COST PRESENTS

Trends in Benefits in a COVID-19 Environment

KATE LAVOIE, Public Sector Practice Leader

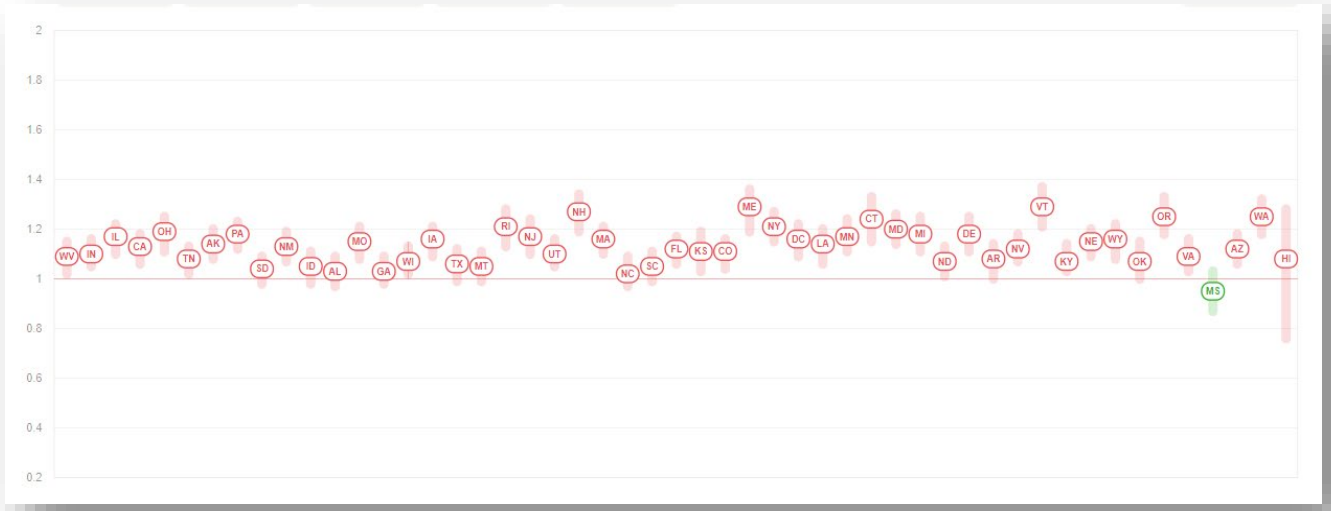
Agenda

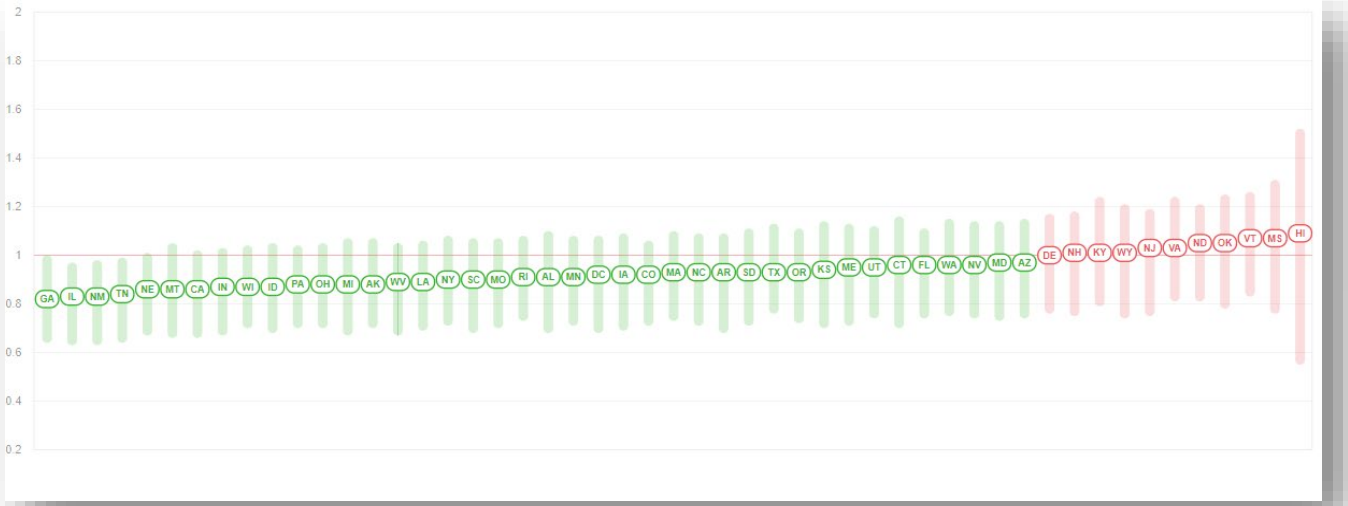
-

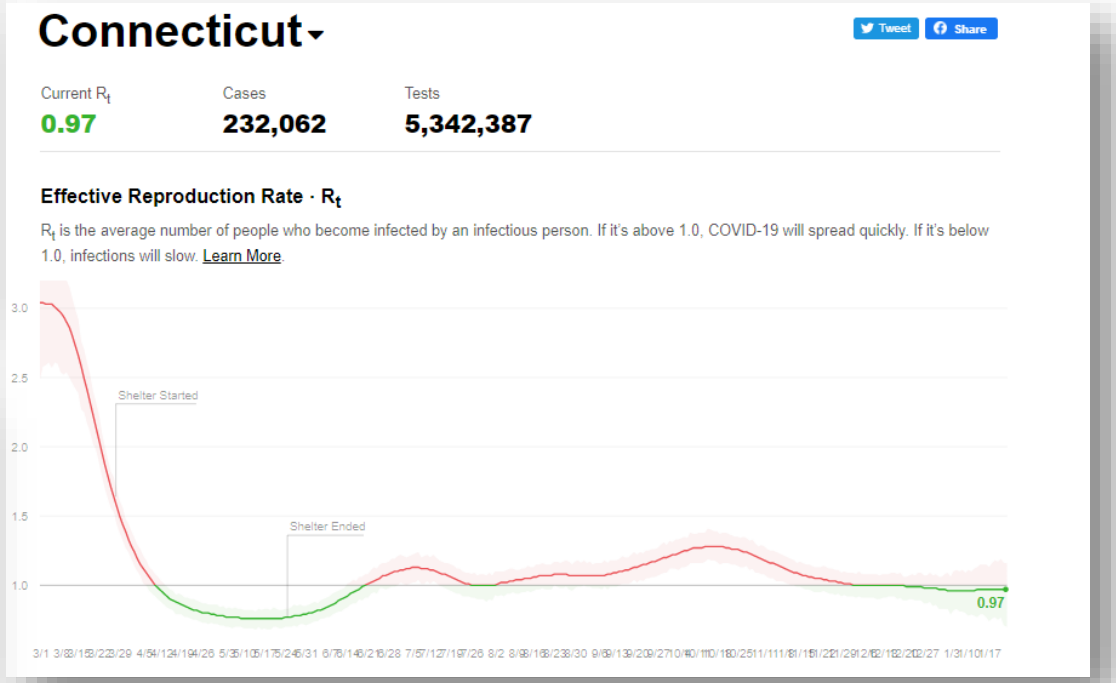
- COVID General Landscape
- COVID and Healthcare Budgeting
  - What's covered?
  - How had it effected communities overall claim spend?
  - How long will it effect budgeting cycles?
  - What’s next?

