



MARSH & McLENNAN  
AGENCY

# Navigating the Coronavirus & Managing the Impact

Kate Moher  
National Employee Health & Benefits Practice Leader

3/24/2020

It's our business  
to be there for you in the

**MOMENTS  
THAT  
MATTER.**

WORLD CLASS. LOCAL TOUCH.

# Today's Speakers



**Kate Moher**

National  
Employee Health  
& Benefits  
Practice Leader



**Dr. Monte Masten**

Chief Medical Officer,  
PATH



**Chris Beinecke**

National Compliance  
COE Leader

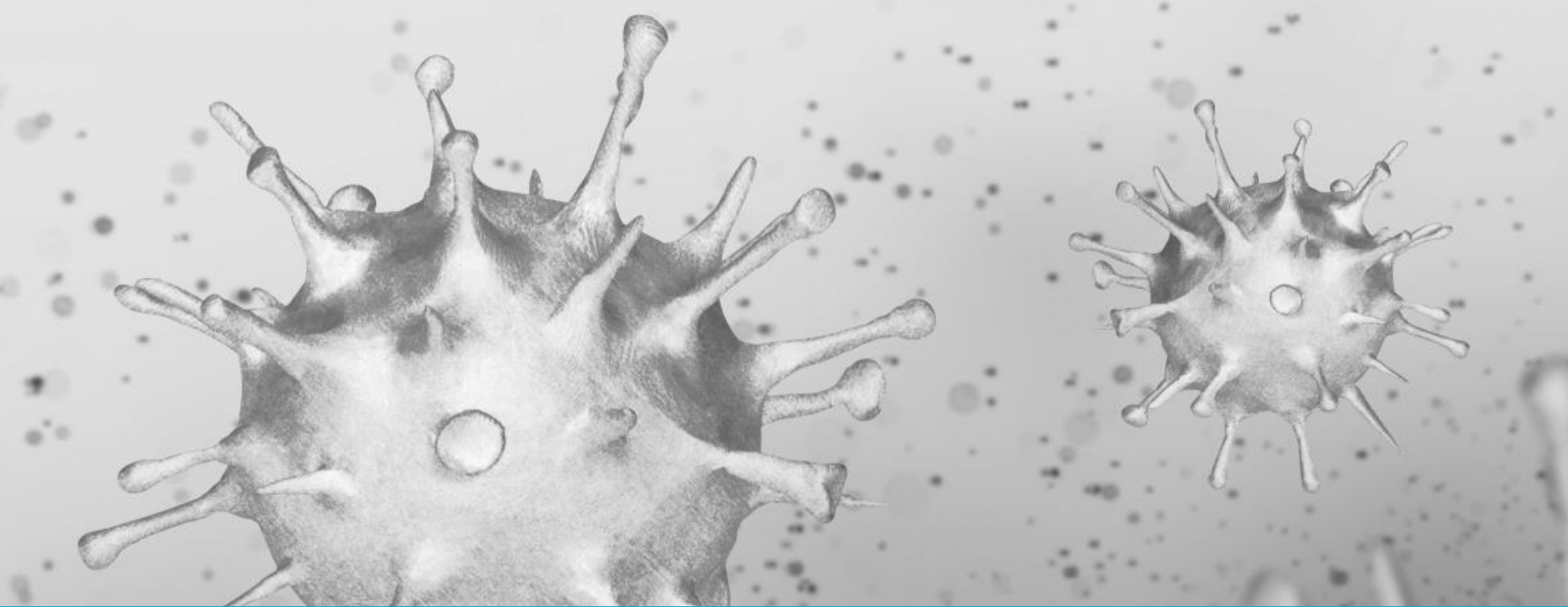


**Greg Norton**

Practice Leader,  
Absence, Disability  
& Life

# Agenda

- ❑ Clinical Insights – What We Know Today
- ❑ Families First Coronavirus Response Act
- ❑ Coronavirus Response – Pay, Leave of Absence and Disability
- ❑ Available Resources
- ❑ Questions



## *Clinical Insights – What We Know Today*

- Dr. Monte Masten

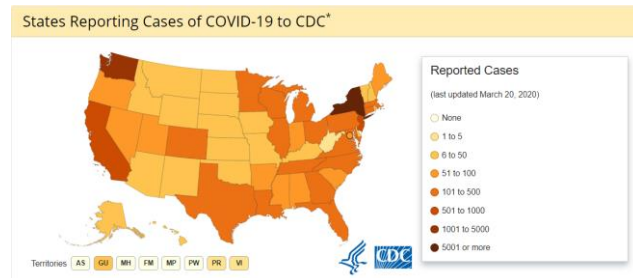
# U.S. Prevalence as of 3/23/2020

Total Cases	35,070
Deaths	458
Recovered	178
Active	34,434
Mild	33,639
Serious Critical	795
New Cases/Day	9,339
Deaths/Day	117
Traffic Deaths/Day	3,287
Smoking Related Deaths/Day	1,315
Alcohol Related Deaths/Year	241
Overdose deaths/year	185

