

How Might the Pandemic Affect Health Premiums, Utilization, and Outcomes in 2021 and Beyond?

October 19, 2020



Filling the need for trusted information on national health issues.

Agenda

Introduction

- Cynthia Cox, vice president and director of the Program on the ACA, KFF

Presentations

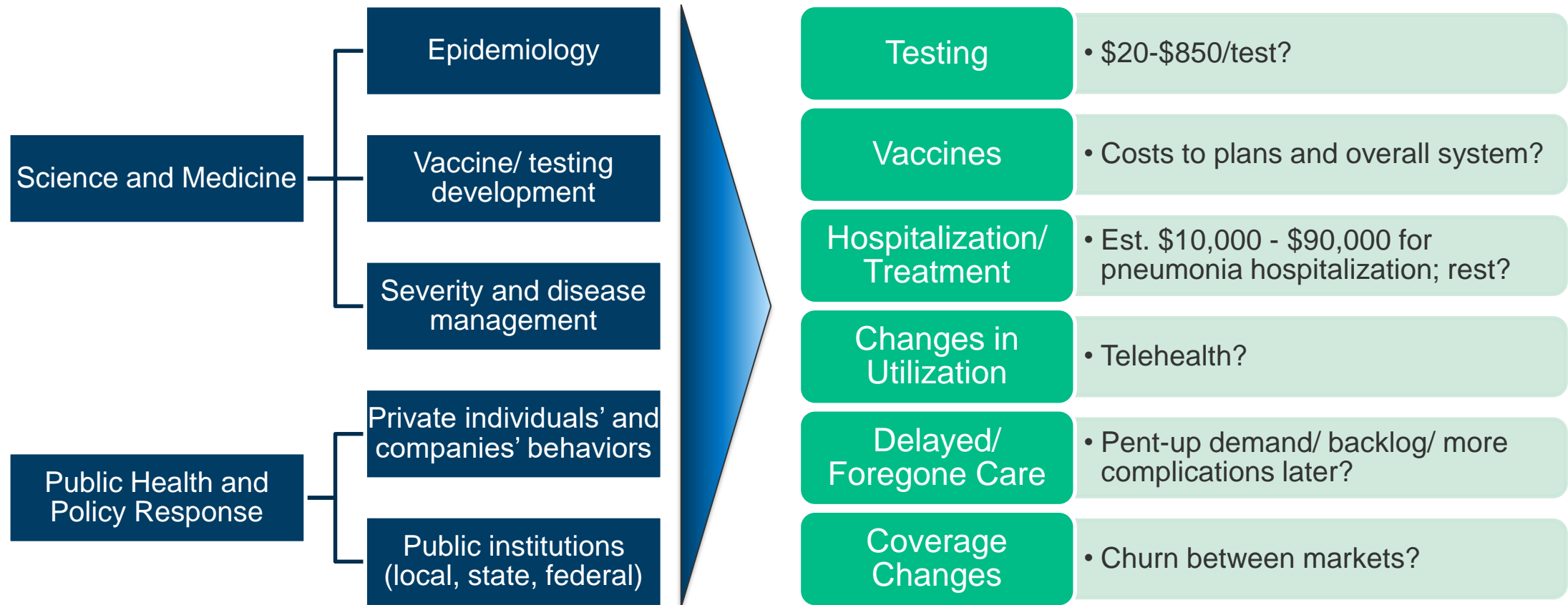
- Krutika Amin, associate director for the Program on the ACA, KFF
- Nisha Kurani, senior policy analyst for the Program on the ACA, KFF
- Luke Greenwalt, vice president, Market Access Center of Excellence, IQVIA
- Michael Kleinrock, research director, Institute for Human Data Science, IQVIA
- Christopher Mast, Clinical Informatics, Epic
- Nichole Quick, Clinical Informatics, Epic

Audience Q&A

Closing Remarks

- Jay Want, executive director, Peterson Center on Healthcare

Uncertainty Due to COVID-19 Affects Various Drivers of Future Health Insurance Enrollment, Premiums, and Claims Costs



Sources: Peterson-KFF Briefs Available at: <https://www.healthsystemtracker.org/brief/how-health-costs-might-change-with-covid-19/>,
<https://www.healthsystemtracker.org/brief/covid-19-test-prices-and-payment-policy/>

Policy changes are moving targets

What has already happened?

- Expansion of services provided over telehealth
- Federal policies on telehealth services
 - Medicare
 - Individual/small group markets
- Insurers' MLR and premium holidays
- Legislative actions on testing/ coverage

What is unknown for 2021+?

- Patient cost sharing for testing/treatment
- Premium stabilization options
 - Reinsurance
 - Risk corridors
- California v. Texas SCOTUS case
- Election

Sources:

Cost-Sharing Waivers and Premium Relief by Private Plans in Response to COVID-19. <https://www.kff.org/health-costs/issue-brief/cost-sharing-waivers-and-premium-relief-by-private-plans-in-response-to-covid-19/>

Explaining California v. Texas: A Guide to the Case Challenging the ACA. <https://www.kff.org/health-reform/issue-brief/explaining-california-v-texas-a-guide-to-the-case-challenging-the-aca/>



2021 Premium Changes in the ACA Marketplace

- Modest increase in overall rates: **1.1% (median)**
- So far in 2020, insurers have remained profitable and loss ratios have been low

Overall Rate Change and COVID-19 Load Among ACA Marketplace Plans		
	Overall Rate Increase	Impact of COVID-19 on Rates (among insurers with unredacted justifications)
25 th Percentile	-3.5%	0.0%
Median	1.1%	0.0%
75 th Percentile	4.6%	2.0%

Sources:

2021 Premium Changes on ACA Exchanges and the Impact of COVID-19 on Rates. <https://www.kff.org/private-insurance/issue-brief/2021-premium-changes-on-aca-exchanges-and-the-impact-of-covid-19-on-rates/>



Impact of COVID-19 on Premiums

“Given the level uncertainty and range of plausible outcomes, we are not including an explicit factor for the impact of COVID-19 on our 2021 premium rate development at this time.” - Insurer on Ohio Marketplace

