

7 questions HR is asking about COVID-19 vaccinations

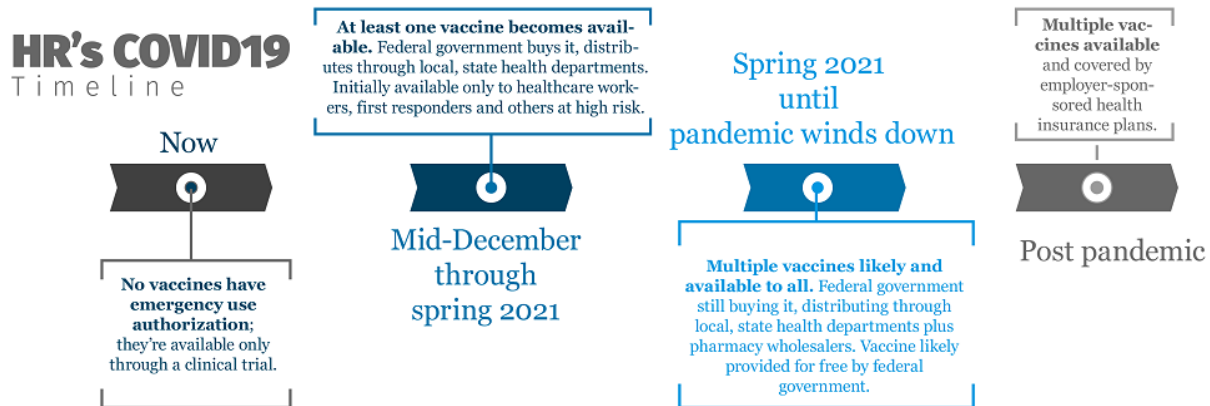
Willis Towers Watson experts answer timely questions, including: Can employers purchase vaccines? Or require employees to be vaccinated?

By: Jeff Levin-Scherz and Ben Lupin | 12-02-2020 | Human Resource Executive



Employers have been heartened by the recent good news about COVID-19 vaccine effectiveness, even as the surge of new COVID cases and hospitalizations continues to threaten our health and our economy. The initial reports from Moderna, Pfizer and AstraZeneca show that these vaccinations lead to immunity in a large portion of those vaccinated, with side effects that are generally mild.

The first vaccines likely will become available in mid-December. We expect that public policy around vaccines will evolve as more vaccine supply becomes available and as a larger portion of the population gains immunity.



Here are seven questions we've heard from employers as we await the first doses of the vaccine being distributed later this month.

1. Can my organization purchase vaccine to be sure that our employees and their families get vaccinated?

Not right now. The federal government will purchase all supplies of the vaccine, so there will be no available vaccine for employers to purchase. As the pandemic winds down, it's likely that there will be an available supply of vaccine that can be purchased by employers seeking to immunize their employees and members.

2. Should we set up on-site COVID-19 vaccination clinics?

Employers may be able to set up on-site COVID-19 vaccination clinics late in 2021; by that time, the supply of vaccine will likely be adequate, and with lower rates of community infection, more workers are likely to be back on-site. All but one of the candidate vaccines requires a second injection three or four weeks after the first vaccination, so employers seeking to do immunization on site will need to carefully track vaccine brand and timing of first doses to be sure to administer second doses at the correct time.

3. What can we do to be sure that our employees are “at the front of the line” to get vaccinated?

The National Academies of Science, Engineering and Medicine has published a Framework for Equitable Allocation of COVID-19 Vaccine, which gives the highest priority to high-risk healthcare workers and first responders and then prioritizes elderly adults in congregate living settings and those of all ages with underlying conditions that

significantly increase their risk from COVID-19. Phase two of vaccination would include teachers and childcare workers, essential workers, those with underlying conditions that put them at moderate risk, those in homeless shelters, group homes and detention facilities and all those over 65.

Employers should beware of “gray market” vaccine, which could be ineffective or even harmful. Many of the COVID-19 vaccines require effective freezing or refrigeration, and employers should purchase vaccines only from reputable suppliers when vaccines become available for public purchase. Companies that appear to be using influence or money to obtain vaccines early could suffer reputational damage if it appears their actions could put others at risk.

