

Dear Clients,

As a country, we are rapidly adapting to the global pandemic of COVID-19. Foster & Foster is monitoring the situation to understand how the virus will impact our clients' benefit plans. We would like to share this update, which contains our policies and recommendations as of Friday, March 13, 2020. We will follow developments and update you as things change. Please contact your lead consultant if you have any questions, as our advice will likely change as new developments occur—including potential governmental action.

Foster & Foster Corporate Update

We will continue to provide our clients with the dedicated service that you have come to expect from our team at Foster & Foster. Our employees will continue to provide you with actuarial and consulting guidance. As of this morning we have not implemented any travel bans for our employees. We have the ability to conduct online web meetings and telephone conferencing if travel is not advisable. Our employees are also able to work remotely, if there is a need. At this time, we do not foresee any disruption to our service for our clients.

Benefit Plan Impacts

The large health insurance carriers have announced that their insured plans will be waiving patient cost-sharing for COVID-19 testing, if it is requested by a doctor. States are also issuing directives mandating that insured plans provide enhanced coverage for testing and treatment.

These actions do not currently apply to self-funded plans—COVID-19 testing and treatment is covered subject to a patient's deductible and coinsurance cost-sharing, as any other disease would be. Please note that non-grandfathered self-funded plans would be required to cover testing and treatment of COVID-19 without patient cost-sharing if it becomes part of the ACA preventive care mandate—a federal designation, as opposed to the state designations that have affected insured plans. This notice addresses some coverage issues related to those concerns and assumes no change to the ACA preventive care measures.

COVID-19 Testing

In absence of a plan amendment, claims for doctor-ordered COVID-19 testing, and any necessary treatment for participants who test positive, will be covered the same as any other disease.

- Any reimbursements would be subject to the regular plan deductible, coinsurance, or co-pay provisions, including any in- or out-of-network benefit differential
- Tests for patient-requested testing—tests that aren't medically necessary and ordered by a doctor—would not be covered

Hospitals will be administering most of the tests in the immediate term. The U.S. Centers for Disease Control and Prevention (CDC) is covering the cost of the test itself, but hospitals will expect reimbursement for administering and handling the test. The total cost could be \$500 or more.

Quarantines and Isolation

Anyone who has been exposed to the virus may be quarantined to prevent potential spread if the person is later found to be infected. Quarantines are generally regulated by local laws and limit people to specific areas to reduce contact with others. No medical claims should result from these types of quarantines. People who test

positive to the virus may be put in isolation. An in-hospital isolation would be covered only if it is medically necessary.

Disability (Loss of Time) Claims

Employees who are quarantined or isolated may also incur disability claims. Any claims that are not related to medical treatment for a disease would normally be denied. You may wish to consider if your disability plan should loosen its eligibility requirements for participants who voluntarily stay home for several weeks, and as a result, lose coverage because of failure to meet the plan's continuing eligibility requirements.

Immunizations

Once COVID-19 vaccines are available, a plan's coverage will depend on the provisions for immunizations in its SPD or Plan Document. If a plan covers all adult immunizations, then the COVID-19 vaccine would be covered.

Summary and Next Steps

There are currently no legal requirements that self-funded health plans pay increased benefits for COVID-19 testing, quarantines or loss of time. Charges for COVID-19 treatment would be covered as any other disease, that is, subject to the cost-sharing provisions of the plan. Plans that cover adult immunizations would also cover the COVID-19 vaccine once one is available.

Is Action Needed?

If plan sponsors want to consider amending their health plan to provide additional coverage for COVID-19, please let us know. Although credible information about the scope of the outbreak or the cost of covering quarantines and tests is a moving target, we can help outline some reasonable options based on the plan's coverage provisions. Taking a wait-and-see approach may also be a reasonable option. Any given plan may not receive any COVID-19 claims. Or, if it does, the plan sponsors may want to review those claims on a case-by-case basis via the appeal process.

Please take the proper precautions as recommended by the CDC and your local health department. See below for more information.

Sincerely,



Travis Smith
President, Health & Welfare Division

Additional Information on COVID-19

[U.S. Centers for Disease Control and Prevention](#)

[World Health Organization](#)

[DOL Q&As on COVID-19 or Other Public Health Emergencies and the Family and Medical Leave Act](#)

[Employee Benefits Advisor](#)