

ALASKA DIVISION OF PUBLIC HEALTH
PROPOSED CHANGES TO REGULATIONS
PUBLIC HEARING
TALKING POINTS

MAY 20 AT 11:00 - 12:30
760-569-7171 code 103063718#
Room 515, Frontier Building, 3601 C St, Anchorage, AK

1 JILL LEWIS: Hello everyone. Welcome and
2 thank you for calling in today. Today is May 20th,
3 two thousand -- and it is 11 a.m. This is a joint
4 hearing with the Department of Health and Social
5 Services and the Department of Commerce, Community and
6 Economic Development.

7 Today's hearing is an opportunity for the
8 Department to gather information in a public forum
9 regarding the statewide immunization program. This
10 hearing is being recorded.

11 My name is Jill Lewis and I work in the Alaska
12 Department of Health and Social Services, Division of
13 Public Health. I will be your moderator for today.
14 Assisting me in this teleconference is Dr. Rosalyn
15 Singleton and Matt Bobo with the Division of Public
16 Health. From the Division of Insurance, we will have
17 Katie Campbell and Sarah Bailey. Julia Walter and
18 Fred Potter from KidsVax are also online. Matt is
19 there in the room in the Frontier Building in
20 Anchorage if anyone is there and needs assistance with
21 anything.

22 The Departments propose to adopt regulations
23 relating to the statewide immunization program known

1 as the Alaska Vaccine Assessment Program.

2 A copy of the regulations is available on the
3 Alaska Online Public Notice System. The regulations
4 for the Division of Public Health are at
5 notice.alaska.gov/176563. The regulations for the
6 Division of Insurance are at notice.alaska.gov/176557.
7 Alternatively, you can go to the lieutenant governor's
8 home page, click on proposed regulations and search
9 under a variety of criteria for those.

10 As a reminder, please mute your phone lines
11 unless you're speaking. And if you need to answer
12 another call, please hang up and dial back. That --
13 and please do not put us on hold. You can mute your
14 and unmute your line by pressing star (*) pound (#) 6.

15 To begin today's hearing, I will go over the
16 process that we'll use to collect your comments.
17 Next, Dr. Singleton will give some brief background on
18 the purpose and history of the Alaska Vaccine
19 Assessment Program. Then I will provide an overview
20 of the main elements of the regulations. Following
21 that, I will open the floor for public comments.

22 Because this proposal affects many persons, we
23 ask that you limit your initial testimony to no more

1 than three minutes so that everyone who wants to speak
2 may do so. If there is still time after everyone has
3 had an opportunity to speak once, you may offer
4 additional comments and suggestions.

5 This is an opportunity for you to share your
6 thoughts and for us to listen. While this isn't a
7 forum to debate the proposed changes, your concerns
8 will be noted, thoroughly reviewed and considered
9 before the Departments decide whether any changes
10 should be made to those regulations.

11 After this hearing, you may submit written
12 questions or comments by 5 p.m. on June 3rd. Contact
13 information for that for both divisions are included
14 in their respective public notices.

15 We request that those persons testifying today
16 also submit their testimony to us in writing, if
17 possible.

18 The Department will make questions and answers
19 available on the Alaska Online Public Notice System or
20 at the websites listed in the public notices.

21 Again, we ask you to please mute your phone lines
22 unless you're speaking and if you need to answer
23 another call, please hang up and dial back in. You

1 can mute and unmute your line by pressing star (*)
2 pound (#) 6.

3 Now, I will turn things over to Dr. Singleton,
4 who will give some brief background on the Alaska
5 Vaccine Assessment Program.

6 DR. ROSALYN SINGLETON: Hello. For the
7 record, my name is Rosalyn Singleton. I am a staff
8 physician with the Section of Epidemiology, the
9 Department of Health and Social Services.

10 Before we begin the review of the regulations, I
11 will give some brief background on the statute
12 establishing the Alaska Vaccine Assessment Program.

