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Correspondence Memorandum

Date: January 26, 2022

To: Group Insurance Board

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

Subject: February 2022 COVID-19 Update

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

Background

As of the drafting of this memo, the world moves into the third year of the COVID-19 pandemic. The following memo details regulatory changes impacting the Group Health Insurance Program (GHIP) that have occurred since the last report to the Group Insurance Board (Board) in November 2021, a review of new treatments, and updated impacts to the GHIP in the context of the Healthcare Triple Aim.

Regulatory Changes: Over the Counter Test Coverage

On January 10, 2022, the Biden Administration issued guidance for the coverage of over the counter (OTC) testing kits by group health insurance plans[1]. The guidance, issued by the Departments of Labor, Health and Human Services, and Treasury (the Departments) requires that, as of January 15, 2022, group health plans provide coverage for OTC COVID-19 tests without out-of-pocket costs to members. Coverage for OTC tests is required without orders from a provider, prior authorization, or medical management by the plan. This modifies prior guidance[2] that allowed plans to limit coverage for tests to only situations where a member has orders from a provider. Plans are also not allowed to limit coverage of OTC tests to only in-network providers or pharmacies. These changes apply only to OTC tests; plans may still limit coverage for non-OTC tests and tests that are solely for public health surveillance or employment

[1] Departments of Labor, Health and Human Services, and Treasury. FAQs About Affordable Care Act Implementation Part 51, Families First Coronavirus Response Act and Coronavirus Aid, Relief, and Economic Security Act Implementation. Retrieved January 10, 2022, from https://www.dol.gov/sites/dolgov/files/EBSA/about-ebsa/our-activities/resource-center/faqs/aca-part-51.pdf

[2] Departments of Labor, Health and Human Services, and Treasury. FAQs About Families First Coronavirus Response Act and Coronavirus Aid, Relief, and Economic Security Act Implementation, Part 44. February 26, 2021. Retrieved January 11, 2022, from https://www.dol.gov/sites/dolgov/files/ebsa/about-ebsa/our-activities/resource-center/faqs/aca-part-44.pdf

Reviewed and approved by Eileen K Mallow, Director, Office of Strategic Health Policy Electronically Signed 01/26/2022

Eileen K Mallow

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purposes. Plans are “strongly encouraged” to provide direct coverage for tests—that is, paying for the costs at the point of sale, with no requirement that a participant seek reimbursement—but are allowed to require members to submit claims for reimbursement. Plans must also ensure “adequate access” to tests through a variety of channels.

The guidance allows two “safe harbor” provisions for plans to limit coverage. First, plans may elect to set up direct coverage mechanisms specifically for their preferred providers/pharmacies only and require all non-network provider claims to be submitted manually. If plans set up direct coverage mechanisms, they may then limit reimbursement for non-preferred providers/pharmacies to the lower of the actual unit price or $12 per test. Maximum reimbursement is set per-test, regardless of how many tests are included in a package. The guidance also mentions establishing direct-to-consumer shipping programs, which can be provided by either a network provider or “another entity designated by the plan.” Second, plans may limit the number of OTC tests they pay for to eight individual tests per participant per 30-day period or per calendar month. Plans may not create smaller limits for shorter time periods (e.g., four tests every 15 days). Plans may set more generous limits if they choose. Limits would also apply per test, not per package. These two safe harbors also only apply to OTC tests administered without provider involvement or prescription.

Plans may take reasonable steps to reduce fraud and abuse. Plans may require verification that an OTC test was purchased for a participant’s personal use and will not be reimbursed elsewhere, such as requiring an attestation or other minimal standard, but the Departments note in their guidance that they consider requiring multiple document submissions to be too burdensome. Plans may also require participants to submit proof of purchase such as UPC codes to verify that the item is covered or a receipt from the seller documenting the date of purchase and the price of the test.

In additional consumer guidance documents, Centers for Medicare and Medicaid Services (CMS) clarified that people enrolled in original, fee-for-service Medicare will not be eligible for test reimbursement through Medicare. Some Medicare Advantage programs may pay for tests, but this is not guaranteed, and CMS encouraged participants to check with their plans.[3]

Following review of the available guidance and discussion with program vendors, the Department of Employee Trust Funds (ETF) has issued guidance to vendors and members regarding how to obtain reimbursement for OTC tests. Non-Medicare members will have all coverage for OTC tests processed through Navitus, the Board’s pharmacy benefit manager (PBM). For the smoothest customer experience, ETF encouraged members to seek coverage from an in-network pharmacy, since Navitus has direct reimbursement arrangements with its network pharmacies. In this case, “in-

[3] Centers for Medicare and Medicaid Services. How to get your At-Home Over-The-Counter COVID-19 Test for Free. Retrieved January 15, 2022, from https://www.cms.gov/how-to-get-your-at-home-OTC-COVID-19-test-for-free.

network" applies to any pharmacy with which Navitus has a contract, which includes pharmacies that are outside of the Board's narrow network. These tests will cost members $0 at point of sale.