**States Reporting:** 50

**Incubation Period:** 2-14 days

**Possible Outliers:** 0-27 days



- 67% of cases are in NY (16,900), WA (1,996), NJ (1,914), CA (1,802), and IL (1,049)
- Mortality risk remains low for general population in United States. Of the 350,457 total global cases, and 15,315 deaths, 64%/84% come from China, Italy, Spain, Iran, and Germany. US has 41<sup>st</sup> highest prevalence on a case/million basis (but 3<sup>rd</sup> in total number of cases)
- Primary risk groups remain those over 60 with chronic medical conditions. Younger deaths are being reported, but overwhelmingly, those patients also have chronic medical conditions
- Mortality rate for those under 40 is 0.02%; for those over 60 it is 3.6%; over 80 it climbs to 14.8%.

# Testing

- Initial CDC response showed crack in armor of US health system - diagnostic testing
  - CDC was not able to mass produce COVID-19 test kits, and did not allow for local public health agencies to test and confirm diagnosis, resulting in roughly a 2 week delay in appropriate testing. Test results took several days as a result of shipping to CDC for testing.
  - Testing is now available through more than 80 state and local public health labs in all 50 states and D.C. and major national labs now testing.
  - No precise numbers available, but COVID Tracking Project reports 236,006 tests with 14% positive and 86% testing negative. ([www.covidtracking.com](https://www.covidtracking.com))
  - At-home testing now available. Capacity issues-ran out first day, also potential of false negatives is high (people not performing test correctly, etc.).
- Diagnostic capacity at scale is key to epidemic control (as is contact tracing and case isolation)
  - South Korea a shining example; 74 cases/day down from 909 on 2/29; did not lock down entire cities; tested 5,200 residents/million (U.S. 74/million); learned lessons from MERS outbreak in 2015 (U.S. did not have similar outbreak; uncharted waters).
- National and regional carriers waiving testing costs; however, that does not mean that treatment costs (i.e. ER, IP, X-rays, etc.) are waived.

# Testing, continued

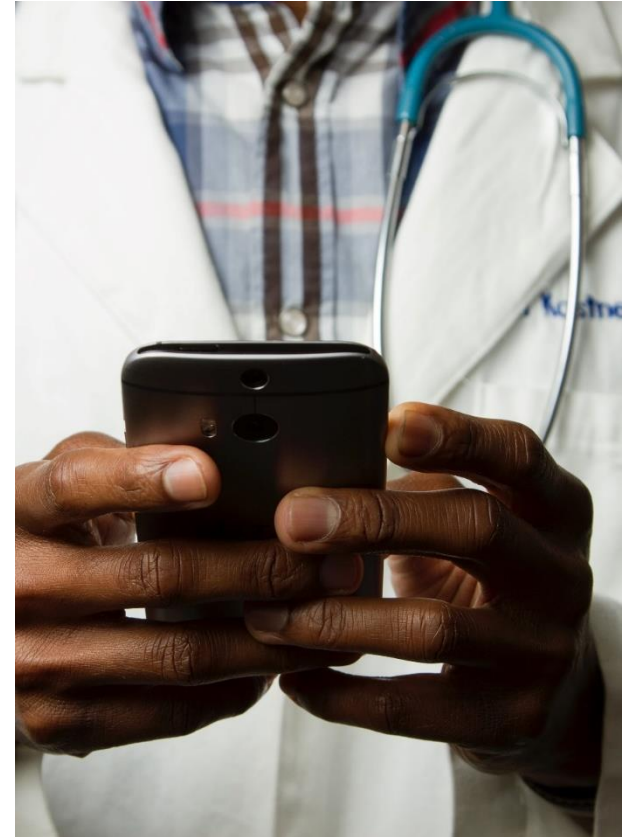
- CMS code now in effect for testing
- AMA released CPT code for testing
- CMS reimbursement at \$51; national labs between \$50-\$100
- Innovative testing measures underway
  - Colorado began drive-up testing March 11<sup>th</sup>
  - 4+ hour waits, system overwhelmed, shut down for the day
  - Others open in NY, WI, MN, NH, VA, IL, TX
  - Walgreens, others will test in parking lots
  - Still require pre-screening online or by phone, and a physician order for the test
  - Access for wealthy and celebrities versus mainstream citizens controversy

