

COVID-19 DIGITAL LISTENING for

HEALTH INSURANCE

Group and Individual Benefits Insights and Competitor Trends

4.17 – 4.23 BRIEFING



MARKETBRIDGE

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1 Insurers are implementing texting services to bolster community health.

WHAT IS HAPPENING

Health insurers are using texting as a communication channel to provide communities with pertinent information.

- Texas Health Aetna partnered with CareSignal to offer a free text service to all community members, not just Aetna insurance members, to reinforce "the message to stay home and slow the curve" by providing health information.
- Kaiser Permanente expanded its Food for Life texting service, which walks members through the process of applying to government food programs in California, to include eligible commercial and Medicare members (previously limited to Medicaid members).

WHAT ARE THE DETAILS



- The service is available in English and Spanish and will communicate a host of public health information to the community including:
 - "Information to help you connect to local public health resources"
 - "Educational tips for preventing the spread of COVID-19 or caring for someone with COVID-19, based on age and health status"
 - "Advice on masks, hygiene, social distancing and mental health"
 - "Reminders about identifying symptoms early and how to practice self-isolation"



- Sending text messages to almost a half million eligible California members to offer help applying for food assistance.
- In August 2019, Kaiser used text messages to help 15K Medi-Cal members enroll in a government program which provides a stipend for healthy groceries (CalFresh).

WHY THIS IS IMPORTANT

Insurers are using non-traditional communication channels to promote community health and education.

IMPLICATION

Free text-based services are an effective method for communicating essential information. Insurers are using this simple and direct channel to communicate relevant information and ultimately improve members' health.

2 Insurers to experience fewer financial costs during COVID-19.

WHAT IS HAPPENING

The Robert Wood Johnson Foundation (RWJF) estimates the costs to treat consumers in the individual market for COVID-19 may be lower than initially projected.

- As access to COVID-19 testing increases, treatment costs are likely going to decrease because patients are more likely to receive proper care sooner.
- New estimates point to a lower U.S. death rate than previously anticipated, resulting in a reduction of projected treatment costs – up to \$3.37 billion less than originally anticipated.
- UnitedHealthcare is considering commercial plan premium rebates because costs traditionally allocated to elective surgeries have fallen due to COVID-19.

WHAT ARE THE DETAILS



- "Non-urgent conditions and elective care has been postponed, which is expected to offset some of the coronavirus-related costs."
- The RWJF also indicated the upcoming economic recession will likely encourage consumers to "avoid healthcare costs in difficult economic times."
- "RWJF concluded that the short-term impacts could be positive for the individual health insurance market, with the reduction in healthcare utilization costs cushion the industry for the impact of claims costs which will follow."



- Executives speculated premium rebates may also help to maintain its employer plan line of business at a time when many employers are dropping coverage.

WHY THIS IS IMPORTANT

The financial impact of COVID-19 on insurers could be less than originally predicted.

IMPLICATION

As health payers begin to release their Q1 earnings, more may indicate intentions to offer premium rebates – both to retain employer plan members and display goodwill.

3 Health systems are struggling from a lack of elective surgeries, but relief may be coming.

WHAT IS HAPPENING

Hospitals across the country are furloughing thousands of employees because of the financial loss from shutting down non-essential health care services—the federal and state governments are loosening restrictions in response.

- In mid-March, the federal government recommended hospitals and patients cancel all elective surgeries to help stop the spread of COVID-19 in the U.S.
- Elective surgeries significantly contribute to most hospitals' income, resulting in financial losses for many health systems as they prepared to treat COVID-19 patients exclusively.
- Hospitals have reported decreasing volumes of patients for non-COVID-related ailments, likely due to consumers purposely avoiding medical treatment while under stay at home measures.
- This week, the federal government released guidance for hospitals to restart elective surgeries and procedures, requiring hospitals to meet certain criteria.

WHAT ARE THE DETAILS

Beaumont



- Temporarily laid off 2,475 employees this week. Most were administrative staff and others not directly caring for COVID-19 patients.
- Laying off 2,800 workers temporarily due to workloads being drastically reduced in non-COVID-related departments.

- Hospitals must "evaluate and prioritize what care should be given, screen staff and patients for symptoms, including temperature checks, and have sufficient personal protective equipment and other supplies on hand" in order to safely resume elective surgeries.
- Several states have loosened restrictions on elective surgeries as a part of the effort to reopen the economy.

WHY THIS IS IMPORTANT

Health systems may continue to struggle financially if elective surgery income is not met.

IMPLICATION

Although insurers may be benefiting financially in the short-term due to the lack of members undergoing elective surgeries, health systems are suffering due to low demand; many will likely require financial assistance to remain open.

4 Brokers are refusing to sell non-ACA-compliant health plans due to poor coverage.

WHAT IS HAPPENING

Recent estimates have shown over 9 million Americans have lost their health insurance coverage due to mass layoffs stemming from the COVID-19 crisis.

- New data this week shows over 26 million Americans have filed for unemployment over the past five weeks.
- Recently laid off consumers will be searching for individual health insurance coverage, likely speaking with agents and brokers about their best options.
- Insurance brokers are wary of selling non-ACA-compliant health plans that may not offer proper coverage for consumers, despite higher potential compensation.

WHAT ARE THE DETAILS

- Health insurance brokers sell almost half of all ACA marketplace policies, as well as many non-ACA-compliant products, such as short-term plans.
- Agents acknowledged "short-term health plans do not provide comprehensive coverage like health plans sold on the Affordable Care Act marketplaces."
- "'I'm apprehensive to sell them,' one Iowa broker told the research team. 'I don't want someone to get into a limited plan and then...develop cancer.'"
- The research also shows insurance brokers are most concerned about ACA marketplace policies increasing out-of-pocket costs for individuals.

WHY THIS IS IMPORTANT

Brokers are concerned about clients receiving expensive premiums and overly risky short-term health plans.

IMPLICATION

Insurers need to be aware that brokers may be purposely avoiding selling plans with poor coverage for individual clients. Brokers that act in the best interest of their clients are representing insurers in a positive way, possibly boosting both the insurer's and broker's reputations.

Industry News Related to Coronavirus

As of April 23, 2020

THE WHITE HOUSE ADMINISTRATION IS STILL WORKING TO COVER COVID-19 COSTS FOR THE UNINSURED

- Two weeks ago, the administration announced it would cover COVID-19 treatment for uninsured Americans; but it has yet to provide details.
- Public health officials continue to worry uninsured Americans will avoid treatment due to the perceived high costs of COVID-19 care.

HHS TO BAN HEALTH SYSTEMS FROM SURPRISE BILLING COVID-19 PATIENTS

- Hospitals that accept federal monetary assistance will be required to stop balance billing—billing a patient for the difference between what a provider charges and what an insurer pays—for the treatment of COVID-19 patients.
- Some health officials have speculated the agreement could ban providers from balance billing for all procedures—not limited to COVID-19 treatments—possibly causing legal challenges to the terms and conditions of the monetary assistance.

POLICYMAKERS RELAX ENFORCEMENT OF PROVIDER DATA SHARING RULES

- The recent data sharing rules were meant to promote "greater data exchange among healthcare providers and ensure patients will have access to their personal medical records and claims data."
- The new rule will go into effect May 1 and will not be enforced for six months due to the impact of COVID-19 on the health care industry.

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