



## The CARES and Families First Coronavirus Response Acts: Insurance Provisions

### Summary

On March 18, 2020, the federal Families First Coronavirus Response Act (FFCRA) ([P.L. 116-127](#)) became law. Among other things, it generally requires individual and group health insurance plans to cover COVID-19 and SARS-CoV-2 testing without cost-sharing (e.g., deductible, copay, or coinsurance). On March 27, 2020, the federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act) ([P.L. 116-136](#)) became law and expanded this coverage to include coronavirus vaccines and provisions that allow people with high deductible health plans to receive telehealth and remote care services pre-deductible. Together, the acts generally require insurers to cover COVID-19 and SARS-CoV-2 testing, testing-related services, and preventive care (i.e., a vaccine when it is developed) without cost-sharing.

According to federal Centers for Medicare and Medicaid Service (CMS) [FAQs and guidance](#), the testing coverage provisions apply to most types of individual and group health insurance plans, including self-insured, fully-insured, private employment-based group health plans (i.e., ERISA plans), non-federal governmental plans (e.g., plans sponsored by state or local governments), church plans, and Patient Protection and Affordable Care Act grandfathered plans. However, short-term limited duration insurance, group plans that do not cover at least two-current employees (e.g., retiree only plans), and excepted benefit plans (e.g., disability income protection or workers' compensation) are excluded.

CMS notes that states may impose additional coronavirus-related requirements provided they do not prevent insurers and providers from following federal law. (The Connecticut Insurance Department's [Bulletin IC-39](#) and recent executive orders impose additional requirements (see OLR Report [2020-R-0110](#)).)

### Coronavirus Terminology

According to the [World Health Organization](#), the current virus is called severe acute respiratory syndrome coronavirus (SARS-CoV-2), while coronavirus disease (COVID-19) is the disease it causes.

## Covered Testing

Together, the FFCRA and CARES Act require individual and group health plans to cover in vitro diagnostic tests to detect SARS-CoV-2 or diagnose COVID-19, including [serological tests](#) (i.e., tests measuring blood antibodies). Coverage must include test administration.

Covered tests are those that the federal Food and Drug Administration (FDA) has authorized, as well as those that the FDA has not yet authorized if:

1. the test developer requests or intends to request FDA emergency use authorization, unless the request is denied or the developer does not submit the request in a reasonable amount of time;
2. a state develops, authorizes, and notifies the federal Health and Human Services (HHS) Secretary of its intention to review tests; or
3. the HHS Secretary determines it is appropriate ([P.L. 116-136 § 3201](#)).

According to the CMS [guidance](#), plans must provide this coverage without cost-sharing, prior authorization, or any medical management requirement.

## Covered Services

The FFCRA requires coverage of “items and services” an individual receives, including at an urgent care center, emergency room visit, or telehealth conference, that result in an order for diagnostic testing. These services are covered only to the extent that they directly relate to determining an individual’s need for the test ([P.L. 116-127 § 6001](#)).

## Cash Price Publication and Reimbursement

The CARES Act requires providers to publicly display the cash price of COVID-19 and SARS-CoV-2 diagnostic tests, and the HHS Secretary may penalize those who do not up to \$300 per day that the violation continues.

For the duration of the public health emergency, insurers without a negotiated testing reimbursement rate must pay this cash price unless the insurer and provider mutually agree upon a lower amount. If insurers and providers negotiated a testing reimbursement rate prior to the public health emergency, insurers must continue to pay that rate ([P.L. 116-136 § 3202](#)).

## Vaccine and Preventive Measures

Under the CARES Act, individual and group health insurance plans must cover COVID-19 preventive measures, including immunizations, without cost sharing. Coverage begins 15 days after a vaccine or other preventive measure (1) is recommended by the Advisory Committee on Immunization Practices of the Centers for Disease Control and Prevention or (2) receives an ‘A’ or ‘B’ recommendation from the United States Preventive Services Task Force ([P.L. 116-136 § 3203](#)).

## Telehealth for High Deductible Health Plans

In order to meet federal Internal Revenue Service qualifications, high deductible health plans (HDHPs) with associated health savings accounts generally cannot limit deductibles, except for certain preventive care items provided for in a safe harbor provision. Section 3701 of the CARES Act adds telehealth and remote care services to the safe harbor provision for HDHPs beginning by December 31, 2021. For these plans, telehealth and remote care services may be covered before an insured meets his or her deductible without jeopardizing the plan’s favorable tax status.

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[CMS FAQs About Families First Coronavirus Response and CARES Acts](#)

[Health Affairs, New Guidance to Implement COVID-19 Coverage Requirements and More](#)

