



Episode 9 – The world of work in a pandemic reality, COVID-19 edition

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STEVE BLUMENFIELD: Hi, everyone, and welcome to the Cure for the Common Co, COVID Edition. We've put together a series of quick burst sessions for our clients on topical issues of importance. We'll speak with our experts and our clients, and also hear clips from some of the startups who've been on the pod. My name is Steve Blumenfield from Willis Towers Watson's Health and Benefits. And I'm joined today by Dr. Jeff Levin-Scherz, head of Intellectual Capital for Health Management, and Julie Stone, head of Intellectual Capital. Welcome, Jeff and Julie.

What are the most important things that employers should know about COVID-19 right now?

JEFF LEVIN-SCHERZ: Well thanks, Steve. I think that-- a few thoughts. One is that everybody wants to know when are the current restrictions on activities going to end and when can we go back to normal? And I think the first thing that employers should know is we actually have to plan on going back to something that's a little bit different than the pre-COVID reality. So it's not simply going back to normal.

The other is because some degree of uncertainty remains about what the timing will be, and that uncertainty might be different in different geographic areas at different times, I think that employers need to do a lot of scenario planning and consider many different things that could be happening over the next couple of months in terms of their response for employees with regard to COVID.

STEVE BLUMENFIELD: So scenario planning, expect the unexpected. Julie, what are you hearing from your clients?

JULIE STONE: I am hearing a recognition that the future will truly be different, and it won't be a reverting back to what life was like for their employees and culture in 2019, and the question is, what will it be like, how do we shape it, what are the opportunities for me to engage my employees and their family members in a fundamentally different way?

STEVE BLUMENFIELD: In a fundamentally different way, how do we engage our members? It's so hard to engage our members when we don't see them-- it's hard enough when we have them in the same offices as us, but when they're working remotely and distracted, it gets even harder. What are some of the most pressing issues that our clients are trying to solve that you've seen?

JULIE STONE: So I think the balancing and integration of work and family takes on a whole different meaning with those with children being schooled at home, remote learning, what does that mean? Parent support groups, things that happened informally-- walking in the hallways or in the cafeteria-- how can we support working parents in a different way? Caregiving, elder care. The social connections and the

emotional connections that may need to be constructed, if you will. And I don't mean artificially, but creating frameworks for people to support each other while working and behaving differently. So that's one example. There are many, but that's the one top of mind to me right now.

JEFF LEVIN-SCHERZ: I'd like to add onto that that I think that we all recognize that there will be more emotional health needs as we go through this pandemic. That for one thing, people have trouble getting access to their usual sites of care, and might actually be getting therapy regularly and that's been interrupted in some way. For another thing, as Julie mentioned, there's much more potential for isolation, and that will lead to more loneliness, loneliness being increasingly recognized as a medical risk factor.

The other thing is, I think back to-- when I started in practice and was doing family histories on people in the early 1980s who were there in their 60s, really, a lot of them have lost grandparents to the influenza epidemic of 1918, and I think something that we have to think about in terms of future behavioral health needs is a lot of people are going to know somebody who's died of this, and whether it's a family member or a friend or a colleague. And so I think that behavioral health needs are going to actually be even more important to address.

Now the good news is that we see increased access to telebehavioral health. I think that when we did our readiness assessment survey, 58% said that they had already been arranging for increased access to telebehavioral health. So to some extent, there is good work going on to try to address this need, but I think this need will be large, it'll be something that will need to be sure that people can get access to care. We'll also need to be sure that supervisors and managers are aware of the kind of behavioral health needs people will have and are empathetic about it and are supportive, because let's just be honest, most of us get a whole lot more of our emotional support from the people we're around all the time and then through formal care in the medical system.

JULIE STONE: So something the three of us have talked about and I think is important for employers to understand and maybe a topic for a subsequent session, Jeff, is the medium and longer-term changes in the delivery system. So you referenced the rapid ramp up of telebehavioral health and telemedicine, but there are going to be much more profound changes, and I think from an employer planning perspective, it's important to be thinking about the future state changes not just for their employees and members, but also the delivery system itself, access to care, modalities-- I just-- I think there's more there for us to cover, and maybe just a highlight now would be helpful to our listeners.

