SCHOOL FINANCING FOR COVID-19 TESTING
UPDATED 5.19.2021

This fact sheet is intended to help school administrators navigate the financing options for student and staff testing should the school choose to utilize the California Department of Public Health’s (CDPH) Valencia Branch Laboratory (VBL) for COVID testing or if the school chooses to use a different testing laboratory.

For all schools partnering with VBL, the state is currently waiting for final approval of ELC grant funds which will be used to cover school testing costs though VBL (teachers, staff and students). If that grant is not approved by the federal government, then the funding structure outlined in Appendix A will remain in effect.

For schools that opt to use a different testing laboratory, the testing laboratory can bill the Medi-Cal fee-for-service program for all Medi-Cal enrolled children, including those who are enrolled in a Medi-Cal managed care plan.

ALL NON-VBL TESTING PARTNERSHIPS

• *Insurance Billing:* The school should work with its testing laboratory to determine the process for billing health insurers.
• *Medi-Cal:* For students covered by Medi-Cal, the testing laboratory can bill the Medi-Cal program as a provider, through the fee-for-service system, for the cost of the test conducted for each child, including those children who are enrolled in Medi-Cal managed care.
• *Direct bill:* The LEA will be billed (i.e., invoiced) directly for the cost of each test. Note: LEAs will not be able to bill Medi-Cal for tests billed directly to the LEA, all Medi-Cal billing must be done by the provider conducting the test.

FREQUENTLY ASKED QUESTIONS

Q: Do health insurance companies have to cover asymptomatic testing for teachers, school staff, and students?
A: Yes. New guidance from the federal government clarifies that everyone (even those without COVID-19 symptoms or possible exposure to COVID-19) can get tested for COVID-19. You do not need to be an “essential worker” to get a COVID-19 test.

People who want to be tested for COVID-19 can go to any testing provider authorized or licensed by the state. They do not need to get permission from their health insurance company first, and they do not need to pay a co-payment for a COVID-19 test.
Q: How far back can schools bill private insurance for COVID testing?
A: For students, schools can bill private insurance retroactively to February 26, 2021, which was the date that the federal Departments of Health and Human Services, Labor, and Treasury released updated guidance on testing. For teachers and school staff, schools can bill private insurance retroactive to July 17, 2020, which was the effective date for the California Department of Managed Health Care's Emergency Regulation on Testing.

Q: What is the status of the Emergency Regulations on COVID-19 testing issued by the Department of Managed Health Care?
A: The Emergency Regulation issued by the Department of Managed Health Care expired on May 14th. However, recent federal guidance on COVID-19 testing states that health plans must cover COVID-19 testing for enrollees from any provider (in-network or out-of-network), with no prior authorization requirements, and no cost sharing. Coverage for COVID-19 testing does not require that the enrollee have symptoms of COVID-19 nor does it require a known or suspected exposure.


In particular, note section III, which flags that the guidance states that health plans “are not required to provide coverage of testing such as for public health surveillance or employment purposes.” But that “The mere fact that testing was performed at a school or employment location will likely not be sufficient to overcome the assumption that the testing was an “individualized clinical assessment.” California school testing guidance recommends individual assessment/screening of school populations, which is not for public health surveillance or employment purposes.

Please note that the Valencia Branch Laboratory will not bill schools or staff for any testing costs.

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

Q: What if a school or LEA chooses to use a different laboratory?
A: In this case, the laboratory may bill Medi-Cal Fee-For-Service program, and not the managed care health plans, for Medi-Cal for students covered with Medi-Cal. The school would need to work with the laboratory to determine billing mechanism and process.
Q: Are there limits on the frequency of testing for individuals covered by private insurance or Medi-Cal?
A: There are generally no limits on the number of tests or frequency of testing that can be provided, either under private insurance or through Medi-Cal\(^1\).

Q: Does Medi-Cal pay for the costs of specimen collection?
A: Yes, a Medi-Cal enrolled provider (such as a testing laboratory or clinic) may bill the fee-for-service system using code G2023 (specimen collection covid-19).

Additionally, an LEA may be reimbursed for the coordination of sample collection as a reimbursable activity under the School-Based Medi-Cal Administrative Activities program. In order to be reimbursed for these activities, a LEA or Local Educational Consortium must have a contract with DHCS that describes the services to be performed, invoicing and payment, and the amount payable under the agreement.

