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Alaska Vaccine Assessment Program Council Meeting
May 3, 2016; 9:30-1:30 p.m. (AKDT)
Location: University of Alaska Anchorage

I. Attendance: Participating in all or part of the meeting were the following individuals:

Council Members

Derek Blomquist – Premera Blue Cross Blue Shield of Alaska
Fred Brown – Health Care Cost Management Corporation of Alaska
Jody Butto, MD – Anchorage Pediatric Group
Lily Lou, MD – Alaska Neonatal Associates
Sarah Bailey – Alaska Division of Insurance
Captain Gary Givens – Alaska Native Tribal Health Consortium

Absent

Jay Butler, MD, Chair – DHSS Division of Public Health
Lydia Bartholomew, MD – Aetna

Department of Health & Social Services

Joseph McLaughlin, MD, Chief of Epidemiology, Acting Chairman
Gerri Yett – Immunization Program Manager
Matt Bobo – Deputy Immunization Program Manager
Annie Peterson-Lewis
Merry Carlson

KidsVax®

Fred Potter – Executive Director
Julia Walter – Deputy Executive Director
Ashley Kittrell – Executive Assistant
Nicole Price – Executive Director of NHVA

Others

Beth Ptak
Denyse Bayer
Erika Van Flein
Jody Daniels
Jacob Lauten

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II. Summary of Actions Taken and/or Recommended

A. Actions Taken (votes adopted)

1. To approve the Council meeting agenda.
2. To approve the March 3, 2016 Council meeting minutes.
3. To approve the Payment Plan for Integrity Administrators, Inc. with the following changes: 1) to require that Integrity execute a note immediately bearing standard commercial terms requiring all payments, including interest and penalties, be due in full if an arrears or assessment payment is late; 2) to require

1 the payments be made over the next 18 months beginning July 1, 2016 and
2 ending December 2017; and 3) to require Integrity to continue participating in the
3 Alaska Vaccine Assessment Program (AVAP) through 2017, the last opt out
4 year.

- 5 4. To authorize KidsVax® (KV) to contact 2016 opt out payers and inform them that
6 beneficiaries of its plans may no longer qualify to receive state-supplied
7 vaccines in 2017.
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9 **B. Follow-up Items**

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11 1. KV and the Department of Health and Social Services (DHSS) will
12 define “resident” in the Plan of Operation and send to the Council for final
13 approval via email.
14 2. KV will contact Integrity Administrators, Inc. to inform it of the Council’s
15 decision and payment requirements.
16 3. KV and DHSS will contact 2016 opt out payers and inform them that
17 beneficiaries of its plans may no longer qualify to receive state-supplied vaccines
18 beginning in 2017.
19 4. KV and DHSS will assemble the annual VaxFacts using budget information in
20 order to meet the July 1 statutory deadline. KV will reprint the report at its own
21 expense to incorporate the auditor’s financial report. The VaxFacts draft will be
22 circulated via email among the Council for comment the week of June 6.
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24 **III. Minutes**

25 Welcome and Introductions

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28 At approximately 9:30 a.m. (AKDT), a quorum having been established, acting Chairman Joseph
29 McLaughlin called the meeting to order. He announced that the meeting was being recorded for the
30 benefit of the secretary and would be deleted after the minutes are approved. Those in the room
31 identified themselves as well as participants attending via webinar. Chairman McLaughlin asked for
32 comments and edits to the March 3, 2016 meeting minutes.
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34 Upon motion duly made and seconded, it was unanimously

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36 VOTED: To approve the March 3, 2016 Council meeting minutes.
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38 DHSS Updates

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40 DHSS updated the Council on the regulations process, provider opt in, auditor selection, and the
41 2016/17 adult vaccine selection. Gerri Yett briefly reported that the regulations are advancing and are
42 expected to be finished shortly. Matt Bobo informed everyone that the month-long provider enrollment
43 period ended on March 31 with 61 opt ins as opposed to 36 in 2015. An auditor has responded to the
44 request for proposal posted on the State website. Chairman McLaughlin noted that the timeline for the
45 auditor selection would be discussed later in the meeting but that it should be done earlier to ensure that
46 the audit is completed in a timely fashion and so that the VaxFacts can be published well before the

1 statutory deadline. Ms. Yett then briefed the Council on the adult vaccine list, noting that DHSS will
2 maintain the existing list for 2016 and 2017 with the exception of adding Meningococcal B.

