

March 11, 2020

Your Employee is Sent Home to be Tested for COVID-19; Your Plan Will Cover it, Right?

Probably, but that's only one part of the equation.

The recently enacted \$8.3 billion emergency funding bill funds certain measures intended to provide adequate response and mitigation efforts to the current COVID-19 pandemic. These measures include actions intended to increase access to care and cost reduction (e.g., the U.S. Department of Health and Human Services' ability to temporarily waive specific limitations typically imposed on telehealth/telemedicine for those covered by Medicare – which gives access to remote care for certain individuals). However, the bill does not address specifics regarding waiving cost-sharing for COVID-19 testing or treatment.

In response to the continuing concerns related to accessing testing and care, governors in several states have declared that insured health plans issued in their states are not permitted to impose cost-sharing for COVID-19 testing. How broadly these declarations will apply is still unknown.

Moreover, several major insurance companies underwriting health coverage in the U.S. (including UnitedHealthcare, Anthem, Cigna, and Humana, and industry trade groups like the Blue Cross Blue Shield Association) met with the White House yesterday and “pledged” to cover COVID-19 tests at no cost to its participants. While these promises indicate that tests for COVID-19 may be available without financial concerns, of course, the availability of these tests is still a potential concern. Even though these major insurance companies have said there would not be surprise billing for costs associated with COVID-19, the components of diagnosing and treating a patient with presumptive COVID-19 may – or may not – be covered by the insurer or the self-insured health plan coverage.

On the self-insured side, the IRS has issued guidance clarifying that health plans that otherwise qualify as high-deductible health plans (HDHPs) will not lose that status

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merely because they cover the cost of testing for or treatment of COVID-19 before plan deductibles have been met. This guidance was posted today (3-11-20) on the IRS's website in Notice 2020-15. Employers maintaining such HDHP plans should consider whether a clarifying plan amendment is warranted on this issue.

Now, more than ever, an employer's continued dialogue with its carrier/third party administrator (TPA) is essential to understand what will be covered and for whom. As this matter is continuing to evolve daily, periodic touch bases may be warranted for the foreseeable future.

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