19 tests during the COVID-19 public health emergency without imposing any cost-sharing requirements, prior authorization, or other medical management requirements.

Under guidance issued in June 2020, at-home COVID-19 tests had to be covered only if they were ordered by a health care provider who determined that the test was medically appropriate for the individual. At that time, the FDA had not yet authorized any at-home COVID-19 diagnostic tests. Since then, several types of OTC at-home tests have been approved.

As of January 15, 2022, the cost of these tests must be covered, even if they are obtained without the involvement of a health care provider. However, the FAQs do **not** require tests to be covered if they are not for individualized diagnosis (such as tests for employment purposes).

Plan Options

Plans may place some limits on coverage through safe harbor provisions, such as:

- Requiring individuals to purchase a test and submit a claim for reimbursement, rather than providing direct coverage to sellers.
- Providing direct coverage through pharmacy networks or direct-to-consumer shipping programs and limiting reimbursements to other sources (the actual cost of the test, or \$12, whichever is lower).
- Setting limits on the number or frequency of OTC COVID-19 tests that are covered (no less than 8 tests per month or 30-day period) per covered employee and dependent. A family of 4 will be eligible for a minimum of 32 tests. More generous limits are permitted.
- Taking reasonable steps to prevent, detect and address fraud and abuse.

Most employers will elect to provide direct reimbursement through your pharmacy benefits. You must work directly with your PBM for implementation.

If the plan elects to reimburse a submitted claim through the medical benefits, I can work with you to implement the parameters that are chosen. Please be advised, that any quantity limits that are implemented cannot be coordinated between the medical and pharmacy benefits.

Actions Required

Employers should communicate to participants how the health plan will handle coverage for OTC COVID-19 tests, including any limits on tests and specific claims procedures. Plan documents and summary plan descriptions should also be reviewed to see if they need to be amended.

For Varipro to better assist members, please let me know of the benefit decisions you are implementing to ensure consistent communications.