It Benefits You
Your Employee Benefits Newsletter

August 2021

In This Issue:

McGriff Webinar – Let's Get Digital: Tools, Tips and Resources for Communicating Benefits Virtually

August 5, 2021 | 2:00 – 3:00 pm EDT
1.0 PDC SHRM credit. To register, please click here
Participants will be entered for the chance to win a $10 Amazon Gift Card!

Effective benefits education doesn't require printouts and stapled pages. Join your McGriff Communications Team to look at how you can trim content while driving engagement through a digital benefits guide and other communication methods. During this webinar, we'll discuss how to:

- Engage your audience with information tailored to them;
- Include videos or interactive questions to break up content delivery and increase engagement;
- Consider new platforms such as texting or information portals; and
- Reach the masses (and spouses) with on-demand “meeting” options.

Upcoming Compliance Deadlines

September 30

COBRA Subsidy Requirements End

The American Rescue Plan Act (ARPA) provides a 100% subsidy of premiums for employer-sponsored group health insurance continued under the COBRA and similar state continuation of coverage (mini-COBRA) programs. The ARPA subsidy covers the full cost of COBRA or mini-COBRA premiums from April 1 - September 30, 2021, for certain "assistance-eligible individuals."

September 30

FFCRA Tax Credit Extension Ends

APRA allowed covered employers an extension of time to submit FFCRA tax credits should they voluntarily choose to allow employees to take paid sick leave or paid family and medical leave for COVID-19 related reasons (including new qualifying reasons such as absences related to COVID-19 vaccinations). Tax credits for FFCRA leave expire on September 30.

September 30

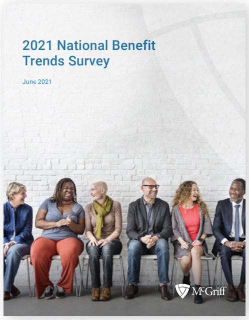
Summary Annual Report (SAR) Distribution Deadline

The summary annual report is a narrative summary of the Form 5500 and includes a statement of the right to receive the annual report. The SAR must be distributed the by later of nine months after the close of the plan year or two months after due date for the Form 5500. For calendar year plans, this deadline is September 30.

Everybody Wants to Know! Return to Work, Vaccination, and Masking Policies

Are you reopening your office and wondering what your vaccination and masking policies can or should be? The Live Advisors at ThinkHR (now Mineral!) have compiled a list of their most frequently asked questions on these issues. Click **HERE** to read the Live Advisors' advice on questions such as:

- Can we bring all employees back to the office, but make the unvaccinated keep their masks on?
- Is it illegal discrimination to treat vaccinated and unvaccinated employees differently?
- What do we do about employees who complain about wearing masks?
- Should we have unvaccinated employees sign a waiver?
- Since vaccinated employees and guests probably won't get sick, can we let the unvaccinated take their masks off too?
- Can we ask for proof of vaccination? Isn't this a HIPAA violation or an illegal inquiry under the ADA or somehow confidential information?
- Should we keep a record of who is vaccinated or make copies of vaccination cards? If we do, how long do we have to keep these records?
- Can we forbid employees from wearing masks, assuming no laws say otherwise?



2021 McGriff Benefit Trends Survey

This summer, McGriff released its nationwide benefit trends survey for employee benefit strategic decision makers. It provides key insights into the most important employee benefit trends – and how the pandemic is shaping those trends.

More than 750 responses were collected from employers across all major industries and all geographies. One in five respondents have 500 or more employees and 42 are percent self-funded. Key findings from the survey include:

- Employee well-being will be the lasting impact of the pandemic, employers say, with 77 percent believing there will be a lasting negative impact. 25 percent of employers plan to add more well-being programs if they haven't done so already.
- Recruitment and retention are top priorities for all employers, with 3 out of every 4 survey respondents saying this is a top 3 priority for 2021.
- Despite 64% of employers saying they believe the pandemic will have a continued negative impact on the bottom line – employer commitment to benefit plan offerings has not waned as 97% of respondents have either maintained or increased medical benefit levels and 21% are increasing voluntary benefits.