- General uncertainty around impact of COVID-19 on rates
- 118 out of 273 filings (43%) specified the impact of COVID-19 on premiums, including:
 - COVID-19 testing and treatment costs
 - Vaccination costs; e.g., \$75/dose, with 80% of population receiving a dose
 - Demand for services deferred in 2020
 - Morbidity adjustments

Sources:

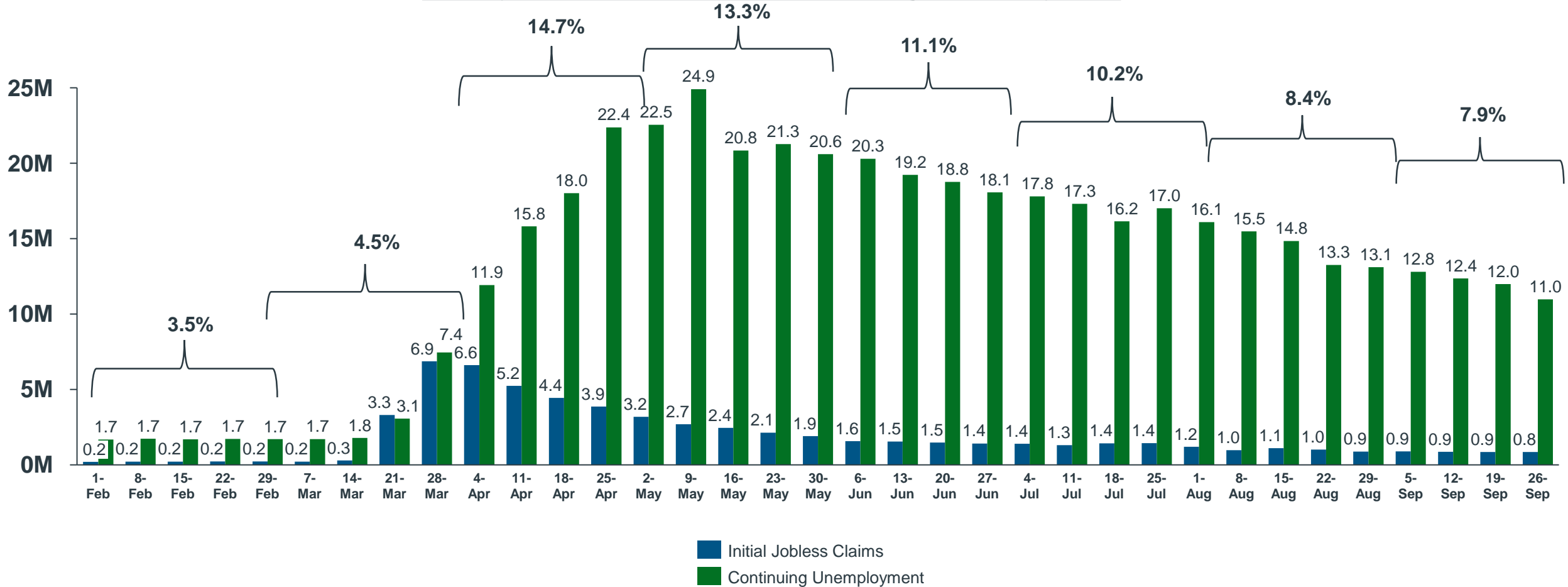
2021 Premium Changes on ACA Exchanges and the Impact of COVID-19 on Rates. <https://www.kff.org/private-insurance/issue-brief/2021-premium-changes-on-aca-exchanges-and-the-impact-of-covid-19-on-rates/>



Although trending in the right direction, 11M continuing unemployment claims reflects a challenged economy and potential shifts in health insurance enrollment

Continuing unemployment is a precursor to shifts in health insurance enrollment, structural unemployment is not always readily apparent

