



AVAP – Vaccine Council Meeting
July 31, 2015 – 11:30 a.m.–2:30 p.m. (AKDT)
Location: BP Energy Center, 900 E. Benson Blvd., Anchorage, Alaska
Presiding Officer: Jay Butler, Chair

I. **Attendance.** Participating in all or part of the meeting in person (P) were the following individuals (T) denotes individuals participating by telephone:

Council Members:

Jay Butler, MD, Chairman – DHSS, Div. of Public Health(P)
 Lydia Bartholomew, MD – Aetna(P)
 Derek Blomquist, Premera(T)
 Fred Brown – Health Care Cost Management Corp. of AK(P)
 Captain Gary Givens – AK Native Tribal Health Consortium(P)
 Lily Lou, MD – Alaska Neonatal Associates(P)
 Sarah Bailey – Insurance Specialist II(T)
 Jodyne Butto, MD – Anchorage Pediatric Group(P)

Others:

Rosalyn Singleton, MD – DHSS, Physician-Epidemiology(P)
 Joe McLaughlin, MD – DHSS, Chief of Epidemiology(P)
 Mike Mazan – SolutionWorx(T)
 Matthew Bobo – DHSS, Immun. Program Manager, Deputy(P)
 Gerri Yett – DHSS, Immun. Program Manager(P)
 Lori Burnell – EBMS (T)

KidsVax.org®:

Fred L. Potter, Executive Director(P)
 Julia G. Walter, Deputy Executive Director(P)
 Claire Roberge, Controller(T)
 Norm Roberge, Accountant (T)
 Ashley Kittrell, Executive Assistant(T)

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

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

1. To approve the June 1, 2015 Meeting Minutes.
2. To continue the Assessment Task Force Work.
3. To adopt the Assessment Task Force recommendation to continue the current methodology for 2016 .

III. **Minutes**

Welcome and Introductions

At approximately 11:30 a.m., a quorum having been established, Chairman Butler called the meeting to order. Introductions were made, and the Council members were welcomed to the meeting. Mr. Potter clarified for the online and telephone participants that the meeting was being recorded for the benefit of the secretary but that all recordings would be deleted upon the Council's approval of the minutes.

Consent Calendar Items:

Chairman Butler inquired of the Council if there were any other amendments to make to the agenda. Hearing none, the Council confirmed the Agenda.

Chairman Butler explained that before discussing edits to the June 1, 2015 minutes it was customary to first accept and then discuss changes. After accepting the minutes he opened them for review. Council member Sarah Bailey informed the Council that the title for her position, "actuary," listed in the heading of the June 1 minutes was inaccurate. The correct designation is "AIE." Chairman Butler also pointed out three errors on pages 5-6; "VaxTrax" needed to be changed to "VacTrAK" and "TD" needed to be changed to "Td"

1 in order to clarify the vaccine type. Chairman Butler verified there were no objections to approve the minutes from the June 1, 2015 Council Meeting.

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3 Upon consent by the Council, it was unanimously

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5 **AFFIRMED:** To approve the June 1, 2015 Meeting Minutes as amended.

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7 DHSS Regulations Update:

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9 Dr. Singleton began with updates on three items. First, Dr. Singleton informed the Council that the proposed regulations had progressed for review to
10 the Department of Law as of July 25, 2015. The request for the proposed DHSS Regulations for AVAP had been filed for an effective date of
11 September 24 in order to coincide with the meeting date at which the rate setting is scheduled for a vote. The last communication with the Department
12 of Law was that they hoped to be concluded by the end of September or the beginning of October.

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14 Secondly, Dr. Singleton summarized the main components of the regulations. The first issue that the regulations address is the option to opt-in and out
15 of AVAP. A payer's ability to opt-out is allowed during the first three years. The slated method to credit for any surplus payment is to apply any such
16 to reduce the aggregate assessment for the following year.

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18 The second issue addressed Council recruiting, frequency of meetings, nominations, term limits, and committees.

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20 The final issue was the Plan of Operation, which had changed since last discussed. The committee had requested in the January Board meeting that
21 the Plan of Operation not require any changes in the regulations, but instead be amendable by a simple vote by the Council. The Department of Law
22 informed Dr. Singleton that any change in the Plan of Operation would need to be adopted by a reference in the regulations. The new procedure would
23 first require a vote by the Council and then proceed to the regulations process. Dr. Singleton informed the Council that she had previously met with
24 KidsVax to review the current Plan of Operation to ensure that very few changes would be needed to be made following a broad revision of the 2015
25 Plan. To avoid a cumbersome Plan of Operation adoption process, KidsVax and DHSS planned to propose a 2016 Plan of Operation in which all of
26 the exhibits and forms would be removed from and placed on the AVAP website to ensure future changes would be minimal.

