

COVID-19 VACCINE UPDATE

Revised December 15, 2020

| When will vaccines be available?

Key Updates this Week:

- The FDA approved the emergency use (EUA) of the Pfizer/BioNTech COVID-19 vaccine on 12/11; the CDC provided their full recommendation on 12/12 to administer the vaccine to individuals over age 16
- Initial doses were shipped on 12/13 and will be available for administration early this week
- Moderna's COVID-19 vaccine will be reviewed for EUA on 12/17. The vaccine has the same mechanism and similar efficacy to the Pfizer/BioNTech vaccine; therefore authorization for Moderna's vaccine is anticipated next week
- Pfizer/BioNTech and Moderna have announced very high (>95%) efficacy for their vaccines, both of which require two doses approximately 3-4 weeks apart
- Estimates are that 20 million people could be vaccinated during December and 30 million per month after that

| How will vaccines be distributed?

- The government is overseeing all initial distribution of the vaccine
- Vaccines are being shipped with GPS Thermal Sensors for temperature and destination tracking
- Each state has developed its own plan for distribution/allocation

| How do we access the vaccines?

- Initial supplies will be limited
- Distribution will be phased, with prioritization of health care workers, first responders, and long-term care/assisted living facilities
- Vaccine access for the general population is expected by mid-year 2021

- Many retail chain pharmacies will have the ability to administer COVID-19 vaccines (like the flu and other vaccines) as supplies become available. Due to restricted initial supplies, cold storage requirements, and medical oversight required for potential allergic reactions/other, we anticipate that it may be months before employers/vendors can facilitate COVID-19 vaccine clinics

| How will the cost be covered?

- The CARES Act requires health insurers and plans to cover any CDC-recommended COVID-19 preventive services, including vaccines, with no cost-sharing

| How much will the vaccines cost?

- The government will fund the cost of vaccine serums for the time being, but self-insured employers and fully insured health plans are required to cover the cost of administration
 - o Health plans and PBMs plan to charge employers the approved Medicare fee-for-service rate of \$16.94 for the first dose and \$28.39 for the second dose (\$45.33 total). The administration fee for single-dose COVID-19 vaccines (if/when applicable) is \$28.39
- The vaccine serum (currently being funded by the government) are estimated at \$20-\$37 per dose
- Employers will want to consider if they will incur the cost for non-enrolled employees and/or families

| How many people will take the vaccine?

- It is difficult to say how many individuals will take the vaccine when it is first available to them; several surveys reveal that many individuals are hesitant to take a COVID-19 vaccine. However, the percentage of Americans that are willing continues to increase

- o Employers should note that willingness to take the vaccine may vary by ethnicity
- Children have not been significantly included in the initial trials, so vaccines will not be available to them as soon as adults
- The clinical trials have also not included pregnant and breastfeeding women, and therefore these individuals should discuss the vaccine and their individual situation with their physician to decide

Should we require employees to take the vaccine?

- Careful consideration is needed, with factors ranging from business sustainability to employee/labor relations
 - o Considerations may be different during Emergency Use Authorization
- Our recommendation is to seek legal counsel for your specific organization/circumstances

Can we relax on precautions now that a vaccine is available?

- Ongoing vigilance is critical. We are far from being in the clear, even with a vaccine. **Employers must continue to strongly promote precautions:** social distancing, masks, handwashing, and flu vaccines
- Herd immunity occurs when most people are immune to a disease, and therefore the spread of the disease is effectively mitigated. It is still speculative to estimate when herd immunity will be achieved, but experts do not believe this will happen until late 2021, or even 2022

The circumstances for certain industry customers, such as health care and hospital, may be very different from what is reflected above..

What should we tell employees?

- We recommend developing fact sheets applicable to your workforce to provide employees with guidance when available
- The CDC has developed a strategic framework, Vaccinate with Confidence, to strengthen public trust in vaccines and discourage misinformation. These and similar federal resources can be leveraged to provide employees with credible information
- **Employees should always be encouraged to speak with their PCP or other health care providers for medical advice**

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