



# COVID-19 Vaccine & The Role of Employers

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The first COVID-19 vaccines are here, and more are expected in early 2021. Employers are thinking through how best to prepare and support their employees from a health and safety, educational and legal perspective. This updated paper examines the current state of COVID-19 vaccines and identifies the areas employer plan sponsors will need to contemplate as vaccines become widely available. It is important to note that the data and the opinions reflected in this paper are captured at a point in time and could change rapidly in the current environment.



## Vaccine Headlines

As of December 20, 2020, two COVID-19 vaccines have been given emergency use authorization (EUA) by the Food and Drug Administration (FDA) and Centers for Disease Control and Prevention (CDC) for administration in the United States – the Pfizer/BioNTech and Moderna vaccines.

### EFFICACY

Both vaccines have similar mechanisms, and both have efficacy of 95-98% in preventing symptomatic COVID-19 related disease.

### DOSAGE

Both vaccines require two doses, with Pfizer/BioNTech at 21 days apart and Moderna at 28 days apart. Although partial immunity is conferred after the first dose, full immunity does not develop until 1-2 weeks after the second dose. Therefore, it is critical that people comply with the two-dose regimen. Individuals should request and record the manufacturer of the vaccine being administered to confirm they receive the same vaccine for their second dose. The CDC has produced paper vaccination tracking cards, and there are several digital apps and vaccination passports under development.

### POPULATION

The Pfizer/BioNTech vaccine is approved for individuals over 16 years old and the Moderna vaccine is approved for individuals over 18. More studies are underway to test the vaccine in populations under 18. Neither vaccine has been tested in pregnant or breastfeeding women, therefore these individuals should discuss their health status and specific circumstances with their physician before deciding to take the vaccine.

### PIPELINE

There are additional vaccines in the pipeline expected to apply for EUA in 2021, including at least 15 in phase III trials (the phase before FDA approval) with larger human populations.



### What is Emergency Use Authorization?

Emergency use authorization (EUA) is a mechanism for the FDA to facilitate use of medical treatments, including vaccines, during public health emergencies. For an EUA to be issued for a vaccine, the FDA—advised by an external panel of scientific and public health experts—must determine that the known and potential benefits outweigh the known and potential risks by reviewing safety and efficacy data. In addition, the FDA requires data to demonstrate the quality and consistency of the vaccine manufacturing process. After an EUA is issued, the FDA continues to monitor data and also perform post-market surveillance, working with the CDC to monitor adverse events and side effects, and gather information from patients, health care providers, and others. In addition to this monitoring, specific studies will be performed on efficacy and safety of the vaccine in real-world settings.



## Vaccine Distribution

The government is overseeing all initial distribution of the vaccine, and each state has developed its own plan for distribution and vaccine allocation. Initial supplies will be limited, and oversight is critical to ensure compliance with the two-dose regimen. The CDC's Advisory Committee on Immunization Practices (ACIP) re-evaluated the phased distribution plan on December 19, 2020 and issued revised guidance for prioritization, as detailed below. It is estimated that phases 1a, 1b, 1c, and 2 will include 200 million people. Current projections are that by February 2021 the U.S. will have enough vaccine for 100 million people at present production and supply levels.

Phase 1a, which is now underway, includes health care workers and long-term care facility residents and staff. Figure 1 below outlines phase details.

FIGURE 1: VACCINATION PHASES

	GROUP	AGE RANGE (IF APPLICABLE)	NUMBER OF PEOPLE
Phase 1a	Health care workers		
	Long-term care facility residents and staff		
Phase 1b	Frontline essential workers		~30 million
	Seniors	75+	~21 million
Phase 1c	Other essential workers		~57 million
	High-risk age	65-74	~32 million
	High-risk medical conditions	16-64	>110 million
Phase 2	Without high-risk medical conditions	16-64	<86 million

**Frontline Essential Workers** are defined as workers who are in sectors essential to the functioning of society and are at substantially higher risk of exposure to COVID-19, including:

- + First responders (firefighters, police)
- + Education (teachers, support staff, daycare)
- + Food & agriculture
- + Manufacturing
- + Corrections workers
- + U.S. Postal Service workers

