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Correspondence Memorandum

Date: July 31, 2020
To: Group Insurance Board
From: Renee Walk, Lead Policy Advisor
Office of Strategic Health Policy
Subject: COVID-19 Update

This memo is for informational purposes only. No Board action is required.

Background

The COVID-19 outbreak has continued across the state and the nation. Initial reductions in case counts in late May and early June have given way to increases over the past month and a half. Several Wisconsin municipalities have issued mask orders and other limitations on gatherings in order to limit the increases in case counts seen over the early part of the summer. This memo provides a brief summary of issues relevant to the Group Insurance Board's (Board's) programs.

Legislative & Regulatory Update

There has been no additional legislation passed at either the federal or state level addressing the pandemic since the Board's last meeting on June 29, 2020. Federal legislators continue to discuss the relative merits of additional financial stimulus, but all attempts at drafting legislation have stalled. At the local level, some have called for statewide legislation to institute a mask mandate; the state legislature has not acted on this option.

On July 25, 2020, the Secretary of the U.S. Department of Health and Human Services (HHS) issued a 90-day renewal of the federal public health emergency. This extends the required timeline for which group health plans must pay for COVID-19 testing and related services without cost sharing. The new end date for the public health emergency is October 23, 2020. The changes to COBRA timelines and the Section 125 Cafeteria Plan discussed with the Board in June are tied to the national emergency declaration which is separate from the public health emergency. The public health emergency automatically expires after the declaration period; the national emergency declaration does not automatically expire.

Reviewed and approved by Eileen K Mallow, Director, Office of Strategic Health Policy

Electronically Signed 8/3/20

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On July 30, 2020, Governor Evers issued Executive Order #82 declaring a new public health emergency. The new order cites widespread and increasing infection rates in the state as reason for declaring a new public health emergency, which will last for 60 days and authorizes additional Wisconsin National Guard support for both the August 11 election and community testing site operations¹. Governor Evers also issued Emergency Order #1 on July 30, which requires face coverings for all people age five and older when they are “indoors or in an enclosed space, other than at a private residence; and...another person or persons who are not members of the individual’s household or living unit are present in the same room or enclosed space.”² The emergency order will expire on September 28, 2020, unless continued by a superseding emergency order.

Vaccine and Treatment Investigations

According to a tracker maintained by the Regulatory Affairs Professionals Society, there are currently 42 vaccine candidates currently in development for SARS-CoV-2, the virus that causes COVID-19³. Public and private partnerships, such as the federal Operation Warp Speed (OWS)⁴, have aimed to accelerate development of both vaccines and treatments for SARS-CoV-2. OWS has selected three vaccine candidates to fund for Phase 3 trials. Despite the accelerated course, a fast-tracked vaccine will still likely take 12-18 months to become widely available in the market.

The drug treatment for COVID-19 receiving the most press in recent months has been remdesivir. Gilead Sciences, Inc (Gilead) released remdesivir under emergency use authorization for treatment of severe COVID-19. A press release by Gilead on July 10 details a recent study which shows a 62% reduction in the risk of mortality compared with patients receiving the standard of care⁵. Gilead also reports that the findings demonstrate similar efficacy across racial and ethnic patient subgroups. The findings are not yet peer reviewed, and it should be noted that more rigorous trials should be undertaken.

¹ Executive Order #82: Relating to Declaring a Public Health Emergency. July 30, 2020.

<https://evers.wi.gov/Documents/COVID19/EO082-PHECOVIDSecondSpike.pdf>

² Emergency Order #1: Relating to preventing the spread of COVID-19 by requiring face coverings in certain situations. July 30, 2020.

https://content.govdelivery.com/attachments/WIGOV/2020/07/30/file_attachments/1507337/EMO01-FaceCoverings.pdf

³ Regulatory Affairs Professionals Society. *COVID-19 Vaccine Tracker*. July 23, 2020

<https://www.raps.org/news-and-articles/news-articles/2020/3/covid-19-vaccine-tracker>

⁴ Department of Health and Human Services. *Trump Administration Announces Framework for Leadership for ‘Operation Warp Speed.’* May 15, 2020.

