



Correspondence Memorandum

Date: January 21, 2021

To: Group Insurance Board

From: Renee Walk, Lead Policy Advisor
 Office of Strategic Health Policy

Subject: February 2021 COVID-19 Update

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

Background

While COVID-19 continues to have broad impacts across the state, nation, and globe, there have been developments in recent months that lend optimism. The following memo provides an update on topics related to regulations, coverage, and impacts that pertain to the Group Insurance Board's (Board) programs.

Legislative & Regulatory Update

The U.S. Congress passed the Consolidated Appropriations Act of 2021 (H.R. 133) on December 21, 2020, and the bill was subsequently signed into law by President Trump on December 27. The bill contains several provisions related to COVID-19 relief specific to healthcare. Among other appropriations, the bill provides:

- \$3 billion in funding for hospitals and healthcare providers,
- \$8.75 billion to the Centers for Disease Control and Prevention (CDC) for vaccination efforts (\$4.5 billion of which is to be sent to state and local governments), and
- \$1.15 billion to the National Institutes of Health (NIH) to research long-term effects of COVID-19.

The bill also provides support to CDC to combat vaccine misinformation and improve vaccine education and surveillance. Several other provisions not specifically related to COVID-19 will be discussed in other items on this Board meeting's agenda.

At the state level, the Senate passed an amended version of AB1, a COVID-19 relief bill, on January 12, 2021. The bill is awaiting passage by the Assembly as of the drafting of this memo. The provisions included in the bill largely restate the last COVID-19 relief legislation passed by the state and carries the following provisions that will impact the Group Health Insurance Program (GHIP):

- **Testing and vaccine cost sharing:** health plans must provide coverage of COVID-19 testing and vaccination without imposing any copays or coinsurance.

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

Electronically Signed 2/2/21

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- **Prescription drug coverage:** health plans may not prior authorize or otherwise restrict refills of prescriptions unless the drug is a controlled substance.
- **Out-of-network cost sharing:** health plans cannot require members to pay more than in-network cost sharing for services received out-of-network if no in-network provider was available to provide care.

All three of these provisions are applicable until the end of the national emergency, or until June 30, 2021, whichever is earlier.

Governor Evers also issued new executive orders on January 19, creating a new statewide public health emergency and requiring face coverings.

Vaccines & Treatment

There has been substantial progression in vaccination since the November 2020 update to the Board. Two vaccines are now available under emergency use authorization (produced by Pfizer and Moderna) and other candidates are also expected to soon move through approval, further broadening access. As of January 21, 2021, Wisconsin has moved to Phase 1b of the state's vaccine distribution plan. Phase 1a focused primarily on direct healthcare providers and nursing home residents; Phase 1b broadens availability to other risk groups, though not yet the general population.

ETF requested information from health plans regarding the number of vaccines they have received claims for. At this stage, many have not received any claims; this is because of the tight control of the vaccine and distribution channels, and the reimbursement structure as currently established under the federal vaccine distribution program. The federal government has purchased the actual vaccine that is currently being distributed, and so the only chargeable costs at this time are fees for administration. Walgreens is one of the designated pharmacy partners for vaccine administration in long-term care settings, so Navitus Health Solutions (Navitus), the Board's pharmacy benefit manager (PBM), has received some claims for administration to nursing home staff and residents. As of January 20, 2021, Navitus reported 995 vaccines administered to 993 people (indicating some have received a second dose), and a total plan paid for administration of \$16,663.59. Approximately 63% of the administered vaccines were the Moderna vaccine, and the remainder were the Pfizer product.

