



EMPOWERING PLANS SINCE 2000





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Old Issues, New Environment:

Not the Same Old Song

June 16, 2020



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Phia Group Consulting

STAY AHEAD OF CORONAVIRUS



COVID-19

CORONAVIRUS DISEASE 2019

**Contact Us At PGCReferral@phiagroup.com
with any and all questions on COVID-19**

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Overview

- I. PGC FAQs**
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 - Telehealth
 - Direct Primary Care
 - Surprise Billing
- V. Mental and Behavioral Health Management**

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Today's Speakers



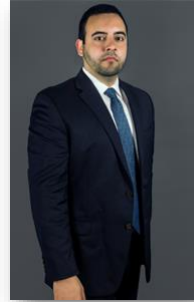
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Thanks for Listening!

Special Shout-Out to
Jill Schmidt
Director of Account Management
Assured Benefits Administrators








Jill told us:

“My fun fact is that I am OBSESSED with Christmas decorations! I decorate 5 full trees, including one made up of around 30 pieces of Department 51 Snow Village houses/shops. I have close to 40 25-30 gallon (on average) plastic tubs to store all of the decorations for the inside of our house, not to mention the hundreds of Christmas ornaments!! My collection of Santa’s, snowmen and nutcrackers (my favorite!) grow each year!”

Thanks for listening!

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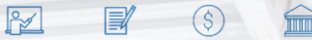
We Have Moved!

Phia's New Address:

**40 Pequot Way
Canton, MA 02021**



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PGC Most Frequently Asked Questions

How do the new COVID-19 timeframe extensions work?

- Recent IRS / DOL rule identified an “Outbreak Period,” the period from March 1, 2020 until 60 days after the end of the COVID-19 Emergency
- All days within the “Outbreak Period” simply do not count. Any deadlines which are tolling would stop, and resume at the end of the Outbreak Period, while any which would begin after March 1, 2020 would not begin until the end of the Outbreak Period
- In summary, the Outbreak Period must be disregarded for purposes of calculating timeframes and deadlines
- The Departments will **not** penalize plans for administering benefits contrary to the terms of their Plan Documents when adhering with these requirements
- Look at existing regulations and what they say – i.e., a plan’s obligation regarding claims incurred after the due date, but before the grace period expires

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PGC Most Frequently Asked Questions

Under the COVID-19 timeframe extensions, is a Plan required to continue to pay claims for COBRA participants who have not paid their premiums, since they will be able to pay them late? Or can these participants be terminated for non-payment, but reinstated upon payment in accordance with the rules?

- The Plan cannot deny coverage for non-receipt of premiums, prior to the post-Outbreak Period due date's identification, and related extensions fully run. That said, the rule clearly contemplates the practice of making actual benefit payments retroactively as being permissible
- Thus, the Plan will not be required to issue benefit payments for claims incurred during periods for which COBRA premiums have not been paid
- However the Plan handles this situation, it has a duty to fully and accurately inform providers regarding benefits during the "pending" period in question for which premiums have not been paid

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Updated PCORI Fee

- The IRS has released Notice 2020-44, which includes the updated PCORI fee amount
 - For plan years that end on or after October 1, 2019, and before October 1, 2020, the applicable fee amount is \$2.54
- A Note on Transitional Relief
- Plan sponsors may continue to use one of the following three methods specified in the regulations to calculate the average number of covered lives for purposes of the PCORI fee imposed: the actual count method, the snapshot method, and the Form 5500 method
- In addition, for plan years ending on or after October 1, 2019, and before October 1, 2020, plan sponsors may use any reasonable method for calculating the average number of covered lives

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Political Update



More than a dozen states across the U.S. are seeing an increase in confirmed COVID-19 cases, and some are reporting record spikes.

