



Financial Impact of COVID-19

Moderators & participating panelists



Michael Thompson
President & CEO
National Alliance of Healthcare
Purchaser Coalitions



Mark St George, FSA, MAAA
Principal
PriceWaterhouseCoopers

Panelists

- **Al Charbonneau**, Rhode Island Business Group on Health
- **Jerry Frye**, BSG Analytics
- **Brian Gifford**, Integrated Benefits Institute
- **Ann Greiner**, Primary Care Collaborative
- **Lynn Quincy**, Altarum Healthcare Value Hub
- **Lauren Vela**, Pacific Business Group on Health
- **Greger Vigen, FSA, MAAA**, Consulting Health Actuary

New hospitalizations and the impact on direct COVID-19 utilization

Hospitalizations

Data as of May 4

Key Takeaways:

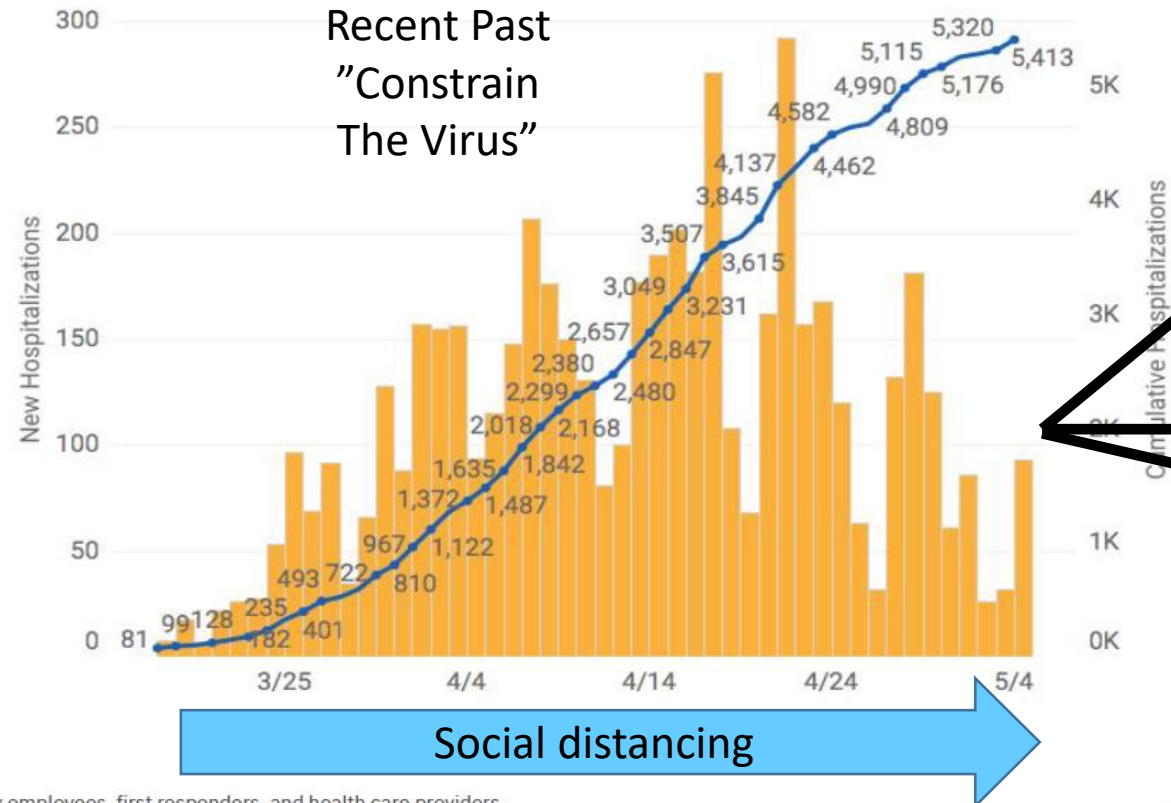
- **At least 5,413 people** have been hospitalized since 3/18
- **93 new hospitalizations** as of 5/4 (1.7% increase)

■ Cumulative Hospitalizations
■ New Hospitalizations

Source: City of Los Angeles

*Public test registration. It does not include registration of critical city employees, first responders, and health care providers.

