



GBS Compliance

Issuers and Group Health Plans Must Cover the Cost of Over-the-Counter COVID-19 Tests, with Some Exceptions

On January 10, 2022 the DOL, HHS and IRS issued [FAQs](#) to address requirements for issuers/carriers and group health plans to cover over-the-counter COVID-19 diagnostic tests under certain conditions. On the same day, CMS also issued a supporting user-friendly set of [15 FAQs](#). The FAQs offer more clarification on the requirement that plans and issuers cover the cost of diagnostic COVID-19 tests during the COVID-19 public health emergency without imposing any cost-sharing requirements, prior authorization, or other medical management requirements.

Background

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 over-the-counter (OTC) at-home tests have been approved.

Effective Date

By no later than January 15, 2022 the cost of OTC tests must be covered, even if they are obtained without the involvement of a health care provider, if testing is for diagnostic purposes.

Requirements and Limitations

Plans and issuers must cover diagnostic COVID-19 tests during the COVID-19 public health emergency without imposing any cost-sharing requirements, prior authorization, or other medical management requirements. This includes tests ordered by a health care provider as well as OTC tests obtained without the involvement of a health care provider.

However, the FAQs do not require coverage of the cost of an OTC test if it is not for individualized diagnosis (such as tests for employment purposes).

Plans and insurance issuers may place some limits on coverage, 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).
- Taking steps to prevent, detect and address fraud and abuse.

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