

Supporting Client and Member Health Care Benefit Needs During the COVID-19 Pandemic

A special report from Meritain Health[®]

The COVID-19 pandemic has challenged the way the world operates. Its impact has been felt through every layer of society, from businesses to households. Employers have been faced with an urgent need to provide health care support for their covered employees. Shutdowns, new regulations, health recommendations and varying comfort levels forced adjustments to the way employees have sought care and the way facilities have provided that care. In the end, responsive action and flexibility has been a primary focus since the situation started to ramp up in March 2020.



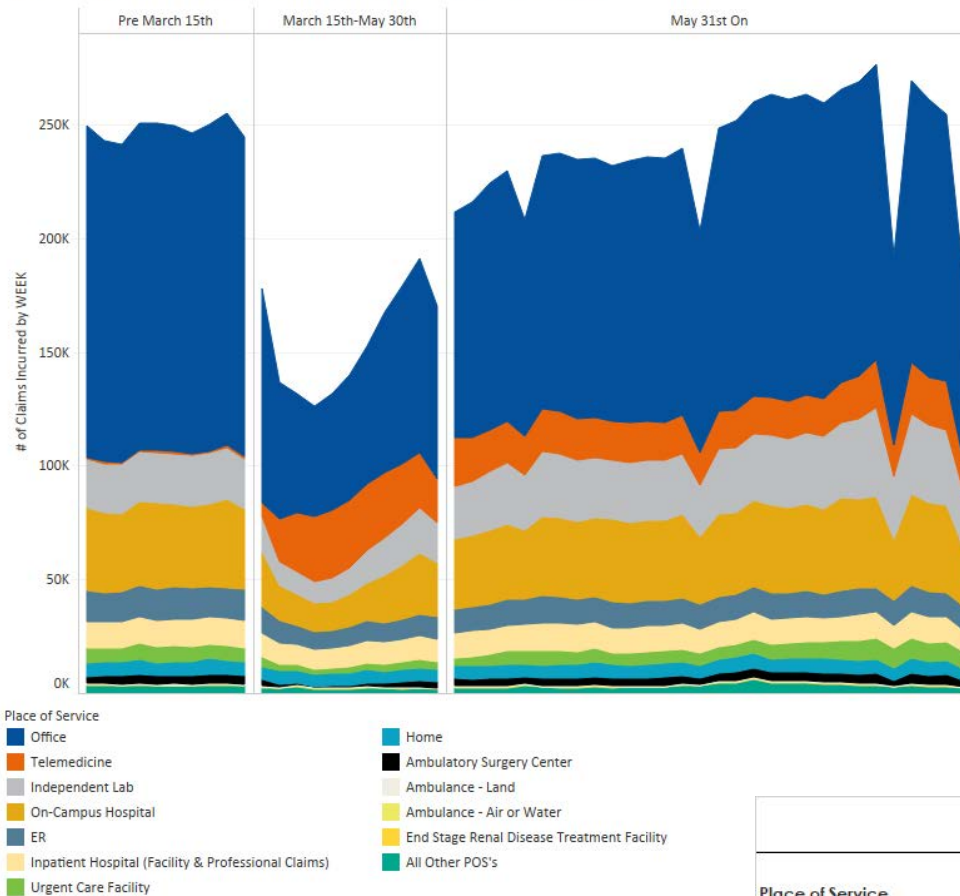
Innovating to support client needs

Plan intelligence has been at the forefront of understanding the impact of the pandemic on employee populations. By harnessing this valuable information, health plan administrators like Meritain Health can provide informed support to clients. This knowledge helps employers plan for population health care needs and adjust plan offerings accordingly—giving employees what they need to get and stay healthy, with an eye on bottom-line spending.

Beginning in March 2020, Meritain Health began focusing on advanced reporting for COVID-19 health plan insights. This new knowledge provided the foundation for ways to support clients and members through the pandemic.

Pandemic Impact on overall Medical Claims

Incurred through December 26th, 2020 (received before Feb 15th, 2021)



Medical claims volume

From March 15 to May 31, 2020, medical claims volumes decreased by 38 percent, mostly for office visits. Claims for inpatient hospital care decreased 18 percent during that same period. Starting in June, claims began to rebound, but still continued about 4 percent below pre-pandemic volumes.

