

## Top 5 emerging employer developments due to the coronavirus pandemic

The coronavirus (COVID-19) pandemic has created paradigm shifts in business, lifestyles, entertainment and our daily activities. While we have witnessed that the COVID-19 virus may have slowed some business growth, many have adapted their business model and prospered.

In this piece, we explore the interconnection between your employees' health and finances. As a leader, you have the opportunity to encourage and share financial and health education with your teams. During these unprecedented times, you can leverage and communicate the new normal that this pandemic has created on a local, national and global basis.

### Emerging developments

**TREND**  
**1** **SPENDING HAS BEEN DOWN DUE TO "STAY AT HOME" MANDATES.** As these mandates expire, we have begun to witness an increase in paying for qualified medical, dental and vision expenses with health accounts and health savings accounts (HSAs). Additionally, as states are allowing elective and minor medical procedures to continue, it may be an opportune time to remind employees that they can use their HSA dollars to cover these costs.

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These current events have affected how employers adapt and have created new trends, including helping employees return to the office in a safe, socially distant manner.

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Remember, major health plans and many self-insured plans have waived member cost sharing for COVID-19 virus testing at approved locations (in accordance with CDC guidelines). That waiver includes copays, coinsurance and deductibles. For those plans that don't waive these costs, account holders can use their funds to pay for testing. In addition, qualifying high deductible health plans (HDHP) paired with an HSA will not lose their tax status because they cover testing or treatment costs before plan deductibles are met.

**TREND 2 SOME EMPLOYEES CONTINUE TO INVEST THEIR HSA DOLLARS.** We have seen an increase in investing since the beginning of the year — which may mean that people who are healthy or putting off medical procedures are continuing to save. This will help employees prepare for unexpected health costs or to have the funds available to pay for a procedure. Saving and being prepared can help employees lower stress and anxiety associated with paying for health care — enabling them to make better health decisions now and in the future.

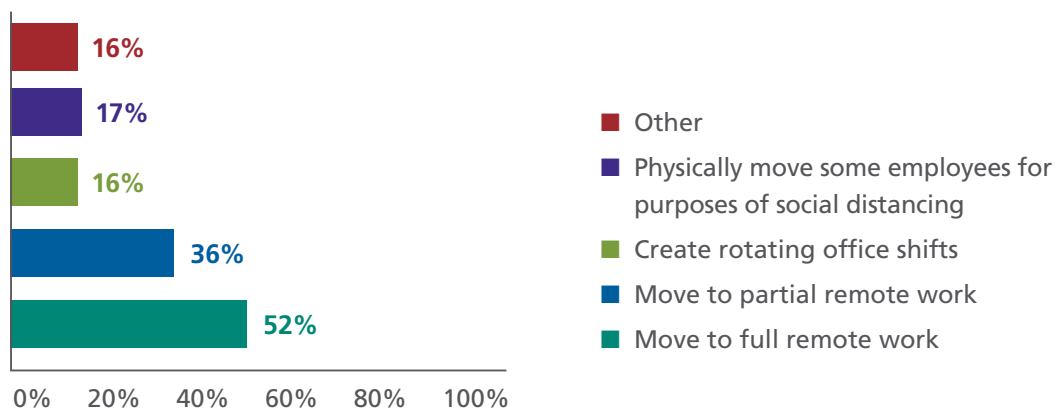
**TREND 3 NEW CRISES BEGET NEW REGULATIONS.** Recently, the IRS and DOL have released several new regulations to extend deadlines for filing HSA expenses, tax submissions, form filings, contribution reimbursements and more. For example, filing for taxes was extended, as was the time provided to submit reimbursement claims to health accounts. As a refresher, below is a summary of HSA contribution limits from 2019 to 2021:

| HSA limits                | 2019    | 2020    | 2021    |
|---------------------------|---------|---------|---------|
| Individual coverage       | \$3,500 | \$3,550 | \$3,600 |
| Family coverage           | \$7,000 | \$7,100 | \$7,200 |
| 55+ catch-up contribution | \$1,000 | \$1,000 | \$1,000 |

**TREND 4 REMOTE WORK AND SOCIAL DISTANCING MAY BE THE NEW NORMAL FOR BUSINESS<sup>1</sup> — INCLUDING HEALTH VISITS.** In response to the pandemic announcement, more than 51% of the surveyed companies have moved to full remote work and more than 36% have moved to partial remote work.

And the health community has responded similarly, moving visits from in-office to video conferencing to protect patients, health care workers and more. A qualifying HDHP paired with an HSA may provide pre-deductible coverage for telehealth and other remote care services. This provision will last until December 31, 2021. Note that the benefit plan year must begin prior to this date.

Employer response to pandemic announcement<sup>1</sup>





**HEALTH CARE AND FINANCES WILL RETURN AS A TOP PRIORITY THROUGH THE RECOVERY AND HEALING PERIOD.**

Encourage your employees to continue to save for their health care as preparations help to improve behavior and potentially improve health outcomes.