**Other Essential Workers** include the following:

- + Transportation and logistics
- + Food service
- + Shelter & housing (construction)
- + Finance
- + IT & communication
- + Energy
- + Media
- + Legal
- + Public safety (engineers)



## HOW WILLING ARE PEOPLE TO TAKE A VACCINE?

According to a recent Pew research study, 60% of Americans are willing to take the vaccine in November, up from 51% in September.<sup>1</sup> Yet scientists have estimated that in order to achieve herd immunity, approximately 70% or more of the population needs to be vaccinated.

Hesitancy to take the vaccine is largely driven by concern that COVID-19 vaccines are being developed rapidly. In other words, trust is a primary barrier. A recent CVS Health survey showed that for vaccine advice people trust their physician most, followed by Dr. Fauci, followed by the CDC.<sup>2</sup> Employers will likely want and need to play a role in education around the safety and efficacy of the COVID-19 vaccine. Communication strategies and awareness campaigns should consider the variety of attitudes toward the vaccine across the demographic composition of the population. There is still a high percentage of people that say they would probably or NOT take the vaccine, or only take it after many others had received it.

FIGURE 2:

### Majority of Americans now say they would get a vaccine for the coronavirus<sup>1</sup>

% of U.S. adults who say if a vaccine to prevent COVID-19 were available today, they...

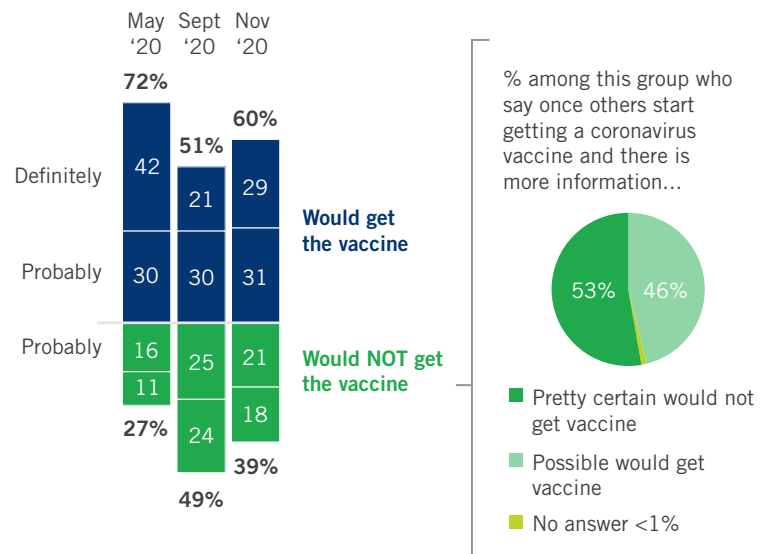
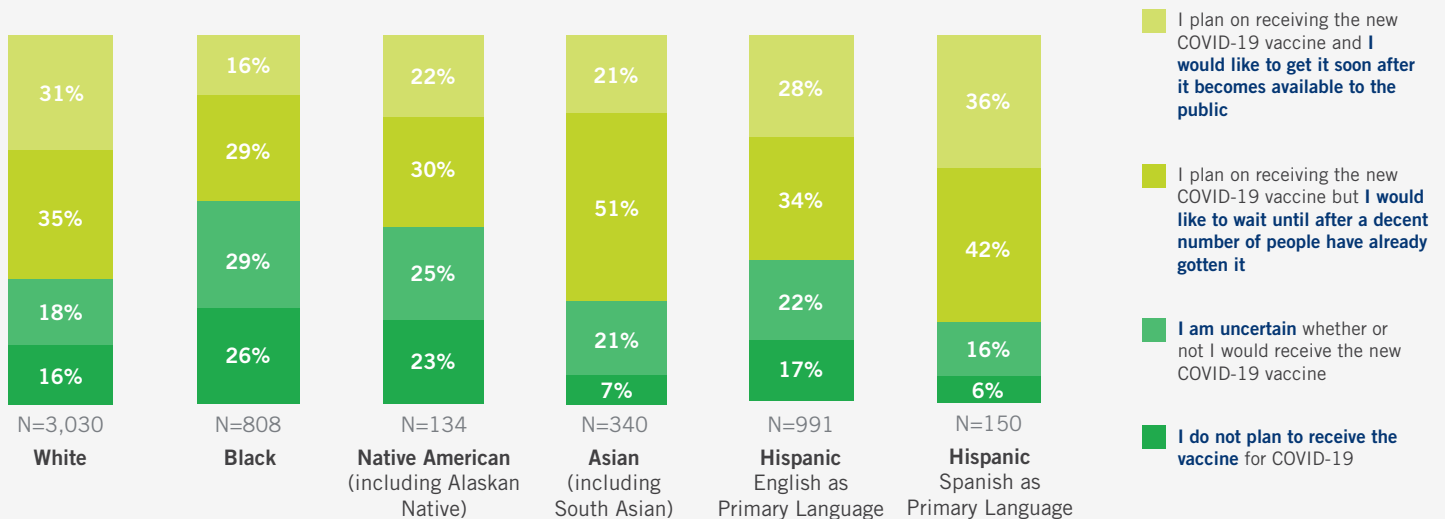


