



THE RISK REPORT

Employee Benefits

Preparing for Open Enrollment During the Pandemic



HEALTH INSURANCE has likely been top of mind for your employees during the COVID-19 pandemic. And as open enrollment approaches, you can expect to find a workforce that will be more engaged and interested in their coverage.

You will also have to pull off an open enrollment at a time when many of your staff may be socially isolating and holding large group meetings is out of the question.

As a result, you need to effectively communicate with your staff about plan choices, changes to plans and how COVID-19 treatment and testing would be covered, among other issues. To make sure you can reach them all, use a number of methods:

E-mails and e-mail newsletters

E-mails are an excellent way to communicate important information to employees, and to gather information on what they are opening, reading and forwarding.

This should be your primary source for sending them information about open enrollment, scheduled meetings on open enrollment, deadline reminders and more.

Web meetings

With in-person meetings off the table for most employers, instead hold webinar meetings with videoconferencing. Handle these webinars like you would have your typical open enrollment meeting that you would hold in person, focusing on:

- Changes in health plan premiums,
- Discussion about coverage for COVID-19 testing and treatment.
- Plan changes like deductibles, out-of-pocket maximums, copays, and more,
- Network changes,
- New offerings, and
- Resources to help your workers choose the right plan.

Require all of your staff to participate in the actual meeting or view the meeting afterward online. Set up a virtual sign-up for them to confirm they attended and received all the information.

Offer benefit support

Provide online support to answer questions that your employees may have when they are deciding on plans.

Text messaging

Sending text messages about upcoming benefit meetings, contact resources, how to access the enrollment and benefit portal, and who to call for assistance.

See 'Strategies' on page 2

HAVE QUESTIONS?

Call us today if need assistance developing your open enrollment strategy.

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Pharmaceuticals

Trump Issues Executive Orders to Reduce Drug Costs

PRESIDENT TRUMP has issued executive orders aimed at reducing the cost of medications by tying Medicare payment for outpatient drugs to international prices, passing drug-maker rebates to patients and not middlemen, and allowing individuals to import prescription medications.

Another executive order aims to force community health centers that receive 340B drug discounts to pass discounts for insulin and injectable epinephrine on to patients.

Here's a run-down of the orders:

Drug importation

The Executive Order on Increasing Drug Importation to Lower Prices for American Patients calls for new regulations that would:

- Allow individual state health plans to import certain drugs.
- Authorize the reimportation of insulin products that were made in the United States and later exported, and
- Set up a system for individuals to buy certain imported drugs.

The system that Trump is proposing is reportedly modeled after new laws that took effect in Vermont in 2018, Florida in 2019 and then Colorado and Maine last year, allowing for the importation of certain prescription drugs from Canada.

Eliminating secret deals

Another order would prohibit secret deals between drug makers and pharmacy benefit manager (PBM) middlemen, so that patients can benefit from available discounts at the pharmacy counter.

The Executive Order on Lowering Prices for Patients by Eliminating Kickbacks to Middlemen would pass drug-maker rebates to patients and allow them to apply the rebate to their cost-sharing, such as deductibles, in Medicare Part D plans.

It would also allow health plans and pharmacies to apply discounts at the point-of-sale in order to lower the patient's out-of-pocket costs.

This would be a significant step in getting drug-maker discounts to patients instead of the PBMs.

International reference pricing

Another executive order, which hasn't yet been published, would establish an international pricing index that would set the price Medicare Part B pays for the costliest medications covered under the program to the lowest price in other economically advanced countries.

Epinephrine and insulin discounts

The Executive Order on Access to Affordable Life-saving Medications would require federally qualified health centers to pass along discounts on insulin and injectable epinephrine received from drug companies to certain low-income Americans.

Only patients with low incomes; those with high cost-sharing requirements for insulin or epinephrine; those with high, unmet deductibles; and/or those without health insurance would be eligible for the discount.

What's next

In all, Trump issued four executive orders that will require the Centers for Medicaid and Medicare Services to draft new regulations, which would likely not be completed by the end of the year. Regulations often take months to draft and then have to be sent out for public comment before final regs are written.

The regulations will likely only come to fruition if Trump wins the presidency for a second term, as any regulatory initiatives in mid-stream would probably otherwise be abandoned. ❖



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Use a Mix of Strategies for Communicating with Staff

Intranet, enrollment portal

Post open enrollment information on your firm's intranet. Include links to the enrollment portal, start and end dates, all plan benefit guides and plan summaries, benefit counselor contact information and other resources they may need.

The takeaway

Some of you may be anxious about the coronavirus so make sure to take time to answer all their questions. Also, by employing a mixture of all of the above strategies, you can conduct a safe open enrollment that can help your staff choose wisely. ❖



Group Benefits

COVID-19 Clouds Health Insurance Cost Expectations

WITH LARGE employers expecting health insurance rates to climb 5.3% in 2021, they are concerned about how the COVID-19 pandemic will affect overall health care costs in the coming years, a new survey has found.

