

Updated April 28, 2020

An Employer's Guide to
Addressing COVID-19
Getting Back to Business
Third Edition

It's our business to be there for you in the

MOMENTS
THAT MATTER.





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About This Guide

Marsh & McLennan Agency (MMA) understands there are many unknowns surrounding the COVID-19 virus and it can be difficult to sift through the information to determine action steps.

MMA has consolidated several decision points that you should consider as you and your organization develop your own business resiliency plan regarding your benefit program.

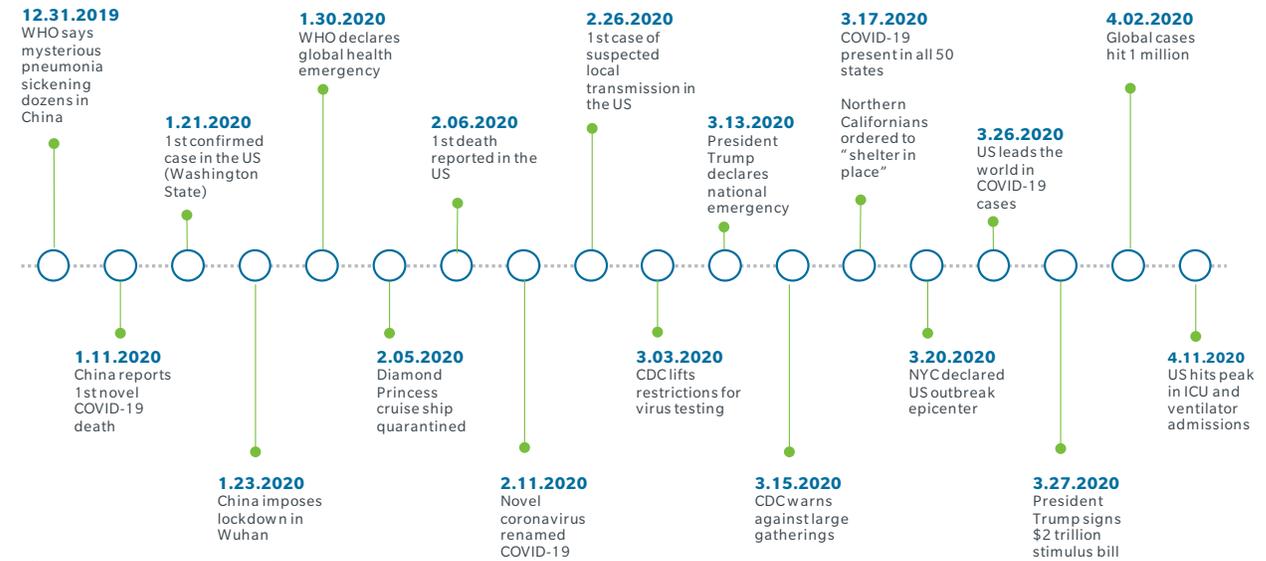
MMA is committed to providing up-to-date information for employers on the Coronavirus.

To access resources at your fingertip, visit our dedicated Coronavirus Resource page at:

mma.marshmma.com/coronavirus-outbreak-resource-page

CLINICAL UPDATE

COVID-19 Timeline



Testing and Treatment

- Imprecise numbers available, but COVID-19 Tracking Project reports 3,138,413 tests with 19% positive and 81% testing negative as of 4/15/2020. Quest & Lab Corp reporting under capacity due to strict CDC testing guidelines.
- Hospitalization rate is 12% of those that tested positive, 4% of those testing positive have died.
- Here are two types of testing right now for COVID-19 (as well as for most infectious disease); these are PCR and antibody testing.

Polymerase Chain Reaction (PCR)

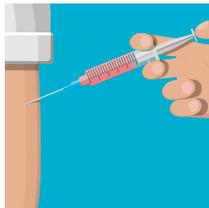
This kind of testing became relevant during the HIV/AIDS epidemic of the late 80's and early 90's. The testing looks at genetic information on the virus, as it is an antigen test. Antigens tell us who is acutely (currently) infected with COVID-19. This is the test that almost all of the 3.2 million tests performed are based on. The nasal swab tests being performed at Quest, Lab Corp, CDC, public health departments, parking lots, etc., are all PCR swab tests to determine who, based on symptoms, is actively infected.