Information on participation in the School-Based Medi-Cal Administrative Activities program can be found here:

https://www.dhcs.ca.gov/provgovpart/Pages/SMAA.aspx

Q: Can schools bill Medi-Cal directly through the fee-for-service system or is the testing laboratory required to bill Medi-Cal?
A: No, the school cannot directly bill Medi-Cal. The provider that performed the test would bill Medi-Cal directly or through a contracted billing vendor.

Q: Can an LEA use the LEA Medi-Cal Billing Option Program (LEA BOP) to bill the Medi-Cal program for testing?
A: No. This effort is separate and apart from the LEA BOP that is used by Local Education Agencies. Instead, the state’s third-party billing vendor or a laboratory that the school has contracted with will bill the Medi-Cal directly through the Fee-For-Service program pursuant to a disaster State Plan Amendment.

Q: How can Medi-Cal providers contact the Department of Health Care Services with billing questions?
A: Billing questions can be directed to (800) 541-5555 or

https://www.dhcs.ca.gov/individuals/Pages/Medi-CalMemberHelpline.aspx

Q: How long can LEAs bill the Medi-Cal program for testing?
A: The federal Centers for Medicare and Medicaid Services has approved coverage and reimbursement for COVID-19 testing in school settings exclusively from February 1, \(^1\) Medi-Cal has a limit of one or two tests per day, per enrollee, depending on the service. See the following for additional information: https://www.dhcs.ca.gov/Documents/COVID-19/COVID-19-Antibody-Testing.pdf
2021 through a date that is 60 days after the end of the federal public health emergency.

Q: How will a school 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 that are privately insured. This will provide consistency on the registration form. Specifically, for Medi-Cal enrolled students, the registration process will request the student’s benefits identification card number.

Q: What happens if a parent or guardian does not provide insurance information or the child is uninsured?
A: Where insurance information is not provided for a student, the State or Vendor may seek to determine if they are enrolled in Medi-Cal. If they are not, then whatever billing structure is in place will be used (i.e.: Direct billing).

Q: What is the current cost per test for the CDPH Valencia Branch Laboratory?
A: The current price per test is $21, which includes test kits, shipping of kits to sites, lab analysis, software for patient registration and results returning, 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. 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: How can a Medi-Cal enrolled provider bill for testing services provided in schools?
A: When submitting a claim, enrolled providers are required to use Place of Service (POS) Code 03 and the benefits identification card number for students enrolled in either Medi-Cal fee-for-service or managed care. All COVID-19 testing services, when provided in a school and billed with POS Code 03, will be carved-out from being a managed care benefit and will be reimbursed through the Medi-Cal fee-for-service delivery system. All existing allowable provider types for the COVID-19 test codes today will be eligible to bill for the tests provided in schools.
APPENDIX A

VALENCIA BRANCH LABORATORY PARTICIPANTS

Below represents the payment structure for schools using the CDPH Valencia Branch Laboratory prior to April 9th. The state has a pending grant from the federal government to pay for school testing through Valencia Branch Laboratory (teachers, staff, and students) in full, from April 9, 2021 moving forward. If that grant is not finalized and approved, then the structure below will continue forward beyond April 9th.

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

**TEACHERS & SCHOOL STAFF**

Participating local education agencies (LEAs\(^3\)) 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 insurers for the cost of tests.
  - If for any reason the teacher or school staff are uninsured, the state will take following steps:
    - The state will bill the [HRSA COVID-19 Uninsured Program](https://www.hrsa.gov/coronavirus/uninsured)/ OR [DHCS COVID-19 Uninsured Group Program](https://www.dhcs.ca.gov/coronavirus/uninsuredgroups.htm).
    - That is, no uninsured person will be denied access to a test.

- **Scenario 2: Direct Billing** | The LEA will be billed (i.e., invoiced) directly for the cost of each test.

**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 directly through the fee-for-service program for the test conducted for each child.

- **Scenario 2: Insurance Billing** | The state’s third-party billing vendor will bill the individual’s health insurer for the cost of tests.
  - If for any reason the student is uninsured, the state will take following steps:

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\(^2\) 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.

\(^3\) Local education agencies include school districts, county offices of education, and some charter schools.
- The state will bill the **HRSA COVID-19 Uninsured Program**: OR
- The state will bill the **DHCS COVID-19 Uninsured Group Program**
- That is, no uninsured person will be denied access to a test.

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