



At-Home COVID Tests Must be Reimbursed by Insurance Companies

01.18.2022

By: Brydon M. DeWitt & Claire G. Pollock

Group health plans and health insurance issuers are now required to cover the cost of over-the-counter (OTC) COVID-19 diagnostic tests. Last week, the Departments of Labor, Health and Human Services, and the Treasury issued guidance regarding this requirement in response to a directive from President Biden with the goal of facilitating access for participants and beneficiaries to COVID-19 testing.

Previously, group health plans and issuers were only required to cover in-home tests when the test had been ordered by a health care provider who determined that the test was medically necessary. Diagnostic tests can now be self-administered and self-read without the involvement of a health care provider and are available by prescription or over-the-counter through pharmacies, retail stores, or online retailers.

Effective January 15, 2022, individuals who purchase OTC COVID-19 diagnostic tests will be able to seek reimbursement from their group health plan or issuer. Reimbursement is available without a visit to the doctor's office or the involvement of a health care provider. Coverage may not be subject to any cost-sharing requirements (including deductibles, copayments, and coinsurance), prior authorization, or other medical management requirements.

Plans or issuers are strongly encouraged to provide coverage by directly reimbursing the sellers of the tests (called "direct coverage"), rather than requiring a participant to provide upfront payment and then submit a claim for reimbursement. Plans and issuers must make the system and technology changes necessary to process payments to establish direct coverage. If a plan or issuer has arranged for direct coverage through a pharmacy network or shipping program, and a participant purchases tests at a non-preferred pharmacy or retailer, the plan or issuer may limit reimbursement to no less than the actual price of the test, or \$12 per test (whichever is lower). A plan or issuer may limit the number of OTC COVID-19 tests to no less than eight tests *per individual* per 30-day period.

Coverage for testing is required with respect to tests purchased on or after January 15, 2022, for as long as the public health emergency exists. Plans and issuers may, but are not required to, reimburse

expenses for the purchase of tests prior to January 15, 2022.

In addition, the federal government has launched its www.covidtests.gov website, where individuals can order free COVID-19 tests. Supplies will be limited to four tests per household and will ship within 7-12 days of ordering.

Related People

- Brydon M. DeWitt ? 804.420.6917 ? bdewitt@williamsmullen.com

Related Services

- Employee Benefits & Executive Compensation