

March 6, 2020

CMS Issues Information on Payment and Coverage Related to COVID-19

The Centers for Medicare & Medicaid Services (CMS) March 5 released information on the coverage and payment of novel coronavirus (COVID-19) under Medicare, Medicaid, the Children's Health Insurance Program (CHIP) and the Individual and Small Group Markets. CMS also announced that it developed a second Healthcare Common Procedure Coding System (HCPCS) code that can be used by laboratories to bill for certain COVID-19 diagnostic tests.

Please share this Advisory with your executive management team and billing and coding department, as well as your clinical leadership team.

See below for a brief description and links to the CMS documents.

HIGHLIGHTS OF CMS RESOURCES

Medicare Coverage and Payment: CMS says that local Medicare Administrative Contractors (MACs) are responsible for developing the payment amount for the new COVID-19 HCPCS codes until Medicare establishes national payment rates. As with other laboratory tests, there is generally no beneficiary cost sharing under original Medicare. In addition to diagnostic tests, Medicare covers all medically necessary hospitalizations, as well as brief "virtual check-ins," which allow patients and their doctors to connect by phone or video chat.

Medicaid and CHIP Coverage and Payment: Testing and diagnostic services are commonly covered services, and laboratory and X-ray services are a mandatory benefit covered and reimbursed in all states. States are required to provide both inpatient and outpatient hospital services to beneficiaries. All states provide coverage of hospital care for children and pregnant women enrolled in CHIP. CMS specifies that detailed questions on covered benefits should be directed to the respective state Medicaid and CHIP agency.

Individual and Small Group Market Coverage and Payment: Laboratory services are a category of Essential Health Benefits (EHB) that individual and small group market issuers are generally required by law to include in their benefit packages. However, whether any particular diagnostic or laboratory service is covered by a plan varies, and is based on the specific benchmark plan selected by each state and the terms of the plan. Large group market plans and self-insured plans are not subject to EHB coverage requirements. CMS states that patients should check with their health insurance company to determine coverage for lab tests and related services for the diagnosis and treatment of COVID-19. Standard cost sharing may apply for these services.

Additional HCPCS Code for Coronavirus Lab Tests: CMS developed a second HCPCS code for laboratories to bill for certain COVID-19 diagnostic tests. Specifically, the first code, U0001, is used for CDC testing laboratories to test patients for SARS-CoV-2. However, the second code (U0002) is used

for non-CDC laboratory tests for SARS-CoV-2/2019-nCoV (COVID-19). That is, on Feb. 29, 2020, the Food and Drug Administration (FDA) issued a new, streamlined policy for certain laboratories to develop their own validated COVID-19 diagnostics – this second code may be used for tests developed by these additional laboratories when submitting claims to Medicare or health insurers. CMS expects that having specific codes for these tests will encourage testing and improve tracking. The Medicare claims processing systems will be able to accept these codes starting on April 1, 2020, for dates of service on or after Feb. 4, 2020.

The CDC previously issued [official guidance](#) on how to code the diagnosis of health care encounters and deaths related to COVID-19.

NEXT STEPS

For the latest COVID-19 information and resources, visit [AHA's coronavirus webpage](#).

FURTHER QUESTIONS

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