COVID-19 Testing, Treatment and Coverage

POLICY SNAPSHOT

COVID-19 testing is an effective tool to measure disease spread and inform appropriate public health interventions.

Public health experts and the national strategy for COVID-19 response and preparedness rely on robust testing programs to identify COVID-19 hot spots, make informed decisions and support other key disease-control efforts, such as contact tracing.

States have determined their own testing plans and taken various actions to address barriers to testing; however challenges with testing capacity and accessibility persist. COVID-19 testing rates across the country have improved over time.

Still, according to testing targets created by Harvard's Global Health Institute and the Brown School of Public Health, many states are not conducting the amount of tests necessary to reduce the spread of the virus—which involves testing anyone showing symptoms and contacts of positive cases. Fewer states are regularly testing asymptomatic people in high-risk environments, such as nursing homes. Routine testing in riskier settings, paired with additional public health measures, can help prevent new outbreaks.

Additionally, confusion among payers, providers and the public over federal guidelines requiring private insurers to cover COVID-19 testing without cost-sharing to patients—coupled with millions of individuals recently losing their employer-sponsored coverage—have complicated testing efforts. And federal coverage requirements meant to shield patients from COVID-related medical expenses do not ful-
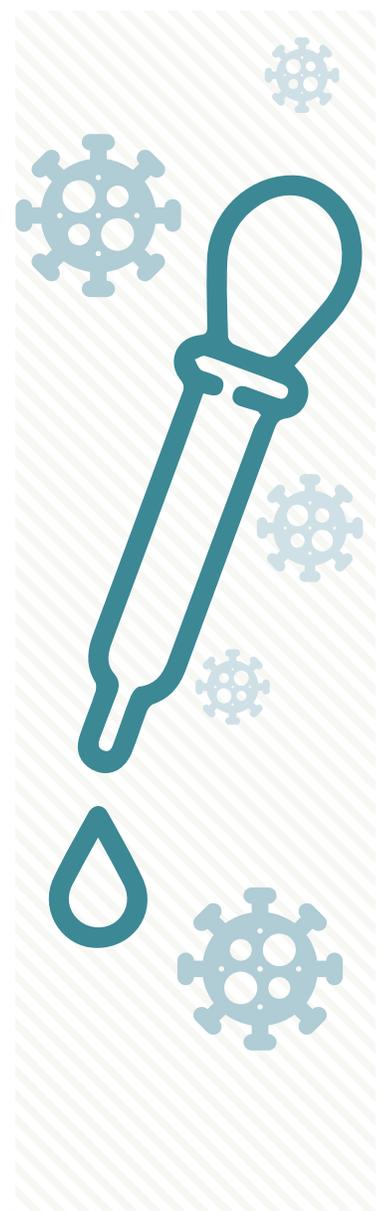
ly protect those requiring hospitalization and treatment for COVID-19.

Continued efforts to enhance COVID-19 testing and coverage, both broadly and for certain high-risk populations, can help states take the necessary steps to stop the spread of disease and safely reopen schools and businesses. This snapshot includes state policy options for supporting COVID-19 testing efforts and enhancing coverage for COVID-19 testing and treatment, as well as relevant state examples, federal action and additional resources.

State Policy Options

State legislators may consider the following options related to testing and treatment accessibility:

- Support state capacities and plans to carry out COVID-19 testing.
  - Allocate funding for testing.
  - Establish a task force or commission to support testing.
  - Prioritize vulnerable populations.
- Enhance health insurance coverage for COVID-19 testing and treatment.
  - Ensure testing coverage for individuals with increased risk of exposure to COVID-19.
  - Extend testing coverage requirements to alternative health insurance plans.
  - Waive cost-sharing requirements for COVID-19 treatment.
  - Provide testing coverage for uninsured individuals through Medicaid.

POLICY OPTIONS	STATE EXAMPLES
Support state capacities and plans to carry out COVID-19 testing: Each state submitted a testing plan to the federal government with specific targets to mitigate the spread of the virus, protect vulnerable groups and account for adequate testing supplies and reagents. State strategies to scale up testing capacities include increasing laboratory processing; partnering with federal, academic or private organizations; establishing drive-through or mobile testing sites; or expanding access to multiple forms of tests, among other strategies. Policymakers are exploring ways to bolster these efforts and otherwise support states' abilities to effectively carry out COVID-19 testing.	
Allocate funding for testing. States are leveraging federal funds to pay for testing and disbursing funds to state health departments and local governments. Although states are facing budget shortfalls, many are providing additional funds to supplement federal support.	**Illinois** SB 264 appropriated $200 million from the Public Health Services Fund to the Department of Public Health for costs and administrative expenses associated with contact tracing and testing, including areas disproportionately affected by the pandemic. **Minnesota** SF 4334 approved $200 million from the state general fund to support costs related to COVID-19, including for the development of testing procedures and the establishment and operation of temporary testing sites.
Establish a task force or commission or to support testing through legislative or executive action.	**Massachusetts** HB 4672 created a task force to make recommendations related to COVID-19, including increasing access to testing. **Utah** SB 3004 created the Public Health and Economic Emergency Commission to advise and make recommendations to the governor regarding the state's response to the coronavirus, including for a plan to promote widespread testing. In **California**, Governor Gavin Newsom created the California COVID-19 Testing Task Force, a public-private collaboration to boost testing capacity.
Prioritize vulnerable populations. As testing capacities remain limited, prioritizing certain groups can direct resources where they are most needed. Most states are continuing to prioritize COVID-19 testing for essential workers and individuals in congregate living settings, particularly residents and staff in long-term care facilities.	**Michigan** SB 1094 directed the department of health to identify laboratories in the state to prioritize and provide expedited results for COVID-19 tests from nursing homes. **South Carolina** HB 3411 required the statewide testing plan to emphasize testing in rural communities, and communities with a high prevalence of COVID-19 or with demographic characteristics consistent with risk factors for COVID-19. **Virginia** HB 5005 directed the state health commissioner to ensure priority testing for residents and employees of nursing homes.