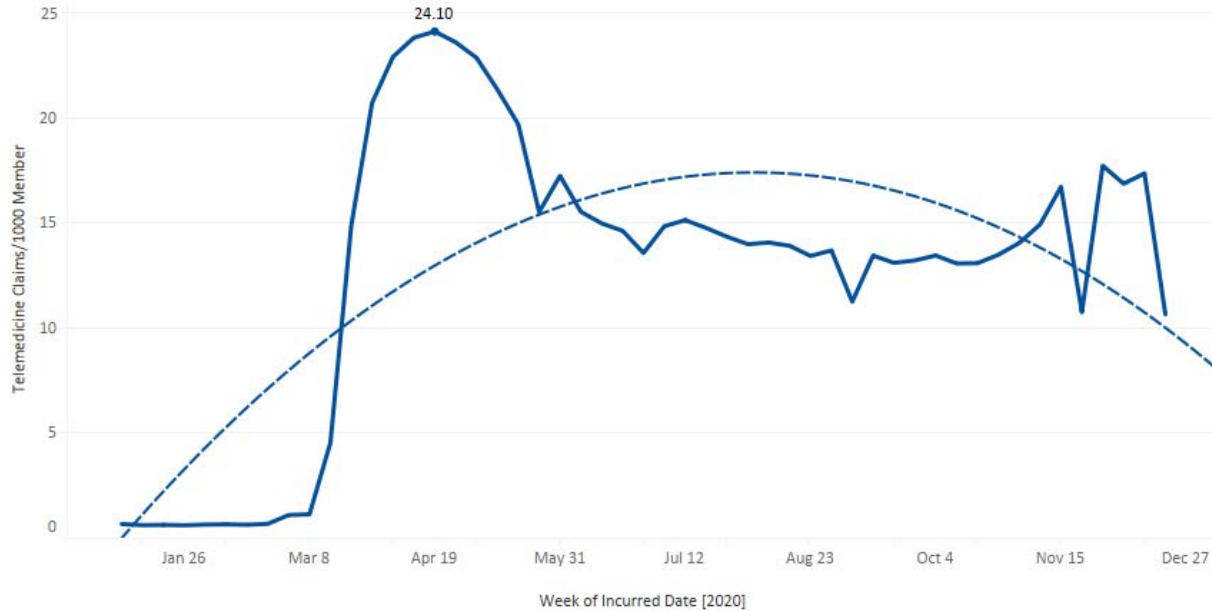
| Place of Service | Avg Claims per Week per 1000 members | | |
|---|--------------------------------------|----------------------|-------------|
| | Pre March 15th | March 15th- May 30th | May 31st On |
| Office | 108.15 | 50.42 | 87.25 |
| Telemedicine | 0.70 | 18.33 | 13.35 |
| Independent Lab | 16.66 | 10.67 | 21.69 |
| On-Campus Hospital | 27.50 | 14.18 | 26.56 |
| ER | 10.34 | 6.67 | 8.37 |
| Inpatient Hospital (Facility & Professional Claims) | 8.87 | 7.31 | 8.42 |
| Urgent Care Facility | 4.98 | 2.29 | 4.89 |
| Home | 4.65 | 4.33 | 4.50 |
| Ambulatory Surgery Center | 2.74 | 1.03 | 2.66 |
| Ambulance - Land | 0.44 | 0.35 | 0.39 |
| Ambulance - Air or Water | 0.01 | 0.01 | 0.01 |
| End Stage Renal Disease Treatment Facility | 0.26 | 0.25 | 0.25 |
| All Other POS's | 2.47 | 1.56 | 2.45 |
| Grand Total | 187.55 | 117.04 | 180.38 |
| Decline from pre-pandemic | | 38% | 4% |

Weekly telemedicine claims

Around mid-March until their peak the week of April 19, 2020, claims for telemedicine care for Meritain Health members spiked to unprecedented rates (about 24 claims for every 1,000 members at the peak). This rate has slowed a bit and stabilized as of June 28, 2020, to about 13 visits per week for every 1,000 Meritain Health members.

