

IMPORTANT COVID-19 UPDATE

INTERNATIONAL FOUNDATION ISSUES REPORT ON BENEFIT PLAN CHANGES SINCE COVID-19

The International Foundation of Employee Benefit Plans (IFEBP), the premier educational organization devoted to supplying employers and plan sponsors comprehensive support on managing benefit plans, recently issued a valuable report. The report contains results from a recent survey of employers about their health and benefit plan changes related to the pandemic. For your convenience, the major headlines are below. You can also view the full report [here](#).

HEALTH CARE BENEFIT CHANGES

- **Prescription Drug Plans Are Changing to Reduce Barriers** – As a result of the pandemic, 35% of employers have extended the time allowed under prior authorization periods for prescription drugs, 29% have increased quantity limits and 13% have waived prior authorization requirements.
- **Mental Health Benefits Are Increasing** – Recognizing that employee mental health during this time is a serious concern, 12% of employers have added tele-psychiatry, which allows employees to access mental health services virtually. Additionally, 9% of employers have reduced or eliminated cost sharing for mental health benefits, and 6% have relaxed or eliminated eligibility requirements.
- **Nearly All Employers Are Offering Telehealth Services** – To help workers receive medical care while reducing their risk of exposure, nearly all employers are offering telehealth services. Prior to the pandemic, 88% of employers had telehealth services in place. Since then, an additional 10% of employers have implemented or are considering implementing telehealth. To encourage the use of these services, nearly half of employers (49%) have reduced or eliminated telehealth cost sharing.

RETIREMENT CHANGES

- **Some Employers Have Reduced or Suspended Matching Contributions** – For organizations that provide matching contributions to their employees' retirement plan, 2% have reduced the matching contribution and 8% have suspended it. An additional 18% report that they have not yet made changes but are considering it for the future, and 9% say it is too early to tell what changes they will make.

STAFFING CHANGES

A Significant Number of Employers Have Furloughed or Laid Off Workers

- The report found that 31% of employers have temporarily furloughed workers, 29% have reduced worker hours, and 21% have laid off workers or reduced their workforce.
- Looking ahead, many employers are considering future changes – 13% are considering furloughs, 14% reduced worker hours and 18% layoffs.
- Just under half of employers (44%) have implemented a temporary hiring freeze for their organization.

HEALTH CARE BENEFITS FOR FURLOUGHED/LAID-OFF WORKERS VARY BY EMPLOYER

- 7% are providing employee health care coverage through COBRA, with the worker paying the full cost.
- 38% are continuing health care coverage for the entire period, with the cost shared as usual between worker and employer.
- 23% are continuing health care coverage for the entire period, with the employer paying the full cost.
- 25% are continuing health care coverage for a limited time, with the cost shared as usual between worker and employer.
- 7% are continuing health care coverage for a limited time, with the employer paying the full cost.
- For employers that have laid off workers, the majority (61%) are offering health care coverage to laid-off employees through COBRA, with workers paying the full cost.

Please visit our [COVID-19 Resource Center](#) for more information.