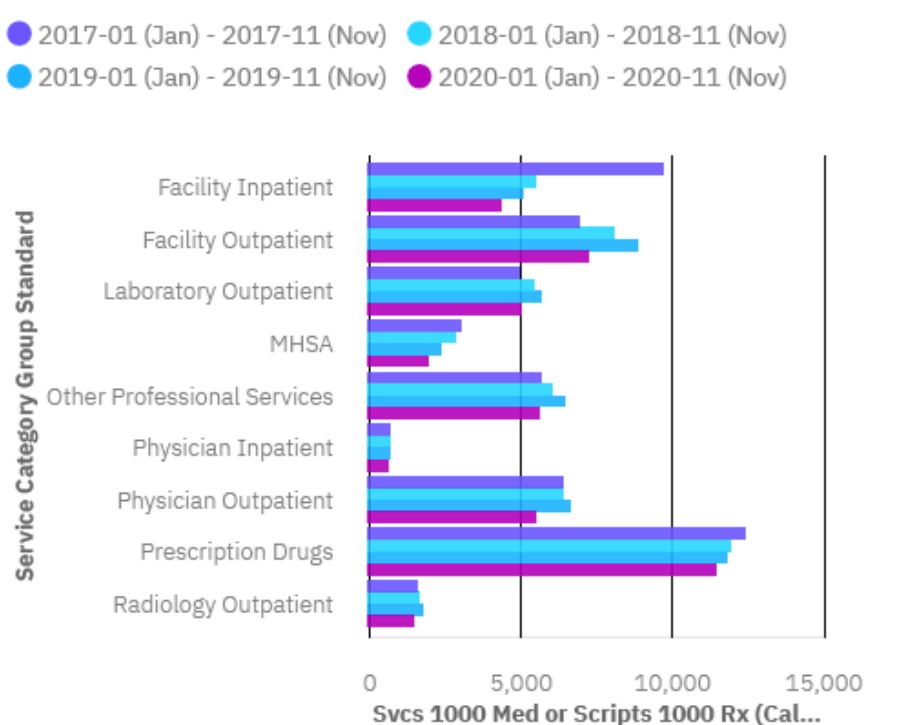
ETF has received a few questions from other states and from GHIP employers about incentivizing vaccination. At this time, ETF does not feel that adding a monetary incentive to vaccination is appropriate. Current demand for the vaccine outstrips supply and adding to that demand by assigning a dollar incentive could exacerbate disparities for people who are eligible but not able to take time off of work or travel to a place where they can be vaccinated. ETF instead recommends that employers consider educational campaigns on the value of vaccination, coupled with administrative support such as scheduling and paid leave time for workers who are eligible for vaccination.

Health Impacts

Using the data available in the Data Analytics and Insights (DAISI) warehouse, we are able to report on health care interactions over the past year in comparison with prior years. Per DAISI data, there are 2,673 GHIP members who have a confirmed diagnosis of COVID-19. As mentioned at the November 2020 Board meeting, it is important to remember that this is likely an underrepresentation because members could receive tests in the community that are not recorded in health insurance claims data. That said, the number of tests administered and paid for by the GHIP has increased substantially since November; DAISI now shows 32,974 diagnostic tests paid for and 10,047 antibody tests paid for from January of 2020 through November of 2020 (December data is not yet available). The net paid for diagnostic tests was \$144 per person, and the net paid for antibody tests was \$68 per person.

Utilization of all service categories — inpatient, outpatient, mental health, prescription drugs, radiology, and others — remained below 2019 levels for the same time period. In some cases, utilization is at a four-year low. Outpatient services, which had steadily increased since 2017, dropped to below 2017 levels in 2020. Even including the surveillance testing from COVID-19, laboratory services done in an outpatient setting returned to 2017 levels. The chart below shows utilization from January through November of the last four years, for comparison.

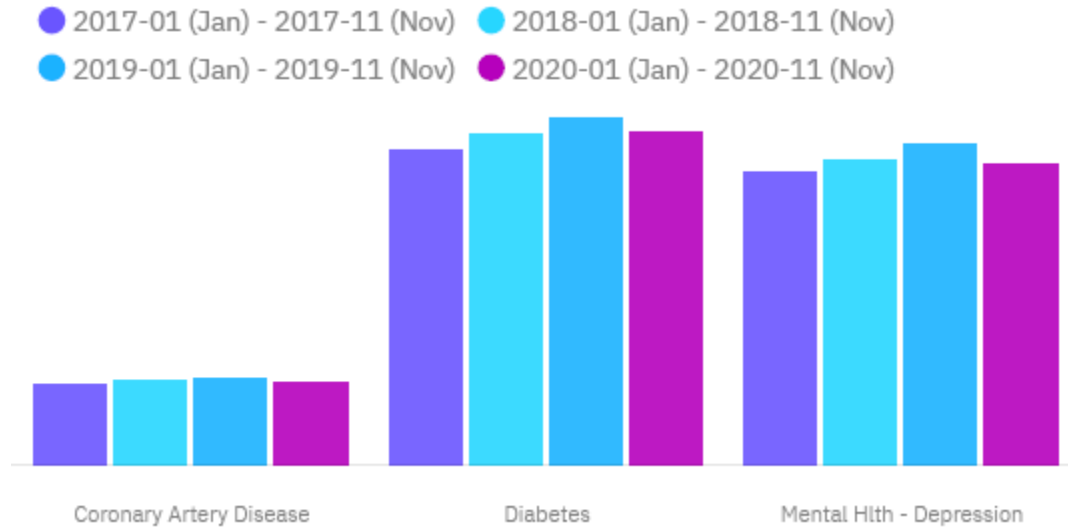
Chart 1. Utilization change by service category, January-November 2017, 2018, 2019, and 2020