ONEDIGITAL

COVID GENERAL LANDSCAPE



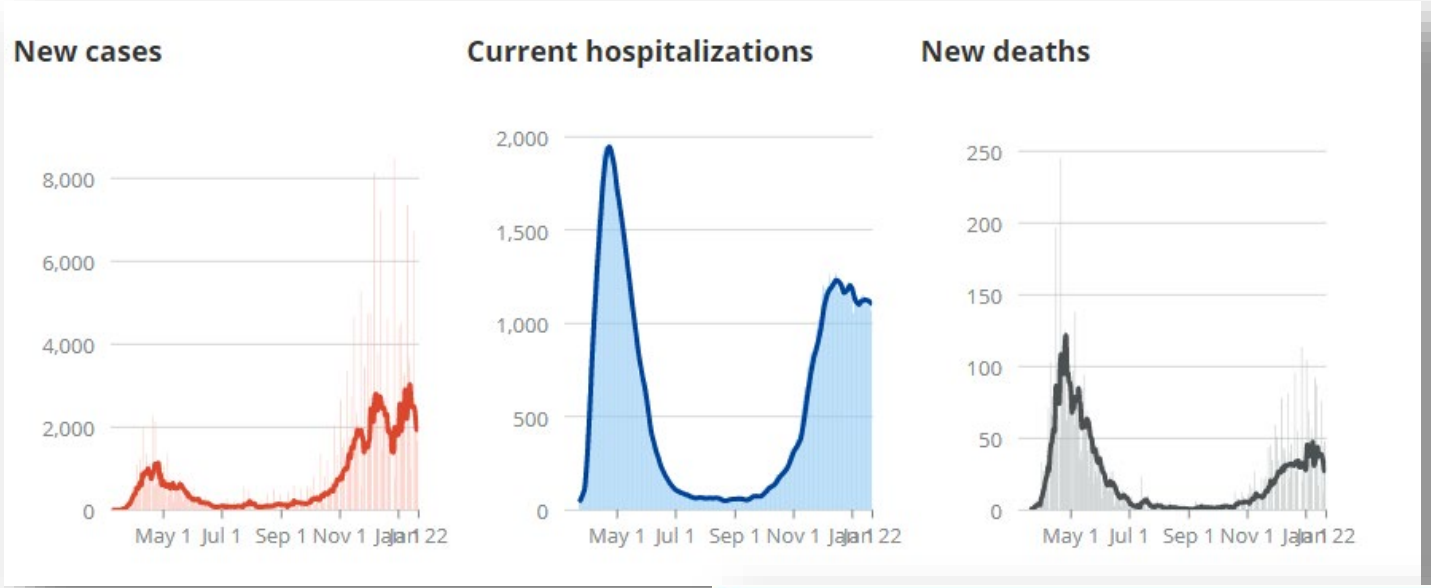




Source 1 and 2: https://rt.live/
Source 2: https://rt.live/us/CT

ONEDIGITAL

Cases, Hospitalizations & Deaths



COVID-19 Cases, Hospitalizations, and Deaths, by Race/Ethnicity

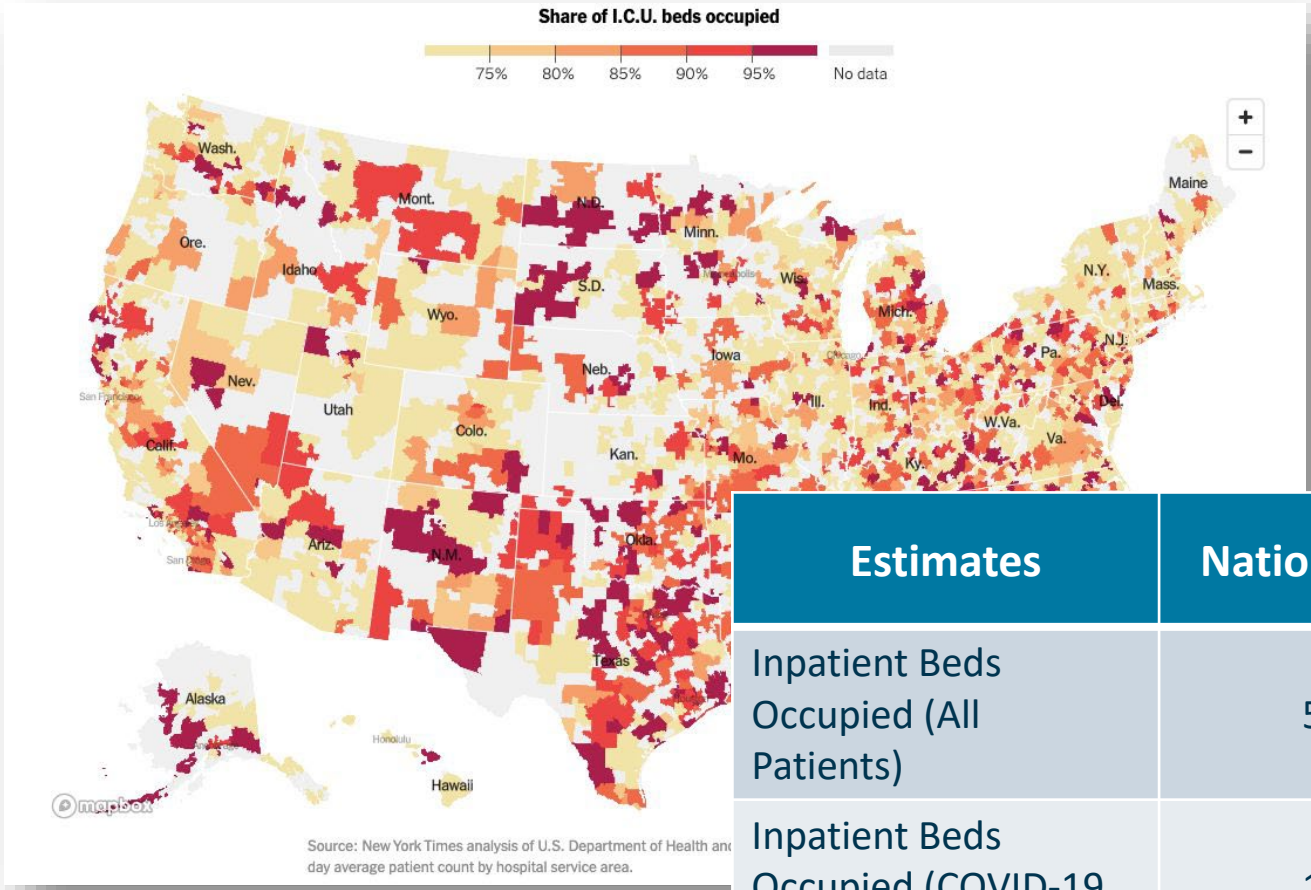
Rate ratios compared to White, Non-Hispanic persons	American Indian or Alaska Native, Non-Hispanic persons	Asian, Non-Hispanic persons	Black or African American, Non-Hispanic persons	Hispanic or Latino persons
Cases[1]	1.8x	0.6x	1.4x	1.7x
Hospitalization[2]	4.0x	1.2x	3.7x	4.1x
Death[3]	2.6x	1.1x	2.8x	2.8x

Race and ethnicity are risk markers for other underlying conditions that affect health, including socioeconomic status, access to health care, and exposure to the virus related to occupation, e.g., among frontline, essential, and critical infrastructure workers.

