



Regence

Group Administrators

An Independent Licensee of the Blue Cross and Blue Shield Association

August 12, 2021

To Our Valued Clients and Partners,

[According to the CDC](#), the US has distributed 411M doses, 197M people have received a single dose, and 167M have received both doses, or approximately 59% 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 62.5%, [Utah](#) is 58.4%, and [Idaho](#) is 46.7%. In [Oregon](#), the vaccination rate for age 18 and over is 65%.

While these vaccination rates are a big improvement over where we were six months ago when most of the country was on lockdown, they aren't high enough to keep new cases from surging again across the nation. Some employers and local government are stepping up vaccination and mask mandates to try and head off a potential return to lockdowns.

Employer Vaccine Mandates Gaining Popularity

Facebook and Google stepped beyond masking requirements on July 28th when both tech giants announced [vaccine mandates](#) for employees at all U.S. offices. Since then many others have joined in mandating vaccines for their workforce. Reuters is curating a [list](#) of employers and their mask and vaccine requirements. Those employers who are waiting for full FDA approval of a COVID-19 vaccine before joining this list may be just weeks away from the Pfizer vaccine's approval. President Biden's chief medical advisor, Dr. Anthony Fauci, in an [interview](#) on NBC's "Meet the Press" on August 8th hinted as much.

The DOJ and EEOC Updates on Employer-mandated Vaccinations

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

Last month, the Department of Justice (DOJ) published a [Memorandum Opinion](#) in which they concluded that section 564(e)(1)(A)(ii)(III) of the Food, Drug, and Cosmetic Act "concerns only the provision of information to potential vaccine recipients and does not prohibit public or private entities from imposing vaccination requirements for vaccines that are subject to EUAs. By its terms, the provision directs only that potential vaccine recipients be "informed"

of certain information, including “the option to accept or refuse administration of the product.” On August 2nd, [The National Law Review](#) offered a succinct analysis of the DOJ’s opinion and provided 10 practical considerations for employers.

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 the 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 push for stronger vaccination participation nationally so that we can emerge 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.

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](#).

The Raging Delta

The Delta variant is raging and driving the latest tidal wave of COVID-19 cases. It accounted for 97% of all COVID-19 cases in the US for the week ending August 7th according to the CDC’s [variant tracker](#). The CDC also tracks new hospital [admissions](#) of patients with confirmed

COVID-19. The seven-day average number of admissions for HHS region 10 (ID, OR, WA) is almost as high as it was in January of this year.

Why is the Delta variant more concerning than other variants? The [New York Times](#) reported on July 30th, that an internal CDC report states that the Delta variant is as contagious as chickenpox and that the CDC's new masking guidelines are based on this report. On August 6th, the CDC published a new webpage on the Delta variant and its increased transmissibility compared to previous strains. Unvaccinated individuals are at the highest risk of becoming infected and severely ill. Vaccinated individuals have much better protection from COVID-19 severe illness and death when and if they do have a 'breakthrough' infection.

William Moss, Executive Director of Johns Hopkins University & Medicine Coronavirus Resource Center explains in [this FAQ](#) why fully vaccinated people get COVID-19. On August 5th, the CDC published a new [webpage](#) providing information and resources about breakthrough cases.

The CDC's new masking guidelines as of July 27 urge fully vaccinated people "to maximize protection from the Delta variant and prevent possibly spreading it to others, wear a mask indoors in public if you are in an area of [substantial or high transmission](#)."

Booster Vaccines Approved...for Some

On August 12th the FDA authorized an additional vaccine dose for immunocompromised people and affirmed that other fully vaccinated individuals do not need an additional vaccine dose right now. You can read all about it [here](#). On August 13th a panel of [CDC advisers](#) followed suit and recommended a booster vaccine for certain immunocompromised people. We will continue to closely monitoring the CDC's recommendations for COVID-19 vaccine boosters.

Public Health Emergencies- Anticipated End Dates and Next Steps

On July 19th, HHS Secretary Xavier Becerra renewed the extension on the federal Public Health Emergency (PHE) for an additional 90 days. 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 federal government will extend the PHE at least once more.

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

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 is 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.

You'll be hearing more from us about these benefit design decisions around COVID testing and Telemedicine coverage in the coming months as we explore the need for possible plan amendments.

Telemedicine Reimbursement Rates

Effective July 1st, 2021, Telemedicine reimbursement rates reverted to contract rates (no longer priced at parity with in-office visits) in Idaho and Utah. This will likely result in a net benefit for groups and members, as they will now be able to take advantage of the lower contracted rates on in-network telemedicine visits. Washington and Oregon made telemedicine parity permanent during the pandemic.

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 \$45.64 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 25% of our members have had at least one COVID-19 testing claim and approximately 61% of those tested have more than one testing claim. Please note that the actual testing rate across our membership is likely higher. Please note that the actual testing rate across our membership is likely higher because not all member testing is submitted as a claim.

We continue to see a trend in providers requiring negative COVID-19 tests before in-patient procedures. We are in the process of reviewing our procedures to identify these claims.

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 5% 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.

Make sure to save September 16th at 9:30 AM for our webinar, "Trends in Cancer Diagnosis and Preventative Care During the COVID."

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