Tests purchased at an out-of-network pharmacy or other retailer must be paid for up front by members, who can then seek reimbursement from Navitus at the $12 per-test rate. Given the guidance provided by CMS regarding Medicare members, ETF has determined that members in the Board's Medicare coordinated and Medicare Plus plans cannot receive reimbursement through the GHIP. Medicare Advantage has notified ETF that they will also not be providing coverage. ETF is advising Medicare members to take advantage of the free test kits provided either through the federal government (https://covidtest.gov) or the Wisconsin Department of Health Services (DHS) (https://www.dhs.wisconsin.gov/covid-19/collection.htm).

Variants and Vaccinations

Since the last report to the Board in November 2021, a new variant has become the dominant strain worldwide. The new Omicron variant is substantially more transmissible than its predecessor, Delta, and also appears more able to evade immunity from both vaccines and prior infection[4,5], though cited research is still preliminary and awaiting peer review. As such, there have been many breakthrough infections in the vaccinated, and reinfections in those with prior immunity, reported in the past four months. As of January 15, however, statistics reported by DHS indicate that individuals who are not fully vaccinated are three times as likely to be infected with COVID-19, 10 times more likely to be hospitalized, and 14 times more likely to die from the disease[6].

Rates of vaccination in Wisconsin and across the nation have stagnated in recent months. According to DHS, 62.7% of Wisconsin residents have received at least one dose of a COVID-19 vaccine. While there appeared to be some increase in vaccination following employer mandates instituted in the fall of 2021, Wisconsin's fully vaccinated population has only increased 4% since the last report to the Board[7].

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[4] Ferguson, N., Ghani, A., Cori, A., Hogan, A., Hinsley, W., & Volz, E. (n.d.). Report 49 - Growth, population distribution and immune escape of Omicron in England. Imperial College London. Retrieved January 15, 2022, from https://www.imperial.ac.uk/mrc-global-infectious-disease-analysis/covid-19/report-49-Omicron/.

[5] Altarawneh, H., Chemaitelly, H., Tang, P., Hasan, M. R., Qassim, S., Ayoub, H. H., AlMukdad, S., Yassine, H. M., Benslimane, F. M., Khatib, H. A. A., Coyle, P., Kanaani, Z. A., Kuwari, E. A., Jeremijenko, A., Kaleeckal, A. H., Latif, A. N., Shaik, R. M., Rahim, H. F. A., Nasrallah, G. K., … Abu-Raddad, L. J. (2022, January 1). Protection afforded by prior infection against SARS-COV-2 reinfection with the Omicron variant. medRxiv. Retrieved January 15, 2022, from https://www.medrxiv.org/content/10.1101/2022.01.05.22268782v1

[6] Wisconsin Department of Health Services. Covid-19: Illness after vaccination. Wisconsin Department of Health Services. (2022, January 14). Retrieved January 15, 2022, from https://www.dhs.wisconsin.gov/covid-19/vaccine-status.htm

[7] Wisconsin Department of Health Services. COVID-19: Vaccine Data. Retrieved January 15, 2022, from https://www.dhs.wisconsin.gov/covid-19/vaccine-data.htm#residents

Testing

While federally mandated coverage of OTC testing will likely improve the ability of individuals to monitor their infection status without taxing an already-overwhelmed healthcare system, recent research highlights that people should remain vigilant even if their OTC test kit is negative. A small, pre-print cohort study of people in high-risk occupations who were screening daily for COVID-19 found that nasal swab antigen tests gave false-negative results for 28 of 30 patients for the first two days of infection, even though those individuals had positive quantitative reverse-transcriptase polymerase chain reaction (RT-qPCR) laboratory tests. The median time between when RT-qPCR tests were first positive to the first detectable antigen tests was three days[8]. A larger review done by the University of Wisconsin and published in the CDC's *Morbidity and Mortality Weekly Report (MMWR)* notes other limitations in the predictive ability of a specific antigen test used in dormitory settings. The report recommends that, to account for reduced accuracy, people who test negative but are experiencing symptoms should seek a laboratory RT-qPCR test[9].

Treatments

On December 22, 2021, the FDA authorized the first antiviral drug for treatment of COVID-19. Paxlovid is an oral medication developed by Pfizer. It is only authorized for treatment of mild to moderate COVID-19 to prevent disease progression, not as a prophylaxis[10]. On December 23, 2021, the FDA granted emergency use authorization to molnupiravir, a second oral treatment for COVID-19. Indications for this drug are similar to Paxlovid though Paxlovid is approved for use in patients as young as 12, where molnupiravir is only authorized for patients ages 18 and older due to risks associated with bone and cartilage growth[11].

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[8] Adamson, B., Sikka, R., Wyllie, A. L., & Premsrirut, P. (2022, January 1). Discordant sars-COV-2 PCR and rapid antigen test results when infectious: A December 2021 occupational case series. medRxiv. Retrieved January 15, 2022, from https://www.medrxiv.org/content/10.1101/2022.01.04.22268770v1.full-text

[9] Pray, I., Ford, L., Cole, D., et al. (2021, January 5). Performance of an antigen-based test for asymptomatic and symptomatic SARS-COV-2 testing at two university campuses - Wisconsin, September–October 2020. Centers for Disease Control and Prevention. Retrieved January 15, 2022, from https://www.cdc.gov/mmwr/volumes/69/wr/mm695152a3.htm

[10] Food and Drug Administration. Coronavirus (COVID-19) Update: FDA Authorizes First Oral Antiviral for Treatment of COVID-19. (December 22, 2021) Retrieved January 15, 2022, from https://www.fda.gov/news-events/press-announcements/coronavirus-covid-19-update-fda-authorizes-first-oral-antiviral-treatment-covid-19.

