

Michigan Public School Employees' Retirement System

Strategic Initiative: COVID-19 Cost Share Waivers

April 28, 2021



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

Response to COVID-19 Pandemic (Medicare and Non-Medicare)

Government Mandates

- Cost share waivers for diagnostic testing and evaluation
- Effective 2/4/2020
- Expires when the Public Health Emergency (PHE) expires
- Current PHE ends on 7/23/2021; however, the Biden administration has indicated it will be in effect throughout 2021

Cost Share Waivers for COVID-19 Treatments

- Blue Cross Blue Shield of Michigan (BCBSM) cover the cost
- Effective 4/2/2020
- BCBSM has extended this waiver several times
- Currently covering through 9/30/2021

Response to COVID-19 Pandemic (Medicare and Non-Medicare)

Cost Share Waivers for Telehealth Medical and Behavioral Health Services

- Effective 4/2/2020
- Throughout 2020, the Board and the DTMB Director approved extensions
- Currently effective through 6/30/2021

Cost Share Waivers for Primary Care and Behavioral Health Office Visits and in office Diagnostic X-ray and Labs

- Effective 7/1/2020
- Throughout 2020, the Board and the DTMB Director approved extensions
- Currently effective through 6/30/2021

Estimated Costs: \$43.8M - \$59.2M

Reasons for Cost Share Waivers

Coronavirus Pandemic

- The coronavirus pandemic presented a challenge the world had not faced for generations.
- It was important to limit person-to-person contact and practice social distancing.
- It was important to take precautions to prevent COVID-19 exposure when interactions were necessary.
- Seniors and those living with chronic conditions were much more vulnerable to serious illness from the virus.
- There was a concern about delayed medical treatment because of reluctance to visit the doctor in person.
- There was concern about increased stress and anxiety because of the pandemic.

Pandemic Status

Return to Healthcare Visits

- Healthcare providers have implemented and have been using safety protocols for approximately a year, which makes patients more comfortable.
- The cost share waivers for medical/behavioral telehealth, primary care/behavioral health in office visits, and in office labs/x-rays have not resulted in a measurable increase in visits.
- Individuals are receiving the vaccine and a large portion of those individuals in the Retirement System's age group is fully vaccinated.

COVID-19 Vaccination Metrics (as of 4/21/2021)

National		
	1 st Dose	Fully Vaccinated
75+	79.9%	66.2%
65-74 yrs	81.6%	65.7%
50-64 yrs	58.3%	36.3%

<https://covid.cdc.gov/covid-data-tracker/#vaccination-demographics-trends>

State of Michigan		
	1 st Dose	Fully Vaccinated
75+	71.6%	63.7%
65-74 yrs	73.0%	64.3%
50-64 yrs	53.7%	37.7%

https://www.michigan.gov/coronavirus/0,9753,7-406-98178_103214-547150--,00.html

Recommendation

Recommendation to extend cost share waivers covered by BCBSM until BCBSM no longer covers them

- COVID-19 treatments

*Note: The government mandates will still apply.

Do not continue cost share waivers beyond June 30, 2021 for:

- Telehealth for medical and behavioral health services
- Primary Care and Behavioral Health office visits and in office Diagnostic X-ray and Labs