Source 1: https://covidtracking.com/data/state/connecticut
Source 2: https://www.cdc.gov/coronavirus/2019-ncov/covid-data/investigations-discovery/hospitalization-death-by-race-ethnicity.html

ONEDIGITAL

Hospitalization Capacity

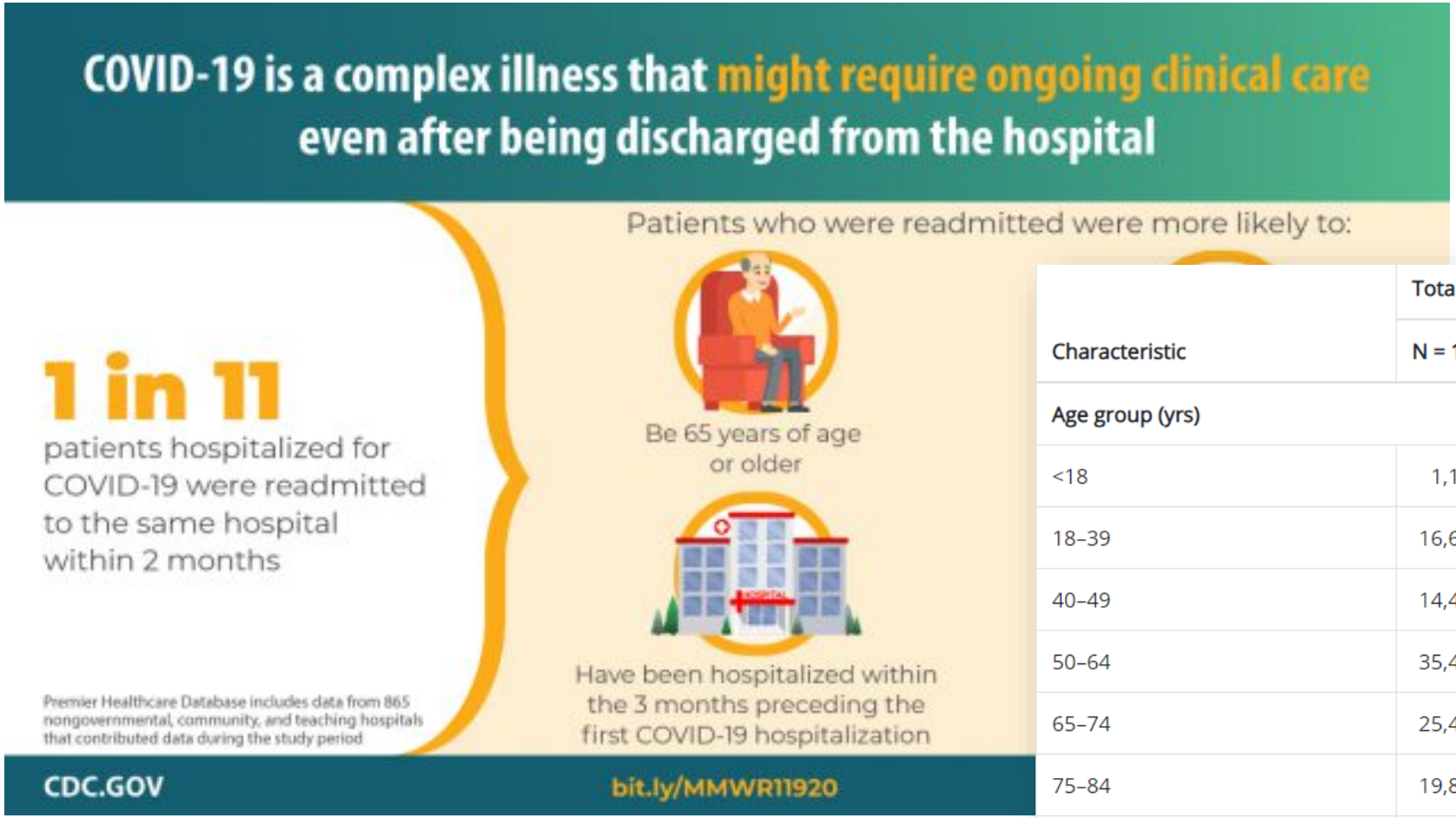


Estimates	National Number	National Percentage (%)	CT Percentage (%)
Inpatient Beds Occupied (All Patients)	529,318	74.53%	78.4%
Inpatient Beds Occupied (COVID-19 Patients)	132,172	18.61%	N/A
ICU Beds Occupied (All Patients)	70,352	78.88%	61.1%

Table: https://protect-public.hhs.gov/pages/hospital-capacity#hospital-occupancy and Source: https://www.nbcconnecticut.com/news/coronavirus/breakdown-of-hospital-capacity-in-connecticut/2400037/

