



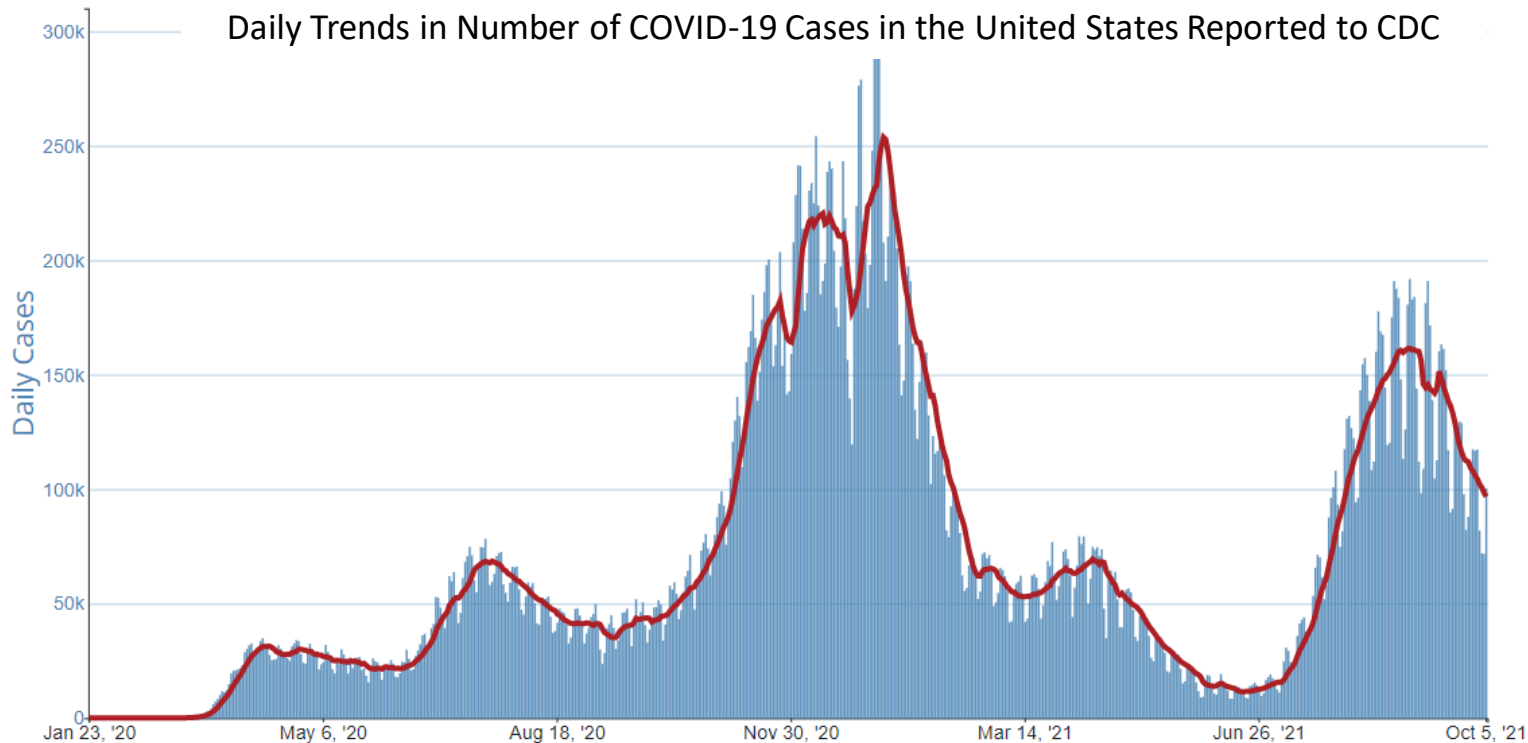
HealthFlex Summit—October 2021



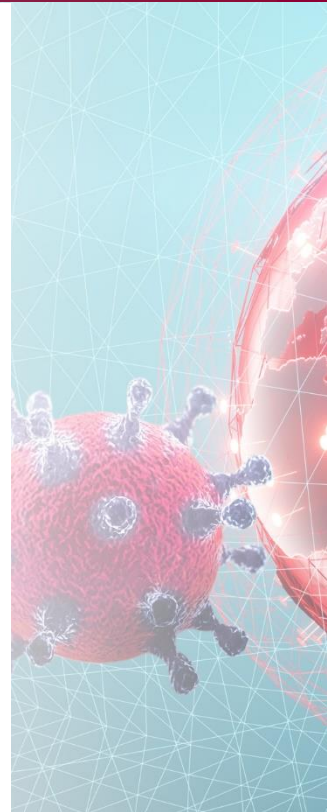
Wespath
BENEFITS | INVESTMENTS

COVID-19 Updates

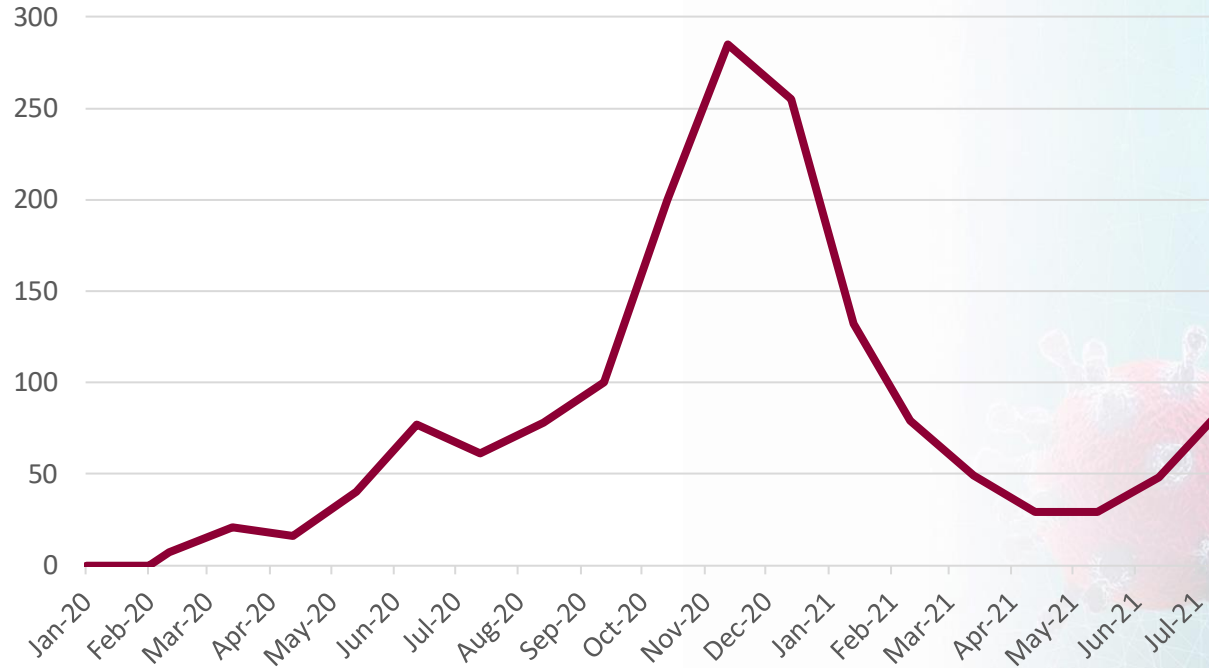
COVID-19: A Challenging Year and a Half



https://covid.cdc.gov/covid-data-tracker/#trends_dailycases



HealthFlex COVID-19 Diagnoses by Month

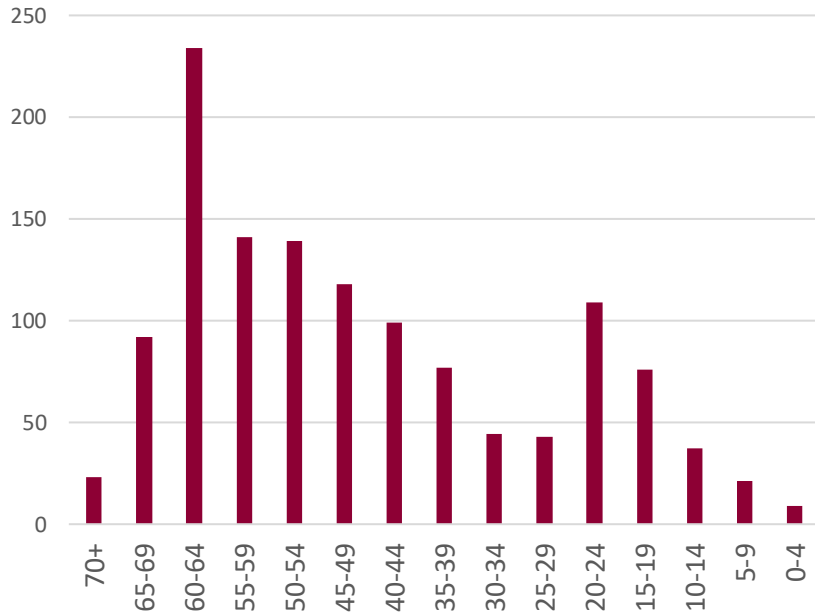