Weekly Jobless Claims and Continuing Unemployment

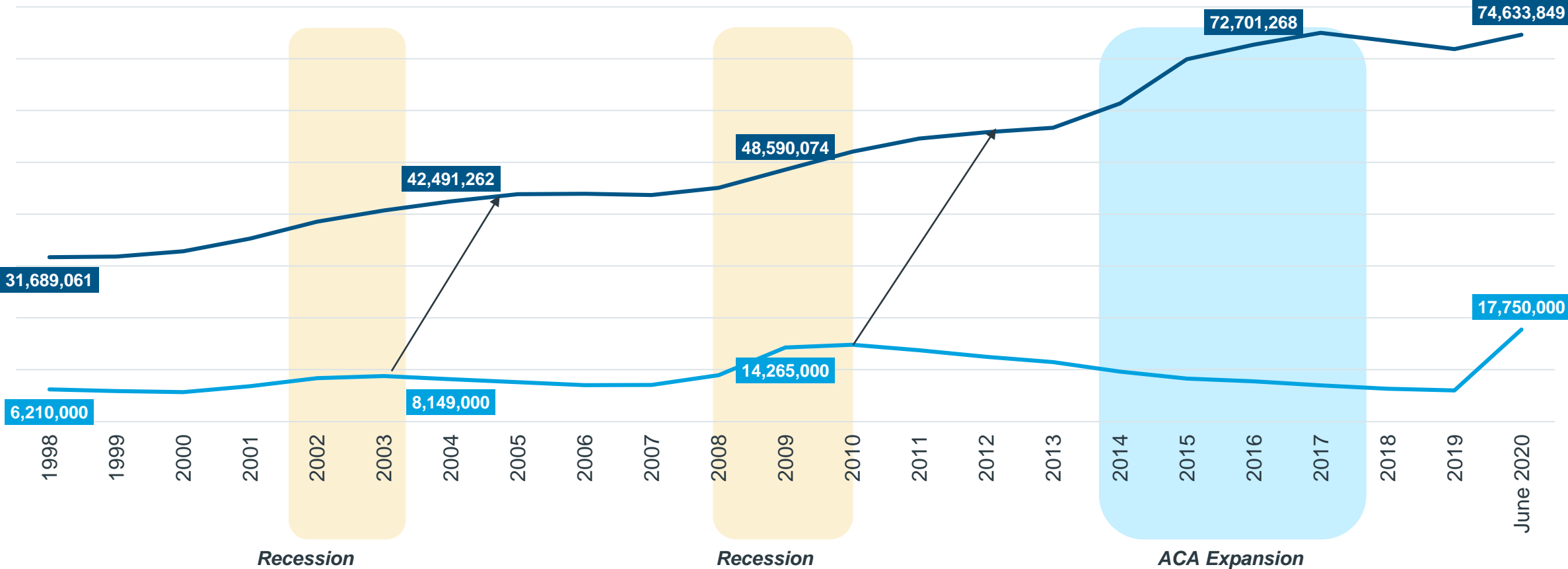


Source: Bureau of Labor Statistics Jobless Claims data through 9/26/2020

Historically, Medicaid enrollment has been sticky despite the economic expansion over the last decade

Unemployment and Enrollment Growth Trend
(based on monthly average)

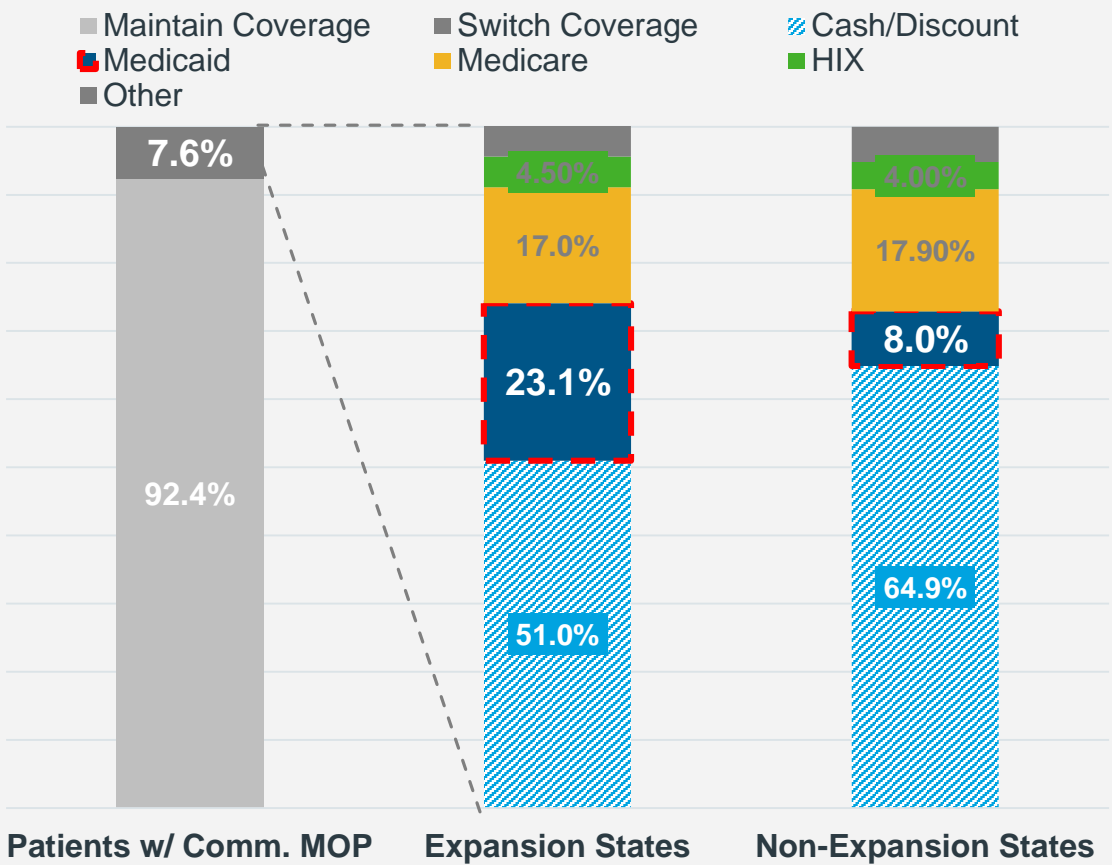
— Medicaid Enrollment* — Unemployment



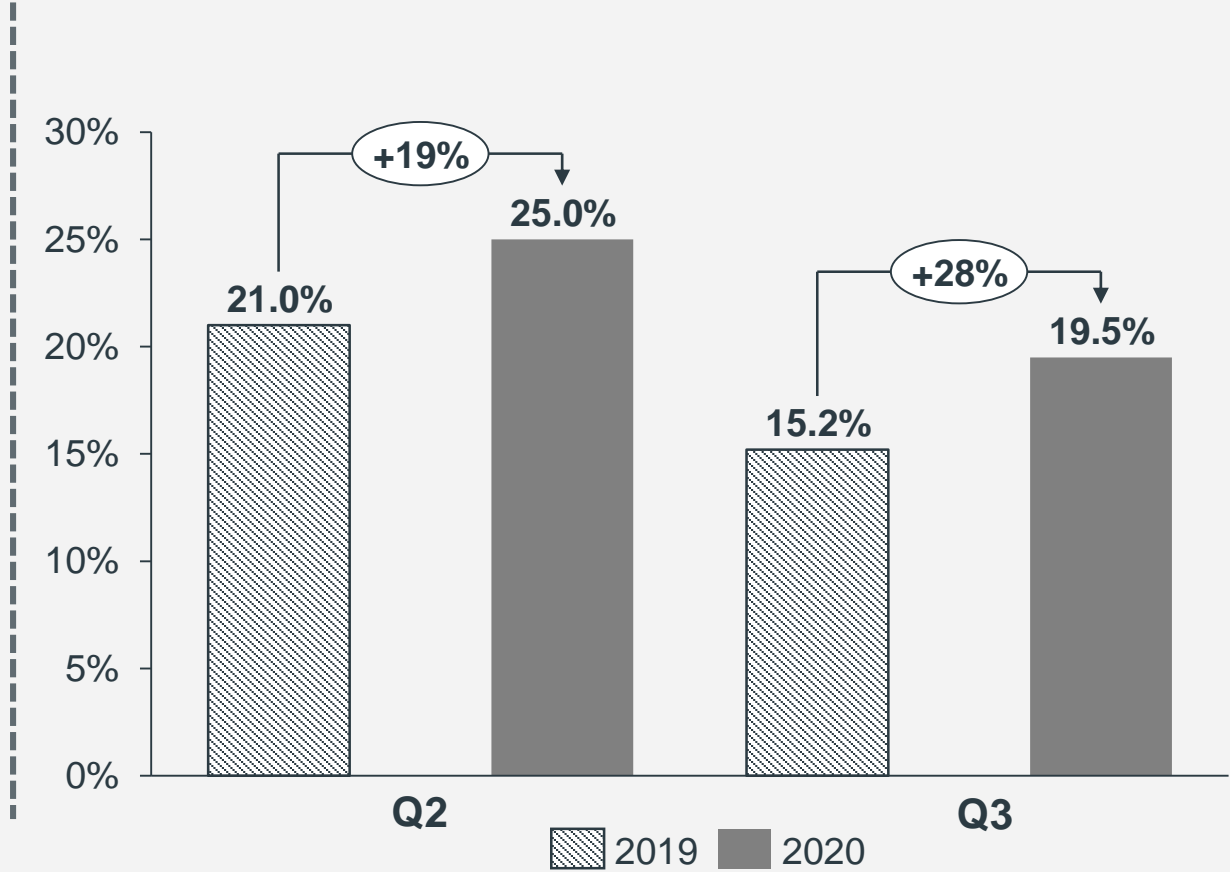
Consumers shifting payer channels is beginning to occur with increases in Medicaid enrollment – importantly more people show no Rx activity in 2020

