Regence
Group Administrators
An Independent Licensee of the Blue Cross and Blue Shield Association

April 29, 2021

To Our Valued Clients and Partners,

The race is on to vaccinate all Americans and stave off another case surge fueled by new, more virulent variants. The Seattle Times reported on April 26th that younger people are getting sicker from COVID. This article points to COVID fatigue and variant spread among younger people for the latest surge in hospital admissions. On Tuesday, April 27th, Oregon's Gov. Kate Brown, moved 15 of the state's 36 counties back to the 'extreme risk' category reinstating restrictive measures previously lifted.

Also on April 27th, the CDC issued new guidance on mask-wearing for fully-vaccinated people – those who are two weeks or more past their final COVID-19 vaccine dose no longer need to wear masks outdoors unless they are in crowds – this encouraging news a mere 410 days since Friday, the 13th of March, 2020 when most of the nation shut down due to COVID-19.

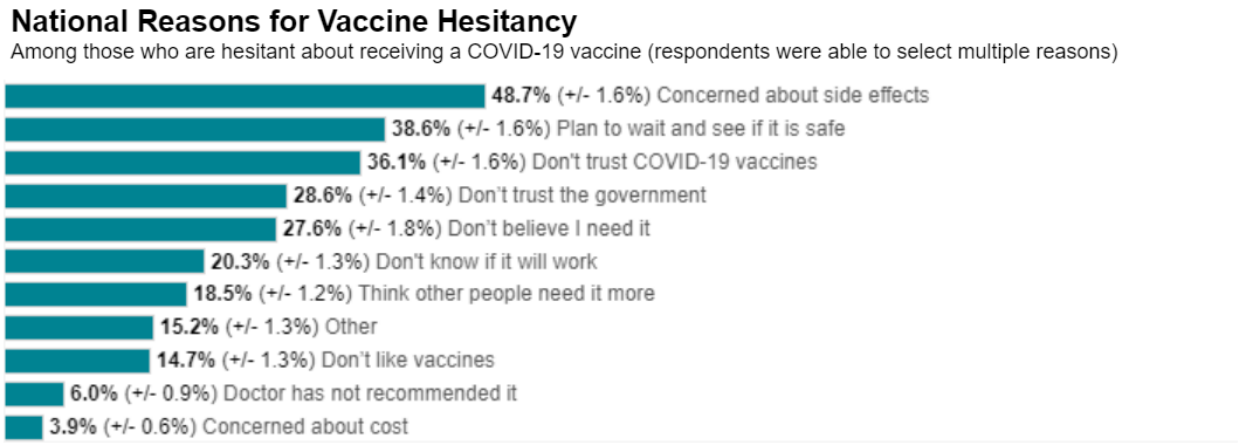
According to the CDC, the US has distributed 235M doses, 142.9M people have received a single dose, and 98M have received both doses, or approximately 38% of the US population over age 18 that are fully vaccinated to date. Across our region, the full vaccination rate over age 18 in Washington is at 31.1%, Oregon is at 29.5%, Idaho is at 26.3%, and Utah is at 23%.

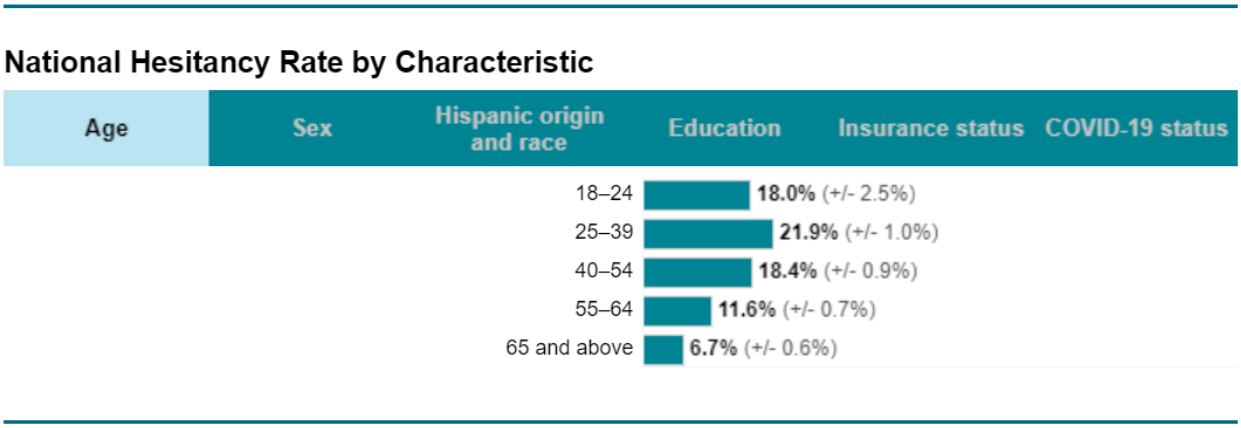
As of April 19th, everyone 16 years of age and older in the United States is eligible to get a COVID-19 vaccination and vaccine availability is expanding quickly to meet pent-up demand. Please visit https://vaccinefinder.org/ to search for vaccine locations by zip code nationally and visit our COVID-19 vaccines page for additional links to regional vaccine locator resources and additional vaccine information.

Is herd immunity possible?

