

COVID-19 VACCINE UPDATE

NOVEMBER 19, 2020

With all the media attention on emerging vaccines, we want to provide you with a brief update on what to expect.

<p>When will vaccines be available?</p>	<ul style="list-style-type: none"> • First vaccine availability is projected for late 2020/early 2021 • Pfizer and Moderna have announced very high efficacy for their vaccines, and are expected to soon file for emergency use authorization; it is estimated there will be 70 million initial doses available, which will be enough to vaccinate 35 million people
<p>How will vaccines be distributed?</p>	<ul style="list-style-type: none"> • The government is overseeing all initial distribution of the vaccine • It appears that each state will develop its own plan for distribution/ allocation, including determining the providers and settings for the first available vaccines
<p>How do we access the vaccines?</p>	<ul style="list-style-type: none"> • Initial supplies will be limited • Distribution will be phased, with likely prioritization of health care workers, first responders and long-term care/assisted living facilities • Providers may have a screening process to determine who is eligible for initial vaccine supplies • Vaccine access for the general population is not expected until later in 2021 • It is anticipated that major retail pharmacies will eventually have the ability to administer COVID vaccines (similar to flu and other vaccines), but timing is unknown • Due to restricted initial supplies and cold storage requirements, we anticipate that it will be months before employers/vendors can facilitate COVID vaccine clinics
<p>How will the cost be covered?</p>	<ul style="list-style-type: none"> • The CARES Act requires health insurers and plans to cover any CDC-recommended COVID-19 preventive services, including vaccines, with no cost-sharing
<p>How much will the vaccines cost?</p>	<ul style="list-style-type: none"> • Estimates vary; initial vaccines are estimated at \$20-\$37 <i>per dose</i> (two doses required for initial vaccines) • The government may provide funding for the vaccine serum, although it may also attempt to be the payor of last resort (meaning insurers and self-insured health plans would pay the cost) • Employers will want to consider if they will incur cost for non-enrolled employees and/or families, and how

<p>How many people will take the vaccine?</p>	<ul style="list-style-type: none"> • 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 at this time • Children have not been significantly included in the initial trials, so vaccines may not be available to them as soon as for adults
<p>Should we require employees to take the vaccine?</p>	<ul style="list-style-type: none"> • An employer can generally require an employee to take the vaccine, but it is not without controversy and potential legal pitfalls. Even when mandated, certain exceptions will likely apply • Careful consideration is needed to determine if you will require the vaccine for employees. Factors range from business sustainability to employee/labor relations
<p>What should we tell employees?</p>	<ul style="list-style-type: none"> • Brown & Brown recommends developing fact sheets applicable to your workforce to provide employees with guidance when available • The CDC has developed a strategic framework, <u>Vaccinate with Confidence</u>, to strengthen public trust in vaccines and discourage misinformation. These and similar federal resources can be leveraged to provide employees with factual information • Employees should always be encouraged to speak with their PCP or other health care providers for medical advice
<p>Can we relax on precautions now that a vaccine is available?</p>	<ul style="list-style-type: none"> • 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 clients, such as health care and hospital, may be very different from what is reflected above.

FOR MORE INFORMATION, PLEASE REFER TO THE [BROWN & BROWN COVID-19 VACCINE WHITE PAPER](#).