

Straight Talk Podcast #9 Transcript
Recorded April 22, 2020; published April 24, 2020

Music ([00:00](#)):

[Intro Music]

Mike ([00:13](#)):

welcome everyone to a new edition of straight talk podcast. This one's specifically focused on COVID-19, something that's affecting us all right now. Uh, my producer, Lindsey Burton is here with me. I'm Mike Bertaut, the healthcare economists for blue cross and blue shield of Louisiana. Thanks for joining me today, Lindsey.

Lindsey ([00:33](#)):

Thank you Mike. This is quite a different podcast. We're not sitting in the same room.

Mike ([00:40](#)):

No, I'm afraid we'll have to all make adjustments but uh, we've been very blessed honestly to have such great technology to be able to work from home during this crisis and keep our at risk family members protected from COVID. I'm very grateful for that.

Lindsey ([00:57](#)):

Yes, and you really, truly, a lot of the blue cross employees are working from home. Um, we have changed a lot of things in light of this emergency. Do you want to fill us in on some of this things?

Mike ([01:08](#)):

Sure. It's important to understand that blue cross has been designated and essential business. And when you think about the amount of money we pour into the healthcare system in Louisiana, um, our operations are critical to making sure docs and hospitals can continue to do what they normally do. Now, um, our regional offices, there are eight of them scattered around. The state are closed, but our corporate headquarters is still open. We don't accept visitors naturally, but almost all of our employees had been able to transition into working from home. In fact, only about 10% of our normal workforce is essential to moving back to the office. So they have to be in the office every day.

Lindsey ([01:55](#)):

Yeah, I'm working from home. You're working from home. Our audio engineer, Desiree, who's on this podcast as well is working from home. It's been different. Um, and then of course, you know, as a nonprofit health insurer in the state of Louisiana, the largest in Louisiana, we have reserved for these kinds of disasters. Right? We are still operating.

Mike ([02:20](#)):

Yeah. I like to think of blue cross and blue shield of Louisiana as uniquely qualified to handle the current crisis. Um, we have a rainy day fund that has demonstrated in the past to be critically important to Louisiana's healthcare system. It got us through Katrina. It got us through Rita and we're anticipating it'll help us to get through COVID-19 and really bottoming out of oil prices. Um, we've seen corporate clients, remember 90% of the people who have insurance with us have insurance because they were,

they have a job or they're related to someone who has a job. So keeping their employers in the game and solvent is just critical. We've been giving extensions to businesses that are trying to align up new financing because our operations have been curtailed by all of the orders associated with COVID-19 and we're waving cost share and completely for blue cross members who are being tested or treated per COVID-19 in all of our fully insured and individual markets.

Mike (03:23):

Our large self-funded clients have an option to pursue that as well if they would like, um, we've put in some things to try to make it easier for people to keep on their maintenance medications. We waived early refills. We allow early refills on prescriptions. What we're trying to do there honestly, is to minimize how often people have to go out in public. If you only have to go to the drug store every other month or if you can get 90 day supplies and your meds, that's a big deal. And a lot of our drug store partners, CVS for example, are doing delivery in limited areas. So I encourage you to take advantage of that if you can. And we know that the federal government has created the payroll protection plan, which has already gone through about \$350 billion of loans and there are another 300 billion being debated. As I'm speaking to you now. And we have been negotiating and talking to our brokers and our clients and we're trying to help make sure that whatever paperwork they need to get that money flowing, if we can provide it, we're absolutely on the front lines of making sure that happens.

Lindsey (04:30):

That's really good to hear. Um, a really big change that we've done is we've waived cost sharing for BlueCare our telehealth provider. Uh, and then also last week we announced that we're waving cost sharing for other in network Louisiana licensed telehealth providers. So if your doctor offers a telehealth option, you can do that instead of going into the office. I know my kids' pediatrician has started that. They did not previously offer telehealth, but they quickly got that on board. We've actually had a couple of appointments that way anyway for regular kids stuff. But why is that really important? That waived cost sharing?