13 For over 30 years, the State provided vaccines
14 for all Alaskans using federal funds. Because of
15 increased vaccine cost and decreased federal funding,
16 starting in 2009, the State had to cut the vaccines
17 supplied. By 2015, the State had no vaccine funds
18 outside the federally-mandated Vaccines For Children
19 program, which covers uninsured, Medicaid eligible and
20 Alaska Native children.

21 Senate Bill 169 was signed into law in June of
22 2014 to establish a statewide program to provide
23 state-supplied vaccines funded by payers assessed on

1 their proportionate share. Payers, also referred to
2 as "assessable entities," pay an assessment based on
3 their proportionate share of the cost of vaccines.
4 The State uses this assessment to purchase vaccines
5 and distribute to providers.

6 This type of program has been cost saving in nine
7 other states who have similar assessment programs,
8 because these states can purchase vaccines at a 25 to
9 30 percent savings compared with private vaccine
10 purchase.

11 These regulations provide guidance on the program
12 for the council, which oversees the program, payers
13 and providers.

14 The regulations address an innovation in the
15 statute allowing providers to opt-in to be assessed to
16 receive state-supplied vaccine for their uninsured
17 adult population.

18 These regulations address provisions in the
19 statute which allow payers the ability to opt-out
20 annually during a three-year phase-in program --
21 period.

22 Lastly, this is a joint hearing with the Division
23 of Insurance. The regulations include a proposed

1 amendment to 3AAC26.110 to limit the amount that a
2 provider can bill participating payers for vaccine
3 that they purchase privately instead of obtaining
4 through the state.

5 JILL LEWIS: Thank you, Dr. Singleton. For
6 the record, this is Jill Lewis again. Next, I will
7 take a few minutes to review highlights of the
8 regulations. First, I will review the Division of
9 Public Health's regulations and then I will follow
10 with the Division of Insurance's regulations.

11 For Health and Social Services, the regulations
12 will amend Title 7, Chapter 27 of the Alaska
13 Administrative Code by adding a new article titled
14 "Statewide Immunization Program." 7AAC27 is
15 authorized by Alaska Statutes 18.09.

16 The regulations begin at Subsection 112.
17 Subsection 112 deals with assessable entity phase in
18 and opt-out procedures. The statute provides that the
19 commissioner shall establish a procedure to phase in
20 the program over a three-year period for an assessable
21 entity. An assessable entity is a healthcare
22 insurance plan that pays an assessment. For this
23 hearing, we will call assessable entities "payers."

1 An assessable entity or payer may opt out of the
2 program during the three-year phase-in period.
3 Regulations propose that an assessable entity or payer
4 must participate unless they do opt out. They must
5 also report their covered lives regardless of their
6 participation. And during the first three years, a
7 payer may opt out annually following the plan of
8 operation.

9 The Plan of Operation is a document which sets
10 out the procedures for the Alaska Vaccine Assessment
11 Program. Third Party Administrators must get the
12 informed consent of each client to opt out.

13 Section 113 of the regulations relates to a
14 method for reducing surplus payments. The statute
15 requires the commissioner to devise a method for
16 crediting those overpayments. The council must devise
17 a system for reducing the surplus payments by
18 crediting the past overpayments to the current year
19 assessments.

20 The regulations propose that a surplus will be
21 applied to reduce the aggregate assessment rate for
22 the following year and that it will not be refunded or
23 credited to a payer.

1 Next, Section 114 deals with the State Vaccine
2 Assessment Council. The council consists of eight
3 members appointed by the commissioner: three payers,
4 two health care providers, one tribal or public health
5 care representative, one Division of Insurance
6 representative and one representative from the
7 Department of Health and Social Services who is the
8 chair.

9 The regulations would set out the frequency of
10 council meetings, how nominations are conducted, term
11 limits, and also how meetings are conducted. They
12 would require an annual conflict of interest statement
13 from council members and define how members could be
14 removed from the council for cause. They also allow
15 for subcommittees and participation by non-council
16 members.

