

Emerging Trends in Health Care: COVID-19 & Beyond

Local Government & Private Sector

CSEA 111th Annual Delegates Meeting,
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Agenda

- COVID-19 Health Care Impact
- Emerging Cost Containment Strategies
 - Negotiations
- Legislative Update



COVID-19 Impact on Health Care

- In the Spring of 2020, healthcare use and spending dropped.
- Decrease in utilization for non-COVID medical care.
 - Social Distancing
 - Elective Care Cancellations
 - Delayed Preventive Care
 - Went Without Medicare Care



As of December 2020, health services spending was down about 2.7%.

COVID-19 Impact on Healthcare

- Coverage mandates
- 2021/2022 Premium Rates
- Insurers profitable from pandemics suppressed healthcare spending
 - Premium Relief
- Uncertainty surrounding pent up demand for delayed or foregone healthcare services
- Costs associated for COVID vaccines and treatment
- Expansion of Telemedicine and Telehealth services

Collective Bargaining Trends

- More time and effort is being spent on health insurance than any other contract provision
- Move from traditional copay plan designs to HDHP
- Health Savings Accounts
- Consortiums moving to metal level plans
- Increased emphasis on cost containment
- Labor agreement “reopener” provisions

Emerging Cost Containment Strategies

- Increasing Premium Contributions/OOP Costs
- **Rx PA, Step Therapy/Generic Alternative**
- Rx Specialty Copay Assistance Programs
- Mandatory Mail Order
- CanaRx International Mail Order Program
- Limited Pharmacy Networks
- Formulary and Medical Management
- **High Performance Networks**
- Value-Based Insurance Design
- **Reference Based Pricing**
- **HSA's/HRA's/FSA's**
- Predictive Modeling – Data Mining
- Self-Funding
- Exchange Benefit Levels Becoming the New Normal
- Changes to Eligibility – Working Spouse
- Dependent Eligibility Audits
- Defined Contributions
- Alternative Retiree Coverage
- Disease Management
- Workplace Wellness Programs
- **Telemedicine**
- Contract Reopeners
- **Health Insurance Committees**

Reference Based pricing

- Self Funded Health Plans
- Using Medicare rates as the payment allowance benchmark (ex. 140% of Medicare)
- No Networks
- Transparency of true cost of facilities/hospitals/surgical centers, etc.
- Advocacy Teams that work with patients and providers prior to services to establish a mutually agreed upon reimbursement.
- Eliminates balance billing (99% of the time)

Medical Savings Accounts

■ FSA - Flexible Spending Account

- The employee, the employer, or both may contribute (pre-taxed)
- 2021 Contribution Limit: \$2,750
- Employers allowed to contribute up to \$500 without employee match
- Reimbursements for qualified medical expenses are not taxed
- Employers may allow a carryover of up to \$550 into the immediate following year OR a 2.5 month extension to spend down funds. Otherwise, use it or lose it.

■ HRA - Health Reimbursement Account

- Must be integrated with a group health plan that complies with ACA provisions
- Fund is owned by the employer and only the employer can contribute
- Your employer decides which expenses are covered by the HRA
- Reimbursements for qualified medical expenses are not taxed
- Employer decides whether leftover money in your HRA can roll over to the next year.

■ HSA - Health Savings Account

- Can only be used in conjunction with a qualified high-deductible health plan. (2021 - \$1,400/\$2,800)
- Employee owns the account and IS portable
- The employee, the employer, or both may contribute (pre-taxed)
- 2021 Contribution Limits: \$3,600/\$7,200
- Money in the account rolls over from year to year
- May not use funds for reimbursement on a tax-free basis for Non-Dependent Adult Children, Domestic Partners
- Can use for non-medical expenses, subject to income taxes PLUS additional 20% tax

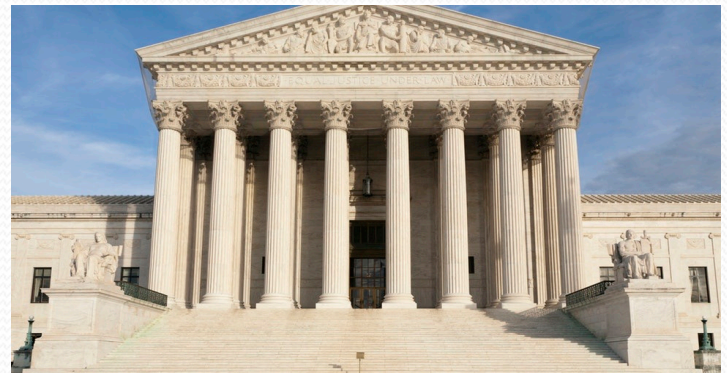


Telemedicine

- Due to COVID, Telemedicine/Telehealth is here to stay
- 24/7/365 access to US Board Certified Physicians
- Used to treat nonurgent healthcare conditions
- Ability to write prescriptions if necessary
- Redirects claims off the health plans
- First line of defense
- Avoid germier urgent care and ER settings and wait times
- Carrier versus Independent telemedicine vendors

Legislative Update

- Affordable Care Act Supreme Court Decision
 - 7 – 2 Ruling to Dismiss
 - Based on Texas v US decision which invalidated the ACA, based on the zeroed out individual mandate tax
 - ACA Survives Third Challenge



Legislative Update



**NO SURPRISES ACT BILL
SIGNED INTO LAW**

- **No Surprises Act**

- Consolidated Appropriations Act of 2021
- Protections go into effect for plan year beginning on or after 1/1/22
- Out-of-Network claims –Unavoidable Emergency and nonemergency care
- OON providers at In-network facilities (RAP)
- Air Ambulance
- Insurers/Providers attempt to negotiate - Independent Dispute Resolution/Arbitration Process
- Advanced EOB's-good faith estimate of costs and cost sharing along with network status
- Increased Transparency
- Insurers will have to offer price comparison information by phone and web based comparison tool
- Consent Waivers

Legislative Update



- **Transparency in Coverage Rule**

- 7/1/22 – Employers required to publish 3 machine readable files
 - Negotiated rates for all covered items and services between the plan and in-network providers
 - Historical payments to, and billed charges from OON providers
 - Negotiated rates for all covered Rx's by plan at the pharmacy location
- 1/1/23 - Price comparison self-service tool and cost sharing information for 500 items and services
- 1/1/24 – Same price comparison tool must reveal prices of all healthcare services, procedures and Rx's

New York Health Act

- State Senate and Assembly Supermajority
- Universal Coverage ≠ Single Payer
- Government run, one-size fits all health care
- No premiums, no deductibles, no copays
- No network restrictions
- No prior authorizations or utilization review
- Government decides what's covered, what's not
- NYS sets rates for doctors, hospitals and other providers
- Unions lose the right to negotiate benefits
- More than \$250 billion in new taxes each year
- 150k+ jobs eliminated by single payer
- Medicaid, Medicare, CHIP, NYSHIP, all employer sponsored plans GO AWAY

Health Benefits Department

Local Government & Private Sector Division

- Your Resource
 - Benefit Analysis
 - Premium and Cost Analysis
 - Product Review & Recommendation
 - Cost Containment Strategies
 - Participation in Contract Negotiations
 - Contract Language Review
 - Utilization/Experience Report Review
 - Presentations and Educational Seminars
 - Labor/Management Health Insurance Committee Participation



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