

## Teneo Risk White Paper

### Health Security – COVID-19 CDC Guidance

July 29, 2021

#### COVID-19 Delta Variant Concern, Updated CDC Guidance

This week, new research indicating that fully vaccinated people who become infected with the Delta variant of COVID-19 can transmit it to others, coupled with low inoculation rates in parts of the United States, prompted the Centers for Disease Control & Prevention (CDC) to revise its mask guidance for vaccinated individuals. The agency now advises fully vaccinated individuals in areas of substantial or high community transmission to wear masks in public, indoor settings to further reduce their risk of infection and transmission, portending a possible return to pandemic restrictions in some parts of the country. The new guidelines have prompted confusion and a cautious response from state and local officials, as well as business leaders, many of whom are hesitant to reinstitute mask mandates. Firms should continue to follow state and local health guidelines and reassess existing policies and procedures, particularly in areas the CDC deems at elevated risk.

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#### COVID-19 Delta Variant, Low Inoculation Rates Prompt New CDC Guidance

A surge in cases of the COVID-19 Delta (B.1.617.2) variant, along with low inoculation rates in many areas of the US, has prompted the CDC to issue new mask guidance for fully vaccinated people in areas of substantial or high community transmission. The Delta variant has become the dominant strain of COVID-19 globally and in the US, accounting for 88 percent of new US COVID-19 cases. Studies now indicate that in rare occasions, breakthrough infections can occur among fully vaccinated people. At least one study also suggests that fully vaccinated people infected with the Delta variant transmit it to others at the same rate as the unvaccinated. As a result, on July 27, the CDC updated its guidance for fully vaccinated people, recommending that they resume wearing a mask in public, indoor settings in areas of substantial or high community transmission. The CDC has encouraged local leaders in those areas to implement mask mandates for all individuals, regardless of vaccination status.

The risk of outbreaks in areas with low vaccination rates remains particularly acute, with the unvaccinated accounting for the vast majority of COVID-19 cases, hospitalizations and deaths in the US. Currently, 56.9% of the total US population has received at least one dose of the vaccine, while only 49.2% is fully vaccinated. States including Alabama, Idaho, Louisiana, Mississippi and Wyoming currently have the lowest inoculation rates in the country. The CDC said that its new guidance is partially intended to help protect children under 12 who are not eligible for the vaccination, as well as for people who are immunocompromised.

The CDC also this week began publicly reporting the risk of COVID-19 transmission for each US county, focusing on the number of new cases per 100,000 during the previous seven days. Substantial transmission is defined as 50 to 99 cases per 100,000 people, and high is defined as more than 100 cases per 100,000. As of Tuesday, July 27, over 63% of US counties are reporting substantial or high levels of transmission. States including Arkansas, Florida, Louisiana and Missouri are experiencing high transmission levels across their entire states.

### **CDC Guidance Prompts Uneven Government Response**

As of Wednesday, July 28, the CDC's new guidance had prompted some jurisdictions to adjust their mask recommendations, while others responded to the recommendations with firm opposition. At least four states – Illinois, Nevada, New Jersey and Oregon – altered their mask recommendations and mandates following the release of the CDC data. For example, both the Illinois Department of Public Health and New Jersey Governor Phil Murphy announced those states would fully adopt the CDC's updated masking guidance; however, both states declined to reinstitute mask mandates. Separately, Oregon is recommending universal mask use in public indoor settings throughout the state regardless of transmission level. Nevada Governor Steve Sisolak went a step further, mandating everyone wear a mask regardless of vaccination status in areas with substantial and high transmission rates. At the local level, municipalities including Kansas City, Missouri and Yolo County, California have also issued mask mandates.

Nevertheless, several states quickly pushed back against CDC guidance, citing overreach or politics. The governors of Arizona, Iowa, Nebraska and Texas firmly opposed the new CDC guidance, instead advocating for people to receive the vaccine. Some state and local leaders, including New York City Mayor Bill de Blasio, are also encouraging businesses to require their employees to get vaccinated in order to return to the office. The federal Occupational Safety and Health Administration (OSHA) has indicated that they are currently reviewing the CDC's new guidance, but have not issued a statement on the CDC recommendations.

### **Mask Policy Outlook & Implications for Businesses**

The CDC's adjusted mask policy in the near term is likely to lead to the reimplementing of indoor masking recommendations, but increased coronavirus transmission rates and low inoculation rates in some cities and states may slow the return to office for many businesses. Tech companies including Apple and Google have indicated that they are postponing their official return-to-office dates to October from September due to the increased spread of the Delta variant. Google went further to announce that it would require employees who return to the office to be vaccinated and is now requiring employees in California who have voluntarily returned to the office to wear masks indoors again. Additionally, Goldman Sachs is considering reinstating testing for fully vaccinated employees in its New York City offices. Businesses may look to consider requiring staff to get vaccinated in order to return to the office. Businesses may also consider reinstating indoor mask policies where staff are unable to social distance, regardless of individuals' vaccination status.

Depending on state mandates, firms will need to closely monitor state and local health resources to update their public health and reopening plans as needed, particularly pending the release of coronavirus rules from OSHA. For companies with national footprints, deciding between an adaptable, ad hoc approach to masking requirements and a potentially unpopular universal mask mandate will hinge on the company's agility and culture. Businesses should consider additional avenues to encourage vaccination, such as paid leave, transportation to vaccination sites, internal information campaigns and on-site vaccinations, when possible.