Mike (05:06):

Yeah. Well you, you know, you and I have debated many times about when tele-health would take off. You know, and I assumed originally it would be a generational issue. You know, that millennials and people who are used to living through their devices, whether it's a tablet or a smartphone, would find this to be a no brainer for them. Well, COVID-19 really accelerated that process. So it's critical for our members, many of whom already have chronic conditions, diabetes, high blood pressure, high cholesterol. You know, we get reports nationally that people are delaying care because they're afraid to go publicly and expose themselves to covet 19 in a public place. And we hear of stories of people delaying care for heart disease or appendicitis or all sorts of problems to the point where they need much more intensive care by the time that's done. Um, you know, I can understand a reticence to want to go to a doctor's office or go to an ER right now.

Mike (06:08):

But honestly, it's critical that if you are having an emergency that you do something about it and that you not delay that care. Delaying care can usually result in more expensive and more intensive treatments. And honestly, the medical providers out there have a really good handle on separating patients. You know, if you show up at a doctor's office, they would probably test you for COVID or take your temperature. And they're really good at isolating patients who don't have COVID-19 from everyone

else. So I really would encourage folks not to delay. Um, if you're having a serious health issue, make sure you're getting your scripts filled. Make sure you're taking your maintenance meds. Don't delay any of that treatment just because you're afraid that, you know, you may pick up COVID at the doctor's office. It's critical to remember that now that we have telehealth and through your smartphone or your tablet, you can get access to a doctor or a professional who can diagnose what's going on with you.

Mike (07:05):

This is an easy and low risk way to figure out if you really need to go to the doctor or not. They'll give that a shot. We have facilitated that process at Blue Cross by making all of telehealth free. We're, we're at \$0 million visits, no copays, you know, where covering deductibles and things like that. Anywhere we can. We've also added behavioral health appointments. This tragedy has been very hard on people, not just physically but mentally to be removed, you know, and isolated from the world for a while. That's hard on folks. So you can use mental health professionals via our platform. You can use physical health professionals without having to worry about, Oh, do I have money for copays or have money for co-insurance. We're also waving cost sharing for other telehealth visits within network providers who are providing their own platforms of telehealth. So you know, blue cross is not alone in this. I'll tell you most health plans, whether you're blue cross customer or not, have expanded telehealth for the same reasons. So be sure and check and see which telehealth visits are covered on your health plan.

Lindsey (08:12):

I will say that, uh, in the interest of being fully transparent, um, our larger self-funded groups, those groups that pay for their employees, self employed employees, insurance costs on their own, may not have opted into the telehealth, uh, waived cost sharing. So if you aren't sure what your group health insurance is, how it's paid for, you can call the number on the back of your card, our customer service. We'll be happy to tell you exactly what's included in your plan. And then so one other thing that blue cross is doing is we're putting money directly into the community, right?

Mike (08:51):

Yeah, absolutely. You know, one of the beauties of the blue cross model is, um, if our stock is going down, we don't really know that because we don't have any, we're not publicly traded. Um, what we care about is cashflow. Are we able to pay our bills and to make sure we're funding within the community. And the blue cross plans nationwide have committed over \$3 billion to making sure that COVID doesn't become a, a threat that, you know, defund people's healthcare. So between direct grants to groups that are fighting the disease to waive copays, to delayed premiums, to all of the investment the blue plans are making right now that total is approaching \$3 billion. And I would expect it to continue to grow. Just our local foundations so far has distributed \$2 million to organizations locally who are in need. And um, we really increased that the board of directors that our blue cross plan in Louisiana has added another 3 million to those contributions. So we're really immeshed in getting the community adjusted and through this COVID pandemic.

Lindsey (10:01):

And we're not just paying for health care, we're paying for or food programs, housing, um, you know, providing more and more of what people need today. This is a really tough time.

Mike (10:14):

Yes it is. And you know, we, we had a pretty significant population that were disadvantaged in their health before this started. You know, not necessarily blue cross members but just Louisianians people we care about and this money being directly injected into the economy is designed to reach all points of the campus, not just blue cross membership.

Lindsey ([10:36](#)):

All right, well let's move on to what this podcast is all about. What's happening with the affordable care act, the ACA in response to the coronavirus pandemic?

