

# Observations on the impact of COVID

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## **How have things changed in your business and in the marketplace since the start of the pandemic? Any interesting observations?**

A striking repercussion of the pandemic is its impact on medical services unrelated to COVID. While many clients saw increased claims due to COVID for other benefits such as Life and, increasingly, disability, we observed a significant drop in medical claims during the initial months of the pandemic in most countries. This drop in utilisation appeared to be driven by global COVID lockdowns and a related fear among the population, as well as the inability to easily

access non-urgent medical care. Fear was definitely a factor altering everyone's behaviour early on, especially as many medical facilities were overwhelmed with emerging COVID cases. With certain exceptions, employees and dependents in most countries modified their behaviour in terms of the consumption of medical services, at least for a time.

The other development we observed is that there wasn't a dramatic rush of 'catch-up' claims as people became less fearful and lockdowns lifted later in 2020. As we continue to study the data, it certainly seems that a corrective crush of rescheduled appointments, tests and procedures

didn't occur in most places. Instead, in many markets utilisation merely returned to 'normal' levels. I think this is due to a number of factors, including a lingering concern about in-person interactions in all settings as COVID persisted (often in waves) and, perhaps more significantly, the ongoing reduced capacity within the medical delivery system to address routine and non-urgent medical needs. Complicating this change in utilisation was a significant increase in the adoption of remote healthcare services such as telemedicine and second medical opinion, both of which were critical tools (in markets where they were offered) to bridge the gap for many individuals during the year.

### Were there any needs or gaps in employee benefits coverage revealed by the pandemic?

Yes, absolutely. I think just as the sudden shift to remote work revealed the need for access to robust communication systems and new software platforms, so did the shift to remote or even quarantined living reveal in healthcare a need for remote triage, diagnosis and even treatment. While such services have been around for a long time, they were not entirely integrated into the healthcare delivery systems around the globe, neither on the supply nor on the demand side.

Last year we saw a sudden and dramatic increase in interest for services that could bridge the physical gap between physicians and patients, like telemedicine, second medical opinion and employee assistance services (EAP), especially for mental health. Seemingly overnight, these services that were once underutilised and sometimes viewed as an interesting but non-essential 'add-on' became central to the health offering for many clients. Providers, payers and even regulators quickly looked at how such services could be offered and integrated into their health systems.

As the world continues to recover from COVID, and things start to open up and people get more comfortable moving about more freely through society, I think we'll see a return to 'normal' levels of in-person services, but I also think that the use of remote healthcare services is likely here to stay as a convenient and increasingly cost-effective alternative for care. I think remote healthcare services will continue to be part of the landscape in a larger way than they ever were before COVID. The pandemic really accelerated the adoption and (more importantly) the acceptance of these services across the world.

### Have Employers changed their approach to benefit design in general as a result of COVID?

While there has always been considerable attention paid to benefit T&Cs in high cost countries such as the US, I think there's a heightened awareness of benefit plan design in many more markets, especially how modifying utilisation/cost reduction tools such as member cost share (i.e. deductibles, copays, coinsurance and limits) and provider network composition can have an impact on overall claims and costs. I also think the pandemic has caused companies to focus on how their plan design can actually improve employee access to care, even in markets with strong public health systems. Interestingly, we are in a period of renewed focus on employee welfare at the same time that there is a renewed focus on cost savings. This makes employers much more open to consider changes across global plans than they may have been in the past. At GEB, this is something we've always ensured we support our clients on: using data to analyse utilisation experience, identify trends and cost drivers, and then apply those findings to consider changes to plan design and recommendations for relevant well-being programmes.

### As the vaccine rollout continues, what can employers do to help educate and encourage employees to get vaccinated? What can be done in countries where vaccine supplies and inoculation rollouts continue to be a major challenge?

I think the best thing that employers can do is educate their employees on the safety and efficacy of vaccines approved by the World Health Organisation (WHO) and their local government, and then encourage employees to get vaccinated as soon as possible. This means providing them

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information on vaccine efficacy rates and global vaccination statistics. It also means potentially providing basic information from public health officials on how vaccines were developed, what they're designed to do, and any reported potential side effects. It's important that people are fully informed about their potential vaccination and that they take the initiative to get vaccinated. Only by vaccinating the vast majority of the global population will the pandemic recede further. To help educate and inform our clients, we have cooperated with Granite Management to produce a quarterly COVID-update newsletter where we provide updates on key vaccine-related stats, as well as information for companies looking for guidance on the issue of vaccines for

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employee populations, including considering the impact on medical benefit plans both now and in the future.

### **How are you advising clients with respect to coverage for COVID treatment and vaccinations under their global medical plans?**

Some companies have asked for advice regarding the direct purchase of vaccines for their global staff. Currently, this can be problematic due to limited supply in some countries, and the fact that it could be difficult to assure quality outside of controlled government purchasing systems. There is also the ethical concern of vaccine equity and giving preferential access to a relative

few within a company, versus what is available in a country or region where vaccines may already be in short supply.

We have suggested companies consider making efforts to join country/region-wide or even global vaccine purchasing initiatives, and offer to host or sponsor a vaccination site, so that their employees in those locations would benefit from their contributions to the wider effort without the issues just mentioned on vaccine quality and ethical concerns.

While it's understandable that companies may wish to obtain and offer vaccines directly to staff to rapidly increase vaccine access among their workforce, given the very serious issues around vaccine quality and equity a collective, global, community-minded approach could be a better approach, at least for now.

We have also received questions regarding coverage for vaccinations under clients' existing health plans and how or if these costs should be reimbursed by the plan. In our most current COVID update with Granite provided to clients, we have suggested that COVID vaccinations and treatment should only be covered under private medical plans to the extent that they are not already covered by local governments or national public health systems. This means that employee medical plans should only be modified to address identified gaps in coverage, ensuring they work in concert (not in conflict) with the local government benefits.

This of course addresses the current phase that we're in, i.e. vaccine rollout. In the future, as more needs emerge related to ongoing treatment for COVID as a chronic illness and vaccinations on a regular annual basis, it's recommended that these ongoing/routine services should be covered under the plan as any other illness.

At present, vaccines are being made available for private purchase in only a few countries, largely in Asia, to help assist with the local vaccine roll-outs. In those countries, we recommend including cover under local plans if allowed, subject to normal policy limits.

### **Right now, what do you see as the biggest risk for benefit managers/benefit plans?**

I think the biggest risk for our places of business and our communities is not getting enough people vaccinated. As we all know by now, this pandemic will not end/not recede until a very significant portion of the global population is vaccinated. Employers have a role to play in this, by educating their employees about available vaccines and vaccine efficacy and perhaps even by offering incentives for them to get vaccinated.

There is a lot of misinformation and suspicion about vaccines right now, and in countries where supply is not the issue, lack of demand due to misinformation is the biggest problem. In those countries where there are vaccine supply or distribution issues, Employers could possibly consider joining in on local/global initiatives to contribute to vaccine purchasing, or even sponsoring/coordinating a vaccination drive for employees and community members on company premises. It is really in the best interests of every company to participate in the access and education efforts as much as they can, starting with their own workforce.

We have to help individuals, communities and countries overcome obstacles to getting vaccinated, whether those obstacles are due to lack of access to vaccines, or lack of understanding of their true efficacy and safety. This is really the greatest challenge and risk we all face. ■