Weekly Telemedicine Claims/1000 members

Claims incurred through Dec 26, 2020 (received through 2/15/2021 11:41:43 AM)

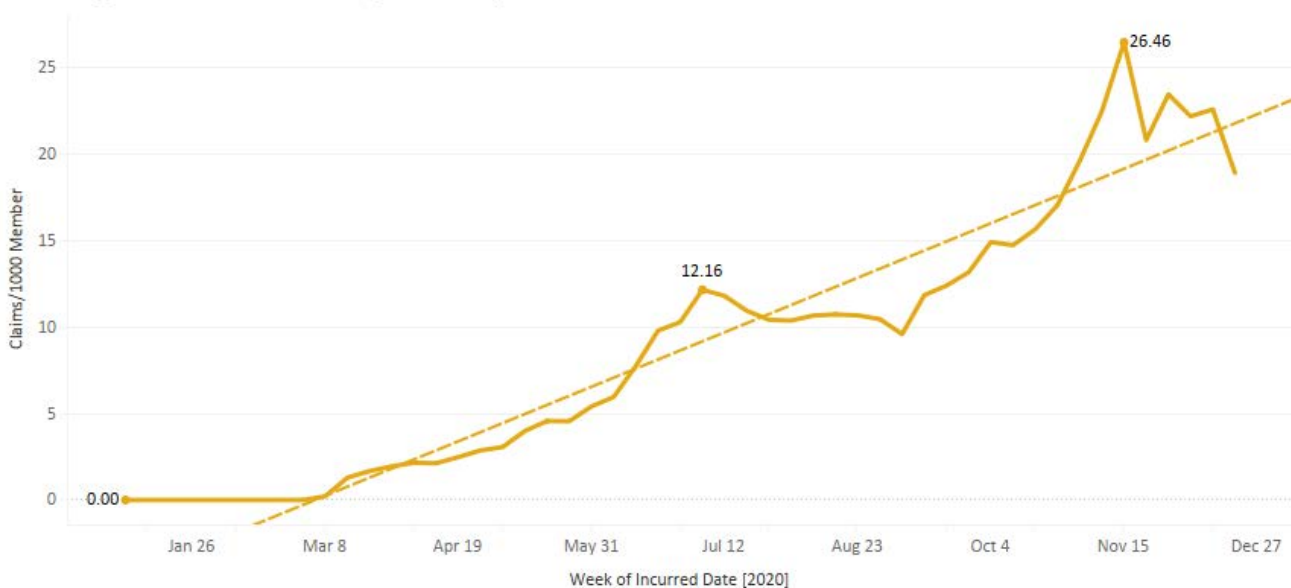


COVID-19 testing claims

Claims for COVID-19 testing have steadily increased throughout 2020. Cases peaked during the week of November 15, 2020, with 26.5 of every 1,000 members being tested for COVID-19 that week. At present, 10 percent of the total claims volume for Meritain Health is related to COVID-19 testing in some way.

On average, Meritain Health members have incurred claims for COVID-19 testing averaging \$89 per test—information that has been, and will continue to be, valuable for employers anticipating health plan spending.