27
28 Dr. Singleton opened the floor for questions. Dr. Lou asked if any changes to the Plan of Operations would first be reviewed or take effect
29 immediately. Dr. Singleton answered that any changes would not be effective until they were adopted in the regulations. Therefore,
30 there would be a separate regulations packet for the revised Plan of Operation. The Department of Law anticipates that it will be a
31 simpler process. Dr. Singleton was hopeful the only reason for a change in the Plan of Operations would be a change of methodology. Fred Potter
32 added to that saying the current Plan of Operation is an attachment to the regulation and any changes made in the future will be a more
33 compact process rather than what it is currently.

34
35 Dr. Singleton proceeded to discuss insurance regulations as related to reimbursement and asked Ms. Bailey to further explain. Ms. Bailey began by
36 explaining the Division of Insurance was including a payment regulation to cover the matter of providers' reimbursement by an insurance policy when a
37 vaccine is purchased privately by that provider instead of being obtained through the state using AVAP funding. The regulation would require a health
38 plan to pay based on the cost of the state-purchased vaccine as opposed to the 80th percentile of charges, which the regulation previously required. The
39 revision had been sent to the Department of Law and is expected to be reviewed in conjunction with the HHS regulation and a decision is expected from
40 the DOL (Department of Law) by late September or the beginning of October. Dr. Singleton asked for questions or comments. Mr. Brown asked how a
41 third party claims payer attempting to process a claim for a vaccine by a CVS (for example) would determine the correct rate and payment amount. Ms.
42 Bailey answered that the payer could use any method but could look to the regulations as guidance. Dr. Singleton then noted that in the past, retail
43 pharmacies have not received state-supplied vaccine and asked Ms. Yett to elaborate. Ms. Yett explained that prior to recent change in legislation a
44 pharmacy was required to have a collaborative-practice agreement with a licensed M.D. in Alaska to participate in the state's vaccine distribution
45 program. She noted that until now they have not had the ability to independently enroll in such a program. Mr. Brown then inquired how a pharmacy
46 would enroll to which Ms. Yett answered they would have to meet the state's requirements in accordance with any other certified provider. Chairman
47 Butler asked if there was an interest from pharmacies to participate; Ms. Yett answered that it was very low but the option was there. Dr. Lou asked if
48 third party payers could use AVAP rates, (meaning lower vaccine costs.) Ms. Bailey answered that although third party payers are restricted to their
49 contract with the self-funded plan they do have flexibility for the calculation of payments and could use AVAP rates. Dr. Singleton clarified that this
50 referenced all third party payers of whom most are participants.

51
52 Dr. Singleton addressed the provider opt-in for uninsured adults on slide 6 of her PowerPoint Presentation. She noted that approximately 55,000
53 uninsured adults are covered through this mechanism and approximately 30,000 uninsured adults are seen by tribal members who do not have
54 another third party payer. Dr. Singleton noted that during the first year providers were allowed to opt-in on a rolling basis through the spring of 2015
55 as a result of the newness of the program. For year two of the program, she noted a number of changes. First, the opt-in deadline is to correspond
56 with the payer opt-in deadline, which is set for September 28. Next, KidsVax is developing an online processing system that will be both easier and
57 more accurate for administration purposes. Dr. Singleton noted that the assessment will be based on the annual number and brought to the
58 Council for consideration whether or not the DHSS should include a minimum number of adults requirement for opt-in.
59 all third party payers of whom most are participants. She mentioned that most practices reported well over forty uninsured adults. Chairman
60 Butler asked what Dr. Singleton's recommendation was in terms of restricting the number of uninsured adults as well as what advantages
61 there were to setting a minimum number. Dr. Singleton answered that it could be a number and the only concern is that providers who have a limited
62 number of uninsured adults but want to participate for the additional benefits of the program which is not the focus of the opt-in and setting a minimum
63 number could help restrict that. The benefit of setting a minimum is that it would limit the number of providers who opt-in to those who would
64 genuinely benefit from the program. Ms. Yett pointed out that they are trying to standardize the methodology that providers use and that in 2015,
65 providers were able to pay the minimum amount and had the option to serve any uninsured adults. Mr. Potter noted that the state agreed that
66 under section 310, funds were provided to ensure private payers were not paying for the program and that it was used for transitional reasons
67 however may be necessary to be used for other issues such as childhood immunization and opt-out payers.