JEFF LEVIN-SCHERZ: I'll tell you, I have a huge concern that in many instances, some of the highest value medical care, the sort of highest quality for the lowest cost comes from hospital systems and medical groups that in fact don't have an enormous amount of market leverage, might not have the same kind of brand reputation as the top academic medical centers in a metropolitan area, and I'm very worried that many of these systems losing essentially although their elective procedures and pretty much everything that makes their margin. Many of these systems might actually fold, many of these systems will end up being purchased, and they might be purchased by private equity companies, they might be purchased by hospitals that have very high rates, and we could see much more consolidation in the system, and with more consolidation generally comes higher unit prices.

Now this is a long-term issue, and the short-term issue is just being sure that we have enough medical care available for the waves of coronavirus infection that we'll have, and it's hard to think about how we'll control costs in the future when now we need to be sure to get enough money to hospitals so that they can buy N95 masks and that they can set up ICU beds in atria.

STEVE BLUMENFIELD: Yeah. It can get so-- it gets so complicated, Jeff. I mean, you start to layer on care needs and realities of market forces at a time when there isn't money, when people can't leave their houses. We're just-- to some degree, we're stacking up demands and we're creating problems with consumers unable to get care or unwilling to leave their homes to get care, putting off elective surgeries or maybe not even caring for themselves because they are uncomfortable by telephone or their provider's uncomfortable in connecting for their chronic care maintenance.

But we could see a massive spike in demand, we could see resurgence of the virus itself, which would cause us to have other shelter-in-place incidents. Those things happen and we already have a number of those groups you talked about that simply cannot keep staff-- furloughing their employees, their doctors, their nurses. It's like we're setting ourselves up a little bit for a spike in demand; at the same time we're going to have a real challenge with supply.

JEFF LEVIN-SCHERZ: I think that's true, and we've had a lot of conversations internally when we're trying to project 2021 medical expenses about what is going to happen with this sort of surge of demand. Are a lot of services that are being deferred right now going to end up being delivered in the fall, being delivered in the winter of 2021, and will we see a big increase in overall medical costs?

And I think the answer is, some things that are being delayed now will certainly be done later. People who need cataract surgery, they might go on without it for six months or 12 months, but they'll get it eventually. There are people now who are having their cancer surgery postponed, and clearly those people will need that surgery, and hopefully their cancer won't spread, they'll still be candidates for that surgery.

I think there's a lot of medical care that's not being delivered now which is either being transferred into the virtual visit route, or medical care that's just not going to happen ever. And I think there is a lot of medical care that is sort of routine, and it might be bad that people aren't getting it now, but it's not going to be delivered in higher levels six months or 12 months from now.

STEVE BLUMENFIELD: Yeah. There are going to be different types of demand curves for different types of services, but we'll still have that supply crunch, which I think will create uncertainty and add a little bit of chaos that our clients have to deal with. So you mentioned one of the ways around that is virtual care. What we've talked a lot and heard a lot about, telemedicine and virtual care through other tools like Triage. What we're seeing in the market is for those kinds of solutions as well as behavioral health solutions, solutions around diabetes, chronic care management. Those companies have actively been extending their solutions. So they're all adding a behavioral health module or they're adding a telehealth module, and making that available oftentimes for free for the next three months, for the next six months to try to get employers through this time period.

So one thing that we counsel the folks if you haven't seen these, or if you have a current vendor and you're uncertain, tap your network first, let's just see what you've got to see what you might just be able to extend for free or maybe try from a new vendor without going through a long procurement process. But Julie, any other observations about care in the market or virtual care?

JULIE STONE: Yeah, two things I'll add in. On your last point, Steve, about look at current vendors and partners, one of the things that I think is worth having employers look at is their life insurance services. Oftentimes there are bereavement benefits and estate planning, and it's hard to talk about these things, but there may be benefits available to employees, accelerated benefits that they're not even aware of that really will be highly valued at this point in time. So that's a tip for our listeners.

