

Trends

Statistics and Strategies for Health Plan Sponsors

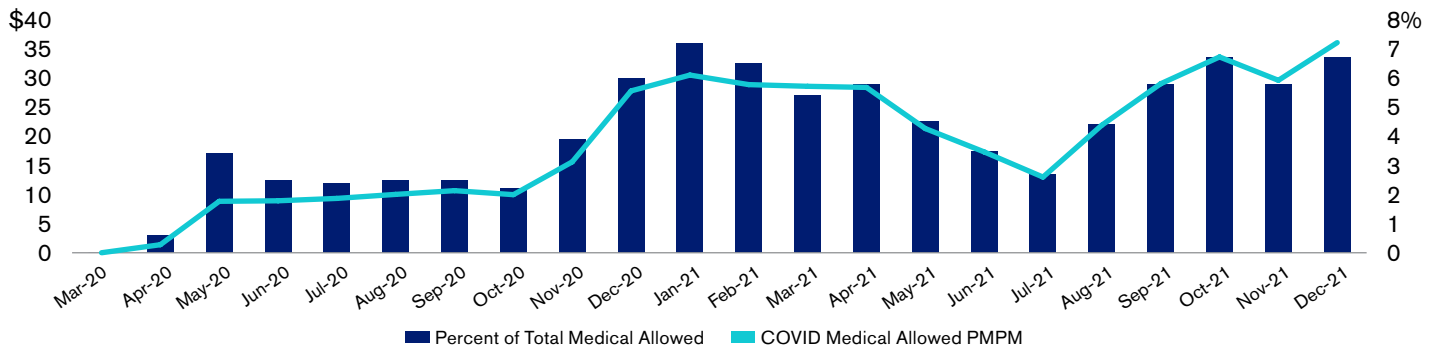
First Quarter 2022

Key statistics

COVID-19 medical costs

Between March 2020 and December 2021, COVID-19 medical costs accounted for 4.5 percent of total medical costs, according to our data. In December 2021, COVID-19-related per-participant medical spending averaged \$36.07.

COVID-19 Medical Costs* as Percent of Total Medical Costs



Source: Segal SHAPE database

* COVID-19 medical costs include those for diagnostic and antibody testing, treatment for confirmed cases and vaccines.

What sponsors are doing to manage plans: Expanding and supporting telehealth coverage

Pre-pandemic, telehealth was almost nonexistent. At the beginning of the pandemic, telemedicine became popular because it was the safest way to access care. Additionally, policy changes enabled wider coverage of and access to telehealth.

The most notable benefit of telehealth is that it improves access to care. Telemedicine has the potential to reduce health disparities because it enhances access to providers and reaches vulnerable populations, like elderly, low-income and rural populations that lack access to high-quality, in-person care.

Other Benefits of Telehealth

Advances convenience and efficiency by:

- Eliminating transportation barriers
- Avoiding lengthy, in-person wait times for office visits
- Reducing absenteeism

Provides faster access to care because there are more provider options, so appointment openings are easier to find

Improves cost-effectiveness of care by helping to avoid unnecessary ER or hospital visits

Improves health outcomes by:

- Reducing cancellations/no-shows
- Providing access to higher-quality care for vulnerable populations



Studies show that virtual care can be as effective as in-person care. During the pandemic, behavioral healthcare accounted for majority of telehealth visits, but telemedicine is a good platform for many other types of care, including:

- Chronic condition management
- PCP care, such as routine check-ins and preventive care
- Specialty care, including physical therapy and dermatology
- Prescription management

Despite these benefits, there are barriers to, limitations of and concerns about virtual care. Although telehealth expands access to care in many ways, lack of access to broadband prohibits patients' ability to use telemedicine. About 25 percent of adults in the U.S. do not have access to broadband. Populations most likely to lack access to both the internet and devices that provide ability to access video calls are groups that already experience lower quality of and access to care, like low-income, people of color and rural populations. If these issues are not addressed, virtual care has the potential to worsen, rather than improve, health inequities.

Barriers to, Limitations of and Concerns About Telehealth



Lack of digital literacy:

- Some populations, like low-income, rural populations and the elderly, don't know how to use telehealth platforms and/or don't know how to access providers virtually
- No technical support offered from insurer or plan

Not all care (e.g., physical exams and diagnostic testing) can be conducted virtually

Telehealth coverage policies may restrict access (e.g., providers with license in one state may no longer be able to provide care to patients in another state), types of services covered by telehealth may decrease and provider reimbursement/payment may decrease

Rules concerning payment for telehealth under HSA-qualified High-Deductible Health Plans are uncertain until Congress or the IRS further guidance

The health benefits of telemedicine outweigh these technical and policy issues. Plans can work with their insurers to implement policies and benefits that increase telehealth coverage and use.

Plans can permanently cover telehealth services and allow all providers, of any specialty and from any state, to provide virtual care to participants. Provider licensing practices were lenient during the pandemic, but many states are reverting to more restrictive policies that reduce access to care for participants. Plans should also consider permanently covering audio-only visits. Although there are concerns about quality of care, audio-only visits are better than no care at all.

Plans need to educate participants on how and when to use telehealth benefits. Plans should also focus on educating vulnerable populations that could benefit from telemedicine.

Compliance reminders

COVID-19 over-the-counter test coverage guidance

On February 4, the Departments of Health and Human Services, Labor and Treasury released guidance on COVID-19 over-the-counter tests, which group health plans are required to cover. The guidance established a safe harbor, with several requirements, for direct coverage programs. Plans should inform and educate participants about coverage options.

See our February 8 insight for [details about the guidance](#).

Update on vaccine mandates

A recent U.S. Supreme Court decision concluded that COVID-19 vaccinations may be required for all healthcare workers; however, the Supreme Court did not permit the Occupational Safety and Health Administration (OSHA) to mandate COVID-19 vaccination and weekly testing requirements for employers with more than 100 employees. Subsequently, OSHA pulled the rule for large employers.

[Learn more about this decision](#).

To discuss the implications for your plan of anything covered here, contact your Segal consultant or get in touch via our website, [segalco.com](https://www.segalco.com).

This *Trends* was published in early March 2022. To see previous issues or other Segal publications, [visit the insights page of our website, segalco.com](#).

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