NW Benefits Survey Results Briefing

Q&A Follow-up

1. **Can you explain what wage based contributions are?**

   Some employers have established plan premium tiers that base employees' contributions for health coverage on their pay level. Higher salary levels have higher premium contribution amounts.

2. **I'm curious about how many employers are allowing remote work to extend through 2020 or into 2021?**

   Though we have not collected data specifically responding to this question, based on anecdotal research, it appears that many companies which are currently allowing remote work, will continue to do so into 2021, as long as case counts remain high and a potential vaccine has not been widely distributed. Larger organizations with a national scope, such as Google, Microsoft, Facebook, Universal Music Group, Warner Music Group, Sony Music, Amazon, Viacom, Group Nine Media and Indeed, have announced remote work plans until 2021. Some tech firms such as Twitter, Zillow, etc. have told employees that they have the option to work remotely for some or all of their time, indefinitely

   Of note, WorldatWork and HALO Recognition conducted a *Back to Work Playbook Study* in June 2020 and found that of the 601 organizations surveyed, 13% do not plan to resume "normal" operations until sometime in 2021.

3. **Are employers, through commercial coverage, expected to cover the cost of COVID-19 care at 100% in 2021? Might the decision be impacted by the cost of treatments or vaccines?**

   At this point in time, there are no direct regulatory requirements for commercial (fully insured) coverage to remain at 100% for these COVID-19-related services past the end of the calendar year. However, depending on how the remainder of the year plays out with the spread of the virus and other factors, that could be subject to some extension.

4. **Did your 2021 projections for cost increase factor in increases in acuity that resulted in increased utilization/higher cost?**

   In developing projections of potential healthcare cost impact of COVID-19, Milliman developed an actuarial model that included as many known potential cost influencers as practical – including state-by-state case count trajectories, reported severity data, hospitalizations, mortality, etc. These factors were coupled with what little existing actual claims data has been accumulated to run numerous permutations with a vaccine being introduced at different points in time. We only presented 2 of many scenarios Milliman ran in this research as a way to at least provide some directional information to the audience. As mentioned in the webinar, we may not really know the true impact of COVID-19 on costs for several months as more actual claims data begins to emerge.

5. **What percent of the telehealth utilization were healthcare providers reaching out to patients?**

   The data presented in the webinar was pulled from non-Milliman sources and we therefore do not have access to the full array of factors used in the study. Given that the study was focused on actual number of telehealth visits, I would suspect that the measure of a "visit" is one where a billable service is provided. As such, physician office-initiated outreach would not be part of this study.

6. Are there any additional changes to Flexible Spending Accounts in the works with IRS?

   A typical IRS response to such a question is "that is a good question, what would you like to see?" I'm not making this up. And the IRS only publishes guidance on current law. IRS employee benefits section lawyers are likely to be drafting proposed regulations, but haven't tipped their hand on if they have started yet.

7. This is the first I am hearing of the max for an individual not personally impacted by symptoms. Is this new, or was it hidden in the act?

   The dollars listed in the tables are a lift from the text of the law. We can provide citations in the law, if you request.

8. I see under the HEROES act there is a note about 125 Flex plans and the rollover. Is there anything in the works for Dependent Care plans and being able to roll money into 2021?

   The HEROES act is proposed legislation passed by the House. The bill can be changed by amendment, but that can only happen in negotiation with Senate. The Senate bill does not have anything more for Dependent Care.

9. Do you think Dependent Care FSA will implement a rollover or will the rollover increases only apply to Healthcare FSA?

   We can speculate that the Dependent Care FSA and Healthcare FSA would sync up with whatever rollover proposal is made, but that is only a guess. HEROES is proposing a rollover of the max amount that can be tax-exempt ($2,750). Dependent care is much higher at $5,000 and comes with some prior year personal income limits on the dollars. It will depend on how much additional tax revenue is lost for Dependent Care FSAs since the Treasury gives up tax revenue for both kinds of FSAs

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