



# Prepare for the end of the COVID-19 emergency declarations

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# Today's presenters



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# Agenda

- 01 Background
- 02 Preparing for the end of the COVID-19 emergency declarations
- 03 Financial impact

# Background

# End of the COVID-19 emergency declarations

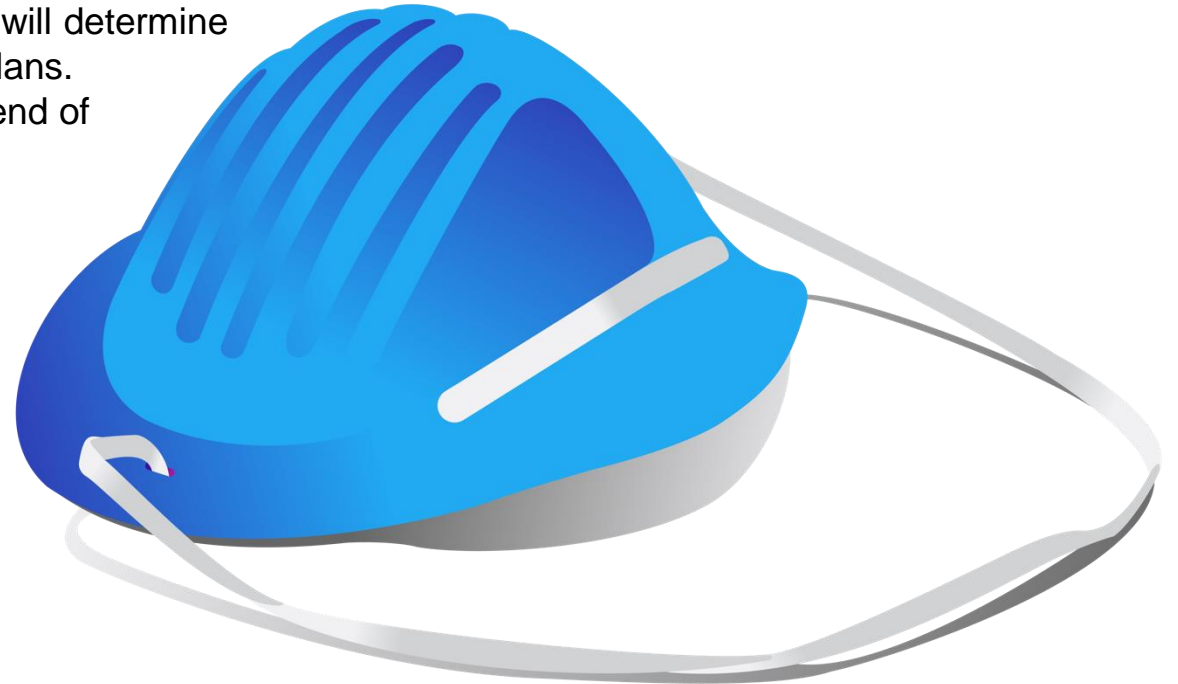
**April 10 and May 11, 2023**

## **Federal declarations**

COVID-19 national emergency (NE) was terminated effective April 10, 2023, and the public health emergency (PHE) will expire on May 11, 2023. Depending on how the NE and PHE impacted certain benefits and benefit-related requirements will determine the effect of the end of the COVID-19 Federal declaration on employer plans. We expect previously announced DOL and IRS guidance regarding the end of the outbreak period should still be applicable.

## **Timing**

Not all COVID-19 guidance is tied to the end of the PHE or NE. Additional agency guidance may be necessary.



# Impact of COVID-19 emergency declarations

Impacted areas	Covered today
Coverage, cost and payment for COVID-19 testing, treatments and vaccines	✓
Medicaid coverage and match rates	
Implications for employer plans – COBRA , claims and HIPAA tolling of deadlines	✓
CHIP coverages	
Telehealth, EAPs and notices	✓

# Preparing for the end of the public health emergency

# Plan sponsor implications – testing and vaccines

## COVID-19 public health emergency – vaccine coverage changes

- The government will no longer underwrite the cost of COVID-19 vaccination
- Non-grandfathered group health plans must continue to provide no-cost, in-network COVID-19 vaccinations as a preventive service under the ACA rules
- Medical care related to COVID-19 testing and treatment can still be offered without violating HDHP/HSA rules until further guidance is issued

## Administrative considerations

- Cost and coverage considerations
- Employee communication may be necessary

## COVID-19 public health emergency – testing

- Free testing is no longer required
- Plans have discretion as to coverage and approach
- Plans can continue to impose a \$12 over-the-counter test limitation for out-of-network testing
- Medical care related to COVID-19 testing and treatment can still be covered prior to deductible without violating HDHP/HSA rules until further guidance is issued