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4 2016 Plan of Operation

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6 Julia Walter reviewed the changes to the Plan of Operation (PO), noting that they are minimal and
7 intended to bring additional clarity. The current definition of “residency” is burdensome and Ms. Walter
8 suggested revising it to correspond with the definition that will go into the regulations. The goal is to
9 implement a standard in reporting and clarify the intent without inflicting a hardship on providers and
10 patients to prove residency. The current definition is centered on the intent to stay and could be a barrier
11 to the program. Ms. Yett reviewed the suggested tri-fold definition submitted by KV:

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13 1. Presents himself/herself for medical services at an office in the State of Alaska, *or*
14 2. Has an Alaska residence address on file with the payer, *or*
15 3. Is covered by benefits for an individual who works at a physical location within the state of Alaska.

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17 The last change to the PO is the provider opt in procedures and forms that will now be handled by the
18 DHSS. DHSS and KV have proposed to bill providers annually as opposed to a quarterly cycle. Ms.
19 Yett explained that the number of patients does not change throughout the year, therefore annual billing
20 will be an easier process.

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22 Upon motion duly made and seconded, it was unanimously

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24 VOTED: To approve the changes to the Plan of Operation with the exception of the
25 definition of “residency,” which will be clarified by KV and DHSS and circulated
26 via email for final approval by the Council.

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28 Following the Council’s approval, DHSS will work with Kelly Hendricks to publish a two week open
29 notice for public comment. The process should be completed within two to three months.

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31 Payer Refunds

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33 Ms. Walter reviewed the status of the payer refunds that the Council approved during the Council
34 meeting in March and Integrity Administrators, Inc.’s payment plan request. Payments have been sent
35 to both Weatherford and Fidelity Security Life Insurance. Ms. Walter reminded the Council of its
36 decision to deny Integrity’s request for a waiver of assessment payments owed for vaccine costs for
37 2015, to deny its request for a waiver of interest and penalties for assessments owed for 2015, and to
38 deny its opt out request for 2016. Integrity submitted a letter explaining that because it is a small third-
39 party administrator (TPA) and has only two clients in Alaska, it is difficult to submit the amount owed
40 in one lump sum, in-turn, the CEO asked to make thirty-six monthly payments of approximately
41 \$1,787.31. KV explained its recommendations to the Council, which were amended after discussion.
42 The Council clarified for the record that payer refunds are to be made on a case by case basis, citing
43 the hardships described by Integrity if full payment was made immediately due, as well as the TPA’s
44 unawareness of the program when it began. Ms. Walter added that Integrity does not have a compliance
45 department and the company was discovered by the carrier survey conducted by Compass Health
46 Analytics. Chairman McLaughlin opened the floor for public comment. There being none, he asked for
47 a motion.

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2 Upon motion duly made and seconded it was unanimously

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4 VOTED:

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6 1. To require that Integrity execute a note immediately bearing standard commercial
7 loan terms requiring all payments, including interest and penalties, be due in full
8 if an arrears or assessment payment is late;
- 9 2. To require the payments to be made over the next 18 months beginning July 1,
10 2016 and ending December 2017;
- 11 3. To require Integrity to continue participating in AVAP during 2017, the last opt
12 out year.

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14 Stakeholder Communications

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16 Ms. Walter presented the topic of discussion by asking the Council for their input regarding stakeholder
17 communications and how AVAP might engage the broader stakeholder community with the goal of
18 preventing opt outs in 2017. She asked if writing letters for newsletters in pediatric associations or
19 sending blast faxes is an effective form of communication. Dr. Lily Lou responded, saying that payer
20 hesitation seems to stem from a financial aspect rather than the program itself and asked if there are
21 any comparisons of 2014 vaccine costs to the 2015 costs for participating payers in AVAP. Ms. Walter
22 suggested using CDC market prices and the costs for private sector vaccines. Mr. Brown added that it
23 is important to point out that the state subsidized vaccine costs for many years by the State and payers
24 were not aware of the true costs. Several Council members noted that it is payers' responsibility to
25 determine the vaccine costs for beneficiaries and see the benefits and cost savings of AVAP.

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27 Continuing the conversation, Mr. Brown asked what school districts have opted out. Ms. Walter
28 answered that Employee Benefit Management Services (EBMS), a TPA based in Montana, is the largest
29 opt out. After a lengthy discussion, several Council members suggested communicating to payers who
30 have opted out for 2016 that the State may not have the funds to cover their beneficiaries if they opt out
31 in 2017. To enforce this proposed measure, Council members suggested implementing a screening
32 process for beneficiaries of opt out payers and either charge for private vaccines or send their clients to
33 another location. Fred Potter stated that if the Council decides to pursue this course of action, DHSS
34 will need to communicate and implement the screening requirements as soon as possible. Further
35 discussion ensued.

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37 Chairman McLaughlin then asked for public comment. There being none, he asked for a motion
38 regarding the matter.

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40 Upon motion duly made and seconded, it was unanimously

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42 VOTED: To recommend that KV and DHSS, in light of the maturity of AVAP, demonstrated
43 cost savings, and concern for payer equitability, that beneficiaries of opt out payers
44 be excluded from receiving state supplied vaccine beginning January 1, 2017.