Patients are 3x as likely to switch to Medicaid in ACA expansion states than non-expansion

Rx Coverage Comparison Pre/Post COVID

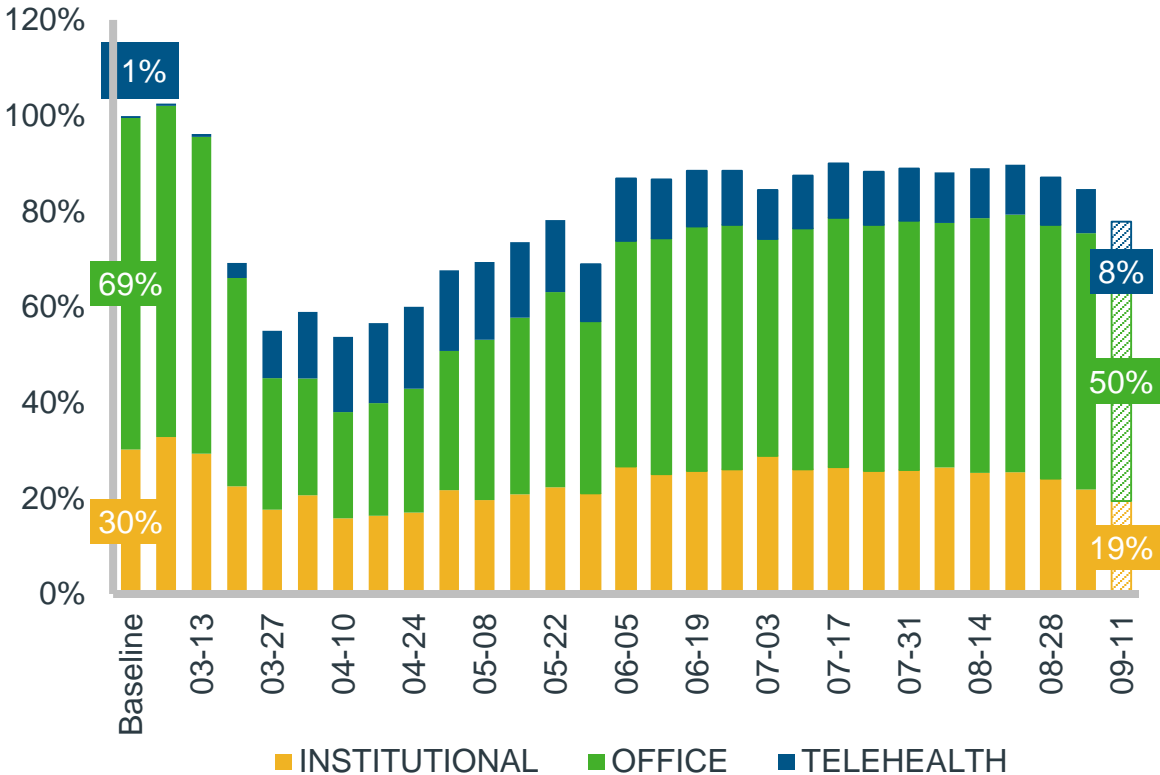


Inactive Commercial Patients

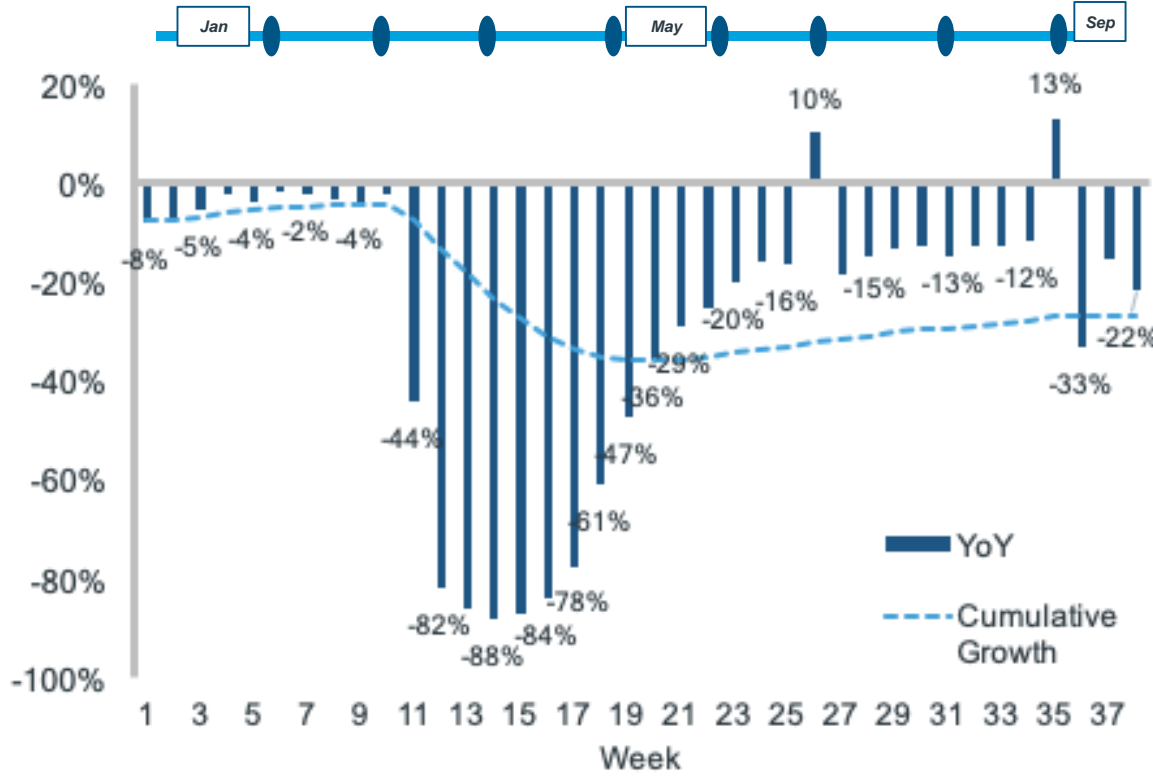


Medical claims have rebounded to a steady 80% of pre-COVID baseline with 8-10% from strongly adopted telehealth

Total Visit Claims by Service Type
Baseline Period – W/E 9/11



Year over Year Growth – Elective Procedure Across Time Aligned Weeks

