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**Alaska Vaccine Assessment Program Council Meeting**  
**September 24, 2015; 9:00 am – 2:30 pm (AKST)**  
**Location: BP Energy Center, 900 E Benson Blvd., Anchorage, AK**  
**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:

Others:

Jay Butler, MD, Chairman, DHSS (P)  
Lydia Bartholomew, MD, Aetna (P)  
Derek Blomquist, Premera (P)  
Fred Brown, Health Care Cost Management Corp. of AK (P)  
Sarah Bailey, AIE, Alaska Division of Insurance (T)  
Jodyne Butto, MD, Anchorage Pediatric Group (T)

Rosalyn Singleton, MD, DHSS (P)  
Joe McLaughlin, MD, DHSS (P)  
Matthew Bobo, DHSS, (P)  
Gerri Yett, DHSS (P)  
Mike Mazan, SolutionWorx (T)  
Lori Burnell, EBMS (T)

KidsVax:

Absent:

Gary Givens

Fred L. Potter, Executive Director (T)  
Julia G. Walter, Deputy Executive Director (P) Ashley Kittrell, Executive Assistant (P)

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

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

Items under Agenda Sections 2:

- 1. To approve the meeting agenda after amending items 2 and 3.
- 2. To approve the July 31, 2015 meeting minutes as submitted.

Item under Agenda Section 3:

- 3. To Recommend the 2016 child and adult rates after adjusting for the state’s additional contribution to cover Medicaid beneficiaries.

Items under Agenda Section 4:

- 4. To Adopt the 2016 Plan of Operation.
- 5. To Adopt the Refund Policy.

**III. Minutes**

At approximately 9:00 am, a quorum having been established, Chairman Jay Butler called the meeting to order. Introductions were made and participants were welcomed to the meeting. Chairman Butler notified all participants that the meeting was being recorded for the benefit of the Secretary.



1 Consent Calendar Items

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3 After reviewing the agenda, the Council consented to discussing item four before addressing item three  
4 to ensure all questions regarding the 2016 Plan of Operation and Refund Policy were answered before voting  
5 to recommend the 2016 rates. A fourth item was added to agenda item six so that Mr. Matthew Bobo  
6 could discuss provider opt-ins. After verifying that no other amendments needed to be made to the agenda,  
7 it was confirmed as amended.

8  
9 Chairman Butler then asked if any additions or corrections needed to be made to the minutes from the  
10 July 31, 2015 Council Meeting. Hearing none, he asked for a motion to approve the minutes.

11  
12 Upon consent by the Council, it was unanimously

13  
14 **VOTED:** To approve the July 31, 2015 Meeting Minutes as submitted.

15  
16 Plan of Operation and Policies

17  
18 Ms. Walter from KidsVax (KV) began the discussion by pointing out that the most recent draft of the  
19 Plan of Operation has drastically decreased in size because the Department of Law (DOL) requires any  
20 change to go through regulations, thus making it more difficult for swift changes to be made by  
21 the Council. Ms. Walter briefly outlined the plan, pointing out the assessment rate timelines,  
22 governing authorities, and a variety of references on the AVAP website for all non-essential  
23 information. Dr. Singleton gave a brief update on the progress of the plan saying that she had  
24 been in contact with Kelly Hendrickson, the Department of Health and Social Services (DHSS)  
25 representative, who agreed with the strategy of moving exhibits to external documents. It is likely that  
26 the plan will be approved by the DOL. Ms. Walter ended the discussion by pointing out that the  
27 language used to describe the assessment methodology was deliberately worded to allow more  
28 flexibility with the methodology used to determine the assessments.

29  
30 Addressing the Refund Policy, Ms. Walter noted it is essentially the same policy as used in the  
31 previous year. It was also suggested that it be posted on the website to allow clarity and transparency for  
32 payers. Chairman Butler asked for discussion or questions regarding both the Plan of Operation  
33 and the Refund Policy. Mr. Fred Brown inquired if the regulation updates from DHSS on agenda item  
34 six would potentially affect the upcoming vote. Dr. Singleton noted that after passing public comment  
35 period, the regulations had been submitted to the DOL in early June. Dr. Singleton had been  
36 informed that procedural revisions were being made and the new version would likely be available in  
37 early October. After discussing regulations, Dr. Singleton then noted the provider community's  
38 widespread support for the AVAP program. She stated that Council representatives Dr. Lily Lou and  
39 Dr. Jody Butto had written letters that had been posted on the website describing the overall support  
40 from pediatricians in Alaska. Dr. Singleton added that they have also reached out to retail pharmacies  
41 to discuss their possible participation in AVAP in the future. The percentage of leakage from  
42 pharmacies administering vaccines appeared to be significantly lower in recent years. Dr. Singleton  
43 asked Ms. Walter to discuss KV's recent evaluation of the claims of an unnamed third party  
44 administrator (TPA) that demonstrated most providers had transitioned over to public vaccine stock  
45 and were participating in the AVAP. The files dated back to January 1, 2015 and revealed that some  
46 TPA's had been denying claims for vaccines included in the AVAP on the basis that they were not  
47 required to pay because it was a state-supplied vaccine and was distributed without cost to the payer.  
48



1 Mr. Potter explained that because of the transitional period, the private stock purchased in 2014 was  
2 expected to dwindle and become almost non-existent by mid-2015, which is indeed what occurred. DHSS  
3 conducted provider outreach to ensure that vaccine claims were not bill erroneously, but were indeed  
4 privately purchased stock. workshops throughout the state that will educate and reach out to both providers  
5 and payers. Mr. Bobo briefly described the more streamlined provider opt in form that will be available to  
6 provider offices online and remove burdensome steps.

