

SB

169

<TARGET><BILL>SB 169</BILL><SUBJECT>SB
169</SUBJECT><COMM>SFIN28</COMM></TARGET>

SENATE FINANCE COMMITTEE REPORT

DATE: 2/24/14

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered SENATE BILL NO. 169

SB 169-STATEWIDE IMMUNIZATION PROGRAM

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

and recommends:

- be replaced with CS SB 169 (FIN) [Same Title New Title]
- [adopt previous CS _____ (_____) [Same Title [New Title]
- [attached amendment(s)
- [adopt _____ Letter of Intent
- [further referral to _____ Committee

Dept Abbr.	
ADM	LWF
CED	LAW
COR	LEG
CRT	MVA
EED	DNR
DEC	DPS
DFG	REV
GOV	DOT
DHS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
DHS	✓			
DHS	✓			
DHS		✓		

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
ADM		✓		5
CED			✓	4

[APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	Do PASS	Do NOT PASS	NO REC	AMEND
<i>Celik Bishop</i>	Bishop	✓			
<i>Donald S. ...</i>	Dunleavy	✓			
<i>Andrew Olson</i>	Olson	✓			
<i>Walter Kelly</i>	Kelly	✓			
CO-CHAIR: <i>K. Meyer</i>	Meyer	✓			
CO-CHAIR:					

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: CSSB 169(HSS)
Fiscal Note Number: 5
(S) Publish Date: 2/24/14

Identifier: SB169-DOA-HPA-02-18-14
Title: STATEWIDE IMMUNIZATION PROGRAM
Sponsor: GIESSEL
Requester: Senate Health & Social Services Committee

Department: Department of Administration
Appropriation: Centralized Administrative Services
Allocation: Health Plans Administration
OMB Component Number: 2152

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates				
			FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES	FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services	***		***	***	***	***	***
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	***	0.0	***	***	***	***	***

Fund Source (Operating Only)

None							
Total	***	0.0	***	***	***	***	***

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues							
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? no
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Not applicable, initial version.

Prepared By:	Mike Barnhill, Deputy Commissioner	Phone:	(907)465-5668
Division:	Department of Administration	Date:	02/14/2014 05:30 PM
Approved By:	Curtis Thayer, Commissioner	Date:	02/18/14
Agency:	Department of Administration		

FISCAL NOTE ANALYSIS #5

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSSB 169(HSS)

Analysis

SB169 establishes a statewide immunization program. Health insurers and participating providers fund the program by paying an assessment fee. AlaskaCare meets the definition of a government plan, and as such is considered a health care insurer under this bill.

The bill states that the amount of the vaccine assessment fee will be first determined by the Commissioner of the Department of Health and Social Services and determined by the State Vaccine Assessment Commission thereafter. SB169 also includes provisions for data collection and methodology development by the State Vaccine Assessment Commission that will allow the commission to set the amount of the assessment that the Department of Administration would owe under this bill at a future date. As a result, the department is unable to estimate the future assessment that would be set by the Commissioner or the State Vaccine Assessment Commission, and therefore submits an indeterminate fiscal note.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: CSSB 169(HSS)
Fiscal Note Number: 4
(S) Publish Date: 2/24/14

Identifier: SB169-DCCED-DOI-02-14-14
Title: STATEWIDE IMMUNIZATION PROGRAM
Sponsor: GIESSEL
Requester: Senate Health and Social Services

Department: Department of Commerce, Community and
Economic Development
Appropriation: Insurance Operations
Allocation: Insurance Operations
OMB Component Number: 354

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues								
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed? n/a

Why this fiscal note differs from previous version:

Not applicable, initial version.

Prepared By:	Marty Hester, Acting Division Director	Phone:	(907)465-2515
Division:	Division of Insurance	Date:	02/14/2014 08:00 AM
Approved By:	Jeanne Mungle, Director	Date:	02/14/14
Agency:	Administrative Services		

FISCAL NOTE ANALYSIS #4

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSSB 169(HSS)

Analysis

SB169 would amend AS 21.09.242 by adding a new subsection that requires health care insurers to provide information and assessments to the Department of Health and Social Services and the State Vaccine Assessment Commission established under AS 18.09.210 as necessary, for the statewide immunization program established under AS 18.09.200.

