

Employee Benefits Report



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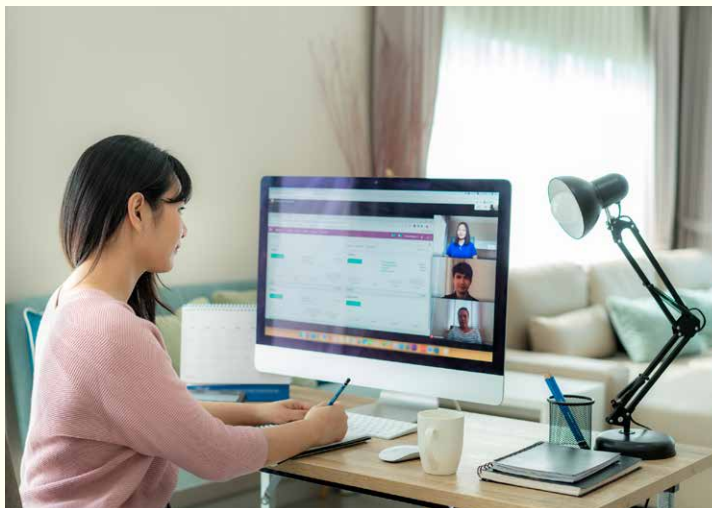
Pros and Cons of Employees Working Remotely

With two-thirds of employees working from home at least part-time, employers are finding there are advantages and disadvantages.

When the danger presented by COVID-19 was discovered, federal, state and local governments ordered businesses to temporarily shut down, leading many employers to decide it might be advantageous to have a lot of those employees work from home. According to a survey from Clutch, a B2B ratings and reviews platform, two-third of employees began working remotely for at least part of the workweek.

Now that restrictions have

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Supreme Court Rules for Exemptions in Contraceptive Case

Employers who have religious or moral objections to providing contraceptive coverage in their health plans are no longer legally required to provide that benefit.

The U.S. Supreme Court ruled in *Little Sisters of the Poor vs. Pennsylvania* that the government "had the authority to provide exemptions from the regulatory contraceptive requirements for employers with religious and conscientious objections."

Although the Affordable Care Act (ACA) doesn't specifically require employers to provide female workers with access to birth control, the Act does say health plans are supposed to provide

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eased, employers are wondering whether they should retain the new status quo.

Global Workplace Analytics, a research-based consulting firm, estimates that more than half of the U.S. workforce has jobs that are at least partially compatible with working remotely. In addition, they estimate that 25 to 30 percent of the workforce will be working from home multiple days a week by the end of 2021.

If you are considering keeping part or all your employees working remotely, you should not only evaluate the benefits to your business, but the associated costs as well.

Advantages

- ★ **Reduced Costs.** One of the biggest benefits of having employees work remotely is reduced overhead. Global Workplace Analytics estimates that employers can save more than \$11,000 per half-time telecommuter per year. There is less office equipment and furniture to supply; you save on power bills, office supplies and breakroom beverages. You may also be able to request that employees who work remotely use their own phone lines and home computers.
- ★ **Greater Job Satisfaction and Productivity.** Allowing employees to work from home and have flexible schedules usually increases job satisfaction and reduces turnover. Lower attrition saves money on advertising, and screening and training new hires. It may also allow you to choose from a larger pool of employees — people

with talents you need but who crave the flexibility of working from home.

Employees who work from home reportedly are more productive because they enjoy having greater autonomy, they have fewer interruptions and can focus on their work better. Overall, they have higher morale and enjoy their jobs more because of the opportunity to balance work and home life more easily.

- ★ **Reduced Environmental Impact.** Holding meetings via email, telephone and videoconferences means less travel — thus reduced automobile emissions. This lessens the environmental impact, as well as adding the drive time back to productive work hours.
- ★ **Employers Liability Insurance.** Most workers compensation policies have a section two coverage called Employer's Liability, which is particularly important for employers to have if they have remote workers. Section one provides traditional workers compensation benefits on a no-fault basis to employees injured on the job. It applies to workers wherever they may be, at the office or at home.

