



# Regence

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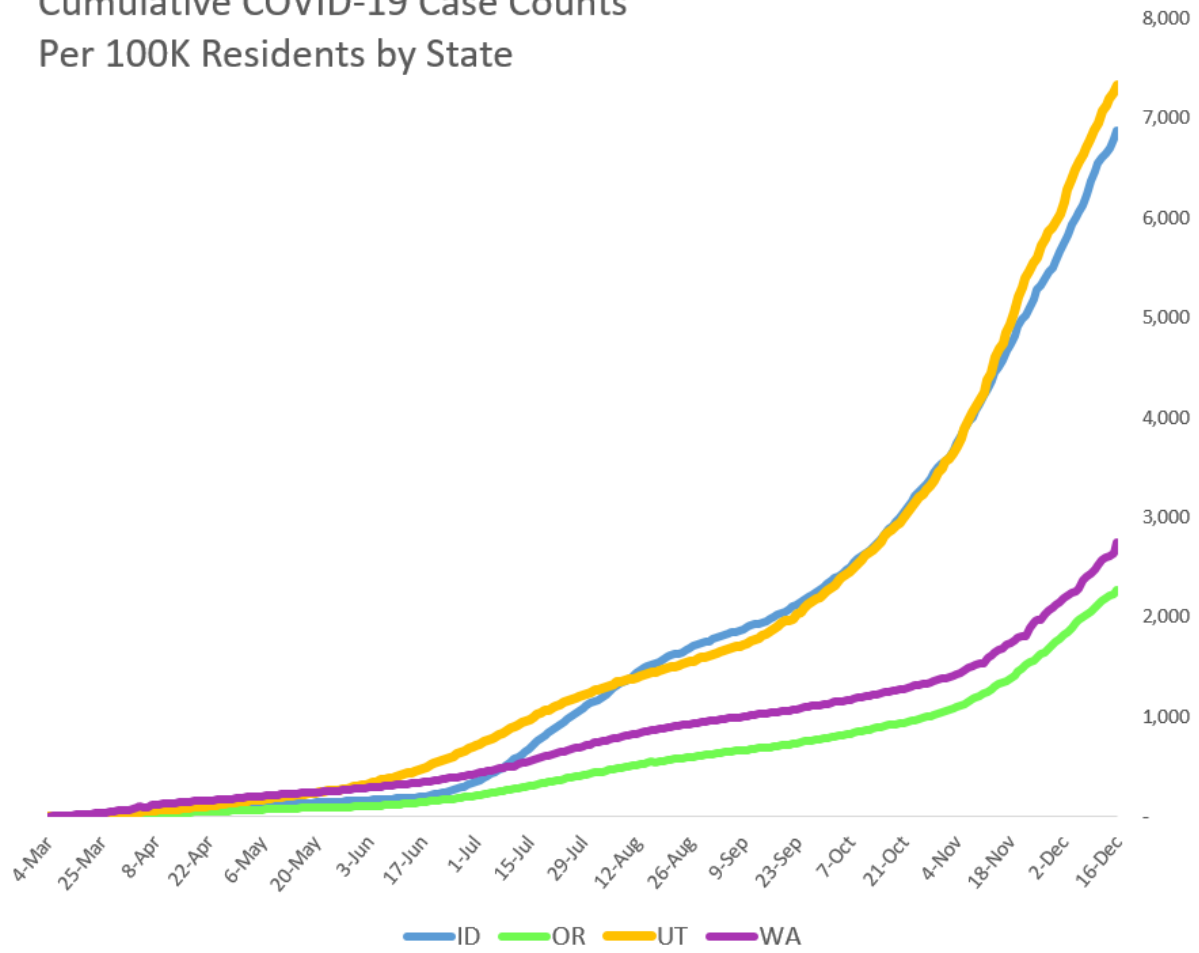
December 18, 2020