Antibody Testing

The second kind of test is the antibody test. These are not swabs, but actual blood tests. The FDA has just recently approved a few antibody tests for COVID-19, so they will become more commonplace in the weeks ahead. Antibodies tell us who has been infected as opposed to who currently is infected. The importance of the antibody test is that it will eventually indicate who maybe immune (testing is uncertain) and can return to work (so will likely first be deployed for health care workers, may even be mandatory at some point), and these antibody test results will inform providers which of their patients would need a vaccine based on their immune status.

- On 3/27 Abbott Labs received FDA approval for 15-minute test, the testing unit weighs 7 pounds allowing it to be portable to front lines with the capability of performing 50k per day with some initial delays in supplies. This solution is not meant for mass screening.
- Antibody testing was rolled out in Chester County, PA week of 4/13/2020 (10,000 tests, 15 minutes). This will be valuable in allowing previously exposed/immune front line workers to return to work. A Boston lab and the Mayo Clinic have also developed antibody tests.

Vaccination



In terms of vaccination, it usually takes 10-15 years to develop a vaccine (i.e. HIV, which has a highly effective treatment but still no vaccine after 30+ years).

Today there are 70 vaccines in development, 3 in clinical trials. It is anticipated most trials will commence in late summer/early fall 2020.

However, new technology and newer antiviral and immunotherapy drugs can treat a wide range of diseases, which may be a significant factor for COVID-19. Remdesivir and Chloroquine are still undergoing clinical evaluations; mixed anecdotal results; statewide trial in South Dakota of hydroxychloroquine started week of April 13th.

The latest round of FAQs from the Department of Labor clarified that antibody testing as well as specific tests to rule out other conditions such as the flu also be covered without cost share.

Current Guidance Based on Community Exposure, for asymptomatic persons exposed to person with known or suspected COVID-19 or possible COVID-19:

Person	Exposure to	Recommended Precautions for the Public
<ul style="list-style-type: none"> • Household member • Intimate partner • Individual providing care in a household without using recommended infection control precautions • Individuals who have had close contact (less than 6 feet) for a prolonged period of time 	Person with symptomatic COVID-19 during period from 48 hours before symptoms onset until meets criteria for discontinuing home isolation. (can be a laboratory-confirmed disease or a clinically compatible illness in a state or territory with widespread community transmission)	<ul style="list-style-type: none"> • Stay home until 14 days after last exposure after last exposure and maintain social distance (at least 6 feet) from others at all times • Self-monitor for symptoms <ul style="list-style-type: none"> • Check temperature twice a day • Watch for fever, cough, or shortness of breath • Avoid contact with people at higher risk for severe illness (unless they live in the same home and had same exposure) • Follow CDC guidance if symptoms develop
<ul style="list-style-type: none"> • All US residents, other than those in a known risk exposure 	Possible unrecognized COVID-19 exposures in US communities.	<ul style="list-style-type: none"> • Be alert for symptoms <ul style="list-style-type: none"> • Watch for fever, cough, or shortness of breath • Take temperature if symptom develop • Practice social distancing <ul style="list-style-type: none"> • Maintain 6 feet of distance from others • Stay out of crowded places • Follow CDC guidance if symptoms develop

COST IMPACT OF COVID-19

With the significant impact of COVID-19 to the economy, many employers are doing their best to understand and maximize cash reserves. Understanding the potential financial implications of COVID-19 related medical and prescription drug expenses will help inform employers as they weigh potential changes in workforce strategies, compensation and overall business resiliency planning.

As benchmark unit cost, clinical utilization data and statistics begin to emerge from recognized sources or studies published by the CDC, FAIR Health, Inc. and the Society of Actuaries, models have been developed to help employers understand the potential financial impact. It is important for employers to understand the key factors driving the models as some models have contemplated significantly more variables than others which will change the projected financial impact.

At a very high level, most models will look to calculate the additional claim costs due to the requirement to cover testing without cost share based on expected incidence or exposure rates and treatment based on severity level. The MMA COVID-19 Financial Impact Model contemplates these factors as well as several more that will help employers more clearly define their potential cost impact.