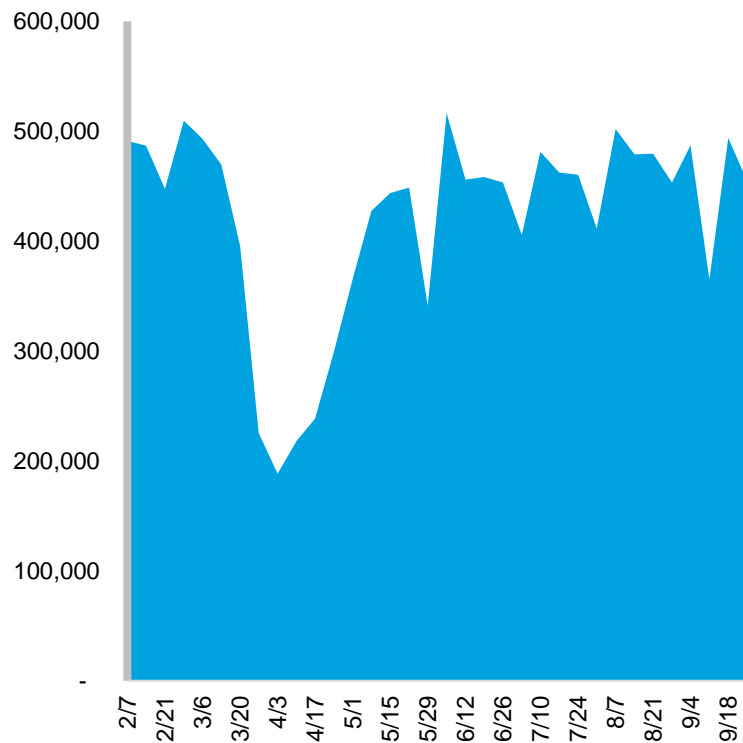


Data for latest week date controlled against prior periods; estimates have been applied to reflect anticipated late-adjudicated claims based on historical rates

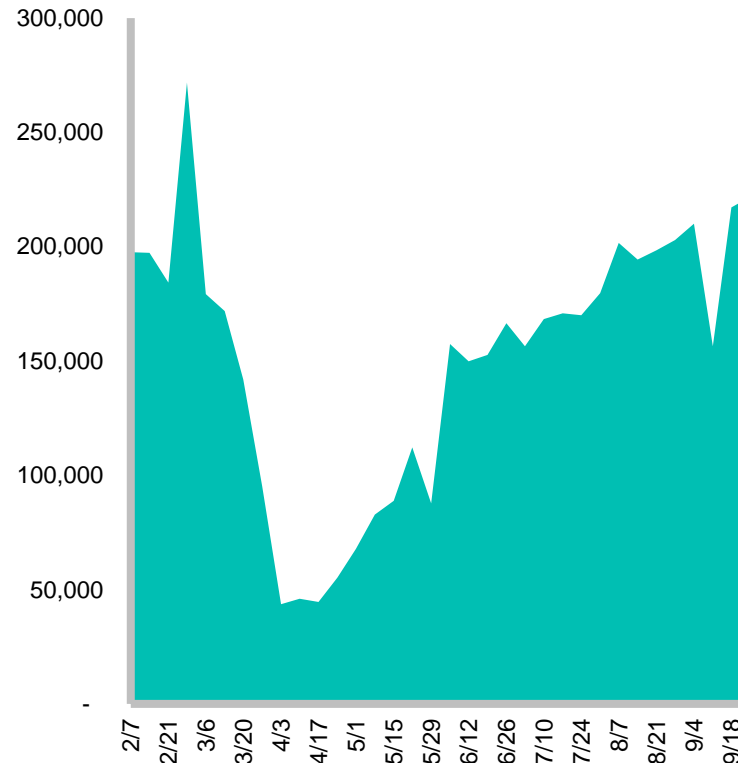
Source: IQVIA: Medical Claims Data Analysis, 2020; Baseline = Average of claims for period W/E 1/10/2020-2/28/2020, Estimated amounts for latest weeks applied based on likely claims still to be received due to data latency or claim processing delays; See Appendix for further details

