



Regence

Group Administrators

An Independent Licensee of the Blue Cross and Blue Shield Association

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To Our Valued Clients and Partners,

The 'next normal', is it here?

[According to the CDC](#), the US has distributed 379M doses, 178M people have received a single dose, and 151M have received both doses, or approximately 53% of the US population age 12 and over are fully vaccinated to date. Across our region, according to each state's health department, the full vaccination rate for people age 12 and over in [Washington](#) is 57.3%, [Utah](#) is 52.9%, and [Idaho](#) is 43.1%. In [Oregon](#), the vaccination rate for age 16 and over is 59.1%.

Our team members have been proudly sharing their vaccination selfies, comparing stories of second dose experiences, and are looking forward to seeing their co-workers in person. Many of our team members were hired during the pandemic so they've only met virtually. We anticipate and are planning for a return to our Bellevue, WA office location and the marketplace for our Sales and Account Management teams later this summer with a full reopening and reentry to the marketplace into the fall.

So, what does our 'next normal' look like? We have a dedicated return to the office and market re-entry team that are carefully monitoring CDC guidance, assessing the needs of our people, and preparing plans and tailored guidance for a safe transition to our next normal.

Like many organizations, we've evolved the way that our teams collaborate remotely and part of our next normal includes converting many of the roles that were office-based before the pandemic to fully or mostly remote roles in a mostly vaccinated next normal.

While the COVID-19 pandemic is still very much a global pandemic and we remain under a federal emergency, we are already seeing mass vaccination sites shuttering as the pent-up demand for vaccines wanes. The final stretch to ending the pandemic will be convincing those that are choosing to remain unvaccinated to reconsider. Vaccine hesitancy is the biggest risk to another pandemic surge in the fall.

On April 14th the US Census Bureau launched a new visualization tool to track vaccine hesitancy through bi-weekly Household Pulse Surveys. Click [here](#) to view the visualization for the May 25 – June 7 time period.

Public Health Emergencies- anticipated end dates and next steps

Signs of pre-pandemic life starting to return are undoubtedly a welcome sign for most of us. Recently, the Mariners announced a full-seating capacity return starting July 1st, followed by a similar announcement from the Seahawks and even the schools are already signaling that kids will be back in the classrooms this fall. While welcome news for many of us, inevitably we start to wonder how much longer the federal Public Health Emergency may be in effect, and what actions should be considered in anticipation of its eventual end.

The last extension of the Public Health Emergency (PHE) occurred on April 20, 2021, and was renewed for an additional 90 days, or until July 19, 2021. A letter from HHS to state governors issued earlier this year signaled that the PHE is likely to be extended for the balance of 2021 and indicated that the Administration will signal 60 days in advance of the eventual expiration date to give everyone plenty of lead time. At this point, it is highly probable due to ongoing concerns around new variants that continue to spread, and a slower vaccination rate in some areas of the country, that the feds will extend the PHE at least once more.

Despite the likelihood of the Federal PHE being extended, many states are starting to open back up, and those that are doing so are generally utilizing a 70% threshold for vaccination rates as their yardstick to support full re-opening decisions. Locally, Washington is set to re-open fully next Tuesday, the 29th of June, two weeks after reaching the 70% vaccination threshold metric and Governor Kate Brown announced today, June 25th, "I will be signing an executive order that will lift Oregon's risk level framework, and all remaining COVID-19 health and safety restrictions that have been issued under Oregon's emergency statutes, effective when we hit 70% or June 30 — whichever comes first."

For employers and Plan sponsors who are ready to look ahead at what to expect on the other side of the PHE, the top three factors that we recommend thinking about are:

Benefit design – COVID testing - Once the PHE ends formally, Plans will no longer be required to cover COVID testing when ordered by a physician. Plan sponsors will need to decide if you want to maintain a full-coverage approach to these tests or treat them the same as any other diagnostic test.

Benefit design – Telemedicine coverage - Perhaps one of the biggest changes to consumer behavior during COVID, that is likely here to stay for the long-term is access and coverage for virtual

medical visits or telemedicine. Both state and federal legislation are being considered that would make this a standard benefit expectation in health plans as well as Medicare/Medicaid. Plan sponsors should consider how this sought-after benefit will fit into your Plan designs in 2021 and beyond.

COVID vaccination requirements & HIPAA considerations –

As employers contemplate a return to the workplace for some folks or the gradual increase of line-staffing ratios as social distancing restrictions ease, employers are grappling with whether or not to require proof of vaccination. For those that are considering requiring proof of vaccination, many desire a fast and efficient way to achieve confirmation, and for self-funded employers, some are starting to wonder if they can use health plan data.

The short answer is no. HIPAA has stringent separation of Health Plan/Health Plan Participant to Employer/Employee functions and duties requirements that Plan Sponsors and Plan Administrators must abide by. Data collected within the Health Plan can only be used for Plan Administration purposes and cannot be used for employer/employee-related use cases. If an employer wants to confirm vaccination status of their employees for work-related reasons, the best approach is to ask the employee for a copy of their vaccination card or have them sign an affidavit.

As we continue to emerge out from underneath COVID and the associated public health emergency orders, try to be patient and accepting of the fact that things will likely remain a bit disjointed as each state and local county/territory are taking re-opening at a pace that works for their local conditions. As the administration gets closer to the point of terminating or allowing the PHE to expire, there undoubtedly will be additional guidance and communications to ensure a smooth transition, and we'll continue to monitor and apprise on developments and what to expect.

Do vaccine incentives work?

That's literally the million-dollar question.