## Administrative considerations

- Cost and coverage considerations
- Employee communication may be necessary



# Plan sponsor implications – deadline tolling

## COVID-19 national emergency – deadline tolling

- Tolling applies to the following deadlines:
  - COBRA
  - HIPAA special enrollment
  - Claims and appeals
  - External review
  - Plan related notices
- Deadline tolled until the earlier of:
  - One year from the date the deadline would have applied to the individual
  - 60 days after the end of the NE (end of outbreak period)– joint guidance announced the outbreak period would end on July 10, 2023, and informal guidance suggests the end of the outbreak date will remain July 10, notwithstanding the NE ending in April

## Administrative considerations

- Tolling period is specific to each individual
- Plan can apply longer deadlines
- Employee communication may be necessary

# Other issues

## Telehealth

- Stand-alone telehealth to non-health plan eligible employees will end 12/31/2023 for calendar year plans
- Employer may elect to continue stand-alone telehealth coverage, subject to EAP excepted benefit rules
- HDHP telehealth relief can continue to be offered telehealth on a pre-deductible basis through 12/31/2024

## Administrative considerations

- Employee communication may be necessary
- Non-calendar year plans could have a coverage gap that needs to be examined

## MHPAEA Noncompliance period

- Plans were permitted to disregard required no-cost COVID-19 testing items and services when performing MHPAEA financial and quantitative treatment limitations (QTL)
- Post-PHE plans must include the cost of covering COVID-19 tests, either diagnostic or over-the-counter, or testing-related services when calculating MHPAEA quantitative treatment limits

## Administrative considerations

- Ensure that the coverage of COVID-19 tests is properly accounted for in applying the appropriate quantitative treatment limits.

# Other issues

## SBC and other notices

- During NE and PHE plans could take advantage of the relief from distributing SBCs and the advance notice requirements
- Temporary relief for failure to timely provide notice, disclosure, or document if a good faith effort was made to provide as soon as administratively possible – applied only during NE
- During PHE and NE, plans had relief from distributing SBC and advance notice of when adding benefits

## Administrative considerations

- Review plans to determine if either relief provision was used
- If applicable, provide necessary communications examined
- Review prior communications to determine if additional notice are required

## EAP

- EAPs that provided COVID-19 testing and diagnosis during PHE or NE were not considered significant in nature in determining if services were considered excepted benefits
- Guidance suggests COVID-19 vaccinations and administration is not tied to NE or PHE
- Additional guidance regarding the timing of vaccines for this purpose is needed

