



North Carolina Association of Health Plans

# Health Insurance and COVID-19

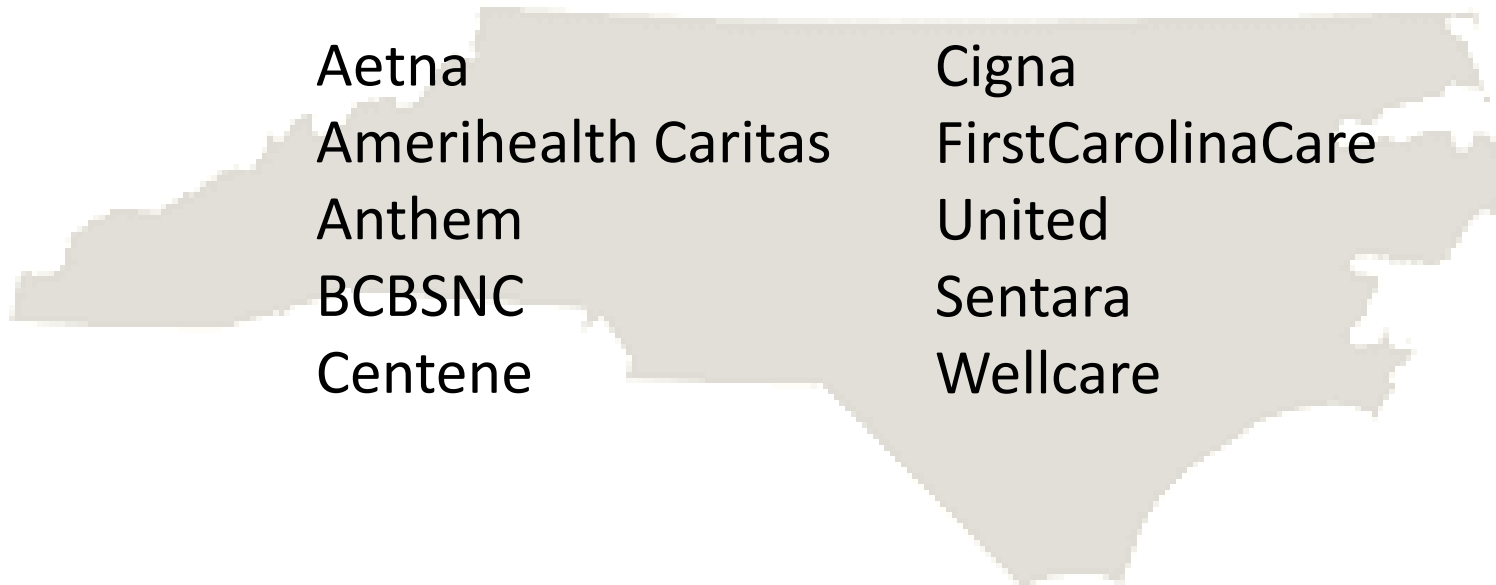
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KEN LEWIS, NCAHP EXECUTIVE DIRECTOR

House Select Committee on COVID-19 – Health Care Working Group April 2020

NCAHP's member companies provide insurance for **more than 6 million** North Carolinians.

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# Meeting our legal and financial obligations

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The solvency of health insurers is critical to the insurance system overall – which includes employers, consumers and providers – and our resources are finite.

- In the US commercial market alone, COVID-19 costs could reach \$251B – more than the total capital and surplus held by the entire industry in 2018.
- Like many industries, we are seeing a shrinking customer and revenue base as more employers and individuals are dropping coverage – and many are asking for help to retain their coverage through grace periods or other support.
- State regulators require health insurers to maintain adequate levels of capital to meet risk-based capital (RBC) requirements.
- These assets are used to meet the health care needs of those we insure, and people need those resources now more than ever. This remains a top priority for insurers and regulators.

# Helping North Carolinians get the care they need

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In these uncertain times, North Carolinians should be able to depend on their coverage to protect their health and financial security. We have taken a number of steps to help our customers get the care they need:

- We proactively took action to eliminate patient cost sharing for COVID-19 testing.
- Treatment for COVID-19 is covered and in most cases, patient cost-sharing is waived.
- We have extended premium grace periods and are working individually with employers and individuals to help people keep their coverage even if they are in dire financial circumstances.
- Telehealth services have been expanded and patient cost-sharing for these services has been waived, so people can see their providers while staying safe at home.
- Our PBMs have also taken a number of actions to work with pharmacies to promote access to their prescription drugs.

# Helping providers on the front lines

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Doctors, hospitals, and other health care professionals are on the front lines every day fighting this pandemic – and we are working to help our health care partners effectively care for all their patients.

- We have called for more emergency resources and support for providers.
- We expanded the use of telemedicine so doctors can keep seeing their patients.
- We eliminated prior authorization to ensure swift treatment of those with COVID-19.
- Similar to CMS we are paying out-of-network providers directly at network or usual and customary rates; however, we have no guarantee that consumers will not be hit with a surprise or balance bill.
- We are advocating for flexibility under NAIC accounting standards so insurers may take steps to improve cash flow, as necessary, for providers without risking solvency.

# Getting through this crisis together

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We all must work together to help our state through this unprecedented crisis. The insurance industry has been doing our part to help and will continue to do so.

- To help our customers, we have eliminated or reduced patient cost-sharing, implemented grace periods for premium payments, and are working individually with employers and people to help them keep their coverage intact.
- To help providers, we have eased administrative requirements, paid out quickly to supply cash flow, and are working individually with those who need more support.
- To protect the North Carolinians who depend on us for coverage, we are making sure our solvency remains intact and our assets are available in this time of need.

# Getting through this crisis together

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As the General Assembly moves forward to craft policy and financial legislation for this critical time, we ask the legislature:

- To consider assisting providers who have been affected by this emergency and who may not have been able to receive assistance from designated CARES Act funds;
- To ensure that consumers are not placed in the middle of a billing dispute due to a surprise or balance bill during this emergency period; and
- To provide that any policy decisions relating to this emergency sunset at the end of the emergency to allow for a full review and discussion of what worked, what did not work, and what the ramifications were.
- We look forward to continuing to work with NC leaders to prioritize the well-being of all North Carolinians as we weather this pandemic and look toward recovery.