The Division of Insurance does not anticipate a fiscal impact from this proposed legislation.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: SB 169
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB169CS(HSS)-DHSS-HCMS-02-27-14
Title: STATEWIDE IMMUNIZATION PROGRAM
Sponsor: GIESSEL
Requester: Senate Health & Social Services Committee

Department: Department of Health and Social Services
Appropriation: Medicaid Services
Allocation: Health Care Medicaid Services
OMB Component Number: 2077

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	
OPERATING EXPENDITURES								
Personal Services	***		***	***	***	***	***	***
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	***	0.0	***	***	***	***	***	***

Fund Source (Operating Only)

None								
Total	***	0.0	***	***	***	***	***	***

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues								
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Updated for CS. No change.

Prepared By:	Margaret Brodie	Phone:	(907)334-2520
Division:	Health Care Services	Date:	02/26/2014 12:00 AM
Approved By:	Sarah Woods, Deputy Director, Finance & Management Services	Date:	02/27/14
Agency:	Health & Social Services		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSSB169(HSS)

Analysis

The bill establishes a statewide immunization program. Health insurers and participating providers fund the program by paying an assessment fee. Medicaid is included in the definition of health insurer but is exempt from participation until federal approval is obtained. In order for Medicaid to pay the assessment fee the state of Alaska must seek federal approval to expend Medicaid dollars to pay the assessment fee versus individual pharmacy claims. If federal approval were granted, Health Care Medicaid Services could potentially see a cost savings; however, at this time we are unable to determine if Medicaid will receive Federal approval and thus we are indeterminate in our estimation of cost and cost savings.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: SB 169
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB169CS(FIN)-DHSS-EPI-03-05-14
Title: STATEWIDE IMMUNIZATION PROGRAM
Sponsor: GIESSEL
Requester: Senate Finance Committee

Department: Department of Health and Social Services
Appropriation: Public Health
Allocation: Epidemiology
OMB Component Number: 296

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2015 Request	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES	FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services							
Travel							
Services	300.0		310.0	320.0	330.0	340.0	350.0
Commodities	26,600.0	4,496.0	30,890.0	32,680.0	34,270.0	36,160.0	37,950.0
Capital Outlay							
Grants & Benefits							
Miscellaneous	50.0						
Total Operating	26,950.0	4,496.0	31,200.0	33,000.0	34,600.0	36,500.0	38,300.0

Fund Source (Operating Only)

1004 Gen Fund	(4,496.0)	4,496.0					
1178 temp code	31,446.0		31,200.0	33,000.0	34,600.0	36,500.0	38,300.0
Total	26,950.0	4,496.0	31,200.0	33,000.0	34,600.0	36,500.0	38,300.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues	31,446.0		31,200.0	33,000.0	34,600.0	36,500.0	38,300.0
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 01/01/15

Why this fiscal note differs from previous version:

Updated for new CS (FIN). Corrected to reflect a fund capitalization rather than a fund transfer and to show that all funding comes from the newly created account.

Prepared By:	Kerre L. Shelton, Director	Phone:	(907)269-2042
Division:	Public Health	Date:	03/05/2014 11:00 AM
Approved By:	Sarah Woods, Deputy Director, Finance & Management Services	Date:	03/05/14
Agency:	Health & Social Services		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSSB169(FIN)

Analysis

This bill establishes a Statewide Vaccination Program and creates a vaccine assessment council in the Department of Health & Social Services. The function of the program is to monitor, purchase and distribute recommended vaccines to providers, making vaccines available universally for all ages. The proposed solution increases access to vaccines while both insurance companies and health care providers would realize savings--at no cost to the state. It does not mandate that individuals get vaccinated.

Currently, the state purchases about half of the nearly \$50 million spent annually on vaccine supply. The rest is being paid by providers who then seek reimbursement from insurers. The state supplies vaccines for children who are uninsured, Medicaid eligible, or Alaska Native through the federal Vaccines for Children program. The state provides general funds for selected vaccines for underinsured children, and under- and uninsured adults as a result of HB310, passed by the 27th Legislature (Ch. 24 SLA 12). The state also provides a limited quantity of selected vaccine to those who otherwise have no access, using a small amount of existing state GF. Once the HB310 funding ends June 30, 2015, the state would only supply vaccines under the federal program and a small amount of vaccine for high-risk children and adults with the existing state GF. The state does not currently provide vaccine for fully insured children or adults or Alaska Native adults seen at tribal facilities. Providers must purchase vaccine themselves for this population and seek reimbursement if available. Providers must maintain separate accounting and storage areas for vaccines received through the state and vaccines bought privately.