Remind your employees that their HSAs are portable and have no “Use it or lose it” rule, so these dollars can be accessed at any time. Employees can also consider depositing their federal stimulus money on a tax-advantage basis into their HSA (up to the IRS established limit), helping to invest and potentially grow their account. If there are any questions, advise employees to consult with a tax advisor, benefits representative or legal counsel.

**Help employees stay connected with their health and financial well-being**

**SUPPORT AND ENCOURAGE THE CONNECTION BETWEEN FINANCIAL SECURITY AND HEALTH.**

Remind employees that they have their HSA dollars for times like these. An HSA stays with the individual, even if they are not actively employed, and can be a source of financial security when dollars become tight.

New regulations passed in 2020 allow for certain over-the-counter (OTC) drugs and medications to be paid for using HSA dollars without requiring a doctor’s prescription. Examples of OTC medication include pain medication, allergy medication, nasal rinses and more.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act also includes menstrual care products as a qualified medical expense (QME). This includes tampons, pads and other feminine hygiene products. This regulation applies retroactively to purchases beginning January 1, 2020. Your employees can use our [QME tool](#) at [optumbank.com](http://optumbank.com) to find out what products and services are covered under an HSA.

**ENCOURAGE EMPLOYEES TO UTILIZE TOOLS AND RESOURCES THROUGH THE OPTUM BANK WEBSITE.**

If you have not already done so, you should look at options for employees to increase their health and finances support systems via our website and mobile app resources through [optumbank.com](http://optumbank.com).

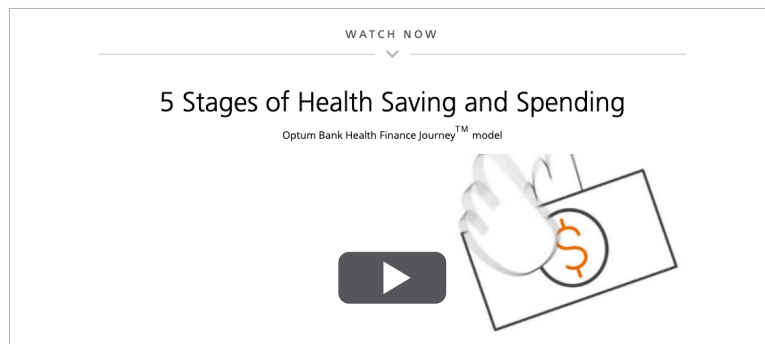


HSA dollars roll over year after year and can be invested after an employee meets the minimum threshold.

Currently the following items are **not** considered qualified medical expenses eligible for purchase with HSA dollars:

- Masks
- Hand sanitizers
- Antibacterial products

Please visit our [qualified medical expenses](#) page for a full list of QMEs.



Watch our Health Finance Journey™ model video to learn more.

Practices that employers can embrace include encouraging engagement in their health account by understanding the Health Finance Journey™ model and which of the [5 Stages of Health Saving and Spending](#) they fall within. Within each stage, people face a variety of goals, mindsets and activities. Some consumers may take months to move through the stages — others may take years. But each stage is an important step toward health and financial well-being. If possible, continue to encourage employees to contribute to their HSA so they are prepared to pay for health care, now and in the future. Employers should also consider not stopping contributions to employees' HSA during these times.



### In closing

**WHAT HAPPENS NEXT?** Employers are adapting to the new normal. So is Optum Financial. We have already witnessed that this pandemic has changed the health and financial sectors in unforeseen ways. And we are responding in kind. For example, our parent company, [UnitedHealth Group](#), has promised more than \$1.5 billion in assistance and premium support to aid in alleviating our members' financial struggles.

As leaders and influencers, your employees will be looking to you for guidance in this unpredictable world.

#### Here are some ideas to consider:

- 1 Tailor the coronavirus pandemic messages to employees based on the current situation, news and how it may affect them in their daily work life, return to the office and personal lives.
- 2 Provide multi-channel communication opportunities as people consume information in multiple ways. The more and different mediums you can use to reach educate employees should result in an increase in engagement.
- 3 Reward employees for saving by contributing to their HSAs and offer incentive and reward programs.
- 4 Optum Financial clients can participate in our [5 Stages of Health Saving and Spending](#) module to discover the potential for savings and the connection to their health behaviors and finances.

**For a list of frequently asked questions regarding health accounts and COVID-19, visit [optum.com/covid-19/health-accounts.html](https://optum.com/covid-19/health-accounts.html).**

1. Blank Rome. [blankrome.com/publications/covid-19-survey-results-reflect-variety-employer-response-uncharted-territory](https://blankrome.com/publications/covid-19-survey-results-reflect-variety-employer-response-uncharted-territory). COVID-19 Employer Trends Survey, March 2020.

## Authors

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Prior to joining Optum, Paul was Divisional Vice President at Boston Financial Data Services where he had responsibility for the organization's relationship management and client-facing operations. He has also held executive roles at NewRiver and State Street Bank.

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Barb Page is the vice president of marketing for Optum Financial. In this role, Barb is responsible for the marketing strategy and execution for Optum Financial. She brings over 30 years of financial services experience and health care expertise to the marketing arena for Optum. Barb has a master's degree in business communications and a Master of Science degree in health care leadership.



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