Weekly Checkup

The COVID-19 Testing Troubles

CHRISTOPHER HOLT | JANUARY 28, 2022

One of the most frustrating aspects of the federal response to COVID-19 has been the failure to ensure an adequate supply of affordable tests—rapid or otherwise. Even today, the average two-pack rapid antigen test purchased at your local pharmacy will run you about $24, assuming you can find one when you need it. **The Biden Administration has been working to address the testing issue, but its mandate that private insurance cover at–home tests is unwieldly, with significant cost implications for insurers, and leaves out Medicare beneficiaries entirely.**

The Families First Coronavirus Relief Act (FFCRA), passed in March 2020, mandated that insurers cover COVID-19-related diagnostics at no charge to patients. But at the time, there were few tests available and all of them were handled through a lab. The emergence of rapid antigen tests, which provide near instantaneous results and can be administered at home, has changed the testing equation. While supplies have been limited, this development has made widespread testing much easier. But at a cost of roughly $10 to $15 per test, regular at-home testing can add up quickly, discouraging the kind of widespread testing public health officials recommend.

Earlier this month, the Biden Administration issued guidance clarifying that the FFCRA's mandate that insurers cover COVID-19 tests applies to at–home tests as well as those administered by health care professionals. Under the guidance, private insurers must cover up to eight at-home tests per enrollee, per month at up to $12 per test. Enrollees must pay for the tests and then file a claim with their insurer for reimbursement. No one is challenging the administration's authority under the FFCRA, but the potential liability for insurers is staggering. In 2020, 217.8 million Americans were covered by private insurance. **If every privately insured American procured all eight of their monthly tests for a full year at a price of $12 per test, the coverage requirement would cost the insurance industry roughly $250 billion.** To put that in context, the entire health insurance industry combined netted $31 billion in profit in 2020. Of course, such high uptake is unlikely, in part because patients need to front the money and then seek reimbursement. In short, the burdensome process makes it unclear how effective the guidance will be at increasing testing and, if it is effective, the cost could decimate the insurance industry.

Setting uptake challenges aside, the other problem is that the guidance doesn't extend to Medicare. Indeed, the Medicare statute doesn't allow for coverage of over-the-counter, self-administered diagnostic tests—including, of course, COVID-19 tests. As federal law is clear on this point, the administration has little flexibility to quickly make changes without congressional action. Some Medicare Advantage plans do provide for coverage of over-the-counter diagnostics, but such coverage isn't universal. **There has been some speculation that, given the federal public health emergency, the Biden Administration might be able to temporarily authorize reimbursement, but Medicare isn't set up to allow beneficiaries to pay upfront and then get reimbursed, and the at-home tests don't fall under the purview of any of Medicare's existing programs (Part A, Part B or Part D).**

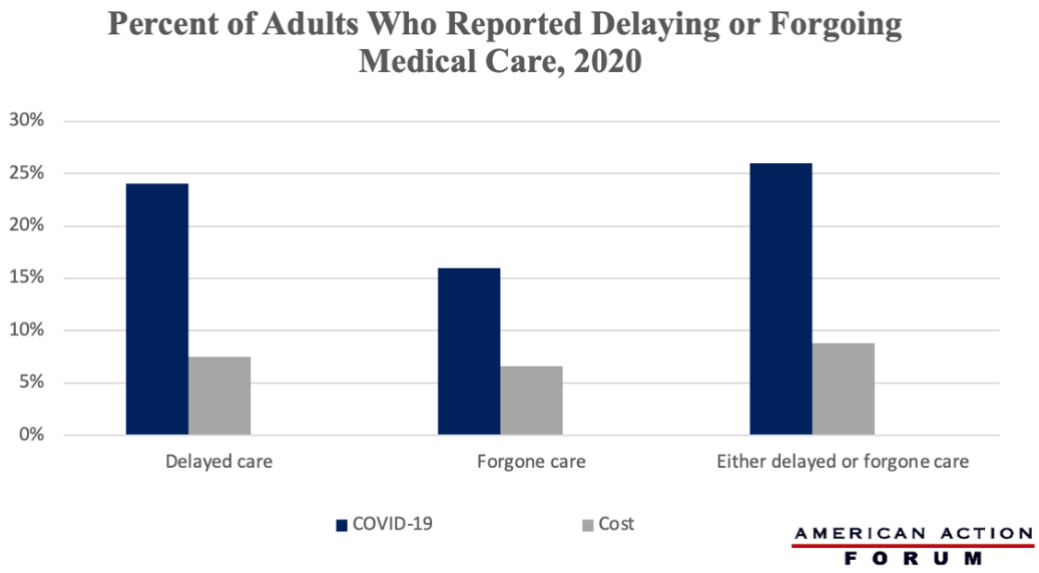
The administration is distributing up to four free tests per month to anyone who requests them through a new online portal, so web-savvy seniors can get some tests that way. **Still, it's ironic that the federal government can**

easily extend coverage for at–home tests through private insurance coverage, but can't figure out how to do it through government–run insurance.

