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ALL PLAN LETTER

DATE: June 7, 2021
TO: All Full-Service Commercial and Medi-Cal Health Care Service Plans
FROM: Sarah Ream, Chief Counsel
SUBJECT: APL 21-016 – Continued coverage of COVID-19 diagnostic testing

On May 15, 2021, the DMHC’s emergency regulation regarding COVID-19 testing expired. However, health plans must continue to cover certain COVID-19 testing for their enrollees pursuant to federal law.

The Families First Coronavirus Response Act (FFCRA) and Coronavirus Aid, Relief, and Economic Security Act (CARES Act) continue to require plans to cover COVID-19 diagnostic testing, regardless of whether enrollees access such tests through in- or out-of-network providers. Health plans may not require any type of prior authorization for testing and may not impose medical management/utilization management criteria on testing.

A. Federal guidance requiring coverage of COVID-19 testing

On February 26, 2021, the federal Departments of Labor, Health and Human Services, and the Treasury issued guidance reiterating health plans’ obligations to cover COVID-19 diagnostic testing. The guidance can be found at the [website of the Centers for Medicare & Medicaid Services](#). The guidance requires health plans to cover COVID-19 diagnostic testing “when the purpose of the testing is for individualized diagnosis or treatment of COVID-19.” The guidance makes clear that health plans must cover COVID-19 diagnostic testing even if an enrollee is asymptomatic for COVID-19 and does not have recent known or suspected exposure to COVID-19. The guidance states plans are not required to cover COVID-19 testing for “public health surveillance or employment purposes.”

The February 26, 2021, guidance does not define the terms “diagnostic,” “public health surveillance,” or “employment purposes.” However, the guidance requires health plans to generally assume that if a person seeks and receives a COVID-19 test from a licensed or authorized provider, “the receipt of the test reflects an ‘individualized clinical assessment.’”

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B. Guidance from the Centers for Disease Control and Prevention provides guidance as to when COVID-19 testing is for individualized assessment versus for public health surveillance purposes.

The Centers for Disease Control and Prevention (CDC) issued updated guidance on May 27, 2021, which provides clarity regarding when a test provides an individualized assessment versus when it is for surveillance purposes. The guidance can be found at the [website of the Centers for Disease Control and Prevention](#).

Specifically, the CDC defines “diagnostic testing” as testing “intended to identify current infection in individuals and is performed when a person has signs or symptoms consistent with COVID-19, or when a person is asymptomatic but has recent known or suspected exposure to SARS-CoV-2.”

The CDC defines “screening testing” as testing:

“to identify infected people who are asymptomatic and do not have known, suspected, or reported exposure to SARS-CoV-2. Screening helps to identify unknown cases so that measures can be taken to prevent further transmission.

Examples of screening include testing:

- Employees in a workplace setting
- Students, faculty, and staff in a school setting
- A person before or after travel
- At home by someone who does not have symptoms associated with COVID-19 and no known exposures to someone with COVID-19”

The CDC states that with both “diagnostic” and “screening” testing, test results provide an individualized assessment of whether a person has a COVID-19 infection, and such results should be reported to the person who was tested and/or to their health care provider.

The CDC defines “public health surveillance” testing as testing intended to “monitor community- or population-level outbreaks of disease, or to characterize the incidence and prevalence of disease.” The results are de-identified and cannot be used for individual decision-making.

C. Guidance from the California Department of Public Health and the California Department of Social Services

On June 7, 2021, the California Department of Public Health (CDPH) issued updated COVID-19 testing guidance. A copy of the guidance can be found at the [website of the California Department of Public Health](#). The updated guidance outlines when diagnostic testing, including diagnostic screening testing, may be appropriate.

Similarly, on June 7, 2021, CDPH and the California Department of Social Services (DSS) issued guidance to skilled nursing facilities, general acute care hospitals, and

adult and senior care residential programs regarding when COVID-19 testing is appropriate in those settings. The guidance can be found by following these links.

[Website of the California Department of Social Services](#)

[Website of the California Department of Public Health](#)

[Website of the California Department of Public Health](#)

The CDPH and DSS guidance documents are directed toward providers and the respective entities licensed by CDPH and DSS. While these documents are informative in identifying when COVID-19 testing may be appropriate in various settings, health plans should not use the CDPH or DSS guidance as grounds to deny coverage of COVID-19 testing. Instead, plans must follow the federal guidance discussed in sections A. and B. above.

D. Conclusion

Notwithstanding the expiration of the DMHC's emergency regulation regarding COVID-19 testing, health plans must continue to cover testing as required by federal law and guidance. Plans should review the federal law and guidance to ensure they are in compliance.

If you have questions regarding this APL, please contact your plan's assigned reviewer in the DMHC's Office of Plan Licensing.