This is a net zero fiscal note. The expenses will be offset by the revenue collected from a new revenue source from a partnership with the business sector. The self-funded program (including administrative costs) will come from vaccine assessment fees, deposited to a new account within the general fund. The \$4.5 mil GF included in the Governor's FY2015 budget from HB310's final year of temporary appropriations would be deposited into the special account. This amount, in combination with federal funds, and other GF funds of \$700.0, will provide adequate cash flow until the initial assessment fees are collected. No additional GF is needed. Funds are for the purpose of purchasing vaccine; state-distributed vaccine cannot be resold or billed by providers to other payers. Funds do not lapse. Overpayments are credited back to the payers. The assessments typically include a reasonable surcharge for operating expenses. Payments made by assessable entities are considered a medical expense.

This bill would restructure how vaccines are purchased and distributed. It would provide state-distributed vaccine for all children, and to adults who are covered by an assessed payer (all except uninsured adults for whom there is no payer). Under this program, assessable entities such as insurance, third party administrator and private and public payers are assessed a fee up front for purchasing vaccines. Using collected fees, the state purchases vaccines in bulk at lower prices than health care providers could, independently. Health care providers would receive the vaccine free of charge and could reduce their administrative burden with a single inventory. Providers would also bill assessable entities for less (office visit only, vs. also cost of vaccine), creating savings for the assessed entities. Savings are passed on to patients, who would be charged only for the office visit.

Participation in the assessment would be mandatory for assessable entities. "Assessable entity" includes entities defined in the insurance code (21.54.500) as health care insurers, plus health benefit plans, third party administrators, self-funded church or government plans, and, to the extent allowed by law, other public and private creditable coverage including Employee Retirement Income Security Act (ERISA) plans, Medicaid, Medicare, the Veteran's Administration, the military's TRICARE, and tribal health.

It is currently unclear whether the mandatory assessment applies to federally-funded healthcare benefit plans, as federal law might prohibit such a mandate for some or all of the plans. For federal plans that could not be required to participate, the plans would need to either opt in to the assessment or pay for vaccine for those clients not covered in the assessment by another payer (e.g., a tribal beneficiary with no other assessed health care coverage plan). (CONTINUED)

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSSB169(FIN)

Analysis Continued

Voluntary participation in the assessment only applies to providers who wish to obtain state-distributed vaccine for adults who are either uninsured or not otherwise covered by an assessed payer. Providers who do not opt in to the program would receive vaccine at no cost for all others but not for uninsured adults. Providers who care for large numbers of non-qualifying participants already purchase vaccine from the marketplace for their clients, and it is expected that they would continue to do so if they decide not to opt into the assessment. By opting in, providers receive discounted vaccine pricing and avoid managing multiple vaccine inventories.

The total gross vaccine cost for Year 1 is estimated to be \$46.4 million.

The gross cost was reduced for the estimated \$1.6 million vaccine purchased independently by providers for uninsured adults to determine the total amount of state supplied vaccine. However, the availability of HB310 state funds in Year 1 of this fiscal note means that providers likely will not have to begin purchasing vaccine under this program until Year 2. The state-supplied amount includes all vaccine the state would purchase and distribute, regardless of the fund source. To determine the total to be assessed, the state-supplied vaccine cost was reduced by available federal funds that will not be included in the assessment. This is mainly \$14.4 million for Vaccines for Children and \$200.0 of other federal funds. The state-supplied vaccine cost was also reduced by available state funds that will not be included in the assessment. This includes \$4.5 million from HB310 and \$700.0 in other general funds already in the base budget. There is a one-time cost of \$50.0 in Year 1 for equipment to store the additional vaccine the state will be distributing. Overhead costs estimated at \$300.0 were added to get the total assessment of \$26.9 million.

Year 1 estimates:

\$46,400.0 gross vaccine cost
- \$0 provider-purchased
= \$46,400.0 state supplied cost
- \$14,600.0 federal funds
- \$ 4,496.0 state funds (HB310)
- \$700.0 other state funds (base)
= \$26,600.0 to be assessed to providers/payers for vaccine
+ \$300.0 for overhead costs
+\$50.0 one-time cost
= \$26,950.0 total assessment (\$20,000.0 from private providers/\$6,950.0 from public providers, if allowed by law) appropriated to the fund.