Testing Costs

The frequency of testing will depend on a number of factors including supply levels, ease of access and the evolving criteria around who should be tested. There are other considerations as well, including the need for multiple tests for those who test positive, so they can be cleared, as well as increased testing for flu/strep to rule those diagnoses out in certain situations. New codes were established and released related to COVID-19 testing in March. We estimate the cost for the test itself to be approximately \$50 in a physician's office (higher in other settings). As far as testing goes, frequency needs to be considered under various scenarios and experience monitored as it emerges.



Treatment Costs

To get a handle around treatment related claims, it is important to identify the pathways for those who test positive. MMA has defined the pathways based on the setting where the individual will need to receive care, as well as the days duration related to the cost of professional and inpatient services.

Emerging data is showing the distribution among the pathways or ranges for the baseline infection rate to be as low as 10% up to 60% for severe cases. Data points from other studies have shown similar ranges as well. One important note here, these numbers are for a general population, and we would expect to see less individuals in the High and Severe categories in a typical employer's population.

The costs for hospitalization are likely going to range from \$5,000 - \$10,000 or more per day, depending on carrier contracted discounts.



Elective Services

The market data is showing the canceling of medical appointments, mainly for elective services, which will have a significant impact on both medical and pharmacy claims now and in the future. The duration of COVID-19 is a key mitigating factor in terms of the financial model. The longer the duration, the fewer months in 2020 we have to experience the rebound in care, however the rebound of elective services will therefore likely occur in 2021.



Telemedicine

Telemedicine utilization has been historically low due to low consumer awareness and higher comfort with traditional care methods. Nationwide, just 10% of healthcare consumers have used telemedicine services. As healthcare systems rapidly expand capacity for telemedicine, MMA expects telemedicine to increase substantially in 2020. Many routine visits and non-urgent health concerns have transitioned from in-person to phone and video visits, and this will likely continue until the pandemic is controlled.



Elective and Non-Emergent Procedures

In order to preserve resources for a potential, and in some places, present surge of critically ill patients, many hospitals and health systems are canceling or postponing elective and non-emergent procedures. This also enhances social distancing, since fewer healthy individuals are traveling to medical facilities that may be caring for patients with COVID-19.



Pharmacy

While there are no FDA-approved therapeutics or drugs to treat, cure, or prevent COVID-19 at this time, clinical trials with experimental drugs are underway across the globe. With the anticipated surge in inpatient hospitalizations, the use and costs for supportive therapies may increase. Mail order prescriptions and early prescription refills may also increase as individuals self-isolate to avoid going to brick-and-mortar pharmacies.

By inputting organizational information specific to the client, the model will be able to use what we know today to predict the cost impact moving forward into 2020 and 2021. This is available for both self-funded and fully insured clients. What makes this Financial Impact Model unique is the ability to factor in layoffs and furloughs into the outcome scenarios. Additionally, the MMA Financial Impact Model can consider the geography of an employer’s members at both a county and state level to help determine anticipated infection levels.

Other Considerations

Self-funded clients are faced with the decision on whether or not to waive cost share for COVID-19 treatment. While many self-funded plans may have considered the costs minimal there have been concerns surrounding stop loss coverage, in addition to other compliance concerns such as the potential inadvertent triggering of a special enrollment period and equity concerns around mental health parity.

In the below Business Group on Health Survey, the findings determined 40% of employers are reducing or waiving out-of-pocket costs for individuals receiving COVID-19 treatment among other considerations.

Within the US, is your company working with its health plan(s) and/or pharmacy benefits manager(s) to offer any of the following?