FIGURE 3:

### Attitudes Toward Vaccines Vary by Race/Ethnicity<sup>2</sup>



<sup>1</sup> *Intent to Get a COVID-19 Vaccine Rises to 60% as Confidence in Research and Development Process Increases*, Pew Research Center, December 3, 2020.

<sup>2</sup> *CVS Health, Understanding and Addressing Vaccine Hesitancy*, December 2020.



## WHAT DOES THE VACCINE MEAN FOR THE FUTURE?

At present it is unclear how long protection from these vaccines will last, and whether people who get the vaccine could still be asymptomatic carriers and spread COVID-19. Therefore, until more studies are done, it is critical that everyone maintain the current controls and precautions of using masks, social distancing, and washing up.

Many employers will continue with remote working where feasible to accommodate social distancing. For those that are not working remotely, testing protocols and contact tracing should be considered. As employees return to work, consider vaccination tracking.

## The Employer Response

Never in history have employers realized just how much public health can impact their bottom line. Our ongoing coexistence with the virus means continuing precautions, possible shutdowns, and curtailing of business as well as social and cultural activity—leading to economic suffering for millions.

Yet we will continue coexisting with the virus until we achieve herd immunity. According to a recent McKinsey and Co. study, the highest probability of reaching herd immunity in the U.S. is in the third or fourth quarter of 2021; however, that timing could always shift. Barriers to developing herd immunity include not only the challenges associated with producing, distributing, and administering effective and safe vaccines, but also a lack of confidence from the American public that they will take the vaccine. Employers can play a critical role in breaking down some of these barriers through two key efforts: education and access. Education could include reinforcing the fundamental components of precaution and safe practices, as well as proactive, factual information about vaccine safety. Access could mean directing the workforce to settings where they can get vaccinated or providing points of distribution themselves through onsite clinics or onsite events in the future.

So as vaccines become available, what exactly is the employer's responsibility and how can an employer prepare?



### How much will the COVID-19 vaccine administration cost?

#### Approximately \$45 per 2-dose vaccine

Health plans and PBMs are following the approved Medicare rate of \$28.39 for a single dose vaccine and \$16.94 for additional doses.

## COST AND COVERAGE

The Federal Government, through Operation Warp Speed (OWS), set a goal of no upfront costs to providers and no out-of-pocket cost for vaccine recipients. The government will fund the cost of the vaccine serum, supplies, and distribution, but self-insured employers and fully-insured health plans are required to cover the cost of administration of the vaccine.

It is unclear how long the government will fund the cost of the vaccine serum. Presumably, employers will be responsible for the cost—which currently ranges from \$20-\$37 per dose—in the future.

The CARES Act requires health insurance issuers and plans to cover any CDC-recommended COVID-19 preventive services, including vaccines, without member cost-sharing.





