



February 26, 2021

## **To Our Valued Clients and Partners,**

Monday, March 1st will mark one year since the national public health emergency went into effect. While the United States accounts for less than 5% of the global population, we account for over 25% of reported COVID-19 cases and 20% of reported COVID-19 deaths worldwide since the pandemic began. The curve is beginning to bend in the right direction. Average daily COVID-19 cases in the US dropped steadily throughout January and February and have leveled off over the last week to around 71,000 daily cases. We are now in a race to vaccinate all Americans and counting vaccinations by the millions to prevent another case surge fueled by new, more virulent variants.

## **COVID-19 Vaccinations**

The CDC has a slick, new COVID-19 **vaccination [tracker](#)**. As of this writing, the US has distributed 91.7M doses, 46.1M people have received a single dose, and 21.6M have received both doses or less than 9% of the US population over age 18 that are fully vaccinated to date. Across our region, the full vaccination rate over age 18 in Oregon is at 9%, Idaho is at 8.3% Washington is at 8.2%, and Utah is at 7.4%.

**Shortages persist** of COVID-19 tests, vaccines, medical-grade PPE, and in some areas, ICU capacity. As of February 22nd, Davis County, UT reports over 100% ICU bed capacity. Benton County, WA, Yakima County, WA, and Nez Perce County, ID are over 90% ICU bed capacity. An additional four counties in WA, three in OR, and one in UT are over 80%.

Earlier this week, current Emergency Use Authorized (EUA) vaccine manufacturers, Pfizer and Moderna, committed to increasing their vaccine production to distribute an additional 130M doses by March 31st, after falling behind on production deliveries. Additional vaccine introductions will bolster potential supply. The FDA is scheduled to meet today and expected to grant EUA status to the single-dose vaccine developed by Janssen Biotech, a Johnson & Johnson company. The FDA confirmed on Wednesday, February 23rd, that the J & J vaccine is safe and about 85% effective at preventing severe COVID-19 illnesses.

During a CBSN special interview yesterday, Dr. Anthony Fauci shared that high-school students will likely have access to vaccines by the fall of this year but it might be until at least the first quarter of 2022 before elementary school-aged students will have access to the vaccine.

As the supply of vaccines ramps up over the next few months, another hurdle to overcome is **vaccine hesitancy**. Vice President Harris addressed vaccine hesitancy in the black community at a vaccination event yesterday. The event aligns to the Biden Administration's [National Strategy for the COVID-19 Response and Pandemic Preparedness](#) published last month. Reminders to stay cautious, continue to wear masks and practice social distancing even after vaccination have many people questioning why they should get vaccinated in the first place. Recent studies suggest that the vaccine hesitancy rate ranges from 20 – 45% and is one of the biggest remaining hurdles that could prolong this pandemic.

No one knows for certain what the required vaccination rate is to achieve **herd immunity** against the SARS coronavirus-19. The more contagious the virus, the higher the percentage of vaccination required. For example, the [Mayo Clinic](#) estimates that for measles, a highly contagious virus, 94% of the population must achieve immunity and estimates that for the current US COVID-19 strain, herd immunity is at least 70%. [The Washington Post](#) published an interesting article this week examining how likely it is to reach herd immunity without vaccinating children – who account for about 22% of the US population.

## **COVID-19 Variants**

Just this month new variants have been detected in [New York](#) and [California](#). The more contagious UK variant of COVID-19 has now been detected in 45 states as of Wednesday according to the CDC. Both [Idaho](#) and Washington reported their first cases of the South African variants within the last few days. The South African variant has now reached 15 states and the Brazilian variant have surfaced in six states.

## **Vaccine Eligibility and Access**

**Every state has its own vaccine eligibility and distribution plan.** Phases and tiers can be misleading; for example, new groups of people become eligible weekly in Oregon. Visit <https://vaccinefinder.org/> to search for vaccine locations by zip code nationally and [visit our COVID-19 vaccines page](#) for additional links to vaccine eligibility information.

## **Health Plan Coverage of Vaccines**

The initial phases of vaccine (serum) supply have been purchased by the federal government through funding authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. As such, the federal government is allocating the vaccine supply based on a prioritization framework.

Under the CARES Act, plan sponsors are required to cover the administration cost of the vaccine as preventive whether in-network or out-of-network at 100%. These coverage requirements do not apply to a plan that is not required to provide coverage of preventative services without cost-sharing, such as grandfathered health plans. We anticipate that the COVID-19 vaccine will fall under the Affordable Care Act as (ACA) a preventive immunization in the future once the CARES act expires.

The American Medical Association (AMA) has released CPT codes for the vaccine doses and the administration of the vaccine. If a COVID-19 vaccine is not billed separately (or is not tracked as individual encounter data separately) from an office visit and the primary purpose of the office visit is the delivery of the COVID-19 vaccine, then the office visit must be covered with no cost-sharing requirements.

Like many vaccinations, coverage could be included under either a pharmacy benefit or under the medical schedule of benefits on the health plan. We anticipate Pharmacy Benefit Managers (PBMs) to announce programs for COVID 19 vaccines soon, similar to the flu shot.

Our direct PBM partners have shared their plans. Caremark/CVS and Prescriptive clients on our direct contract can cover the administration cost through their pharmacy benefit when the vaccine is administered in pharmacies connected to pharmacy adjudication systems.