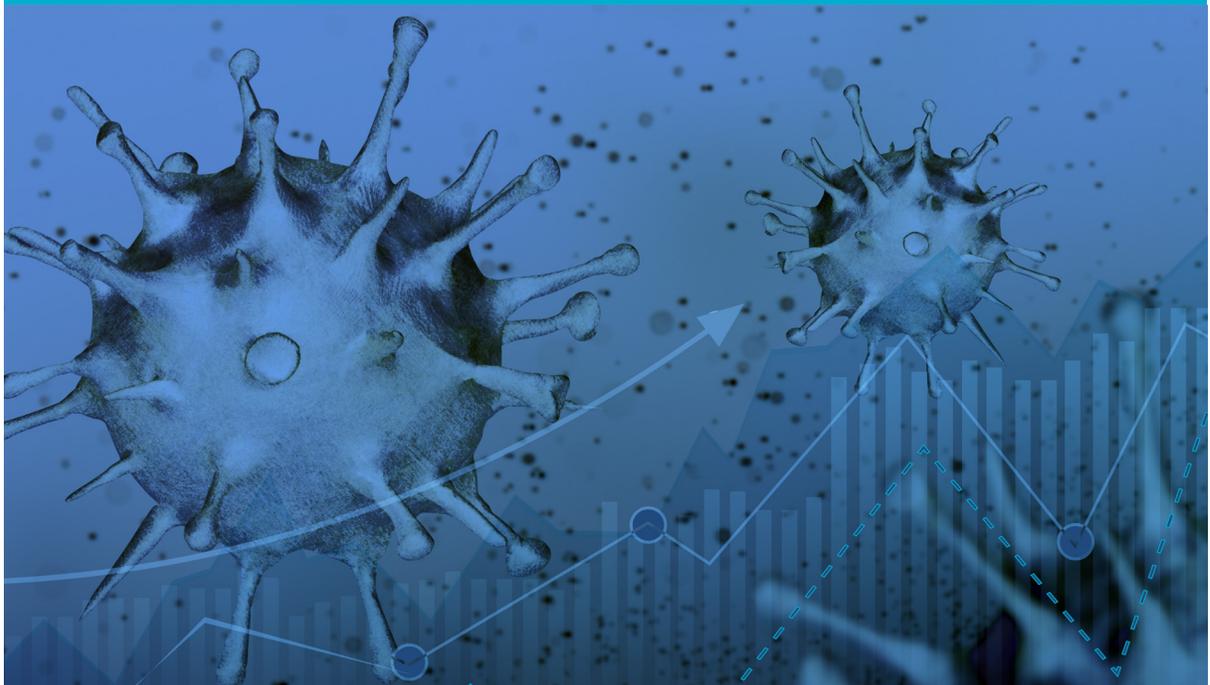
While fully insured clients do not experience the immediate cost impact of COVID-19 as self-funded employers do, many are looking to health insurers to determine what impact COVID-19 will have on future renewals. According to the April e-Health survey, 83% of insurers do not anticipate raising rates in 2021 in response to the crisis.

MMA values the results of this survey. We believe that the carriers may look to pass some of these costs back to the employer at time of renewal. Using a more precise model with anecdotal feedback from the incumbent medical carrier may best position employers to project their COVID-19 related expenses to inform their overall business staffing and resiliency strategy.

Health Insurer Respond to COVID-19: A Survey – April 2020

MMA FINANCIAL IMPACT MODEL

MMA has developed a proprietary COVID-19 Financial Impact Model designed to help organizations forecast the financial impact of COVID-19. The modeling tool will measure the financial effects resulting from increased admissions related to COVID-19 diagnoses and treatment, increased telemedicine use, and short-term delays in non-emergency procedures, along with other factors.



MENTAL HEALTH SUPPORT RESOURCES

The COVID-19 pandemic and the subsequent shelter-in-place orders have put unusual stress on all of us. This may affect your own mental health and the mental health of your employees. The below are a handful of mental health resources to share with employees to support mental health during these unprecedented times.

Yale: Provides a popular happiness course which is available free online.

[Click here to access.](#)

Calm: Offers meditations and resources free of charge. Hand picked content to support your mental and emotional wellness through this time. Updated quarterly.

[Click here to access.](#)

Headspace: Provides free meditation with topics like sleep and movement exercises to help people, however they are feeling. Available as webpage and mobile app.

