

SENATE BILL NO. 169

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - SECOND SESSION

BY SENATOR GIESSEL

Introduced: 2/10/14

Referred: Health and Social Services

A BILL

FOR AN ACT ENTITLED

1 **"An Act establishing in the Department of Health and Social Services a statewide**
2 **immunization program and the State Vaccine Assessment Commission; creating a**
3 **vaccine assessment account; requiring a fee assessment from health care insurers and**
4 **other program participants for statewide immunization purchases; repealing the**
5 **temporary child and adult immunization program; and providing for an effective date."**

6 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

7 * **Section 1.** AS 18.09 is amended by adding new sections to read:

8 **Article 1A. Statewide Immunization Program.**

9 **Sec. 18.09.200. Statewide immunization program established;**
10 **commissioner's duties.** (a) In addition to health promotion and vaccine registration
11 activities of the department, a statewide immunization program is established in the
12 department for the purpose of monitoring, purchasing, and distributing recommended
13 vaccines to providers approved by the department who agree to provide the

recommended vaccines to state residents under terms consistent with the program and state and federal law.

(b) The commissioner shall

(1) maintain a list of recommended vaccines for inclusion in the program;

(2) for each recommended vaccine, establish the initial vaccine assessment for the first year of the program and thereafter make annual assessments based on the determinations made by the commission established under AS 18.09.210;

(3) notify health care insurers and other program participants of the annual fee assessment for each vaccine included in the program;

(4) devise a method for crediting to health care insurers and other program participants overpayments of vaccine assessments made for reasons related to administrative error, program termination, or lower than anticipated actual usage of the program by covered individuals;

(5) coordinate collective purchases of recommended vaccines;

(6) establish a procedure for statewide distributions of vaccines purchased under the program; and

(7) review fee assessment appeals for error.

Sec. 18.09.210. State Vaccine Assessment Commission; members; duties.

(a) The State Vaccine Assessment Commission is established in the department for the purpose of determining the amount of vaccine assessments made by the commissioner to be paid by health care insurers and other program participants in the state under procedures established by the commission.

(b) The commission consists of eight members appointed by the commissioner as follows:

(1) the department's chief medical officer for public health, who shall serve as chair;

(2) two health care providers licensed in the state;

(3) three members representing insurers licensed in the state, one of whom must be a plan administrator; each insurer must represent a different organization in the state;

1 (4) a representative of a tribal or public health insurance plan;

2 (5) the director of the division of insurance or the director's designee.

3 (c) A member appointed to the commission under (b)(2) - (4) of this section
4 serves without compensation and reimbursement of expenses for a term of three years
5 or until a successor is appointed. A member may not serve more than two consecutive
6 terms.

7 (d) The commission shall meet at the call of the chair and conduct business by
8 majority vote.

9 (e) The department shall provide staff and other assistance to the commission.

10 (f) The commission shall

11 (1) establish and implement a plan of operation to

12 (A) determine the amount of the annual vaccine assessment,
13 subject to review by the commissioner, for each recommended vaccine for
14 each covered individual following the initial vaccine assessment amounts
15 determined by the commissioner;

16 (B) use a method for determining the vaccine assessment
17 amount that attributes to each health care insurer and other program participant
18 the proportionate costs of recommended vaccines for covered individuals;

19 (C) establish procedures for the collection and deposit of the
20 vaccine assessment;

21 (D) establish procedures for collecting and updating data from
22 health care insurers and other program participants as necessary for the
23 operation of the program and the determination of the annual vaccine
24 assessment; the data collected must include the number of covered individuals
25 by each health care insurer and other program participant and the annual
26 vaccine program usage by each covered individual;

27 (E) devise a system for reducing surplus payments made by a
28 health care insurer and other program participant by crediting past
29 overpayments to current year vaccine assessments;

30 (2) submit to the commissioner, not later than July 1 of each year, an
31 annual financial report, including assessment determinations, in a form acceptable to

1 the commissioner;

2 (3) monitor compliance with the program requirements and vaccine
3 assessments and submit a periodic noncompliance report to the commissioner and the
4 director of insurance that lists health care insurers and other program participants that
5 failed to

6 (A) remit vaccine assessments as determined by the
7 commission and approved by the commissioner; or

8 (B) comply with a reporting or auditing requirement under the
9 program after notice from the commission.

10 **Sec. 18.09.220. Vaccine assessment and reporting requirements.** (a) A
11 health care insurer and other program participant shall

12 (1) pay to the department the annual combined vaccine assessments as
13 determined under the program for the recommended vaccines covered by the health
14 care insurer or other program participant for each covered individual on a schedule
15 adopted by the commission;

16 (2) provide information requested by the commission to determine the
17 number of covered individuals, actual vaccine usage under the program, and other data
18 necessary to calculate and monitor compliance with the vaccine assessment; and

19 (3) provide audited financial statements upon request of the
20 commission.

