



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', just around the corner?

Vaccines are now broadly available. The CDC expanded the use of the Pfizer vaccine to people 12 years and older on May 12th. Over 59% of people age 12 and over in the US have received at least one vaccine dose.

[According to the CDC](#), the US has distributed 362M doses, 142.9M people have received a single dose, and 133M have received both doses, or approximately 47% of the US population age 12 and over are fully vaccinated to date. Across our region, the full vaccination rate for people age 12 and over in Washington is at 52.7%, Oregon is at 50.5%, Utah is at 39.6%, and Idaho is at 38.6%.

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 to 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 reentry 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 April 27 – May 10 time period.

Overcoming vaccine hesitancy with incentives

Will incentives work to motivate those who just don't want to get vaccinated? On Thursday, May 27, 2021, the state of California unveiled a \$116.5 million vaccine incentive program. Public incentive programs are rising in popularity. These incentives are an attempt to soar population vaccination rates to herd immunity levels in advance of the planned lifting of COVID restrictions in the coming months.

Many HR teams have been struggling with the complexities of requiring or incenting employees to get vaccinated. 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.

Continuing COVID support for our clients:

Planning for booster vaccines

We are closely monitoring CDC recommendations for vaccine booster developments and will keep you informed.

Regular COVID reporting to continue

All of 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. 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 about 10% of our total members to date. We expect this number to increase sharply starting in the next few weeks. 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 57% percent of the claims received so far and the Pfizer vaccine accounts for 40%. Our current average claim cost for COVID-19 vaccine administration is \$49.43 per dose.

Testing trends across our membership

Across our membership, approximately 21% of our members have had at least one COVID-19 testing claim and approximately 58% 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 6% 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.

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

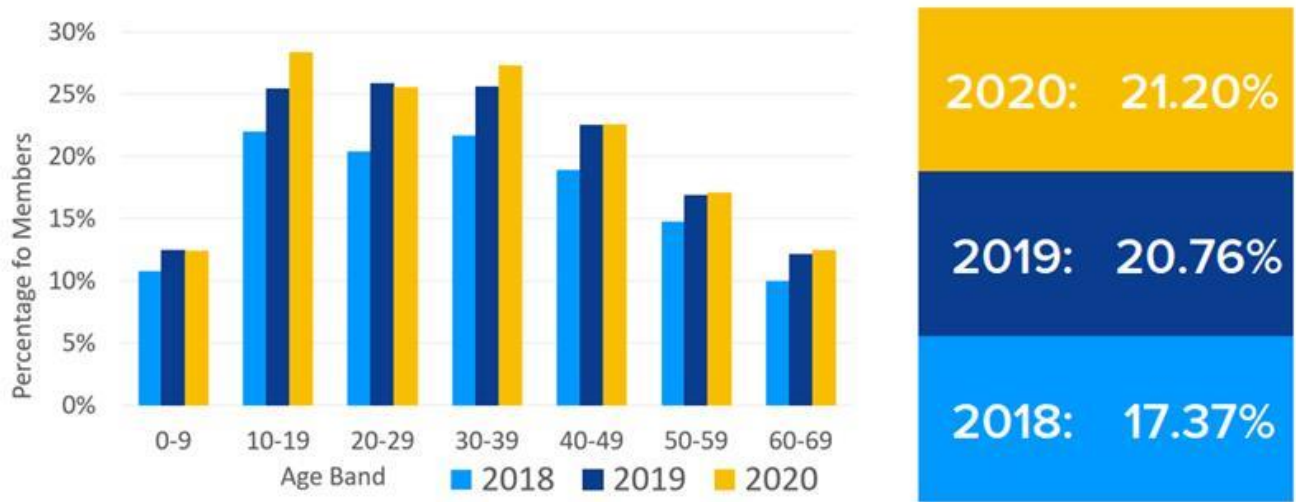
We're updating our COVID-19 information and resource pages for members regularly. Many members call us with questions that are of a more clinical nature. We recommend that members consult their primary care physician for clinical questions. For non-clinical questions, please share this [page](#) with members where they will find links to additional resources on self-care, vaccines, and other useful information.

Mental health and substance use emerging trends – what we are doing about it

The mental health and substance use pandemic was in full swing before COVID-19 hit. 2021 [survey results](#) shared by the CDC indicate that over 40% of adults in the US have experienced recent symptoms of a depressive disorder or anxiety. According to the Anxiety & Depression Association of America ([ADAA](#)), major depressive disorder is the leading cause of disability in the U.S. for ages 15 to 44, and anxiety disorders affect 25.1% of children between 13 – 18 years old. The 2021 [State of Mental Health in America](#) reports that 9.7% of the youth in the U.S. have severe major depression and 4.6% of youth experienced a substance use disorder in the last year, compared to 8% of U.S. adults with a substance use disorder in the last year.

Our Health Informatics team has some key comparative mental health and substance use information to share from across our membership.

This is the prevalence or percentage of members with mental health or substance use claims across our membership by age band from 2018 – 2020.



These are only a few of the data points that we are closely monitoring. Other trends we are watching are ER and network utilization for mental health and substance use diagnosis codes, trends for specific diagnoses, and utilization of psychiatric and opioid medication.

On the plan payment front, across our membership, of every \$1 spent on medical claims, only \$0.06 was on mental health and substance use claims in 2020.

What our data tells us:

While we have seen an uptick in the prevalence of members with mental health claims, it's an uptick that's not all bad, and here's why. Members are seeking help! Members are finding help. Though most therapist offices closed their physical doors during the pandemic, they shifted quickly to open their doors to virtual therapy so that patients could continue care. Unlike surgeries, diagnostic imaging, or other care that must be rendered in-person, mental health treatment did not come to a screeching halt during the pandemic.

A [LexisNexis report](#) published May 20, 2021, looked at 2.2 billion medical claims from January 2020 to February 2021 and found a 6,500% increase in telehealth claims for behavioral health. This seismic shift has forever changed the way that members can effectively access behavioral health services. A New York Times article from May 21, 2021, considers, [Has COVID Remade Psychotherapy for Good?](#)

Connecting members with resources and care:

At the start of the pandemic, we worked with clients to quickly issue amendments to their health plans to include telemedicine coverage and expand behavioral health and psychiatric telehealth coverage and access through MDLIVE*. Mental Health American talks more about the efficacy of teletherapy during the pandemic [here](#). The short version is that there's good reason to enable multiple behavioral health modalities so that members can access the type of therapy that works best for them.

During renewals this year, you'll hear more about our insights and recommendations to align plan benefit coverage across both virtual and in-person healthcare delivery modalities. Additionally, we

announced last month that we are continuing through 2021 and into 2022, the expanded scope of case management services around mental and behavioral health that we added in July 2020. Our data indicate that this program is making a difference with our members. In our first ten months, nearly ten percent of our members have utilized this resource and support program.

We now take the moment to ask members how they're doing and when members express that they would like additional support or when we sense that they are in crisis, we'll meet them with the resources and intervention they need in the moment. There is no additional charge as it's an augmentation of our Case Management support.

The mental health support resources offered to members can range from:

- Steering members to in-network mental healthcare providers
- Educating members about national and regional mental health community support organizations
- Warm-transferring members to immediate, live telephonic assistance with a licensed therapist when de-escalation and intervention are needed
- Requesting a local agency or authority welfare check in extreme cases
- Case Management intake and continued follow-up with a Case Manager

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.