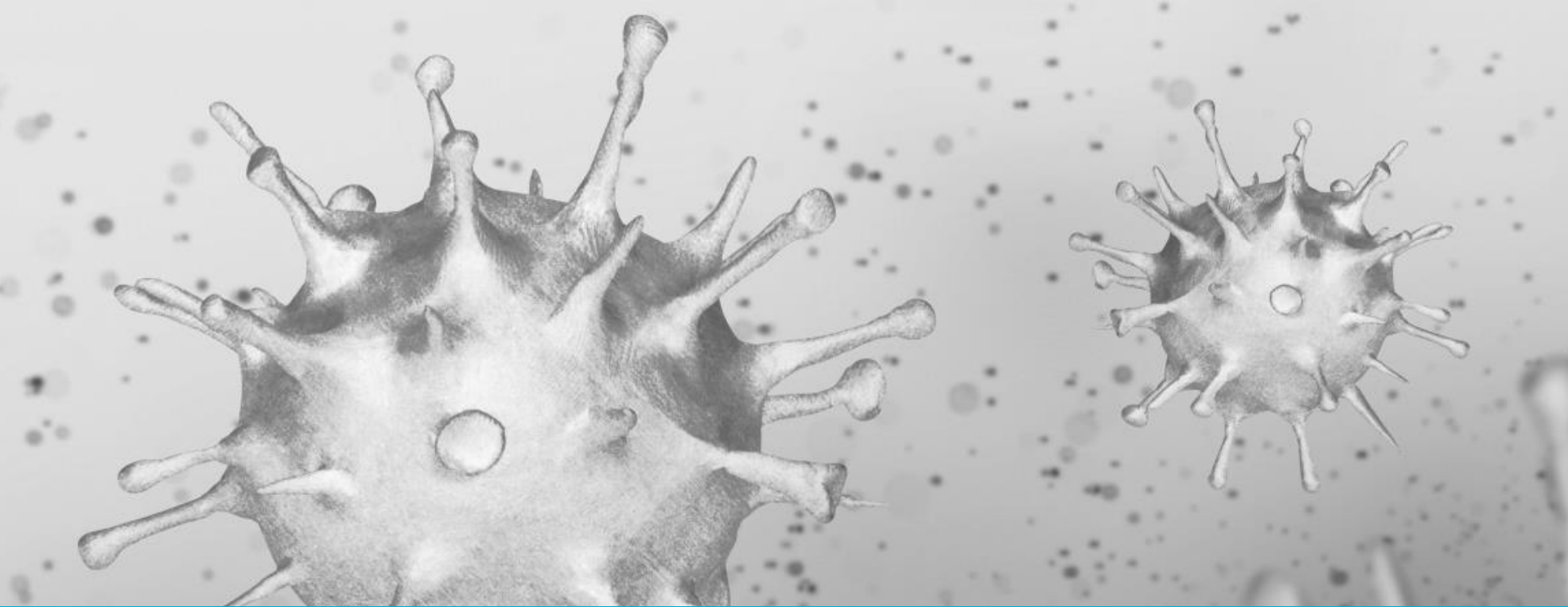
# Treatment – Vaccination is Months Away

- Testing is priority
- Usually takes 10-15 years to develop a vaccine (think of HIV-no vaccine, 30+ years)
- However, new technology and newer antiviral and immunotherapy drugs can treat a wide range of diseases which may be a significant factor for COVID-19
- NIAID will begin enrolling 45 patients into Phase I trial, slated to end June 2021
- Many bio/pharmaceutical companies in race to produce effective vaccine; 35 companies in process. 4 have tested on animals.
- Moderna shipped vaccine to NIAID for human testing in April (Kaiser-Seattle 45 subjects). One experimental human test started 3/16 in Seattle
- In all likelihood, vaccination is not an option for current pandemic, but certainly an invaluable option in preventing future outbreaks

# Telemedicine

- Patients are encouraged to NOT seek care in a physician office, Urgent Care, or Emergency Room unless they meet the CDC criteria (i.e. signs of acute respiratory distress, etc.).
- All major carriers have waived telemedicine co-pays.
- **Is this enough? National utilization rate is at 8%. Awareness is still a huge barrier. Only 28% of physicians used telemedicine in 2019. And only 17% of Americans are even aware they have access to telemedicine, while only 5% of seniors-most at risk for COVID-19-have ever had one.**
- May be great option for health care providers to minimize their risk (i.e. 2 ED physicians currently in critical condition from direct exposure to patients) and to preserve critical health care resources.





