

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES


Med-QUEST Division
Health Care Services Branch
P. O. Box 700190
Kapolei, Hawaii 96709-0190

March 31, 2022

MEMORANDUM

MEMO NO.
QI-2204
FFS 22-03

TO: QUEST Integration (QI) Health Plans
Pharmacy Provider

FROM: Judy Mohr Peterson, PhD 
Med-QUEST Division Administrator

SUBJECT: COVID-19 HOME TEST KITS (NON-PCR)

The purpose of this memorandum is to notify the QUEST Integration (QI) health plans and pharmacies of coverage requirements for COVID -19 home test kits.

Background

The federal government is promoting testing as a strategy to reduce the spread of the SARS-CoV-2 virus and any subsequent variants. Over the counter (OTC) COVID testing is one component of this strategy. Coverage of OTC COVID testing is now required by most commercial health plans, free tests are available through covidtests.gov or by phone, and there are plans to distribute free tests through participating FQHCs and RHCs. Locally, there are state and county testing programs. Medicare has guidelines for COVID Home Test kits beginning in April 2022.

In the State Health Official letter dated August 30, 2021 (SHO #21-003), the Centers for Medicare & Medicaid Services (CMS) provided clarification regarding the provisions of the American Rescue Plan Act (ARP) applicable to Medicaid coverage of OTC COVID testing. Specific guidance from page 2 included the following:

“An individualized test result must be obtained for both diagnostic and screening testing covered under the amendments made by sections 9811 and 9821 of the ARP to support a Medicaid or CHIP claim. Additionally, all types of FDA-authorized COVID-19 tests must

be covered under CMS's interpretation of the ARP COVID-19 testing coverage requirements, including, for example, "point of care" or "home" tests that have been provided to a Medicaid or CHIP beneficiary by a qualified Medicaid or CHIP provider of COVID-19 tests. Home tests include those where a specimen is collected at home and then sent to a clinical laboratory or other certified testing site for testing, and those that are entirely performed at home, meaning the test system includes the ability to perform the test without involvement of a laboratory."

Coverage specifics

Members will have access to COVID Home Test Kits through the pharmacy point of sale (POS) model where the member would go to a pharmacy and pick up the COVID Home Test Kit. Members may receive up to eight COVID Home Test Kits per month. A prior authorization or prescription is not required, and the member shall not incur an out-of-pocket cost for the test kit. The pharmacy shall bill the health plan the same as it would for any other covered drug delivered POS, and health plans shall pay pharmacies at negotiated market rates. Regular dispensing fees shall apply based on existing contracts. Only Home Test Kits authorized by the FDA, including those with Emergency Use Authorization, or approved for OTC/home use are covered and payable by health plans. Regular COB procedures shall apply before paying for these home kits. Medicaid coverage is not extended in situations where COVID Home Test Kits are obtained by a member directly from a retailer, store, or any other retail business without a pharmacy.

Health plans shall submit as encounters all COVID Home Test Kits claims paid to pharmacies using existing NCPDP encounter submission policies and procedures. Reimbursement to health plans for COVID Home Test Kits shall be incorporated into the regular QI capitation rates.

This coverage will end on the last day of the first calendar quarter that begins one year after the last day of the COVID-19 emergency period described in section 1135(g)(1)(B) of the Social Security Act. Health plans are encouraged to promote and assist members with accessing the extensive free COVID testing available to the community, both now and after the coverage period ends.

If there are any questions, you may contact Jon Fujii at jfujii@dhs.hawaii.gov.