Those expectations gleaned from the survey by the National Business Group on Health would mean average premiums and out-of-pocket spending could reach \$15,500 per worker. The expected increase is on par with the average 5% annual increase that large employers have projected in the last five years.

Employers have been using different strategies to tame those costs, most notably pushing more telemedicine for their workers, a trend that has increased during the pandemic.

Additionally, employers have increased their investments in employee health and well-being programs, a trend that was largely spurred by the pandemic and employers understanding that their business performance is linked to the health of their workers.

The numbers going into 2021 are squishy because there has been a significant drop-off in the use of medical services in 2020 due to the pandemic. Many people have delayed non-urgent care to avoid the risk of being infected with COVID-19 if they go to the hospital.

Other people with serious conditions have also unwisely decided to forgo care out of fear of getting sick from the coronavirus.

Health care experts are not sure if that means there will be an uptick in utilization in 2021 and think the 5.3% estimated increase in costs will pan out if people continue to put off care. Conversely, if care resumes in 2021, the projected trend may prove to be too low.

Here's what large employers are expecting:

- Average total health care spending on premiums and out-of-pocket costs will reach \$15,500 per worker in 2021, up from \$14,769 this year.
- Large employers will cover nearly 70% of costs (premiums) while employees bear the rest. That would mean the average outlay per employee would be \$10,850 for the employer and \$4,650 for the employee.

Trends

Employers are continuing to address health care costs by focusing on new areas that can improve health outcomes for their workers. The trends that large employers predict will continue in 2021 are:

Continued move towards telehealth services – The use of telemedicine has exploded during the COVID-19 pandemic. Among respondents:

- 76% made changes to improve access to telehealth services.
- 71% boosted the types of telehealth services they offer, such as adding health coaching and emotional well-being support.
- 80% expect virtual health will play a significant role in how care is delivered in the future. That's compared with just 64% in 2019 and 52% in 2018.
- 52% will offer more virtual care options next year.
- Nearly all will offer telehealth services for minor, acute services.
- 91% will offer online counseling or therapy.
- 29% may start offering virtual care for musculoskeletal issues, like physical therapy for back and joint pain.

Boosting wellness and mental health services – As many as 88% of respondents said they would provide access to online mental health support resources, such as apps, videos and articles. The survey found that:

- 54% are lowering or waiving costs for virtual mental health services in 2021.
- 27% will reduce the cost of counseling services at the worksite.

Focusing on primary care – Half of employers are looking at advanced primary care strategies to reduce costs, such as contracting directly with primary care providers to deliver preventive services, chronic disease management, mental health and whole-person care.

Addressing high-cost drug therapies – Two-thirds of respondents said they were very concerned with the cost of new million-dollar treatments, just one of which can blow up their health cost budget. ❖

Attracting, Retaining Talent

Workers Choose Perks, Benefits over Salary Hikes



GREAT PERKS and incentives packages can help attract top-notch talent, maintain employee morale and improve overall engagement and satisfaction with a company.

The coronavirus pandemic has made perks and benefits even more important, particularly in light of so many workers feeling burned out, stressed from working at home or feeling isolated due to closures and shelter-at-home orders.

Recently, retailer Staples surveyed 1,549 employees across the U.S. about their preferences for work perks, asking them to rate how various benefits affected their motivation and if they preferred perks over higher salaries – and which benefits were most important to them when looking for work.

One of the major perks that employees have coveted in past surveys is the ability to work from home. Well, the coronavirus pandemic has suddenly thrust many workers into that position. But what other benefits and perks do workers look for in an employer?

Perks defined

Employee benefits and perks are a non-wage supplement to salaries and include, among other things:

- Lifestyle/entertainment perks, such as Netflix/Spotify subscriptions, free coffee and snacks at work, or discounts.
- Continuing education perks, such as tuition reimbursement, student loan repayment, or financial support for receiving professional certifications.
- Health and fitness benefits, such as gym membership reimbursements, on-site fitness facilities or nutrition classes.
- Workplace flexibility perks, such as flexible hours, commuter benefits or the ability to work remotely on a regular basis.
- Family-focused/childcare perks, such as daycare reimbursement or paid family leave.

BEST WAY TO IMPROVE EMPLOYEE MORALE

- Higher base salary (37% of respondents)
- More workplace perks (22%)
- Performance-based raises (21%)
- Recognition from supervisors (9%)
- Team-building initiatives (4%)
- Requesting employee feedback (4%)
- Spontaneous holidays (2%)

MUST-HAVE PERKS AND BENEFITS

- Flexible hours (40%)
- Paid health insurance premiums (34%)
- Paid family leave (29%)
- Regular remote work (26%)
- Financial help with professional certifications (26%)

The takeaway

If you are considering expanding your perks and benefits, to attract or retain staff or motivate workers, don't forget the following before deciding:

- Four out of five employees feel that workplace flexibility options are the most important employee perk category.
- Perks that employees said were “must have” include flexible hours, paid insurance premiums, and paid family leave.
- Because the survey found that half of employees prefer higher salaries while the other half wants more perks, consider polling your workers before making a change.
- 62% of employees would accept a lower salary in exchange for better workplace perks ❖