4. How much will the COVID-19 vaccine cost and who will pay for it?

The U.S. government has announced that it will purchase all COVID-19 vaccines and has agreed in advance to purchase vaccines at a cost of \$10-\$74 per course of vaccination.

The Coronavirus Aid, Relief and Economic Security (CARES) Act mandated that all employer-sponsored health insurance provide coverage with no cost-share for a COVID vaccine 15 days after it was recommended by the Advisory Committee on Immunization Practices (ACIP) or the Centers for Disease Control and Prevention (CDC). This is a special rule for COVID-19, as normally plans are only required to cover other recommended preventive services without member cost-share a full plan year after the recommendation is approved.

The federal government will purchase and distribute all COVID-19 vaccinations through state and local health departments, so at this point, it is likely that employer-sponsored plans will be responsible only for payment of administration fees, rather than the entire cost of the vaccine. Employers should cover this administration fee through both the medical and pharmacy benefit of their group health plan to make it easiest for members to get vaccinated.

When the pandemic is over, it's likely that COVID-19 booster shots, if needed, will be covered by employer-sponsored health insurance plans. The private market price of COVID vaccine could increase when the government is no longer the sole purchaser, although multiple competing vaccines could restrain price increases. Following the end of the emergency period (when the government will no longer be covering the cost of the vaccine), employers will need to cover the cost as part of the Affordable Care Act's “preventive care” provisions.

5. Can our health plan cover vaccination for employees who have waived insurance?

No.

About a third of Americans are in “fully insured” health plans, and the carrier would not use its funds to provide services to those for whom it was not paid a premium. About two-thirds of Americans covered by their employers are in “self-insured” plans, where the claims are paid by the employer’s funds. These plans are governed by the Employee Retirement and Income Security Act of 1974 (ERISA), which mandates that health plan assets are used exclusively for the benefit of health plan members. Therefore, an employer-sponsored health plan can provide COVID-19 vaccination only to members of that health plan.

Employers can establish alternative means to fund immunization of employees who have waived coverage, although they should consult with counsel to avoid inadvertently creating a new health plan that may not be compliant with the Affordable Care Act or other regulations. It is also possible that the government will issue guidance addressing this issue.

6. Can we require our employees to be vaccinated?

Employers would be wise not to require a COVID-19 vaccine until it has full approval from the FDA, and there is adequate supply and good evidence that the vaccine is effective and safe. Some employers with especially high-risk employees, including healthcare facilities, certain manufacturers, essential workers and frontline workers, might choose to require the vaccine at that point, much as many hospitals require their staff to get annual influenza vaccines. The Americans with Disabilities Act may require some exceptions, so again, employers should check with their counsel as they design any vaccine mandate. Furthermore, the Equal Employment Opportunity Commission and/or the Occupational Safety and Health Administration may issue guidance for employers on vaccine administration for employees.

All employers should be sure that employees face no barriers in obtaining the vaccine, which could require scheduling flexibility so that employees can receive a second dose at the prescribed interval. Employers can encourage employees to get vaccinated through communications and can highlight the vaccination of company leaders and influencers.

7. Does the vaccine mean that we can do away with masks and distancing?

Even these very effective vaccines won’t provide protection from COVID-19 for every person who is inoculated. Therefore, we’ll need to continue to follow guidelines to

decrease the risk of spread, including masks, distancing, limiting employee density, limiting travel and improving ventilation, barriers and procedures that limit close and sustained contact. Employers have played an important role in protecting their employees, families and communities through these measures. When community spread has stopped, we will be able to return to closer contact. Some pandemic precautions, including staying home when sick and better handwashing, could help us decrease illness in future influenza seasons, or if COVID-19 continues to circulate at low levels.

The exceptionally good news about the apparent effectiveness of the coronavirus vaccines means we could save hundreds of thousands of lives in the United States alone and be able to return to a more normal economy over the next year. Employers can do their part to improve public health by maintaining their efforts to decrease virus transmission now and by promoting the vaccine when it becomes available.