Though no one knows the exact percentage of the population that must be vaccinated to reach and maintain herd immunity, estimates are consistently between 70 – 90 percent. Considering that nearly 20% of the US population is under 18 years of age, vaccinating this age group is critical to our nation's ability to reach herd immunity. Pfizer BioNTech and Moderna continue active vaccine clinical trials for children ages 6 months to 12 years old. The CDC expects that a vaccine will be available for school-aged children before school starts in the Fall of 2021 and for younger children in the Spring of 2022.

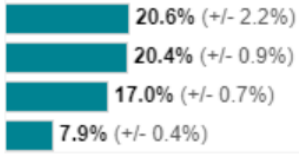
Beyond vaccinating children, the emerging obstacle to reaching herd immunity may very well be vaccine hesitancy among younger adults and select other groups. On April 14th the US Census Bureau published findings and a new visualization tool to track vaccine hesitancy through bi-weekly Household Pulse Surveys. The visualization below is for the March 17 – March 29 time period.





National Hesitancy Rate by Characteristic

Age	Sex	Hispanic origin and race	Education	Insurance status	COVID-19 status



United States Census Bureau

Note: Margins of error shown at 90% confidence level. Estimates are representative of the civilian noninstitutionalized population aged 18 and over. The estimates in this tracker are from experimental data, are based on survey self-reports from a specific time period and may not align with published counts generated from other sources <https://www.census.gov/data/experimental-data-products.html>. Respondents who answered "Don't know" or "Refused" are excluded from percentage calculations.
For more information on confidentiality protection, sampling error, nonsampling error, and definitions go to <https://www.census.gov/programs-surveys/household-pulse-survey/technical-documentation.html>.
The U.S. Census Bureau reviewed this data product for unauthorized disclosure of confidential information and has approved the disclosure avoidance practices applied to this release. Estimates calculated from public use microdata files.

Vaccine safety and efficacy

Currently, the FDA has granted Emergency Use Authorization (EUA) status for people over age 16 to three vaccines:

- Pfizer BioNTech COVID-19 Vaccine (two doses, ages 16 and older)
- Moderna COVID-19 Vaccine (two doses, ages 18 and older)
- Janssen COVID-19 Vaccine (Johnson & Johnson – J&J- single dose, ages 18 and older)

The CDC and the FDA paused the EUA for the J&J vaccine for 10 days from April 13 – April 23, to investigate reported adverse effects. The EUA for the J&J vaccine has since been revised to include information about the risk of thrombocytopenia syndrome (TTS) or blood clots and low platelets, which has occurred in a very low number of people who have received the J&J COVID-19 vaccine. The FDA reports that a total of 16 cases of TTS including 3 deaths have been reported to VAERS, the Vaccine Adverse Event Reporting System managed jointly by the CDC and the FDA. This is 0.00019% of the nearly 8 million J&J doses administered. All but one of these TTS cases occurred in women between the ages of 18 and 59, with a median age of 37 years. Reports indicated symptom onset between 6 and 15 days after vaccination.

What's most important is that all three EUA vaccines have near 100% efficacy at preventing hospitalization and death from COVID-19 infections.

AstraZeneca has not yet applied for EUA status for its COVID-19 vaccine in the US following reports of blood clots in recipients of its vaccine reported earlier this month in Canada and the

UK. The US announced on Monday, April 26th, that it would start sharing its 60 million dose stockpile of the AstraZeneca vaccine to help India fight its massive spike in COVID-19 cases.

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 (ACA) as 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.

Clients on our direct contract with our preferred PBM partners, Caremark/CVS and Prescryptive, 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. It's worth noting that effective March 15th, CMS updated the Medicare payment rates for COVID-19 vaccine administration. The rate increased from $16.94 for the first dose in series and $28.39 for a single dose or second dose administration to $40.00 per dose.

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.

We have received vaccination claims for less than 5% of the members to date. We expect this number to increase sharply starting in May and through the summer, though we suspect that many members are receiving their vaccines through public mass vaccination programs from which we have not yet seen claims. The Moderna vaccine accounts for 61% percent of the claims received so far and the Pfizer vaccine accounts for 35%. Our current average claim cost for COVID-19 vaccine administration is $41.27 per dose.

An update on employer-mandated vaccinations and new OSHA requirements

Lawmakers in 40 states have joined in proposing bills banning school, event, or employer-mandated COVID-19 or other vaccinations. Idaho and Utah. Additionally, on April 20th, the US Occupational Safety and Health Administration (OSHA) expanded its adverse reaction reporting requirements for employers who require a COVID-19 vaccine or employers who through a variety of scenarios make a COVID-19 vaccine available to their employees.

While some employers may be disinclined to pursue vaccine mandates due to the possible backlash and administrative red tape, colleges nationwide including Seattle University and Washington State University have announced vaccine requirements in the last 10 days for students returning for the fall 2021 semester.

COVID-19 vaccine passports?

Earlier this month, governors in Idaho and Montana issued executive orders banning state government entities from requiring or issuing COVID-19 vaccine passports. Legislators in North Dakota, New Hampshire, Florida, Texas, Tennessee, Ohio, Iowa, New Jersey, and Arizona are proposing similar bans and have already enacted bans in Indiana and Missouri.

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.

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 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, 95% of our clients have at least one member with a confirmed COVID-19 diagnosis claim 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 21% of our members have had at least one COVID-19 testing claim and approximately 52% of those tested have more than one testing claim.

Treatment claims trends across our membership

Approximately 12% of members tested have a positive COVID-19 diagnosis and about 7% 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 89% 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