Only includes those who used the benefit. This may indicate not all mild cases.

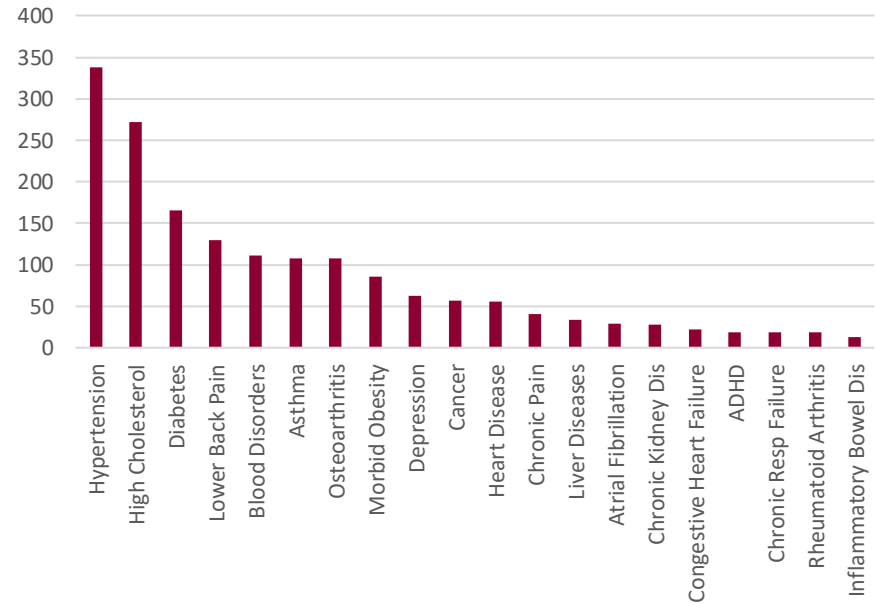
 **605** male
 **573** female

Older Individuals, Chronic Conditions Impacted

COVID-19 Cases by Age Group



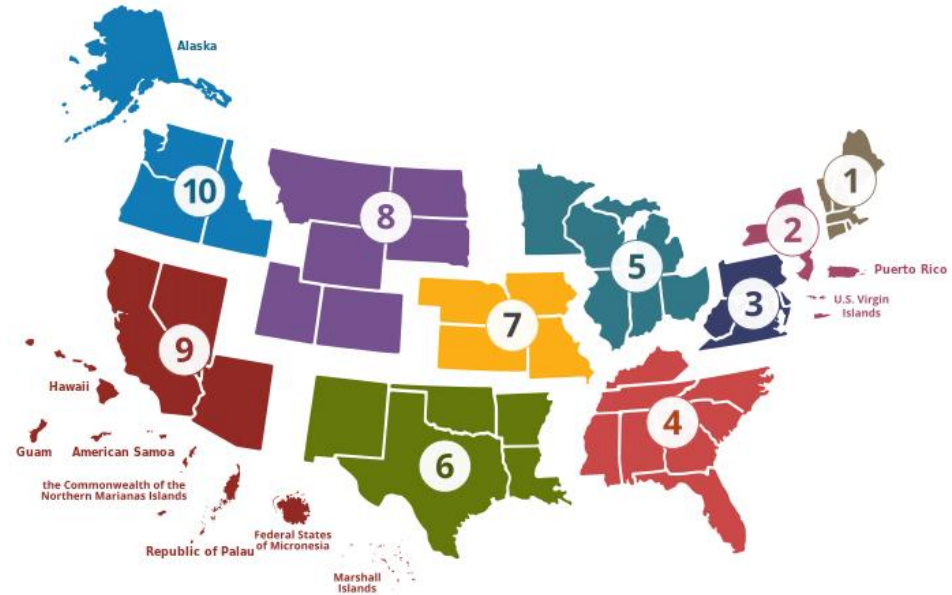
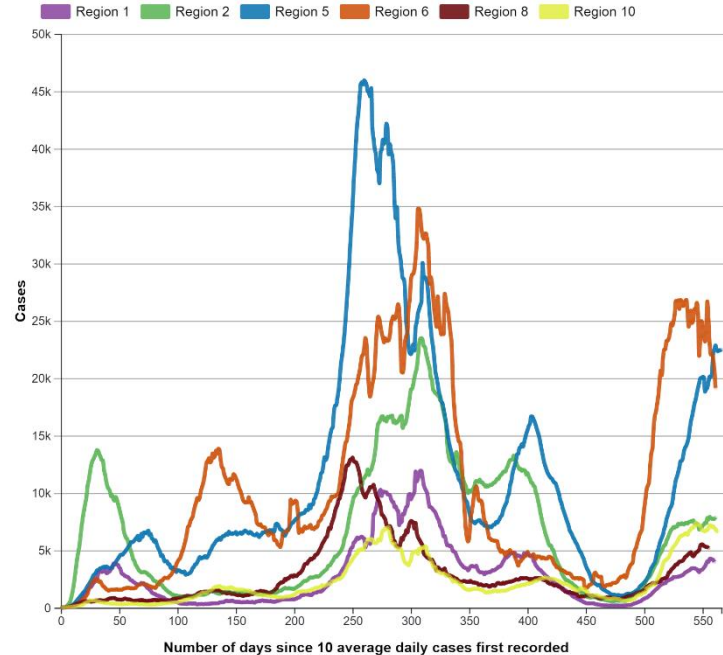
COVID-19 Cases with Underlying Chronic Conditions