Similarly, when categorized by disease state, prevalence of claims for key chronic conditions reduces in 2020 after steady increases in prior years. Chart 2 below shows

the change in prevalence of claims for three conditions — coronary artery disease, diabetes, and depression — and is likely indicative of people forgoing care, not a reduction in disease burden.

Chart 2. Key chronic condition prevalence, January-November 2017, 2018, 2019, and 2020



Securian, the Board’s life insurance vendor, provided an updated table of deaths attributed to COVID-19 that have been reported for claims payment.

Table 1. Deaths due to COVID-19, by employee class and gender, January 19, 2021

CATEGORY	NUMBER OF DEATHS
ACTIVE EMPLOYEE	14
RETIREE	146
SPOUSE/DEPENDENT	8
MALE	107
FEMALE	61
TOTAL DEATHS	168

In addition to COVID-19 specific deaths, Securian reported an increase in deaths across the board; they attribute this to deaths caused by missed treatment opportunities, care avoidance, and deaths of despair due to isolation and economic hardship. Increased death has occurred for both active employees and retirees, but the rate of increase is more significant for retirees.

Quality Impacts

As noted above, engagement rates with care for chronic conditions continues to lag. ETF requested that health plans provide information about how they are encouraging members to continue care during the pandemic. Nearly all plans reported back that they had created some form of additional communications materials to encourage members to continue seeking maintenance care, and many added supplemental materials to promote telehealth. Plans also noted that their outreach for disease management and case management continued through regular channels, as these outreach strategies were already primarily telephonic. Several plans also went so far as to identify members who might be at higher risk for severe COVID-19 illness due to health conditions or age to provide targeted resources on testing, benefits, and telehealth. In addition to health plan responses, WebMD, the Board's wellness program vendor, also indicated that they have issued several targeted campaigns focusing on mental health and substance use issues and how to cope.

Racial disparities in COVID-19 infections and deaths continue to highlight broader disparities in health, and recent reports indicate that similar disparities are also arising in vaccine access. An article by Kaiser Health News analyzed state data where race was available; Black citizens were in some cases two to three times less likely to receive a vaccination than their white counterparts.¹ This is despite in some cases being over-represented in healthcare jobs that should make them Phase 1a eligible. Wisconsin Department of Health Services (DHS) does not currently report racial or ethnic data in its vaccination statistics, and as mentioned in previous memos, ETF is also not able to track this information. However, ETF will look for opportunities to provide outreach and supportive messaging to members of color who are eligible for vaccination and to address concerns about receiving the vaccine.

Cost Impacts

As of January 19, 2021, Securian reported it had paid \$4,593,000 in claims for COVID-19 related deaths. The majority of claims dollars were paid for active employees (\$2,276,000), but retiree claims (\$2,182,000) are increasing such that the difference in claims paid has almost been nullified. This is expected given the greater mortality rates associated with COVID-19 for people over age 60.

Dental trends continued on the same trajectory, with costs down 4.6% the week of January 19, 2021 from the same week in 2020, but up 11.7% from the prior week. Claims similarly were down 6.2% from the prior year, but up 8.6% from the prior week. The table below shows the actual claims and dollars paid year to date for 2021, as compared with the same periods in 2020 and 2019.

¹ Recht, H., and Weber, L. "Black Americans Are Getting Vaccinated at Lower Rates Than White Americans." Kaiser Health News, January 17, 2021. https://khn.org/news/article/black-americans-are-getting-vaccinated-at-lower-rates-than-white-americans/?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosvitals&stream=top. Accessed January 22, 2021.

Table 2. Dental claims counts and paid amounts January 1 – 19 for 2021, 2020, and 2019

	YTD 2021	YTD 2020	YTD 2019
NUMBER OF CLAIMS	22,244	23,744	22,822
DOLLARS PAID	\$3,077,136	\$3,218,156	\$3,106,703

ETF will continue to monitor the impact of COVID-19 to the Board's programs and report findings and other issues to the Board.

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