

Alaska Vaccine Assessment Program Council Meeting
September 28, 2016; 9:30-2:00 p.m. AKDT
Location: Anchorage, Alaska

- I. Participating in all or part of the meeting in-person or by telephone (T) were the following individuals:

Council Members

Jay Butler, MD, Chairman – DHSS Division of Public Health
Lily Lou, MD – Alaska Neonatal Associates
Derek Blomquist – Director of Underwriting, Premera Blue Cross
Sarah Bailey – Alaska Division of Insurance
Fred Brown – Health Care Cost Management Corporation of Alaska
Lisa Chenevert (Proxy for Lydia Bartholomew) (T) – Medical Director, Aetna

Absent

Jody Butto, MD – Anchorage Pediatric Group
Captain Gary Givens – Alaska Native Tribal Health Consortium
Lydia Bartholomew, MD – Senior Medical Director, Aetna

Department of Health and Social Services

Gerri Yett – Immunization Program Manager
Matthew Bobo – Deputy Immunization Program Manager

KidsVax®

Fred Potter, Esq. – Executive Director
Julia Walter, M.A., Esq. – Deputy Executive Director
Nicole Price, Esq. (T) – NHVA Deputy Executive Director & RIVAP Executive Director
Ashley Kittrell (T) – Communications Coordinator

Others

Drue Pearce, Crowell & Moring
Lori Bernell (T), EBMS
Stephen Boinski (T), Fidelity Security Life Insurance Company
Dennie Castillo (T)
Mike Humphrey (T)
Denyse Bayer (T), Cigna
Beth Anne Ptak (T), Meritain
Jeri Trice (T), Aetna
Ryan Ruggles (T), ANHC
Jody Daniels (T), GSK
Erika VanFlein (T)

II. **Summary of Actions Taken and/or Recommended**

A. **Actions Taken (votes adopted)**

1. To approve the June 16, 2016 Council meeting minutes.

2. To approve the Provider Payments and Interest policy with the changes suggested at the meeting.
3. To adopt the 2017 children and adult rates as a recommendation to the Commissioner.
4. To grant Fidelity Security Life Insurance Company's (FSL) refund request for past assessments paid for 2014 financial quarter four and 2015 quarters one, two, three, and four in the amount of \$188,730.83 dollars.

B. Follow-up Items

1. KV will address Council terms at the spring 2017 Council meeting.

III. Minutes

Welcome and Introductions

At 9:35 a.m. AKDT, a quorum having been established, Chairman Jay Butler called the meeting to order. Fred Potter announced that the meeting was being recorded for the benefit of the secretary and would be deleted following the approval of the minutes. Introductions were made and the meeting proceeded.

Consent Calendar Items

Chairman Butler asked for comments and edits to the June 16, 2016 meeting minutes. There being none, it was put to a vote.

Upon motion duly made and seconded, it was unanimously

VOTED: To approve the June 16, 2016 Council meeting minutes.

Rate Setting Workshop

Mr. Potter began the rate setting workshop by giving an overview of the methodology used to determine the adult and children rates. The estimated cost of vaccines is derived from last year's projection and DHSS estimates. Mr. Potter noted that audited financials are important for increased accuracy, but DHSS's estimates for the 2017 rates are derived from DHSS's calculations and estimates. An adjustment was made for the overall utilization increase, and there is a price adjustment in the workbook reflected in row twenty-two of that allows set factors to utilize for assumed vaccine cost increases. Another important factor is the CDC's payment policy change requiring that payments be made on the day of purchase or before. With this in mind, the workbook provides for sufficient cash reserves and allows for ninety days operating cash at all times in addition to approximately a year's cash supply for flu vaccine. Based on the worksheet, the calculated 2017 monthly rate for children is \$8.62 and \$0.60 for adults.

Mr. Potter paused for questions. Dr. Lily Lou asked if AVAP has enough liquidity reserves to accommodate a potential uptake in vaccine utilization rates. Mr. Potter replied that there would be enough to cover any significant uptakes.

Sarah Bailey asked why there appeared to be an increase in the cost of vaccine from \$5.7 million to \$7.1 million dollars. Gerri Yett answered that the data is based off of administration data and there have been significant uptakes of more expensive vaccines, such as HPV, that have been implemented in the last year due to several initiatives.

