COVID–19 Testing 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 federal guidelines 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. According to Harvard's Global Health Institute, most 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 certain environments, such as nursing homes. Testing in high-risk settings 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 efforts to ramp up testing.
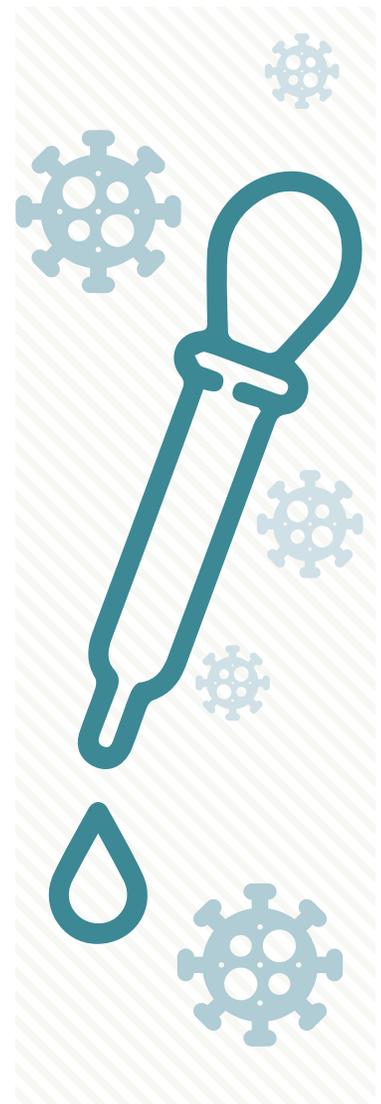
Continued efforts to enhance COVID-19 testing and coverage, both broadly and for certain high-risk populations, can help states take the necessary steps to stop the spread of disease and safely reopen. This policy snapshot includes state policy options for supporting COVID-19 testing efforts and enhancing coverage for COVID-19 testing, as well as relevant state examples, federal action and additional resources.

State Policy Options

State legislators may consider the following options to expand testing capacity and 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 certain vulnerable populations.
- Enhance health insurance coverage for COVID-19 testing.
  - Ensure COVID-19 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 clinical visits for illnesses with similar symptoms to COVID-19, even if a COVID-19 test ultimately is not ordered or administered.
  - 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 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 emergency, 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 certain vulnerable populations. As testing capacities remain limited, prioritizing certain groups can direct resources where they are most needed. Most states are prioritizing COVID-19 testing for essential workers and individuals in congregate living settings, particularly residents and staff in long-term care facilities.	**Pennsylvania** HB 2510 directed the Department of Human Services to establish guidelines for Regional Response Health Collaboratives to expand COVID-19 testing to include asymptomatic staff and residents in long-term care facilities. **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.
Enhance health insurance coverage for COVID-19 testing: 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 health insurers to cover medically necessary COVID-19 testing without cost-sharing—including copayments, deductibles or coinsurance—to a health plan enrollee. 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 in order 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 essential workers who are unable to work remotely or remain socially distanced from others.	**California** issued an emergency regulation requiring state-regulated health plans to cover COVID-19 testing for essential workers free of cost-sharing or prior authorizations, regardless of whether the essential worker presents symptoms or has known exposure to the coronavirus. Essential workers include health care providers, home care workers, retail workers, emergency service personnel, employees in the education sector and several others. 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.

POLICY OPTIONS	STATE EXAMPLES
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 consumer protections established through the Affordable Care Act, such as requiring coverage for essential health benefits.	The **Washington** insurance commissioner released an emergency order requiring STLDs to cover COVID-19 testing without cost-sharing to patients. **Idaho**, **North Dakota** and **Texas** have requested, but not required, insurance carriers offering STLDs to waive cost-sharing for enrollees.
Waive cost-sharing requirements for clinical visits for illnesses with similar symptoms to COVID-19, even if a COVID-19 test ultimately is not ordered or administered.	**Alaska** and **New Mexico** have required state-regulated health plans to waive cost-sharing for tests and visits for illnesses with similar symptoms to COVID-19—such as pneumonia or influenza.
Provide testing coverage for uninsured individuals through Medicaid.	At least **20 states** have 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, CDC awarded $631 million to 64 jurisdictions across the country to expand their capacity for testing, contact tracing and containment. In May, 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.

HHS has also continuously updated guidelines for implementing 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).

Additional Resources

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

- COVID-19 and Medicaid Policy Snapshot (NCSL, July 2020)

- Contact Tracing and COVID-19 Policy Snapshot (NCSL, September 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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