

CORONAVIRUS HEALTH AND BENEFIT PLAN UPDATES

The events of the last several days have been unfolding rapidly as it relates to the coronavirus. This communication provides updates with respect to how fully insured and self-insured health plans will cover the cost of the coronavirus test and any member cost sharing. Below are the pertinent headlines:

Federal Legislation

The federal government is expected to pass a law that will streamline how the test is to be covered under all forms of insurance. The proposed legislation passed by the US House and to be acted on by the Senate would guarantee that all forms of health insurance (insured plans and self-funded plans) will cover COVID-19 testing and related services without cost-sharing. This would include the cost of the test itself, as well as costs associated with the visit to a physician's office, urgent care facility, or emergency room. To address this issue, the legislation requires that all forms of health insurance cover both: (1) any laboratory test used to diagnose COVID-19 that is approved by the FDA; and (2) office, urgent care, and emergency department visits associated with administration of the test. Further, coverage must be made available without cost-sharing and without requiring prior authorization from a health insurance plan. In recent days, some insurers have implemented corresponding changes to their insured benefits, but these legislative changes will help ensure that this happens in all private coverage plans. The bill accomplishes this by applying these requirements to any "group health plan" and any "health insurance issuer offering group or individual health insurance coverage." This includes all forms of employer-based coverage (from a large or small employer, and whether offered through an insurance company, association, or on a self-insured basis) and all individual market insurance. The bill also would extend FMLA and include other provisions to assist employers. The Senate is expected to pass the bill and the president has indicated he will sign in. This will federalize the waiving of member cost sharing for the test and how treatment is to be covered whether a plan is insured or self-funded.

Once the federal law is adopted (expected early this week), it is expected that testing and treatment will be required to be covered without member cost sharing. Until federal legislation is passed, here is how testing is being handled for fully-insured and self-funded plans.

- **Group Coverage for “Fully Insured” Plans** – Aetna, Cigna, Humana, United Healthcare and the Blue Cross Blue Shield (like Horizon, Independence, Anthem, CareFirst, Highmark, Capital, etc.) plans have announced they are waiving all member cost sharing for the coronavirus test. This includes copayments, deductibles and coinsurance for traditional plans and qualified high deductible plans for the foreseeable future. As such, virtually every commercial fully insured plan in the nation has waived member cost sharing for the test. In the event one needs medical care related to coronavirus after being tested, such care shall be covered like any medical condition under their plan as it relates to physician and facility care.
- **Group Coverage for “Self-Insured” Plans** – *All self-funded plans are encouraged to amend their plans to waive the cost of the test like insured plans have.* This requires a simple note to your CSB account representative who will immediately have your self-funded administrator amend the member cost sharing for the test; this can be a temporary plan change. Covering the test without member cost sharing has no impact on stop loss coverage. If a self-funded plan is not directed to be amended, member cost sharing (if any) will apply to the test.

Cost of the Test

There is not a definitive cost yet published in the market, but estimates have the commercial cost of the test at \$75 to \$95 per test. Actual treatment costs will vary based on each person’s condition. Lab Corp and other testing providers are announcing as they get access to the test and are able to perform it. At this time, the CDC has not charged anyone for the tests they are performing.

Other Updates

We previously circulated a communication that plans were given special IRS permission to waive QHDHP member cost sharing for the test. We also issued an urgent update as soon as the US House passed the federal aid package. As more material updates become available we will advise you accordingly. Out of an abundance of respect for the seriousness of the issue we have elected not to re-circulate CDC guidelines or other information we know is being circulated and re-circulated by carriers and other agencies. We will ensure our updates provide required, factual information for your action. If you have any questions, please contact your Conner Strong & Buckelew account representative.

Questions

Questions with the above; please contact your Conner Strong & Buckelew account representative.

Thank you and be safe.

