# Employee Benefits & Workers' Comp News

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# Many States Offer Temporary Work Comp Classification Reductions During Pandemic

**During the pandemic, insurance laws in many states are allowing employers to reclassify employees who normally work in higher rated workers comp classes as clerical or other lower classifications.**

Workers compensation premiums are based mainly on the classifications that apply to a business's workers. For example, office workers are classed with low rates; roofers with high rates. During the pandemic, however, many workers, including those in higher risk classifications with high rates, are not engaged in those activities.

What should a business do? If you drop those workers from your workers compensation rolls completely, you won't be providing any coverage. Remember in almost all states you still have an obli-

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## Retirement Arriving too Early for Many Employees

**Millions of older Americans have left the workforce this year and are not expected to return.**

**2.9 million workers age 55 to 70 have withdrawn from the labor force since March due to the COVID-19 pandemic and temporary shutdown of non-essential businesses, according to estimates published by The New School Retirement Equity Lab, a private New York City research university. That number could skyrocket to 4 million people who retire before they were ready.**

**There is fear that many of these new retirees will face poverty in later years because they didn't save enough money for retirement. Employees who re-**

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gation to provide workers compensation benefits regardless of whether you as an employer carry workers compensation insurance. The degree of risk those employees face now may not be as great, but they can still incur injuries that require workers compensation.

The National Council on Compensation Insurance (NCCI), which acts on behalf of the workers compensation industry in 39 of the states, has made the following update to its Basic Manual rules to address the situation:

"The temporary interruption or suspension of normal business activities caused by COVID-19 may qualify as a change in operations. For example, if an employer continues to pay its employees while they are working out of their homes (telecommuting) rather than an office, carriers may consider a change from the employer's governing classification to Code 8810 — Clerical Office Employees NOC or Code 8871 — Clerical Telecommuter Employees, or other appropriate classifications based on the duties of the employees while normal business operations are interrupted or suspended. Once normal business operations resume, appropriate classifications should be applied."

It is up to the insurance commissioners in each state, however, to adopt these rules.

As a result, insurance commissioners in states such as California, Indiana and North Carolina, have promulgated regulations that permit employers to temporarily change worker classifications in recognition of the lesser degree of risk of many of their employees.

In North Carolina the NCCI rule was adopted, but additional clarifying language was added, saying if separate, accurate and verifiable records are not maintained, payroll is assigned to the classification for work normally performed by the employee prior to any emergency orders, laws, or regulations issued due to the COVID-19 pandemic.

For furloughed temporarily reassigned employees, payroll records must "clearly reflect the division of payroll between pre and post North Carolina stay-at-home order," said the North Carolina Rate Bureau.

Some states, such as California, have gone further and indicated that losses from COVID-19 are not to be included in calculating experience modifications and other rating factors. A news release from the California Department of Insurance says:

"This new regulation will also exclude claims related to a COVID-19 diagnosis from being included in future rate calculations so that employers are not penalized with higher rates due to COVID-19 claims.

"Insurers will also be required to report injuries involving a diagnosis of COVID-19 which will allow the Commissioner's statistical agent — the WCIRB [Workers Compensation Inspection Rating Bureau] — to keep track of COVID-19 injuries, and will aid in the WCIRB's future analyses of the workplace and market impacts.

"The new regulations will go into effect on July 1, 2020."

To further relieve employers of paying premiums on employees furloughed during the pandemic, some state insurance commissioners, such as California's, have made additional changes. According to California Insurance Commissioner Ricardo Lara:

"These emergency regulations also exclude from premium calculations the payments made to an employee, including sick or family leave, while the employee is not performing duties of any kind for the employer. Typically, these payments would be used as a basis for the employer's workers' compensation premium. This change will lower the employer's rate by reducing the amount of payroll assessed, and the employer will not pay premium for paid workers who are otherwise being furloughed."

Please contact us if you have questions about your workers compensation classifications and reporting requirements during the pandemic.

**tire earlier than planned may have to claim Social Security earlier, receiving less than if they waited. They will also have saved less for retirement and withdrawn from retirement assets prematurely.**

**Making the situation worse is that the number of employers offering retirement plans has been falling the last 20 years, according to Bureau of Labor statistics. The COVID-19 pandemic could force one of four employers to drop their contributions to 401(k) plans.**

**As an employer, you can help your employees keep their retirement savings on track by providing them with easy access to benefit advisers. They should be encouraged to create personalized plans to help them determine the best course for optimizing their retirement.**

# Important Steps to Take Before Launching Your Annual Benefits Enrollment

**Paper shuffling, bewildered looks, and frantic note-taking. It's another open enrollment season — the annual 30-day period during which workers choose their benefits for the coming year**

For calendar-year benefit plans that begin Jan. 1, open enrollment often takes place in November. However, enrollment this year won't be business as usual. The COVID-19 pandemic and the need for social distancing have made things more complicated.