## **Vaccine Costs and Trends Across our Membership**

Though the government is currently funding the vaccine serum during the Public Health Emergency, there is still a Plan cost for administering those vaccines. We do know that the exact price that the government is paying. Pharmacy dispensing and administration fees will ultimately be determined by the pharmacies, so will vary from location to location. Providers will likely charge for vaccine administration and office visits. Like flu shots, we expect the vaccine administration Plan cost to be slightly lower in a pharmacy setting versus in a medical facility. All things considered, the administration costs of the COVID-19 vaccine for all Plan members should be less than the Plan cost of in-patient treatment for even one additional severe case of COVID. Our current average claim cost for COVID-19 vaccine administration is \$24.62 per dose.

## **An Update on Employer-mandated Vaccinations**

This topic continues to evolve. A February 24 article in the [Insurance Journal](#), shares that lawmakers in 23 states are proposing bills banning employer-mandated COVID-19 or other vaccinations. Yesterday, the Utah state legislature passed [SB208](#) on voice vote enacting the Employee Medical Procedure Protection Act prohibiting employers from requiring employees, prospective employees, or blood relatives to accept or decline a medical procedure (including vaccinations). Further, the act allows for employer civil liability for violation of the act. This Utah act, however, does include an exemption allowing “governmental entities to mandate vaccines if the employee is acting in a public health or medical setting; and required to receive a vaccine in order to perform the employee’s assigned duties and responsibilities”.

A precedent was set when both the Americans with Disabilities Act (ADA) and Title VII prohibited employers from compelling employees to be vaccinated for the 2009 H1N1 pandemic regardless of their medical condition or religious beliefs even during a pandemic.

On December 16<sup>th</sup>, following the FDA’s granting of EUA to two vaccines, the Equal Employment Opportunity Commission (EEOC) updated section K (Vaccinations) of its COVID-19 guidance for employers [here](#). The guidance addresses nine questions related to employer-mandated COVID vaccines and employment pre-screening requirements, and how these topics relate to the Americans with Disabilities Act (ADA), Title VII of the Civil Rights Act of 1964 (Title VII), and Title II of the Genetic Information Nondiscrimination Act (GINA).

We will continue to monitor and share developments in this area. Clients should seek legal counsel for risk guidance on such matters and take into consideration employer liability for potential injuries to employees who have adverse reactions to the vaccine and/or potential complications with collective bargaining agreements that may not allow enforcement of such policies without union consent.

Some employees might be eager to get a COVID-19 vaccination, where others may have reservations for a variety of reasons, including safety and religious objections. It is understandable that new vaccines, brought to market at warp speed compared to previous vaccine timelines, may trigger anxiety or fear for many individuals.

**Education is a great path to mitigating fear.** Employers may want to provide objective information to employees regarding vaccinations. The FDA has [educational videos](#) about the COVID-19 vaccine that you can share with employees.

## **Updated COVID-19 Member Information and Resources on our Website**

We've recently updated our COVID-19 information and resource pages for members. Many members call us with questions that are of a more clinical nature. We recommend that members consult their primary care physician for clinical questions. For non-clinical questions, please share this [page](#) with members where they will find:

### **Self-care and mental health during COVID-19:**

- Be kind to yourself. This outbreak affects each of us differently and that's okay.
- [Please visit our self-care during COVID-19 page for more information and resources.](#)

### **How we're supporting you as vaccines become available:**

- Vaccines – a phased approach. In December 2020, the U.S. Food and Drug Administration (FDA) provided emergency use authorization for the distribution of the first COVID-19 vaccine.
- Vaccines are being released in phases, with priority populations determined by the Centers for Disease Control and Prevention (CDC) and each state.
- [Visit our vaccines page for more information.](#)

### **Have questions about COVID-19 testing, treatment, coverage, or resources?**

- You're not alone. [Please visit our Member FAQ COVID-19 page.](#) We've gathered and answered the most common questions we receive from our members and curated links to regional and national resources to help you.
- If you have more questions or just need help please don't hesitate to call our Customer Care team at [1-866-738-3924](tel:1-866-738-3924) M-F 6:00 am - 6:00 pm PT or Send us a note through myRGA.

## **Testing Trends Across Our Membership**

We continue to evolve and refine our COVID-19 reporting as new procedure codes are published and as providers resubmit claims with new codes. Currently, 96% of our clients have at least one member with a confirmed COVID-19 diagnosis since the beginning of the pandemic. Because not all testing is submitted as a claim, there are likely more positive cases across a larger span of our clients than we see in our claims data.

Across our membership, approximately 19% of our members have had at least one COVID-19 testing claim and approximately 46.4% of those tested have more than one testing claim.

## **Treatment Claims Trends Across Our Membership**

Approximately 11.3% of members tested have a positive COVID-19 diagnosis and about 6.2% of members with a positive COVID-19 diagnosis have required hospitalization. Approximately 4% of members' COVID-19 treatment plan payments (per member) have been over \$10K and 88.7% of members' COVID-19 treatment plan payments are under \$1K.

## **We're Here for You**

Our focus, dedication, and support remain steadfast as we navigate these unique times with you. Know that our Care Management nurses are reaching out to those members diagnosed with COVID-19 to help them access the care and resources they need to recover safely. Thank you for your continued trust in our organization. We are in this with you and hope that you and yours stay safe and healthy. Please reach out to your Account Manager if you have any questions or if there's anything we can do to help.

Best Regards,

**Lindsay Harris, MPP** *President*

**Regence Group Administrators**