# Compliance & Legislative Update

- Chris Beinecke

# COVID-19: The FFCRA

## **Families First Coronavirus Response Act (FFCRA)**

- All fully insured and self-insured group health plans, as well as individual health insurance policies, must provide coverage for COVID-19 testing at 100%
- It does not matter if the plan is grandfathered under the Affordable Care Act
- Creates two new categories of leaves (covered in more detail later)
  - Emergency paid sick leave
  - Public health emergency leave (expanded FMLA)
  - Certain details are pending until guidance is released

# COVID-19: Plan Design Changes

## State Action

- A number of states have **required** or **requested** insurance plans to cover COVID-19 testing at 100% (**AK**, **CA**, **GA**, **MD**, **MA**, **NY**, **OR**, **TX**, **VT**, and **WA**) with MA also requiring treatment at 100%
- These apply to fully insured and self-insured, non-ERISA plans
- Situs rules may apply, although states may exercise emergency powers to override
- The FFCRA makes the testing mandates moot

# COVID-19: Plan Design Changes

## **Self-Insured ERISA Plans**

- Can avoid state mandates due to ERISA preemption, but employers may wish to cover COVID-19 treatment for business reasons (FFCRA makes testing issue moot)
- Several third party administrators (TPAs) are using opt-in/opt-out approaches to plan design changes
- Confirm changes with stop-loss carrier

## **Plan Design Amendments and Communication**

- Changes to coverage or eligibility (including for furloughed workers or other leaves) will require amendments and communication
- Different timeframes apply based on the type of change and affected material

# COVID-19: High Deductible Health Plans (HDHPs)

## IRS Notice 2020-15

- IRS guidance permits HDHPs to provide COVID-19 testing and treatment before deductible without jeopardizing HSA eligibility
- Applies to COVID-19 testing and treatment obtained through telemedicine, but it may be difficult to separately identify these telemedicine visits
- Existing IRS guidance does not permit an employer to provide all telemedicine visits at \$0 or below FMV before deductible is met
- Employer could provide additional Health Savings Account (HSA) contributions to help pay for telemedicine (will count against annual HSA contribution limit)

# COVID-19: Options

1. Require COVID-19 testing for all employees?
2. Require COVID-19 testing or go home?
3. Expand medical plan eligibility
4. Offer/expand telemedicine as stand-alone benefit (carries compliance risk)
5. Qualifying Life Events
  - a) Medical
  - b) Dependent Care FSA
6. Individual Coverage HRA
7. Onsite/near-site COVID-19 testing
8. Taxable cash (with no strings attached) to pay for testing