1 Finally, Dr. Singleton gave a report to the DHSS meeting with Medicaid on July 28, 2015 to discuss their potential participation. She explained
2 Medicaid has a billing structure allowing them to reimburse providers and receive federal rebates for vaccine costs; as a result AVAP would
3 not be cost-effective. Instead, AVAP's appeal would need to stem from another benefit such as improving vaccine accessibility for adults.
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5 In reference to the seventh page of her PowerPoint presentation, Dr. Singleton discussed a conflict of interest disclosure form that all Council
6 Members are required to sign by statute. She informed Ms. Bailey and Mr. Bloomquist that they can mail the form to her.
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8 KidsVax Update – Assessment Collections:

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10 Ms. Walter informed the Council that TRICARE multi-state committee meeting was held in Atlanta, GA in mid-July with program immunization
11 Managers and other representatives from Maine, New Hampshire, Alaska, Idaho, and Washington in attendance. She explained that the
12 Committee is a deliberative body with no decision-making authority, but the intention is to keep states informed of what is going on. She said
13 that Washington would make a decision within the following weeks to determine whether or not to pursue litigation. The Washington Vaccine
14 association was asked by TRICARE to write a demand letter which it subsequently rejected. Ms. Walter also said that there are no definitive
15 plans for future Committee work other than working with the states to seek to assure that any proposed statutory solution on the national level
16 meets the needs of all states. Ms. Walter noted that after Washington makes a decision regarding its next course of action with TRICARE, an
17 update would be sent to Committee members.
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19 Mr. Potter addressed the auditor selection process. He explained that it would be easier in terms of state management that the audit be
20 handled by KV but the selection of the auditor should not be made by KV. Mr. Potter asked that the Council select the auditors and look to KV
21 to bring the competing proposals as early as September. The purpose of the audit is to ensure that they payer community remains informed,
22 to have fiscal accountability for KV, and to bring transparency and corrections that need to be made.
23

24 Mr. Potter moved to item 4.c. on the agenda addressing the annual report and noted that in the future it will be prepared by Ms. Walter.
25 He explained that the pie chart indicates actual collections and operational reports that can be used to report to constituents. The final
26 2015 report will have pie charts tied into actual numbers that will be audited prior to being filed with the commission, and the legislature. It will
27 be due July 1, 2016 for AVAP's 2015 calendar year program operations. Mr. Potter said that the annual report serves as a public information
28 tool as well as a reminder as to why the program is in place and the progress that has been made. He also noted the inventory transition issue
29 regarding the on-stock inventory that was billed out but should have no effect the following year. Mr. Potter concluded by saying that the
30 estimates get better every year and that even in year one there will be substantial savings.
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32 Dr. Singleton clarified that the financial report will be expected at the April meeting. Mr. Potter informed the Council that a list of auditors would
33 be brought to the next meeting. He requested all Council members to inform him if there are any auditors in Alaska that they would like KV to
34 contact for a proposal. Chairman Butler then recommended that the Council serves as the selection body rather than selecting a
35 subcommittee to choose. The Council concurred.
36

37 2016 Methodology

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39 Chairman Butler then asked Mr. Brown to discuss the 2016 methodology. He thanked the Committee members and the KV staff for their
40 support and reported that the methodology has been established. He noted that the current per capita methodology is preferred throughout
41 the TPA community and brought the committee's recommendation that current methodology being used continue to be used for 2016 to the
42 Council for discussion. Chairman Butler opened the floor for questions and comments. Mr. Potter commented that KV will not see any data
43 until it has been de-identified. He said he was optimistic more reports would be received so that this be made possible. Chairman Butler
44 thanked Mr. Brown for heading the meetings and reminded everyone that the committee meeting summaries were in the packet. Dr.
45 Bartholomew asked if the Committee would resume in the fall. Mr. Potter reminded the Council that the carriers had asked to have until the
46 end of September to complete their responses and that it would be respectful to wait until then.
47