Regional Differences in COVID-19 Impact

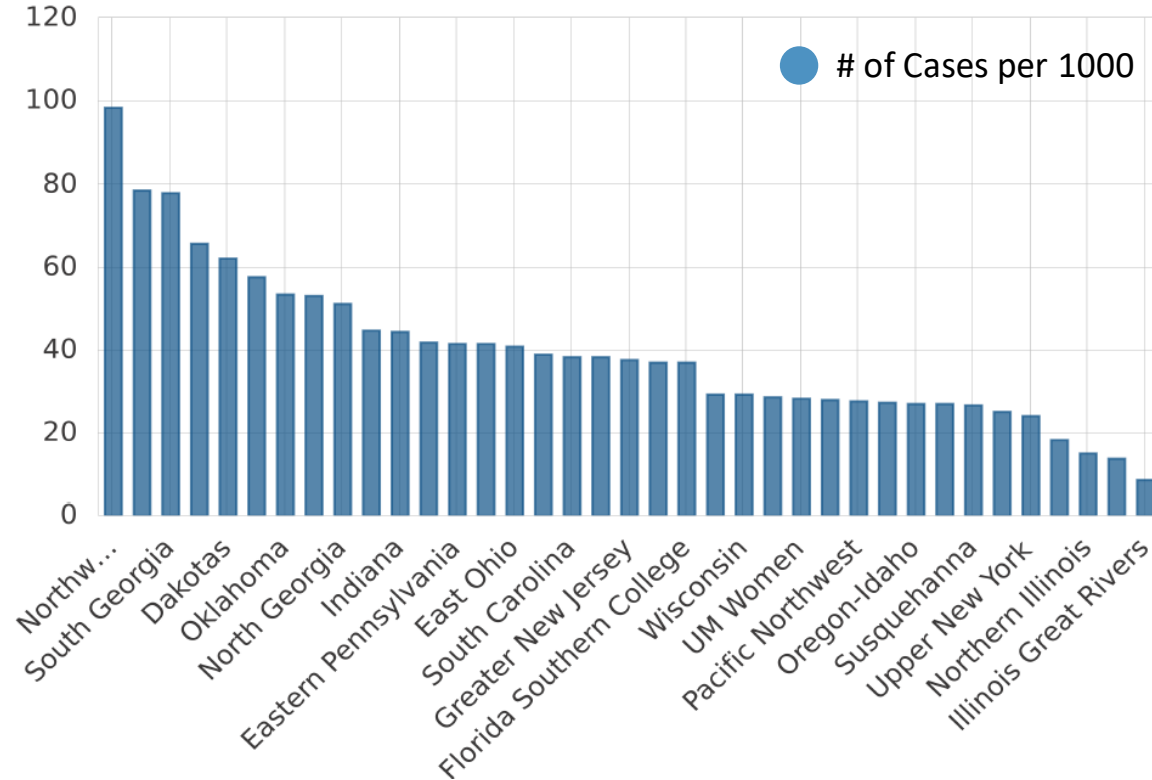
New cases of Covid-19, reported to CDC, in Region 1, Region 2, Region 5, Region 6, Region 8, and Region 10

Seven-day moving average of new cases, by number of days since 10 average daily cases first recorded.

