

COVID-19 Research and Impact on 2021 Pricing

HEALTH ACTUARIAL (B) TASK FORCE

THURSDAY, APRIL 23, 2020

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SOA Research Projects

- COVID-19 Costs to Commercial Health Insurers
 - <https://www.soa.org/globalassets/assets/files/resources/research-report/2020/covid-19-cost-commercial.pdf>
 - Summary of levels of COVID-19 conditions and range of types of care needed
 - Cost estimates of services associated with COVID-19
 - Some cost levels dependent on provider reimbursement arrangements
- COVID-19 Cases and Deaths Database
 - <https://www.soa.org/globalassets/assets/files/resources/research-report/2020/tabulating-coronavirus-database.xlsm>
- Deferred Services: Research Examples
- 2021 Rating: Model of 2020 – 2021 costs depending on transition to “return to new normal”

EARLY INDICATORS

Based on discussions with national and large regional carriers

- Overall claims down ~30% over the last month
- No significant geographical differences
- ER claims also down ~30%
- Will lower claims cause MLR impact?
- 2021 uncertainties include
 - ER visit stickiness
 - Deferred services costs
 - Vaccination costs
 - Wellness check costs

COVID-19 2021 PRICING: MARKET DIFFERENCES

1. General uncertainty --> Rate Pressure, Volatility
2. Population Shifts
 - Group --> Individual --> Medicaid
 - Individual --> Uninsured
 - Uninsured --> Individual (12 states)
3. Adverse Selection Potential
 - COBRA, Small Group Market Furloughs/Layoffs
4. Benefit/Population Differences
 - Comorbidities, Urban/Rural, Network Breadth, AV & Waived Cost-Sharing, Federal Funding Mitigation, Grace Period, Ind Market Metal Level Dynamics
5. Pent-up Demand
 - Delayed or Cancelled?
 - Timing (e.g. 2020 or 2021)?

SOA COVID-19 Research Summary Page

<https://www.soa.org/programs/covid-19/research-podcast/>

SOA COVID-19 Research Brief, April 16

<https://www.soa.org/globalassets/assets/files/resources/research-report/2020/2020-covid-19-research-brief-04-16.pdf>