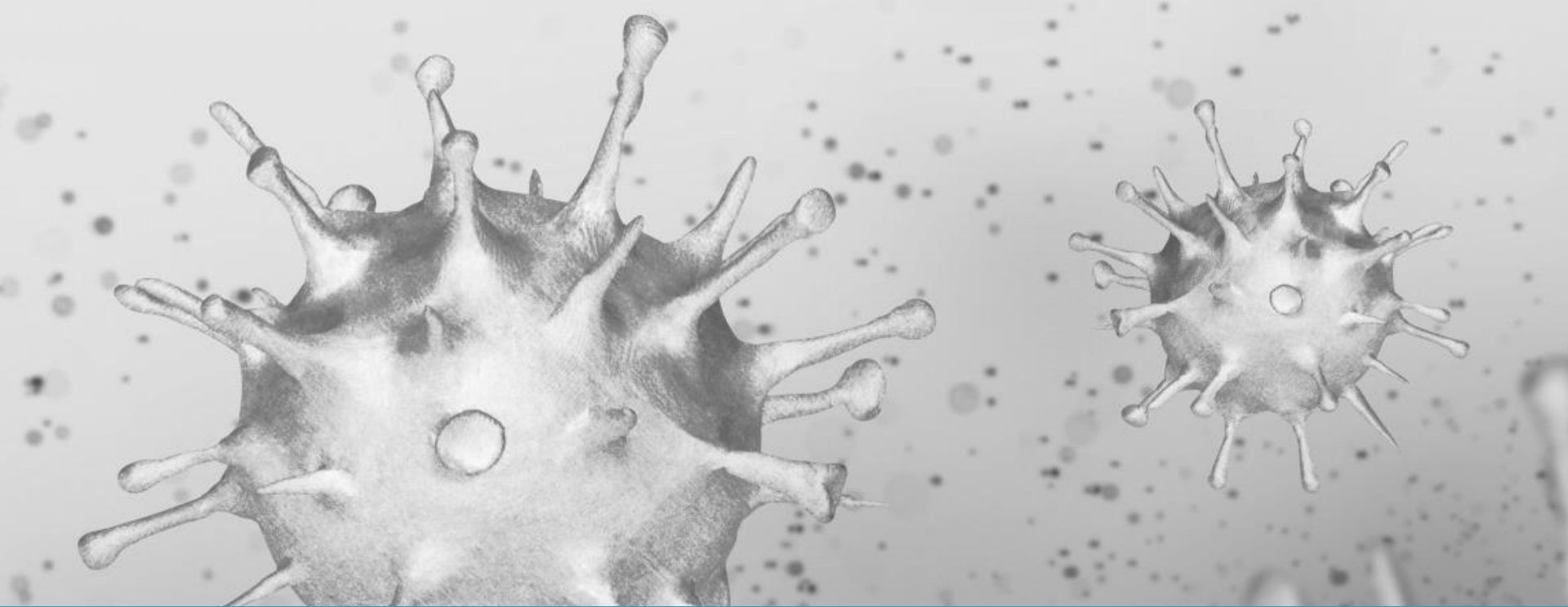
# COVID-19: Data Privacy Concerns

## HIPAA

- HIPAA privacy rules *do not* generally affect absence management or leave administration
- HIPAA *does* apply to health care providers treating patients

## Other Data Privacy Laws

- Other federal (e.g. Americans with Disabilities Act) and state laws with data privacy protections might apply to employee health information
- Employers should consider treating employee COVID-19 health information similar to “protected health information” under HIPAA with respect to access and disclosure to minimize the risk of mistakes



# Coronavirus Response – *Pay, Leave of Absence and Disability*

- Greg Norton

# Responding to Legislation – What to do Now

## Size Matters (for now)

1. FFCRA differs over/under 500 employees
2. Statute has different trigger points based on number employees
  - Example: New York has different mandates for less than 10 employees; 11 to 99 employees; 100 to 499 employees; and over 500 employees
  - Emergency State FMLA may have different trigger points
  - States with paid Family Care and state disability have amended policies

## Implement & Plan

1. Day to day is in flux
2. Execute a 90 day game plan
3. Longer-term planning
  - Data: organize now for analytics later get data in the right “bucket”
  - Time Away from Work (TAW) “Re-Balance”
  - Permanent leave policies
  - States and Feds still unbalanced with minimum standards
  - CARE Act

# Confronting the Coronavirus: First 90 Days

## First Wave Day 1 – 15

- **Size** matters – FFCRA differentiates between  $<$  or  $\geq$  500 EEs
- **Sick Leave**: 10 days @ 100%
- **Amend** sick leave for family care and quarantine; or
- **Create** a new “Emergency” policy
- **Communicate** to EEs and Vendors
- Address your **testing strategy**
- Review **State** Legislation
- Understand all **related governmental programs**
- More financial relief is on the way – **design smartly**

## Managing Day 16 – 90

- Engage **Telehealth options**
- Ensure **Mental Health** resources are available
- **Return to Work** developed
- **Data**: Ensure proper tracking mechanisms are in place
- **Paid FMLA**: Follow mandates or decide for your own workforce
- **Integrate Programs** with all local state and federal relief measures
- **Financial Relief** determine which programs will provide financial relief to your company
- **Layoffs and Furloughs**

## Recovery Day 90+

- Handling employees returning from medical leave
- Returning employees from furlough
- Permanent Changes – to company paid leave programs?
- States continue to mandate unique provisions
- New and permanent Federal programs likely

# Notable Employer Policies

## Walmart:

- Two weeks pay and absences do not count against attendance

## Amazon:

- Unlimited unpaid time off for hourly workers; all employees diagnosed or placed in quarantine receive two weeks of pay

