Medicare Payment for COVID-19 Viral Testing

CMS has released guidance on coverage and payment for COVID-19 testing. Information regarding coverage is limited to Medicare fee for service and Medicare Advantage and, therefore, does not necessarily apply to coverage for testing of employees.

CMS indicates coverage extends to diagnostic testing and outlines more clearly when SNFs should and should not bill for testing services. Coverage for Medicare beneficiaries includes when:

1. a resident is symptomatic
2. a resident has been exposed to someone with COVID-19
3. there is a new outbreak in the facility
4. the resident is receiving initial/baseline diagnostic testing for (re)opening of a facility
5. the resident is being tested to determine resolution of infection

Specimen collection performed by SNF staff is not covered.

Coverage by payer source is also outlined. For Medicare beneficiaries, Medicare is the primary payer. Medicaid will provide some coverage and providers are encouraged to contact their state Medicaid agency or Medicaid managed care plan for details.

The Health Resources and Services Administration (HRSA) has established a program that provides reimbursement for COVID-19 testing for the uninsured population. Eligible providers may seek reimbursement after enrolling in the program.

Private insurers have been instructed to cover COVID-19 testing for members at no cost to the member. Health plans may apply medical necessity criteria in determining which testing services are covered and which are not. Plans must pay the negotiated rate to providers, or if a provider does not have a contracted rate, the cash price for the service that is listed by the provider on a public website should be applied. Providers of COVID-19 diagnostic testing are required to post the cash price of a COVID-19 test on their website. Failing to post such information may lead to civil monetary penalties.

Provider Relief Funds may be used to cover COVID-19 testing when all other reimbursement avenues have been exhausted and no other source is liable for coverage. This means that if an insurer is liable but there is a claims issue or some other reason for non-payment, Provider Relief Fund dollars SHOULD NOT be used.