



MIKE CAUSEY  
INSURANCE COMMISSIONER

## BULLETIN

#

Number 20-B-05

**To:** All Insurance Companies and other Entities Licensed under Chapter 58  
Of the North Carolina General Statutes

**From:** Mike Causey, Commissioner of Insurance

**Date:** March 12, 2020

**Subject:** Guidance for Insurers Regarding Coverage and Cost Sharing Requirements Related to  
COVID-19 Public Health Emergency.

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**On March 10, 2020 Governor Cooper issued EXECUTIVE ORDER NO. 116, for the State of North Carolina due to the spread of the Coronavirus (COVID-19) in the State. Executive Order 116 declares a state of emergency as defined in N.C. Gen. Stat. §§ 166A-19.3(6) and 166A-19.3(19) exists based on the public health emergency posed by COVID-19 and that the emergency area, as defined in N.C. Gen. Stat. §§ 166A-19.3(7) and 166A-19.20(b) is the State of North Carolina ("the Emergency Area").**

The North Carolina Department of Insurance (the Department) is issuing this advisory to assist insurers regarding the provision of insurance-related services during the COVID-19 public health emergency. In order to protect the public, insurers, as defined in N.C. Gen. Stat. § 58-3-167 are requested to identify and remove barriers to testing and treatment for COVID-19. The Department requests insurers that offer health benefit plans to North Carolina residents to take the following immediate measures related to the potential impact of COVID-19:

- **Preparedness.** Insurers should review their internal processes and operations to ensure that they are prepared to address COVID-19 cases in North Carolina, including by providing insureds with information and timely access to all medically necessary covered health care services.
- **Information Access.** Access to accurate information and avoiding misinformation are critical. Insurers are requested to inform insureds of available benefits, quickly respond to insured inquiries, and consider revisions needed to streamline responses and benefits for insureds. Insurers should make all necessary and useful information available on their websites and staff their nurse-help lines accordingly. Useful links may include a link to the North Carolina Department of Health Services information regarding COVID-19 at <https://www.ncdhhs.gov/divisions/public-health/coronavirus-disease-2019-covid-19-response-north-carolina> or to the Centers for Medicare and

Medicaid at <https://www.cdc.gov/coronavirus/2019-nCoV/index.html>. Insurers are encouraged to promptly notify providers, nurse-help line staff and customer service personnel on the insurer's policies regarding COVID-19.

- **Telehealth Delivery of Services.** Given that COVID-19 is a communicable disease, some insureds may be using telehealth services, if offered, instead of in-person health care services. Insurers are reminded to review provisions in current policies regarding the delivery of health care services via telehealth and ensure their telehealth programs with participating providers are robust and will be able to meet any increased demand.
- **Network Adequacy and Access to Out-of-Network Services.** Insurers are requested to verify their provider networks are adequate to handle a potential increase in the need for health care services in the event more COVID-19 cases are diagnosed in North Carolina. Insurers are reminded that, pursuant to N.C. Gen. Stat. § 58-3-200(d), no insurer shall penalize an insured or subject an insured to the out-of-network benefit levels offered under the insured's approved health benefit plan, including an insured receiving an extended or standing referral under N.C. Gen. Stat. § 58-3-223, unless contracting health care providers able to meet health needs of the insured are reasonably available to the insured without unreasonable delay.
- **Prior Authorization and Cost-sharing Requirements for COVID-19.** The Department requests insurers waive prior authorization for COVID-19 diagnostic tests and covered services that are medically necessary and consistent with Centers for Disease Control and Prevention (CDC) guidance for insureds if diagnosed with COVID-19. Insurers are also requested to cover medically necessary diagnostic tests that are consistent with CDC guidelines related to COVID-19 at no cost to the insured.
- **Access to Prescription Drugs.** Insurers are requested, where appropriate, to make expedited formulary exceptions if an insured diagnosed with COVID-19 is suffering from a health condition that may seriously jeopardize the insured's health, life, or ability to regain maximum function or if the insured is undergoing a current course of treatment using a non-formulary prescription drug that is intended to lessen symptoms or the duration of the virus. Insurers are also encouraged to make expedited formulary exceptions if there is a shortage of a formulary drug.
- **Information Sharing.** To ensure that public health officials and the public are adequately informed about what the health insurance industry is doing in response to COVID-19, the Department may request that insurers provide information on the steps they are taking in response to this advisory.

During this declared state of emergency, insurers shall make a filing with the Department's Life & Health Division by way of a letter detailing any changes to their health benefit plan policies related to diagnosing or treating COVID-19. A filing is necessary to make it clear the changes are intended to facilitate critical early diagnosis and treatment of insureds during the state of emergency. To the extent possible, the Department will expedite the review and approval of any COVID-19 related changes.

Insurers cannot raise premiums to provide these additional benefits. The Department may request information about the effect the additional benefits would have on the adequacy of current and subsequent rates.

The Department understands that the COVID-19 public health emergency is changing daily. New information or additional guidance from other agencies, like CMS or the IRS, may require the guidance in this advisory to be revised or additional guidance to be issued in a subsequent advisory.

Please refer any questions to this advisory to the attention of Ted Hamby at [LHInbox@ncdoi.gov](mailto:LHInbox@ncdoi.gov).