Changes for Years 2-6 estimates:

Out years are adjusted for both inflation (2.5%) and population increases (1-1.2%). HB310 funds are no longer available after FY2015, reducing state funds to \$700.0 in out years. About \$1.6 million in vaccines will be purchased independently by providers for uninsured adults. This represents about 3.5% of total gross cost. Incremental appropriations will be needed as population, inflation, recommended vaccines, vaccine pricing, and immunization rates change.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: SB 169
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB169CS(FIN)-DHSS-VAA-03-05-14
Title: STATEWIDE IMMUNIZATION PROGRAM
Sponsor: GIESSEL
Requester: Senate Finance Committee

Department: Fund Capitalization
Appropriation: Caps Spent as Duplicated Funds
Allocation: Vaccine Assessment Account
OMB Component Number:

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015	Included in	Out-Year Cost Estimates					
	Appropriation Requested	Governor's FY2015 Request	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES	FY 2015	FY 2015						
Personal Services								
Travel								
Services								
Commodities	31,446.0							
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	31,446.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

1004 Gen Fund	4,496.0							
1005 GF/Prgm	26,950.0							
Total	31,446.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues								
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Corrected to reflect a fund capitalization rather than a fund transfer.

Prepared By: Kerre L. Shelton, Director
Division: Public Health
Approved By: Sarah Woods, Deputy Director, Finance & Management Services
Agency: Health & Social Services

Phone: (907)269-2042
Date: 03/05/2014 11:00 AM
Date: 03/05/14

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSSB169(FIN)

Analysis

The state provides general funds for selected vaccines for underinsured children, and under- and uninsured adults as a result of HB310, passed by the 27th Legislature (Ch. 24 SLA 12). The intent of HB310 was to provide temporary funding from FY2013-2015 to purchase vaccines while a long-term sustainable solution could be found. SB 169 repeals HB 310 and deposits the remaining unobligated funds into a new vaccine assessment account created by the the bill. The UGF in this fiscal note comes from Epidemiology (currently in the Governor's request) and the program receipts are the estimated vaccine assessment fees.

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

BY THE SENATE FINANCE COMMITTEE

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 recommended
13 vaccines to providers approved by the department who agree to provide the

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

3 (b) The commissioner shall

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

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

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

11 (4) devise a method for crediting to assessable entities and other
12 program participants overpayments of vaccine assessments made for reasons related to
13 administrative error, program termination, or lower than anticipated actual usage of
14 the program by covered individuals;

15 (5) coordinate collective purchases of recommended vaccines;

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

18 (7) review vaccine assessment appeals for error.

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

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

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

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

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

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

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(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 recommended 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 recommended 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 commissioner, not later than July 1 of each year, an annual financial report, including assessment determinations, in a form acceptable to the commissioner;

L

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

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

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

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

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

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

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

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

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

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

31 **Sec. 18.09.225. Other program participants.** A health care provider or group

1 of providers may opt into the program if approved by the commissioner under
2 regulations adopted by the department.

3 **Sec. 18.09.230. Vaccine assessment account; creation.** (a) The vaccine
4 assessment account is created as an account in the general fund. The legislature may
5 appropriate to the account program receipts attributable to vaccine assessments under
6 AS 18.09.220, money from other sources, and interest earned on money in the
7 account. Appropriations to the account do not lapse.

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

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

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

17 (3) "assessable entity" means

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

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

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

23 (D) a third-party administrator as defined in AS 21.97.900;

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

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

27 (6) "covered individual" means an adult or child who resides in the
28 state and who is provided insurance coverage for a recommended vaccine by an
29 assessable entity or who is a patient of another program participant;

30 (7) "other program participant" and "another program participant"
31 mean a health care provider or group of providers who have opted into the program

1 under AS 18.09.225 to both purchase vaccines for and administer vaccinations to
2 residents of the state;

