

Agencies Issue Guidance Requiring Coverage for Over-the-Counter COVID-19 Tests

Alert

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Beginning January 15, 2022, and through the duration of the public health emergency, insurers and group health plans must cover at-home COVID-19 diagnostic tests available over-the-counter (OTC) without imposing cost-sharing, prior authorization, or other medical management requirements. This requirement stems from the [latest guidance issued on January 10, 2022](#), by the Department of Health and Human Services, the Department of Labor, and the Treasury.

Group health plans will need to determine whether they will provide this coverage by reimbursing sellers of OTC COVID-19 tests directly (referred to as "direct coverage") or by requiring participants to submit a claim for reimbursement. Plans that provide direct coverage may not limit coverage to preferred pharmacies or retailers. However, the guidance provides a safe harbor that allows plans to limit reimbursement for tests purchased from non-preferred pharmacies or retailers to \$12 per test or the cost of the test, whichever is less.

Regardless of the reimbursement method used, plans may limit the number of OTC COVID-19 tests reimbursed to no less than eight tests per covered individual per 30-day period (or calendar month). The guidance also allows plans to take reasonable steps to address fraud and abuse. For example, plans can require an attestation that the test was purchased for personal use and not employment purposes, will not be reimbursed by another source, and is not for resale.

Given the short timeframe to implement this required coverage, group health plans will need to make reimbursement and limitation decisions quickly. In addition, plans will need to consider how best to communicate OTC COVID-19 testing coverage to participants.

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