However, when someone works from home, the distinction between whether an injury is work-related or not can sometimes be blurry. If the workers' compensation carrier or third-party administrator (if self-insured) determines the injury does not meet the test of being work-related, your employee may decide to sue you because of their injury. That's where Em-

coverage for "additional preventive care and screenings." The Obama administration interpreted this to include birth control, but exemptions were allowed for religious institutions and nonprofits. However, the Little Sisters of the Poor didn't fall within the exemptions.

The Roman Catholic order first argued that the ACA requirement that employers provide employees with contraceptives violated their religious and moral beliefs. The justices asked the parties to compromise, but the Obama administration wouldn't alter its rules.

After President Trump took office, the federal government issued a rule that broadened which entities could be exempted from the contraceptive requirements. The state governments in New Jersey and Pennsylvania then sued the Trump administration for exempting the Little Sisters from the Obama contraception mandate, which they lost, leading to this final ruling.

ployer's Liability protects you by defending you against such claims.

Employer's Liability coverage also protects against allegations of negligence and other torts that are outside the purview of workers compensation. (Though not for allegations of discrimination, sexual harassment, wrongful termination and other employment related issues; that's what Employment Practices Liability Insurance is for.)

How the Pandemic Could Shape the Future of Health Care

The COVID-19 pandemic has quickly forced the medical community in the United States to rethink how it provides health care. In response to the crisis, new regulations have been enacted and advances in technology fast-tracked.

It's expected that many of the changes developed in response to the crisis will have a profound and lasting effect on the future of health care. Here are a few of the changes and trends, good and not so good, that we're already seeing.

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Disadvantages

- ✳ **Employer Costs.** Many employers fear that employees will shirk their duties and not work a full shift. It's suggested that employers outline work-from-home expectations, set productivity goals and conduct regular progress check-ins.
- ✳ **Reduced Corporate Morale.** Other disadvantages of having remote workers might be measured in terms of its effect on the corporate culture, team building and increased isolation. Employees may not feel as much like they're part of a company's bigger picture when they're not physically in the office and brainstorming with co-workers every day. ■

Broader Acceptance of Telemedicine

Telemedicine is a technology that allows individuals to get professional advice from providers through a smart phone, tablet or computer. When patients were discouraged from visiting doctors' offices during the height of the pandemic, the popularity of telemedicine surged.

For instance, before the pandemic, Novant Health conducted about 200 telemedicine appointments per week. During the pandemic that number skyrocketed to more than 12,000 per week. Even though brick and mortar offices are opening again to provide care, Novant Health reports that the number of virtual visits at its facilities is now about 2,000 per day — and they don't expect that to change anytime soon. Notwithstanding the pandemic, many patients are more comfortable receiving care this way — particularly since they don't have to waste time driving to a visit and sitting in a waiting room.

In March, when President Trump signed the CARES Act, \$130 billion in financial relief was allocated to health care operators in the



U.S. At the same time CARES relaxed regulations governing the use of telemedicine. Due to the national emergency, the federal government now allows doctors to practice telemedicine in states beyond those in which they're licensed. Some states also started requiring insurers to pay for video visits. If concepts introduced by necessity because of the pandemic prove beneficial on their own merit, it's likely they will remain in place.

More Support for Technology

Until the pandemic, many smaller health care providers had not been able to afford the laptops, webcams, tablets and video-calling subscriptions. The CARES Act created funds so doctors could buy this technology.

Access to Electronic Health Records Improved

The Department of Health and Human Services finalized its rules this year on how

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patient health data could be easily shared between providers and services — a change which was mandated by the 21st Century Cures Act from 2016.

The rules require health care providers to share patient data with patients and any third parties with whom they would like to share the data, while ensuring that the information stays private. Until now, access by patients and their providers to this information, which often still is kept on paper, has sometimes been difficult. The new rules will make it easier for different providers to access a patient's health history and treatment plans.

The Decline in the Number of Rural Hospitals

The pandemic has not solved all problems though. In fact, it's created some problems for rural hospitals, which have been in danger of closing for about a decade. Chartis Center for Rural Health, a consulting firm, says that 453 rural hospitals — nearly 25 percent in the country — are vulnerable to closing.

