



California Requires COVID-19 Coverage After Emergency Ends

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California has enacted a state insurance law that generally requires group health insurance policies and health maintenance organizations (“HMOs”) in California to continue covering the cost of COVID-19 testing, vaccinations, and therapeutics after the end of the federal Public Health Emergency (“PHE”) related to the COVID-19 pandemic. The Biden administration has announced its intention to end the federal PHE on May 11, 2023.

■ COVID-19 Testing and Vaccination Coverage

After the end of the federal PHE, this California insurance law will apply as follows:

Group health insurance policies and HMOs in California are generally required to continue to cover the cost of COVID-19 diagnostic and screening testing and the cost of COVID-19 vaccinations, without cost-sharing and without prior authorization or other utilization management requirements, whether delivered by an in-network provider or an out-of-network provider. These requirements are the same as those in place during the federal PHE.

However, beginning six months after the federal PHE ends (November 11, 2023, if the federal PHE ends as expected on May 11, 2023), group health insurance policies and HMOs in California may impose cost-sharing when the COVID-19 testing or vaccinations are delivered by an out-of-network provider (unless otherwise required by law).

■ COVID-19 Therapeutics Coverage

California insurance law also requires group health insurance policies and HMOs to cover the cost of COVID-19 therapeutics (treatments intended to be administered as soon as possible after an individual’s positive COVID-19 test result), without



cost-sharing and without prior authorization or other utilization management requirements, whether delivered by an in-network provider or an out-of-network provider.

These requirements generally apply to group health insurance policies and HMO contracts that are issued, amended, or renewed after September 25, 2022, and continue to apply after the end of the federal PHE.

However, beginning six months after the federal PHE ends (November 11, 2023, if the federal PHE ends as expected on May 11, 2023), group health insurance policies and HMOs may impose cost-sharing when COVID therapeutics are delivered by an out-of-network provider (unless otherwise required by law).

Application of California Insurance Law to Group Health Plans

The California insurance law requirements set forth above generally apply to:

- Group health insurance policies issued or delivered (i.e., situated) in California
- HMOs in California
- Group health insurance policies issued or delivered (i.e., situated) outside of California, to the extent that the policy covers California residents; but not if (a) the employer's principal place of business is located outside of California, and (b) a majority of employees are located outside of California

The California law does not apply to specialized health insurance policies that provide only dental or vision-care benefits, and to certain other insurance policies. In addition, the California law does not apply to any self-funded group health plan.

■ Employer Action

Employers that maintain a fully insured group health plan situated in California should be aware of the requirements of this California insurance law.

Employers that maintain a fully insured group health plan situated outside of California that covers California residents should keep records relating to the location of its principal place of business and the location of its employees, for purposes of determining the extraterritorial application of California insurance law to its plan.