17 Section 115 of the regulations relates to the
18 Plan of Operation. The statute requires the council
19 to establish and implement a plan of operation for the
20 assessment, payments, overpayments and data
21 collection.

22 The regulations propose that the Department will
23 adopt that Plan of Operation which the council

1 establishes and that the council may change the plan
2 of operation after giving at least ten days advance
3 public notice.

4 Section 116 deals with appeals. The statute
5 allows a payer to appeal a vaccine assessment within
6 ten days after receiving notification.

7 Proposed regulations allow appeals only on the
8 assessment rate or invoice and the list of recommended
9 vaccines for inclusion in this program. Appeals must
10 be submitted in writing within ten days of being
11 posted -- of the rate being posted. Appeals will be
12 heard by the commissioner or designee. The standard
13 for an appeal is that there was a substantial evidence
14 of error in establishing the rate or clear error in
15 the list of vaccines.

16 Section 117 relates to the other program
17 participant opt-in procedure. The statute allows a
18 participating provider who wants to receive state-
19 supplied vaccine for an uninsured adult to opt in and
20 pay the assessment, since there is no assessable
21 entity to pay it. The regulation clarifies that the
22 procedure and the necessary forms for this will be
23 outlined in the Plan of Operation.

1 Section 118 sets out penalties, interest and late
2 fees. The statute provides that a payer that fails to
3 pay a vaccine assessment or provide information may be
4 assessed a noncompliance fee. It also requires payers
5 to provide information for determining the assessment.
6 The council may request a payer have information
7 verified by an independent public auditor.

8 The proposed regulations would clarify that if an
9 assessable entity rents a network or processes claims
10 for another payer, the information requested may
11 include those services. If the -- if the commissioner
12 finds that a payer failed to comply with an audit
13 request within 45 days, it will result in a
14 noncompliance fee of \$1,000. At 90 days, the
15 Department may contract with an independent auditor
16 and have the payer reimburse the program for the cost.
17 Regulations also propose a late assessment interest
18 rate of one percent per month, compounded monthly. An
19 additional noncompliance fee of 150 percent of the
20 unpaid assessment may be levied if an assessment is
21 not paid within three months. The commissioner has
22 the authority to waive part or all of any of the
23 charges or fees that are in this section.

1 And finally, Section 119 is for new definitions.
2 One definition clarifies that assessments as medical
3 expenses and what those are described as. It also
4 defines public health insurance plan and tribal for
5 assessable entities and defines state resident as a
6 person physically present in Alaska.

7 Switching now to the Division of Insurance's
8 regulation. The Division of Insurance's regulation
9 amends Title 3 Chapter 26, Section 110(a) related to
10 reimbursement for privately purchased vaccine.

11 The vaccine assessment statute prohibits payers
12 from denying a claim for vaccines not distributed
13 under the program. Providers are not required to
14 obtain vaccine from the state immunization program and
15 may choose to purchase vaccine from the marketplace.

16 3AAC26.110 sets standards for the prompt, fair
17 and equitable settlements of health claims.

18 The proposed regulation repeals and readopts
19 subsection (a) to add a paragraph on reimbursement by
20 an insurance policy when the covered vaccine is
21 purchased by a provider instead of obtained from the
22 Alaska Vaccine Assessment Program.

23 The regulation would require the health plan to

1 determine the final payment for a covered vaccine at
2 an amount equal to or greater than the cost of the
3 state-purchased vaccine.

4 So that concludes the overview of the regulation
5 highlights.

6 Now, we will open up the lines for public
7 comment. The Departments would like to hear your
8 thoughts and suggestions on the proposed regulations.
9 The process for today is that, first, we would ask
10 that you state your name slowly and clearly and spell
11 it. Please also identify who you represent and then
12 reidentify yourself for the record if you speak again.
13 Each person will be limited to an initial three
14 minutes to provide testimony. If time allows, we'll
15 offer a second round of testimony. And then after
16 today's hearing, you may submit written comments to
17 the addresses in the public notices by 5 p.m. on June
18 3rd, 2015.

