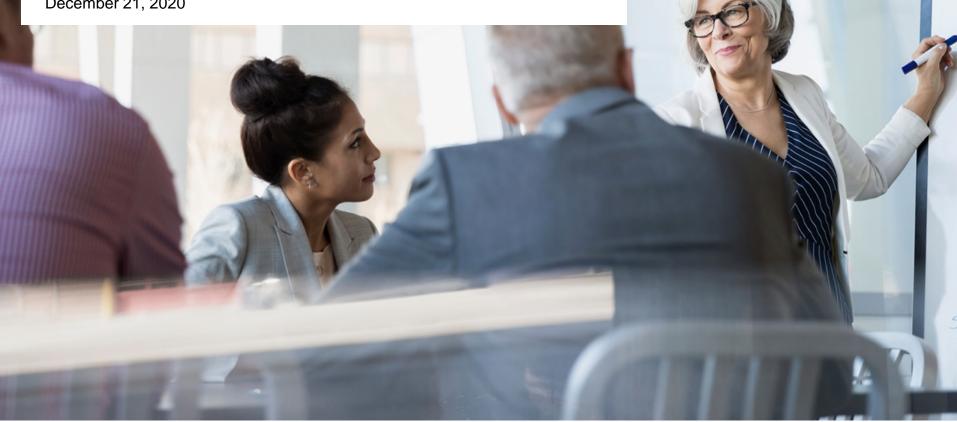
# Michigan Public School Employees' **Retirement System**

2020 Strategic Initiative

COVID-19 Updates

December 21, 2020



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# **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 September 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 December 31<sup>st</sup>

On going evaluation

## Estimated Costs: \$26.3M - \$35.6M

# **Coronavirus Pandemic Effect**

# Still in a Pandemic

- The U.S. is experiencing record levels of COVID cases and deaths
- Still under a national public health emergency
- Retirees may still be delaying care for chronic conditions
- The pandemic related increased stress and anxiety on retirees remains a concern

# Review of 2020 claims through August compared to 2019 show reduction in payments related to services provided

Projected that 2021 will see a similar experience

# **Recommendation To Extend Cost Share Waivers**

Recommendation to extend cost share waivers until a vaccine is widely available, cases are sufficiently contained, and outbreaks can be contained quickly (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
- Extend cost share waiver for Primary Care and Behavioral Health office visits and in office Diagnostic X-ray and Labs
- \*Note: The government mandates will still apply.

## However, the waivers will not extend beyond June 30, 2021.

# **Next Steps**

# BCBSM will be informed of the board approval to extend the cost share waivers through March 31, 2021

An estimated cost increase of \$8.5M - \$11.5M

# If needed, given the current pandemic situation, the cost share waivers may be extended to June 30, 2021

An estimated cost increase \$9.0M - \$12.1M

# Staff and consultants will monitor BCBSM plans for extending coverage for COVID-19 treatments beyond March 31, 2021

• If BCBSM does not extend this coverage, staff and consultants will evaluate the situation and bring a recommendation to the Board at the March meeting

# **Estimate Costs**

# Estimated costs for 1Q21 and 2Q21

- January 1, 2021 March 31, 2021 a cost increase of \$8.5M - \$11.5M
- January 1, 2021 June 30, 2021 a cost increase of \$17.5M - \$23.6M