To add to enrollment challenges, this year more than ever, it's imperative employers communicate with employees about their choices for benefits. Whether the benefits are health, dental, life insurance or ancillary benefits, employees must understand what benefits are available so they can best take advantage of them. They also need to know which benefits are fully paid for by the employer, which ones are employee-paid through salary deferral, and which ones are shared costs.

There is no requirement that open enrollment be held for a certain length of time, although most employers have an open enrollment period of at least two to four weeks. To determine the timeline that works best for you, work backwards from the date that the information must be completed for the carriers and then work forward to deliver the communications program. Remember to send reminders to employees about the deadline for making their selections.


Before you start your open enrollment, give serious thought to how you will conduct open enrollment, taking into account social distancing. Typically, employers and carrier representatives hold enrollment meetings to discuss changes and options. If you decide you cannot safely hold a group meeting — either all at once or in stages — consider hosting a virtual enrollment meeting via a group video call.

Many small businesses still enroll employees through the traditional paper process. If that is your situation, talk to your broker and insurance carrier about going digital this year. If your carrier doesn't have a system in place, it may be too late to implement a digital system this year, but you can start planning ahead now.

## Best Practices

As always, there are procedures you can put in place to ensure that you have a successful enrollment period. Here are a few ideas recommended by benefit experts:

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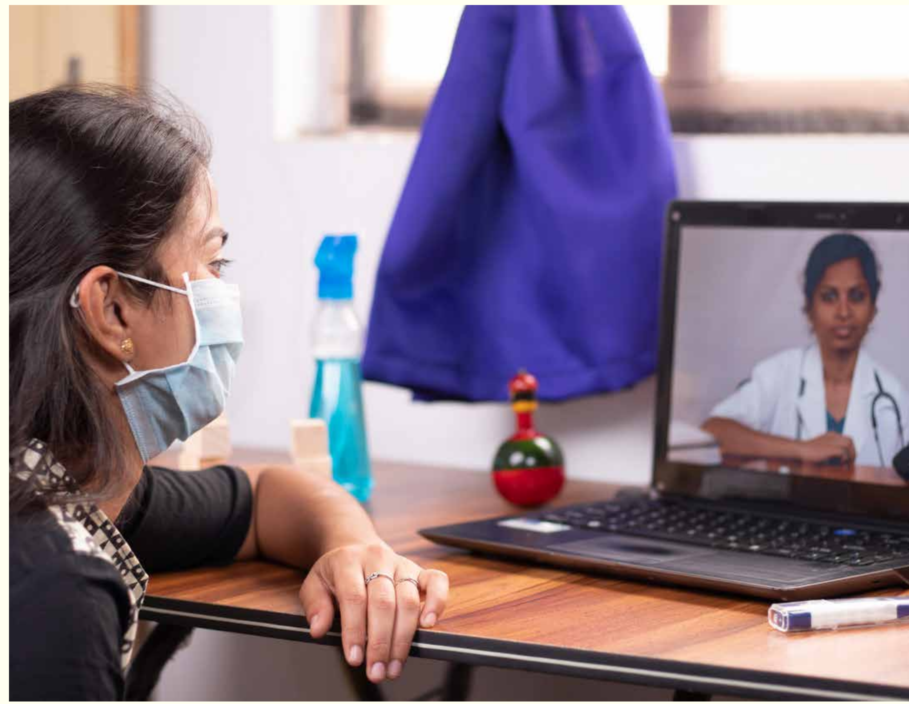
- **Do your homework:** It's easiest to just offer the benefits you've always offered. Instead, review the demographics of your workforce and target benefits to their needs. For instance, young families have different needs than older workers who are nearing retirement age.
- **Use different communication delivery systems:** Don't just rely on an email or one meeting. Your employees get information in a variety of ways. Try to use more than one of the following:

  - ❑ Webinars or video calls
  - ❑ In-person company meetings
  - ❑ Direct mail to their home
  - ❑ Social media
  - ❑ Videos
  - ❑ Intranet posts
  - ❑ Online decision tools
  - ❑ E-mails and instant messaging
  - ❑ Live hotline for questions and concerns
  - ❑ Infographics
  - ❑ Posters
  - ❑ Desktop dashboards or pop-up "Did you know?" benefits messages
  - ❑ Q&As

- **Explain why the benefit package was chosen:** Employees need to know why a certain package was chosen, and they want to know if there were changes to their benefits, such as increased health plan premiums or deductibles. You also can highlight the value of your benefits programs, promote wellness and encourage retirement savings.
- **Inform managers and supervisors prior to the campaign launch:** The more your company's supervisors know about the plan and deadlines, the more they can encourage their team members to enroll ■

# How the Pandemic Is Changing Workers Comp Forever

**In response to the crisis, new regulations have been enacted and advances in technology fast-tracked.**



The COVID-19 pandemic has been forcing many workers compensation professionals to speed up their adoption of new claims and loss prevention technologies.