ONEDIGITAL

Re-admissions for COVID-19 Patients According to the CDC

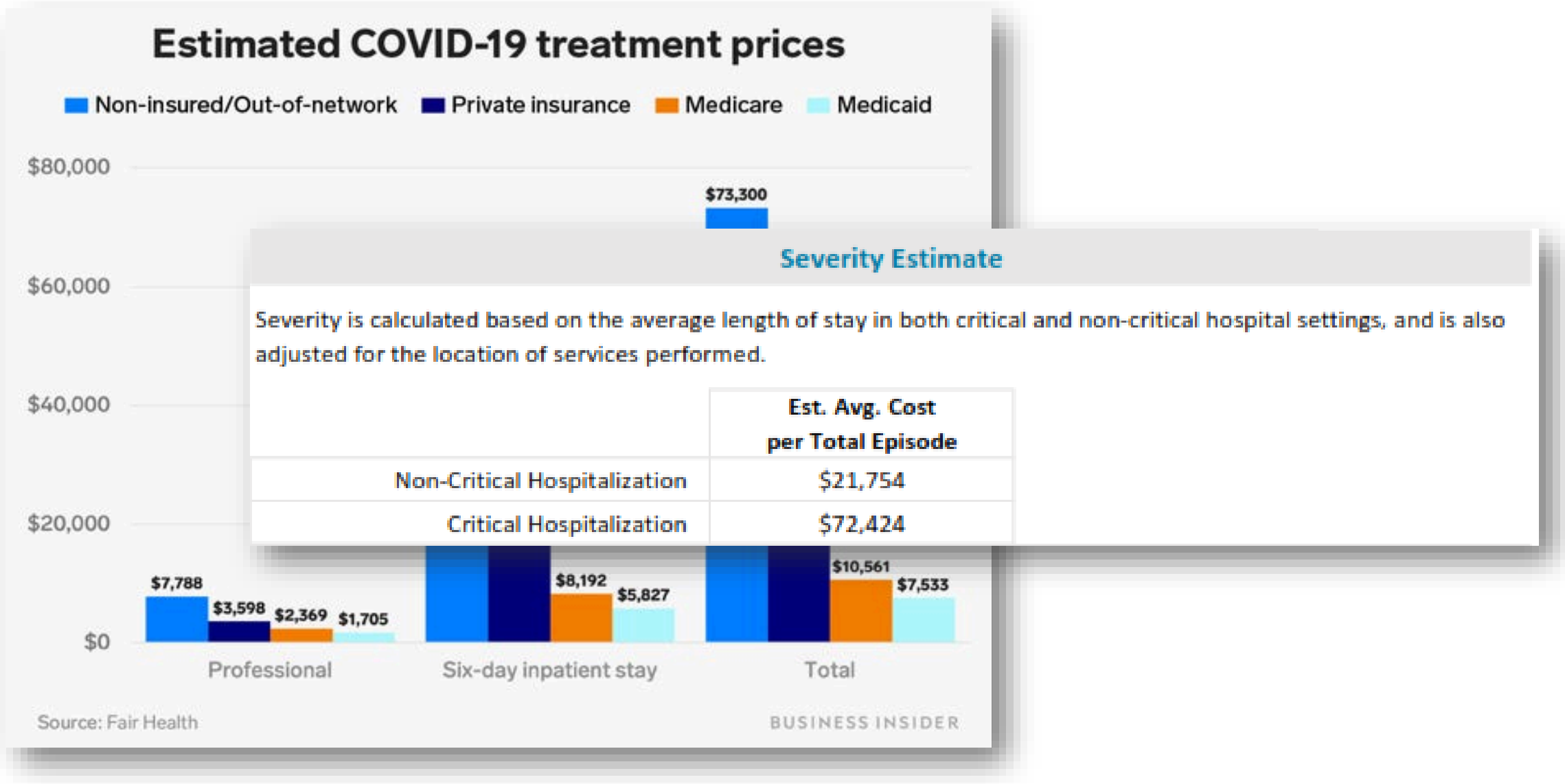


Characteristic	Total N = 126,137	Not readmitted N = 116,633	Readmitted at least once N = 9,504
Age group (yrs)			
<18	1,170 (0.9)	1,095 (0.9)	75 (0.8)
18–39	16,699 (13.2)	15,741 (13.5)	958 (10.1)
40–49	14,490 (11.5)	13,674 (11.7)	816 (8.6)
50–64	35,451 (28.1)	32,923 (28.2)	2,528 (26.6)
65–74	25,419 (20.2)	23,250 (19.9)	2,169 (22.8)
75–84	19,864 (15.7)	18,061 (15.5)	1,803 (19.0)
≥85	13,044 (10.3)	11,889 (10.2)	1,155 (12.2)

Source 1: https://www.cdc.gov/mmwr/volumes/69/wr/mm6945e2.htm
Source 2: page 17 FAIR health study:

ONEDIGITAL

Costs for COVID- 19 Treatment pricing are rising



Severity Estimate

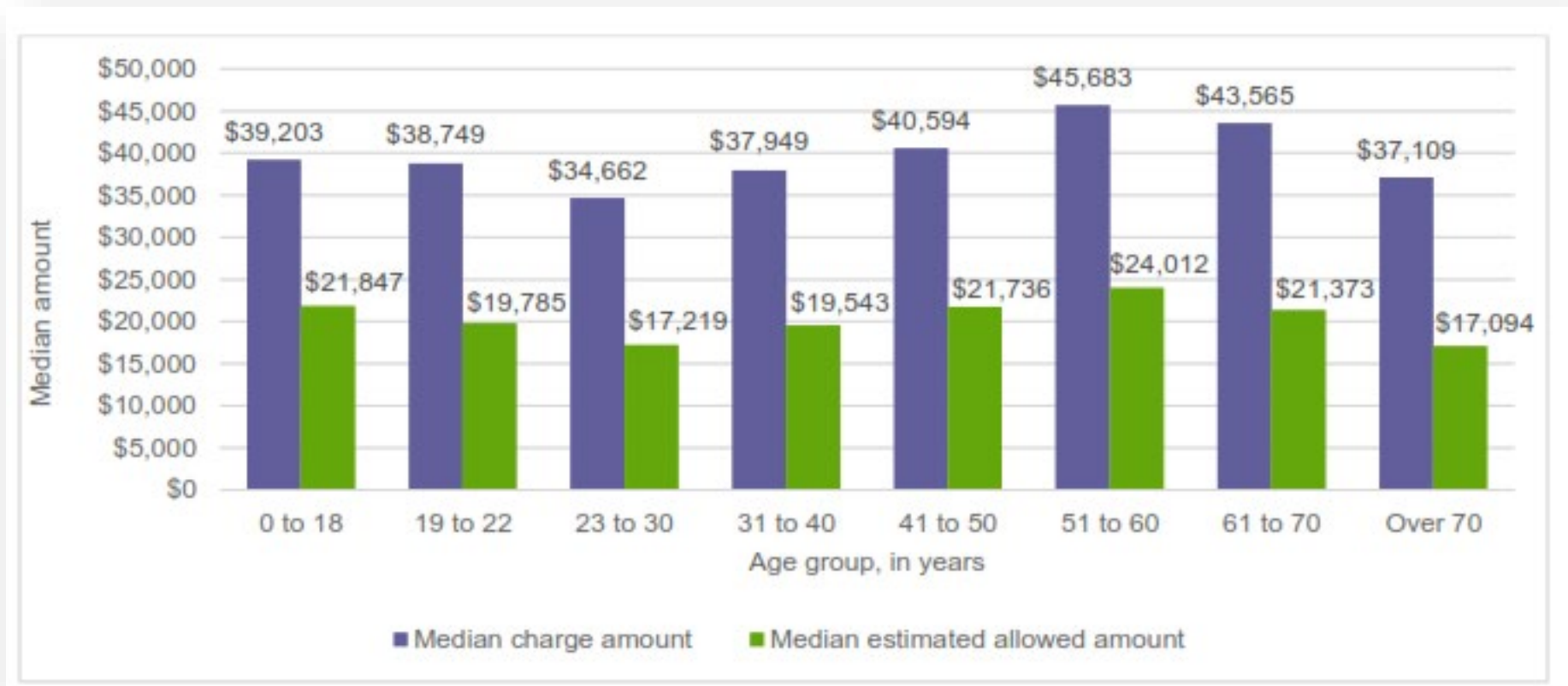
Severity is calculated based on the average length of stay in both critical and non-critical hospital settings, and is also adjusted for the location of services performed.