[Click here to access.](#)

Additional Resources

The Employee Guide ([accessed here](#)) includes more mental health resources in addition to other topics:

- National Health Resources
- Exercise & Physical Activity
- Mental Health
- Financial Resources
- Ergonomics

The prevalence of mental health conditions continues to escalate, consider the following:



1 IN 5

Americans experience symptoms of depression, anxiety and stress. **Those who have both a chronic and behavioral health condition(s) can cost up to 3 times more to treat.**



63%

Of employees reported that work-place stress had significant impact on their mental and behavioral health. **This can have a direct impact on work productivity and employee retention.**



80%

Of workers with a mental health condition attribute their non-treatment to shame and stigma. Relatedly, **the average person waits 8 to 10 years after the onset of initial symptoms before seeking treatment.**



31%

Of employees would be afraid of being labeled as weak, **and 22% fear it would impact their promotion opportunities.**

As employers move to a back to business approach they will want to look at refining their mental health strategies.

Catalyst: State of Mental Health Report Marketplace



FINANCIAL WELLNESS

The challenges of COVID-19 for many has had more than just an impact on physical and mental health, but also a significant impact financially. In the face of the unprecedented event we are currently dealing with, many are concerned with financial security moving forward.

In addition to mental health concerns and the heightened anxiety and stress over the rippling impact that COVID-19 has had on the entire world, many are worried about the economy and what ongoing impact the pandemic will have on this country and the world.

The MMA Financial Services Team has put together resources on various topics of Financial Wellness in response to the COVID-19 pandemic. It is also important to consult your local state Department of Employment and Economic Development and/or Unemployment Department as appropriate for additional resources.

Download our [Retirement Toolkit for employers](#) - this includes helpful resource documents to share with employees. Included in the toolkit will be articles about:

- Mortgage Relief
- Budget Friendly Activities
- Stimulus Check Strategies
- Payment Triage for Credit
- And More

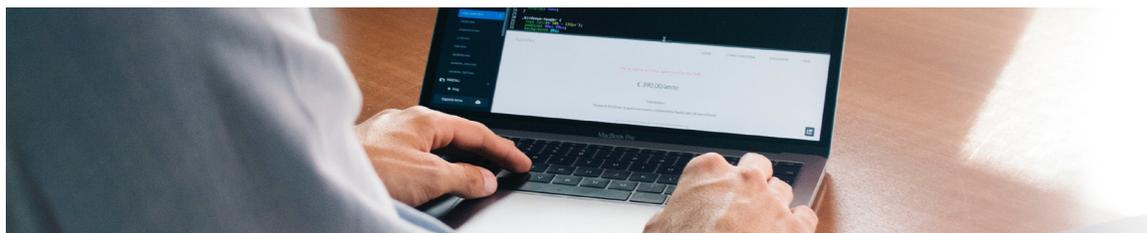
LEGAL AND COMPLIANCE CONSIDERATIONS

The President signed the Families First COVID-19 Response Act (FFCRA) into law on March 18, 2020. The FFCRA includes certain provisions related to health and welfare benefits and leave programs described in more detail below. This section also reflects changes made to the FFCRA by the COVID-19 Aid, Relief, and Economic Security Act (CARES Act) signed into law on March 27, 2020. [Access the MMA Compliance Alert on FFCRA here.](#)

Congress worked overtime to pass a stimulus bill intended to assist employers and the economy during the COVID-19 pandemic, and the COVID-19 Aid, the CARES Act was signed into law on March 27, 2020. While most of the CARES Act provisions involve economic relief for employers and employees that are beyond the scope of this Alert, there were several changes affecting group health plans. Some of these changes are permanent while others are of limited duration to address the COVID-19 pandemic period. [Access the MMA Compliance Alert on the CARES Act here.](#)

EPSL and EFMLEA (Effective April 1, 2020)

EPSL Qualifying Leave Purpose	EFMLEA Qualifying Leave Purpose	Comments
1. Employee is subject to a federal, state, or local government or agency quarantine or isolation order.		<ul style="list-style-type: none"> Shelter in-place order qualified if employee would have paid hours if able to report to work.
2. A health care provider has advised the employee to self-quarantine.		
3. Employee is experiencing COVID-19 symptoms and is seeking a medical diagnosis		
4. Employee is caring for an immediate family member, someone regularly lives in employee's house, or roommate subject to (1) or (2)		
5. Employee is caring for a son or daughter under age 18 due to a school or day care provider closure or the availability of a child care provider		<ul style="list-style-type: none"> Justification now required for child(ren) under 14 during daylight hours. A child care provider can include an unpaid family member or friend.
6. Employee is experiencing any other substantially similar condition specified in regulations issued by the US Department of Health & Human Services (HHS)		<ul style="list-style-type: none"> HHS has not addressed this yet.
<p>Note: All leave must be due to COVID-19 and is not available if employee is able to work remotely.</p>		