Weekly COVID-19 Testing Claims/1000 members



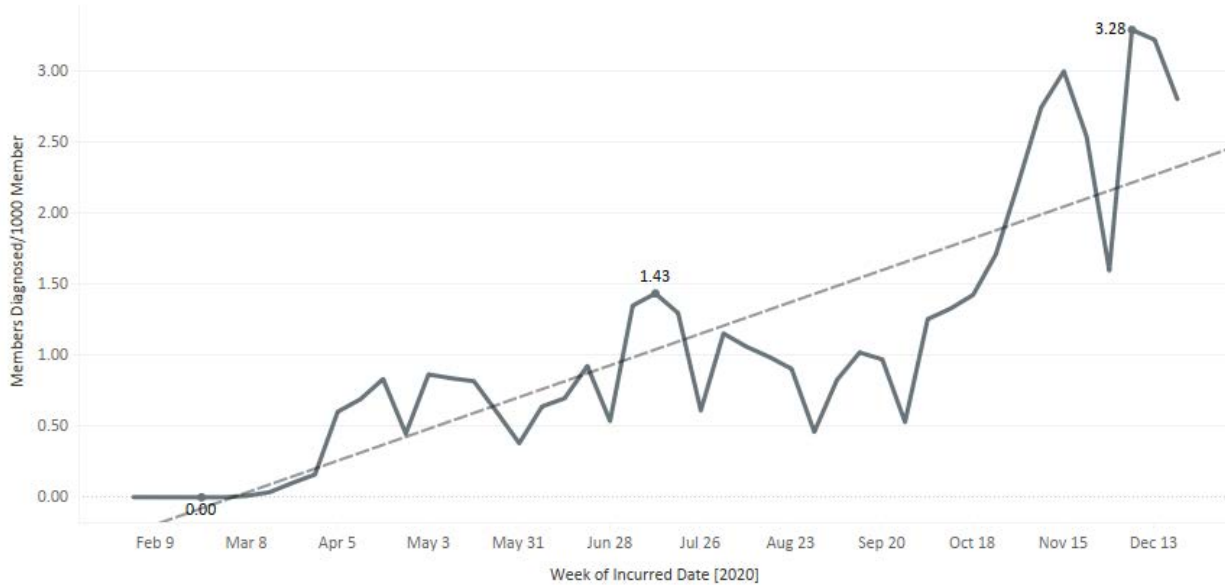
COVID-19 confirmed cases/treatment

From March 2020 through October 2020, about 0.8 of every 1,000 members were being treated each week for COVID-19. A significant spike started in November 2020, peaking at 3.28 out of every 1,000 members being treated for COVID-19 the week of December 6, 2020. The red chart below shows cases per 1,000 members with an initial diagnosis (members with multiple COVID-19-related claims are counted just once).

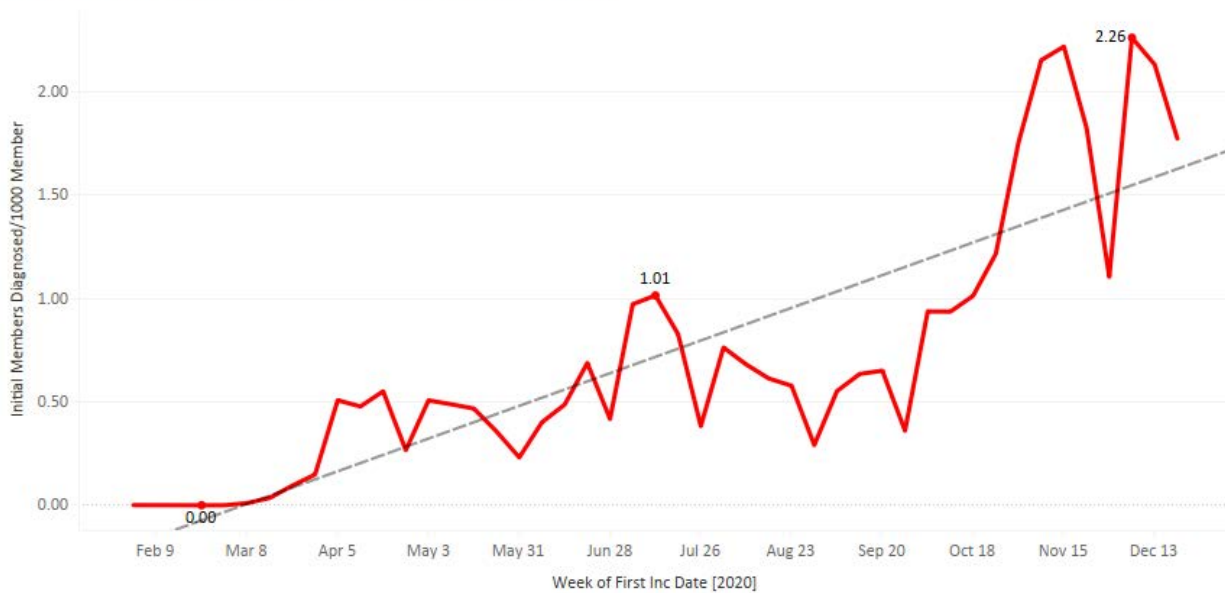
The average cost of outpatient treatment (not including testing) for COVID-19 for Meritain Health members has been roughly \$530 per member overall. Seven percent of those diagnosed with COVID-19 have needed inpatient care, where the average cost spikes to \$30,850 per member overall.