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

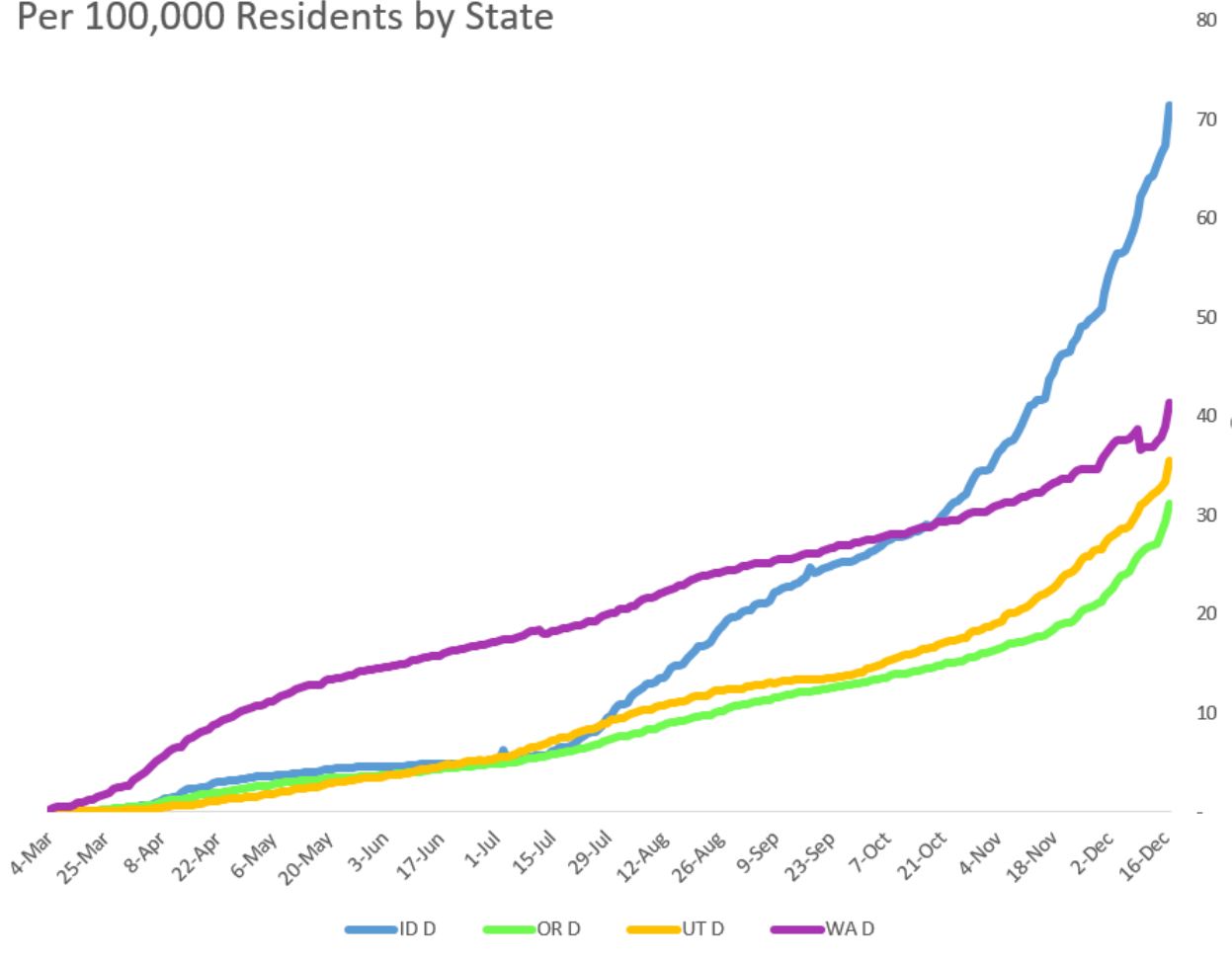
Since our last newsletter on November 24th, global cases have increased 27% to over 75 million cases with US cases up 38% for the same period to nearly 17.3 million cases. In fact, the US has seen more new cases in the last seven days at 1.52M cases than in the first four months of the pandemic through May 18th at 1.51M cases.

The current rate of COVID deaths as a percent of cumulative COVID cases is just over 1.8% equating to over 310,000 Americans that have died from COVID-19 this year. (All data sourced from John Hopkins University <https://coronavirus.jhu.edu/map.html> ) Across our region, cumulative cases and deaths per 100,000 residents by state illustrate a new surge post-Thanksgiving warranting valid concern as we approach traditional holiday celebrations over the next few weeks. The two graphs below use daily data reported by each state to the CDC as of yesterday and normalized by incidence per 100,000 residents using the 2020 state populations reported through [worldpopulationreview.com](http://worldpopulationreview.com).

# Cumulative COVID-19 Case Counts Per 100K Residents by State



## Cumulative COVID-19 Death Counts Per 100,000 Residents by State



### 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, about 89% of our clients have at least one member with a confirmed COVID-19 diagnosis. 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 14.1% of our members have had at least one COVID-19 testing claim and approximately 38.3% of those tested have more than one testing claim.

### Treatment Claims Trends Across Our Membership

Approximately 8.2% of members tested have a positive COVID-19 diagnosis and about 7.7% of members with a positive COVID-19 diagnosis have required hospitalization. Approximately

4.3% 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.

Please make sure to review your Q3 COVID-19 Client Impact reports if you haven't already done so. Q4 reports will be available on January 29<sup>th</sup>. Please contact your Account Manager if you would like to have your report sent to you or if you have any questions about the information in your report. We hope you find these reports helpful and we welcome your feedback.