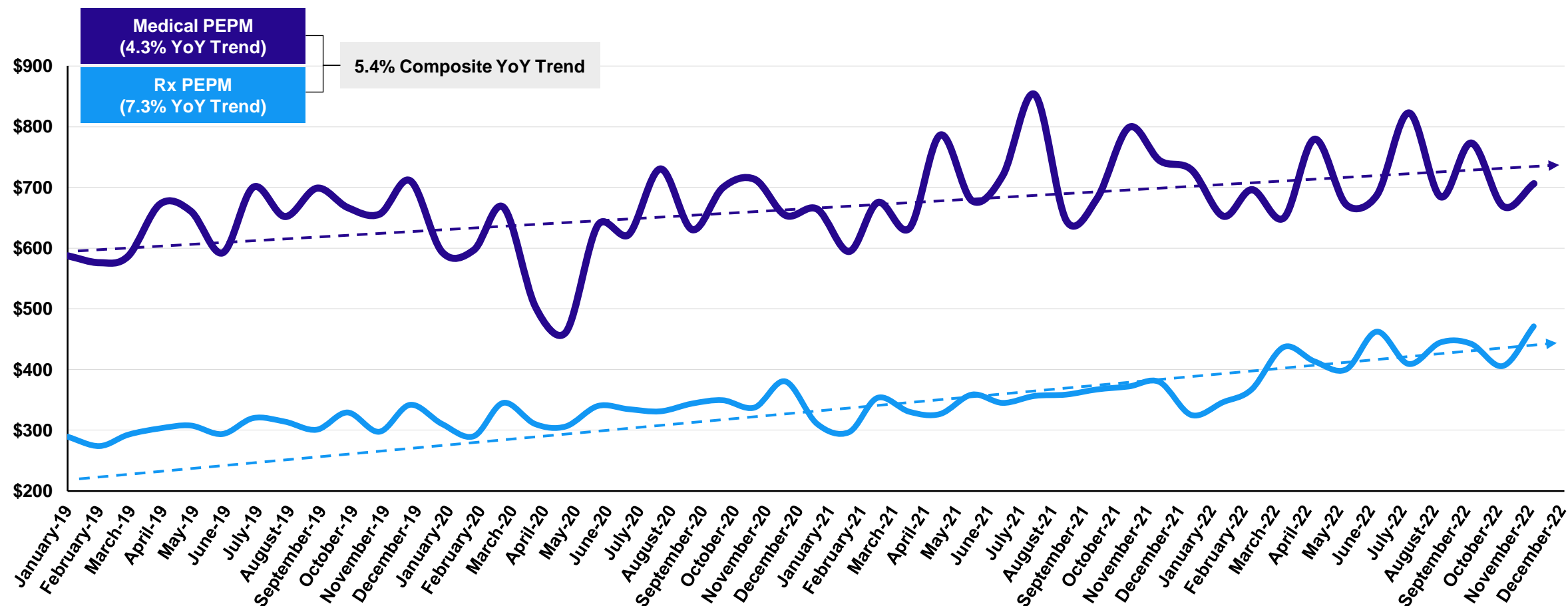
## Administrative considerations

- If this relief was used for COVID-19 testing, diagnosis, or vaccine coverage, reexamine EAP to determine if continuing coverage would impact EAP excepted benefit status





# Financial impact

# How have medical and Rx claims been trending?

(Per employee, per month claim costs based on Buck's book of business)

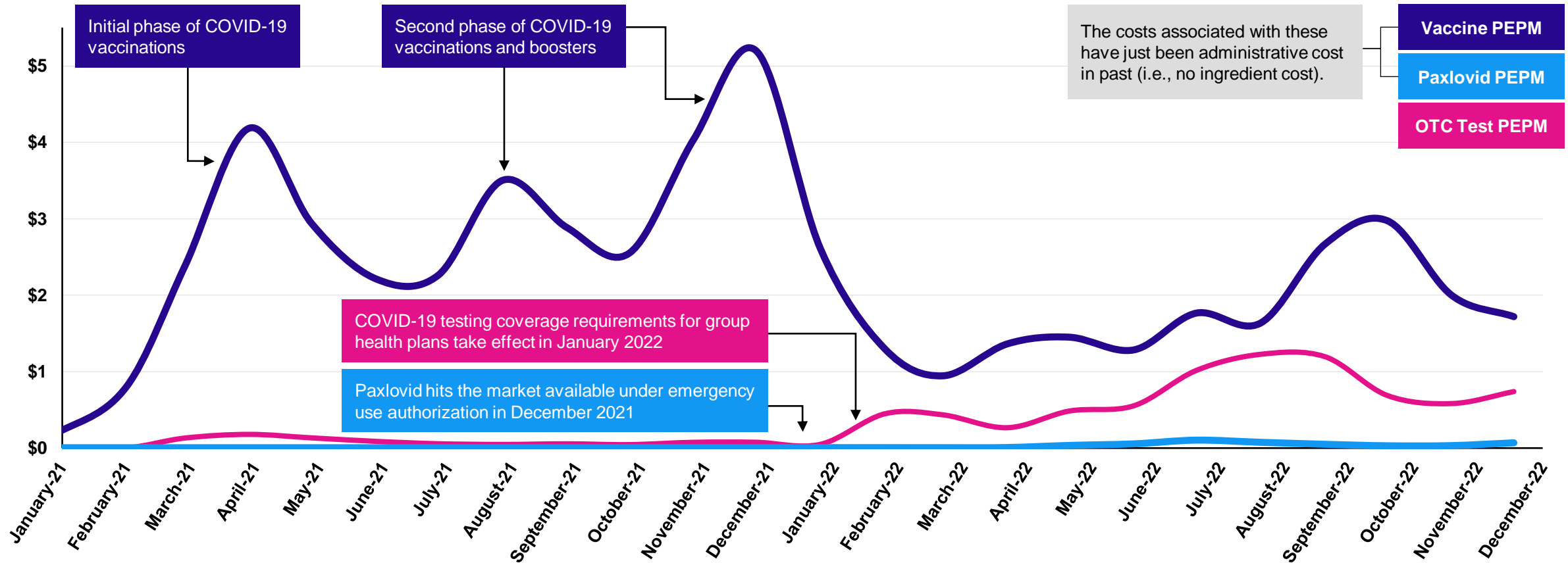


# What does this mean for employer's health plans?

OTC testing	Vaccines	Paxlovid	Deadline tolling
 <ul style="list-style-type: none"><li>• Consider if the plan will add cost-sharing, when that change will be implemented, amend the plan and issue SMM or revised SPD</li><li>• Most employers are no longer covering OTC tests through their health plan – this is consistent with recommendations we have seen with insurers</li></ul>	 <ul style="list-style-type: none"><li>• Consider modeling the potential cost of covering vaccines moving forward (in vs. out) and impact of ingredient cost shift for your specific population</li><li>• Most employers are amending the coverage to be consistent with other non-COVID vaccinations, but are unaware of large ingredient cost shift</li></ul>	 <ul style="list-style-type: none"><li>• Consider unexpected ingredient cost shift for your specific population</li><li>• Most employers are unaware of large ingredient cost shift</li></ul>	 <ul style="list-style-type: none"><li>• Consider the communications that may be necessary to inform members that the extensions are ending</li></ul>