COVID-19 Confirmed Cases by week

Claims incurred through Dec 26, 2020 (received through 2/14/2021 10:05:14 AM)



COVID-19 INITIAL DIAGNOSED Members by week

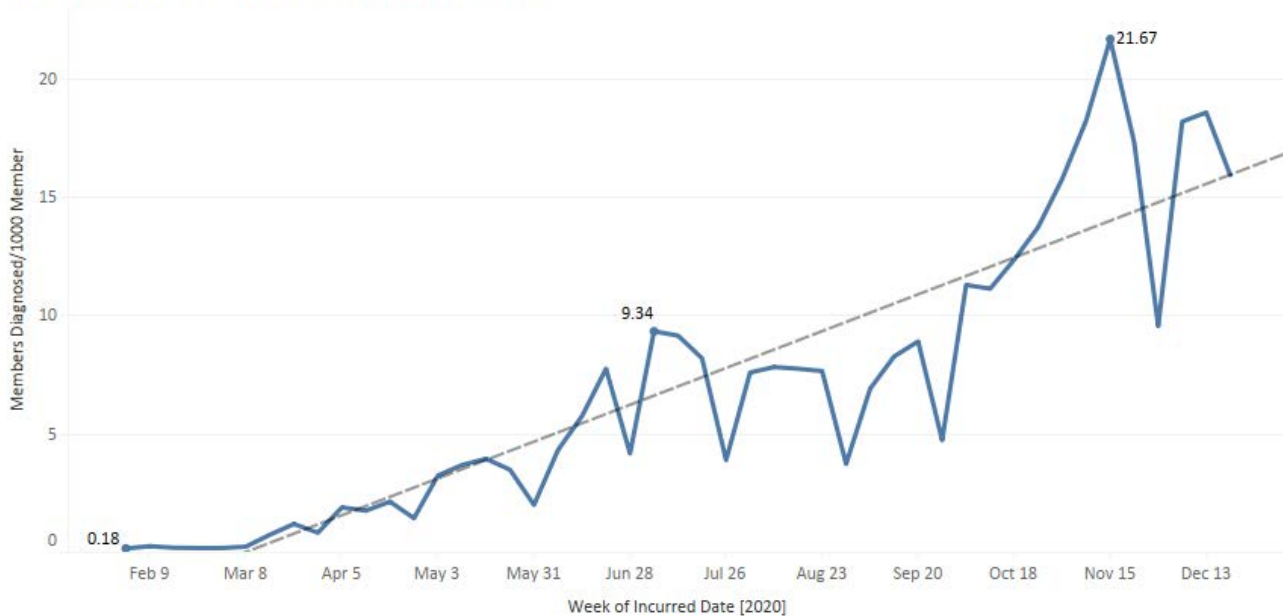


COVID-19 exposure cases

Claims for members related to COVID-19 exposure (i.e., members who were exposed either to someone diagnosed with COVID-19 or suspected of having COVID-19) have followed a similar path as claims related to COVID-19 testing (since exposure usually results in testing). In addition to the cost of COVID-19 testing, claims for outpatient visits for COVID-19 exposure average approximately \$274 per claim. Note in the below chart that members are counted for every week in which they have a COVID-related claim.

Members exposed to COVID-19 by week - as identified by a medical claim with exposure Diagnosis

Claims incurred through Dec 26, 2020 (received through 2/14/2021 10:05:14 AM)



After careful analysis of the reporting results, Meritain Health was able to gain insight into the evolving needs of clients. The most notable shift was the decrease in office visits and inpatient treatment. With more people “sheltering in place,” suspected drivers of this decrease could have been:

- Postponing elective surgeries.
- Stay-at-home orders, resulting in fewer accidents and a decreased need for emergency room and urgent care visits.
- Improved air quality at home, which reduced claims related to respiratory illness.
- Improved hand washing and social distancing, resulting in fewer infectious disease claims, such as the flu.