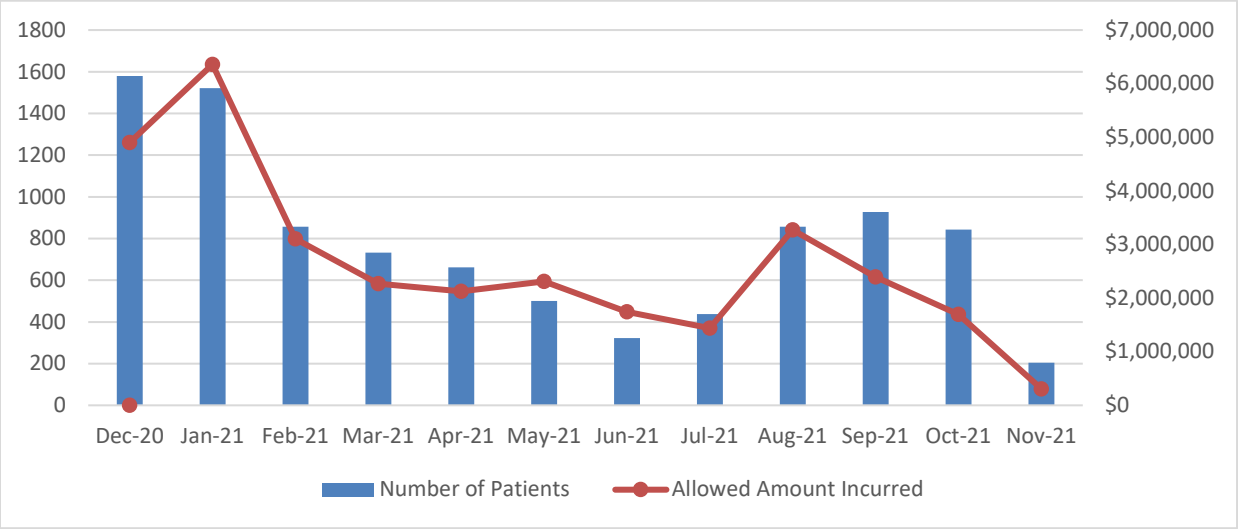
[11] Food and Drug Administration. Fact Sheet for Healthcare Providers: Emergency Use Authorization for Molnupiravir. (2021, December 23). Retrieved January 15, 2022, from https://www.fda.gov/media/155054/download?utm_campaign=Corporate%2FGeneral&utm_medium=email&_hsmi=199207098&_hsenc=p2ANqtz--QMSKjTZekdwmQUWTU067e3c0iaHKlx6JbVA1C_occeQdpQEs9sTyk0He6l-l3ps9s2c9RApgsOJOuSykwQP0TR9nGrw&utm_content=199207098&utm_source=hs_email

Wisconsin received its first allocations of both Paxlovid and molnupiravir in early January, and CMS has recommended plan sponsors pay an enhanced dispensing fee of $10 for the medication. As of the drafting of this memo, Navitus has not adjusted dispensing fee reimbursements for these particular drugs. The actual costs of the drug will be paid for initially by the federal government. Navitus will cover these drugs at no cost to members, as required by law.

Health, Quality & Cost Impacts

Service utilization has not changed notably in the data available for the latter parts of 2019, 2020, and 2021. There is an apparent decrease in the allowed amount and number of patients with medical claims specifically related to COVID-19 per the Data Analytics and Insights (DAISI) data warehouse. Chart 1 below shows the patients with medical claims and the cost incurred by month from December 2020 to November 2021. The patient numbers represent the number of members requiring medical treatment for COVID-19. There is a moderate increase in patients during the period when the Delta variant became the dominant strain, but allowed amounts continued to fall during this same time period. This could indicate either reduced severity of disease or increased efficiency in treatments.

Chart 1. COVID-19 Patients and Allowed Amounts by Incurred Month, Dec 2020 – Nov 2021



Source: Data Analytics & Insights (DAISI) dashboard.

ETF has noted an increase in deaths reported to Securian, the Board's life insurance program vendor. As of January 26, 2022, the total number of death claims related to COVID-19 has increased to 399. Table 1 below shows a breakdown of the groups impacted, as compared to what was reported in the Board's November memo.

Table 1. Life Insurance Program Reported Deaths, October 21, 2021 v. January 26, 2022, by Classification

Classification	Deaths as of 10/21/21	Deaths as of 1/26/22	Increase (%)
Active	18	32	14 (+78%)
Retiree	282	342	60 (+21%)
Spouse/Dependent	14	25	11 (+79%)
Total	314	399	85 (+27%)

As of January 26, Securian has paid a total of $12,134,000 in claims associated with COVID-19.

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