7  
8 Upon consent by the Council, it was unanimously

9  
10 **VOTED:** To Approve the plan of Operation.

11  
12 The Council then discussed the updated Refund Policy draft.

13  
14 Upon consent by the Council, it was unanimously

15  
16 **VOTED:** To Adopt the Refund Policy.

17  
18 Rate Setting

19  
20 Mr. Fred Potter first gave an overview of the rate setting workbook. KV created this tool to calculate starting  
21 assessment rate recommendations, using utilization date, vaccine prices, administrative overhead, and other  
22 costs. Mr. Potter noted that the rates had decreased from the 2015 initial year as a result of the start-up costs  
23 being reduced and partial reserve build up in year one. However, the cost of vaccines has increased by more  
24 than 4.5%. This was an unusually large increase. It reflects the change from HPV4 to HV9 as well as the  
25 addition of other new vaccines. Despite these changes, KV still proposed lower assessment rates due to a  
26 high level of payer compliance as well as DHSS's careful management of inventory and distribution.

27  
28 Next, Mr. Potter mentioned a study conducted by DHSS that concluded that the correct number for  
29 Medicaid's contribution indicated an increase to \$100,280. He made this change in the workbook and noted  
30 its effect of further reducing the initial rate recommendation for the adult assessment. Mr. Potter proceeded  
31 to the control points of the workbook. He began by explaining the leakage is the estimate given to non-  
32 paying payers who are in the system. The number is quite low but not zero because of TRICARE's refusal to  
33 pay.

34  
35 Mr. Brown asked what impact it would have on the proposed budget if the adult assessment was eliminated.  
36 Referring to line 39 in the workbook, Mr. Potter pointed out that \$2,146,641 in assessment cash was slated  
37 to be collected for adult assessments; thus, the child assessment would remain the same. He also pointed out  
38 that, in all probability, under Alaska statute, AVAP was required to provide vaccine to adults. Dr. Singleton  
39 also noted that the majority of TPA concerns have been directed towards the administrative costs rather than  
40 towards the vaccine program. Mr. Potter added that despite cost increases for the vaccines themselves,  
41 AVAP has still succeeded in decreasing the vaccine cost to payers in aggregate as compared with the private  
42 market.

43  
44 Public Comment

45  
46 The phone lines were opened for public comment on the proposed assessment rates. Hearing none, Council  
47 members were then given the opportunity to comment.

48  
49 On behalf of the Planned Participants of Healthcare Cost Management Corporation of Alaska, a nonprofit  
50 purchasing coalition of Taft Hartley and self-insured and employer sponsored plans, Mr. Fred Brown



1 commented that the group felt they were being required to pay higher vaccine costs and have experienced  
2 additional administrative burdens. Mr. Brown expressed the group's frustration over having to enroll in the  
3 state required training and comply with the reporting standards for tracking vaccine administration. He noted  
4 that these requirements are considered onerous and have resulted in limiting individual's options when  
5 receiving vaccines. Dr. Singleton responded that the majority of vaccines received had been provided by the  
6 state and it was difficult to believe that most providers are experiencing this difficulty. It is also the child  
7 vaccines that drive the majority of the costs and that from her experience, only a small handful of providers  
8 had not used state-supplied vaccine. Mr. Bobo also explained that the state's handling requirements were  
9 necessary to ensure the health and safety of the general population. Dr. Butto reiterated his remark, as did  
10 Dr. Bartholomew. Mr. Bobo concluded that based upon the comments, he believed there were some  
11 misconceptions regarding the state's handling and storage requirements and the reporting requirements  
12 through VacTrAK and the AVAP program. He explained that AVAP was simply the funding mechanism to  
13 provide the state with adequate funds to purchase vaccine for the privately insured population; all other state  
14 requirements were independent of AVAP and would persist notwithstanding the chosen funding mechanism.

15  
16 Based on the Medicaid savings to the adult assessment, the rate had changed from .77 to .76, a roll call vote  
17 was taken to approve the recommend 2016 assessment rates.

- 18
- 19 Jody Butto – Yes
- 20 Sarah Bailey – Yes
- 21 Fred Brown – No
- 22 Derek Blomquist – Yes
- 23 Lydia Bartholomew—Yes
- 24 Jay Butler—Yes

25  
26 Upon consent by the Council it was

27  
28 **VOTED:** To recommend to the Commissioner the 2016 adult and child rates as  
29 amended.

30  
31 **[BREAK]**

32  
33 KV Updates

34  
35 Upon re-establishing a quorum, Chairman Butler proceeded to agenda item five. Mr. Potter began  
36 by notifying the Council that the ED report was available for their review in the Council Packet.

