

# Our COVID-19 pandemic response

For more than 70 years, Arkansas Blue Cross and Blue Shield has gone the extra mile to improve the health and lives of our fellow Arkansans – in good times and bad. Our response to the COVID-19 pandemic is no different.

The coronavirus has left many Arkansans facing tough medical and financial choices. Consistent planning left us prepared to act quickly, with a targeted approach to safeguard our state's physical and financial health.

From the onset of this public health emergency in March 2020, through the end of 2020, Arkansas Blue Cross did not cancel a single individual or group policy for nonpayment of premiums. **Even in this trying time, not a single Arkansas Blue Cross customer lost healthcare coverage because of the pandemic's fiscal and physical hardships.** People who have needed healthcare have been able to receive it. The health professionals who have provided it have been compensated. Every time.

Our response has been coordinated and comprehensive to support our members, healthcare providers and the local communities we serve throughout Arkansas. Below is a short summary of some of the actions we have taken:

- **For our members** – In early March 2020, we implemented temporary voluntary, expanded COVID-19-related benefits for our fully insured policyholders. Some of these actions were later mandated by state and federal governments. (Sponsors of self-funded health plans decide on their own coverage changes, and we've been there to help them, too.)  
So far, we have:
  - **Waived member costs** for COVID-19 diagnostic tests and treatment.
  - **Increased access and coverage for telehealth services** for medical care, dentistry, behavioral health services and select therapeutic services (with no cost to the member in most cases).
  - **Enhanced access to maintenance of prescription medications** and extended prior authorizations on many medications for 90-day supplies.
  - **Helped groups and individual members** maintain vital health coverage.
  - **Assisted healthcare providers** in reducing the economic impact to their practices and facilities with cash advances, advanced payments and other assistance.
  - **Communicated to our members not to delay medical care** and to assure them of the safeguards now in place.
  - **Assisted with coronavirus contact tracing** in partnership with the Arkansas Department of Health.
- **For our group customers** – COVID-19 has hit our state's employers hard, and to help them keep their employees covered, we have worked closely with them and temporarily relaxed some of our usual requirements. So far, we have:
  - **Relaxed our delinquency and cancellation processes** and extended grace periods for delayed or unpaid premium payments, so people didn't lose coverage.
  - **Relaxed requirements** on business status, group size, layoffs and terminations to allow employees and groups to keep their coverage despite the impact of the pandemic.
- **For our healthcare providers** – From the early stages of the pandemic, we have focused on helping healthcare providers deal with cash flow issues while they worked on the front lines to deliver care to Arkansans. Actions like these have already injected tens of millions of dollars into the healthcare system:
  - **Expanded access to telehealth** to provide a safe way for providers to serve their patients – and get paid – even when clinic access was severely restricted.
  - **Six-month, interest-free cash advances** available to not-for-profit hospitals and health systems that have limited access to capital.

- **Early payments (by as much as six months)** to selected providers for shared savings and incentives earned for achieving quality and cost targets.
  - **Suspended prior approvals** for inpatient, outpatient and ambulatory surgery services to ease administrative burdens during the pandemic.
  - **Reminders to the public to seek care** via paid ads and other means to encourage Arkansans not to delay care and to re-engage with the healthcare system.
- **For our employees** – We equipped 90 percent of our employees to work remotely to keep them safe and ensure the continuity of our services.
    - **Committed to continue to pay claims faster** than anyone in the market.
  - **For our communities** – The Blue & You Foundation for a Healthier Arkansas is awarding \$4 million in grants to benefit Arkansans in need. These grants stay in our state and serve our local communities. So far, we have provided:
    - **\$500,000 to fight food insecurity** through grants to relief organizations.
    - **\$150,000 to the Arkansas Community Foundation**, matching funds from other corporate and philanthropic leaders.
    - **\$286,000 for COVID-19 education in Latino and Marshallese communities** in Northwest Arkansas.
    - **\$1.7 million through the Rapid-Response COVID-19 Relief Program**, with almost \$1.5 million going to provider-led coronavirus-related screening, diagnosis and treatment programs at:

- The University of Arkansas for Medical Sciences (UAMS)
- Jefferson Regional Medical Center
- Drew Memorial Hospital
- Conway Regional Medical Center
- St. Bernards Medical Center
- Madison County Medical Group
- Arkansas Hospice
- Mercy Health Foundation
- Mercy Health Foundation Northwest Arkansas
- Arkansas Rural Health Partnership
- White River Health System

**Understanding the Financial impact for insurers** – It is much too soon to know the final effect the pandemic will have on health insurers. It is likely to vary greatly based on geography, COVID-19 severity, policyholder and group “mix,” and other factors. Delays in medical care caused by the pandemic will have other effects, yet to be measured, on future utilization and/or health outcomes. There are still many unknowns.

We need to be prepared for possible new “waves” of COVID-19. We need to weather the time it will take to develop and administer an effective vaccine. Arkansas Blue Cross must continue taking responsible steps to ensure that it is financially strong and able to support future pandemic-related costs, along with whatever else the future may hold for Arkansas and its healthcare system.

I hope this overview provides you additional information of the ways in which we have responded to support our state during this crisis. We remain committed to our members and the dedicated healthcare providers who continue to provide vital services to all Arkansans. Please feel free to contact me or any of our team with any questions or concerns you may have now or in the future.

## Take care and be safe.

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