<https://www.hhs.gov/about/news/2020/05/15/trump-administration-announces-framework-and-leadership-for-operation-warp-speed.html>

⁵ Gilead Sciences, Inc. *Gilead Presents Additional Data on Investigational Antiviral Remdesivir for the Treatment of COVID-19*. July 10, 2020. <https://www.gilead.com/news-and-press/press-room/press-releases/2020/7/gilead-presents-additional-data-on-investigational-antiviral-remdesivir-for-the-treatment-of-covid-19>

Telehealth Services

At the June 29 Board meeting, there was a question regarding telehealth coverage and the variance between health plans. As of ETF's last surveying of health plans, all plans provided telehealth through a vended solution such as American Well, Zipnosis, or TeleDoc. All of these vendors provide access at minimum to their own contracted networks, which include physicians who are licensed outside of Wisconsin. In addition, plans who are closely affiliated with provider practice groups or hospitals offer access to their own physician providers through these platforms as well. Most plans have focused their vended solutions on medical care via telehealth pre-pandemic, but ETF's largest health plans have added behavioral health access through their vended solutions.

Outside of vended telehealth, all plans have told ETF they are paying for services provided by brick and mortar providers via telehealth in order to promote continuity of care. This includes behavioral health services. No plan has indicated that there is a required prior relationship between member and provider, and so members who find themselves in need of counseling support who have not previously engaged with a behavioral health provider would be able to seek care either from a vended tele-behavioral health provider as available, or through a local provider if that provider is willing to provide telehealth services.

Virtual Benefit Fairs & Flu Clinic Options

Several months ago, ETF announced an agency-wide policy that staff will not attend any large meetings or events in person. This includes benefit fairs. Many employers who offer the Board's programs are still determining what, if any, onsite presence they will have for benefit fairs in the spring. To ensure access to information for members during the pandemic, ETF is also exploring options to provide both virtual access to the Board's vendors and question/answer session with ETF staff via webinar. Final details of these offerings are still being determined, and more information will be available in the coming weeks on ETF's website.

As the pandemic continues, it is important to encourage members to get vaccinated against influenza (flu). In addition to keeping members healthy, it may also help ease anxiety by preventing an illness that has similar symptoms to COVID-19, which could increase service demand and overwhelm the health care system. Members can receive their flu vaccine through a health care provider, a local in-network retail pharmacy or at an employer-sponsored flu shot clinic. The Board's wellness vendor, StayWell, is offering expanded flu shot options, including extended clinics and drive thru options. ETF has noticed requests for employer-sponsored flu shot clinics are much lower this year than in previous years. Currently, there are a total of 35 clinics with 1,000 appointments scheduled for this flu season. Last year, there were 122 clinics with 5,000 appointments. Remote work may be causing some employers to delay offering clinics. To support members in getting vaccinated, ETF has been working with StayWell, the Board's wellness vendor, to create drive-up flu shot clinic opportunities that employers can opt for that would minimize the number of people coming into buildings. However, implementing this option is dependent on employers sponsoring a clinic. To date, no

employer has taken advantage of the opportunity to offer drive-in flu shot clinic. ETF staff and StayWell are available to assist interested employers

Health Impacts

The typical COVID-19 case reported over the past six weeks has shifted somewhat demographically at the state level. Wisconsin Department of Health Services (DHS) now reports that 26% of COVID-19 cases are among people ages 20 to 29 years of age, the largest single cohort of cases. People in the original age risk group (60 years old or older) now account for 17% of all confirmed cases. Deaths are still much more heavily concentrated in the 60+ age group, however, with 87% of deaths occurring in that group. The reported death rate in Wisconsin is now 1.9%.

The World Health Organization (WHO) and the Centers for Disease Control and Prevention (CDC) both say that most cases of COVID-19 should resolve within about 14 days, but there have been increasing numbers of media reports of people who report still having symptoms after several weeks or even months, including shortness of breath and fatigue⁶. Part of what makes SARS-CoV-2 an unusual virus is its ability to infect many different types of cells in the body, and this is what causes the broad array of symptoms that are now considered potentially symptoms of the disease.

