Employers bolster health insurance plans during the pandemic with more mental health care, telemedicine

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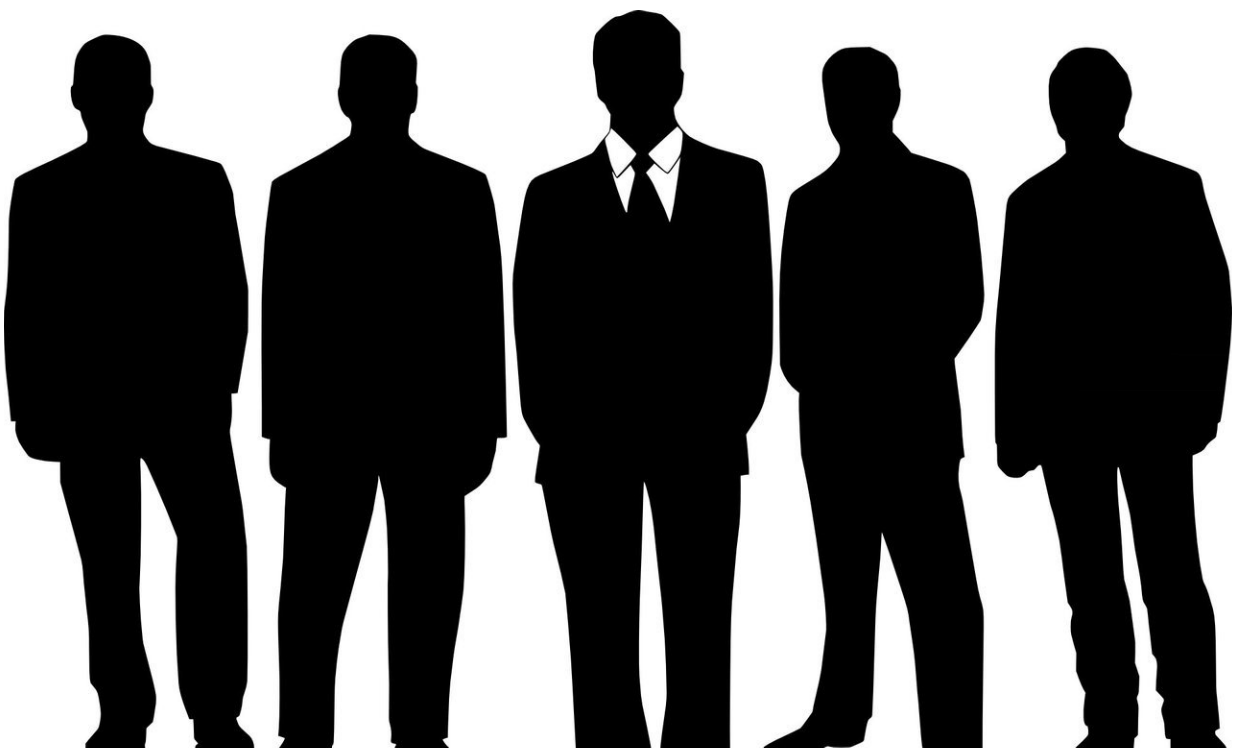

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During a year when millions are working remotely, employers that provide health insurance for the bulk of working-age Americans bolstered access to telemedicine and mental-health services, a Kaiser

Family Foundation survey found.

The survey also found the average cost for an employer health insurance family plan was $22,221, up 4% from a year ago, a more moderate rate hike compared to a decade ago. Workers paid an average of $5,969 toward the cost of family coverage.

Average family premiums have climbed 47% over the past decade, more than a 31% increase in wages. The average cost for an employer-provided individual plan was $7,739, also up 4% from last year.

Employers who provide coverage for about 155 million Americans are "focused on stresses that people are having, especially for mental health, and are making it easier for people to use telemedicine to get mental health benefits." said Gary Claxton, a Kaiser Family Foundation senior vice president and Health Care Marketplace Project director.

Kaiser's annual employer health benefits survey found about four in 10 companies with at least 50 employees changed or added mental health and substance abuse benefits since the beginning of the pandemic.

And the survey reported workers and their families are increasingly using those benefits. Among the largest employers that have staffing to track how employees use their benefits, 38% reported increased use of mental health services.

Employers also made it easier to use telemedicine, which soared during the early days of the pandemic when lockdowns closed doctors' offices and delayed nonemergency care for millions of Americans. Larger companies were more likely to expand services, offer a broader selection of providers or reduce or eliminated cost sharing for telemedicine.

The federal government enacted temporary policies during the pandemic that effectively allowed companies to offer telemedicine to a wider group of employees, including part-time and seasonal workers. In a letter to Congress, the American Telemedicine Association and other groups urged Congress to make those policies permanent so more employees can get virtual care.

Claxton said the pandemic likely slowed health care cost increases for employers, particularly during the lockdown when many put off expensive non-emergency operations and limited in-person medical appointments.

Workers also have paid a larger share of their heath costs through co-pays, deductibles and coinsurance that require people to pay a percentage of their medical bill. For a hospital admission, consumers on average are charged coinsurance equal to 20% of the hospital bill and a $321 co-pay, the survey found.

Average deductibles also have increase significantly over the past decade to $1,669 for individual workers compared to $991 a decade ago.

Preferred provider options are the most popular plans enrolling 46% of workers. About 28% of workers are enrolled in plans that charge lower monthly premiums but higher deductibles. Such plans can be combined with a health-savings account that allow workers to set aside pre-tax money to for health bills that might not be covered due to the higher deductible.

Claxton said fewer employers are discussing strategies to fully replace more benefits-rich PPO plans with with high-deductible plans that increase out-of-pocket costs for workers.

"While these plans can be cheaper, it's kind of hard for the lower-wage workers to meet the cost sharing," Claxton said.