As you review your 2021 plans and think about future strategies, we invite you to review our survey results to gain insight on benefits trends across the country. Click **HERE** to review and please reach out to your McGriff Benefits Consultant with any questions you may have!

Specialty Drugs Continue to Bring Hope and Concern for Employers

The Centers for Medicare and Medicaid Services (CMS) expects prescription drug spend to be the fastest growing health care expense over the next decade. Plan sponsors will invest a significant portion of total health care spend into their pharmacy benefit coverage. McGriff's Pharmacy Practice monitors emerging drug development, market trends and strategies that can help plan sponsors effectively manage pharmacy benefit design, control drug spend and improve the health and well-being of plan participants.

The National Business Group on Health predicts that specialty drug costs will increase 21%- 24% annually over the next 3 years and will likely account for 50% of total drug spend in 2021.[1] High-cost specialty medications are driving an average trend increase of 2.3% and the market is estimated to grow to $505 billion by 2023. Over the last 7 years 140 new specialty drugs have been approved by the FDA with 39 specialty biologics receiving FDA approval in 2020.[2]

- Integrated Care Medicine
- Precision Medicine
- Outcomes Based Medicine
- Empowerment Medicine
- Medicine Accessibility

Innovation in medical care is expanding in predictive modeling and precision treatment for chronic conditions like diabetes and rheumatoid arthritis. This type of quality of care reduces progression of these chronic conditions, prevents other co-morbid diseases and reduces

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total healthcare spend. Greater accessibility to healthcare has prompted a greater focus on outcomes-based medicine with the use of data to aid healthcare providers in determining the very best treatment plans.

When surveyed, nearly 70% of employers said specialty drug cost is their primary concern from a budgetary perspective. Many noted concern over new drugs coming to market with limited ability to plan in advance for the financial impact these drugs could bring. This is a valid concern and warrants review of the specialty drug pipeline[3].

Pharmaceutical manufacturers continue to invest in development of high investment biologic therapies including orphan drugs for rare diseases. Novartis, maker of Zolgensma, the world's most expensive medicine, spent over $9.4 billion dollars on research and development in 2019 and reported $4.5 billion through second quarter 2020. There are currently more than 8,000 drugs in development for diseases including cancer, autoimmune conditions, metabolic disorders and hereditary diseases like hemophilia and cystic fibrosis.[4]

2021 Top Specialty Drug-Aduhelm

Alzheimer's Disease	Hereditary Angioedema	Multiple Sclerosis	Duchenne's Muscular Dystrophy
Aduhelm (adducanumab)	Orladeyo	Bafiertam Dimethyl fumarate (generic Tecfidera Kesimpta Ponesimod	Viltepso Casimersen Ataluren Edasalonexent Givinostat Idebenone Vamorolone

On June 7, 2021 the Food and Drug Administration (FDA) approved Biogen and Eisai's submission for Aduhelm (aducanumab), a monthly infusion designed to break down amyloid plaques that are thought to contribute to the severity of Alzheimer's disease. Biogen set the list price at $4,312 per infusion for a patient of average weight, or $56,000 annually, which is significantly higher than expected and well above the recommendation from the value based review of the Institute for Clinical and Economic Review (ICER). Their evaluation stated that due to "insufficient evidence of benefit" an annual cost of $8,300 was reasonable. Brain swelling and potential bleeding was documented in approximately 30% of patients treated with aducanumab, which prompted this comment from ICER that "The FDA has failed in its responsibility to protect patients and families from unproven treatments with known harms."

The FDA's independent advisory board expressed concerns about broad coverage, suggesting a value-based evaluation with an estimated cost-effective price range of $2,500 to $3,800 annually. TThe committee recommended against approval, claiming the data failed to demonstrate that aducanumab slowed cognitive decline. In response to these concerns the FDA stated that if the drug doesn't show significant results in phase 4 trials it could be pulled from the market.

Approval of this novel therapy presents both an opportunity and a challenge for our current health care system. Safety and efficacy must be evaluated with respect to the drug and the actual administration process called CAR-T Therapy. This is a very complicated process and can cause severe reactions in patients.

