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Correspondence Memorandum

Date: April 22, 2022

To: Group Insurance Board

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

Subject: May 2022 COVID-19 Update

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

Background

COVID-19 has been circulating across the globe for well over two years. Lockdowns and other restrictions related to the pandemic have eased in most parts of the world, and both communities and public health professionals are transitioning to a strategy less oriented around stopping the spread of the virus and more toward living with and treating cases as they arise. This is the ninth memo to the Group Insurance Board (Board) by the Department of Employee Trust Funds (ETF) regarding the effects of COVID-19 on the Board's programs. In addition to discussing developments in regulations, testing and treatments, and impacts to the Triple Aim, this memo will update ETF's approach to reporting on COVID-19.

Legislative & Regulatory Changes

On April 16, 2022, the federal Department of Health and Human Services (HHS) renewed the public health emergency that has been in effect since January 31, 2020. This latest extension will expire in mid-July. HHS has stated that it will give states a minimum of two months' warning before the emergency declaration will be allowed to expire. Many of the reimbursement sources related to COVID-19 testing and treatments are directly tied to the public health emergency. When the public health emergency expires, several changes will become effective within the Board's programs, including:

- COVID-19 tests and services associated with tests may be subject to cost sharing or prior authorization.
- Health plans and Medicare will no longer be required to cover up to eight free, at-home COVID-19 test kits.
- Vaccines provided by out-of-network providers may be subject to out-of-pocket costs.
- Medicare will re-impose some limits on telehealth coverage.

Reviewed and approved by Eileen K Mallow, Director, Office of Strategic Health Policy Electronically Signed 05/02/2022

Eileen K Mallow

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- All emergency use authorizations (EUAs) will no longer be effective, meaning that the products and services authorized under them will no longer technically be approved for use.

Health plans will continue to cover the cost of COVID-19 vaccines at in-network providers with no member cost-sharing since these vaccines are now considered preventive. Also, following statutory changes, Medicare will continue to cover audio-only telehealth visits and will not impose geographic restrictions for mental health and substance use disorder services[1].

The Food and Drug Administration (FDA) published a Q&A on its website regarding what happens to EUAs when the public health emergency expires. EUAs are not strictly tied to the public health emergency declaration and may stay in place until the HHS Secretary ends the EUA declaration. If the HHS secretary ends an EUA declaration, then all EUAs granted under that declaration will end, and no further EUAs for products covered under the original declaration can be issued[2]. The FDA has indicated to manufacturers that it intends to provide 180 days' notice in advance of an EUA declaration ending. Manufacturers may opt to pursue full authorization at any point in time.

In March, the Biden Administration debuted a "Test to Treat" program nationwide with a goal of speeding access to treatments for COVID-19. Individuals can receive a test or bring their home test results to a participating Test to Treat provider, and if test results are positive, they will be issued and receive a prescription for a COVID-19 oral antiviral treatment at that facility[3]. The program is intended to provide both tests and treatments without out-of-pocket costs; however not all pharmacies in the program employer prescribers, and the drugs themselves come with warnings about interactions with other prescriptions and other health risks[4].

In April, Medicare announced final coverage guidelines for over the counter (OTC) COVID-19 tests. Coverage requirements for non-Medicare commercial plans were introduced in January 2022. Medicare determined that OTC tests will be covered under Part B with no cost sharing, and that Medicare Advantage plan members will also be

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[1] Kaiser Family Foundation. *What Happens When COVID-19 Emergency Declarations End? Implications for Coverage, Costs, and Access*. https://www.kff.org/coronavirus-covid-19/issue-brief/what-happens-when-covid-19-emergency-declarations-end-implications-for-coverage-costs-and-access/. Accessed April 18, 2022.

[2] Food and Drug Administration. *FAQs: What happens to EUAs when a public health emergency ends? https://www.fda.gov/emergency-preparedness-and-response/mcm-legal-regulatory-and-policy-framework/faqs-what-happens-euas-when-public-health-emergency-ends. Accessed April 18, 2022.*

[3] Assistant Secretary for Preparedness & Response. *COVID-19 Test to Treat*. https://aspr.hhs.gov/TestToTreat/Pages/default.aspx. Accessed April 18, 2022.

[4] Huang, P. *How Biden's new "test to treat" COVID plan works – and why it might not be enough.* https://www.npr.org/2022/03/07/1085013117/how-bidens-new-test-to-treat-covid-plan-works-and-why-it-might-not-be-enough. Accessed April 18, 2022.

eligible for tests. Coverage under Medicare began April 4 and will continue until the end of the public health emergency[5].

Also in April, the Consolidated Appropriations Act of 2022 (2022 CAA) allowed high deductible health plans (HDHPs) to pay for telehealth services before the deductible is met. This reinstates a waiver allowed by Internal Revenue Service (IRS) Notice 2020-15. IRS Notice 2020-15 did not mandate a coverage change, so ETF and the Board could not require plans to implement the change at that time. However, ETF notified plans in 2020 that they would not be barred from implementing this change if they deemed it necessary to maintain services during the pandemic. All plans that opted to allow this change had phased out their additional coverage by January 2022, and only two plans have indicated an intent to reinstate pre-deductible coverage under 2022 CAA. This change only applies from April 1, 2022, through December 31, 2022; telehealth services rendered during the first three months of the year are not eligible for coverage pre-deductible.

