

COMPLIANCE ALERT

January 2022, Issue 1



Administration Releases Guidance on At-Home Testing Coverage Requirements

On January 10, the Administration released guidance clarifying the announced expanded coverage requirement for at-home COVID-19 tests. The expanded coverage requirement will apply to tests purchased on or after January 15, 2022.

Background

As a refresher, the Families First Coronavirus Response Act (“FFCRA”) requires group health plans and health insurance issuers to provide coverage for COVID-19 diagnostic testing without cost-sharing, prior authorization or other medical management.

Previous guidance has included at-home tests in the FFCRA coverage requirement, where the test is ordered by an attending health care provider who has determined that the test is medically appropriate.

New Guidance

This week’s guidance provides clarification and expansion of coverage for at-home, or OTC, tests. Under this new guidance, OTC tests must be covered without the involvement of a health care provider, an order or individualized clinical assessment, for those OTC tests for which the FDA does not require a health care provider’s order. This applies to those OTC COVID-19 tests available without an order or individualized clinical assessment by a health care provider purchased on or after January 15, 2022, and during the public health emergency.

These tests must be covered without imposing any cost-sharing requirements, prior authorization, or other medical management. The agencies interpret the requirement for no cost-sharing to require coverage without out-of-pocket expense to the participant for the cost of the test, subject to certain safe harbors (see below).

KEY DATES AND NUMBERS:

January 15, 2022:
**OTC Test Coverage
Requirement Applies to OTC
test purchases.**

8 Tests:
**Plans must cover a minimum
of 8 OTC tests per month
for each covered person.**

***New guidance requires
coverage for at-home
COVID-19 tests with no
cost sharing for tests
obtained without involving
a health care provider.***



Provided to you by MBA Benefit Administrators

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The guidance does not require a plan to provide coverage by reimbursing sellers of OTC COVID-19 tests directly - a plan or issuer may instead require a participant who purchases an OTC test to submit a claim for reimbursement to the plan. However, the agencies strongly encourage plans to provide direct coverage for OTC COVID-19 tests by reimbursing sellers directly without requiring participants to provide upfront payment and seek reimbursement.

Preferred Pharmacies or Retailers

Plans providing direct coverage may not limit direct coverage to only tests that are provided through preferred pharmacies or retailers. However, the Departments will not take enforcement action related to coverage of OTC tests against any plan that provides coverage of OTC tests purchased by participants during the public health emergency by arranging for direct coverage of OTC tests under the FFCRA through both its pharmacy network and a direct-to-consumer shipping program, and otherwise limits reimbursement for OTC tests from nonpreferred pharmacies or other retailers to no less than the actual price, or \$12 per test (whichever is lower). Plans may elect to provide more generous reimbursement up to the actual price of the test.

Plans Must Cover a Minimum Number of OTC Tests

The guidance allows plans to limit the number or frequency of OTC COVID-19 tests covered without cost sharing under a plan. The Departments will not take enforcement action against any plan that, during the public health emergency, provides coverage without cost sharing for (and does not impose prior authorization or other medical management requirements on) such OTC tests, if the plan or issuer limits the number of OTC tests covered for each person covered under the plan to no less than 8 tests per 30-day period (or per calendar month). For a family of 4, this would be 32 tests per calendar month. Plans and issuers may set more generous limits.

This applies only with respect to the coverage of OTC tests that are administered without a provider's involvement; plans and issuers must continue to provide coverage for COVID-19 tests that are administered with a provider's involvement or prescription as required under the FFCRA.

COVID Testing Requirements

Families First Coronavirus Response Act

- Requires group health plans and health insurance issuers to provide coverage for COVID-19 diagnostic testing and related items and services
- Coverage must be without cost-sharing or prior authorization or other medical management requirements.
- Coverage requirement in effect from March 18, 2020 through the end of the declared public health emergency for the COVID-19 pandemic, which is currently on-going.

MEMBER FAQ

Will Magellan Rx Management cover over-the-counter (OTC) COVID-19 diagnostic tests coverage?

Magellan Rx Management plans to process pharmacy claims for FDA authorized, cleared, or approved OTC COVID-19 antigen tests at \$0 for members who utilize an in-network pharmacy. Members should check-out at the pharmacy counter with their pharmacy benefit (prescription) card. Members do not need a provider order or individualized clinical assessment to obtain these tests. Direct coverage at point-of-sale (POS) may only be provided for OTC COVID-19 tests with an associated National Drug Codes (NDC). Testing for employment purposes will not be covered.