	Est. Avg. Cost per Total Episode
Non-Critical Hospitalization	$21,754
Critical Hospitalization	$72,424

Source: https://www.businessinsider.com/coronavirus-covid-19-treatment-testing-costs-2020-3

ONEDIGITAL

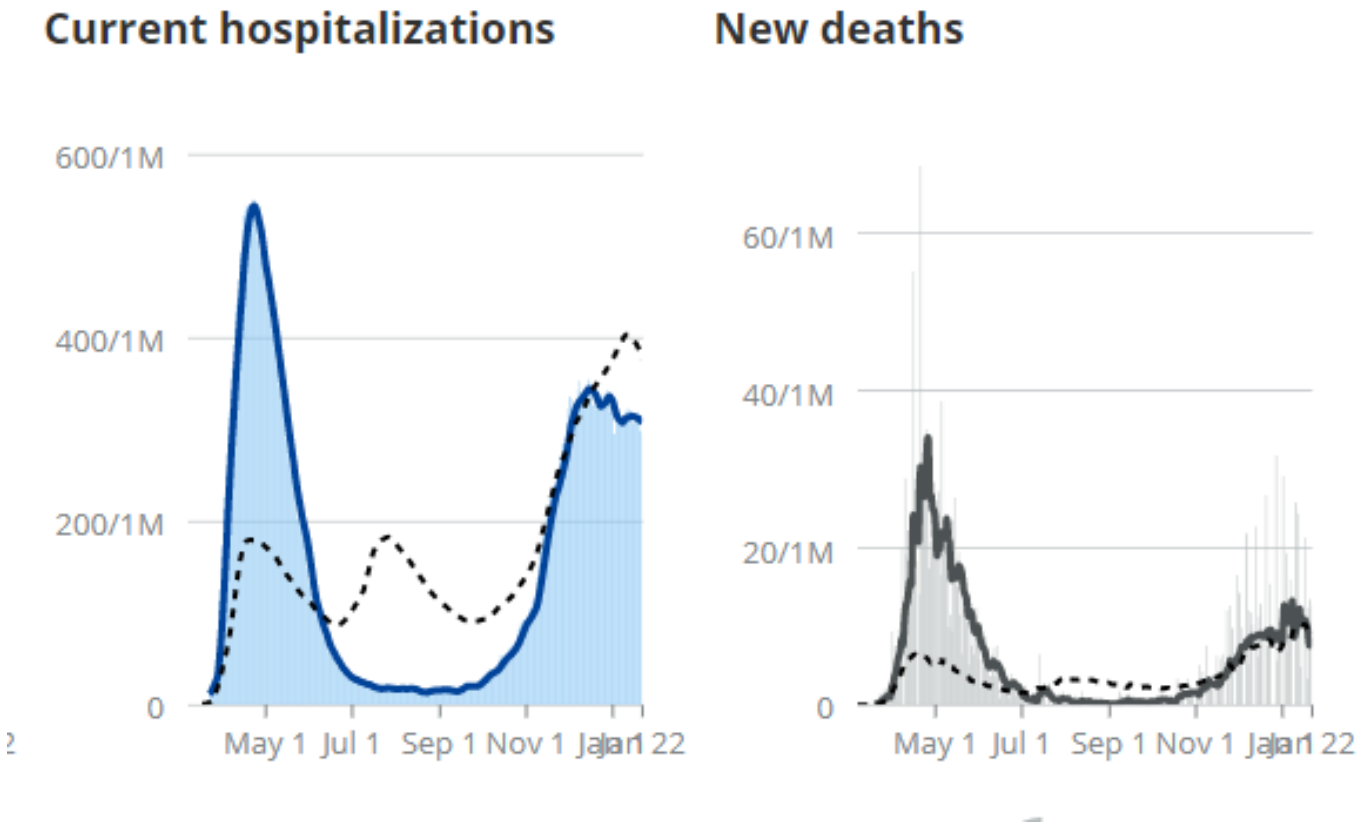
Patient's Age, Type/Length of Stay Factor Heavily in Cost



https://s3.amazonaws.com/media2.fairhealth.org/brief/asset/Key%20Characteristics%20of%20COVID-19%20Patients%20-%20Profiles%20Based%20on%20Analysis%20of%20Private%20Healthcare%20Claims%20-%20A%20FAIR%20Health%20Brief.pdf

ONEDIGITAL

COVID-19 THERAPEUTICS DRIVING THE DEATH RATE DOWN



Source 1: https://covidtracking.com/data/state/connecticut

ONEDIGITAL

Early Vaccine Results are Positive

How coronavirus vaccines compare to vaccines for other viruses

VACCINE	VACCINE EFFECTIVENESS	# OF RECOMMENDED DOSES
Flu (Influenza)	44.0%	1
AstraZeneca novel coronavirus	70.0%	2
Chickenpox (Varicella)	92.0%	2
Moderna novel coronavirus	94.1%	2
Pfizer novel coronavirus	95.0%	2
Measles (MMR)	97.0%	2
Polio	99.0%	3–4

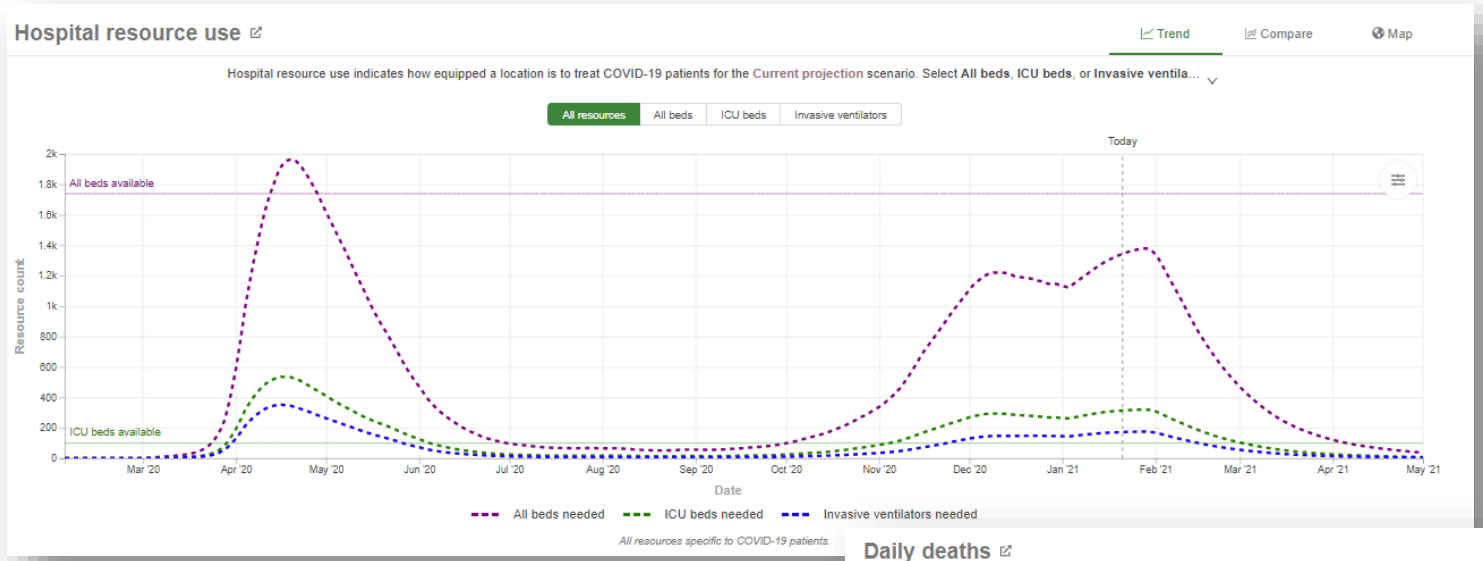
Note: Flu vaccine effectiveness calculated based on yearly average from 2009 to 2019. AstraZeneca, Moderna, and Pfizer coronavirus vaccine efficacy based on early clinical trial results. AstraZeneca results based on an average of two different vaccine dose regimens.