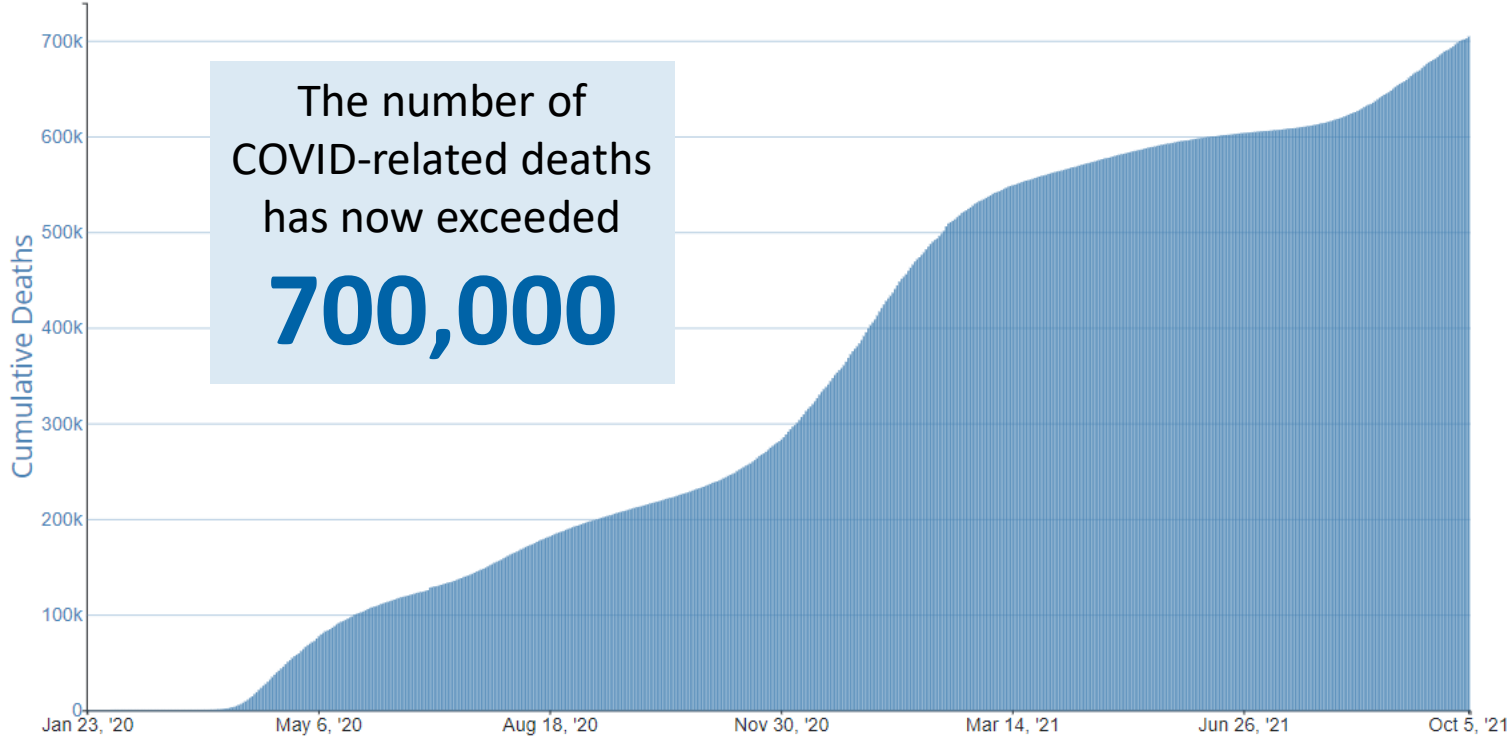


https://covid.cdc.gov/covid-data-tracker/#compare-trends_newcases

Regional Variation in HealthFlex COVID Cases



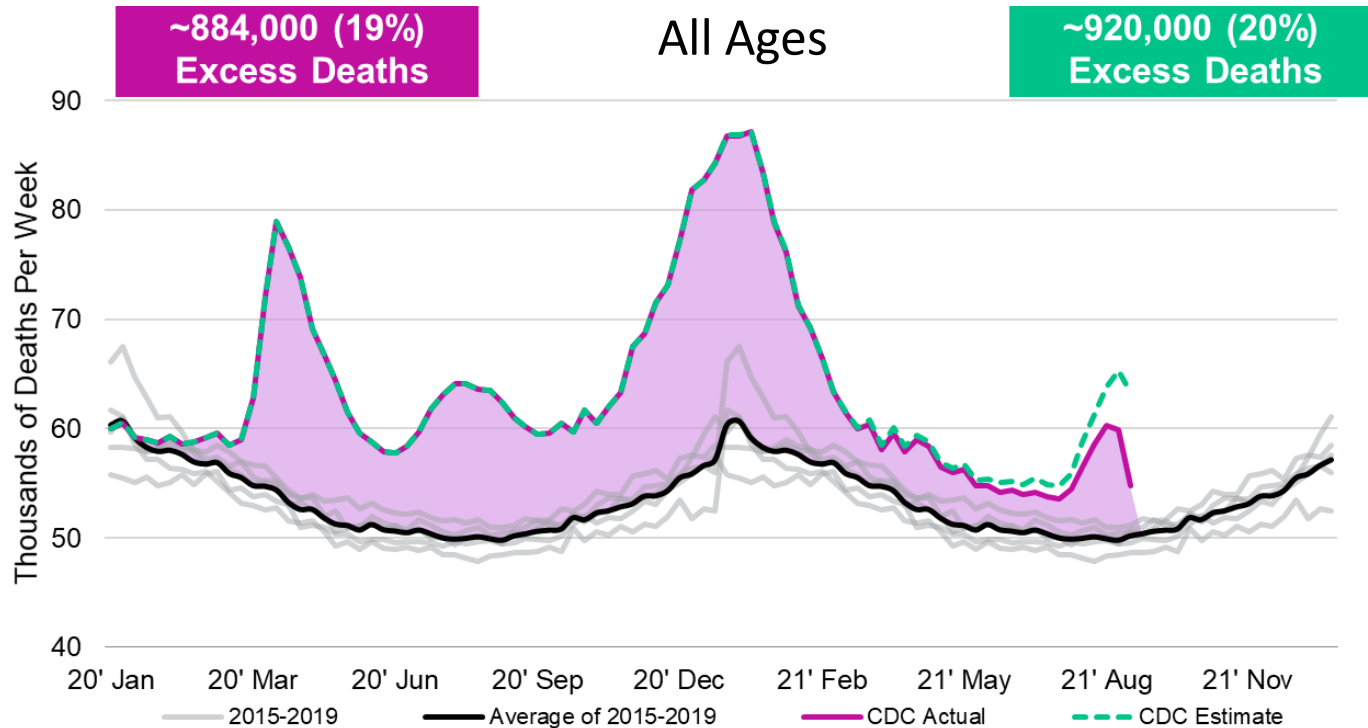
Reported COVID-Related U.S. Deaths



https://covid.cdc.gov/covid-data-tracker/#trends_totaldeaths



Excess Deaths in 2020-2021—U.S. Data

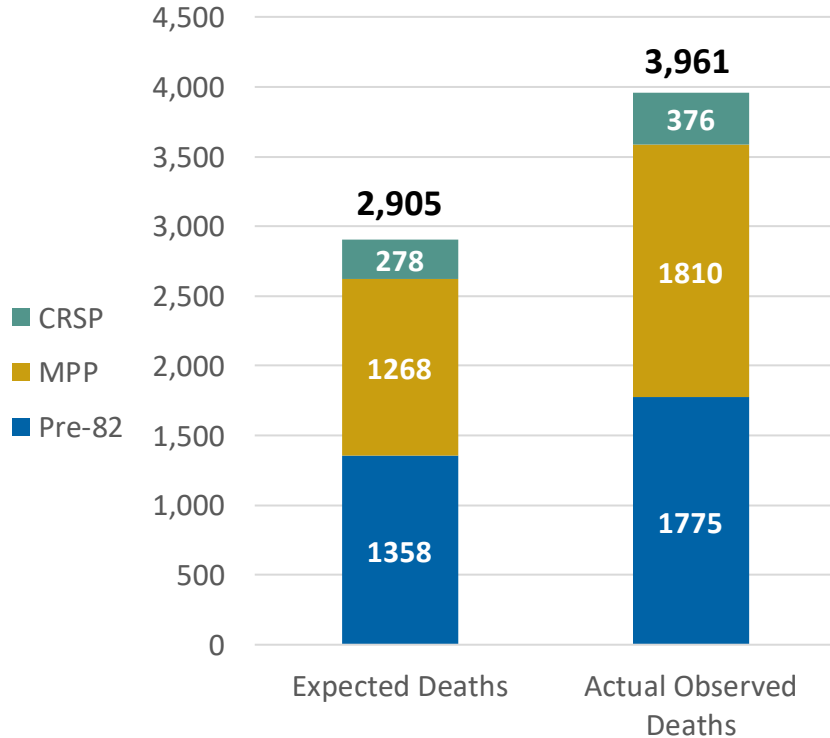


568,000
Excess Deaths
in 2020 (20%)

**317,000-
352,000**
Excess Deaths
through August
2021 (17-19%)

¹ CDC Estimate¹ is calculated by CDC by weighting inverse of completeness; completeness was estimated using provisional data from 2018-2019 at various lag times by reporting jurisdiction. Excess Deaths is measured by average of 2015-2019 actual deaths each week compared to actual reported deaths, data published 9/20/2021, data shown through 8/28/2021 due to reporting lag.