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

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

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

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

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

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

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

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

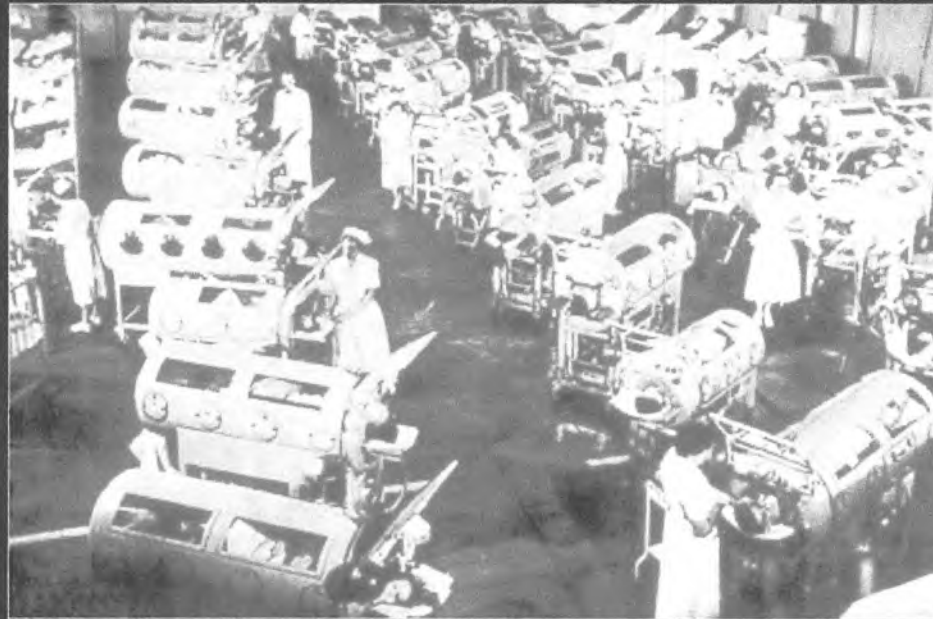
23 * **Sec. 5.** Chapter 24, SLA 2012, is repealed.

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

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

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

Alaska – What have vaccines done for you?



February 2014
ANTHC Immunization Program,
Rosalyn Singleton MD MPH

729-3418

Vaccination: an ounce of prevention saves a ton of lives

- Vaccination is a Global Issue: The World Health Organization estimates that vaccination saves between 2 and 3 million lives every year.
- In the US, vaccination has prevented 103 million infections and disease rates are at historic lows – However, 1.5 million vaccine-preventable deaths occur each year around the world.
- Keeping vaccination rates high requires sustained commitment and access to vaccines.

Vaccine-Preventable Disease Success, Alaska

- **BEFORE VACCINES:**

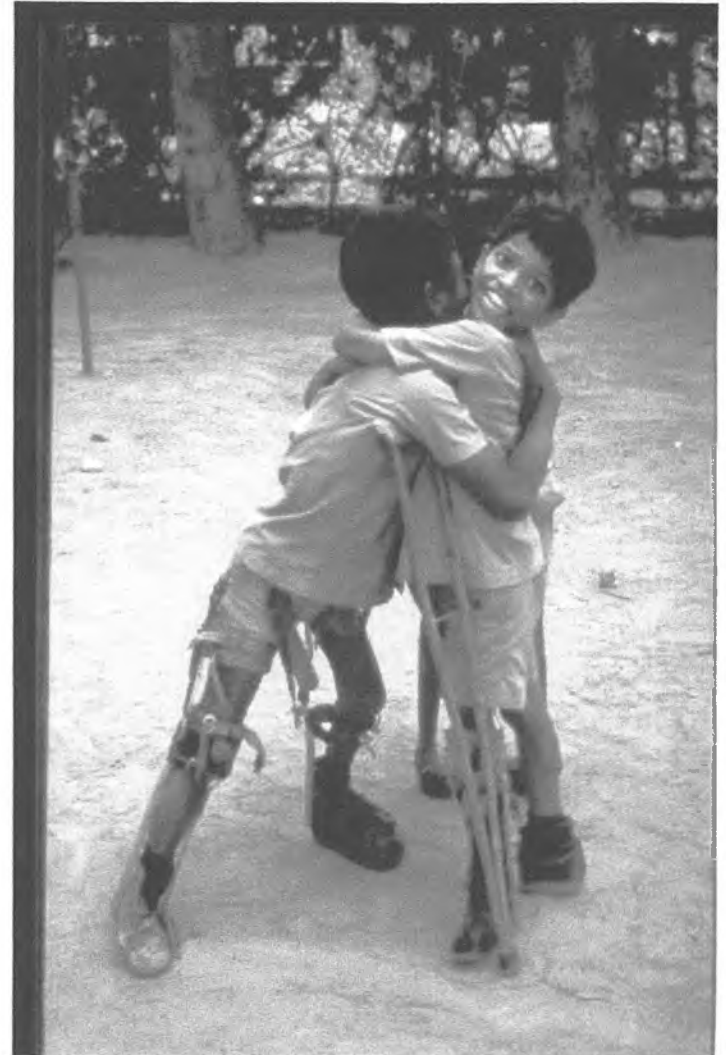
- Hib meningitis and sepsis – 40-80 cases/yr in children.
- Hepatitis A – Alaska-wide epidemics with up to 4,000 cases.
- Hepatitis B – 10% of Alaska Natives in some regions.
- Measles outbreaks contributed to high infant mortality.