A Regional Phenomenon



Near Future
"Phased
Reopening"

$R > 1.0$

$R = 1.0$

$R < 1.0$

17

COVID-19 Indirect Cost Offsets – Short Run & Long Run

Short Run

- Elective Surgery – Down
- Primary Care Visits - Down
- Specialty Care Visits – Down
- Onsite Clinics – temporary closures
- Medications - ?
- Virtual Visits – Up, Up, Up

*What are the impacts
on healthcare
stakeholders?*

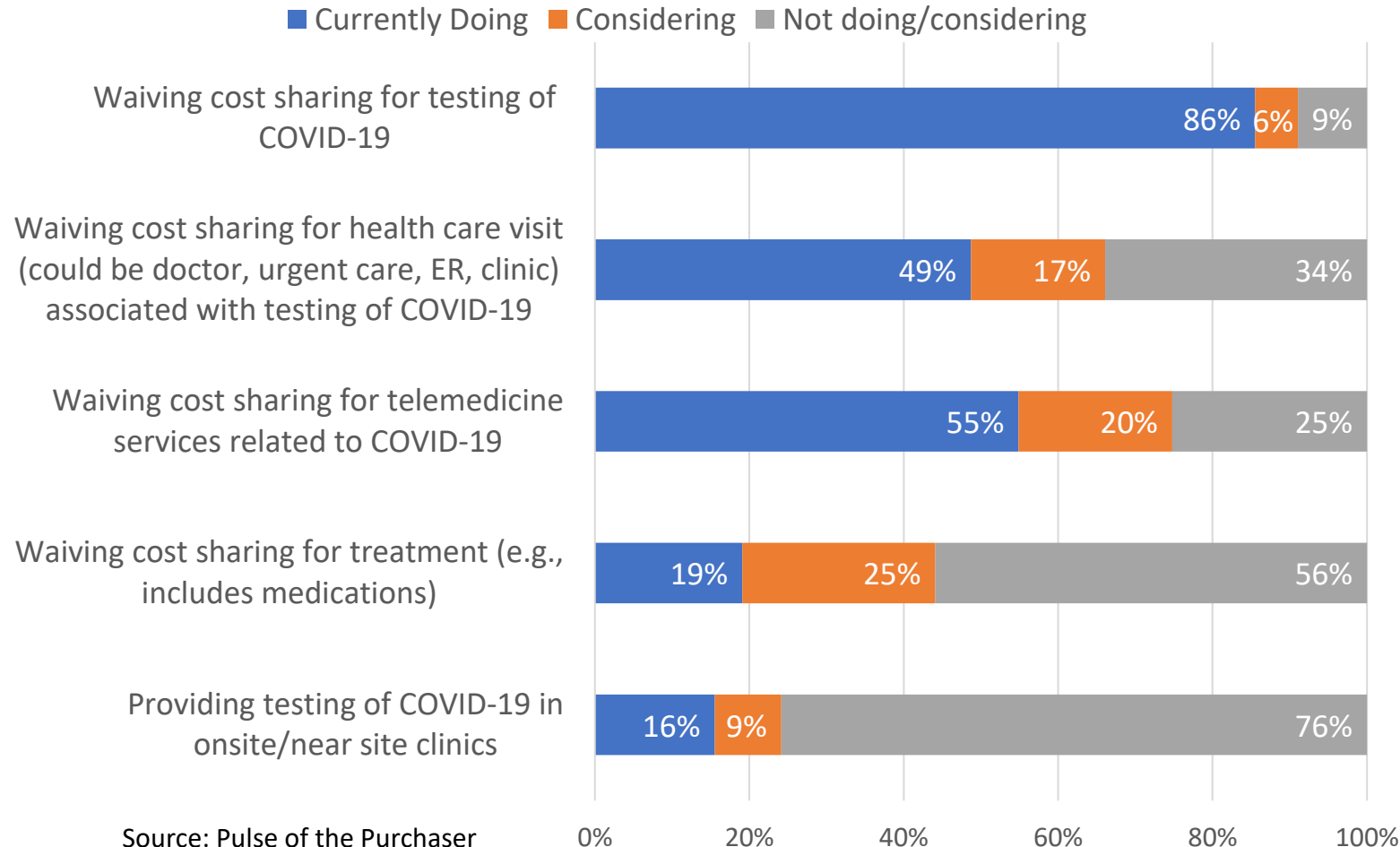
*What are the likely
longer term impacts
on healthcare costs?*

*Any broader strategic
implications?*

What is impact of Coverage? What is impact on Consumers?