Since the Medicare benefit will be the most highly impacted population, with an estimated 96% market share, it is imperative that an evidence-based policy be established to protect beneficiaries and taxpayers and avoid variance in policies across the U.S.

It is estimated that 18 million Americans suffer from Alzheimer's disease, which means that this new therapy could increase healthcare costs dramatically. If every Alzheimer's patient gains approval the U.S. will be looking at $1 trillion in additional spend. A conservative estimate of six million eligible individuals would add over $300 billion in direct costs. This does not include any costs incurred due to complications with the CAR-T process. Since the FDA broadly approved the drug for all Alzheimer's patients, it is important for plan sponsors to discuss prior authorization criteria with their medical carrier or Pharmacy Benefit Manager (PBM).

Denise Cabrera

McGriff National Pharmacy Practice Leader

REFERENCES

1. Large Employers Double Down on Efforts to Stem Rising Costs, National Business Group on Health
2. http://www.prnewswire.com/news-releases/employers-lack-awareness-and-understanding-of-specialty-drugs-and-costs-130770188.html
3. Pharmacy Benefit Management Institute's (PBMI's) 2018 Trends in Specialty Drug Benefit report
4. RxBenefits Drug Trend Analysis, 2020

Love after Lock-Down:
Re-Engaging with Employees Post Pandemic

Unless you have been living in a cave in a land far, far away, you are acutely aware of the effect of the global pandemic. Upheavals in every aspect of business have been the norm – and employees, for the most part, have been able to rebound time after time. It's a testament to the resiliency of the vast majority of humans. And as employers, we must say THANK YOU!

But now, we see light at the end of the tunnel! Employers are preparing for many workers to return to the office space while many others will continue to work remotely. Because of the emotional (and of course, physical) toll wrought by COVID-19, the dynamics and cultures of our organizations have changed – in ways big and small. What can we do to prepare for another upheaval?

It's time to consider what employers should do to re-engage with employees and consider how we can learn from the "Lessons of the Lock-down".

Lesson 1: The more agile the business, the more successfully it navigated the pandemic.

Let's face it, employers pre-pandemic often took a position of "it's not the way we do things" to excuse not making changes. Anything from flexible work schedules to laptops for employees, the expense or the hesitancy to try something new simply wasn't in the cards. The pandemic changed that. Decisions about changes had to be made at the snap of the fingers. Companies that were already in agility mode, never missed a beat while those continuing to drag their feet on addressing the changing demands of the workforce, had a more difficult time adjusting. Suddenly, companies who never considered remote work solutions had every possible employee working from their homes. Employees who had previously struggled with child and elder care issues due to work schedules suddenly found themselves allowed to vary their work hours to accommodate the myriad COVID mandates affecting daycare, school and senior facilities. In many ways, the pandemic forced good change to happen.

Engagement tip: continue to be agile and flexible. Just because life may be returning to a greater sense of normalcy doesn't mean employers should suddenly go back to rigid employment practices. Employees adapted and kept your business afloat.

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The least you can do is return the favor by continuing practices that kept them working.

Lesson 2: All employees have experienced loss on some level during the pandemic.

It has been said that “no one likes change.” Not true! It’s not the change itself that is distasteful, it is the unknown after effects of the change that is so scary. The pandemic was frightening in many, many ways. But the sense of loss felt by nearly every one – of all ages – has been profound. Loss of income, loss of routine, loss of feelings of belonging, loss of jobs, loss of sense of community, loss of school access, loss of varying degrees of health, and of course, loss of life. All of these losses lead people to experience grief. And the 5 stages of grief apply no matter the level of that loss. Because of these experiences, employees will navigate the grief process in different ways at different times – and some may get stuck in one stage or another. It is that shared sense of loss that has propelled employees to feel more connected to their co-workers. And, as employers have offered empathy, compassion, care and understanding, employees have been experiencing higher than previous levels of respect and loyalty toward their companies. This has definitely been a good thing!