Excess Deaths in 2020—UMC Data



1,056 more deaths than expected*

- 36% higher than expected

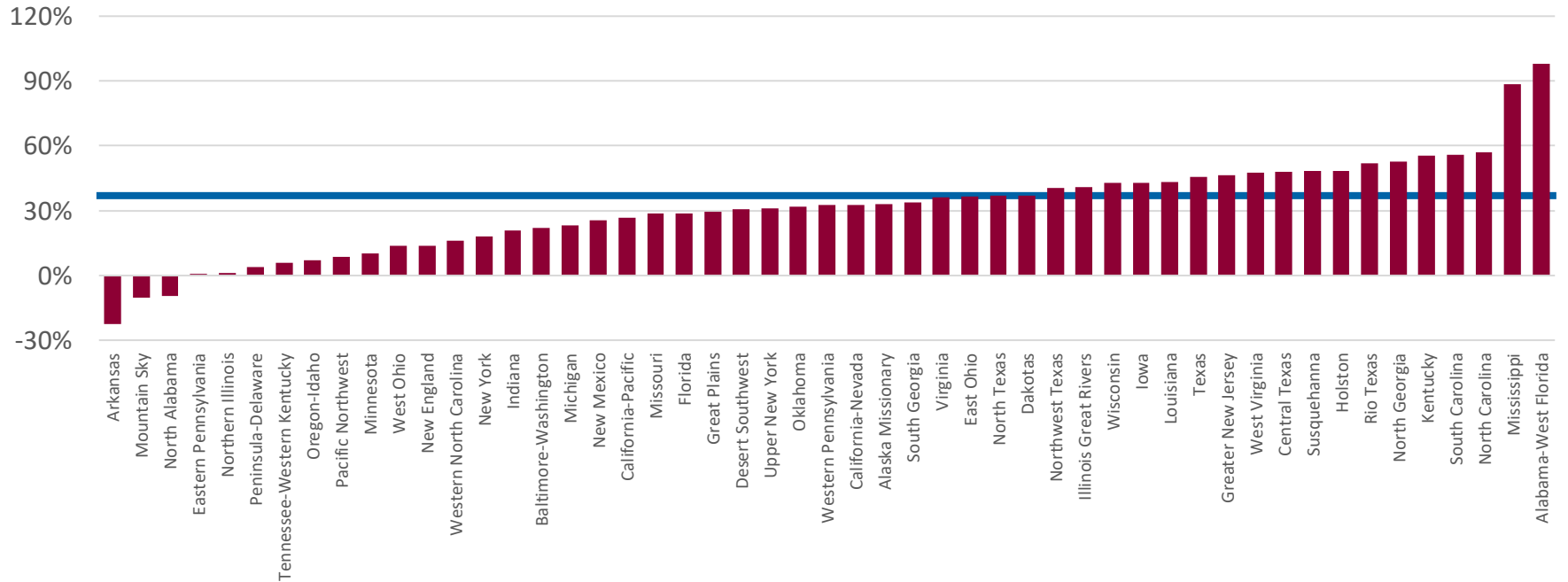
Consistent across plans

- 35% for CRSP-DB
- 43% for MPP
- 31% for Pre-82

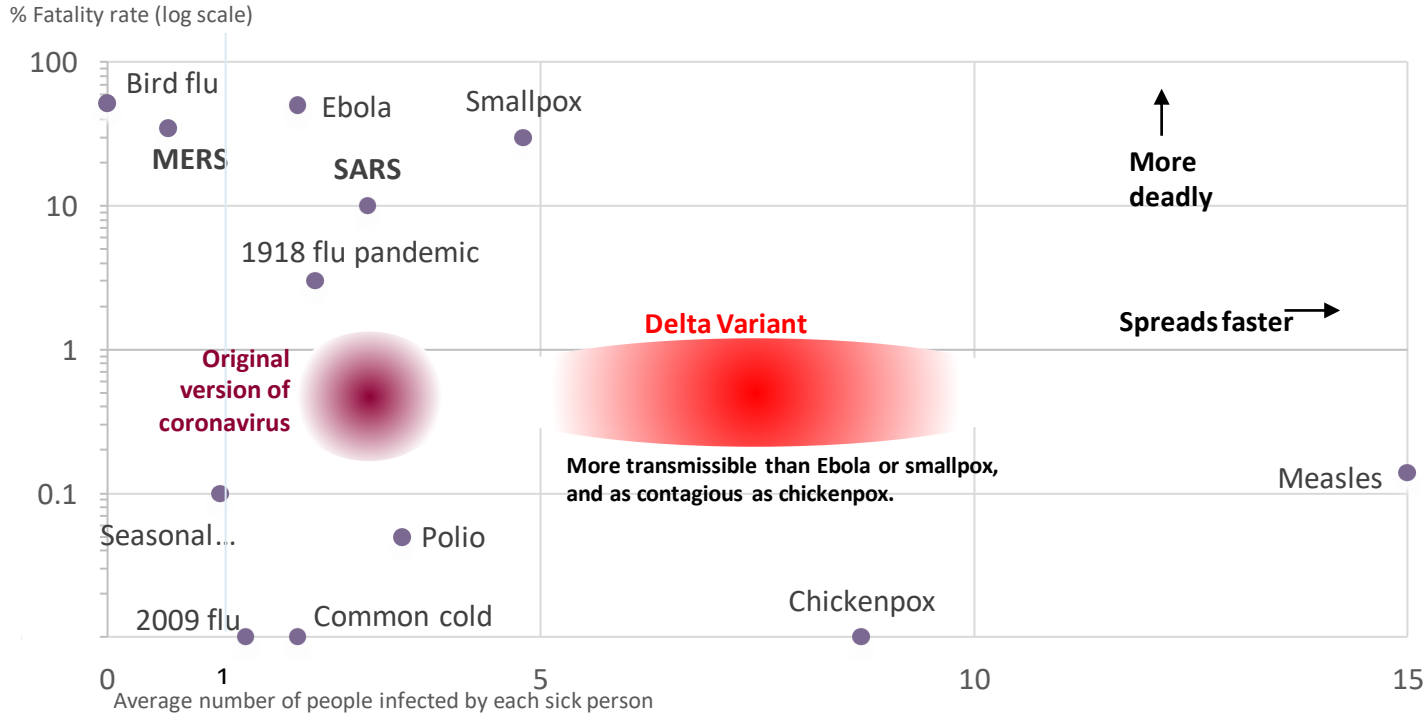
*per mortality tables used for actuarial valuations; including double-counting of deaths across plans

Excess Deaths in 2020—UMC Data

Actual vs. Expected Deaths (Pre-82 Plan Only)



Continued Concern with Delta, Variants

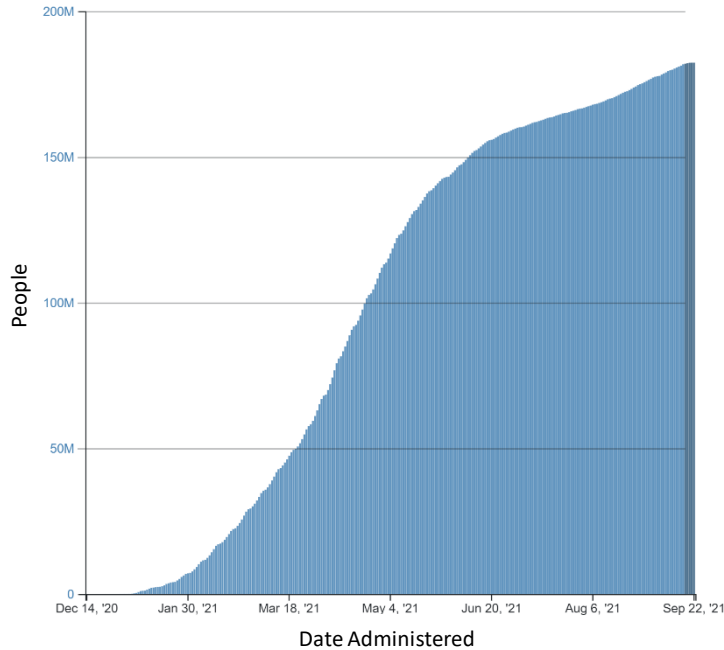


Source: [The New York Times](#), accessed October 6, 2021

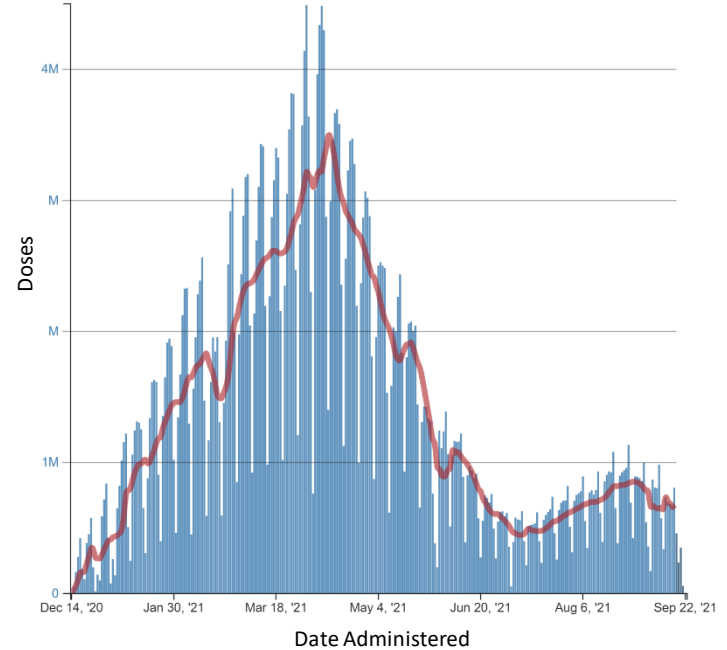


Vaccinations Slowly Increasing

Cumulative Count of Fully Vaccinated People Reported to CDC by Date Administered, United States