48 Chairman Butler noted that the vote to continue Committee work and to adopt Committee recommendation would be made after public
49 comment and referred to Ms. Walter to address "Next Steps" on the agenda. Ms. Walter said that KV and Dr. Singleton are working to refine
50 the Plan of Operation as previously discussed. It would be in final draft form in time for the annual meeting. Ms. Walter noted that the
51 September 24 meeting is also a rate-setting meeting and that there would be a recommended rate for the Council to review. Mr. Potter noted
52 that the spreadsheet for the rates will be in the pre-meeting packet and will be available a week in advance of the September 24th meeting.
53 Ms. Walter then added a logistical note that the September 24 meeting is an all-day meeting from 9:30 AM to 4:30 PM and upon the
54 chairmen's request the meeting was changed from 9:00 AM to 4:00 PM. The 2016 AVAP meetings will also be scheduled at the meeting. As
55 a result of scheduling issues, the rate-setting will be moved to the beginning of the meeting. Ms. Walter pointed out that the opt-out deadline
56 is September 29 and the rates need to be set in order to be publicized so that payers would have enough time to make a decision.
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58 At 12:50 PM, Chairman Butler proposed that the Council break from their deliberations for 25 minutes. Mr. Potter confirmed that the recording
59 would be muted during the break.
60

61 **[BREAK]**

62 Public Comment

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64 Upon reaching a quorum, Chairman Butler proceeded to public comment. Mr. Butler informed everyone that there was no one in the
65 Conference room and Mike Mazan opened the telephone lines. He read the questions that had been submitted online. Lori Burnell asked
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1 about the opt-out deadline and the possibility of payers identifying the number of lives they report that are also covered by another entity.
2 Ms. Walter reiterated that the deadline was on the end-of-business-day on September 29 and that all forms and dates are already posted on
3 the AVAP website. Addressing Ms. Burnell's second question, Mr. Potter answered that it was possible for payers to identify the number of lives
4 also covered by other entities and for which more than one entity is responsible. He referred to the FAQs online and noted that AVAP does not
5 expect any life to be counted twice. KV procedures allow the plans to determine what the best methodology is among the multiple carriers to
6 answer this double-life questions. After no other questions or comments were made, Chairmen Butler requested all telephone lines be muted
7 except for Ms. Bailey and Mr. Bloomquist.
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9 Chairman Butler then entertained a motion to continue the Assessment Task Force Work; he asked if there were any questions or comments.
10 Hearing none the following item was voted on.

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12 Upon consent by the Council, it was unanimously

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14 **VOTED:** To Continue the Assessment Task Force Work.

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16 Chairman Butler then entertained a motion to adopt the recommendation to Continue Current Methodology in 2016. He asked if there
17 were any questions or comments. Hearing none the following item was voted on.

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19 Upon consent by the Council, it was unanimously

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21 **VOTED:** To adopt and Continue Current Methodology for 2016.

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23 Next Steps

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25 Chairman Butler then proceeded to the Council comment period. Dr. Lou referenced two concerns. The first referred to slide five of Dr. Singleton's
26 PowerPoint presentation which discussed the Division of Insurance Regulations and asked if non-participating payers benefit from using AVAP's
27 Standards for their pricing and what they will pay.

28
29 Dr. Singleton responded by saying there are currently no insurance companies who are not participating and as a result the Division of
30 Insurance Regulations do not apply to them. She noted that the regulation would be something to look at in the future and that it is designed to
31 encourage participation by all providers. Dr. Singleton then asked for Ms. Bailey's comments. Ms. Bailey noted that this regulation is applicable
32 only to insurance companies and that again there are no known non-participating insurance companies.
33

34 Dr. Lou's second question referred to slide four of Dr. Singleton's PowerPoint addressing the Methods for Reducing Surplus Payments. She
35 asked that if there are surplus payments during the first three years, if it would be possible to set aside that money in a different way rather than
36 it benefitting everyone who begins participating but has not paid for the last three years. Dr. Singleton answered that the current regulation states
37 that any surplus is to be used to reduce the aggregate for the following year. She then asked Mr. Potter to comment. He said that it was possible
38 but the current Plan of Operation has chosen the aggregate reduction method in order to maintain simplicity and clarity as well as to reduce
39 administration costs. He also noted that it would be the Council's decision to change the approach taken if it deemed the added granularity to be
40 worthwhile.
41

42 Chairman Butler polled the Council on their evaluation of the AVAP process to date. Each member was afforded the opportunity to speak. The
43 comments were uniformly positive as to the methodologies and effectiveness of the work to date. KV was commended for its support of the
44 Council and Mr. Brown and Chairman Butler were thanked for their leadership of the task force and the Council.
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46 Chairman Butler thanked KV for facilitating the meeting and asked for a motion to adjourn.

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48 Upon consent by the Council, it was unanimously

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50 **VOTED:** To adjourn the meeting at approximately 2:35 PM AKDT.