



January 29, 2021

To Our Valued Clients and Partners,

This month marks one year since the first COVID-19 case was first detected in the United States, just a few miles from our RGA office. January 2021 is already the deadliest single month in the US and globally since the pandemic began. Around the world, over 102 million COVID-19 cases and nearly 2.2 million COVID-19 deaths have been reported. The United States has more than double the cases and deaths than that of the next highest nation. Since the start of the pandemic, the US reported 25.8 million cases and nearly 435,000 deaths. The race is now on to increase the vaccination rate up to an immunity level that would slow or stop the spread of the virus.

We are acutely aware that the pandemic is wearing on our clients and our members. Many of our clients have or are facing financial strain and have had to reinvent their operations to stay open. Likewise, many members are stressed and experiencing fatigue or depression. We see this surface in the volume and nature of member calls that we receive related to COVID-19.

Undoubtedly, our client's Human Resource teams are fielding related questions. We have been curating a list of the most common COVID-19 member questions over the last two months. Over the next week, we will be updating our COVID-19 member page with a Q&A refresh. In many cases, we will be pointing members to state or community resources where they can access local online tools or more specific regional information.

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. We will also provide additional links to health information and resources published by federal or state health authorities.

Here's a sample of the questions we will be tackling:

- I do not have symptoms, but I need to get a COVID test to fly, to return to work, or to return to my dorm – will my insurance pay for my test?
- I already had one COVID-19 test? Can I get another test?
- Where can I get a test if I do not have symptoms?
- Where can I get the vaccine?
- How do I get on a list to get the vaccine sooner?
- My employer is making me get the vaccine. Can you help me get the vaccine earlier than the phase that I qualify for?
- Do I have to pay for the vaccine?
- Can you give me proof that I got the vaccine?
- Does it matter which vaccine I get?
- What happens if I do not get the second dose on time or at all?
- Is the vaccine safe? Is it safe for my health condition?
- Does the current vaccine work on the new variants?

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. 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 17.2% of our members have had at least one COVID-19 testing claim and approximately 43.4% of those tested have more than one testing claim.

Treatment Claims Trends Across Our Membership

Approximately 10.4% of members tested have a positive COVID-19 diagnosis and about 6.8% of members with a positive COVID-19 diagnosis have required hospitalization. Approximately 4.2% 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 Q4 COVID-19 Client Impact reports available today**, January 29th. These reports are posted to our analytics & reporting portal with your other monthly and quarterly reporting. 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

The CDC has a slick, new COVID-19 **vaccination tracker**. As of this writing, the US has distributed 48.4M doses, 21.7M people have received a single dose and 4.3M have received both doses or less than 2% of the US population that is fully vaccinated to date. Across our region, the full vaccination rate in Oregon is at 1.3% and Washington is at 1.2% and Utah and Idaho are both under 1%. President Biden set a goal to pick up the pace and administer 100 million vaccinations in his first 100 days in office. Over the last week, the US vaccinated an average of one million people per day.

No one knows for certain what the required vaccination rate is to achieve **herd immunity** against the SARs coronavirus-19. The more contagious the virus, the higher the percentage of vaccination required. For example, the [Mayo Clinic](#) estimates that for measles, a highly contagious virus, 94% of the population must achieve immunity and estimates that for the current US COVID-19 strain, herd immunity is at least 70%. The more contagious UK variant of COVID-19 has now been detected in 26 states. So far, only two cases of the most contagious South Africa variant and one case of the Brazilian variant have surfaced in the US.

Shortages persist of COVID-19 tests, vaccines, medical-grade PPE, and in some areas, ICU capacity. Nez Perce County, ID and Grays Harbor County, WA report 100% ICU bed capacity as of January 25th. Iron County, UT, Kootenai County, ID, and Yakima County, WA are over 90% ICU bed capacity. An additional nine counties in WA, two in OR, and one in UT are over 80%.

It is more important than ever to minimize unnecessary exposure, continue using masks, social distancing, and handwashing. Last week, Dr. Fauci predicted that the US could have 70-85% of the

population vaccinated by the end of the summer with the introduction of additional vaccines currently in the pipeline and increased production and supply of the current Pfizer and Moderna vaccines.

As the supply of vaccines ramps up over the next few months, another hurdle to overcome is **vaccine hesitancy**. Recent studies suggest that vaccine hesitancy is one of the biggest remaining hurdles that could prolong this pandemic. Late last month, a University of Oregon [research report](#) found that 24% of Oregonians indicated that they will not get vaccinated and another 33% are hesitant. 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 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 as (ACA) 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.

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.

Vaccine Access

Washington, Oregon, Idaho, and Utah have different vaccination plans. Phases and tiers can be misleading; for example, new groups of people become eligible weekly in Oregon.

Washington: If a member wants to find out if they're eligible for vaccination, they can use the [Phase Finder Tool](#) and receive a certificate to show at their appointment. Washington is in Phase 1b.

- Eligible groups by tier and objectives for protecting those groups in that order are [detailed in this document](#).
- A [simplified visual timeline](#) is also available.
- Washington's [Department of Health](#) website has many additional resources.

Oregon: To determine their eligibility, members can use the [Vaccine Info Tool](#) (starts a chat).

- Phases 1a and 1b and groups that become eligible each week are outlined in [this distribution plan](#).
- For [vaccine information by county](#) please refer to the Oregon Health Authority website.

Idaho: View Idaho's [vaccine distribution information page](#).

Utah: Information about vaccine distribution in Utah is available [on this microsite](#).

Government-mandated Vaccinations?

There is evidence that many people do not want to take the vaccine when it becomes available. Can they be forced to? Not exactly, but it is complicated. The federal government can try to mandate vaccines, but they cannot 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 13th, 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 reminders to get their second dose on time.

Airlines have already started talking about requiring proof vaccination from passengers. It is 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 16th, 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 Americans with Disabilities Act (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 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 is 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 have not 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 would 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 have 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 any way related to employment purposes.

We will be able to report on claims spend and the number of claims for the 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