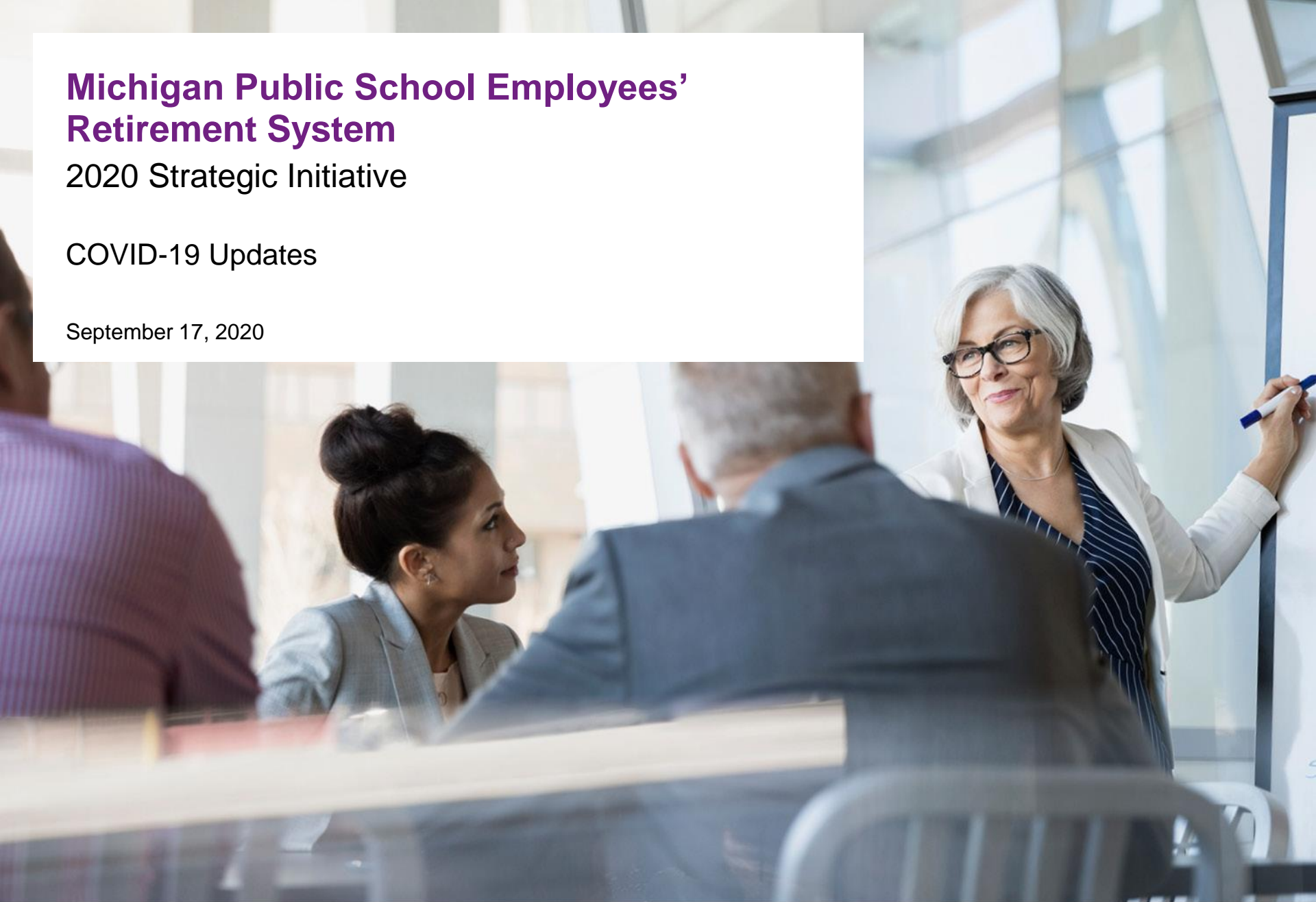


# Michigan Public School Employees' Retirement System

## 2020 Strategic Initiative

### COVID-19 Updates

September 17, 2020



# Healthcare Goals

## Healthcare Mission

- To maintain a quality health care plan that is affordable to both the members and the schools

## Quality Goal

- Measurably improve the quality of care enjoyed by members

## Cost Goal

- Limit the rate of cost growth to the compound rate of inflation (CPI) and real economic growth

## Approved at the July Board Meeting

### Recommendations to Respond to COVID-19 Pandemic (Non-Medicare and Medicare)

- Extend cost share waivers for COVID-19 treatments
  - Covered by BCBSM
- Extend cost share waiver for telehealth for medical and behavioral health services
- Begin waiving cost share for Primary Care and Behavioral Health office visits and in office Diagnostic X-ray and Labs
- Government Mandates
  - Physician / Hospital Evaluation and Test Administration - effective March 18<sup>th</sup>
  - Lab Tests - effective February 4<sup>th</sup>
  - Expires when the national public health emergency expires

**Effective: July 1<sup>st</sup> through September 30<sup>th</sup>**

- On going evaluation

**Estimated Costs: \$20.1M - \$27.3M**

## Updated Estimated Costs

### Timeframe: July 1, 2020 – September 30, 2020

- BCBSM has lowered the estimated cost from **\$20.1M - \$27.3M** to **\$17.0M to \$23.0M**
- The costs are lower due to the following
  - Updated YTD infection
  - COVID treatment cost/case
  - Updated understanding of forward-looking COVID-19 dynamics
  - Effective date of waiving cost share updated from 5/1 to 7/1

## Recommendation To Extend Cost Share Waivers

**Timeframe: October 1, 2020 – December 31, 2020**

- Still under a national public health emergency
- Medical office visits have not returned to historical levels yet
- The pandemic related increased stress and anxiety on retirees remains a concern

**Would be a cost increase of \$9.3M - \$12.6M**

## Updated Recommendation

### Recommendations to Respond to COVID-19 Pandemic (Non-Medicare and Medicare)

- Extend cost share waivers for COVID-19 treatments
  - Covered by BCBSM
- Extend cost share waiver for telehealth for medical and behavioral health services
- Begin waiving cost share for Primary Care and Behavioral Health office visits and in office Diagnostic X-ray and Labs

\*Note: The government mandates will still apply.

**Effective: July 1, 2020 through December 31, 2020**

**Total Estimated Costs: \$26.3M - \$35.6M**