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46 There being no public comment, the Council adjourned for lunch.

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1 At approximately 11:35 a.m., a quorum having been re-established, Chairman McLaughlin called the
2 meeting to order and asked Dr. Lou and Ms. Yett to provide updates on several miscellaneous items.
3 Dr. Lou announced that the American Academy of Pediatrics, Alaska Chapter recently launched a
4 Facebook campaign for adolescent vaccines and created a series of ads to promote vaccine awareness.
5 Referring to the previous discussions regarding stakeholder communications, Ms. Yett explained that
6 if AVAP decides that opt out payer clients no longer qualify for state supplied vaccines, it may affect
7 provider enrollment. Mr. Bobo added that during year one and two of AVAP, Alaska provided coverage
8 for Medicaid beneficiaries and uninsured adults. DHSS has also initiated conversations with Medicare
9 and the State currently covers its costs. This would make screening for opt out adults somewhat easier
10 but Chairman McLaughlin asked that the Council consider what the impact would be on provider opt
11 ins, which could potentially be a drawback to the recommendation. DHSS will research the implications
12 and report to the Council at the next meeting.

13 KV Updates

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16 Mr. Potter highlighted key items in the ED report and announced that KV will recommend Ms. Walter's
17 transition to Executive Director during the annual meeting in September. Mr. Potter explained that in
18 addition to himself, Nicole Price, the deputy executive director for the New Hampshire Vaccine
19 Association, will be able to provide any necessary support in the future. Outside financial analyst, Peter
20 Smith, will also play a leading role and assist Ms. Walter in recommending the annual assessment rates.
21 Council members congratulated Ms. Walter.

22 **ERISA Preemption**

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25 Ms. Walter opened the discussion by describing the Employee Retirement Income Security Act
26 (ERISA), a federal regulatory scheme that has traditionally preempted certain health plans from state
27 law. This issue is being closely monitored by KV due to the fact that ERISA plans have previously
28 challenged a states' ability to collect assessments. Over the past few months, a law in Vermont requiring
29 TPAs and health insurers to disclose information in an all-payers claims database was challenged by a
30 TPA and overturned by the Supreme Court in favor of ERISA plans. As a result of the Vermont case
31 (Gobeille v. Liberty Mutual) a case in Michigan (Self-Insurance Institute of America Inc. v. Rick
32 Snyder, Governor of Michigan, et. al) was recently remanded by the Supreme Court for further
33 consideration. KV believes that it can distinguish the assessment requirement from an all claims payer
34 database because vaccine programs have different data reporting requirements and are able to clearly
35 demonstrate cost savings.

36 KV will pay close attention to the outcome and give an update during the June Council meeting.

37 **TRICARE**

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40 Ms. Walter informed the Council of the Multistate Committee's efforts to pass legislation through the
41 National Defense Authorization Act (NDAA) mandating that TRICARE participate in all universal
42 vaccine purchase (UVP) programs. KV has met with TRICARE General Counsel (GC) multiple times
43 to find a solution and GC has been supportive of the legislation. Unfortunately, in mid-April, KV
44 received alternate legislation from the Department of Defense. After reviewing the language, the
45 Multistate Committee collectively agreed that the language would do nothing to solve the issue because
46 of the permissive language, no mention of the arrears, adults, or UVP programs. KV has written
47 alternative language in case the originally proposed language is not included in the House version of

1 the NDAA. Involved states are gathering support for the original language and both Washington and
2 New Hampshire are being relied on to lead in conference discussions. Ms. Walter will be traveling to
3 Washington D.C. the week of May 9 to attend the Senate Armed Services Committee NDAA markup
4 and promised to give an update upon her return.
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6 **VaxFacts Preparation**

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8 Mr. Potter began the discussion by informing the Council that it will be difficult for the auditor to
9 complete an efficient and ethically compliant report as well as implement the information into the
10 2015/16 VaxFacts, all before the statutory deadline of July 1st. He recommended that the Council allow
11 KV to proceed with the VaxFacts using budget information rather than audited financials. After the
12 audit has been completed, KV will reprint the report at its own expense to incorporate the auditor's
13 financial report. Council members agreed with KV's recommendation and decided that the VaxFacts
14 draft will be circulated via email for comment the week of June 6th. KV requested that all comments
15 and suggestions be returned after five business days.
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17 Closing

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19 In closing, Ms. Walter asked for the Council's input on setting a payer opt out deadline in the fall. She
20 noted that there was a two week deadline after the Council recommended the assessment rates to the
21 Commissioner in 2015. The Council agreed to maintain that timeline. KV will post the two week opt
22 out deadline on the website.
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24 There being no further business, the meeting adjourned at 1:30 p.m.