



After the Tsunami

Mitigating COVID-19's Long-Term Impact on Employer Costs

By now you've likely seen either ripples or tidal waves of health issues caused by the pandemic in your own workforce – escalating depression and anxiety, the results of delayed health screenings, and the care needed during and after a COVID-19 diagnosis. The long-term side effects and their consequences are going to be tricky to navigate and likely quite expensive.

The broader implications for your healthcare costs when this is all over are not speculation. Several indicators of the scope and scale of this issue, particularly in the U.S., are making themselves known now. This gives you and your organization some valuable time to prepare for what's ahead.

U.S. faces high hurdles

To give you an idea of the magnitude of future COVID-19 related challenges U.S. employers will face, think of this. According to a report by the [New England Journal of Medicine](#), the U.S. has just 4% of the world's population but, as of July 16, our country has approximately 26% of the world's COVID-19 cases and 24% of its COVID-19 deaths. It's not surprising then that [PWC's Health Research Institute](#) projects as much as 10% higher medical costs for employers in 2021 alone.

The COVID-19 Syndrome

Long-term side effects of the virus are starting to surface and its name is the COVID-19 Syndrome.

In fact, evidence is increasing that victims of the coronavirus will face perhaps lengthy incapacitation due to heart, lung, neurological problems, and kidney damage requiring care for years to come. In a Reuter's story titled [COVID-19 Long-Term Toll Signals Billions in Healthcare Costs Ahead](#), several issues were identified including the uptick in care for heart failure, kidney dialysis and a bottom line statement of, "If 20% of the U.S. population contracts the virus, the one-year post-hospitalization costs would be at least \$50 billion, before factoring in longer-term care for lingering health problems. Without a vaccine, if 80% of the population became infected, that cost would balloon to \$204 billion."

Repercussions of delayed screenings and treatments

Over the past six months your employees, like many people, may have cancelled doctor appointments or [avoided the emergency room](#) in order to avoid the virus. This means cancer screenings, for example, aren't occurring as they normally do and [JAMA Network Open](#) is calling for, "Urgent planning to address the consequences of delayed diagnosis." The site also indicates that there could be 33,890 excessive cancer deaths this year in part due to fear of catching the virus. Add in heart disease and diabetes, and numbers like this grow in orders of magnitude.

Mental health implications for employees and their children

Mental health issues continue to rise for U.S. citizens. In June 2020, the [CDC](#) found that 40% of U.S. adults reported struggling with their mental health. This includes the 13% who started or increased substance use. It has been widely reported that mental health benefits are in big demand right now and the silver lining, according to the [World Health Organization](#), is that, “For every \$1 put into scaled up treatment for common mental disorders, there is a return of \$4 in improved health and productivity.”

What about the children who are experiencing the effects of a parent who is struggling with depression and anxiety? What does the road ahead look like for them? Parents of young children are reporting three and five-fold increases in depression and anxiety. According to an article in [The Conversation](#), “High rates of parental mental illness combined with children spending more time at home due to COVID-19 present multiple risks including alterations in children’s stress-system function, higher rates of physical health problems, and cognitive impairments.”

Navigating the challenge – Don’t wait to get started!

Getting ahead of this surge in medical costs is a crucial step you can take to help your company and your employees. One area you can start with right now is fully understanding your employee/dependent population, their utilization data, and taking appropriate action on it. When many employers are looking for cost mitigation strategies in this tough economic environment, this action alone can help an employer achieve meaningful and measurable cost savings.

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