- **BECAUSE OF VACCINES:**

- 0-2 cases of Hib per year!
- No hepatitis A epidemics since vaccine!
- Alaska Natives have the lowest rate of Hepatitis B in the U.S.
- No measles cases in Alaska since 2000!

Polio

- Polio attacks the nervous system and can cause muscle weakness, paralysis or death.
- In 1952 there were 21,000 polio cases in the US – the last US polio case was in 1979.
- Thanks to polio vaccination, polio cases are down 99%; however, polio has recently reemerged in areas that had been polio-free for years.
- Polio is just one plane flight away



Diphtheria

- In 1925 a diphtheria epidemic threatened Nome. The nearest serum was in Anchorage.
- A relay of dog teams rushed the vaccine from Nenana to Nome.
- The serum arrived in time to prevent the epidemic and save hundreds of lives.
- Today diphtheria is a disease of the past because of vaccine.
- However, a US citizen who had refused Td vaccine died from diphtheria after visiting Haiti.



Hib disease

- *Haemophilus influenzae* type b (Hib) causes meningitis, pneumonia, cellulitis, epiglottitis and sepsis in infants & children.
- **Alaska Native Hib disease before Vaccine**
 - 5-10 times higher rate of disease than other US children
 - Younger peak age (4-6 months)
- **Since Hib Vaccine:** Hib disease has decreased >95%



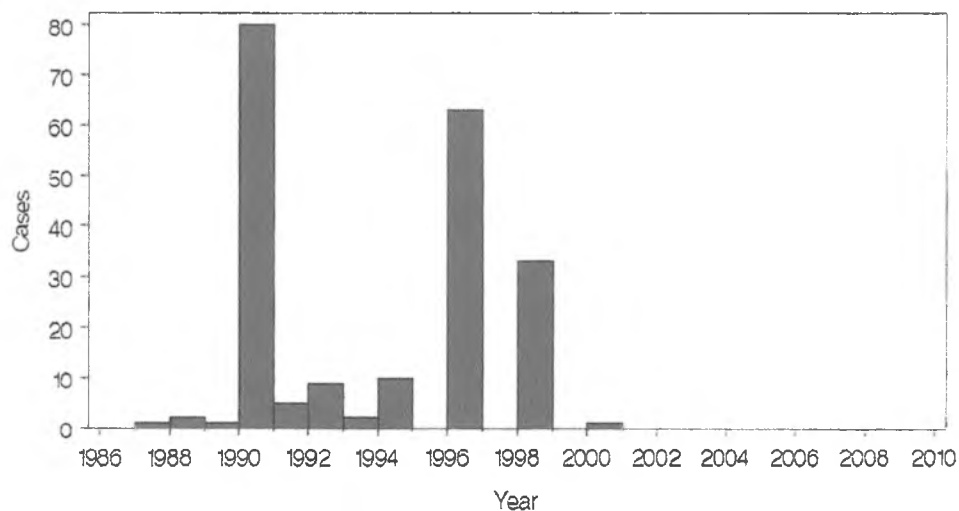
Hepatitis A and B in Alaska

- In 1970s-80 Alaska Natives had the highest rate of hepatitis B infection and liver cancer any non-immigrant group in US
- Alaska also had the highest rates of hepatitis A infections in US in most years up to 1995.
- **Universal vaccination and School requirements have eliminated spread of hepatitis A and B in Alaska**
 - Alaska Native people have the lowest hepatitis B infection rate of any US ethnicity:
 - Alaska has one of the lowest rates of hepatitis A infection of any state.



