Value-Based Insurance Design and the COVID-19 Pandemic

- 68% of adults report out-of-pocket costs would be very or somewhat important in their decision to get care if they had symptoms of the coronavirus
- Patient out-of-pocket costs for COVID-19 hospitalization can reach:
  - $1,300 in employer sponsored health plans
  - $1,400-1,600 in traditional Medicare and Medicare Advantage plans
- 40% of Americans don’t have $400 for an unexpected bill

Value-based insurance design principles can mitigate the harmful effects of the virus by reducing barriers to necessary care

**Policies to Increase Access to Necessary Care**

- **March 11, 2020:** Notice 2020-15, HDHPs and Expenses Related to COVID-19, extended pre-deductible coverage for medical services to test for and treat the virus
- **March 18, 2020:** Families First Coronavirus Response Act
  - Eliminated cost-sharing for COVID-19 testing
  - Eliminated cost-sharing for any in-person or telehealth provider visit that results in a COVID-19 test
- **March 29, 2020:** Several private plans waive cost-sharing for COVID-19 treatment, in both privately insured individual and groups plans, and Medicare Advantage and Medicaid
- **April 11, 2020:** CMS and the Departments of Labor and Treasury required health plans to cover COVID-19 diagnostic testing and certain related items and services provided during a medical visit without cost-sharing
- **March 11, 2020:** Private health plans begin to announce partial or full coverage for COVID-19 testing and related services
- **March 27, 2020:** Coronavirus Aid, Relief, and Economic Security Act (CARES)
  - Mandates coverage of COVID-19 testing by all plans without cost-sharing
  - Allows HSA-HDHPs to cover telehealth services - including care not associated with COVID-19 - on a pre-deductible basis
  - Requires first dollar coverage of a COVID-19 vaccine in all plans by amending Public Health Service Act Section 2713
- **March 30, 2020:** CMS expanded Medicare coverage of telehealth visits and issued regulatory changes to further support hospitals, physicians, and other healthcare organizations
- **May 15, 2020:** US House of Representatives passed The Health and Economic Recovery Omnibus Emergency Solutions Act (HEROES Act), which includes cost-sharing provisions to mitigate the financial burden of COVID-19 testing and treatment.

Policies that reduce consumer cost-sharing are mostly voluntary and need to be swiftly and generously implemented to encourage patients to seek necessary care