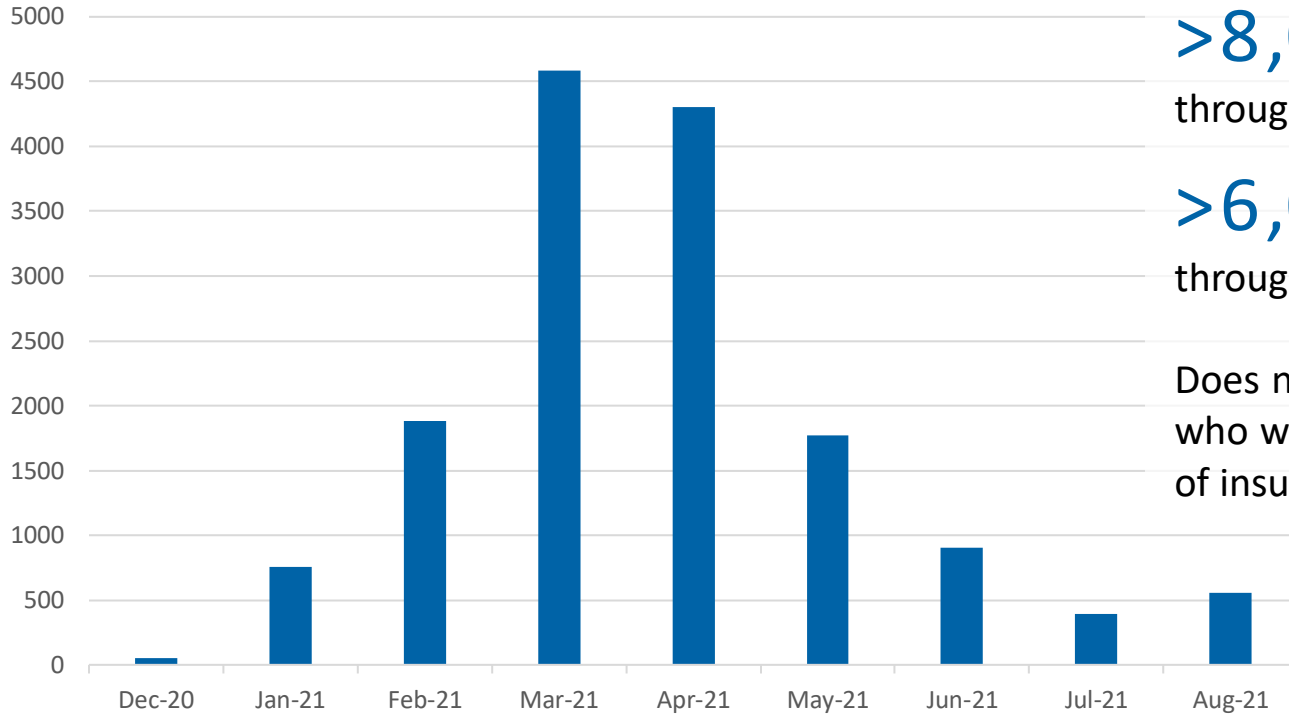


Daily Count of Total Doses Administered and Reported to CDC by Date Administered, United States



https://covid.cdc.gov/covid-data-tracker/#vaccination-trends_vacctrends-total-daily

HealthFlex Vaccinations: Medical + Rx



>8,000 doses
through **Rx benefit**

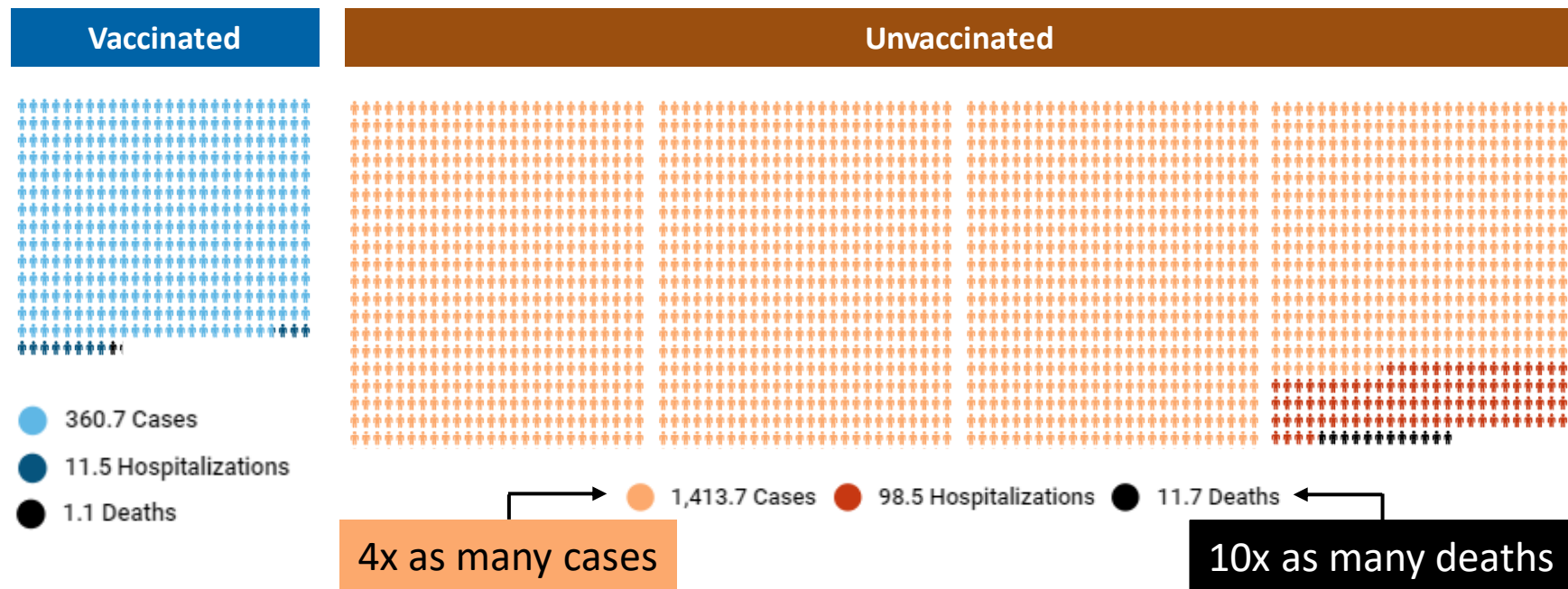
>6,000 doses
through **medical benefit**

Does not include individuals
who were vaccinated outside
of insurance benefits



Hospitalization/Illness By Vaccinated Status

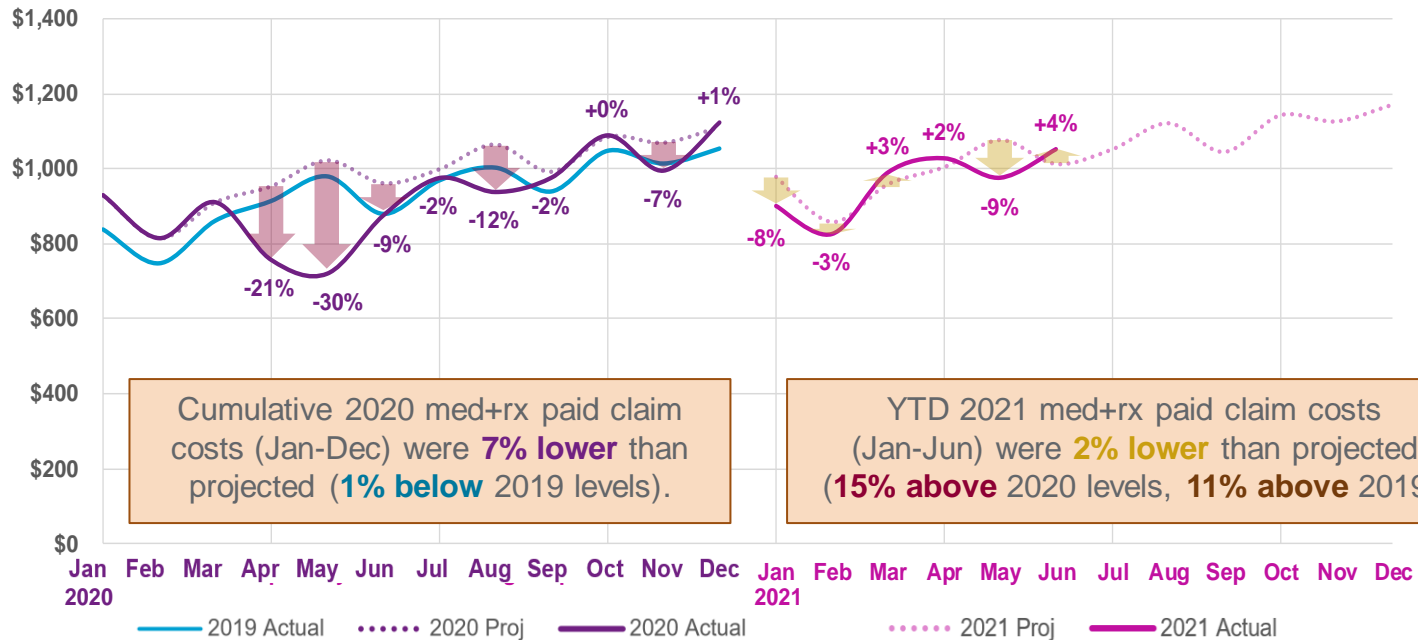
Example: Wisconsin August 2021*



*age-adjusted rates per 100,000; from: Wisconsin Department of Health Services: <https://www.dhs.wisconsin.gov/covid-19/vaccine-status.htm>