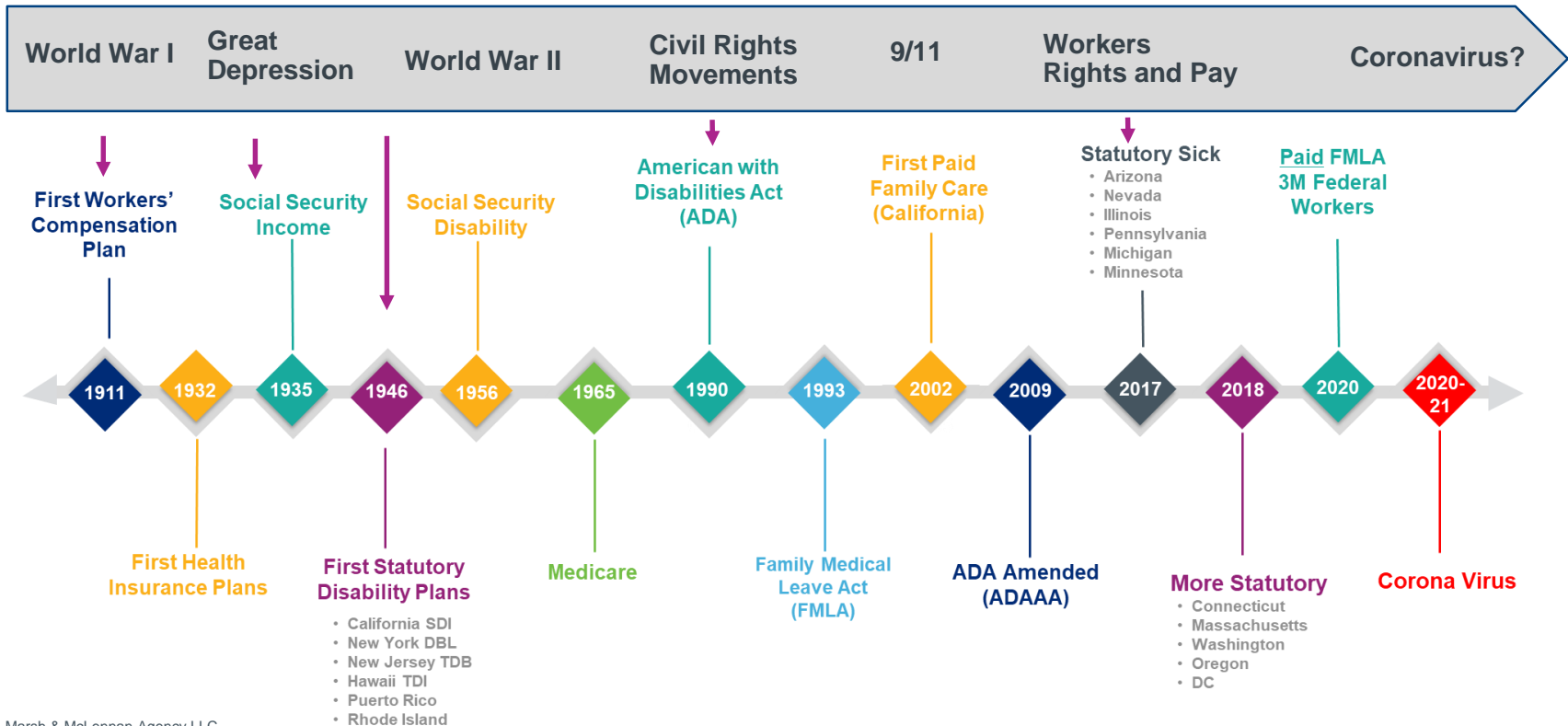
## Starbucks:

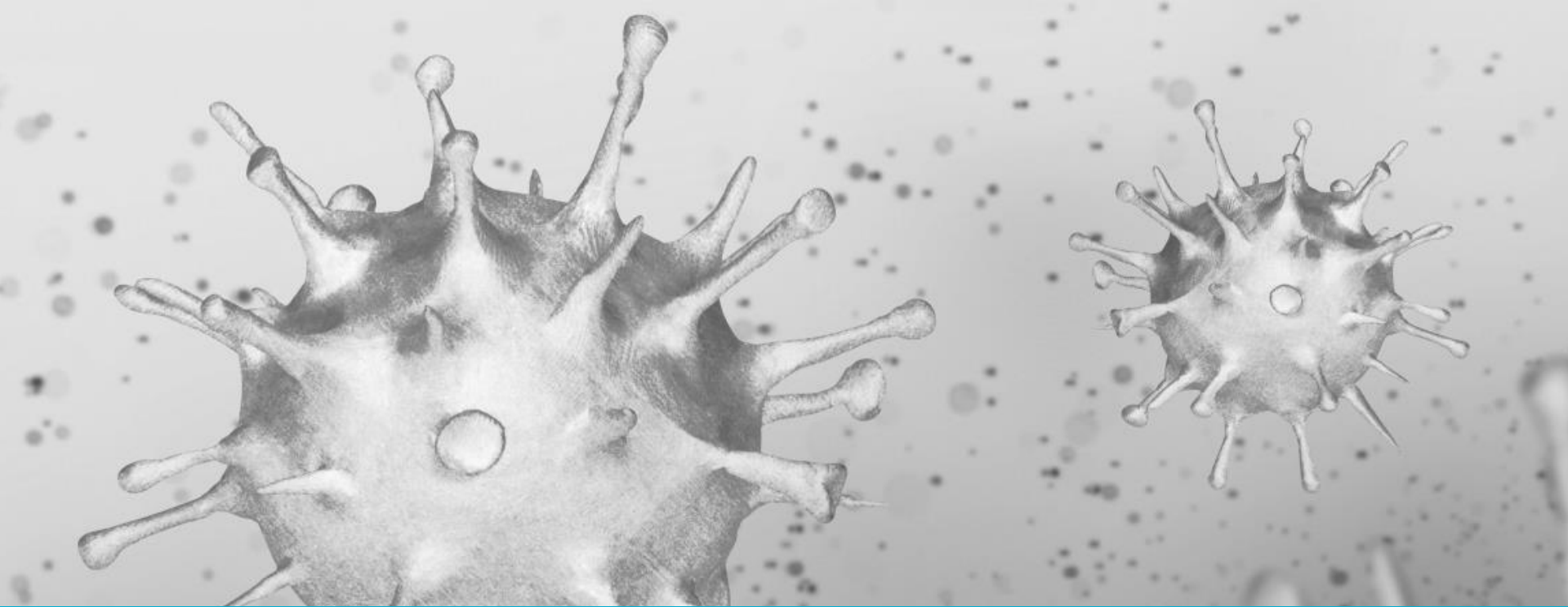
- Today, announced 30 days pay for all employees