Examples of FDA authorized, cleared, or approved OTC COVID-19 Antigen tests include, but are not limited to:

- BINAXNOW COVID-19 AG SELF TEST
- CARESTART COVID19 AG HOME TEST
- ELLUME COVID-19 HOME TEST
- FLOWFLEX COVID-19 AG HOME TEST
- IHEALTH COVID-19 AG RAPID TEST
- QUICKVUE AT-HOME COVID-19 TEST

Where can members purchase OTC COVID-19 tests?

Members can purchase OTC COVID-19 Tests at pharmacies using their pharmacy benefit.

When can members get OTC COVID-19 diagnostic tests at \$0 co-pay?

Effective January 15, 2022 and for the duration of the public health emergency (PHE), Magellan Rx Management plans to provide coverage of OTC, at-home, diagnostic COVID-19 antigen tests that have been authorized, cleared, or approved by the FDA. No retrospective reimbursement will be provided to members if tests are purchased prior to January 15, 2022.

How many OTC COVID-19 diagnostic tests will be covered for members?

During the PHE, Magellan Rx Management will be providing coverage of **8 tests per 30-day period per member** without cost-sharing requirements (including deductibles, copayments, and coinsurance), prior authorization, or other medical management requirements on such OTC COVID-19 antigen tests. This quantity limit aligns with federal guidance and our business strategies to expedite the direct coverage of OTC COVID-19 tests.

The Departments recognize that some OTC COVID-19 tests are sold in packages containing more than one test. In applying the quantity limit of 8 tests per 30-days, the Department allows plans to count each test separately, even if multiple tests are sold in one package. This quantity limit is set in place to discourage behaviors that could lead to future shortages.

Can members get more than 8 tests per 30-day period?

Members can get more than 8 tests per 30 days if the tests are ordered or administered by a health care provider following an individualized clinical assessment. This includes patients who may need more due to an underlying medical condition. Providers or pharmacies will need to outreach to the Magellan Rx Management Call Center for overrides in these special situations. Please use the phone number listed on the back of the prescription card.

If no OTC COVID-19 tests are available, where can members get tested?

Testing is crucial to combating this pandemic. Magellan Rx Management encourages members to seek COVID-19 tests at one of the many new federal testing sites around the country if OTC COVID-19 tests are inaccessible. The government has also purchased 500 million at-home rapid tests to be distributed to members for free of charge. The government will be launching a website with more information on how to order a free COVID-19 test. Once it is ready, the link will be provided here.

How can members submit a Direct Member Reimbursement (DMR) claim?

Members who have purchased OTC Antigen COVID-19 tests from an out-of-network pharmacy may submit their claims for reimbursement if the product was FDA authorized, cleared, or approved and has a valid NDC. The maximum reimbursement possible per test is no less than the actual price or up to \$12/test, whichever is lower. Please use the steps below to submit a request.

1. Access the member portal (<https://magellanrx.com/member/login/>)
2. Print and complete the "[Prescription Claim Form](#)"
3. Mail in the form and include the name of the OTC COVID-19 test, and a register receipt/proof of payment to the address below:
 - a. Magellan Health Services
Attention: Claims Department
11013 W. Broad Street, Suite 500
Glen Allen, VA 23060
Fax: 1-888-656-3607

Can members use their FSA/HSA card to purchase these COVID-19 tests?

If members are planning to seek reimbursement via DMR from their prescription benefit, then they cannot use their FSA/HSA card to purchase these tests.

What are the different types of COVID-19 tests available?

There are two main diagnostic tests available to detect infection with SARS-CoV-2; the rapid Antigen test and the polymerase chain reaction (PCR) test.

- A PCR test is performed to detect the presence of a virus if you are infected at the time of the test. It could also detect fragments of the virus even after you are no longer infected. PCR tests are generally performed by a health care provider, require the submission of a sample to a lab, and can take a few days to process. Results may be received within 1-3 days of testing.
- A rapid antigen test can detect the presence of a virus similar to a PCR test. They are less expensive, can be purchased at a variety of pharmacies, and produce results within 10-15 minutes of testing. Antigen tests can be used in screening programs to quickly identify those who are likely to be contagious. However, they are less sensitive than most PCR tests and may be necessary to confirm antigen test results with a PCR test.

For more information regarding different types of COVID-19 tests available, please visit credible sites, such as the [Center for Disease Control and Prevention \(CDC\) website](#).

What educational resources are out there for members regarding OTC COVID-19 tests?

Magellan Rx Management has launched a [COVID-19 resources hub](#) with helpful videos and reference material related to the pandemic, clinical trials, drugs, and steps everyone can take to stay safe and informed. For more information regarding OTC COVID-19 tests, please visit reputable sources such as:

- [Food and Drug Administration \(FDA\)](#)
- [Center for Disease Control and Prevention \(CDC\)](#)
- [Department of Health and Human Services \(HHS\)](#)