How EPSL and EMFLEA Work Together

EPSL and EMFLEA

Up to 80 hours ≈ 2 paid "business weeks"



Furloughs, Lay-offs, and Health Benefit Decisions: How Employers are Reacting

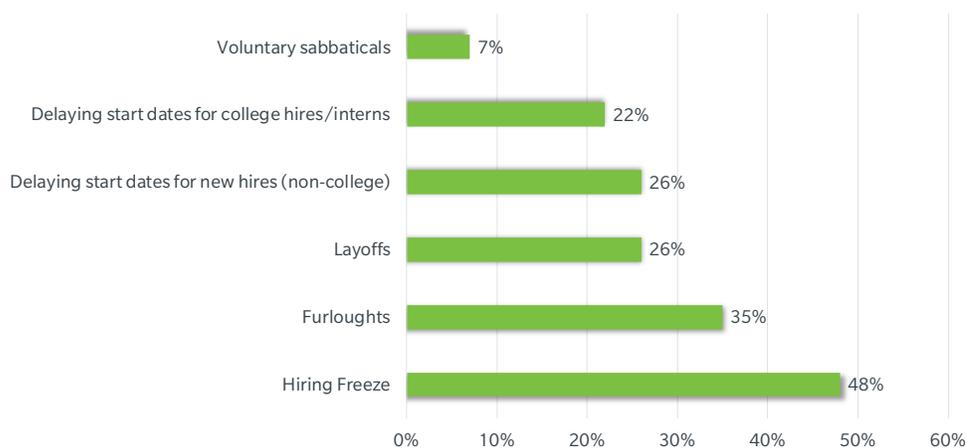
Employers seeking to manage cost in the challenging business environment created by the COVID-19 pandemic have had to consider workforce alternatives that may influence the nature of work, the location of work, or the number of employees at an organization.

But when furloughs or layoffs seem inevitable, employers are striving to find ways to fuse economics and empathy in their choices about handling pay and benefits under various scenarios. As hard as these workforce actions can be, employers who get it right can maintain – or even improve – employee engagement and experience over the long term.

When an employer furloughs its employees, it requires them to work fewer hours or to take a certain amount of unpaid time off. An employer may require all employees to go on furlough, or it may exclude some employees who provide essential services. Generally, the theory is to have the majority of employees share some hardship as opposed to a few employees losing their jobs completely.

A layoff is a temporary separation from payroll. An employee is laid off because there is not enough work for him or her to perform. The employer, however, believes that this condition will change and intends to recall the person when work again becomes available. Employees are typically able to collect unemployment benefits, and employers may allow employees to maintain benefit coverage for a defined period of time as an incentive to return to work. Or, if the employee loses coverage, employers may elect to subsidize their COBRA payments for a period of time.

US Employer Actions in Response to COVID-19 - Considerations in the Next 60 days, According to 2020 Mercer Poll:



LOOKING AHEAD

On April 16th, the Trump Administration laid out new guidelines to “[Open Up America Again](#)”. These guidelines include three phases after satisfying suggested gating criteria for states to consider before lifting lock-down or implemented containment strategies to assure adequate healthcare capacity should there be a rebound effect.



Gating Criteria

- **Symptoms:** Downward trajectory of influenza like illnesses (ILI) reported within a 14 day period and a downward trajectory of COVID-19 like syndrome cases reported within a 14 day period.
- **Cases:** Downward trajectory of documented cases within a 14 day period and a downward trajectory of positive tests as a percent of total tests within a 14 day period (flat or increasing volume of tests).
- **Hospitals:** Capacity to treat all patients without crisis care and robust testing program in place for at risk healthcare workers, including emerging antibody testing.