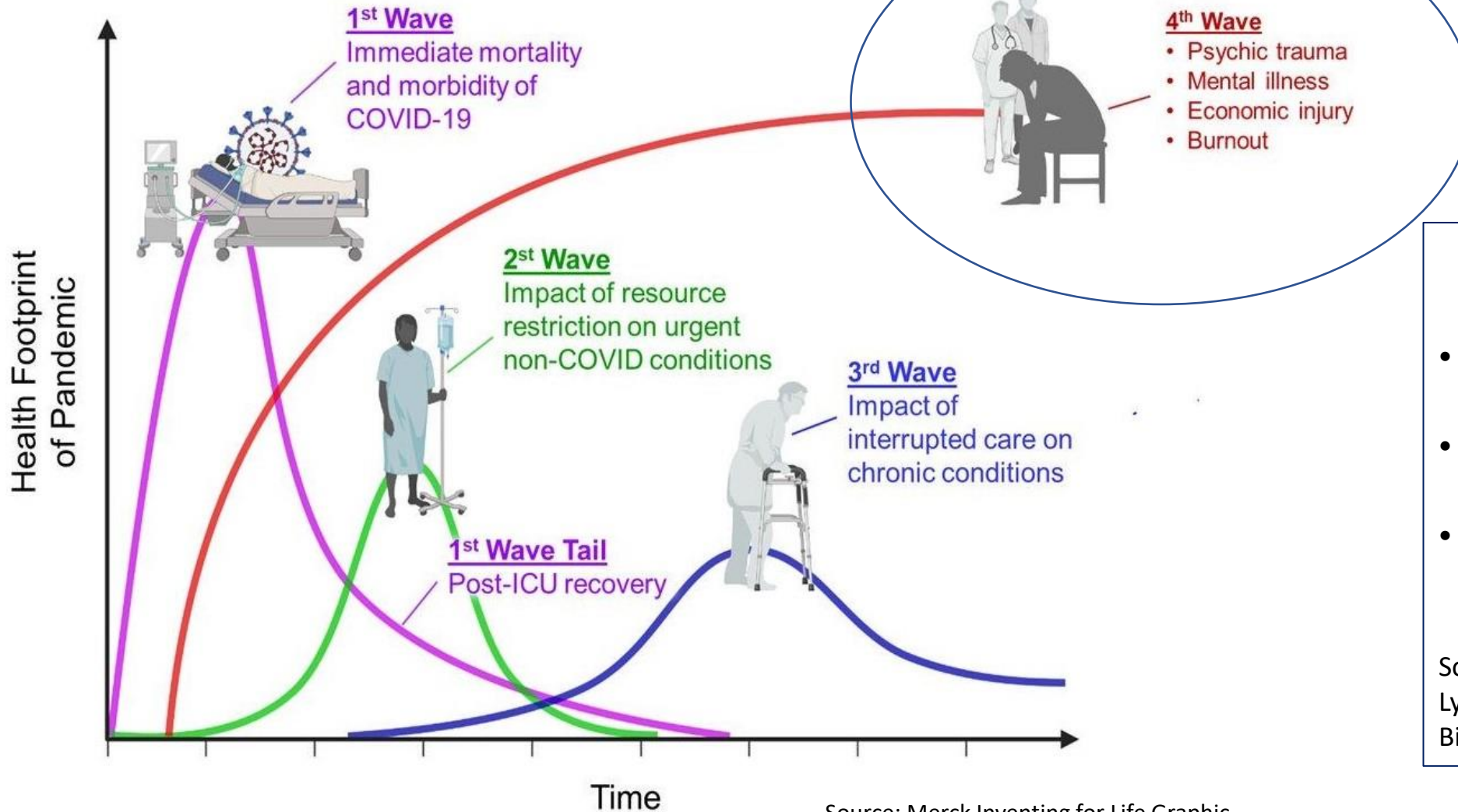
- Great majority waiving cost sharing for the testing of COVID-19
- Roughly half of employers are waiving cost sharing for:
 - Healthcare visits associated with the testing
 - COVID-19 related telemedicine visits
- A minority are waiving cost sharing for the actual treatment of conditions related to COVID-19
- Few employers are currently offering COVID-19 testing at onsite/near site clinics (where applicable)

Benefits coverage for all covered lives (overall)



Source: Pulse of the Purchaser
Survey March 18-23, 2020

Foot print of Pandemic



Source: Merck Inventing for Life Graphic

Economics of Stress

- Demands & Pressures are “Additive & Cumulative”
- Coping Skills (resilience) predict 16% of outcomes
- Demands & pressures predict 60% of outcomes

Source:

Lyle Miller, PhD

BioBehavioral Institute of Boston

Emotional & Population Health

- Mental health - the next wave of COVID-19
 - Consider all the elements of wellbeing – social, sleep, connectivity, etc.
 - Direct and indirect impact of social isolation
 - Growing impact on substance use disorder
- Special populations
 - Cultural and ethnic differences
 - High risk populations – Age, Chronic Disease, Minorities, Social Determinants
 - Others – eg Those who are pregnant
- Impact of virtual health support
- Re-engaging on-site/near-site clinics

Economic Stress

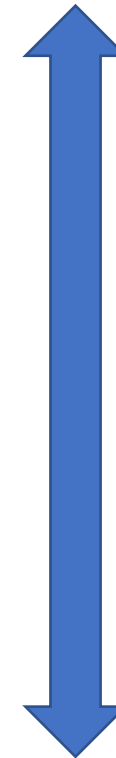
Worrying about
(or losing) their
jobs or income

Fear of COVID-19

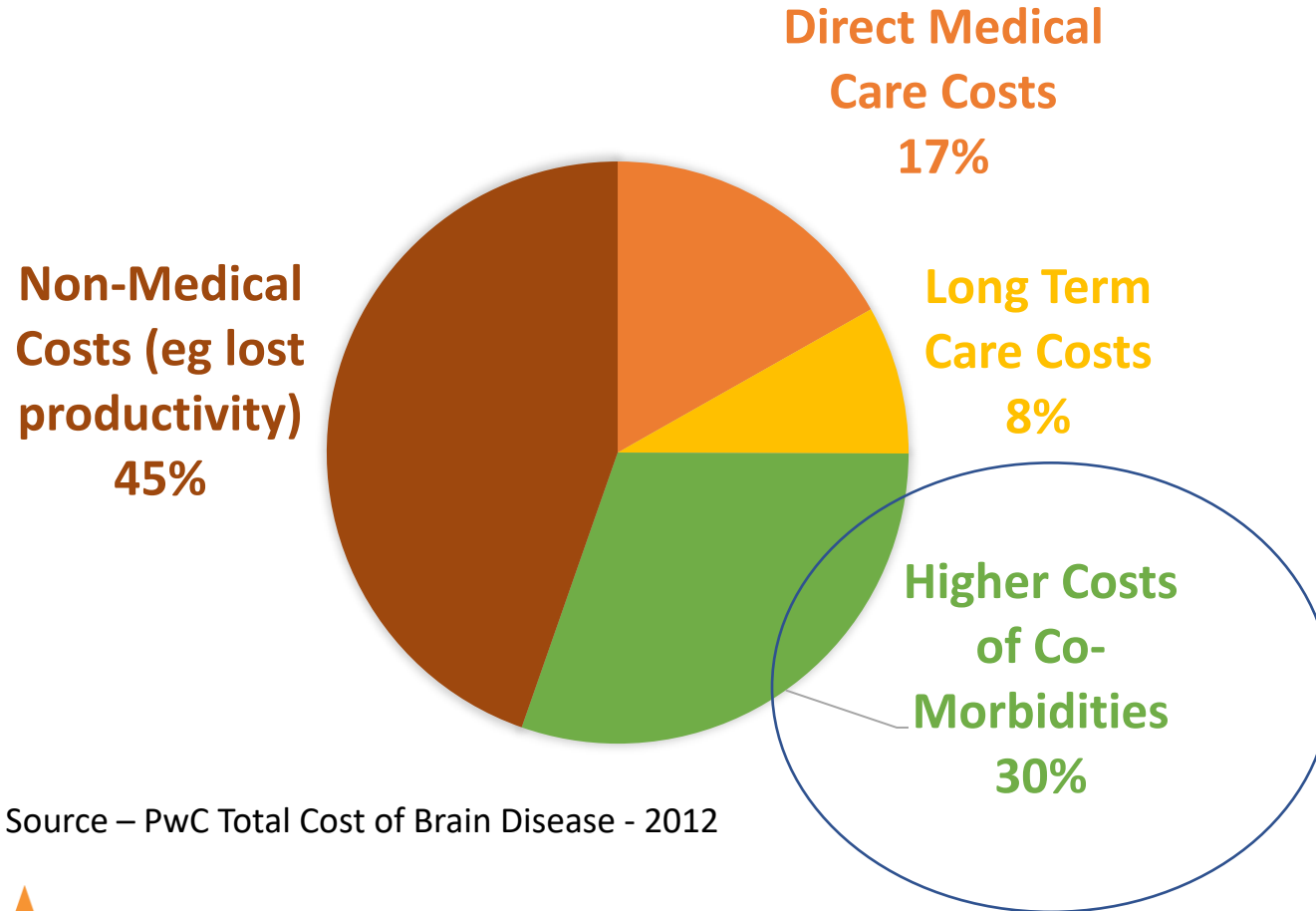
Especially those
working at
workplace

Social Isolation

Especially for
those working
from home



Costs of Mental Health Co-Morbidity



Source – PwC Total Cost of Brain Disease - 2012

*Will we experience this?
Better or worse?*

Costs of person with a
chronic disease only

2.5x

Cost of person with a
chronic disease and
behavioral health

9.4x

Source: Livongo 2019

Open Panel Discussion



Al Charbonneau
Rhode Island Business Group on
Health



Jerry Frye
BSG Analytics



Brian Gifford