## Uber:

- 14 days of paid quarantine pay based on most recent 2 weeks' earnings on platform

# Major Events Drive Social Programs





# Resources

- Kate Moher

# Resources on MarshMMA.com



This document was last updated 03/24/2020 08:56:19 CT.

Visit MMC's Pandemic Risk Hub

## CORONAVIRUS DISEASE (COVID-19)

The Coronavirus pandemic is top of mind for companies and their employees. The threat of COVID-19 has grown increasingly real, infecting countries all over the world, spreading across boundaries and oceans, and rattling the global economy. On this page you can find information and guidance from sources we trust about the current pandemic.

## RESOURCES

- [10 Ways to Keep Employees Comfortable while Working From Home](#)
- [CCOE - Coronavirus Update for Employers](#)
- [COVID-19 Insurance Coverage Considerations](#)
- [Designing a COVID-19 Emergency Leave Policy: Four Key Considerations](#)
- [Cyber Security and Privacy Concerns: COVID-19](#)
- [Coronavirus: Employers Beware of Potential Liabilities](#)
- [Telehealth is the 'New Front Door'](#)
- [Managing Health System Staffing and Capacity Demands](#)
- [The Doctor Whose Gut Instinct Beat AI in Spotting the Coronavirus](#)
- [Coronavirus in the Workplace: Health, Safety, and Insurance Considerations](#)
- [An Employer's Guide: Ten Considerations to Support Your Workforce](#)
- [COVID-19 and Paid Leave: Three Scenarios to Plan For](#)
- [Will the Coronavirus Outbreak Push Telehealth to the Tipping Point?](#)

Time stamp when updates happen

## Helpful Links

The Centers for Disease Control and Prevention (CDC) is closely monitoring this situation and is working with the World Health Organization (WHO) and state and local public health partners to respond COVID-19. This is a rapidly evolving situation and information on these below sources is being updates constantly.

- [Center for Disease Control & Prevention](#)
- [Guidance for Businesses](#)
- [World Health Org](#)
- [Rolling Updates](#)

## Additional Resources

- [Marsh Pandemic Risk Hub](#)
- [BRINK articles](#)
- [Research & Briefing Webpage](#)

## Visit Our Website

- [About MMA](#)
- [Offerings](#)
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## Stay Updated

Receive information on the Coronavirus by signing up for email notifications related to this topic.