1 Derek Blomquist asked what effect FluMist will have on the 2016/17 flu season because it is no longer
2 ACIP recommended. Ms. Yett responded that DHSS rescinded the order and ordered replacement vaccines
3 at no additional cost.

4
5 Chairman Butler then asked that the phone lines be opened for public comment. There being no comment,
6 he asked for a motion for recommendation of the 2017 rates.

7
8 Upon motion duly made and seconded, it was unanimously

9
10 VOTED: To adopt the 2017 children and adult rates as a recommendation to the
11 Commissioner.

12
13 DHSS Updates

14 Ms. Yett informed the Council that the regulations have been reviewed by the Attorney General and after
15 further discussion regarding the definition of an Alaska resident and a few small revisions, they will be
16 posted for an open comment period on the state website.

17
18 The 2015/16 audit has faced some unexpected obstacles that have prevented its completion prior to the
19 Council meeting. Ms. Yett explained that the state changed to a different fiscal financial system, making it
20 difficult and time-consuming to obtain the necessary data. In addition, the auditor contract had to be
21 reopened in September; however, DHSS anticipates that the audit will be completed within the next month.

22
23 Finally, Ms. Yett addressed the provider payment policy and its intended use. The number of provider opt
24 ins for 2016 are twice as many than in 2015 and all but four providers have submitted payment. Julia Walter
25 explained that some providers have argued that they are not utilizing state vaccine supply or do not
26 understand the Program and thus should not have to pay as invoiced. KV recently sent certified delinquency
27 letters to each provider informing them that payment in full is due. While AVAP encourages providers to
28 participate and is willing to provide assistance as needed, this issue has necessitated a policy for such
29 payments and potential recourse. Referring to the policy handout, Ms. Walter noted that the policy is similar
30 to what is in place for payers and providers have the opportunity to submit requests to the Council for
31 review. Derek Blomquist asked if interest will begin accruing on the date of the invoice or after the grace
32 period. The Council discussed standard payment policies and agreed that interest will accrue from the date
33 of the invoice after a forty-five day grace period. Ms. Yett informed the Council that DHSS intends to
34 complete provider opt in before the end of 2016 so that the number of uninsured adults does not change and
35 payment will be due at the time of opt in or else providers will not be able to receive state supplied vaccine.

36
37 Upon motion duly made and seconded, it was unanimously

38
39 VOTED: To approve the Provider Payments and Interest policy with the changes
40 suggested at the meeting.

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42 Chairman Butler then asked Ms. Walter to proceed with the KV updates.

43
44 KidsVax Updates

45 Ms. Walter informed the Council that the ED Report was in the packet for their review and highlighted a
46 few topics. First, KV has carefully monitored the change in vaccine policy and has spoken with several

1 payers that have opted out in the past two years. So far, two payers who had previously opted out have
2 decided to participate in 2017 and KV hopes to continue discussions with other stakeholders. Second, Ms.
3 Walter informed the Council that Nicole Price, a seasoned attorney, has joined the KV team and is currently
4 serving as the Deputy Executive Director of the New Hampshire Vaccine Association and the Executive
5 Director of the Rhode Island Vaccine Assessment Program. Ms. Walter noted that Ms. Price will be a
6 valuable resource and support for AVAP as Ms. Walter transitions into her role as Executive Director.
7 Last, Ms. Walter provided a legislative update regarding TRICARE and introduced Drue Pearce, a senior
8 policy advisor for government affairs firm, Crowell & Moring (C&M). Ms. Walter stated that the provision
9 requiring TRICARE to begin paying assessments in universal vaccine programs (UVP) is in the Senate
10 version of the National Defense Authorization Act (NDAA) and C&M expects the NDAA to pass after the
11 elections in November. After meeting with TRICARE General Counsel (GC), KV agreed to keep the
12 current language of the provision permissive, allowing TRICARE to pursue potential avenues of coverage
13 for beneficiaries. During Council and public comment Ms. Pearce noted that Congress is expected to pass
14 a continuing resolution and that C&M fully expects the provision to pass and has begun laying groundwork
15 for an additional provision to address the arrears in 2017. Fred Brown asked how much involvement the
16 Alaska delegation has had throughout the legislative process and if it is supportive of the provision. Ms.
17 Pearce replied that she and KV has met with many Alaska congressional representatives and they have
18 supported the provision.