The majority of states now have a publicly funded vaccine incentive program. The National Governor's Association is tracking public incentive programs by state [here](#) and the CDC is tracking national and employer-based incentives [here](#). The [\\$1M vaccination lottery in Washington](#) is one example. Such incentives are an attempt to drive up population vaccination rates to herd immunity levels in advance of the planned lifting of COVID restrictions in the coming weeks and months.

Vaccination rates vary greatly across the country when you look outside large metro areas and pose a risk for resurgences. For example, in Oregon, the vaccination rate by county ranges from 34.9% in Lake County to 72.2% in Washington County.

[In a recent article from *The New England Journal of Medicine*](#), the results of monetary incentives pushing people to vaccination clinics may not be as effective as originally thought. "Though a well-designed incentive program could boost vaccination rates in the short term, there are likely to be significant hiccups in implementation, and delivering timely rewards flawlessly would be key to program effectiveness and credibility." The Journal cites other methods as potentially being more effective, such as requiring vaccination to attend activities with close person-to-person contact, or employees mandating vaccinations for its staff.

Currently, it is unclear in which direction policymakers will go, and it is still unclear how effective current incentive models are in pushing people to get their jabs. Regardless of speculation, reaching herd immunity is a key milestone towards overcoming the pandemic and returning to the 'next' normal.

Many HR teams have been struggling with the complexities of requiring or incenting employees to get vaccinated. As a start, you may want to share some of the publicly available vaccine incentive programs with your employees. We'll make that easy for you to do. Here's a [link](#) to a curated list of some publicly available vaccine incentive offers that you're welcome to download and share with your people.

EEOC updates on employer-mandated vaccinations

The Equal Employment Opportunity Commission (EEOC) updated its guidance on employer-mandated vaccines. Our diligent Compliance Team prepared a one-pager Regulatory Alert on this topic. You can view it [here](#).

OSHA updates on protecting workers from the spread of COVID-19

On June 10th the Occupational Safety and Health Administration updated its guidance on mitigating and preventing the spread of COVID-19 in the workplace. The updates include;

- Focus protections on unvaccinated and otherwise at-risk workers
- Encourage COVID-19 vaccination
- Add links to guidance with the most up-to-date content

We encourage you to review the updated complete guidance [here](#).

Planning for booster vaccines

We are closely monitoring the CDC's recommendations for COVID-19 vaccine boosters.

On June 21st, The Wall Street Journal produced an educational [video article](#) for the general public to better understand the current thinking and developments on potential COVID-19 boosters.

Additionally, on June 23rd, Sara Oliver MD, MSPH, the U.S. Public Health Service Co-lead, Advisory Committee for Immunization Practices, COVID-19 Vaccines Work Group, COVID-19 Response Centers for the CDC, presented an *Overview of data to inform recommendations for booster doses of COVID-19 vaccines* including her Work Group interpretation, at a meeting of the CDC's Advisory Committee on Immunization Practices (ACIP). Dr. Oliver's 56-page presentation deck is available [here](#).

Key takeaways:

- More time and data are needed to inform potential CDC COVID-19 vaccine booster recommendations.
- Additional data is expected between July-October.
- The ACIP Work Group felt that recommendation for booster doses would only occur after: (*see slide 43*)
 - Evidence of declining protection against illness, such as declines in vaccine effectiveness, not only waning antibody response
 - An escape variant (variant of concern substantially impacting vaccine protection)
- No data to support recommendations for booster doses currently, but will continue to monitor.
- Global vaccine availability should be considered in discussions as well.

Telemedicine reimbursement rates

Effective July 1st 2021, Telemedicine reimbursement rates will revert to pre-pandemic reimbursement rates for virtual visits in Idaho and Utah for contracted providers. Washington and Oregon now have state laws that mandate parity in reimbursement levels to stay consistent with in-office reimbursement rates.

PPE coverage update

Effective June 3rd, 2021, we began denying personal protective equipment (PPE) charges from medical and dental providers. We identified abusive billing practices within certain provider circles that led to this discussion. This change better aligns with our continuing commitment to provide outstanding cost control for our clients and members.

Regular COVID reporting continues

All our clients currently receive regular reporting on their plan's COVID-related claims and payments. Please connect with your Account Manager to receive your latest report.

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. The current CMS Medicare payment rate for

COVID-19 vaccine administration for a single dose or second dose administration is \$40.00 per dose. Our 30-day average claim cost for COVID-19 vaccine administration is \$48.72 per dose.

Pharmacy dispensing and administration fees are determined by each pharmacy, so will vary from location to location. Providers charge for vaccine administration and office visits. Like flu shots, the vaccine administration Plan cost is slightly lower in a pharmacy setting versus in a medical clinic. All things considered, the administration costs of the COVID-19 vaccine for all Plan members should be less than the Plan cost of inpatient treatment for even one severe case of COVID.

We have received vaccination claims for less than 15% of our total members to date. We suspect that many members are receiving their vaccines through public mass vaccination programs from which we have not yet seen claims. It remains to be seen if the administrators of the mass vaccination site programs will file claims or not.

Testing trends across our membership

Across our membership, approximately 23% of our members have had at least one COVID-19 testing claim and approximately 59% of those tested have more than one testing claim.

We are seeing a trend in providers requiring negative COVID-19 tests before in-patient procedures. We are monitoring this closely and will provide an update in our next newsletter.

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 88% of members' COVID-19 treatment plan payments are under \$1K.

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.

Updated COVID-19 member information and resources on our website

We update our COVID-19 information and resource pages for members regularly. 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 links to additional resources on self-care, vaccines, and other useful information.

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, Inc.