Sign Up

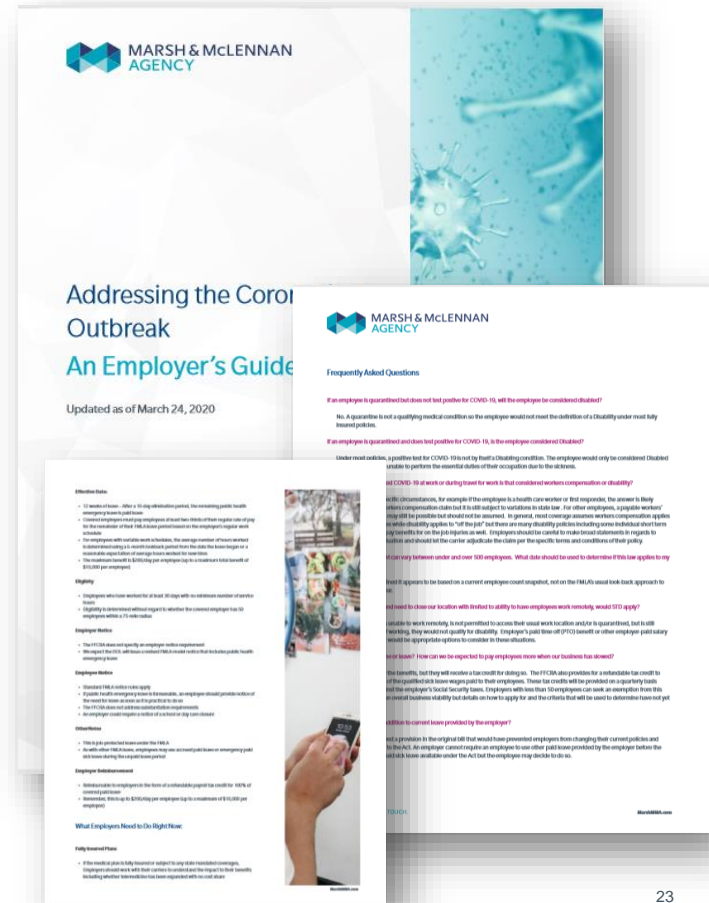
Sign up for real-time updates

- Dedicated page added to MarshMMA.com.
- Includes **resources, helpful links, upcoming events and post-event replays.**
- Use the sign up link to receive email notifications when the page is updated.

# New Resource Guide

## Includes details on:

- FFCRA Federal & State Response
- Treatment and Testing, What we Know Today
- Communications with Employees
- Wellbeing Resources
- FAQs



# Save the Date



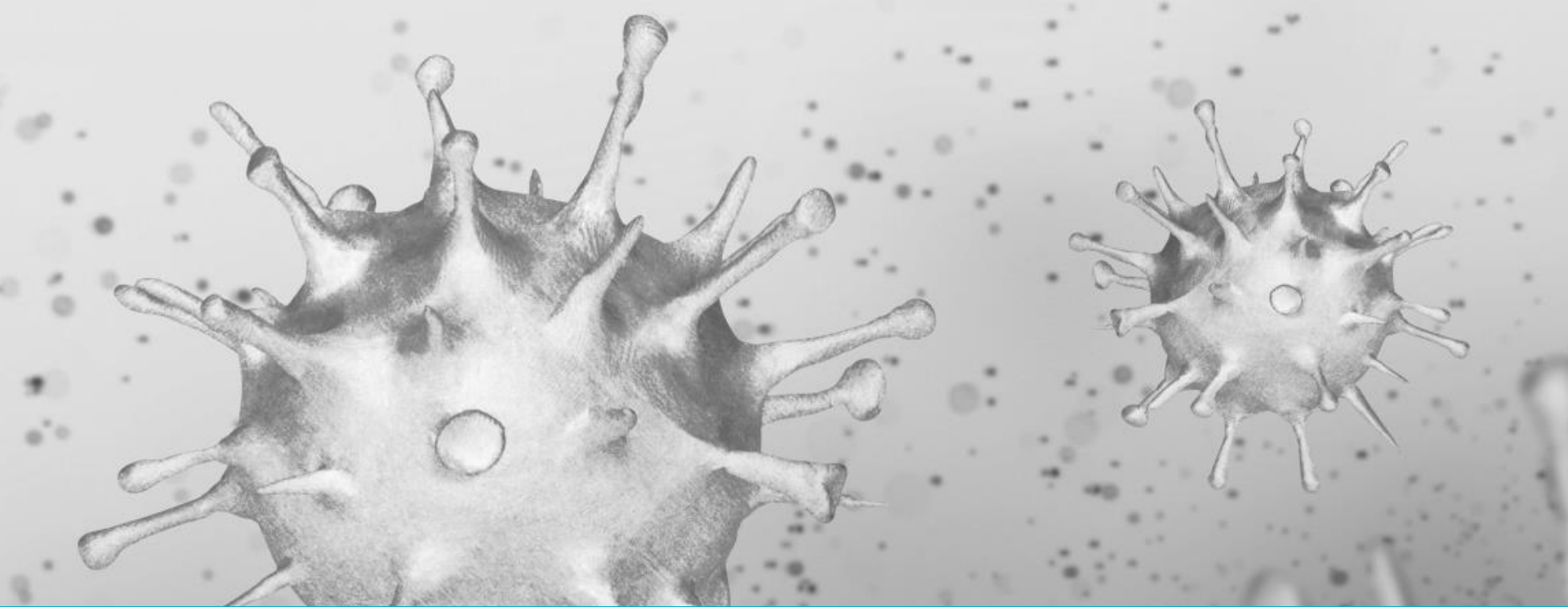
MMA will be hosting another webcast on the topic of the Coronavirus.

**Invite to follow, save the date for now.**

Thursday, April 2, 2020

2pm – 3pm Eastern

Contact your local MMA representative if you have any questions.



## Questions & Answers



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