

SCHOOL FINANCING FOR CDPH VALENCIA BRANCH LABORATORY

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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 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 education agency. The following describes the billing process in school settings for teachers, staff and students.

TEACHERS & SCHOOL STAFF

Participating local education agencies (LEAs²) 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:
 - The state will bill the [HRSA COVID-19 Uninsured Program](#); **OR**
 - The state will bill the [DHCS COVID-19 Uninsured Group Program](#)⁴
 - 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. Billing will begin at the end of February and will be backdated to the date of service.

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 bill* | For students covered through private health insurance or who are uninsured, the LEA will be billed (i.e., invoiced) directly for the cost of each test. As with direct billing for teachers and staff, billing will begin at the end of February and will be backdated to the date of service.

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 education 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.

FREQUENTLY ASKED QUESTIONS

Q: Why is the health insurance company billed for teachers/school staff and not students?

A: As part of the emergency regulations promulgated by the California Department of Managed Health Care, which regulates most health insurance plans, teachers and school staff are defined as essential workers, therefore the health insurance companies are to pay for the test.

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 deems testing for essential workers, which includes 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 the department, but not all.

Q: How should schools pay for student testing?

A: The Governor has proposed \$2 billion as part of his 2021-2022 budget proposal for the Legislature to appropriate immediately for schools to leverage in order to reopen safely, particularly for our youngest students. These dollars should be considered, in addition to any available federal funds, to fund testing for students who return to in-classroom instruction.

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 school or laboratory may bill Medi-Cal Fee-For-Service program, and not the managed care health plans. The school would need to work with the laboratory to determine 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 and apart from the Medi-Cal Billing Option Program that is used by Local Education Agencies. Instead, the state's third-party billing vendor will bill the Medi-Cal directly through the Fee-For-Service program pursuant to a disaster State Plan Amendment.

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.

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 will seek to determine if they are enrolled in Medi-Cal, and the LEA will be directly billed for all students where 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 \$55, 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. This is expected to decrease as the laboratory processes a greater volume of tests. For example, at 100,000 tests per day, the total cost will drop to \$38 per test. Additionally, we are implementing the concept of pooling for schools at the Laboratory, which is a technique that allows the laboratory to test multiple specimens through one test, further decreasing costs.

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 about both programs will be made available to schools and LEAs. Additionally, information about both programs will be provided to parents and guardians.

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