Deeper Dive into Health and Welfare Program Implications

Recap of April 7, 2020 webcast

Recap

The COVID-19 crisis highlights the clear link between employee health and business performance. It's essential that employers shape a principle-driven response to the crisis in the health and benefits area by balancing short-term pressures against medium- to longer-term needs.

The Willis Towers Watson COVID-19 Employer Readiness Survey of 523 U.S. employers reveals that companies are focused on three key action areas: 1) moving to remote work, 2) communicating how to prevent respiratory infection and telemedicine availability, 3) protecting the physical, financial, emotional and social wellbeing of employees. In the U.S., 97% of companies are maintaining benefits for a median of 12 weeks for those who are out of work due to COVID-19. A Canadian assessment is coming soon.

In the U.S., new deferal laws expand protections for businesses and taxpayers.

- **The Families First Coronavirus Response Act** provides first dollar coverage for COVID-19 testing as well as emergency paid sick leave and paid FMLA leave for public health emergencies for small employers and governmental employers.
- **The Coronavirus Aid, Relief, and Economic Security (CARES) Act** provides temporary safe harbor for telehealth without cost sharing and includes clarifications regarding paid leaves in the earlier law.

While employers in Canada were initially focused on short-term disability benefits, there is now an emerging focus on benefits continuation. Companies should familiarize themselves with two new national income protection programs:

- **The Canada Emergency Response Benefit (CERB)** provides a $2,000 a month taxable benefit for up to four months for employees without income due to COVID-19.
- **The proposed Canada Emergency Wage Subsidy** would provide a subsidy of 75% of salaries for qualifying businesses, for up to three months.

Prioritizing employee wellbeing

When it comes to supporting employee wellbeing, a robust listening strategy is essential. Anecdotal evidence suggests that there is a high level of participation in survey efforts during this crisis as employees are eager to share their concerns. The two critical areas of emotional and social wellbeing are now blurred into one. Caregivers merit special attention. Employers are striving to build out the right caregiving support in the near and longer term. Finally, with more than a third (38%) of North American workers living paycheck to paycheck, employers also need to focus on the financial wellbeing of low-wage workers.

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Health care costs

COVID-19 continues to drive significant uncertainty with respect to U.S. employer health care costs. A number of assumptions impact 2020 projections including the portion of the population that becomes infected and how quickly, and the severity of illness. Results for any individual employer may vary significantly due to population demographics, industry and geography; data supporting cost projections is still very immature and changing rapidly necessitating a wider range of estimates.

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