## COMPLIANCE

COVID-19 vaccines may present complex workforce compliance challenges. For example, can an employer require an employee to take the vaccine?

In general, an employer can mandate that employees receive the COVID-19 vaccine, although many employers appear to be encouraging rather than mandating. Still, employers may find themselves in situations where work status is impacted for non-vaccinated employees. The EEOC issued a publication on December 16, 2020, [What You Should Know About COVID-19 and the ADA, the Rehabilitation Act, and Other EEO Laws](#), which provides updated guidance on the responsibilities and rights of employers and employees.

There are several compliance and anti-discrimination laws that must be considered. In addition, COVID-19 concerns will span across broader Human Resources policy risks, including privacy, discrimination, and employee relations. It is critical for employers to coordinate with legal counsel to have a clear position that is communicated to employees.

## COMMUNICATION

Employees are likely to expect communications from their employer about the COVID-19 vaccine. Should I trust it? Will the cost be covered through my health insurance? What about my covered family members? How will you make it more convenient for me?

Employers will want to create awareness for where, when, and how employees and their families can get the COVID-19 vaccine. It will be critical to communicate the coverage under the employer health plan for those enrolled, while also directing employees to credible resources regarding the safety and efficacy of vaccines. Employers should consider development of FAQs and appropriate training materials for both HR business partners and benefits center representatives who will likely be fielding many of the employee questions.

Most employers will want to tailor communications to their specific populations to supplement the guidance being provided by federal, state, and local governmental resources. The level of support around vaccine education, access, and post-vaccination protocol will vary by employer. In preparation for widespread vaccine distribution, employers should proactively be planning their internal communication strategies and coordination with key vendor partners (health plans, PBMs, on-site resources) in early 2021.





## The Employer Considerations for Unknowns

Considering the evolving situation, employers should be educated about the tools and vendor resources available to support some of the areas they may need to focus on in the next several months related to COVID-19.

- + Will employers be able to partner with on-site vaccine providers, like flu clinics, to provide on-site vaccines as early as mid-2021?

Vendors are beginning to develop their capabilities in anticipation of widespread distribution, but timing is currently unknown.

- + Will employers track vaccinations?

There is no formal guidance requiring employers to track vaccination records for employees. Similar to the requirements to conduct COVID-19 screening for employees entering a worksite, this may come later, if at all, as workplaces open up more broadly.

- + Will vaccination documentation be required?

As we noted earlier, the CDC has a vaccination record card to serve as a reminder to receive the second dose and health apps are being developed and deployed to track COVID-19 vaccinations. Will these tools track proof of vaccination documentation and provide a “COVID-19 Vaccination Passport”?



### A Preliminary Considerations Checklist

The return to normalcy for employers from COVID-19 will create multi-faceted challenges across the organization, many of which are still unknown. In the interim, employers will need to proactively identify and align resources within their organization to build the infrastructure required to tackle the associated operational, financial, compliance, and Human Resource issues ahead—so they’re able to ensure the best possible outcome for their workforce.

Preliminary activities for early 2021 will likely include the following:

- ☐ Consider establishing a cross-functional work stream vaccination team within your organization
- ☐ Determine if the vaccine will be required or encouraged for your workforce
- ☐ Leverage vendor and health plan partnerships
- ☐ Plan for cost and coverage of vaccine administration
- ☐ Develop communication and engagement strategy leveraging CDC and other resources
- ☐ Enforce ongoing precautions against the spread of COVID-19

*Please be advised that any and all information, comments, analysis, and/or recommendations set forth above relative to the possible impact of COVID-19 on potential insurance coverage or other policy implications are intended solely for informational purposes and should not be relied upon as legal or medical advice. As an insurance broker, we have no authority to make coverage decisions as that ability rests solely with the issuing carrier. Therefore, all claims should be submitted to the carrier for evaluation. The positions expressed herein are opinions only and are not to be construed as any form of guarantee or warranty. Finally, given the extremely dynamic and rapidly evolving COVID-19 situation, comments above do not take into account any applicable pending or future legislation introduced with the intent to override, alter or amend current policy language.*