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Medicaid Alert

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February 2026

TO: Pharmacies, Prescribers, Managed Care Organizations - **For Action**

SUBJECT: **Updated Policies Regarding Medicaid/NJ FamilyCare (NJFC) Fee-For-Service (FFS) Coverage of Covid-19 At-Home Test Kits**

EFFECTIVE: Claims with service dates on or after March 1, 2026

PURPOSE: To advise pharmacies and prescribers of updated policies by the New Jersey Division of Medical Assistance and Health Services regarding Medicaid/NJFC FFS coverage of Covid-19 at-home test kits.

BACKGROUND: The Medicaid Newsletter Volume 32, No. 01, announced Medicaid/NJFC coverage of Covid-19 at-home test kits without the need for an individual prescription received from a healthcare provider. The American Rescue Plan required States to continue Covid-19 over-the-counter (OTC) at-home test kit policies through September 30, 2024. New Jersey intends to continue its coverage of OTC Covid-19 at-home test kits with updated requirements.

ACTION: **Effective for claims with service dates on or after March 1, 2026,** Medicaid/NJFC will require a prescription from a prescriber for any OTC Covid-19 at-home test kit dispensed by a pharmacy. Medicaid/NJFC will continue to provide coverage for any FDA-approved OTC Covid-19 at-home test kits.

If a patient specific prescription is not available, pharmacies may dispense OTC Covid-19 at-home test kits under the Department of Health (DOH) standing order currently in effect ([CONTROL NUMBER: 2026-001](#)). The NPI on the New Jersey Department of Health Standing Order is reported as the prescriber NPI on the pharmacy claim.

FFS pharmacy reimbursement shall be determined by the product's actual acquisition cost, defined as the lowest of the National Average Drug Acquisition Cost (NADAC) Retail Price Survey or an alternative benchmark of Wholesale Acquisition Cost (WAC) less a volume discount of two (2) percent, in the absence of a NADAC price; the Federal Upper Limit (FUL) price; the State Upper Limit (SUL) price plus a professional fee of \$10.92; or a pharmacy's usual and customary charge, whichever is less.

Up to eight (8) OTC Covid-19 at-home tests per month will continue to be covered; prior authorization is required for more than 8 tests per rolling 30 days. OTC Covid-19 at-home test kits denied payment by a commercial or Medicare Part D prescription drug plan shall continue to be eligible for reimbursement by the Medicaid/NJFC Program.

If you have any questions concerning this Alert, please contact Gainwell Technologies Provider Services at 1-800-776-6334.

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