



Date: February 18, 2022

To: Coordinated care organizations

From: Dave Inbody, CCO Operations Director
Medicaid Programs

Subject: In Lieu of Services option for member reimbursement of over-the-counter COVID tests

The Oregon Health Authority (OHA) is confirming the use of In Lieu of Services as an option for coordinated care organizations (CCOs) to reimburse members for over-the-counter COVID tests.

OHA is issuing this guidance in alignment with [guidance released on January 15, 2022](#), by the Centers for Medicare and Medicaid Services (CMS) requiring private insurance to cover the costs of over-the-counter COVID-19 diagnostic tests.

In Lieu of Services (ILOS) are services determined by the state to be medically appropriate and cost-effective substitutes for covered services or settings under the State Medicaid Plan.

Reimbursing members

You must provide members with access to free COVID-19 test kits. Access must be made available in a manner that is equitable with those who have private insurance. Health plans are required to cover:

- Up to 8 per month without PCP order or prior authorization, or unlimited tests with an order from a licensed healthcare provider;

The most efficient way to achieve this access may be accepting receipts and reimbursing members directly. However, if you can operationalize more efficient, equitable, access you may do so to the extent that access is made in compliance with applicable state and federal law.

If you accept receipts and reimburse members directly, you are required to cover:

- Up to \$12 per individual test. Please note this is per test, not per kit. For example, if there are two tests in a kit, reimbursement would be up to \$24.

ILOS must meet requirements, including being listed in member handbooks

ILOS must meet requirements outlined in [42 CFR 438.3\(e\)\(2\)](#) and Exhibit B, Part 2, Section 11 of the 2022 CCO Contract. ILOS must be a medically appropriate and cost effective substitute for a covered service consistent with provisions in OAR 410- 141-3820.

- OHA considers over-the-counter COVID tests as part of prevention programs for ILOS.

- For CCOs to offer ILOS, services must be listed in member handbooks. If a CCO's member handbook does not currently list ILOS prevention programs, it would need to be amended.
 - Please submit amended member handbooks to the Quality Assurance team for approval.

Questions?

If you have any questions, please contact ILOS.info@dhsosha.state.or.us.

Thank you for your continued support of the Oregon Health Plan and the services you provide to our members.