Coming back to health care and affordability for a moment, many organizations have decided to cover treatment for COVID-19 with no out-of-pocket, but there are still open questions in the minds of some employers, and I want to serve as an interesting way to frame the question, which is more than most other situations-- the likelihood of multiple people in one family incurring expenses in a calendar year is higher as a result. And I don't have the stat data behind it, it's an intuitive because of that transmission, but I think that family expense versus looking at individuals hitting their out-of-pocket maximums and thinking about it is an important way for those employers who haven't yet made a decision as to how they're going to handle that.

STEVE BLUMENFIELD: That's an excellent point, Julie. Affordability-- and what does this do to long-term savings? Are people tapping into those savings? They're being enabled by legislation to tap into those savings, and what does that do for their current level of expenditures? What does that do for their ability to sustain the long-term? Do we create a problem for the future? These are really important things we'll have to tackle in sequence.

All right, we're going to take a break for a moment. To listen to one of the entrepreneur innovators from an earlier podcast, Sami Inkinen from Virta. Let's just listen to what Sami learning about the market today.

SAMI INKINEN: This is Virta Health's CEO, Sami Inkinen. The thing that's most important to employers right now in my view is, first and foremost, the safety and health of their own team members and having contingency plans in place to keep the business going and to be able to help customers to the extent possible, and that's no different for Virta.

And specifically, what we've done at Virta, we have four key priorities. One, continue to deliver amazing patient care to reverse type 2 diabetes, and for example, we've upgraded our production protocol and trained our care team to be ready for any kind of COVID-19-related unexpected things. Two, the second priority is safety of our own team members, and for example, obviously we aren't traveling anywhere, we are all working virtually, and we try to arrange very flexible working arrangements for everyone.

Then number three, we try to stay very, very close to our patients and customers and respond to any new needs, such as being able to deliver virtual provider-led care, because obviously nobody wants people to be driving around to access care if it can be accessed virtually like we do at Virta. And then four, we are trying to publish even more and run webinars where we share our scientific knowledge around what COVID-19 might mean for type 2 diabetes and other chronic disease patients.

STEVE BLUMENFIELD: Let me turn for a second to the topic of testing, because all of us have been on calls-- and Jeff, you and I have been on quite a few of these-- where clients who are in industries where their people interact with consumers are anticipating having to restart, and those consumers and those employees need to feel safe-- and of course, every company that has a facility is concerned with outbreaks in that facility. What can you tell us about the current state of the testing market?

JEFF LEVIN-SCHERZ: Clearly one of the most important things employers can do is to protect the health of their employees, employees' families, and the whole community. In terms of the testing-- and there are a few different types of testing, there's testing to see-- usually with a high nasal swab to see if people have an infection right now. That could be done through a lab, which takes at least a day, often a week. That could be done through a rapid test, but those tests, generally you can't do more than four per hour on a single machine, so that's not a very practical thing before people come in.

Or you could do home tests, and there aren't any of those that have an FDA exemption yet. And then there are blood tests that both to show acute infection and just show antibodies, which suggest probable immunity, although it's too early in this pandemic to know for sure what level of antibody you need to get immunity. Right now, all these tests are in short supply in most of the country, and priority is given to hospital workers, hospitalized patients, people associated with nursing homes, first responders, so there's not very much room for employers to get these tests.

But that will change over time. There are a lot of companies making them. And then once these kinds of tests are available, what employers have to be thinking seriously about is who are they testing, when are they going to get the results, and what is the likelihood that the test result is going to be correct? And then based on that, what are they going to really do about it?

So for instance these tests probably have a sensitivity-- picking up true positives of 70% or maybe it'll be as good as 80%. That means that if you have 100 people who genuinely have COVID-19, 20 or 30 of them will be negative. That sounds maybe a little terrible. If you're screening people with very low risk, you don't actually get that many false negatives. However, if you're screening somebody in New York City today who has a cough and a fever and the test is negative, that person probably still has COVID-19. Just because a test feels like it's very objective, you have to be very careful not to over-rely on it, and really develop a system where you are thinking about tests as part of your risk mitigation strategy, not as tests that by themselves can be the entire strategy.

STEVE BLUMENFIELD: Yeah, this is a really tough one, and I think employers just want certainty, there are people just want certainty, and it sounds like we're not going to have certainty for some time, so that's an

issue in and of itself. How you deal with the fact that this isn't going to be perfect, there is no way to maintain 100% safety, how do you plan around it?