In addition to long-term effects in adults, physicians have begun to document a rare inflammatory condition in children called multisystem inflammatory syndrome in children or MIS-C. In a very small number of children who have had SARS-CoV-2, this condition presents similar to toxic shock syndrome, causing inflammation throughout blood vessels in the body⁷. The condition is treatable, requiring intervention with immune globulins, steroids, and other medications. CDC has confirmed that MIS-C and SARS-CoV-2 are related, but a causal link has not been determined.

As stated in the June 29, 2020, update to the Board, claims information is still coming in related to the impacts of COVID-19 on the health of the Board's populations. ETF hopes to present an initial analysis in November 2020 regarding utilization of key services during the early part of the pandemic. According to Securian, the Board's life insurance vendor, there have now been a total of 17 COVID-19-related death claims filed; this includes 11 retirees and 6 active employees and/or dependents.

Quality Impacts

As mentioned above, ETF will be able to provide more information regarding utilization at the November 2020 Board meeting, and this will help to highlight some possible changes in quality of care. ETF has still not received reports of any inability to access

⁶ Bailey, L. *What we (don't) know about Covid-19's long-term health effects*. July 1, 2020. <https://qz.com/1875430/what-to-expect-from-long-term-covid-19-cases/>

⁷ Kwank Sik Kim. *MIS-C and COVID-19: Rare Inflammatory Syndrome in Kids and Teens*. May 22, 2020. Johns Hopkins Medicine. <https://www.hopkinsmedicine.org/health/conditions-and-diseases/coronavirus/misc-and-covid19-rare-inflammatory-syndrome-in-kids-and-teens>

needed services as a result of the pandemic, though some contacts from members have reflected the confusion that circulates around testing coverage.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act provided for broad coverage of testing and the surrounding visits needed to get testing, but subsequent interpretation by federal agencies as to the requirements of group health plans have muddied the coverage waters. Citizens hear from public health entities that people who do not have symptoms may carry the virus, and they may feel a duty to their communities to be tested, but the CARES Act only requires coverage for tests that are deemed medically necessary and appropriate by an ordering provider. In asymptomatic people who do not suspect they have been exposed, there is likely not a medical care decision that would be influenced by a test, and so providers will likely not note that such tests are medically necessary.

Access to free testing from public health entities can vary widely county by county—for example, in Dane County, the public health department's website states that anyone can be tested for COVID-19 at the Alliant Energy Center site through broadly available drive up testing, but the public health testing site in Fond du Lac County specifically asks people who are experiencing symptoms to call first and then next steps for testing will be determined. In such cases that have come to ETF, ETF's ombudsperson services staff have worked with members to explain what to expect for coverage and what options are available for testing in the community.

Cost Impacts

For the 2021 health program rate negotiation meetings, ETF approached health plans with both the present and future impacts of COVID-19 in mind. While to date, ETF has not received any additional requests from the Department of Administration to reduce costs, ETF chose to aggressively negotiate renewals based on the knowledge that services (and thereby costs) were substantially decreased for the months of April and May, and that there is a likelihood that the continued spread of the virus will limit member ability to seek services until a vaccine is found. These changes in utilization were of course not predicted during the 2020 rate negotiation cycle, and so ETF, under consultation with Segal, the Board's actuary, determined a cost reduction factor that was applied evenly across all plans to account for that reduction in use and apply the savings to the coming year. Additional information on the final rates is available in (Ref. GIB | 8.19.20 | 7) of this meeting.

ETF continues to see a rebound in dental utilization. Table 1 shows dental claims and expenses over the past four weeks. Expenses are now at or, in the case of the last reported week, above 2019's numbers.

Table 1. Dental Claims and Expenditures, June-July 2020

	Claims	Expenditures
4th Week of June	7,957	\$1,096,342.51
5th Week of June	8,270	\$1,145,644.48
1st Week of July	7,789	\$1,095,723.62
2nd Week of July	7,743	\$1,097,602.87

In terms of the life insurance product, the total dollars reported paid for the 17 deaths noted in the section above is \$693,350.

ETF continues to monitor layoffs and furloughs associated with the pandemic's effects on state revenues and will return to the Board if additional cost savings are needed to meet state and local budget requirements.

Staff will be available at the Board meeting to answer any questions.