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Virus Stokes Telemedicine, Mental Health Benefits' Popularity

By **Emily Brill**

Law360 (December 18, 2020, 7:07 PM EST) -- The COVID-19 pandemic that ravaged 2020 spurred workers to take advantage of telemedicine and mental health benefits more frequently, and demand for those services isn't expected to wane in the near future, experts say. Here, Law360 looks at three ways the pandemic had an impact on employee benefits over the past year.

Telehealth Takes Center Stage

The COVID-19 pandemic's March onset brought about "an explosion" in the use of telemedicine — doctor's visits conducted through virtual means, like video chat or a phone call — said Tracy Watts, a senior partner at the benefits consulting firm Mercer.

Most employers' health plans offered the option to obtain care virtually before the pandemic, but telemedicine wasn't widely used, Watts said. That changed when the coronavirus pandemic made visiting doctor's offices riskier, rendering telemedicine a more attractive option, she said.

"There are these new needs emerging from employees around COVID — having access to telehealth, being able to connect with health care providers remotely," said Patrick Leary, the director of workplace benefit research at the insurers' industry group LIMRA, previously known as the Life Insurance Marketing and Research Association.

Many employers modified their communications with workers to encourage the use of telemedicine, said Jacob Mattinson, an employee benefits partner at McDermott Will & Emery LLP.

"Those programs have historically been underutilized, and this year, for a lot of my clients, those really took hold, a much higher percentage of workers are using them," Mattinson said.

Employees' increased use of telemedicine offered a fringe benefit to employers: Virtual health care is traditionally much less expensive than in-person health care, Mattinson said.

Employers should ensure, though, that they aren't being overbilled for telemedicine visits, Watts said. Providers who aren't used to offering care remotely may bill for regular office visits even when the examination takes place over video chat, driving up health care costs without providing services to match, she said.

"To use an office code for a virtual visit is not a good match, because the in-person visit codes include things like a physical examination — taking blood pressure, weight, perhaps an EKG if it's an annual visit: things that happen in person that can't happen virtually," Watts said.

To ensure providers are billing for the correct type of visit, Watts recommended employers check in with their insurers or third-party benefit administrators to ensure they're scrutinizing bills.

Therapy Needed More Than Ever

Research by the Kaiser Family Foundation and the U.S. Centers for Disease Control and Prevention indicates about half of Americans have seen their mental health worsen during the pandemic. Employers, likewise, have seen increased use of mental health benefits by their employee populations, Watts said.

"There's been a huge focus on mental health benefits, on making sure people have access to telephonic mental health services," Watts said. "Some employers have implemented a standalone program that focuses on mental health. Some have extended their employee assistance programs. They're promoting it a lot more, so people are aware of the benefits they have access to."

A LIMRA survey of 1,000 U.S. employers conducted this spring found that companies considered mental health benefits more valuable during the pandemic than they had previously. About 11% of surveyed employers were considering beefing up their mental health benefit offerings in response to COVID-19.

"A lot of mental health issues are starting to emerge from the pandemic and being isolated, social distancing. There's an increased demand for those types of services," Leary said.

Because of pandemic-related restrictions on mobility and in-person contact, a lot of those services have been rendered over the phone, something Watts anticipates will continue after the pandemic. She cited the fact telehealth therapy saves people time and, often, money, offering a more convenient way to access mental health services.

Forgoing PTO

A survey of over 1,000 U.S. office workers conducted this spring by the staffing firm Robert Half found that more than a quarter of respondents planned to take less paid vacation time due to the pandemic.

Because more employees are saving their paid time off from 2020, certain employers have allowed workers to cash out part of their 2021 PTO in advance, said Jonathan Zimmerman, an employee benefits partner at Morgan Lewis & Bockius LLP.

"You make an election before the end of 2020 to sell some or all of your 2021 PTO," Zimmerman said. "That makes the employees whole from an economic standpoint, while saving employers from worrying about not having a critical mass of workers in the office next year."

Employers who do this don't have to allow workers to carry over more 2020 PTO into 2021 than usual, but "the two approaches can dovetail nicely," Zimmerman said.

"You can cash out your 2021 PTO in advance, and that makes it more tolerable for the employer to carry over more of your 2020 PTO," Zimmerman said.

Another approach employers can take to the PTO hoarding issue is letting workers put the money they'd make from their paid time off into their 401(k), Zimmerman said. Employers can either structure this as an employer contribution or an employee contribution, depending on whether they make converting PTO time to 401(k) money mandatory, he said.

"If the contribution is mandatory — if the employer says, 'We're going to take X dollars from people's PTO and contribute it to the 401(k) — then it's treated as a company contribution rather than an employee contribution," Zimmerman said. "If it's an optional contribution, then any PTO contributed to the 401(k) will be treated in the same way as any other employee deferral, for compliance and testing purposes."

--Editing by Leah Bennett.