POLICY OPTIONS	STATE EXAMPLES
Enhance health insurance coverage for COVID-19 testing and treatment: Out of concern that the costs of a COVID-19 test may deter individuals from getting tested, federal and state policymakers are aiming to limit out-of-pocket costs for patients. Federal law requires private insurers to cover COVID-19 testing for diagnostic purposes without cost-sharing—including copayments, deductibles or coinsurance—to a health plan enrollee, including individuals without symptoms for COVID-19. These requirements do not extend to COVID-19 treatment. For individuals covered through Medicaid, the Families First Coronavirus Response Act (Families First Act) requires states to waive cost-sharing requirements for COVID-19 testing and treatment to receive an increase in federal funding for their Medicaid programs. Some states have pursued additional requirements, beyond the federal standards, to address remaining coverage gaps and reduce patients' out-of-pocket costs for COVID-19 testing.	
Ensure COVID-19 testing coverage for individuals with increased risk of exposure to COVID-19, including certain essential workers.	**Massachusetts** SB 2984 requires coverage for medically necessary outpatient testing without cost-sharing to private health plan enrollees. This includes testing for individuals without symptoms who work in health care, restaurants, retail or hospitality and have had known or suspected exposure to the coronavirus. A **West Virginia** emergency order requires state-regulated health insurance plans to cover and waive cost-sharing requirements for COVID-19 testing for all residents and staff members of various long-term care facilities, such as nursing homes.
Extend testing coverage requirements to alternative health insurance plans, such as short-term limited duration plans (STLDs). STLDs typically offer coverage for less than a year but can be renewed for up to three years in many states. These plans are often exempt from various federal and state consumer protection requirements.	The **Washington** insurance commissioner released an emergency order requiring STLDs to cover COVID-19 testing at no costs to patients. **Idaho**, **North Dakota** and **Texas** requested, but did not require, insurance carriers offering STLDs to waive cost-sharing for enrollees.
Waive cost-sharing requirements for COVID-19 treatment.	**Vermont** HB 742 authorizes the Department of Financial Regulation to expand insurance coverage for COVID-19 diagnosis, treatment and prevention. Subsequently, the department released emergency regulations requiring insurers to cover without cost-sharing inpatient or outpatient treatment, medication or ambulance transport relating to COVID-19. **Louisiana** SB 426 requires health plans to cover federally approved antiviral drugs for COVID-19 prevention or treatment at no costs to the patient.
Provide testing coverage for uninsured individuals through Medicaid.	At least **17 states** extended Medicaid coverage for COVID-19 testing for uninsured individuals, as authorized by the Families First Act. For example, **Minnesota** HF 4556 authorizes uninsured individuals—regardless of age or income—to qualify for medical assistance coverage for testing without cost-sharing.

Federal Action

The Coronavirus Aid, Relief, and Economic Security (CARES) Act provided $140 billion for the Department of Health and Human Services (HHS), including $4.3 billion to the Centers for Disease Control and Prevention (CDC). Using these funds, the CDC awarded $631 million to 64 jurisdictions across the country to expand their capacity for testing, contact tracing and containment. In May 2020, HHS delivered an additional $11 billion for states through the Payment Protection Program and Health Care Enhancement Act to support COVID-19 testing, surveillance, contact tracing and related activities. The Consolidated Appropriations Act of 2021 allocated $25.4 billion to the Public Health and Social Services Emergency Fund to support testing and contact tracing efforts, including $2.5 billion to target high-risk and underserved populations.

HHS also provided guidelines to implement federal coverage requirements for COVID-19 testing. The guidelines identify the types of health plans that must meet federal standards (e.g., self-funded employer plans) and exempt private health insurers from covering COVID-19 testing for non-diagnostic purposes (e.g., back-to-work screen testing). In February 2021, HHS updated its guidelines to require coverage, free of cost-sharing, for COVID-19 testing even if an individual does not display symptoms or has known exposure to the coronavirus.

On the treatment front, President Joseph R. Biden signed an executive order in January directing HHS to evaluate strategies promoting Medicare, Medicaid and private insurance coverage for COVID-19 treatments and clinical care. It also asks HHS to take available steps for promoting access to treatments for the uninsured.

Additional Resources

- State Action on the Coronavirus (NCSL)

- COVID-19 Health Policy Snapshots (NCSL)

- COVID-19 Confusion: Update on Coverage for Testing, Treatment (NCSL, July 2020)

- State Action Related to COVID-19 Coverage of Critical Services by Private Insurers (Commonwealth Fund, August 2020)

- Roadmap to Recovery: A Public Health Guide for Governors (National Governors Association and the Association of State and Territorial Health Officials, April 2020)

Please note that NCSL takes no position on state legislation or laws mentioned in linked material, nor does NCSL endorse any third-party publications; resources are cited for informational purposes only.

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