Many of the changes developed in response to the crisis are expected to have profound and lasting effects. Here are a few of the changes and trends.

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## Broader Acceptance of Telemedicine

Telemedicine is a technology that allows individuals to get professional advice from providers through a smart phone, tablet or computer.

When patients were discouraged from visiting doctors' offices during the height of the pandemic, the popularity of telemedicine surged.

One Call Care Management Inc., a Jacksonville, Florida-based company that provides physical therapy for injured workers, had expanded its offerings to include online telerehab in 2017. However, the service was "not widely offered by adjustors," they said, as a result of poor perception and "technology barriers".

Thus, until COVID-19 most injured workers continued to rely heavily on One Call's brick-and-mortar facilities for treatment of common workplace injuries, such as those affecting the back, shoulders and knees. Now, One Call's telerehab service has become very popular.

The pandemic has helped to push 5 percent of the population into using some form of telehealth since the outbreak began, translating to approximately 16.5 million new users with 88 percent saying they would it use again, according to One Call.

The aging workforce, defined as those 55 and older, has also been responsive to the option, as they represented 35 percent of recent telerehab adopters, according to One Call.

In another instance of telemedicine's new found acceptance and popularity, prior to the pandemic, Novant Health had been conducting about 200 telemedicine appointments per week. Now that number has leaped to more than 12,000 per week. Even though brick and mortar offices are opening again to provide care, Novant Health reports that the number of virtual visits at its facilities is now about 2,000 per day — and they don't expect that to change anytime soon. Notwithstanding the pandemic, many patients are more comfortable receiving care this way — particularly since they don't have to waste time driving to a visit and sitting in a waiting room.

Another reason for telemedicine's new popularity can be found in the CARES Act, the $130 billion in financial relief allocated to health care operators. The Act relaxes many regulations that formerly constrained the use of telemedicine. Mainly, the federal government now allows doctors to practice telemedicine in states beyond those in which they're licensed.

In addition to telemedicine, the COVID-19 pandemic may leave other lasting impacts on how the workers' compensation industry uses technology. Here are a few additional technologies we expect may also play a bigger role in the industry moving forward.

## Mobile

The pandemic has forced many companies to focus more on remote operations, making the use of mobile apps more important. Mobile apps can be used to help employees make timely reports of on-the-job injuries and facilitate communications with management and medical providers.

The technology publication *Telecrunch* predicts spending on remote working mobile apps will double by 2024.

## Wearables

Wearables such as heart-rate monitors or step-tracking devices will have a major impact on monitoring employee health, as their use increases from its current share of just 6.5 percent of the workforce, according to Telecrunch. "As a result of the pandemic, we anticipate that wearables may become more popular in the workers' compensation industry than anticipated, as providers explore ways to stay connected with patients remotely."

## Analytics

Many companies are monitoring how the pandemic is affecting their workforce, tracking the return to work process, how health care is being accessed and other metrics. The kind of data analysis being used during the pandemic will surely be adapted to other workers compensation loss prevention tasks in the long run, adding yet another innovation to the technological tool kit.

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# Importance of Flu Shots Heightened During the COVID-19 Pandemic

**Health care workers faced a difficult challenge this year — treating patients with the unpredictable COVID-19 virus. But now that fall is upon us, health care workers have an additional challenge — the common flu.**

Flu season usually starts in October and peaks between December and February. Battling COVID-19 at the same time as the flu has many experts in the health care industry concerned. That is why many are campaigning for individuals to get a flu shot.

If you offer flu shots onsite, consider offering them as soon as possible. And, if you have employees working from home, encourage them to come into the office for the shot or suggest they visit their doctor, pharmacy or supermarket to get inoculated. Off-site vaccination sites are planned this year at community centers, senior centers, libraries, sports arenas and parking lots.

According to the Centers for Disease Control and Prevention (CDC), the U.S. flu vaccine is 40 percent effective on average, because it is developed at the end of each flu season and is based on the four most prevalent strains of the flu circulating at that time.

Of course, the same strains may or not be present the next flu season. Still, those vaccines reduce the chances that someone exposed to the virus will have symptoms severe enough to visit a doctor or hospital. And, while a flu vaccine will not protect against COVID-19, it can reduce the risk of illness, hospitalization and death. It also can help a health care system already burdened by COVID-19 and lessen the odds flu and COVID-19 patients will infect each other.


Anyone older than the age of six months can get a flu shot. However, the CDC reports that more than half of Americans don't get immunized in a typical year.

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