### **COVID-19 Vaccinations Begin...What to Expect**

Yesterday, the US Food and Drug Administration (FDA) endorsed Moderna's COVID-19 vaccine, which has a 94.1% efficacy rate, for Emergency Use Authorization (EUA) in the United States. This follows the EUA approval on December 11th for the Pfizer vaccine which has a 95% efficacy rate and began distribution on December 13th. Moderna expects to begin distribution on December 21st. Both Pfizer and Moderna expect to ship 20 million doses each this month and both vaccines require two doses of the same vaccine administered at intervals of 21 -28 days to achieve optimal efficacy.

As you have no doubt heard, the first supply of vaccines is limited to the most vulnerable healthcare workers and residents of long-term care facilities.

The next supply of vaccines is planned for essential workers in the first few months of the new year. Additional vaccine candidates will likely receive EUA approval in the Spring enabling expansion of vaccination phasing from late Spring to early Summer to adults with underlying medical conditions and those over age 65. Younger, healthier adults and children will likely have access to vaccines midyear.

This means that by mid-2021, up to 70% of the US population could receive a vaccination assuming that production and distribution go as planned and Americans embrace getting vaccinated.

Recent studies suggest that vaccine hesitancy is one of the biggest remaining hurdles that could prolong this pandemic. Earlier this month a McKinsey & Company consumer survey of 2,466 people found that 45% of respondents were cautious, meaning they would wait 3-12 months after the vaccine has been on the market or until they felt confident it was safe, and another 17.5% expressed that they were unlikely to get vaccinated. A Pew Research Center survey of 12,648 US adults released on December 3rd showed more promising results with over 60% of respondents that probably or definitely would get the vaccine, 21% probably would not get the vaccine, and 17.5% that definitely would not get the vaccine.

## **Health Plan Coverage**

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 or coverage that is not required to provide coverage of preventive services without cost-sharing under section 2713 of the Public Health Service Act, such as grandfathered health plans. We anticipate that the COVID-19 vaccine will fall under the 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 for 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**

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.

## **Government-mandated Vaccinations**

There is evidence that many people don't want to take the vaccine when it becomes available. Can they be forced to? Not exactly, but it's complicated. The federal government can try to mandate vaccines, but they can't physically force a vaccine on an unwilling recipient. There could be a tax imposed. They could leave it up to the states. The states can also impose mandates, or add to existing vaccination requirements for school enrollments, etc. There is legal precedence here, from a 1905 Supreme Court case on the smallpox vaccine, where it was ruled that states have the authority to enact reasonable regulations as necessary to protect public health, public safety, and the common good. This includes vaccination mandates.

On December 13<sup>th</sup> the CDC published a [new page](#) on their website about what to expect when at your COVID vaccination appointment. The CDC explains that when you get vaccinated you will receive a vaccination card and information about registering on the new [v-safe](#) app. This app provides those vaccinated with information about the specific version of the vaccine they received and sends reminder to get their second dose on time. Airlines have already started talking about requiring proof vaccination from passengers. It's possible that a vaccination card could be used as a form of proof.

## **What About Employer-mandated Vaccines?**

Employers want to avoid virus transmission in the workplace and COVID-related shutdowns. Some employers are wondering if they can require employees to get or provide proof of a COVID-19 vaccination should the federal government not mandate it.

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).

For the most part, the guidance aligns with the precedent set when both the 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.

We will continue to monitor and share developments in this area. Clients should seek legal counsel for risk guidance on such matters and also 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's understandable that a new vaccine, 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 new [educational videos](#) about the COVID-19 vaccine that you can share with employees.

In addition, if you haven't yet published a COVID-19 employee and workplace safety policy or guide, this is a great time to do so. Best practice policies are customized to your specific employee population and workplace considerations. Most have provisions such as face mask requirements, remote work, or socially distant work either for all employees or specifically for those who are unvaccinated. Please reach out to your Account Manager if you'd like to see a sample return to work guide. We are happy to share our own guide with you as a sample.

For those that have already published a workplace and employee safety guide or policy during this pandemic, set a regular cadence to review and update it to stay current with potential regulatory changes. Whether a new policy is put in place or not, employers should continue to follow general COVID-19 sanitization procedures and protocols as recommended by the CDC.

### **Will RGA Provide Reporting on Employees Who Have Been Vaccinated?**

Recently, we've received questions from clients asking if we will be able to provide reporting to see which employees have received the vaccine? We cannot disclose the names of employees that have received the vaccine when the request for this information is in anyway related to employment purposes.

We will be able to report on claims spend and number of claims for administration of the vaccine as long as providers use the new CPT codes released last month specific to COVID-19 vaccine administration. Plan officials with PHI access can have access to plan participant name information solely for the purpose of ensuring proper administration of the Plan such as vaccine spend.

Perhaps you have broader questions about how COVID vaccinations will affect your health plan. No matter what your questions are, it's likely that 2021 will include challenging decisions for employers. We will keep you updated through our newsletters as these emerging topics develop.

## 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**