



SCHOOL COVID-19 TEST FINANCING 101 CDPH VALENCIA BRANCH LABORATORY UPDATED 3.2.2021

This fact sheet will help school administrators navigate the financing options for student and staff testing should the school choose to utilize the California Department of Public Health (CDPH) Valencia Branch Laboratory (VBL).

For all schools partnering with VBL, the state will cover the costs for testing¹ upfront and recoup the costs either by: (1) seeking reimbursement from the relevant health insurance providers; or (2) directly billing the local educational agency (LEA²). The following describes the billing process in school settings for teachers, staff, and students.

TEACHERS & SCHOOL STAFF

Participating LEAs can choose one of two scenarios with respect to billing:

- **Scenario 1: Insurance Billing** | The state's third-party billing vendor will bill the individual's health insurers³ for the cost of tests.
 - If for any reason the teacher or school staff are uninsured, the state will take following steps:
 - Bill the [HRSA COVID-19 Uninsured Program](#); **OR**
 - Bill the [DHCS COVID-19 Uninsured Group Program](#)⁴
 - No uninsured person will be denied access to a test.
- **Scenario 2: Direct Billing** | The LEA will be billed (e.g., invoiced) invoiced directly for the costs of tests.

STUDENTS

Recouping the cost of testing students is dependent on the situation of the individual student being tested:

- **Scenario 1: Medi-Cal** | For students covered by Medi-Cal, the state will bill the Medi-Cal program for the test conducted for each child.
- **Scenario 2: Direct Billing** | For students covered through private health insurance or who are uninsured, the LEA will be billed (e.g., invoiced) directly for the cost of each test.

¹ The testing costs covered by the state include test kits, shipping of kits to sites, software for patient registration and results returning, and general site support. The state will also cover the upfront cost of processing the tests in the VBL, but will work to recoup those costs from LEAs in accordance with this document. If sites utilize the state courier network, costs for shipping specimens to the lab will also be covered by the state.

² Local educational agencies include school districts, county offices of education, and some charter schools.

³ Pursuant to the California Department of Managed Health Care [emergency regulations](#), teachers and school staff are defined as essential workers.

⁴ If an individual is uninsured, and in order to bill the DHCS COVID-19 Uninsured Group Program, the individual will need to be enrolled in the program. Information for enrollment will be provided to LEAs.

YOUTH SPORTS PROGRAMS

LEAs participating in testing with VBL also qualify for testing support for qualifying youth sports program pursuant to [CDPH guidance](#) at no additional cost to the LEA.

FREQUENTLY ASKED QUESTIONS

Q: Do health insurance companies have to cover asymptomatic testing for teachers and school staff?

A: Yes. The emergency regulations promulgated by the California Department of Managed Health Care (DMHC) deems testing for essential workers, who include teachers and school staff, to be medically necessary in all cases, so no utilization management or prior authorization is required or allowed. These regulations apply to most health insurance products regulated by DMHC, but not all.

Q: Are LEAs required to use the CDPH Valencia Branch Laboratory?

A: No. The CDPH Valencia Branch Laboratory has been made available as an option for schools, but schools are welcome to use other laboratories.

Q: If LEAs use the CDPH Valencia Branch Laboratory will they have to bill insurance companies directly?

A: No. The state pays for the testing up front and bills through its third party billing vendor, Medi-Cal, or other health insurers as appropriate, so schools or LEAs do not take on the work of billing.

Q: What if a LEA chooses to use a different laboratory?

A: In this case, the school or laboratory may bill the Medi-Cal fee-for-service (FFS) program and not the managed care health plans. The school would need to work with the laboratory to determine the billing mechanism and process.

Q: Can a LEA use the Medi-Cal Billing Option Program to bill the Medi-Cal program for testing?

A: No. This effort is separate from the Medi-Cal Billing Option Program that is used by LEAs. Instead, the state's third party billing vendor will bill Medi-Cal directly through the FFS program pursuant to a disaster State Plan Amendment.

Q: How long can LEAs bill the Medi-Cal program for COVID-19 testing?

A: The federal Centers for Medicare & Medicaid Services has approved coverage and reimbursement for COVID-19 testing in school settings exclusively from February 1, 2021 through a date that is 60 days after the end of the federal public health emergency.

Q: How will LEAs know which students are Medi-Cal beneficiaries?

A: During the registration process, the parent or guardian will be asked to input insurance information for each child that is tested, even for those who are privately insured. This will provide consistency on the registration form.

Q: What happens if a parent or guardian does not provide insurance information or the child is uninsured?

A: If insurance information is not provided for a student, the state will seek to determine if they are enrolled in Medi-Cal. The LEA will be directly billed for all students when Medi-Cal enrollment can't be confirmed.

Q: What is the current cost per test for the CDPH Valencia Branch Laboratory?

A: The current price per test is \$21 for schools, which includes test kits, shipping of kits to sites, lab analysis, software for patient registration and the return of test results, and general site support. If sites utilize the state courier network, costs for shipping specimens to the lab will also be covered by the state.

Q: Could an individual who is uninsured and eligible for the Medi-Cal program, be enrolled in the program?

A: Yes. This is an opportunity to ensure that individuals are both aware of the state's Medi-Cal program as well as the state's health insurance exchange, Covered California. Individual information about both programs will be made available to schools and LEAs. Additionally, information about both programs will be provided to parents and guardians.

Q: Who is eligible to participate in the youth sports testing program?

A: Public schools in counties with an adjusted case rate between 14-7 per 100,000.

Q: Can private youth sport clubs participate in the youth sports testing program?

A: No.

Q: How long will the youth sports testing program available to public schools?

A: The youth sports testing program will be made available to public schools on February 26 through July 2nd.

Q: Does the youth sports testing program cover all youth sports?

A: No. This testing program is specific to high contact sports including football, rugby, and water polo. The guidance issued by the California Department of Public is broader than testing and is applicable to other youth sports.

Q: What is included in the cost covered by the state for the youth sports testing program?

A: The cost covered by the state includes: specimen collection kits, laboratory specimen processing, specimen transportation (if using the State COVID-19 Courier Network), and test resulting.

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