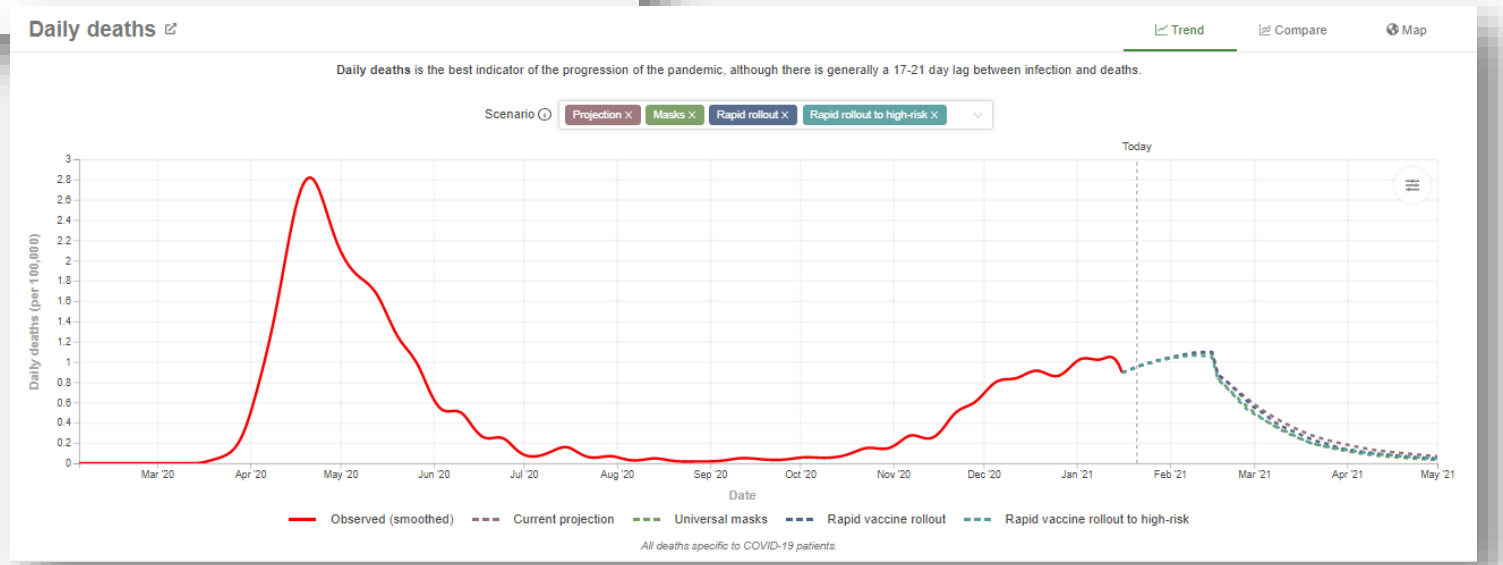
Source: CDC; AstraZeneca; Moderna; Pfizer

INSIDER

ONEDIGITAL

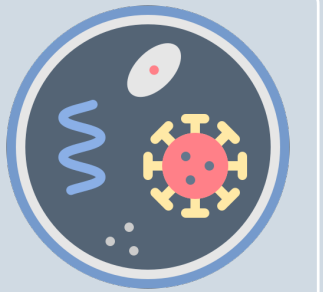
COVID FORCASTS FOR ‘21 ARE CAUTIOUSLY OPTIMISTIC



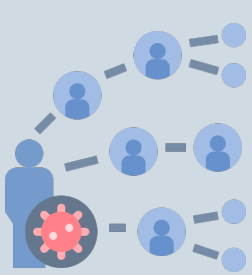


https://covid19.healthdata.org/united-states-of-america/connecticut?view=total-deaths&tab=trend
https://covid19.healthdata.org/united-states-of-america/connecticut?view=resource-use&tab=trend&resource=all_resources

ONEDIGITAL



The spread rate of the virus has finally started to show improvement in the last 90 days where we currently sit at .97 in CT.



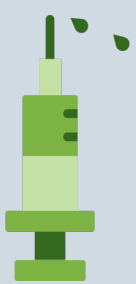
Due to the aggressive spread, the number of COVID-19 cases, hospitalization and deaths remains high and further, there are alarming statistics when this broken down by race.

The increase in hospitalizations across this country and locally in CT place significant pressure on hospital workers and general and ICU bed capacity.

Many individual hospitals across this county have ICU utilization at more than 95%.

Length of stay and patient age directly impact re-admission as well as treatment costs.

COVID-19 therapeutics are having a positive affect on driving down the death rate.



Vaccine distribution that is underway is shown to be effective.

(notes: early rollout results are mixed and will be discussed later in this presentation)

ONEDIGITAL

So, what does all this mean for your healthcare budgeting?

1. What is covered related to COVID?

2. How did COVID affect the overall spend on my healthcare plan?

3. How long will COVID costs affect my healthcare budgeting cycle?

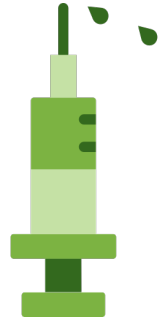
4. What's Next?

ONEDIGITAL

What is Covered?