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Tallying the Numbers

Sun Belt Surge

- Amid Re-openings, 22 States Are Reporting Highest Numbers Yet
 - Spikes in Arizona, Texas, and Florida
 - Hospitals told to implement emergency triage plans
 - Oregon has had to pause its re-opening plan
- Increased Testing Capacity May Account for Some
- The Political Decision
- The Unknown Factor – Largescale Protests



The Cost of COVID-19: \$1.1 Million

- The Seattle Times Report
 - 70-year-old was the longest-hospitalized COVID patient in the US (62 days)
 - Received a bill that was 181 pages long for a whopping \$1.1 million
 - 3,000 itemized charges, ~50/day
 - The man reported he “felt guilty for having cost the system so much”
 - Insured by Medicare and Medicare Advantage, which is waiving most OOP costs for COVID this year (he’ll pay nothing because of the CARES Act)

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Trump Reverses Transgender Health Protections

- HHS Office for Civil Rights Overturned an Obama-era Rule that Banned Discrimination Against Patients Based on Gender Identity
- Rule Focuses on Nondiscrimination Protections In Section 1557 of the ACA
 - Obama-era rule made it illegal to discriminate on the basis of gender identity
 - HHS will enforce Section 1557 by returning to the gov't's interpretation of sex discrimination according to the plain meaning of the word "sex," as male or female
- Supporters Say This Fixes Obama-era Overreach and Will Reduce Confusion About the Meaning of "Sex Discrimination"
- Critics include many providers, patient advocates, and public officials
- **What's the Impact on Health Plans?**
 - Those denied healthcare based on gender identity can still sue in the courts
 - Consider ongoing ACA litigation

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Notable Mentions

- "HEROES" Is Dead on Arrival, but Treasury Secretary Mnuchin Signaled the Trump Administration Wants More Direct Money Sent to Americans
 - Also want reforms to the extra unemployment benefits from CARES Act
- What Are We Looking For?
 - Will the Senate Include Liability Protection for Employers?
 - Will the Senate Set Up A Federal Workers' Compensation Fund?
 - Will There Be Action on Surprise Billing?
 - Will There Be Another Paycheck Protection Program?
- When Is This Likely?
 - Beginning of July at least, before August recess
- IRS Proposes Allowing Use of HRAs to Pay for Direct Primary Care
 - Comments Due August 10th
- Additional States Creating "Rebuttable Presumptions" for Work Comp. Claims
 - Illinois, Wyoming



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COVID-19's Effect on Healthcare Consumer Trends



On Friday, June 12th, U.S. Secretary of Health and Human Services, Alex Azar, joined Massachusetts Governor Charlie Baker at Beth Israel Deaconess Medical Center in Boston for an update on the state's response to the pandemic.

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COVID-19's Effect on Healthcare Consumer Trends

- A New Concern – Dramatic Drop in Noncritical Procedures
 - *“People aren’t stopping having heart attacks and strokes because of the pandemic. What’s happening is they’re not seeking needed medical care.”*
Alex Azar
 - Must balance the health risks of the virus vs. forgoing necessary care
- Boston Area
 - Colonoscopies, mammograms, joint replacements - Down 90%
 - Cardiac surgeries – Down 70%
 - Stroke hospitalizations – Down 58%
 - Heart attack hospitalizations – Down 33%
- Massachusetts Leading the Way with “More Tools” to Provide Care than Before the Crisis
 - Especially telehealth services

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COVID-19's Effect on Healthcare Consumer Trends

- A nationwide survey conducted by the Alliance of Community Health Plans and AMCP revealed that COVID-19 has changed how consumers use traditional health care

- 72% of consumers have dramatically changed the way they use traditional healthcare



- 41% have delayed health care services
- 42% are uncomfortable going to a hospital for any treatment
- 30% intend to delay future care or treatment

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COVID-19's Effect: Testing

- COVID-19 Testing

- Most respondents (64 %) want to be tested for COVID-19, but more than 36% are concerned about their ability to access testing and treatment



- 69% of respondents reported feeling comfortable being tested at their doctor's office
- 18% percent expressed feeling comfortable getting tested at their workplace

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COVID-19's Effect: Pharmacies

- Pharmacies in Today's Healthcare System
 - The pandemic has not dramatically altered the popularity of in-person pharmacy visits
 - 39% of respondents feel comfortable being tested for COVID-19 at a pharmacy
 - 49% report feeling "very comfortable" picking up prescriptions at their local pharmacy and speaking with their pharmacists about their medications
 - 47% all respondents received new medication
 - 90% did so at a local retail pharmacy
 - 9% percent used home delivery from a local pharmacy
 - 24 used a mail-order pharmacy

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COVID-19's Effect: Telehealth

- Telehealth usage has nearly tripled during the pandemic
 - 58% view their doctor as their most trusted source of information regarding COVID-19, but only 31% feel comfortable visiting the doctor's office
 - 28% report using some form of telehealth in the last three months
 - 89% of those were satisfied with the experience
 - 46% of consumers are comfortable with telehealth now