Pediatric and adult vaccinations were severely impacted early in COVID but have returned to more normal levels; Flu vaccinations a bright spot in 2020

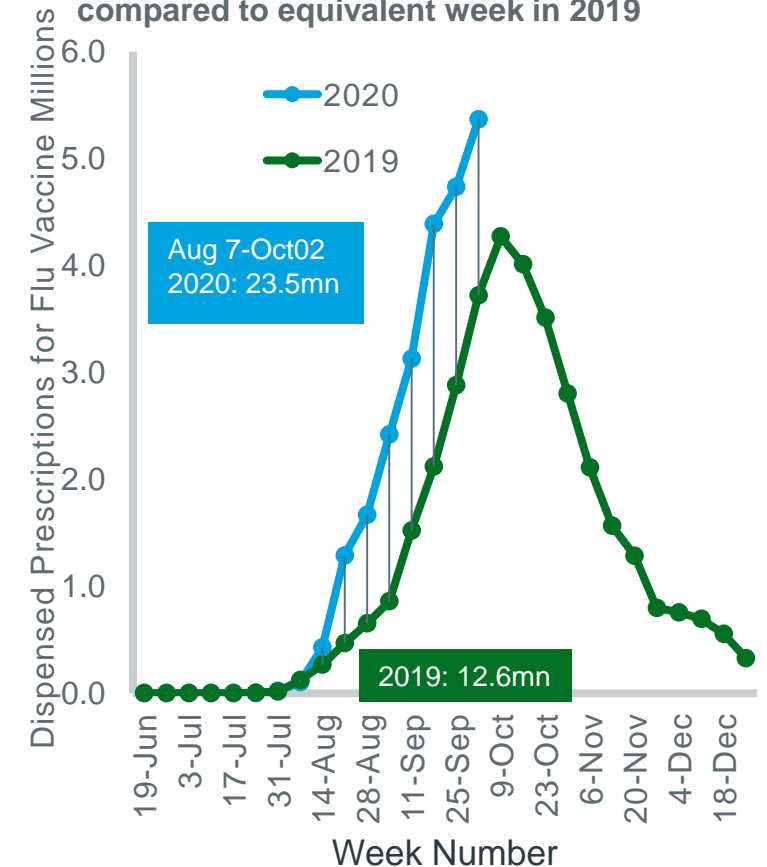
Weekly Volume Unit Clinic Sales for Selected Pediatric Vaccines* Through W/E 9/25



Weekly Volume Unit Clinic Sales for Selected Adult Vaccines* Through W/E 9/25



Flu Vaccinations by week in 2020 compared to equivalent week in 2019



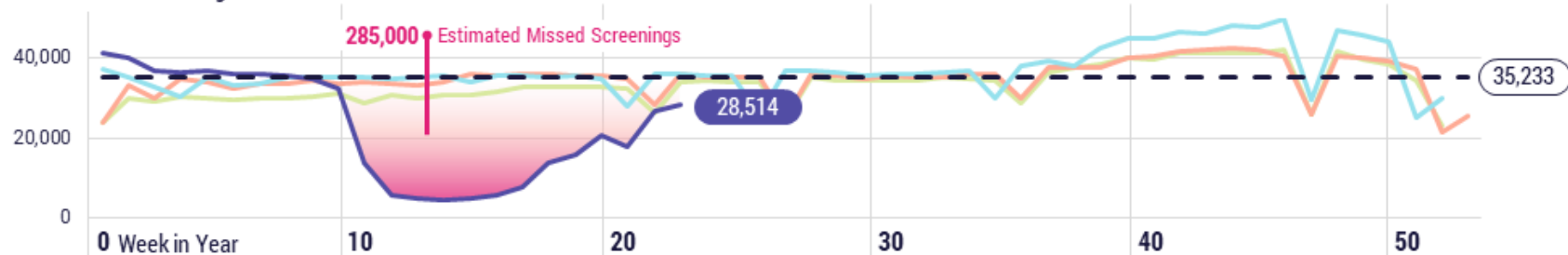
Source: IQVIA Weekly Sales Perspectives (WSP), February – June 2020; Note: **Data reflects sales to clinic channel as defined by IQVIA – No methodology has been applied to determine VACCINE USE BY AGE**; Source: IQVIA NPA Weekly, Week ending Oct 02, 2020

Delayed Cancer Screenings

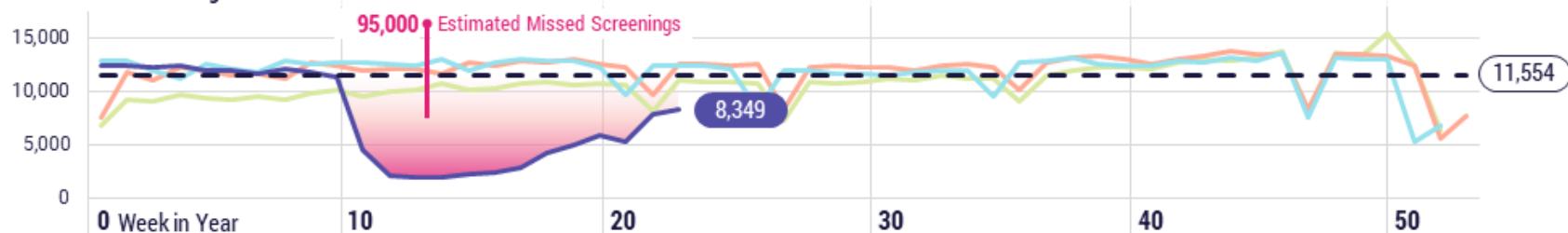
Cancer Screenings in the U.S.