Engagement tip: continue to be caring, compassionate and understanding. While we are returning to normal, not everything is back to pre-pandemic status. Employees still need to know that their employer is empathetic to their situations so help them work through their personal grief processes. Keep the respect and loyalty going by repeating your pandemic responses. Enhanced engagement will follow!

Lesson 3: Good employees always have choices!

During lock-down, many employers were in the unfortunate position of having to furlough, lay off or reduce staff because of limited demand for the companies’ products and services. As demand started to improve and employees were called back, some employers found their best folks had been hired by other companies. This lesson is important because it is ALWAYS TRUE! Even when unemployment numbers are at their lowest, if you have an employee who has marketable skills and a good work ethic, you risk them being lured away by your competition.

Engagement tip: continue to treat your employees like the valuable assets they truly are! As life and work get back to normal, never forget that your best employees (and even some of the not so great) will have choices regarding where to work. If you want them to stay, keep working on ways to engage them. A truly engaged employee (one whose heart — and not just their hands — is in their work) is more likely to continue with an employer who demonstrates every day that they are a valued and respected member of the team.

Finally, remember the Golden Rule. If we expect employees to engage with their employers and be mindful of corporate Mission, employers have to return that engagement with respect, compassion and care. It will create an unending cycle of respect>engagement>respect>engagement that will be difficult to break. Treating others/employees as we/employers want to be treated is still the greatest business philosophy to model. And in the age of post global pandemic dynamics, one of the MOST important lessons of all.

Janie Warner, SHRM-SCP

McGriff HR Advisory Practice Leader

A version of this article was previously published in the July edition of HR Professionals Magazine.

Are You Considering Self-Funding Your Major Medical Plan?

You have likely heard that moving from fully insuring to self-funding might help you control major medical plan cost and save money – plus give you more flexibility in plan design. All good things! Just keep in mind that moving to self-funding also means taking on greater responsibility in most aspects of the plan, from compliance to plan operations and beyond. The McGriff EB Compliance Team put together a **Checklist of General Steps Required for Moving from Fully-Insured to Self-Funded Major Medical** to help employers considering just such a move. It provides a good list of initial considerations from a compliance perspective and serves as a guide to ensure employers consider the impact of the proposed change beyond the traditional conversations about stop-loss insurance. Reach out to your McGriff Benefits Consultant to view and talk through this helpful Checklist!

The Impact of Biden's Competition Executive Order on the Health Care Industry

The American economy is finally recovering after more than a year of stagnation due to the COVID-19 pandemic. President Joe Biden's administration wants to continue this momentum and further stimulate the economy. To help in that effort, President Biden recently signed an executive order aimed at increasing competition among businesses.

According to the White House, the order was designed to "promote competition in the American economy, which will lower prices for families, increase wages for workers, and promote innovation and even faster economic growth."

The Biden administration notes that corporate consolidation has been accelerating for many years, leaving the majority of industries in the hands of only a few entities. The administration points to this trend as the main reason for slow wage growth and rising consumer prices. This latest executive order intends to reverse these effects.

All in all, the executive order includes 72 initiatives by more than a dozen federal agencies to help address competition inequality. This article briefly outlines how the order affects the health care industry.

Health Care Impact

The executive order addresses competition in health care in four main areas:

1. Prescription drugs
2. Hearing aids
3. Hospitals
4. Health insurance

Prescription Drugs

Right now, large drug manufacturers enjoy incredible profits year over year. The White House alleges that this is due to lack of competition and "pay for delay" tactics, where name-brand drug manufacturers pay generic manufacturers to stay out of the market. Such strategies result in Americans paying 2.5 times more for the same medications as peer countries.

The executive order directs the Food and Drug Administration to work with states and tribes to safely import prescription drugs from Canada, where drugs are less expensive. It also directs the Health and Human Services (HHS) Administration to increase support for generic and biosimilar drugs. Additionally, the order encourages the FTC to ban "pay for delay" and similar agreements.

