



NEWS RELEASE



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COVID-19 Testing Costs Could Reach \$2.9 Billion in Second Half of 2020

*New Analysis Estimates Potential Costs for the Commercial Market
Health Plans Urge Congress to Provide Additional Federal Funding to Support Testing*

As New York continues its reopening efforts, a new study from the New York Health Plan Association (HPA) and the New York State Conference of Blue Cross and Blue Shield Plans (Conference of Blues Plans) estimates that COVID-19 diagnostic testing, when combined with antibody testing and coverage of other outpatient health care services incurred during the provision of the test, may cost between \$600 million and \$2.9 billion in the second half of calendar year 2020 for the state's commercially insured residents. While testing currently is funded through a combination of state and federal agencies, health insurers, and employers, if these costs were mandated by law to be covered entirely by health plans, the impact may be equivalent to between 2% and 9% of average current commercial health insurance premiums. The full Milliman report can be found at <https://nyhpa.org/> and <https://nysblues.org/>.

With testing a key component to protecting the health of all New Yorkers and reopening the state's economy, HPA and the Conference of Blues Plans are calling on Congress to provide the state with the necessary resources to support broad-based employment and surveillance testing. Since the outset of this unprecedented national crisis, the state's health plans have taken numerous steps to combat the coronavirus, including eliminating cost-sharing for COVID-19 testing and telehealth services, providing financial support to hospitals and others in the delivery system, and extending grace periods to individuals and small business struggling with the economic impact of this pandemic. Although the federal Paycheck Protection Program and Health Care Enhancement Act provided \$25 billion to support states' testing strategies, including \$1.5 billion to New York, if there is not further federal funding for testing, it will exacerbate the economic challenges this public health crisis has created for consumers, employers and health plans according to the two associations.

The Families First Coronavirus Response Act (FFCRA) required health plans to provide coverage without any cost sharing, prior authorization or medical management requirements for testing to detect or diagnose COVID-19 when determined to be medically appropriate by the individual's attending provider. Recent federal guidance confirmed that this coverage requirement does not apply to "back to work" testing. Specifically, the Centers for Medicare and Medicaid Services' June 23 guidance stated that testing "conducted to screen for general workplace health and safety (such as employee 'return to work' programs) for public health surveillance...or for any other purpose not primarily intended for individualized diagnosis or treatment of COVID-19 or another health condition is beyond the scope of section 6001 of the FFCRA". Therefore, under federal law, such testing is not required to be covered under commercial health insurance.

HPA and the Conference of Blues Plans retained Milliman, Inc. (Milliman) to explore the potential costs associated with COVID-19 testing during the second half of calendar year 2020 and the implications for the approximately nine (9) million individuals in New York’s fully-insured commercial health insurance market. Milliman developed a range of estimated costs associated with outpatient (diagnostic and antibody) testing that could result under the four testing categories:

- **Symptomatic:** To diagnose or treat individuals exhibiting symptoms of COVID-19;
- **School or Employer Required:** Schools or businesses that may require individuals be COVID-19 free before returning;
- **Curious About Status or Asymptomatic:** Asymptomatic individuals with recent known or suspected exposure to SARS-CoV-2 to control transmission or without known or suspected exposure when intended for early identification in special settings;
- **Surveillance, Research, or Government Required:** A federal, state or municipal public health organization requiring testing before reopening, or requires testing at a specific frequency.

Milliman’s estimates included both the cost of the tests and other outpatient diagnostic and treatment services provided during the encounter for the test. In its testing scenarios, Milliman considered varying test frequency and COVID-19 transmission levels, type of employer, and seasonality, as well as testing for “back to work” purposes. Milliman’s analysis did not consider testing costs for Medicaid, the Essential Plan, Child Health Plus, Medicare, or uninsured populations. Additionally, it did not include individuals residing outside of New York but covered by a New York commercial health plan.