Vaccines & Treatments

While two additional manufacturers (Sanofi-GSK and Novavax) have applied for EUAs for their COVID-19 vaccines, neither has been approved by FDA. Additional authorizations have been provided, however, for young children and for booster doses. On March 29, the FDA authorized a second booster dose of both the Pfizer-BioNTech and the Moderna COVID-19 vaccines for people over age 50 and certain immunocompromised individuals at least four months after their first booster dose.

The Pfizer-BioNTech vaccine is currently the only vaccine that is approved for use in children. Currently, the Pfizer vaccine is authorized for children ages five and older. No vaccine is currently authorized for children four and younger, and only children ages 12 and older can receive a booster vaccine. Parents have proven much more hesitant to vaccinate children than themselves; as of April 18, 2022, only 24.5% of children ages 5 to 11 had completed their vaccine series in Wisconsin, versus 60% or higher in all age groups 25 and older. There are some concerns that this hesitancy is impacting the rate of other childhood vaccinations. According to Wisconsin Department of Health Services immunization data, the rates of childhood vaccinations across all age bands has been lower over the past two years than the averages for 2015 through 2019. Children ages 5-6 have seen the biggest decline in number of routine vaccines received[6].

As of the drafting of this memo, no new treatments for COVID-19 have been approved. The Institute for Clinical and Economic Review (ICER) released a report documenting the cost-effectiveness of a group available treatments from February 2022. At that time, ICER determined that the effectiveness of the treatments available appeared to be in

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[5] Centers for Medicare and Medicaid Services. Medicare Covers Over-the-Counter COVID-19 Tests. https://www.cms.gov/newsroom/fact-sheets/medicare-covers-over-counter-covid-19-tests. Accessed April 18, 2022.

[6] Wisconsin Department of Health Services. Immunization Data. https://www.dhs.wisconsin.gov/immunization/rate-dashboard.htm. Accessed April 18, 2022.

line with the currently-negotiated prices for those treatments. The report notes that the cost-effectiveness of these treatments would be reduced if either the treatment is used in lower-risk populations or if the overall risks of hospitalization from mild to moderate COVID-19 were reduced with either Omicron or other future variants[7]. The FDA has begun limiting or revoking authorization of some treatments based upon their effectiveness against different variants and subvariants of COVID-19, including one of the treatments analyzed in the ICER special report. This may impact the available stock of treatments available in states[8].

Long COVID

At the February 2022 meeting, the Board asked for additional monitoring of the effects of Long COVID. Long COVID refers to a variety of ongoing health issues that people experience four or more weeks after infection with COVID-19, including but not limited to persistent fatigue, trouble breathing, difficulty thinking or concentrating, joint pain, change in smell or taste, and sleep problems[9]. Long COVID can be considered a disability under the Americans with Disabilities Act, and a code was approved June 30, 2021, to classify "post-acute sequelae of COVID-19" on health care claim forms.

To date, ETF has identified 274 unique members with Long COVID as any diagnosis on a claim form, and 92 unique members with Long COVID as the primary diagnosis. Most patients with a primary diagnosis of Long COVID were ages 18 to 64, with ages 0-17 and 65+ each only having five or six members diagnosed between October 2021 and March 2022. The total allowed amount paid for members with Long COVID as their primary diagnosis was $34,700 through March 2022.

ETF will continue to monitor the rate of diagnoses of Long COVID in the Board's population and any effects of those cases that are discernible over time.

Other Health & Quality of Care Effects

Beyond Long COVID and inflammatory conditions in children that have received substantial media attention, public health experts have begun to observe other health issues that have been more severely affected by COVID-19.

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[7] Yeung K, Whittington MD, Beinfeld M, Mohammed R, Wright A, Nhan E, Fluetsch N, Richardson M, Pearson SD. Special Assessment of Outpatient Treatments for COVID-19; Draft Evidence Report. Institute for Clinical and Economic Review, February 3, 2023. https://icer.org/assessment/covid-19-2022/. Accessed April 18, 2022.

[8] Pezenik, S. Feds pause COVID monoclonal antibody treatment in 8 states over potential failure against BA.2 subvariant. https://abcnews.go.com/Health/feds-pause-covid-monoclonal-antibody-treatment-states-potential/story?id=83678930. Accessed April 18, 2022.

[9] Centers for Disease Control and Prevention. Post-COVID Conditions. https://www.cdc.gov/coronavirus/2019-ncov/long-term-effects/index.html. Accessed April 18, 2022.

