

Benefits Weekly Digest

April 29, 2020

U.S. Health Care Costs of COVID-19 Could Range from \$163.4 Billion to \$654.0 Billion

“The authors estimate that a single symptomatic COVID-19 infection would cost a median of \$3,045 in direct medical costs. If 80 percent of the US population got infected, there would be a median of 44.6 million hospitalizations, 10.7 million intensive care unit admissions, 6.5 million ventilators used, and 249.5 million hospital bed days, costing \$654.0 billion in direct costs during the pandemic. On the other hand, if 20 percent got infected, there would be a median of 11.2 million hospitalizations, 62.3 million hospital bed days, and 1.6 million ventilators used, costing \$163.4 billion.” [Full Article](#)

Health Affairs



COVID-19: Life and Disability Insurance Coverage

“Neither federal law in effect prior to the CARES Act nor the recently enacted CARES Act require employers to continue life and disability insurance benefits when employees cease to be eligible for coverage. In response to COVID-19, many (if not all) of the major carriers have agreed to allow coverage to continue for employees impacted by the crisis. This alert outlines the questions employers should ask their group insurance carriers and brokers as well as the steps they should take with respect to these benefits when they furlough or layoff employees or take other employment actions that may impact employee benefits.” [Full Article](#)

Barclay Damon LLP

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Dependent Care FSA Issues During the Pandemic

"An employee who is working from home or working less and does not need, or have access to, dependent care, can be allowed to change (stop or reduce) his or her pre-tax contribution election. If the employee subsequently returns to working on-site or returns to a 'normal' work schedule, another election change can be allowed to increase contributions, assuming that the need for dependent care increases. For employees who have been furloughed, laid-off or terminated, dependent care flexible spending accounts can include an optional 'spend down' feature." [Full Article](#)

Bond, Schoeneck & King



Employer Tax-Free, Deductible Disaster Relief Benefits for Employees

"Qualified disaster relief payment programs were originally authorized under Section 139 in response to the September 11 terrorist attacks. In addition to the favorable tax treatment, such a program may be implemented by an employer with little administrative burden." [Full Article](#)

Krieg DeVault

2020 Medical Loss Ratio Rebates

"Using preliminary data reported by insurers to state regulators the authors estimate insurers will be issuing a total of about \$2.7 billion across all markets – nearly doubling the previous record high of \$1.4 billion last year. The amount varies by market, with insurers reporting about \$2 billion in the individual market, \$348 million in the small group market, and \$341 million in the large group market."

[Full Article](#)

Henry J. Kaiser Family Foundation



Employer-Paid Student Loan Relief for 2020

"The CARES Act relief permits an employer to amend its 127 plan to allow for the direct payment to the lender, or payment to the employee, to pay/reimburse principal and interest payments on a 'qualified education loan' incurred by the employee for education of the employee." [Full Article](#)

Groom Law Group