# What have these COVID-19 services cost me in the past?

(Per employee, per month claim costs based on Buck's book of business)



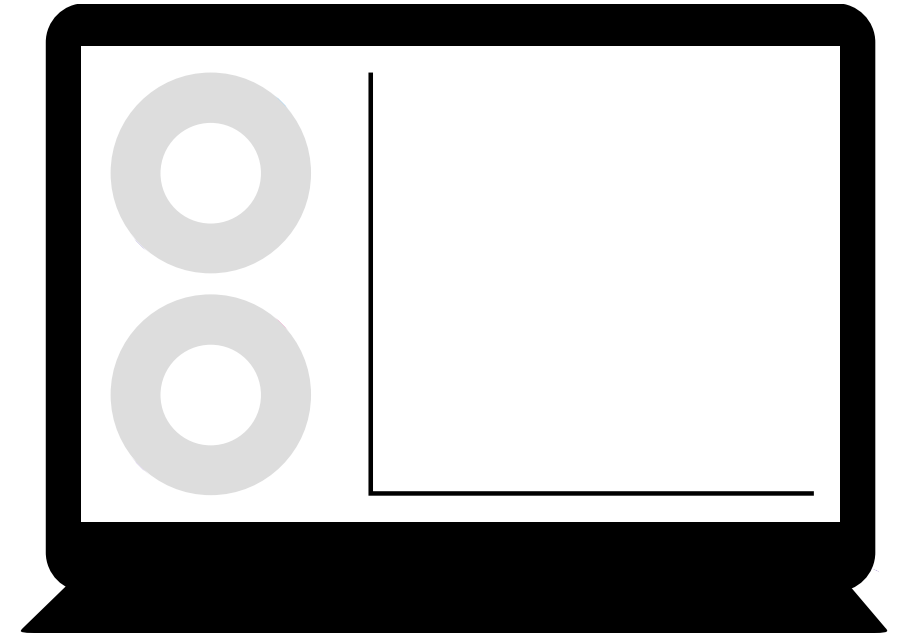
# What is the potential cost increase for employers?

We created a model to project our estimated impact on claims (not budget, as ASO fees and margin will differ by employer) due to the end of the PHE. This is going to vary by employer based on expected utilization of testing, vaccines and treatment of COVID-19 and assumes the changes for “most employers” on the earlier slide.

Expected impact of end of PHE (percent of claims)	Low estimate	High estimate
May start date	0.5%	0.7%
Full year	0.9%	1.2%

## Some key unknowns that would change the results:

- Paxlovid cost for commercial use – Pfizer has not disclosed the anticipated cost increase and we have applied a similar expected increase as vaccines provided by KFF when moving to commercial
- COVID variants, case rates, and utilization rates – a new variant could cause additional boosters and/or treatment
- Varying employer strategies/plan design changes
- Specific employer experience – this will vary





# Poll #1

Will you continue to cover the cost of COVID-19 over-the-counter testing in full after the end of the PHE?

- A. Yes
- B. No
- C. Considering
- D. Undecided



# Poll #2

If you have a high deductible health plan in place, will you maintain coverage for testing and/or treatment of COVID-19 on a pre-deductible basis in line with IRS current guidance?

- A. Yes
- B. No
- C. Considering
- D. Undecided



# COVID-19 emergency declarations key take-aways

- **Start preparing for the end of the emergency declarations**
  - PHE ends May 11, 2023
  - NE ended April 10, 2023 – outbreak period is not impacted, and early end date does not impact the end of the PHE
- **Decide if/how coverage may change**
  - Was timeframe and nature of coverage clearly communicated or is an employee communication needed to clarify changes
  - Assess impact to cost for the remainder of the plan year and consider in 2024 renewal calculations
- **Plan administration can resume to pre-pandemic practices effective July 10, 2023**
- **Work with vendors/administrators regarding deadline tolling**
  - Determine the extent to which communication about these changes is appropriate
  - The goal is to ensure that everyone is aware that the COVID-19 related extensions are coming to an end and what is required of them



# Questions



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# For more information

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