



# AGENCIES ISSUE GUIDANCE ON COVERAGE OF OTC COVID-19 TESTS

## LEGISLATIVE BRIEF

### SUMMARY

- On January 10, 2022, the Departments 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.
- Plans and insurance issuers are permitted to implement limited restrictions and processes to avoid fraud and abuse as long as they fall within the applicable safe harbors.

### MANDATORY COVERAGE

As of January 15, 2022, plans and issuers must cover the costs of over-the-counter (OTC) at-home COVID-19 tests purchased 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. However, since then the FDA has approved several types of OTC at-home tests.

The coverage mandate requires full coverage of approved OTC at-home COVID-19 tests 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 purchased for personal diagnostic use (i.e., not to be used for employment purposes or resold).

### PLAN OPTIONS

Plans and insurance issuers may place some limits on coverage of the OTC at-home tests, 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 non-preferred pharmacies or other retailers to \$12 or the actual cost of the test, whichever is lower).

- Setting limits on the number or frequency of OTC COVID-19 tests that are covered (must cover at least 8 tests per covered individual during a 1-month or 30-day period).
- Taking reasonable steps to prevent, detect and address fraud and abuse, including requiring an attestation regarding the intended use of the OTC COVID-19 test and/or requiring submission of receipts and UPC codes.

## NEXT STEPS

Please contact your Kapnick Client Executive or Account Executive to discuss how your insurance carrier or claims administrator is handling the new mandate.

### DISCLAIMER

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