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COVID-19's Effect: Telehealth & Beyond

- \$250 Billion in Healthcare Spending Could Shift to Virtual Care Models (McKinsey) Due to COVID-19
- House Bill Would Permanently Boost Medicare Telemedicine Pay for Health Centers
 - Helping Ensure Access to Local TeleHealth—or HEALTH—Act of 2020
- Related Technology Trends Are Gaining Ground
 - The rise of “contactless” experiences
 - Contact tracing beyond COVID-19
 - Remote monitoring and automated communication



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COVID-19's Effect: Direct Primary Care

COVID-19 Proves the Value of DPC

- Telemedicine in the Spotlight
 - DPC is telemedicine + more
- Home Visits As Needed (Reduces Exposure)
- Virtual Examinations (Reduces Exposure)
- Customized Care
 - Coughing is a concern or not based on patient-specific history
- Proactive Measures
 - Testing, education, warning signs, etc.
- Tailored Treatment Plans
 - The best approach based on the patient's particular needs



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COVID-19's Effect: Surprise Billing

- Surprise Billing Continues to Be a Key Focus of Healthcare Reform
 - It was supposed to be last year's easy health policy fix (along with drug pricing reform)
- CARES Act Protects COVID-19 Patients from Surprise Billing
 - In certain cases
- State Insurance Regulators Want to Act Now to Expand Protections
 - Leaders of the National Ass'n of Insurance Comm'rs ("NAIC") have written to congressional leaders
- Main Focus Is **Air Ambulance Services**
 - Most flights exceed \$30,000
 - Federal Airline Deregulation Act of 1978 has thwarted state efforts
 - U.S. General Accountability Office ("GAO") is investigating these bills
- White House Floated Idea of Surprise Billing Legislation in Next Stimulus Package



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Mental and Behavioral Health Management

- Concerns for Employers & Health Plans
 - Absenteeism
 - Increased Medical Costs
 - Disability Claims
 - Workers' Compensation Costs
- Management Tools
 - Employee Assistance Programs
 - Utilization Management
 - Pharmacy



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Mental and Behavioral Health Management

COVID-19 Made Things Worse

- All indicators point to a significant increase in M/BH issues
- Kaiser Family Foundation poll (Apr. 2020) reported that 45% of adults in the U.S. have had their mental health negatively impacted by the pandemic
- 78% of all antidepressant, anti-anxiety, and anti-insomnia prescriptions filled during the week ending March 15th were for new prescriptions (per Express Scripts)
- Data from Nielsen reports that alcohol purchases were up 55% from the 2nd to 3rd week of March, while liquor sales were up 75%
- Online alcohol sales increased by 243% from the same period a year ago
- Today, silos exist around various M/BH treatments with no coordination of care between them

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Mental and Behavioral Health Management

What Should Employers Do?

- As the economy begins to come back, it is critical that employers proactively address the M/BH issues that many of their employees are dealing with. To have the greatest positive impact on tomorrow, employers need to embrace solutions today. The longer employees and dependents self-medicate, the more difficult and costly it becomes to help them overcome issues and be productive employees
- Plan Design
 - Create a gateway using plan design
 - Plan design should “guide” plan members to a B/H gateway via one 800 number for any M/BH issue regardless of the problem type or severity

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Mental and Behavioral Health Management

Plans Should Consider Solutions That Provide:

- Hands-on assessments with licensed clinicians in private practice (face-to-face and telehealth video)
- Problem resolution under an EAP program for less severe cases (on average, 65% of all cases opened should be resolved utilizing EAP resources)
- Review of mental health prescriptions with targeted outreach to increase EAP engagement and close gaps in care

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Mental and Behavioral Health Management

- Narrow network for M/BH treatment with direct provider contracting (offers appropriate treatment with balance billing off the table for RBP groups)
- Aggressive care management for M/BH treatment under the health plan to authorize appropriate treatment at each level of care
- Review/audit all M/BH claims under the health plan (mitigates excessive billings being paid by auto-adjudication)
- Employees are the most valuable asset that any employer has
 - If employers want employees operating at a high level, then the status quo for M/BH treatment must change

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July 16, 2020 at 1:00pm EDT**
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