Mike ([10:45](#)):

Yeah. Well, um, the, even though we've heard national reports that they're not going to do a broad, a special enrollment period on healthcare.gov for whoever shows up, the current special enrollment triggers that are built into the law are going to be sufficient and going to be very valuable to a lot of people who are being furloughed and laid off and losing their benefits. Right now remember, if you lose your healthcare coverage because of an involuntary reduction in your hours, job loss benefit laws, if your employer can't contribute to your benefits anymore and they become unaffordable, all of these things can trigger special enrollment and the special enrollment period runs for 60 days from the date of the actual event. So you don't have to, you know, if it was three weeks ago or four weeks ago, you still have a window to continue health insurance benefits through healthcare.gov in addition to that, if you put in your income and it comes out below a threshold, typically below 250% of the poverty line for children and below 138% of the poverty for adults, you'll be Medicaid eligible, most likely in Louisiana because we're one of the few Southern States that actually took up the ACA Medicaid expansion.

Mike ([12:02](#)):

So right now there are very limited cases where you shouldn't be able to get health insurance benefits so you can be protected and at least maybe take some of that financial worry off your plate if someone gets ill.

Lindsey ([12:14](#)):

Right. And right now I can't think of a better time to have health insurance. All right, well, speaking of the financial ramification of COVID 19 part of the cares act included health for hospitals to treat people with COVID 19 especially uninsured people. What's going on with that?

Mike ([12:33](#)):

Well in the cares act, the federal government set aside about \$120 billion that could be directly injected in the hospitals who were treating COVID-19 patients and they were trying, what they were trying to do is to help the hospitals make up for all of the business that they've lost because non-covered care pretty much dried up. People just stop going to the facilities and also COVID care is spotty. Some cities were hit very hard, subsidies weren't. One of the challenges in distributing that money is because the fed wanted to get it out to hospitals really fast. They had to find a way legally to distribute it in a way that works with CMS rules and so they were able to distribute it quickly. If they said whatever proportion of Medicare patients you have, whatever percentage of Medicare spending you've had over the last year or two, we can send you that chunk of this money.

Mike ([13:30](#)):

So that caused a few issues because some areas that were not hit very hard with COVID but do tons of Medicare business, got an immediate injection of cash and probably maybe they didn't need it. And some of the places that were the hardest head weren't necessarily the ones at the top of CMS has list for Medicare payments. So right now they're having negotiations to try to sort all of that out and redirect as much of the money as possible to the COVID-19 hotspots. But you know, kudos to them. They got the money out there really quickly. I mean, when you think about the way the federal government normally distributes funds, I mean, I've got family members who've already gotten 1200 bucks in their checking account, right? I've got family members who are on unemployment. We've already seen the federal \$600 boost in their unemployment payment that quickly. You know, and hospitals have already gotten a big chunk of the, 100 million is already been distributed. So I'm not complaining about that. I've never seen the federal government response so quickly and pour so much money onto a problem.

Lindsey ([14:31](#)):

Yeah, definitely a good thing. Um, so we know how important those payments to hospitals are. There was an article in the advocate recently that talked about, included some information about this, our local hospitals here in Baton Rouge and how much money that they are losing out on. We know Louisiana took a first small step, uh, just this week we're loosening those restrictions that the governor had originally put in place. Uh, banning all elective procedures. Now they're telling the medical providers that they can resume some of those times sensitive medical procedures. How will that help things?

Mike ([15:12](#)):

Well, the good news is that the state government is heavily engaged in setting guidelines and setting processes and procedures that medical professionals can follow to partially reopen and start seeing and encouraging some patients that are not necessarily COVID-related to come in and get taken care of. I mean, the last number I saw there were about 1800 patients statewide that are hospitalized for COVID, about 300 350 that were on ventilation. Right. Well that's a very small percentage of the state's hospital beds and a very small percentage of the state's healthcare capacity, thankfully. Right? So it's important to the hospitals for their cashflow and to make sure that there aren't people out there delaying necessary care that they can start seeing non-COVID-related patients again. But if you're going to do that, people are going to have to have confidence that they can go in and out and not pick up COVID along the way.

Mike ([16:12](#)):

And so kudos to our state, our department of health, um, who have worked closely with CDC to make sure that guidelines are being distributed on how to behave, how to protect patients, how to make sure docs and medical professionals follow all the steps and all of their processes and procedures to protect those patients when they come in for non COVID care. And so I think this is a good step. I think it's important and I think that the state has shown really good leadership and making sure that these guidance, that this guidance is distributed very widely and very quickly. I'm on three email distribution list and I see essentially the same message coming from all three, which is critical that we're all on the same page. So this is a good first step into kind of restarting medicine inside of the state.