TESTING

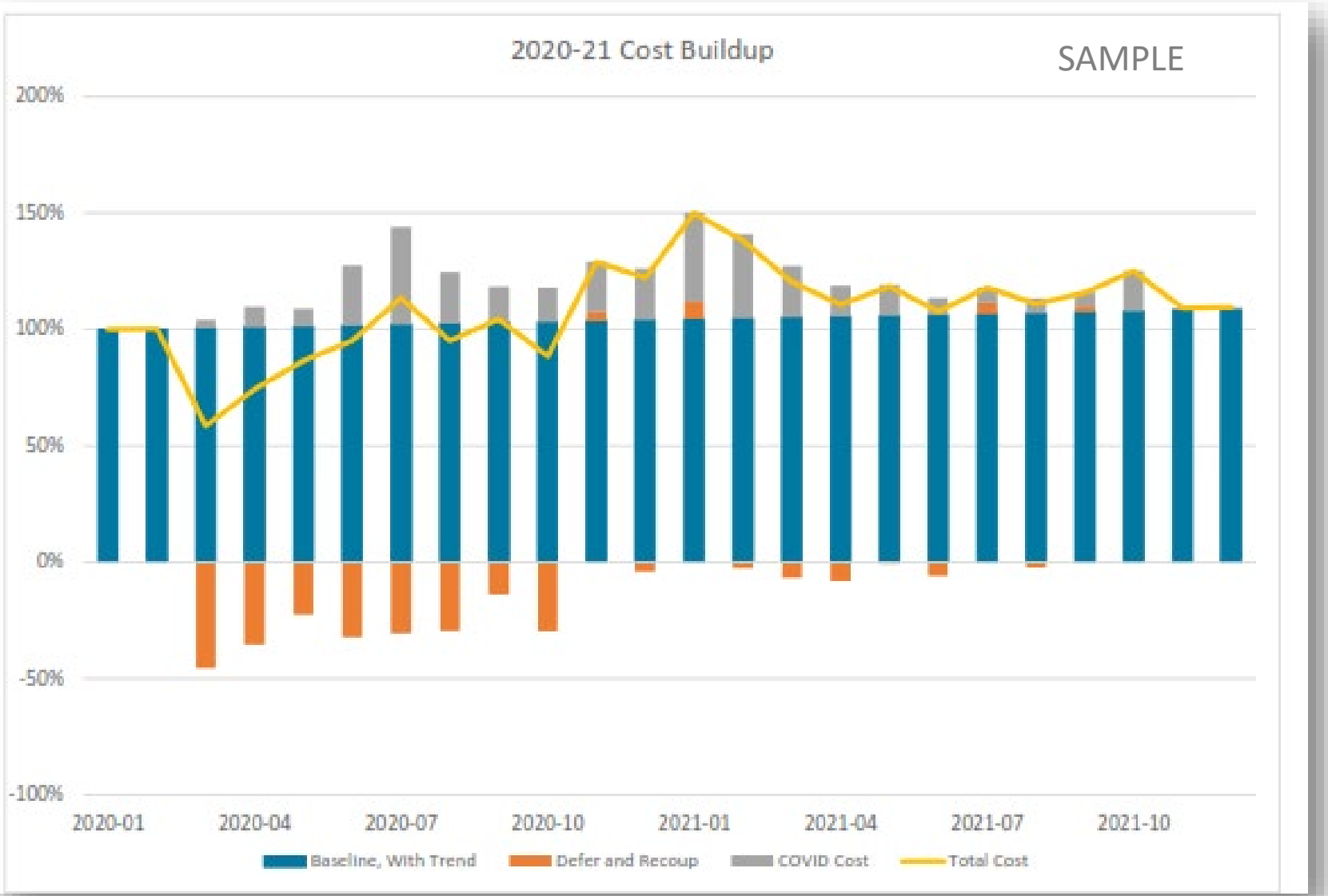
TREATMENT



VACCINES

ONEDIGITAL

How Did/Does COVID affect Healthcare Plan Cost?