- ★ The pandemic has caused patients to put off elective procedures, which provide the majority of revenue for rural hospitals. Chartis estimates that 79 percent of rural hospital volume and revenue come from these procedures. If this trend continues, Chartis officials believe that up to 100 rural hospitals could close within a year
- ★ Emergency room volume, another big source of revenue for rural hospitals, has also fallen, as individuals put off care for fear of being infected with the virus, and with the increased availability of telemedicine.

Federal officials are recognizing the seriousness of the situation. The Rural Emergency Acute Care Hospital (REACH) Act and, more recently, the CARES Act, have provided some relief to small health care providers. The federal government also recently sent \$22 billion to rural hospitals and those hardest hit by COVID-19. ■

Where the 2020 Presidential Candidates Stand on Health Care Reform

The nation's health care system is expected to be one of the top issues for voters in the 2020 presidential election because of the declining number of Americans with health insurance, in part due to job losses, and the rise in health care and insurance costs.

According to a report from the U.S. Census Bureau, 27.5 million people — or 8.5 percent of Americans — don't have health insurance. In addition, a study published in the journal *JAMA Internal Medicine* showed that for a two-year period after the launch of Obamacare, while there was an almost 12 percent average decrease in out-of-pocket health spending, premiums rose by the same percentage — and by a bigger dollar amount.

Since World War II, most Americans have received health care benefits through their employers. In the beginning, employers paid most of the premiums and employees handled the copays and deductibles, which were manageable. That has changed in the last 20 years as health care premiums, deductibles

and out-of-pocket costs have risen dramatically.

Some of the main reasons for the increases include:

- ★ The consolidation of health providers, which allows them to charge more.
- ★ More testing and more thorough examinations due, to some extent, to higher medical malpractice costs.
- ★ Investment in new equipment and facilities.
- ★ Increased prescription drugs costs, which are often the result of new pharmaceutical treatments like biologic drugs and drugs created especially for small populations.
- ★ Employers shifting the costs to employees through high deductibles, out-of-pocket expenses

and surprise billing from non-covered health care events.

Many Americans are hoping that the two presidential candidates have viable solutions to fix the health care system. Any changes made would, of course, depend on support from Congress.

Here is a brief overview of what might change or stay the same if either Republican President Donald Trump or former Vice President and Democratic nominee Joe Biden is elected in November. The following is based on what Biden's campaign has released. Trump's campaign has not released a specific health care reform plan, so insights into his health care reform positions are based on the 2021 fiscal budget and on the U.S. House of Representatives Republican Study Committee efforts.

Affordable Care Act

Biden: Biden was Vice President when the Affordable Care Act (ACA) was enacted, so it is expected that he will remain supportive of the act. He has called for expanding coverage to low-income Americans and increasing the value of tax credits to lower premiums. Many Democrats have called for the expansion of the ACA.

Trump: Many Republicans in Congress and state legislatures want to reduce federal government responsibility for health coverage. President Trump and Congressional Republicans have put that idea into practice by using regulatory actions to weaken the ACA framework. Observers expect that they will continue

to do that if President Trump is reelected. In particular, they want to eliminate the ACA's essential health benefits, annual lifetime limits, preventive care with no cost-sharing, dependent coverage and "metal" plan tiers (bronze, silver etc.). Instead, they want to allow states to make these decisions. One way they would fund this is by restructuring the ACA's premium subsidies and Medicaid expansion matching programs to fund state-administered grants to subsidize health insurance.

Republicans also have said that they do not want to allow insurance carriers to rescind, increase rates, or refuse to renew a person's health insurance if they develop an illness after they enroll in health coverage.

Medicare

Biden: Biden would like to offer a public health plan option similar to Medicare in addition to current private health plan options. Democrats have offered a variety of proposals. The common theme is to expand Medicare to at least some of the non-senior population and reduce the role of private insurance in the system. Medicare for All would be funded by increased taxes on employers and certain segments of the public instead of co-pays and deductibles. Dental and vision would be included as well. Private insurers would be limited to offering niche plans covering elective and other non-essential medical procedures.