19

20 Stakeholder Communications

21 Ms. Walter updated the Council on the 2017 vaccine access policy that was sent to all opt out payers and
22 posted on www.akvaccine.org. She reiterated that KV has reached out to 2016 opt out payers to address
23 any concerns. Fred Brown asked if the resistance is coming from third party administrators (TPA) or their
24 clients. Ms. Walter responded that it is public knowledge that the resistance from EBMS, the largest opt
25 out, it is not necessarily coming from the TPA but certain health plans that do not want to participate in
26 AVAP for a variety of reasons, one being that a majority of beneficiaries are VFC-eligible. A representative
27 EBMS informed KV that it is meeting with clients next week and would recommend that all plans opt in to
28 the program.

29

30 Payer Request

31 Ms. Walter informed the Council that Fidelity Security Life Insurance (FSL) Company recently submitted
32 two refund requests for \$188,730.83 and \$147,853.51 dollars. FSL had previously submitted several refund
33 requests for the Council's review in March. At the time, FSL was unable to provide data showing that their
34 lives reported for stop loss coverage was being reported through other entities. It appears that through the
35 process of finding the data, FSL discovered that it has also overpaid for assessments by \$147,853.51 dollars.
36 Ms. Walter stated that upon review of the materials submitted by FSL, KV did not believe that sufficient
37 evidence had been submitted to explain how the over-counting error occurred; however, that there is
38 sufficient evidence that FSL beneficiaries reported in the stop loss numbers are receiving coverage through
39 other entities. Thus, KV recommended that the Council refund \$188,730 dollars and that FSL's second
40 request of the over-assessment be addressed at the next meeting. Stephen Boinski, the Compliance Counsel
41 and SIU Director for FSL, thanked the Council for their consideration and stated that he will work with KV
42 to supply the additional information and explanation for the refund request of \$147,853.51 dollars.
43 Upon motion duly made and seconded, it was unanimously

1 VOTED: To grant Fidelity Security Life Insurance Company’s refund request for
2 past assessment paid for 2014 financial quarter four and 2015 quarters one,
3 two, three, and four in the amount of \$188,730.83 dollars.
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5 Council Development

6 Ms. Walter directed the Council to the Conflict of Interest form in the meeting packet and asked that Council
7 members review, sign the document, and give it to her in-person or scan and send it to Ashley Kittrell. She
8 then asked the Council to review the 2017 meeting calendar and make sure that there were no conflicts.
9 Several Council members have prior commitments in January and suggested meeting on February 6, 13, or
10 14.
11

12 Dr. Lou asked what steps might be taken to ensure that the Council terms do not renew at the same time
13 that there is not a completely new Council in 2017. Mr. Potter stated that KV generally meets with new
14 Council members to bring them up to speed on current issues and brief them on matters. KV agreed and
15 noted that it will discuss best practices with DHSS and bring a plan at the winter Council meeting.
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17 Public Comment

18 Chairman Butler requested that the telephone lines be opened for public comment. There being no public
19 comment, the meeting proceeded.
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21 Leadership Transitions

22 Chairman Butler informed the Council that Joe McLaughlin will take over the Council chairman
23 responsibilities in 2017 and Dr. Butler will continue to serve in an advisory position.
24

25 Ms. Walter will assume the role as the Executive Director of AVAP following the end of the current
26 meeting. Mr. Potter noted that she has taken over the majority of responsibilities in her role as Deputy
27 Executive Director and it will be seamless transition. He also noted that Ms. Price will be a valuable asset
28 to the AVAP team. Mr. Potter expects to serve in an advisory capacity as needed.
29

30 Closing

31 Chairman Butler then asked for any closing questions or comments. Lisa Chenevert asked if the Council
32 has discussed including the pharmacies as vaccine provider. Ms. Yett answered that the majority of
33 pharmacies in Alaska are not commercial and there is a regional decision making process. These pharmacies
34 also do not serve children under the age of nine and there is little interest from pharmacies to participate.
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36 There being no further business, the Council meeting adjourned at approximately 11:15 a.m. AKDT.