Impact on 2020-2021 U.S. Health Care Spend

Monthly Paid Claims PEPM (MED + RX)



Cumulative 2020 med+rx paid claim costs (Jan-Dec) were **7% lower** than projected (**1% below** 2019 levels).

YTD 2021 med+rx paid claim costs (Jan-Jun) were **2% lower** than projected (**15% above** 2020 levels, **11% above** 2019).

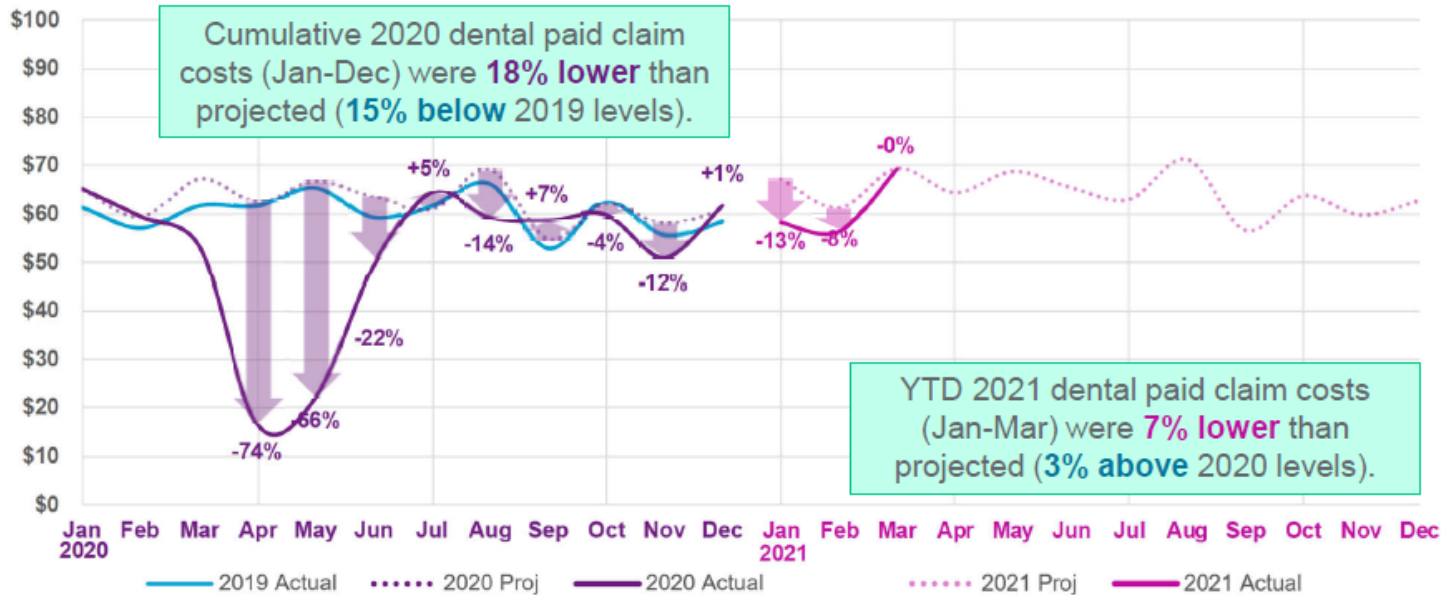
Mostly driven by decreased medical spend due to deferring care



Source: Willis Towers Watson 2021 Health Care Financial Benchmarks Survey (N = 583, 1.9M EEs, \$2.0B monthly claims)

Impact on 2020-2021 U.S. Dental Care Spend

Monthly Paid Claims PEPM (DENTAL)



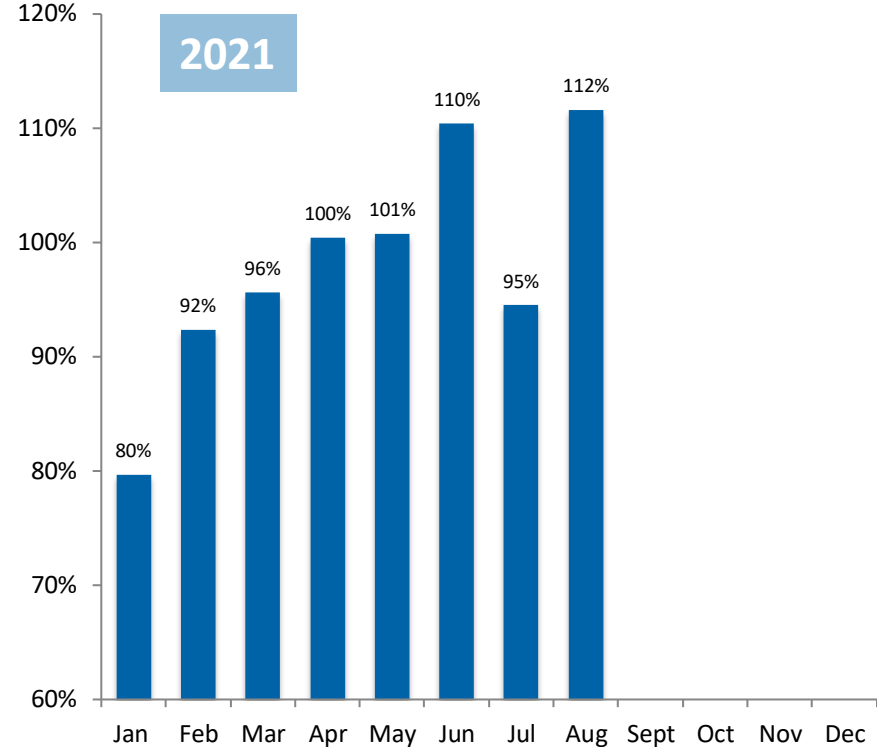
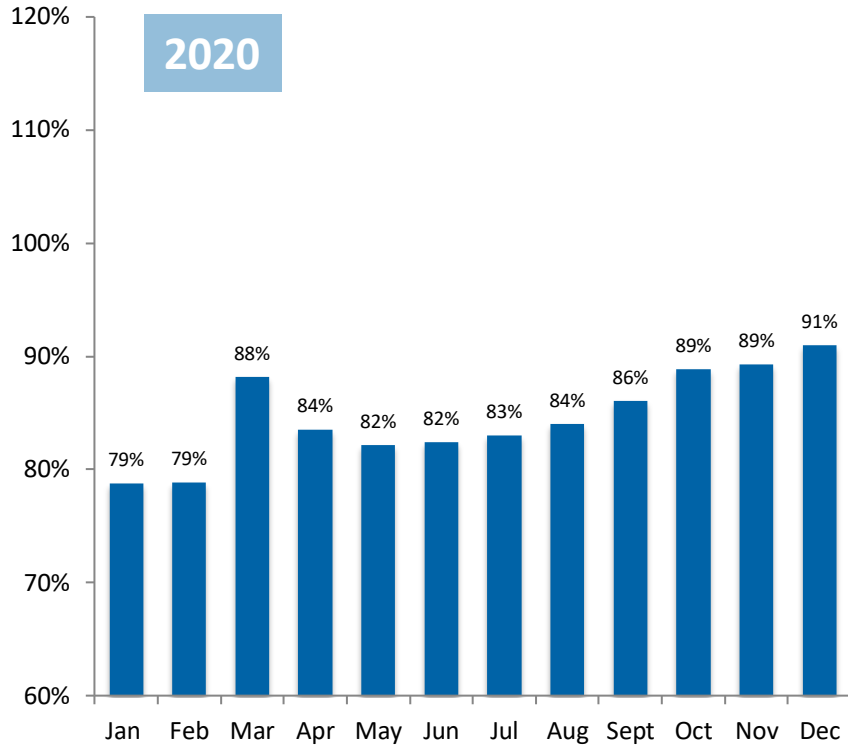
Dental and vision claims have not yet rebounded