Also noteworthy is the subsequent rise in telemedicine claims, coinciding with the dip in office visit and inpatient claims. Members following recommendations to socially distance were able to seek care for non-emergent services through telemedicine. It’s also important to note about 32 percent of the telemedicine calls we tracked were for treatments related to behavioral health/substance abuse codes. As the impact of the pandemic continues, support for these types of services, if not already available, is a consideration for addition to employee benefit plans.

As telemedicine visits don’t include ancillary procedures such as labs or radiology, this increase in telemedicine usage also had an impact on employer health plan spending.

Tracking of claims related to COVID-19 testing and treatment are also helpful for employers to understand health plan spending. This includes the average cost of a COVID-19 test, number of members seeking tests, average cost of COVID-19 treatment, number of members who have been exposed and number of members diagnosed with COVID-19.

The COVID-19 pandemic has changed our world over the past year. As the situation continues to evolve, Meritain Health will remain flexible and adaptive in our service and support of our customers. We're here for all our customers' needs, from plan reporting, to understanding industry changes and developments, including support with vaccines. Despite the ever-present challenges we are faced with daily, we pride ourselves as **Advocates for Healthier Living**. We help our clients and members understand and use their health care benefits, to provide and obtain the services necessary for good health—now and for the future.

About Meritain Health

Meritain Health is an independent subsidiary of Aetna and CVS, and one of the nation's largest employee benefits administrators.¹ We have the resources of a national carrier, coupled with the unique flexibility and devoted service of a third-party administrator (TPA).

Our unique, fully customized plans offer simplified solutions for medical, dental, vision, FSA, HRA, HSA and COBRA administration, and much more. Plus, we provide the extras clients need to manage their benefits offering, centered around our core pillars: **cost avoidance and prevention, access, payment integrity** and **actionable data**.

Our unique health care solutions include:

Cost Avoidance and Prevention



Controlled health care costs. Our Meritain Health Medical Management services include fully integrated Utilization and Case Management (URAC-accredited through American Health Holding). Plus, we offer Population Health Management, including additional resources to help improve member health outcomes. All together, we help members stay healthier to impact plan savings.

Transparent pricing and convenient online tools. Our easy-to-use online tools improve cost and health care efficiency in helping members choose providers, select wellness programs and take advantage of telemedicine options.

Access



Customized, flexible carrier-level network strategies. We're partnered with over 60 provider networks, and aligned with Aetna networks including: Aetna Open Choice® PPO, Choice® POS II and Select Open Access; Aetna Premier Care Network (APCN) and Aexcel specialists; and Aetna Whole Health.

Meritain Health Pharmacy Solutions. Our Meritain Health Pharmacy Solutions (MPS) programs offer high-quality prescription benefits that save clients and members on their total cost of care. Additionally, members have access to CVS pharmacies and walk-in clinics, like MinuteClinics® and HealthHUBs®.

Payment integrity



Cost management strategies. Our careful claims review and negotiation services look for savings on in-network, out-of-network, high-dollar, complex, pharmacy and dialysis claims, while identifying and addressing any potential fraud, waste and abuse.

Actionable Data



Data-forward tools and solutions. We review each plan for maximum utilization and provide expert reporting tools to enhance the member experience, give clients comprehensive insights, and drive actionable results.

1. Business Insurance; Largest Employee Benefit TPAs (as ranked by 2019 benefits claims revenue); May 2020.



As Advocates for Healthier Living, we're improving clinical outcomes while reducing the Total Cost of Care.

Meritain Health creates positive change in every interaction. By listening and understanding our clients' needs, we offer flexible, cost-effective and easy-to-use health care solutions. We are dedicated to providing compassionate support and guidance to help our members be active participants in their health care. It's the foundation of the service we provide our customers.