



SCHOOL FINANCING FOR COVID-19 TESTING

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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-19 testing or if the school chooses to use a different testing laboratory.

For all schools outside of Los Angeles County, the state will use Centers for Disease Control and Prevention ELC grant funds to cover school testing costs through VBL (teachers, staff, and students). When Medi-Cal enrolled students are tested, the cost of the test will be billed directly to the Medi-Cal Program by VBL. For Medi-Cal students, there will be no charge directly to the Local Educational Agency (LEA) for the test kit or processing of results through the State lab, VBL.

Schools in Los Angeles County will be transitioned on a rolling basis to a fee-per-test model beginning on February 1, 2022, with the goal to be fully transitioned no later than February 28, 2022. Per Los Angeles County Department of Public Health, schools will be able to use their allocated ELC Reopening School COVID-19 testing grant funds to pay for this testing to ensure testing programs can continue uninterrupted.

For schools that opt to use a different testing laboratory, the school, not the outside entity, would be considered the billing provider that 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 school 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.

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.

Individuals 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-19 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.

Please see details at (<https://www.dmhc.ca.gov/Portals/0/Docs/DO/APL21-011-NewFederalGuidanceRegardingCOVID-19Testing.pdf>) regarding interpretation of the federal guidance.

In particular, note section III, which flags guidance stating 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 (outside of Los Angeles County) for any testing costs. Schools in Los Angeles County will be transitioned on a rolling basis to a fee-per-test model beginning on February 1, 2022, with the goal to be fully transitioned no later than February 28, 2022. Per Los Angeles County Department of Public Health, schools will be able to use their allocated ELC

Reopening School COVID-19 testing grant funds to pay for this testing to ensure testing programs can continue uninterrupted.

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: If the school contracts with an outside entity to administer the test, the school, not the outside entity, would be considered the billing provider of the test under Medicaid.

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, a 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 fee-for-service?

A: No, the school cannot directly bill Medi-Cal fee-for-service. The provider that performed the test would bill Medi-Cal directly or through a contracted billing vendor.

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

A: If LEAs utilize the VBL for COVID-19 testing, a Medi-Cal enrolled student's test will be billed directly to Medi-Cal by VBL. There will be no charges sent directly to the LEA for Medi-Cal students and no expenditures will be reported on the LEA BOP Cost and

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>

Reimbursement Comparison Schedule (CRCS) related to COVID-19 testing kit supply costs. However, the costs associated with LEA BOP qualified rendering personnel administering or supervising the collection of the tests (e.g., the salary of the nurse supervising the collection of samples) are eligible for reporting on the CRCS.

For LEAs that choose to work with a commercial laboratory other than VBL, the LEA may be invoiced by the contracted entity for the cost of each test kit and processing of test results and the contractual rate negotiated between the LEA and the outside entity may be reported as contracted service costs on the provider's CRCS. LEAs must ensure that the reported costs are net of any federal funds received by LEAs to cover COVID-19 testing.

For LEAs that choose to fund COVID-19 testing outside of the CDPH K-12 School Testing Program, the cost of the test may be reported on the LEA BOP CRCS as a medical supply cost and the costs associated with the personnel administering the test (e.g., the salary of the nurse administering or supervising the sample collection) may be reported on the LEA BOP CRCS. Under this model, the LEA could also contract with an outside entity to conduct COVID-19 screening or diagnostic testing. If testing services are contracted, the contractual rate negotiated between the LEA and the outside entity would be reported as contracted service costs on the provider's CRCS.

When LEAs fund the purchasing, administration, and processing of tests, LEAs must consider any sources of federal funding that are available to cover the cost of testing in schools when reporting costs on the LEA BOP CRCS. To ensure that potential duplicate Medicaid payments do not occur, LEAs must report federal funds or revenue received to fund testing in schools on its CRCS. Under the LEA BOP, providers will not receive an interim payment associated with the purchase, administration, or processing of COVID-19 tests. All allowable reimbursement (net of federal funding) will be realized in the final cost settlement process once the LEA submits its CRCS for the applicable reporting period.

For more information regarding the LEA BOP, please visit the LEA BOP website:
<https://www.dhcs.ca.gov/ProvGovPart/Pages/LEA.aspx>

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, 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, 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 cost-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 (outside of the LEA BOP) 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 PRIOR TO APRIL 9TH, 2021

Below represents the payment structure for school testing with the CDPH Valencia Branch Laboratory that occurred prior to April 9th, 2021. For school testing (outside of Los Angeles County) through the Valencia Branch Laboratory after April 9th, 2021, the state is using ELC grant funding from the federal government to pay in full.

For school testing through VBL that occurred prior to April 9th, 2021, the state will cover the costs for testing² up front 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 for testing prior to April 9th, 2021.

TEACHERS & SCHOOL STAFF

Participating local education agencies (LEAs³) 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](#); **OR**
 - The state will bill the [DHCS COVID-19 Uninsured Group Program](#)
 - 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:

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 couriernetwork, 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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