Lindsey ([17:01](#)):

And of course as we talked about earlier, blue cross and blue shield of Louisiana, we're in good financial shape. We're ready to continue to keep paying for that care that is maybe technically elective, but very,

very necessary for those who need it. You know, we're not talking about tummy tucks and boob jobs right now.

Mike ([17:20](#)):

No, probably not. But the reality of the situation is that, you know, we're still in Louisiana, which you know, is the state in the United States with just about the lowest household aid, common, some of the worst house outcomes, you know, before COVID before all of this started. So we know there's pent up demand for care. We know there are people out there who need coronary stenting or some other type of procedure who may be just living with some pain or living with that condition because of the fear of COVID and being able to restart the medical system and let those folks come in and get fixed up without having to be afraid of catching this virus is huge and uh, steps in that direction are important. We're certainly ready at blue cross to support our members in those efforts.

Lindsey ([18:09](#)):

Great. All right, last question. How has COVID-19 affecting the rest of healthcare and the economy? From what you can see?

Mike ([18:17](#)):

Unfortunately Louisiana is susceptible to kind of a double whammy from COVID. First of all, we had the disease, the stay at home orders, the closure orders, which slowed the economy down drastically. But at the same time we had global producers of oil and local producers of oil there stream running of oil being pumped out of the ground. It has not been interrupted, but at the same time, demand for that oil has dropped off dramatically. I'm sure most of the people listening to my voice of buying a lot less gas than they were two or three months ago. I know I am, but that's just one small piece of the puzzle. And so what's happened is we've got a state budget item that anticipates oil running about 50 to \$55 a barrel for us to continue to be on a level keel in places like Lafayette and the Shreveport market where and Houma, especially where petroleum drives a lot of the industry there.

Mike ([19:13](#)):

First we saw oil for future delivery go down to around \$20 a barrel, which is below the cost of pumping it out of the ground in many places. So for Louisiana to get hit with an economic decline from COVID bars, restaurants, hotels, casinos, all shut down and at the same time to have our petroleum income halved or even worse in some cases is going to take some time to come back. When COVID restrictions are relaxed, I'm going to be watching the price of West Texas intermediate crude just as much as I am the economic activity within the state because getting our economy back where it was will require corrections in both. And so we need to be aware of that.

Lindsey ([19:57](#)):

This is certainly not a correction that'll happen in one day or a couple of months.

Mike ([20:02](#)):

No, I would expect that we won't see a significant recovery in petroleum appliances for a few months at least long enough to burn off this surplus. Um, I read just today that the federal government is considering adding more oil to the strategic petroleum reserve wa the, the nation store's oil. Just like we have reserves of cash for our membership, the nation's stores, oil and salt domes all over the country and secure locations that are specifically designed so that if our oil supply is damaged or interrupted, we

can have petroleum to keep the economy going. That oil is purchased at different times of the year. I can't think of a better time to buy oil for the reserves than when it's down the prices we see today. So it makes sense for the government to stock up. Now hopefully that'll help to ameliorate some of these surpluses, but we've got to get this huge amount of oil that's just sitting. We've got to burn that and move it along and that's going to take some months.

Lindsey ([21:05](#)):

Oh, we're wishing everyone the best. Especially we know a lot of those oil producers in Louisiana and many of them are clients of ours. They're blue cross customers. So we want to work with them, help them out as best we can. Um, all right Mike, thank you so much for your time. I think that we're wrapping up.

Mike ([21:22](#)):

Excellent. And Lindsey, it's really good to talk to you today, even if it's remotely right and um, we're so grateful. We know how hard our members are working to continue to pay their premiums and to continue to support the system. And I just want you guys to know you're, you're a blessing to the whole state, not just to blue cross because 85 to 90% of that money that comes in our front door is going right out the back door to hospitals, doctors, pharmacies, to support the healthcare of the people in the state. And we would like very much to continue to do that.

Lindsey ([21:59](#)):

And we certainly want everyone to know that they should use their healthcare when necessary. If you're feeling chest pains, if you've got stomach pains in that area where your appendicitis says, don't wait, seek care.

Mike ([22:12](#)):

Yeah, you guys, God blessed a bunch of you. Be safe out there because we know that it's going to be tempting as they relax restrictions to just run out and start having a good time again. And we don't want to have a second wave in this stuff. So let's all be smart about the way we reopen our economy.

Music ([22:30](#)):

[Exit Music]F