21 (b) A vaccine assessment must include a reasonable contribution toward
22 support of the program and appropriate reserve funds, as determined by the
23 commission. A vaccine assessment may not include a provider fee for the
24 administration of the vaccine.

25 (c) A vaccine assessment shall be construed as a medical expense of the health
26 care insurer or other program participant.

27 (d) A health care insurer or other program participant may appeal a
28 determination of a vaccine fee assessment made by the commission to the
29 commissioner within 10 days after receiving notification of the assessment. The
30 commissioner shall review the appeal and all materials relevant to the assessment that
31 is the subject of the appeal and shall modify the assessment if the commissioner finds

1 substantial evidence of an error.

2 **Sec. 18.09.225. Other program participants.** A health care provider or group
3 of providers may opt into the program if approved by the commissioner under
4 regulations adopted by the department.

5 **Sec. 18.09.230. Vaccine assessment account; creation.** (a) The vaccine
6 assessment account is created as an account in the general fund for the purpose of
7 receiving vaccine assessments and purchasing recommended vaccines under the
8 program. The account consists of money appropriated, including income from the
9 account and money deposited into the account from program receipts. Appropriations
10 to the account do not lapse.

11 (b) The legislature may make appropriations from the vaccine assessment
12 account for the purchase of recommended vaccines for the benefit of state residents in
13 an amount requested by the department and for other purposes of the program.

14 **Sec. 18.09.240. Penalties.** A health care insurer or other program participant
15 that fails to pay a required annual vaccine assessment after notification of the
16 assessment or fails to comply with a request for information necessary for
17 determination of the assessment may be assessed an additional noncompliance fee as
18 determined by the commissioner under regulations adopted by the department.

19 * **Sec. 2.** AS 18.09.990 is amended by adding new paragraphs to read:

20 (3) "commission" means the State Vaccine Assessment Commission;

21 (4) "commissioner" means the commissioner of health and social
22 services;

23 (5) "covered individual" means an adult or child who resides in the
24 state and who is provided insurance coverage for a recommended vaccine by a health
25 care insurer or who is a patient of another program participant;

26 (6) "health care insurer" means

27 (A) a health care insurer as defined in AS 21.54.500; and

28 (B) to the extent participation in the program is permitted by
29 law, a person that provides

30 (i) a health benefit plan as defined in AS 21.54.500;

31 (ii) a self-funded church plan or government plan; or

1 (iii) creditable coverage as defined in AS 21.54.500;

2 (7) "other program participant" and "another program participant"
3 mean a health care provider or group of providers who have opted into the program
4 under AS 18.09.225 to both purchase and administer vaccinations to residents of the
5 state;

6 (8) "program" means the statewide immunization program;

7 (9) "provider" means a person licensed or certified by the state to
8 administer vaccines or provide health care services or a partnership, corporation, or
9 other entity made up of persons licensed or certified to administer vaccines or provide
10 health care services;

11 (10) "recommended vaccine" means a vaccine recommended by the
12 Advisory Committee on Immunization Practices of the Centers for Disease Control
13 and Prevention, United States Department of Health and Human Services, and
14 included on a list maintained by the commissioner for inclusion in the program;

15 (11) "vaccine" means a preparation of killed microorganisms, living
16 attenuated organisms, living fully virulent organisms, or other substances that are
17 administered to humans for the purpose of producing or artificially increasing specific
18 immunity to life-threatening and disabling diseases.

19 * **Sec. 3.** AS 21.09.242 is amended by adding a new subsection to read:

20 (b) A health care insurer, as defined in AS 18.09.990, shall provide
21 information and assessments to the Department of Health and Social Services and the
22 State Vaccine Assessment Commission established under AS 18.09.210 as necessary
23 for the statewide immunization program established under AS 18.09.200.

24 * **Sec. 4.** AS 37.05.146(c) is amended by adding a new paragraph to read:

25 (87) the vaccine assessment account under AS 18.09.230.

26 * **Sec. 5.** Chapter 24, SLA 2012, is repealed.

27 * **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to
28 read:

29 TRANSITION; DEPOSIT OF FUNDS REMAINING FROM CHILD AND ADULT
30 IMMUNIZATION PROGRAM. All unobligated funds remaining in the program established
31 under sec. 2, ch. 24, SLA 2012, shall be deposited into the account created in AS 18.09.230,

1 added by sec. 1 of this Act.

2 * **Sec. 7.** This Act takes effect July 1, 2014.