2020 projection was developed by applying a historical seasonality factor to pre-COVID plan-paid claims, 2021 projections assume an additional 3% trend PEPM figures above reflect paid claims for self-insured plans only

Source: Willis Towers Watson 2021 Health Care Financial Benchmarks Survey (N = 424, 1.3M EEs, \$92M monthly claims)

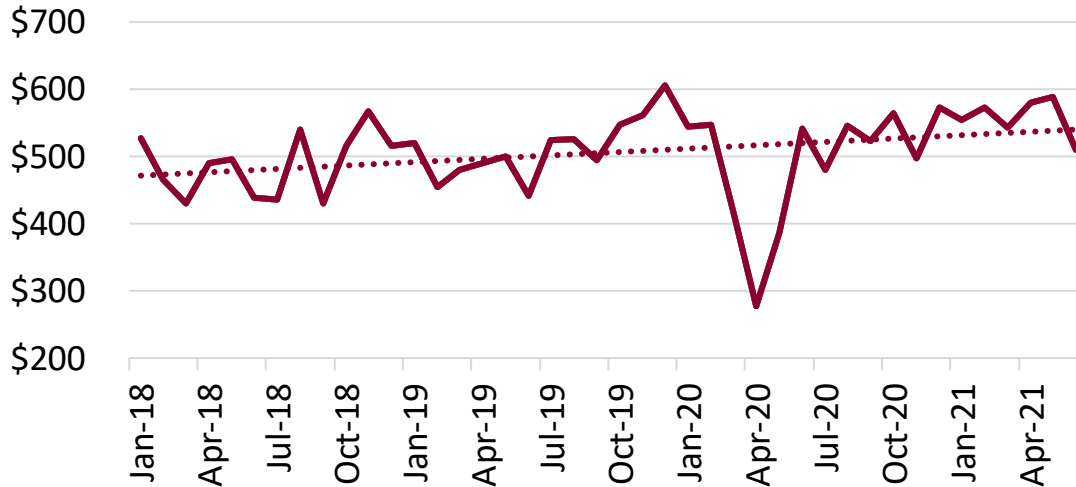
HealthFlex Expenses vs. Receipts



2018—2021 HealthFlex Medical Claims

Medical claims have been running higher in 2021 than in past years, but trend from 2020 to 2021 is high mostly due to depressed claims in the first half of 2020

HealthFlex Allowed Medical Claims (PMPM)



Year	Medical Claims Through June (PMPM)	% Change
2018	\$2,845	
2019	\$2,885	1%
2020	\$2,711	-6%
2021	\$3,348	24%

Annualized increases from 2018 and 2019 to 2021 are 6% and 8%, respectively

Temporary Plan Changes Related to COVID-19

- Covered COVID testing at 100% (required)
- Covered MDLIVE at 100%
 - Anticipate return to regular cost-sharing in 2022
- Covered in-network COVID treatment at 100%
 - Major insurers continuing as long as emergency period is declared (currently 10/17)
 - Anticipate return to deductible/coinsurance for COVID care in 2022
- Unlimited FSA carry over into 2021 and 2022

Emerging Trends

Well-being & mental health



- **Communication** of benefits and well-being programs a priority
- **Mental health** and **stress/resilience management** are also high on the priority list
- Leading causes of mental health challenges are **caregiving demands, isolation, fear of COVID-19**
- Taking action on **employee sensing, wellbeing strategy** and **technology** to support wellbeing

COVID-19 policies & coverage

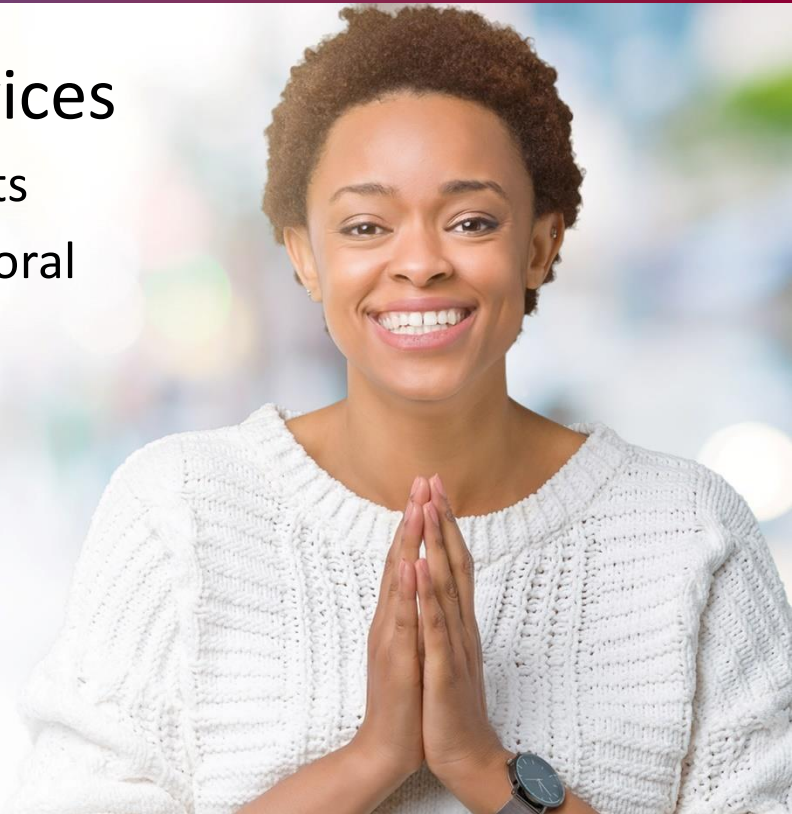
- Two-thirds of employers **provide additional sick leave** to those with COVID-19 diagnosis/exposure
- 86% of employers **waive out-of-pocket costs** for testing and 46% waive treatment costs for COVID-19 and use of telehealth services for behavioral health
- **Almost no employers** have established policies **mandating vaccines**; **39%** are considering proof of vaccine for in-person work

PTO, leaves, & caregiving

- **Only 1 in 4** employers in 2021 believe their programs and policies **effectively support** employees with caregiving responsibilities
- The **top reason** for making changes to PTO or vacation/sick leave benefits is **“to promote employee emotional wellbeing.”**
- One in four employers provide **additional paid time to care for** young or school-aged **children** due to school closures

Wespath Focus on Emotional Well-Being

- Improving access to 1-on-1 services
 - EAP + generous behavioral health benefits
 - Adding Talkspace and MDLIVE for behavioral health
- Mental Health First Aid
- Opportunities for listening and feedback





Wespath

BENEFITS | INVESTMENTS