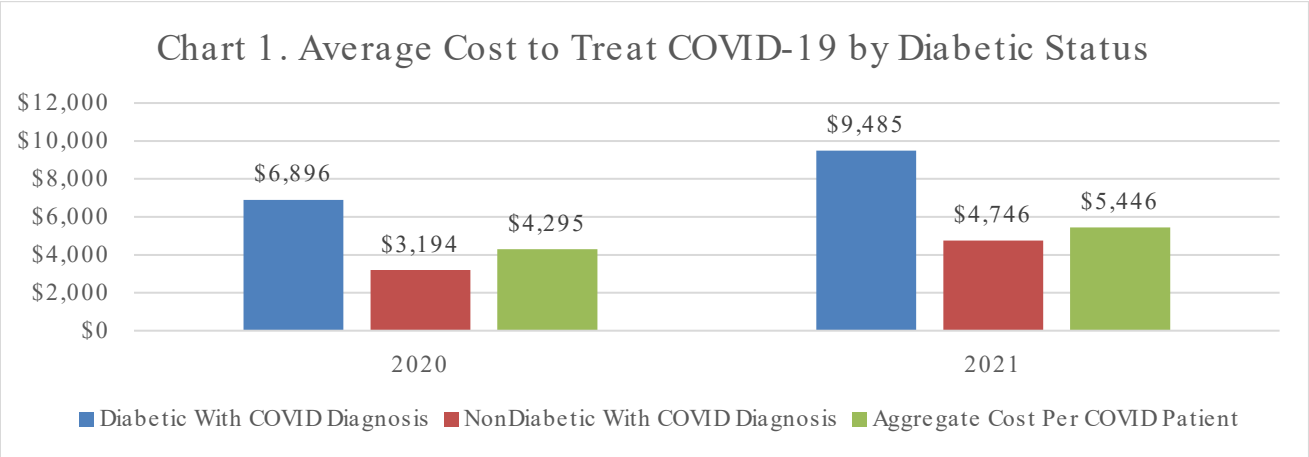
One area that recent research by the Commonwealth Fund[10] noted was an increase in maternal mortality in the early stages of the pandemic. This may have been due to a reduction in prenatal care services, the overall higher risk of pregnant women for poor COVID outcomes, and other factors like increased stress and mental health problems related to the pandemic. These challenges were experienced more severely by Black women, highlighting disparities that existed before the pandemic. ETF asked IBM Watson Health, the Board's data warehouse vendor, for support in analyzing maternal health and mortality trends during the pandemic. IBM did not find any evidence of change in delivery trends or identifiable maternal mortality during the pandemic in the Board's membership. IBM was able to identify pregnant members with COVID-19 and those who did not have a COVID-19 diagnosis during pregnancy. The numbers of pregnant women with COVID-19 were low and there may be a correlation between higher rates of COVID-19 in pregnant women due to mandatory testing at office visits. There was a slightly higher rate of compliance with prenatal care for women who had COVID-19 while pregnant when compared to those who did not have COVID-19. Two notable changes in care delivery included use of telehealth services and midwives in managing pregnancies—both increased slightly in 2020 and remained higher in 2021.

Due to the nature of diabetes as a disease, both in terms of its health impacts and the maintenance care required, diabetic patients were at particularly high risk of disease and death. IBM found that, in the Board's population, diabetic members who had a claim associated with COVID-19 were more likely to already have Stage 3 illness (most severe) or were more likely to progress to Stage 3 illness after their COVID-19 diagnosis. Nine percent of diabetic patients who had a COVID-19 diagnosis in 2019 (pre-COVID) moved from Stage 1 or 2 disease to Stage 3 by 2021. This is nearly twice the rate of progression to Stage 3 as those members who did not have a COVID-19 diagnosis (4.8%).

Cost Impacts

Chart 1 shows the difference in cost to treat a COVID-19 patient with diabetes versus a COVID-19 patient without diabetes. Diabetes is associated with a doubling of the cost of treatment for COVID-19 in both 2020 and 2021.

[10] Commonwealth Fund. *Maternal Mortality and Maternity Care in the United States Compared to 10 Other Developed Countries*. https://www.commonwealthfund.org/publications/issue-briefs/2020/nov/maternal-mortality-maternity-care-us-compared-10-countries. Accessed April 18, 2022.



Across the Board's population, the Group Health Insurance Program (GHIP) has paid $72,447,526 in claims for 18,225 patients confirmed COVID-19 patients for service years 2020 and 2021. The GHIP had the largest spike in number of patients in January 2022 with 2,995 distinct patients recorded in that month alone; the last highest month had been November 2020 with 2,457 patients. Costs were substantially lower per patient in January 2022 versus November 2020, however.

ETF also continues to monitor deaths in the life insurance program and the claims associated with those deaths. Table 1 shows the current state of life insurance claims in the Board's programs.

Table 1. Life Insurance Claims as of 4/12/22

Group	Number of Claims	Claims in Dollars
Active	40	$7,707,000
Retiree	392	$6,636,000
Spouse/Dependent	33	$585,000
Total	465	$14,928,000

Future COVID-19 Reporting to the Board

Worldwide, the focus of COVID-19 response has moved from stopping the spread to living with the virus as an endemic disease. ETF expects that legislative and regulatory change will slow, and new variants and novel treatments will become more routine parts of our healthcare system. ETF will continue to monitor for overall costs but will move to as-needed reporting to the Board, if and when new issues arise.

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