At Willis Towers Watson, we've got a human capital roadmap and guidebook that describes three phases of this crisis-- three stages of action, really, that our employers and all of us live through. The first is managing through the crisis-- that's our initial reaction and adaptation in key areas. Trying to get things right. Then there's the next phase of restoring stability, which is really resetting and reimagining operations under new assumptions in the new normal, as folks like to say. And the third stage, operating post-crisis. This is resuming sustainable operations and a sustainable business model. Redefining what that normal means now that you're operating within that new environment.

Jeff, Julie, do you have any tips for our employer clients as they think about maneuvering through any of those stages?

JULIE STONE: Steve, a couple of thoughts on the restoring stability in post-crisis. I think it's really important for employers to, within their business culture priorities, define what that means. What does it mean from an employee experience, what's the trajectory of their business going to look like, are they bringing people back in waves on-site versus all at one time, and how is their workforce and their actual business model going to change, and how does that influence that first part of restoring stability?

From a longer-term operating post-crisis, I think it is really important to do that reset-- what is it that we bring to our employees? What does our total rewards package look like and should it look like going out beyond this? What has changed? If we will have fewer people coming together in a location all of the time and money we've invested in on-site-- fitness, on-site child care, on-site clinic services, do we reinvest in a different way with our employee population? What's the future bring? And be planful about it.

JEFF LEVIN-SCHERZ: What I would add is that during this phase 2 of restoring stability, I mean, of course as you said, Steve, there's an enormous amount of uncertainty, but what we have to always be looking at is, what do we think the post-crisis world will look like? Each company should be thinking, who will be their customers? What will their customers really need? And always these are thinking about designing-- returning to the workplace strategy is under restoring stability-- to drive success for the post-crisis world.

I think that we will see over time, I think employers should be thinking hard about what did they learn during managing through the crisis. So for instance, three times as many employers-- just about three times as many employers said that three-quarters of their workers could work remotely during the pandemic compared to before the pandemic.

Obviously it's not come without trouble for a lot of people, especially, as you said earlier, the folks that are homeschooling their kids and trying to work full-time at the same time, but on the other hand, there's actually a lot of good that's come from this. How can we be sure to harness all these learnings to be more successful in the post-crisis world?

STEVE BLUMENFIELD: Jeff, what do you think are the one or two absolutely critical things that employers should be thinking about as they begin to plan?

JEFF LEVIN-SCHERZ: So basically, human capital is the most important asset for virtually every business, and how employers are dealing with this crisis is really an important test of leadership and will be an important determination about how successful companies will be in the future. So the first most important thing is protecting the health of workers, their families, the whole community, and I think employers in the United States and really around the world have done a good job at that so far, and need to continue that.

I think identifying what are the firm needs and how to meet both the firm needs and an employee needs at the same time is going to be critical over the coming months. I think that firms are going to be looking for more flexibility, especially to deal with all the uncertainty of the current environment. I think that workers, especially millennials who often came into the workforce around the great recession of 2008, 2009 and now there is a second major economic shock really still relatively early in their careers, I think they're actually

often going to be looking for a substantial amount of security and stability, and figuring out how to balance the companies needs and the employee needs will be really important.

I think that companies which show their employees how deeply they care and show their employees how important the work they do is in keeping our economy and our societies going I think will be positioned well to have the kind of employees that can help them drive success in the future.

STEVE BLUMENFIELD: Great insights, Jeff. One thing that this experience has reminded us all is to touch base with our humanity just a little bit more. We've seen some wonderful stories emerge from this absolute tragedy that many folks were living through. There are some bright spots of hope and opportunity, as you've mentioned, even as we live through this very, very challenging time.

So let's remember, as people, as co-workers, as companies, as employers, that there's much we can do by being there and trying to be better for our people around us. So thanks for that. And thanks also, Jeff and Julie, for being here with us on Cure for the Common Co-- COVID Edition. We plan to have a few more of these quick bursts on topics from financial well-being in light of the crisis to caregiving, chronic care management, behavioral health, and others.

So stay with us. After that, we will return to our normally scheduled discussions with innovators on Cure for the Common Co. Thanks for listening and stay well.

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