

# Survey:

## Navigating COVID-19 compliance challenges under the CARES Act and Families First Coronavirus Response Act



In these uncertain times, it can be difficult to know how to handle otherwise routine employee wage, benefit, and leave issues.

In a recent survey, we asked employers what actions they have taken in response to COVID-19. A significant number were undecided on each of the topics covered. Here, we provide some insights and considerations that might help you decide what to do next.

### Will your health plans provide 100% coverage for treatment of COVID-19?

Full coverage eliminates a potential barrier to treatment that may be encountered by HDHP plan participants.

Yes	53%
No	12%
Undecided	35%

#### Undecided?

We have found that modeling the cost impact of the change can help aide decision-making in this area.

### Will you amend your health FSA to cover over-the-counter drugs without a prescription?

Employees can use their FSAs for additional expenses and employers save the cost of a potential extra office visit needed to get the prescription.

Yes	41%
No	5%
Undecided	54%

#### Undecided?

For employers this change involves a relatively easy plan amendment and employees can use their pre-tax dollars on other expenses. A win-win for all.

### What telehealth services will you cover at 100%?

Covering telehealth services in full for all reasons could help people stay home, lessening their exposure to the virus.

All telehealth services	40%
Only COVID-19	30%
Undecided	30%

#### Undecided?

Telehealth visits are typically less expensive than in-person visits. Many vendors can't distinguish COVID-19 services from other telehealth services.

### Has your company conducted or considered layoffs or furloughs?

The terms layoff and furlough are not interchangeable. Layoffs involve a separation from employment while workers remain employed during furloughs.

Yes	33%
No	39%
Undecided	28%

#### Undecided?

Layoffs can trigger a variety of employers obligations that furloughs would not, such as payout of accrued PTO or unused vacation, WARN notices, COBRA or conversion rights for benefits, and severance pay.

### Has your company conducted or considered cuts to wage rates or salaries?

Companies contemplating wage rate or salary cuts need to be especially mindful of federal, state and local wage and hour laws. When structuring reductions, considerations for exempt employees and non-exempt or hourly employees differ significantly.

Yes	13%
No	52%
Undecided	35%

#### Undecided?

After wage rate cuts, non-exempt employees must receive at least the applicable minimum wage for all hours worked and overtime pay for hours worked over 40 per workweek. Exempt employees must still meet at least the minimum salary threshold required by applicable law to preserve the exemption.