Hearing Aids

Currently, the White House points out, only 14% of Americans with hearing loss use hearing aids. The administration says it's due to high prices, costing more than $5,000 per pair (typically not covered by insurance). Additionally, hearing aids can only be obtained after a medical analysis by a doctor or specialist—an unnecessary requirement, according to the Biden administration.

The executive order directs the HHS to consider issuing proposed rules within 120 days for allowing hearing aids to be sold over the counter.

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Hospitals

Hospitals have been consolidating through mergers for years, resulting in higher prices and fewer rural locations. The White House notes that consolidated hospitals charge far higher prices than hospitals in markets with more competition.

The executive order directs the FTC to review and revise its merger guidelines to ensure hospital mergers do not harm patients. Additionally, the order directs the HHS to support existing hospital price transparency rules and finish implementing bipartisan federal legislation to address surprise hospital billing.

Health Insurance

Consolidation is also an issue in the health insurance sector, according to the Biden administration. Fewer insurance companies mean fewer options for consumers. Even when there are more options, comparing plans continues to be a struggle for many individuals.

The executive order directs the HHS to standardize plan options in the National Health Insurance Marketplace so people can comparison shop more easily.

Summary

The executive order broadly addresses competition inequalities across market sectors, with a significant focus on health care. These proposed initiatives have the potential to help individuals and small businesses alike. However, it remains to be seen how all of these initiatives will play out, as executive orders are essentially a directive to federal agencies to revise their regulations.

In other words, some of the proposals may never come to fruition, and those that do may take months to implement. At the very least, this executive order and its initiatives indicate the position of the Biden administration—signaling that it may pursue these agenda items through alternative means, if necessary.

Employers should continue to monitor exactly how the executive order continues to play out.

August Webinar Opportunities

As part of McGriff's commitment to bring you information on regulatory updates, current trends and best practices, we are excited to invite you to the following live webinars scheduled for August. We hope you can join us for one or more of these educational opportunities!

Summer School! Employee Leaves of Absence - Putting it All Together

August 4, 2021 | 12:00 – 1:00 pm EDT
To register, please **click here**.

The FMLA, workers' compensation, ADA, COBRA, GINA, the Affordable Care Act and now, the FFCRA and state and local emergency COVID-related leave laws – oh my! Join us as our friends at Ogletree Deakins help you piece together the employment and benefits puzzle when it comes to an employee leave of absence.

Employee Benefits and COVID-Related Relief Laws

August 11, 2021 | 3:00 – 4:00 pm EDT
To register, please **click here**.
SHRM/HRCI Credit Pending*

August 24, 2021 | 12:00 – 1:00 pm EDT
To register, please **click here**.
SHRM/HRCI Credit Pending*

Congress has now passed four major COVID-related relief laws. Each of these laws impacts employer benefit plans and payroll practices. In this webinar, the attorneys at Ogletree Deakins will review the provisions of the FFCRA, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the Consolidated Appropriations Act (CAA), and the American Rescue Plan Act (ARPA) that affect group health plans and retirement plans, as well as the payroll tax credits available for COVID relief provided to employees. In addition, this session will highlight the 100 percent COBRA subsidy under the ARPA that applies through the end of September, as well as recent regulatory guidance providing additional benefit plan administration mandates and options.

McGriff Sponsored ThinkHR (now Mineral)!

August 17, 2021 | 2:00 – 3:00 pm EDT
To register, please **click here**.

We are excited to bring our Employee Benefits clients ThinkHR — a robust web-based resource with live advisors, reliable content and interactive technology solutions that provides an end-to-end People Risk Management solution! If you are involved with HR compliance or employee issues at any level, this will be another valuable benefit from your trusted McGriff team that can save you time and money. Join us for a brief overview of ThinkHR and its benefits available to you as a McGriff Employee Benefits client.

Pandemic Preparedness, Response and Recovery

August 19, 2021 | 2:00 – 3:00 pm EDT
To register, please **click here**.

We now understand the importance of preparedness and response as it relates to a pandemic outbreak. With this in mind, join your McGriff Risk Solutions Group as they discuss how to move beyond the generic ideas of business continuity and highlight key elements of pandemic planning and response that can ultimately lead your business to a quicker recovery.