2020 2019 2018 2017 --- Mean Weekly Screening Volume 2017-Jan 19, 2020

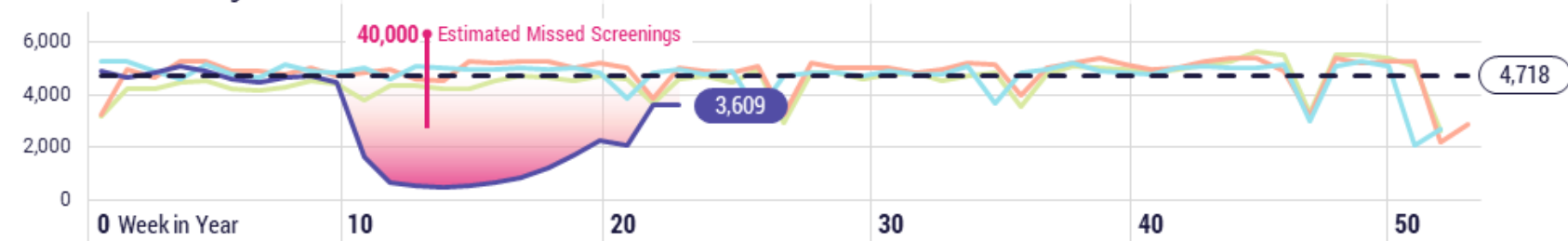
Breast Cancer Screenings



Colon Cancer Screenings



Cervical Cancer Screenings



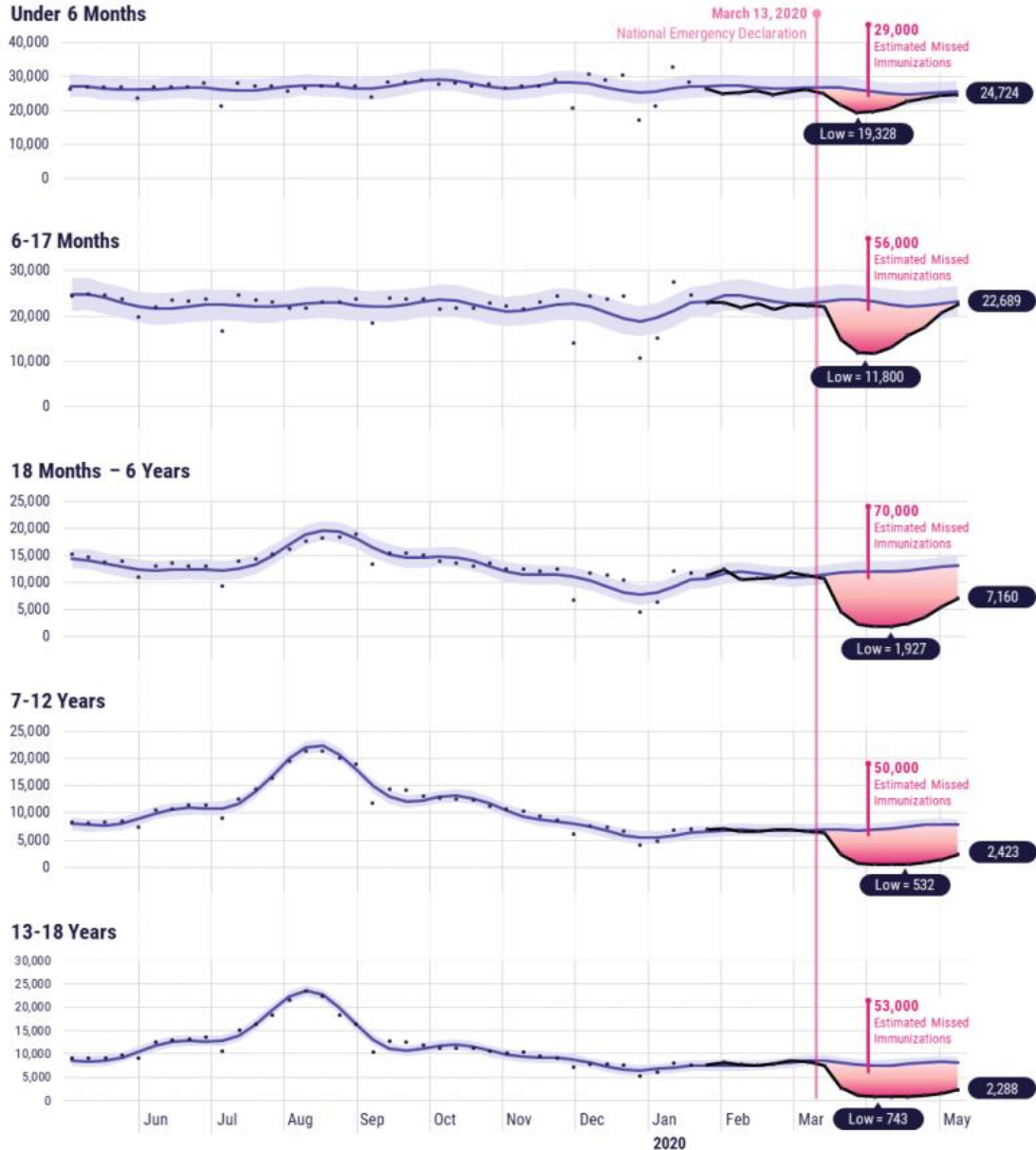
Estimated Missed or Delayed Immunizations During COVID-19 Pandemic

by Patient Age Group

● Weekly Immunizations — Forecast Trend ■ Uncertainty Bands — Observed Weekly Immunizations Since Jan 25, 2020