Trump: President Trump's 2021 budget proposes about \$500 billion in net Medicare spending reductions over 10 years. The reductions would come from reducing pay-

ments to health care providers and would not directly affect beneficiaries.

Prescription Drugs

Biden: Biden wants the pharmaceutical industry to work with Medicare to set drug prices. He also wants to control pricing for new drugs; allow people to purchase drugs from other countries; implement price increase limits; and increase the supply of quality generic drugs.

Trump: Trump's efforts have focused on price transparency; eliminating kickbacks to middlemen; and promoting the use of generic drugs. He also expanded Medicare Advantage tools to lower seniors' costs for expensive medications. This summer Trump issued three executive orders designed to lower prescription drug prices.

Health Care Costs

Biden: Biden would like to take steps to eliminate surprise bills. A surprise bill is a medical charge an individual receives if they inadvertently received care from an out of network provider.

Trump: Republicans would like to change the tax code to provide for equal treatment of employer and individual health insurance markets. They also support the use of innovative health care solutions such as telemedicine, direct primary care, association health plans, and health sharing ministries to reduce costs. There's also interest in expanding the use of pre-tax Health Savings Accounts (HSA), including using them to pay for insurance premiums. ■

Be Prepared: What You Need to Know Before Offering Vision Coverage

Vision benefits are an important part of a complete health package.

Providing the right benefits can boost morale and attract and retain talent. A vision exam is also a mini-physical where a number of medical conditions can be discovered, from skin cancer to diabetes.

In addition, businesses usually can deduct 100 percent of the premiums they pay on qualifying group health plans and reduce payroll taxes by providing a portion of employee wages in the form of tax-free health insurance benefits.

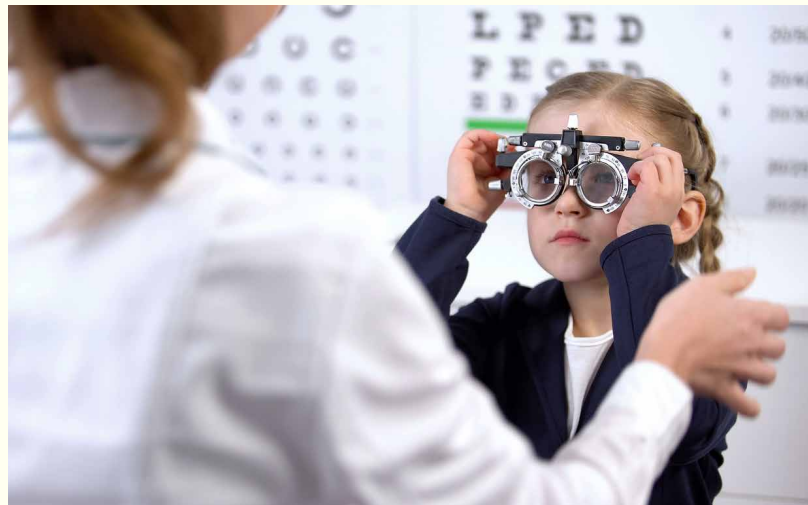
Even very small employers, including those who have only one full-time employee (besides themselves), can have a vision benefit program.

There are a variety of plans, rates and carriers that your broker can present to you.

Since not all plans are the same, carefully read the plan brochures. For instance, some vision plans offer only minimal services while others cover eye surgery. Most vision insurance plans fully or partially cover routine eye health expenses, including eye exams, contact lens fittings, contact lenses and eyeglass lenses and frames.

Adding a vision plan to your health or dental plan may also be an option. There are two types of add-on plans:

- ✦ With optional rider vision insurance, you pay a monthly premium and get access to a fixed-dollar amount of services.
- ✦ An ancillary vision plan gives a fixed discount on all vision-related



expenses. You add this coverage to your health insurance plan for an additional fee.

By bundling vision and health plans, you may be able to get a discount. And, an additional benefit of getting lower rates is that you also may be able to upgrade to a better vision or dental health plan than you originally planned. ■

