

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 20<sup>th</sup>,  
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](http://notice.alaska.gov/176563). The regulations for the  
6 Division of Insurance are at [notice.alaska.gov/176557](http://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 3<sup>rd</sup>. 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.



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 3<sup>rd</sup>, 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 3<sup>rd</sup>,  
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

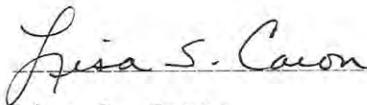
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## C E R T I F I C A T I O N

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.

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May 26, 2015

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