Integrated Benefits
Institute



Ann Greiner
Primary Care
Collaborative



Lynn Quincy
Altarum Healthcare Value Hub

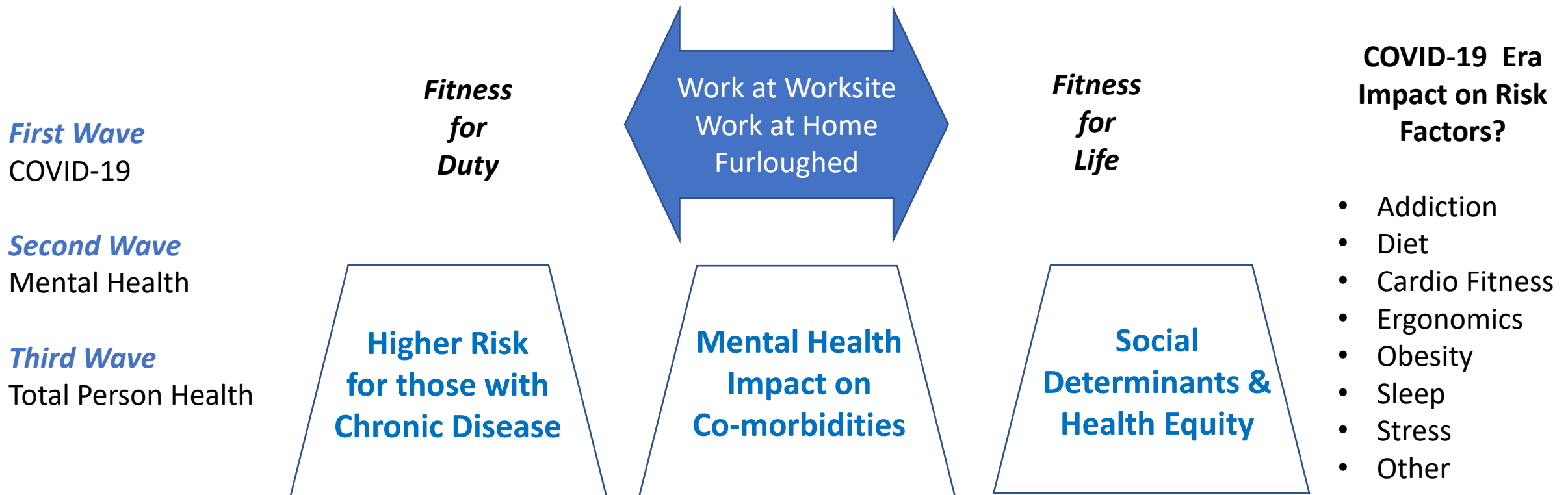


Lauren Vela
Pacific Business Group on Health



Greger Vigen, FSA, MAAA
Consulting Health Actuary

The COVID-19 Era – Accentuating Forces related to Population Health



Upcoming Events & Contact Information

Next COVID-19 Employer Town Hall (at 5 PM ET):

5/26 Rethinking Care Delivery in light of COVID-19

Past National COVID-19 Employer Town Halls

- Clinical and business impact of COVID-19
- Benefits and policy issues of COVID-19
- Addressing Mental Health and Wellbeing in COVID-19
- Considering Social Determinants in the light of COVID-19
- Planning for a Pivot to Back to Work
- Population Health Strategy during COVID-19 Era



COVID-19 Employer Town Halls & Related Webinars



National Alliance Publications



For more information on our COVID-19 Employer resources, including prior webinars and Employer town halls, visit our resources page.

<https://www.nationalalliancehealth.org/www/resources-new/employer-resources-covid-19>

Leadership Summits (June 15-16) - Register today:

<https://nationalalliancehealth.swoogo.com/2020leadershipsummits/begin>