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HOUSE CS FOR CS FOR SENATE BILL NO. 169()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-EIGHTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): SENATORS GIESSEL, French

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 Council; creating a vaccine**
3 **assessment account; requiring a vaccine assessment from assessable entities and other**
4 **program participants for statewide immunization purchases; repealing the temporary**
5 **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 included
13 vaccines to providers approved by the department who agree to provide the included

vaccines to state residents who are under 19 years of age under terms consistent with the program and state and federal law.

(b) The commissioner shall

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

(2) for each included 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 council established under AS 18.09.210;

(3) notify assessable entities and other program participants of the annual vaccine assessment for each vaccine included in the program;

(4) devise a method for crediting to assessable entities 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 included vaccines;

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

(7) review vaccine assessment appeals for error.

(c) Nothing in this section requires funding from a source other than appropriations made from program receipts and deposits to the account established under AS 18.09.230.

Sec. 18.09.210. State Vaccine Assessment Council; members; duties. (a)

The State Vaccine Assessment Council is established in the department for the purpose of determining the amount of vaccine assessments made by the commissioner to be paid by assessable entities and other program participants in the state under procedures established by the council.

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

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

(2) two health care providers licensed in the state, one of whom must be a licensed pediatrician;

(3) three members representing health care insurers licensed in the state under AS 21.54, one of whom must be a plan administrator; each insurer must represent a different organization in the state;

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

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

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

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

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

(f) The council shall

(1) establish and implement a plan of operation to

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

(B) use a method for determining the vaccine assessment amount that attributes to each assessable entity and other program participant the proportionate costs of included vaccines for covered individuals;

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

(D) establish procedures for collecting and updating data from assessable entities and other program participants as necessary for the operation of the program and the determination of the annual vaccine assessment; the data collected must include the number of covered individuals by each assessable entity and other program participant and the annual vaccine program usage by each covered individual;

(E) devise a system for reducing surplus payments made by an assessable entity and other program participant by crediting past overpayments to current year vaccine assessments;

(2) submit to the legislature, not later than July 1 of each year, an annual financial report, including assessment determinations;

(3) monitor compliance with the program requirements and vaccine assessments and submit a periodic noncompliance report to the commissioner and the director of insurance that lists assessable entities and other program participants that failed to

(A) remit vaccine assessments as determined by the council and approved by the commissioner; or

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

Sec. 18.09.220. Vaccine assessment and reporting requirements. (a) An assessable entity and other program participant shall

(1) pay to the department the annual combined vaccine assessments as determined under the program for the included vaccines covered by the assessable entity or other program participant for each covered individual on a schedule adopted by the council;

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

(3) provide audited financial statements upon request of the council.

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

(c) A vaccine assessment shall be construed as a medical expense of the assessable entity or other program participant.

(d) An assessable entity or other program participant may appeal a determination of a vaccine assessment made by the council to the commissioner within 10 days after receiving notification of the assessment. The commissioner shall review the appeal and all materials relevant to the assessment that is the subject of the appeal and shall modify the assessment if the commissioner finds substantial evidence

1 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. The legislature may
7 appropriate to the account program receipts attributable to vaccine assessments under
8 AS 18.09.220, money from other sources, and interest earned on money in the
9 account. Appropriations to the account do not lapse.

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

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

18 * **Sec. 2.** AS 18.09.200(a), enacted by sec. 1 of this Act, is amended to read:

19 (a) In addition to health promotion and vaccine registration activities of the
20 department, a statewide immunization program is established in the department for the
21 purpose of monitoring, purchasing, and distributing included vaccines to providers
22 approved by the department who agree to provide the included vaccines to state
23 residents [WHO ARE UNDER 19 YEARS OF AGE] under terms consistent with the
24 program and state and federal law.

25 * **Sec. 3.** AS 18.09.990 is amended by adding new paragraphs to read:

26 (3) "assessable entity" means

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

28 (B) an entity that provides the state health care plan described
29 in AS 39.30.090 and 39.30.091;

30 (C) a public or private entity that offers a publicly funded plan
31 in the state, to the extent participation in the program is authorized by law; and

(D) a third-party administrator as defined in AS 21.97.900 that is not an entity under (B) of this paragraph;

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

(5) "council" means the State Vaccine Assessment Council;

(6) "covered individual" means a child under 19 years of age who resides in the state and who is provided insurance coverage for an included vaccine by an assessable entity or who is a patient of another program participant;

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

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

(9) "program" means the statewide immunization program;

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

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

* Sec. 4. AS 18.09.990(6), enacted by sec. 3 of this Act, is amended to read:

(6) "covered individual" means an individual [A CHILD UNDER 19 YEARS OF AGE] who resides in the state and who is provided insurance coverage for an included vaccine by an assessable entity or who is a patient of another program participant;

* Sec. 5. AS 21.09.242 is amended by adding a new subsection to read:

(b) An assessable entity, as defined in AS 18.09.990, shall provide information and assessments to the Department of Health and Social Services and the State Vaccine Assessment Council established under AS 18.09.210 as necessary for the statewide immunization program established under AS 18.09.200.

* **Sec. 6.** AS 37.05.146(c) is amended by adding a new paragraph to read:

(87) the vaccine assessment account under AS 18.09.230.

* **Sec. 7.** Chapter 24, SLA 2012, is repealed.

* **Sec. 8.** The uncoded law of the State of Alaska is amended by adding a new section to read:

TRANSITION; DEPOSIT OF FUNDS REMAINING FROM CHILD AND ADULT IMMUNIZATION PROGRAM. All unobligated funds remaining in the program established under sec. 2, ch. 24, SLA 2012, shall be deposited into the account created in AS 18.09.230, added by sec. 1 of this Act.

* **Sec. 9.** The uncoded law of the State of Alaska is amended by adding a new section to read:

PILOT PROJECT; VACCINE ASSESSMENT FOR ADULTS. The Department of Health and Social Services shall provide, for a three-year period, coverage of adults who are state residents in the Statewide Immunization Program established under AS 18.09.200 - 18.09.240. On or before January 1, 2017, the Department of Health and Social Services shall provide a report to the legislature on the costs of the pilot project and the source of funds used for the pilot project. The pilot project terminates June 30, 2017.

* **Sec. 10.** Sections 2 and 4 of this Act take effect July 1, 2017.

* **Sec. 11.** Except as provided in sec. 10 of this Act, this Act takes effect July 1, 2014.