19 As a reminder, please mute your phone lines
20 unless you are speaking. You can mute and unmute your
21 line by pressing star (*) pound (#) 6.

22 First, I think we will check with Anchorage and
23 the Frontier Building and check with Matt to see if

1 there is anyone there who would like to testify in
2 person.

3 MATT BOBO: Hi Jill. We have one person who
4 would like to testify. Can you hear me?

5 JILL LEWIS: I sure can. So if the first
6 testifier would like to please state their name and
7 affiliation for the record and then give us your
8 testimony. Thank you for being there today.

9 MARTA HAHN: This is Marta Hahn, M-A-R-T-A,
10 H-A-H-N. I am the immunizations coordinator for
11 Eastern Aleutian Tribes. And for the record, it's
12 Marta Hahn.

13 I just wanted to understand this a little bit
14 better. Eastern Aleutian Tribes, we go by EAT, E-A-T,
15 just to make it easier. EAT will be a payer. If for
16 some unknown reason, not that that will be the case,
17 immunization rates are very high and we want to keep
18 them that way, but if for some reason, the corporation
19 does not pay the dues, then I can see how the
20 population would be penalized and mainly the adults,
21 mainly Tdap. So I'm a little bit concerned about
22 that. Same would be with flu, when the flu season
23 arrives. And I just want the public to be aware of

1 this, that we should not penalize the population,
2 people that live in the islands. We are the only
3 providers in the Eastern Aleutian. So it's not that
4 the residents have other choices. So I want this to
5 be considered. Anyway, thank you.

6 JILL LEWIS: Thank you very much. Matt, is
7 there anyone else there in Anchorage?

8 MATT BOBO: There is no one else.

9 JILL LEWIS: Okay. In that case, we will go
10 to the phones. If you would like to unmute your phone
11 and then state your name and affiliation for the
12 record. If we -- if we have two people trying to get
13 in at the same time, we will just identify you and
14 take turns. So I'm actually not hearing anyone who
15 would like to testify today. Give another minute to
16 make sure we don't have anybody who has muted their
17 lines. Well, it doesn't sound like we have any other
18 public comment for today. So I would go back to Marta
19 and ask if she would like to add anything else to her
20 comments.

21 MARTA HAHN: Well, I will comment that I
22 think it would make life easier for providers
23 everywhere, discourage the confusion. I know that we

1 still have to purchase a few vaccines, like Hep A, Hep
2 B, for adults, and PCV13 for adults. So that's
3 better. So I do hope for improvement. So thank you.

4 JILL LEWIS: Thank you. So if there are no
5 -- if there's no one else who would like to testify,
6 then we will go ahead and wrap up this hearing. I'd
7 like to thank you for participating today. Your
8 testimony will be considered before the Department
9 decides whether any changes should be made to the
10 proposed regulations.

11 As a reminder, please send any written comments
12 to the addresses in the public notices by June 3rd,
13 2015 at 5 p.m. The Departments will aggregate their
14 responses to substantially similar questions and make
15 the questions and answers available at the Alaska
16 Online Public Notice System or websites listed in the
17 public notices. This concludes the public hearing on
18 these proposed regulations. We will now be turning
19 off the recording and discontinuing the transcription
20 at this point. Thank you.

21

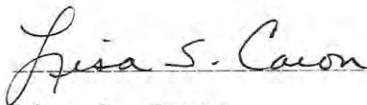
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C E R T I F I C A T I O N

I, Lisa S. Caron, an approved court transcriber, do hereby certify that the foregoing is a true and accurate transcript from the audio recording provided to me in the above-entitled matter.

I, Lisa S. Caron, further certify that I neither am counsel for, related to, nor employed by any of the parties to the action in which this hearing was taken, and further that I am not financially nor otherwise interested in the outcome of the action.



Lisa S. Caron

May 26, 2015

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