CHART REVIEW: COVID-19'S IMPACT ON HEALTH CARE ACCESS

Yashashree Marne, Health Care Policy Intern

The Peterson-Kaiser Family Foundation Health System Tracker recently published trends showing how both COVID-19 and patient costs affect access to medical care. According to the report, based on 2020 National Health Interview Survey data, 89 percent of adults had health insurance in 2020; however, 1 in 11 adults (around 9 percent) reported that they delayed or did not get medical care due to cost concerns. While the effects of patient costs and insurance status on health care access are well documented, a higher percentage of adults attributed delaying or not getting care in 2020 to COVID-19 (26 percent). When broken down by insurance status, a greater share of uninsured adults (30 percent) reported delaying or forgoing medical care due to cost than the insured population (6 percent). Additionally, the percentage of the uninsured population that delayed or did not get medical care due to costs was greater than the percentage of the total population that reported delaying or not getting medical care due to COVID-19. Nonetheless, given the relatively small percentage of the U.S. population that remains uninsured, COVID-19 was a larger driver of delayed or forgone care than patient costs in 2020. This was due to COVID-19-related barriers to care, such as stay-at-home measures, concerns over increased risk of exposure at doctors' offices or hospitals, and limited hospital capacity. What's more, the COVID-19 pandemic likely further exacerbated cost barriers for uninsured or low-income populations through loss of income or employment.

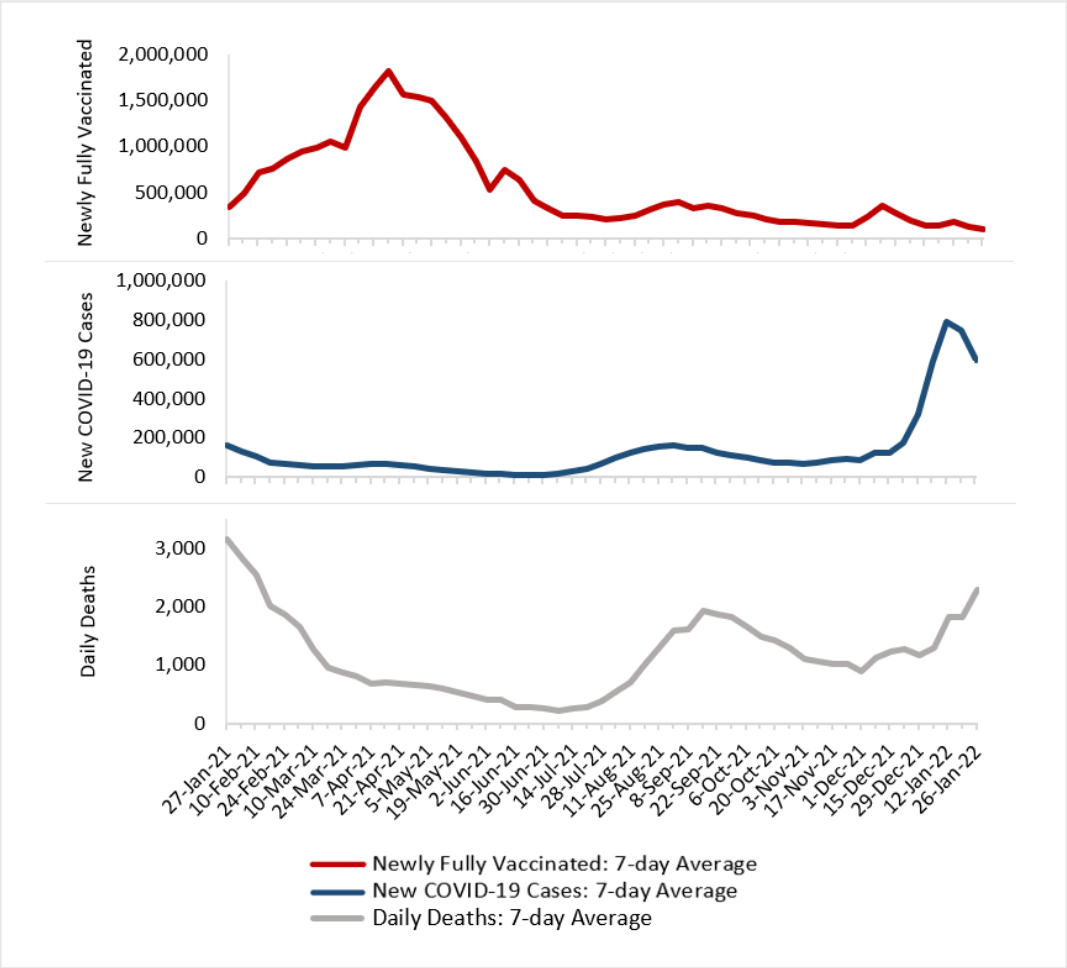


Source: HealthSystemTracker

TRACKING COVID-19 CASES AND VACCINATIONS

Margaret Barnhorst, Health Care Policy Fellow

To track the progress in vaccinations, the Weekly Checkup will compile the most relevant statistics for the week, with the seven-day period ending on the Wednesday of each week.



Sources: Centers for Disease Control and Prevention Trends in COVID-19 Cases and Deaths in the US, and Trends in COVID-19 Vaccinations in the US
Note: The U.S. population is 332,458,083.