Total Immunizations = 15,265,758

Total Est. Missed Immunizations = 259,000
March 8, 2020-May 9, 2020

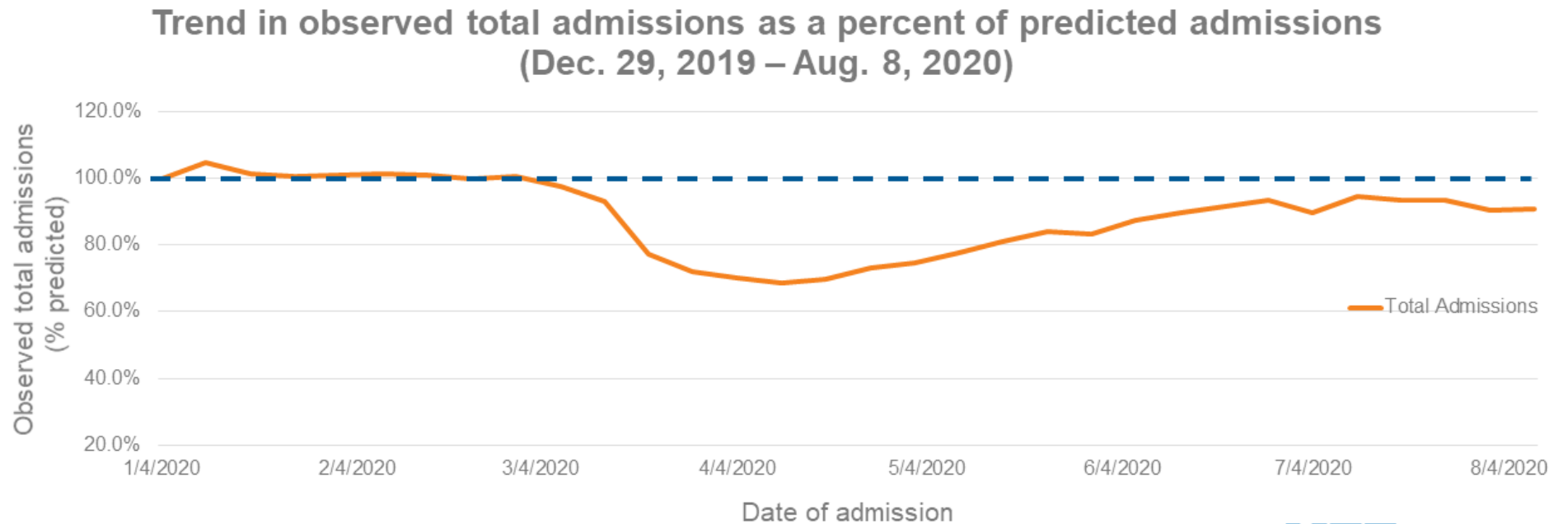


Pediatric Immunizations Drop in the Wake of COVID-19

Trends in Overall and Non-COVID-19 Hospital Admissions

Figure 1

Overall Admissions Decreased in March and April but Were Back at About 95% of Predicted Admissions by July 2020

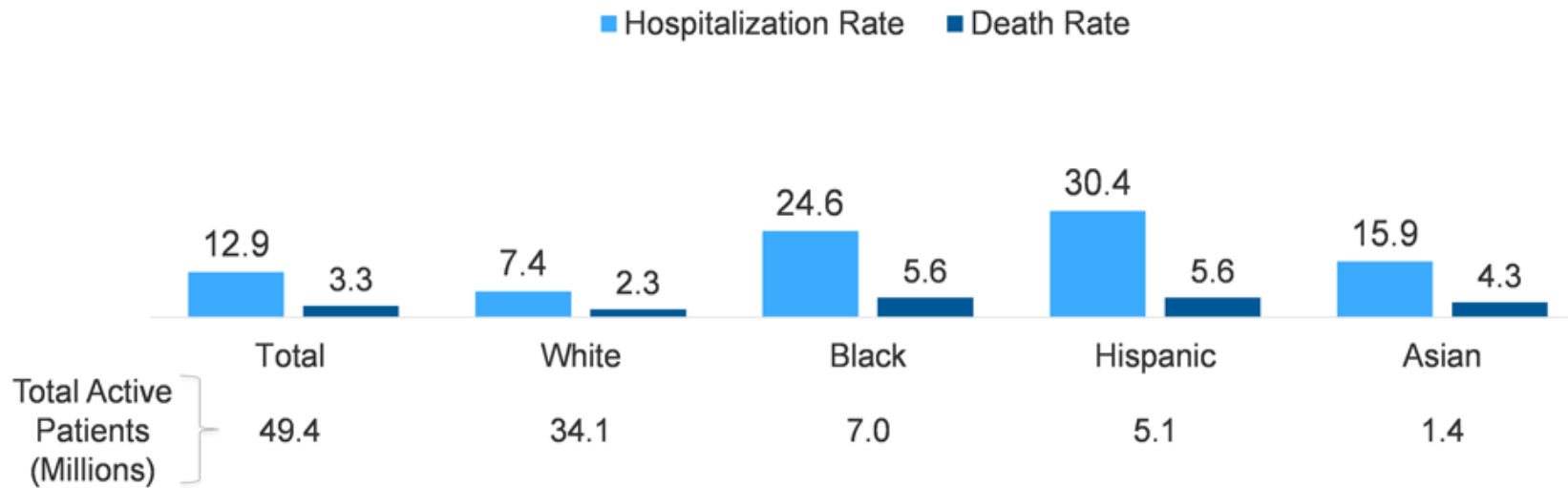


SOURCE: Epic and KFF analysis of Epic Health Record System COVID-19 related data as of September 2020.

Figure 5

COVID-19 Hospitalization and Death Rates among Active Epic Patients by Race/Ethnicity, as of July 2020

Share of active Epic patients who were hospitalized and share who died, per 10,000:



NOTE: Rates for Black, Hispanic, and Asian patients are statistically significantly different from White patients at the $p < 0.05$ level. Persons of Hispanic origin may be of any race but are categorized as Hispanic; other groups are non-Hispanic. Data for other racial groups not shown due to insufficient data.

SOURCE: Epic and KFF analysis of Epic Health Record System COVID-19 related data as of July 2020.



COVID-19 Racial Disparities in Testing, Infection, Hospitalization, and Death: Analysis of Epic Patient Data

Contact Information and Additional Resources

Ashley Joyce

Communications Associate, DC

Email: ajoyce@kff.org

Phone: (202) 654-1348

An archived version of the webinar will be posted online later today. We will notify attendees by email when it is available.

For the latest information and analysis of trends, drivers and issues that impact the performance of the U.S. system, visit the Peterson-KFF Health System Tracker:

healthsystemtracker.org



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