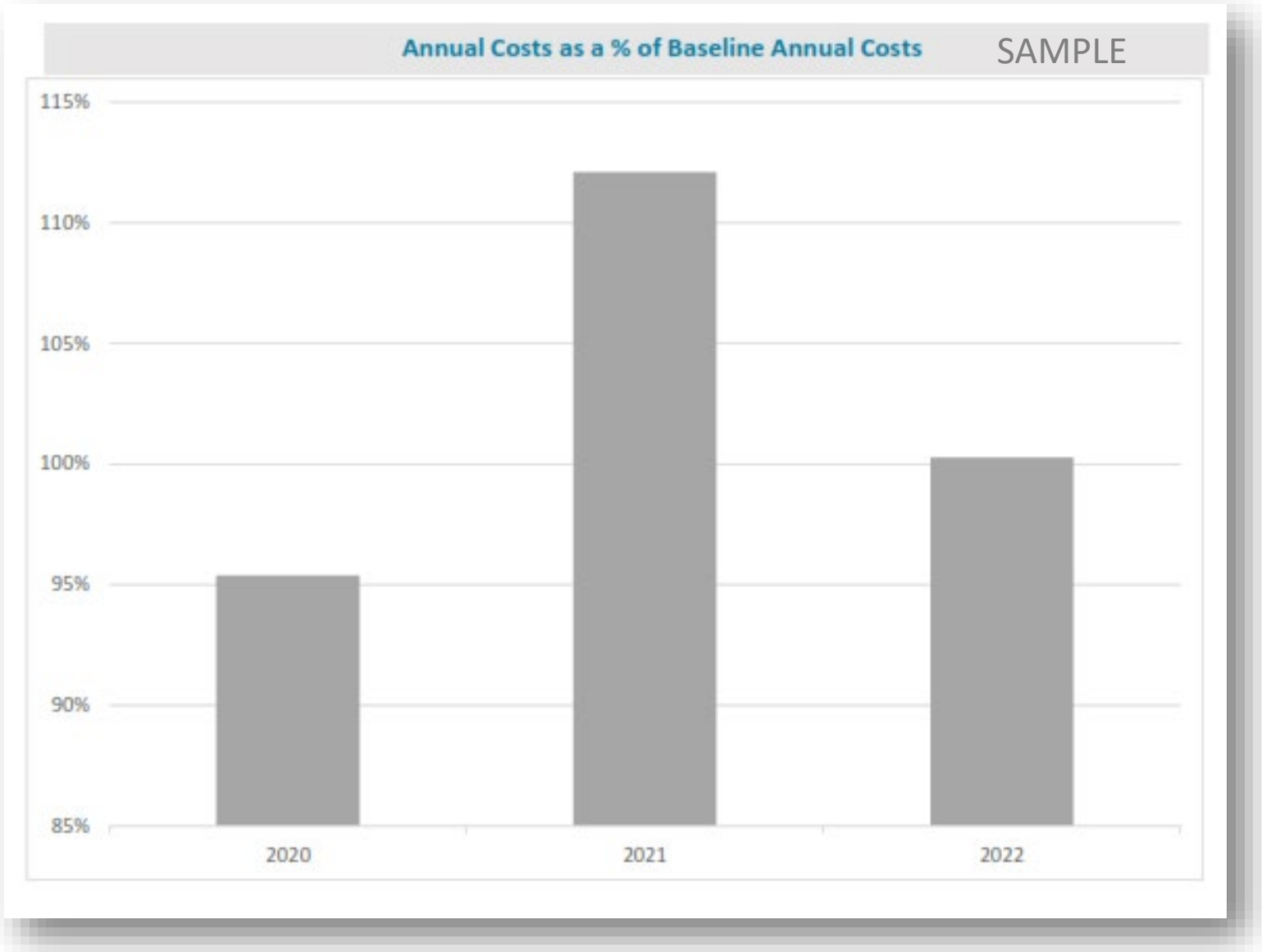
ONEDIGITAL

Key Spend Areas where COVID Impacted Cost

1. Deferred and/or delayed care (i.e. surgeries, procedures, check-up's)
2. Cancelled care (i.e. dental cleaning)
3. Increased utilization of telemedicine
4. Switch Mail order drugs
5. New COVID testing, hospitalizations, and emergency FDA treatment plan
6. New Vaccinations
7. Masking/social distancing decreasing seasonal influenza and other communicable diseases

ONEDIGITAL

How long will COVID effect my healthcare costs?



ONEDIGITAL

Likely The Next 2 Renewal Cycles

ONEDIGITAL

Considerations

1. **What is changing in underwriting assumptions this year that affects total cost?**
   a) COVID maturation factor to claims
   b) Increased future trend
   c) Non-credible claims factor

2. **How will this affect the marketplace for Insurance Plans?**
   a) Market Expectation

ONEDIGITAL

What's Next?

Phase 1a
Get the Details

- Healthcare Personnel
- Longer Term Care Facility Residents
- Medical First Responders

Phase 1b
Get the Details

Currently Scheduling

- Individuals 75 and older

Scheduling Soon

- Front line essential workers
- Individuals and staff in congregate settings
- Individuals between the ages of 65 and 74
- Individuals between the ages of 16 and 64 with comorbidities

Phase 1c
Coming Soon

- More Information Coming Soon!

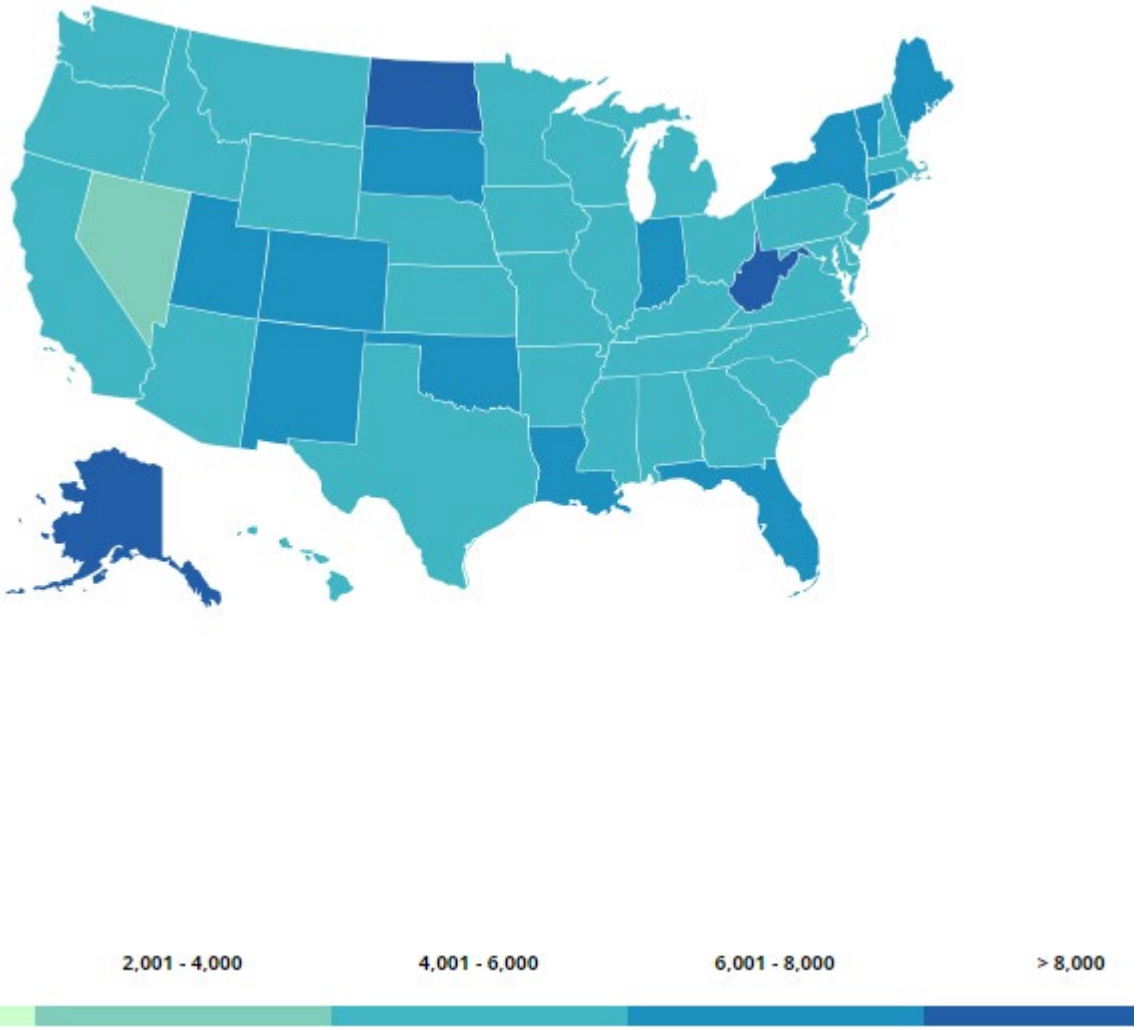
https://portal.ct.gov/coronavirus/covid-19-vaccinations

ONEDIGITAL

What's Next, cont.

- How often will we vaccinate?
- New Strains
  - UK, Brazil, etc.
  - More severity of disease?
  - Resistance to current vaccine?

District	Distributed	Administered	% Administered	Administered / 100k
Alabama	493,125	202,643	41.1%	4,133
Alaska	154,325	81,836	53%	11,187
Arizona	797,550	347,013	43.5%	4,768
Arkansas	361,550	173,312	47.9%	5,743
California	4,379,500	1,633,875	37.3%	4,135
Colorado	657,250	353,194	53.7%	6,133
Connecticut	435,075	264,707	60.8%	7,425



https://www.courant.com/coronavirus/hc-news-coronavirus-vaccine-map-20210108-zlccx6p2pne6zemr6bhu226kky-story.html

ONEDIGITAL

ONEDIGITAL

OneDigital is the nation's leading strategic advisory firm focused on driving business growth for employers of all sizes. Combining people and technology, OneDigital offers employers a sophisticated combination of strategic benefit advisory services, analytics, compliance support, human resources management tools and comprehensive insurance offerings.