

Insights

State Medicaid Programs Respond to Coronavirus

March 12, 2020

By: Meghan M. Linvill McNab and Amanda K. Schipp

With the spread of the coronavirus (COVID-19), and tri-fold spread of fear relating to the same, State agencies have begun to take action with respect to care relating to coronavirus. Specifically, State Medicaid programs across the nation are beginning to review both cost-sharing policies, such as member co-payments, as well as utilization review policies, such as prior authorization processes, to ensure timely access to care for Medicaid beneficiaries. In some states, there are similar actions being taken with commercial insurance through State Insurance departments.

The Indiana Family and Social Services Administration (FSSA) recently announced that Indiana Medicaid will cover all COVID-19 diagnostic testing without copayments from members. In addition, two new codes specific to the diagnostic panel and laboratory tests associated with the diagnosis of COVID-19 will be added effective April 1, 2020 with a retroactive date for claims starting on or after February 4, 2020.[1]

By contrast, other states have taken slightly broader measures beyond testing alone. For instance, in California, the Department of Managed Health Care issued an all-plan letter requiring insurers, including Medi-Cal Health Care Service Plans, to immediately reduce cost-sharing to zero for all medically necessary screening and testing for the coronavirus, including hospital, emergency department, urgent care, and provider office visits, where the purpose of the visit is to be screened or tested for COVID-19.[2] California is also encouraging insurers to waive prior authorization requests for services related to COVID-19. Similarly, in Michigan, Governor Whitmer announced that the Michigan Medicaid program will waive all copayments and cost-sharing for testing *and health care treatment* related to COVID-19[3], and the program will expand telehealth by allowing beneficiaries to receive telehealth services in their homes.[4]

While many of the Medicaid notifications published thus far are for services related *directly* to COVID-19, we may begin to see movement on agency-required procedures that are *indirectly* related to COVID-19, where lawful. For example, we may see the waiver of prior authorization requirements for other drugs and services, other than COVID-19 screening, as well as the continued expansion of telemedicine services. While not directly related to the testing and treatment of COVID-19, these changes to policies and procedures would support the overall goal of freeing hospital resources to address true emergencies and containment of the spread of the virus, as well as reduce unnecessary patient-to-patient interactions (wherein an otherwise healthy patient interacts with a patient that has contracted COVID-19, merely due to the patient adhering to a Medicaid-required protocol).

We will continue to closely monitor the quickly evolving situation for impacts to the healthcare regulatory and reimbursement landscape. For questions regarding Medicaid policy concerns, particularly as they relate to your ability to address the coronavirus, please contact Meghan M. Linvill McNab.

[1] IHCP to Cover COVID-19 Diagnostic Testing Without Co-Pays for Members, (Mar. 11, 2020), *available at* <https://calendar.in.gov/site/fssa/event/ihcp-to-cover-covid19-diagnostic-testing-without-co-pays-for-members/>

[2] All Plan Letter from Department of Managed Health Care, to All Full-Service Commercial and Medi-Cal Health Care Service Plans (Mar. 5, 2020), *available at*: <http://www.dmhc.ca.gov/Portals/0/Docs/OPL/APL-COVID-19WaiverOfCostShare3-5-20Final.pdf>

[3] Governor Whitmer Announces Michigan Medicaid Program Will Waive Copays and Cost-Sharing for Coronavirus Testing, Health Care (Mar. 6, 2020), *available at*: <https://www.michigan.gov/coronavirus/0,9753,7-406-98158-521179--,00.html>

[4] Whitmer Administration Expands Telemedicine (Mar. 12, 2020), *available at*: <https://www.michigan.gov/coronavirus/0,9753,7-406-98158-521549--,00.html>