

# Good Health Cost News, and COVID-19 Costs and Your Business

12/30/2020

**The following is a brief update on recently passed legislation that could affect your business.**

- Anti-trust laws will apply to the health insurance business.
- But, COVID-19 costs may increase your Work Comp costs, on top of health costs and absenteeism, because of Wisconsin Act 185.
- Finally, as of 4/1/2020, the FFCRA Act could also affect your costs.

## **A) Competitive Health Insurance Reform Act of 2020 (HR 1418) – Bill passed House and Senate on December 22, 2020.**

- To restore the application of the Federal Antitrust laws to the business of health insurance to protect competition and consumers.

## **B) How Could COVID-19 Hurt Your Business?**

- **Your employer COVID-19 claims could be presumed to be an on-the-job Work Comp. This now applies to first responders and other essential workers.**  
These could be high frequency and severity claims.
  - 1) December 2019 Wisconsin Act 185 (similar to California Senate Bill 542) is one of nine states adopting a 'presumption law'.
  - 2) For first responders and front-line medical workers it is presumed the employer controlled COVID-19 claim occurred on the job for all expenses (medical, disability, etc.).
  - 3) Congress and the private sectors are working to determine if the same 'Presumption Law' model would apply to the private sector and government. Under California Senate Bill 542 the presumption can 'rebuttal' by the employer if they can prove that COVID-19 claims were not Work Comp claims.
- **4/1/2020 – Families First Coronavirus Response Act (FFCRA)**  
Applies to employers with less than 500 workers through December 31, 2020. This could be extended in the recently signed COVID relief legislation. This expands FMLA benefits for COVID-19 patients if certain standards are met. These standards are currently not in force in Wisconsin because Governor Evers 'Safer at Home' order does not contain real isolation or quarantine orders. Currently FMLA is unpaid 12 weeks with Work Comp and health insurance continuing.
  - 1) If six standards apply, FMLA is paid to sick employee for childcare and to a caregiver.

- 2) These are the standards of eligibility for a worker to have the increased employer paid benefits under FCCRA.
  - a) Subject to federal, state or local quarantine or isolation order for COVID-19.
  - b) Has been advised by a health care provider to self-quarantine.
  - c) Is experiencing symptoms and is seeking a medical diagnosis.
  - d) Is caring for an individual who is subject to (a) or (b).
  - e) Is caring for their child home due to a school or daycare closure related to COVID-19.
  - f) Has other similar conditions specified by U.S. HHS.
  
- 3) New paid sick leave and FMLA benefits.
  - a) Sick Leave: Up to two weeks (80 hours) of paid leave for qualified workers. Payable at 100% of regular wages, up to \$511/day, \$5,110 total.
  - b) FMLA: Up to 10 weeks of paid leave, on top of the 2 weeks of paid sick leave, payable at 2/3 regular wages, up to \$200 daily/\$12,000 total. This applies only for criteria (e), caring for a child home due to school or daycare being closed because of COVID-19.
  - c) Generally, employers with workers who are eligible for the new benefits must pay for them. However, the employer will receive a tax credit offset against their owed social security taxes at the next quarter to cover the expense, as well as the expenses they incur to continue to provide health insurance to those workers.

See WMC COVID-19 Business Resource Center for more information.

[www.wmc.org/home/coronavirus-covid-19-business-resource-center/](http://www.wmc.org/home/coronavirus-covid-19-business-resource-center/) and International Foundation of Employee Benefits Foundation Headlines 12/23/2020

**Call if we can help! We'll keep you posted on current changes.**

**David Trapp**

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*Note: This is only a brief description of current subjects and coverage. Please refer to insurance company materials, contracts or original sources for details including limitations, exclusions, and citations.*