37  
38 Secondly, Ms. Walter gave a TRICARE update to the Council. She informed them that Crowell &  
39 Moring, the DC firm that had been hired by the Washington Vaccine Association, had suggested  
40 hiring a communications firm to synchronize messaging and put pressure on Congress and TRICARE.  
41 Crowell & Moring had been asked to obtain proposals from several potential firms. They anticipate  
42 having more information for the Council at the January, 2016 meeting.

43  
44 Third, payer concerns and outreach efforts were discussed. A payer webinar was held on September 18  
45 to address concerns and answer questions such as double billing. Mr. Potter offered to have an outside  
46 source analyze other data given if requested by the Council. Another concern resulting from the payer  
47 webinar was the inequity of having just one child assessment because of the various age groups within child  
48 vaccines. Ms. Walter noted that this may be a valid issue to address during the 2016 Methodology  
49 Committee Work meeting.

50  
51 2016 Methodology Committee



1 It was decided that the Committee would meet once before the end of the year, preferably in November, and  
2 schedule subsequent meetings after the first of the year. The members of the subcommittee scheduled the  
3 first teleconference for November 18, at 11:00 am AKDT.

4  
5 **[LUNCH]**

6  
7 DHSS Updates

8  
9 At approximately 1:30 pm, a quorum having been reestablished, Chairman Butler called on Dr. Singleton to  
10 provide the Council with DHSS updates. In response to Mr. Brown's previously mentioned concern  
11 regarding the majority of providers who were receiving state-supplied vaccine, Dr. Singleton verified the  
12 number of providers receiving state-supplied vaccine. DTaP and DTaP-IPV-HepB and HPV were all  
13 vaccines administered from June through September, 2015. 0.07% of DTaP-IPV/HepB and DTaP vaccines  
14 recorded in VacTrAK were administered by providers who do not receive state-supplied vaccines. Finally,  
15 only 2.7% of HPV were administered by providers not receiving state-supplied vaccine. Mr. Brown thanked  
16 Dr. Singleton for further clarifying and asked what measure are being taken to ensure that non-participating  
17 providers administering state vaccines are billing correctly. Ms Gerri Yett responded that non-participating  
18 providers cannot use state vaccines and all offices are visited by DHSS at random to ensure that providers  
19 bill, store, and use vaccine correctly. She noted that it would be considered fraud and abuse if providers  
20 disregard state and federal laws and regulations. VacTrAK input is required by state statute and also  
21 increases the level of provider accountability.

22  
23 Secondly, Ms. Bailey gave an update on the division of insurance regulations. The regulations are still in the  
24 Division of Law, they have not been given any updates and are still expecting to receive them either at the  
25 end of September or the beginning of October.

26  
27 Third, Mr. Bobo updated the Council of the auditor selection process. The selection process will follow the  
28 state of Alaska processes put in place for that. Mr. Bobo will initiate an Authority to Seek Professional  
29 Services and, once approved, put out a Request for Proposal, begin the bidding process and score the  
30 auditors, and bring them to the Council for consideration.

31  
32 Fourth, under DHSS updates, Mr. Bobo discussed policy concerns regarding Medicaid participation.  
33 Research had been conducting regarding how many vaccines were administered to Medicaid adult  
34 recipients and will continue to be monitored to find out the impact.

35  
36 Last, discussing opt-in procedures for providers, Mr. Bobo noted that an opt-in link will be in place  
37 when providers annually enroll for VacTrAK. The process will be automated to ensure minimal  
38 errors. As mentioned earlier in the meeting, workshops are going to be held to provide education and  
39 answer any provider questions. Referring to the PowerPoint, Ms. Walter showed the Council a template  
40 of the new opt-in form that, upon suggestion of DHSS, will give a yearly estimated cost once the form  
41 is filled out. The deadline for the provider opt-in will be announced in January, 2016.

42  
43 Next Steps

44  
45 In regards to the 2016 meeting schedule, Ms. Walter reminded the Council that there is a telephonic meeting  
46 scheduled for January 6, 2016. An in-person meeting is scheduled for May 3, 2016 as well as a brief  
47 meeting on June 16, 2016. The annual meeting on September 28, 2016 has also been scheduled where the  
48 rate setting will be discussed. Ms. Walter also informed the Council that a brief meeting survey would be  
49 sent and welcomed any comments or suggestions.

50  
51 Public Comment



1 Mr. Potter informed Chairman Butler that the public comment period could be moved to adjust to  
2 the fluctuating times of the meeting and that the meeting could continue to be monitored after  
3 adjournment. Chairman Butler announced a twenty minute break after which they would resume for public  
4 comment. He noted that in this first year, at least until the public has more experience with the Council's  
5 work, he wanted to be sure to afford opportunity for public comment at the specific times which had been  
6 posted in advance.

7 At 2:30 p.m., upon reaching a quorum, Chairman Butler called the meeting to order. Seeing that there  
8 had been no registration for public comment, he asked for a motion to adjourn.

9  
10                   Upon consent by the Council, it was unanimously,

11                                   **VOTED:** To adjourn the meeting at 2:42 p.m., AKDT.