Social distancing guidelines get relaxed but gatherings of more than 10 people should be avoided. Non-essential travel should be limited and at risk individuals should continue to shelter in place. Restaurants, sporting venues, churches and parks can reopen if they observe strict social distancing guidelines. Elective surgeries can resume when appropriate on an outpatient basis. Employers are still encouraged to leverage remote or telework and plan for a phased approach to return to work, limiting congregation and making special accommodations as needed.



Social distancing guidelines get relaxed further, limiting gathering to no more than 50 individuals. Schools and organized youth activities like camps can reopen. Nonessential travel can resume, but at risk or vulnerable individuals should continue to shelter in place, and employers should continue to encourage telework whenever possible.



Vulnerable individuals can resume public interactions, but should practice physical distancing, minimizing exposure to social settings where distancing may not be practical, unless precautionary measures are observed. Employers can resume unrestricted staffing of workplaces. Large public venues can operate under limited social distancing rules. Visits to senior care facilities and hospitals can resume.

Vulnerable Individuals include the elderly and those with serious underlying health conditions, including high blood pressure, chronic lung disease, diabetes, obesity, asthma, and those whose immune system is compromised such as by chemotherapy or cancer and other conditions requiring such therapy.



TEMPERATURE MONITORING POLICIES

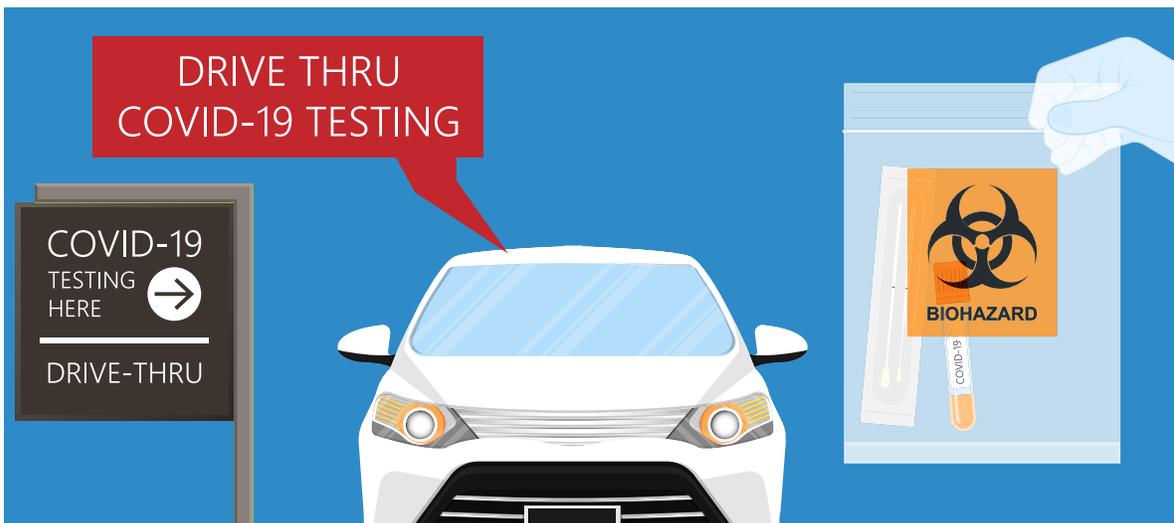
Many organizations are currently using or perhaps are exploring the idea of temperature checks/monitoring as we look forward and plan to slowly start getting back to our new normal.

