

COVID-19 VACCINE UPDATE

Revised February 5, 2021

| What is the current vaccine availability?

- The Pfizer/BioNTech and Moderna vaccines were first to market.
- Next in line are the vaccines from Johnson & Johnson, Astra Zeneca, and Novavax vaccine. Some of their key attributes are as follows:
 - Efficacy rates are high in preventing hospitalizations and deaths from COVID-19 illness.
 - Johnson & Johnson is a one-dose shot, considered to be the best option in a pandemic setting because it offers improved access, distribution, and compliance versus two-shot doses.
 - Storage requirements are more stable with standard refrigeration vs. the first to market vaccines that require ultra-cold storage/freezer constraints.
 - Johnson & Johnson and Astra Zeneca are expected to submit for Emergency Use Authorization this month.
- As new and more severe variants of the virus emerge, all manufacturers are focused on potential boosters.
- Children continue to be entered into clinical trials to determine the effectiveness and safety of the various vaccines.
- Clinical trials have not yet included pregnant or breastfeeding women, and therefore these individuals should discuss the vaccine with their physicians.

| How will vaccines be distributed?

- The government is overseeing all vaccine supply to individual states, and states then control how the vaccine will be distributed and administered.
- To date, approximately 55M vaccine doses have been distributed nationwide, but only approximately 34M have been administered (61% of distributed doses).
 - While the government initially held back doses to ensure supply for second doses, they have now released that supply with assurances from manufacturers that more supply will become available.

- While this may stabilize the supply chain, there remain challenges with vaccine deployment within states and jurisdictions, leading to confusion, shortcomings in vaccination administration, and potential vaccine waste.
- Attention to expanding and creating additional vaccine sites is beginning. The CDC has also started a program to make 1M vaccine doses available to participating pharmacies next week.

| How do we access the vaccines?

- Distribution will continue with a phased approach, prioritizing health care workers, first responders, long-term care/assisted living facilities, the elderly, and those with high health risks.
- Vaccine access for the general population is still projected to be mid-year 2021.
- The COVID-19 Vaccines page on the Centers for Disease Control and Prevention website has the most up-to-date details about the U.S. Vaccination Program. Select your state in the drop-down to view information about vaccine distribution in your state.
- Many retail chain pharmacies will have the ability to administer COVID-19 vaccines (like flu and other vaccines) as supplies become more readily available.
- Due to restricted initial supplies, cold storage requirements, and medical oversight required for potential allergic reactions and side effects, we anticipate that it may be several weeks to months before employers/vendors can broadly 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

administration costs.

- 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 funded by the government) is 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?

- According to a recent Pew research study, 60% of Americans are willing to take the vaccine. A recent poll by CVS Health found that hesitancy to take the COVID-19 vaccine is higher in minority populations.
- 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 the vaccines are being developed rapidly and may not be safe as a result. Employers play a critical role in educating employees and providing credible information about vaccine safety.

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.

What approaches are employers taking for mandate/ incentives, etc.?

- Based on a recent survey by Strategic Benefit Advisors, part of the Brown & Brown team, most organizations (75%) have determined they will NOT mandate the vaccine for any portion of their population.
- Only 15% of organizations have committed to providing incentives to their employees who receive the vaccine.
 - o There is not yet a consensus about what type of incentive organizations plan to provide.

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 [Vaccine Communication Toolkit](#). 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.

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 the majority of 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.

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