- While the EEOC has provided guidance suggesting that employers can screen employees' temperatures during the COVID-19 pandemic, neither the Centers for Disease Control and Prevention (CDC) nor the Occupational Safety and Health Administration (OSHA) has yet to issue guidance on a process or requirements specific to temperature checks.
- Some state and local public health entities, including Washington state, may be recommending that employers institute temperature checks and/or other health screenings of employees entering the workplace. Of note, the Ohio Department of Health had issued specific guidance regarding temperature checking and screening questionnaires, but has subsequently removed that guidance.
- It is crucial for employers implementing temperature checks to review in detail the most up to date legislation and requirements, including guidance from state and local health authorities, as well as checking with their internal legal counsel.
- It is unknown if temperature checks will help reduce the spread of COVID-19 in the workplace.
- Some employers are considering the optics of doing temperature checks, as performing these may show to employees that the employer is doing what it can to protect them in the workplace.
- Up to 25% of people infected with COVID-19 may be asymptomatic throughout their infection and not have a fever, cough or other symptoms, according to Dr. Robert Redfield, Director of the CDC, in a public radio interview last week. Note that available information around this topic is variable in the limited data to date, but this source summarizes that data.
- Thermometers may be inaccurate (especially infrared/no-touch thermometers if not regularly calibrated) and potentially provide a sense of false security.
- Employees can potentially take Tylenol or Ibuprofen to get through screening.
- Some employers are distributing personal thermometers for employees to monitor their temperature at home before coming to work. Note that it may be difficult to find thermometers of any kind now, as they are in short supply.
- Other employers are having employees self-administer temperature taking with a personal thermometer at designated locations on-site and show the reading to a test facilitator, as a way to support "continued monitoring" at the worksite.
- As antibody testing becomes more readily available Employers may consider strategies to deploy these and other solutions to help minimize their specific risks.
- The MMA team continues to monitor developments in the testing market and bring validated solutions and partnerships for employer consideration.

Current Testing Guidance, What's Available Today

Below is a summary of currently (as of 4/20/20) guidance on COVID-19 testing and sample return to work processes.

Temperature Checks	COVID-19 Tests	Antibody Test
<p>On March 17, 2020, the Equal Employment Opportunity Commission (EEOC) granted limited testing relief under the Americans with Disabilities Act permitting employers to measure the temperatures of their employees.</p> <p>The EEOC cautioned employers that an employee may still have COVID-19 even if the employee's temperature is in the normal range.</p> <p>This limited relief applies solely to temperature readings and does not apply to other forms of testing.</p> <p>Employees who display symptoms (such as a high temperature) or who refuse to have their temperature taken can be sent home.</p>	<p>Many employers probably cannot require all of their employees to submit to COVID-19 testing because one or more employees likely fall into some sort of "protected class" and requiring testing will violate one or more of their legal rights.</p> <p>An employer could give an employee the option of testing or being sent home for a minimum quarantine period, which shifts the conversation to whether the employee can work remotely from home or should be put on paid/unpaid leave.</p> <p>ERISA: It's highly unlikely that the DOL will get up in arms over it. While it's technically a plan, if operated for a short period of time during the COVID crisis, I don't think the DOL (or IRS) will take action for failing to offer COBRA or not having an SPD.</p> <p>HIPAA and ACA: An onsite clinic gets a pass under HIPAA and the ACA. But, the hang-up will be making the testing mandatory.</p>	<p>Question:</p> <p>Has any guidance been issued on antibody testing? We are wondering about policies/procedures for this testing in the workplace. Can it be mandated?</p> <p>Response:</p> <p>We are not advising mandatory testing of any sorts. Employees can voluntarily be tested or temperature scanned and sent home on un/paid leave for refusing. If mandatory testing is what the employer is set on doing, we recommend it seek legal counsel due to a variety of labor and employment issues beyond our scope.</p>



ADDRESSING THE CORONAVIRUS OUTBREAK

Marsh & McLennan Agency is there for our clients, colleagues, and communities in the moments that matter. The Coronavirus pandemic is top of mind for companies and their employees. The threat of COVID-19 has grown increasingly real, infecting countries all over the world, spreading across boundaries and oceans, and rattling the global economy. Let MMA be your resource during this challenging time. Reach out to us today to see how we can help.

LEARN MORE

To access resources at your fingertips, visit our dedicated Coronavirus Resource page at:

mma.marshmma.com/coronavirus-outbreak-resource-page

It's our business
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**MOMENTS
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WE'RE HERE FOR YOU



BUSINESS INSURANCE

EMPLOYEE HEALTH & BENEFITS

PRIVATE CLIENT SERVICES

RETIREMENT SERVICES

SURETY

EXECUTIVE BENEFITS

RISK MANAGEMENT

CYBER LIABILITY

EXECUTIVE LIABILITY

TECHNOLOGY TOOLS

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