Measles

- Measles causes a rash, fever, pneumonia and diarrhea, and can leave children blind, deaf or brain damaged.
- Measles deaths have decreased globally by 74%, but measles still kills 450 people each day.
- Although measles is imported into the United States every week, Alaska has had no measles since 2000 – thanks to our 2 dose MMR school requirement



Measles in Alaska 1986-2010



SB 169
Statewide Immunization Program

Changes from original version “O” to “Y”

JMC 2/25/2014

We made a couple changes to the bill that I would like to outline for you:

- The original bill used the name “State Vaccine Assessment Commission “ for the group being set up to administer the vaccine program. However, we decided to change it to the “State Vaccine Assessment ‘Council’ “so it would not in any way be confused by the department or the public with the current state Healthcare Commission.

So you will see that change in several places throughout the bill where the name of the council occurs.

- We changed the term “health care insurer” to an “assessable entity” to be broader; it is also a term that is commonly used in other states with Vaccine Assessment programs such as this. This change is throughout the bill as well.
- On page 5, line 18, the way the definition of assessable entity / health care insurer is written out is different than version O, but by using the reference to AS 21.54.500 in version Y, it still encompasses the detailed list that was written out in O. This language was recommended by Legal Services.

CSSB 169(HSS) Statewide Immunization Program

Sectional Analysis (LS1219\Y)

Section 1. Establishes a Statewide Immunization Program with a State Vaccine Assessment Council; sets requirements for vaccine assessments, reporting and penalties for assessable entities and other program participants; and creates a vaccine assessment account.

Section 2. Definitions.

Section 3. Amends Title 21 (Insurance) to require assessable entities to provide information and pay assessments.

Section 4. Adds the vaccine assessment account to the list of program receipts authorized in the budget.

Section 5. Repeals Ch. 24 SLA 2012.

Section 6. Redirects the unobligated funds from Ch. 24 SLA 2012 to be deposited into the vaccine assessment account.

Section 7. Makes the effective date July 1, 2014.

Section 1. Adds Article 1A Statewide Immunization Program to AS 18.09.

Sec. 18.09.200(a). Establishes a statewide immunization program in the Department for the purpose of monitoring, purchasing, and distributing vaccines to providers.

Sec. 18.09.200(b). The Department of Health and Social Services shall maintain a list of recommended vaccines for inclusion in the program; establish the 1st year's assessment & thereafter make annual assessments based on commission determinations; notify insurers and other program participants of the assessment amount; devise a method for crediting overpayments; coordinate the bulk purchase of vaccine for the best price; set procedures for distributing vaccines; and review appeals for errors.

Sec. 18.09.210. Establishes the State Vaccine Assessment Council within HSS for the purpose of determining the assessment amount. The commission has 8 members appointed by the Commissioner: the state's Chief Medical Officer (chair); Division of

Insurance Director; 3 health care insurers, one of whom must be a plan administrator; 2 health care providers; and 1 representing a tribal or public health insurance plan who serve without compensation or reimbursement of expenses. Terms are 3 years with a 2-term limit. HSS will provide staff and other assistance to the commission. The commission establishes and implements a plan of operation, submits an annual financial report to HSS each July 1st, and monitors compliance with the program.

Sec. 18.09.210(f)(1). The "plan of operation" must include the method for calculating the assessment amount for each covered individual; the method for determining proportional costs to assessable entities/participants; procedures for the collection and deposit of assessment fees; procedures for collecting data which includes at a minimum the number of covered individuals and vaccine usage; and a system for crediting overpayments.

Sec. 18.09.220(a). Requires the assessable entities/participants to pay the assessment to the department for each covered individual; provide information about number of covered individuals and actual usage; and provide audited financial statements upon request.

Sec. 18.09.220(b). Requires that the assessment include reasonable costs for overhead. The provider's fee for administration of the vaccine is excluded from the assessment.

Sec. 18.09.220(c). States that an assessment is a medical expense for the assessable entity/participant.

Sec. 18.09.220(d). Provides for a process to appeal the assessment determination to the commissioner.

Sec. 18.09.225. Allows health care providers to opt into the program to purchase vaccine.

Sec. 18.09.230. Creates a special account in the general fund for the assessment fees for the purpose of purchasing vaccines. Appropriations by the legislature will not lapse.

Sec. 18.09.240. Allows the commissioner to determine a monetary penalty for noncompliance.

Section 2. 18.09.900. Defines the terms assessable entity, commissioner (Health & Social Services), council, covered individual, other program participant, program, provider, recommended vaccine, and vaccine.

Sec. 18.09.900(3). An “assessable entity” means a health care insurer, the state health care plan, a public or private entity that offers a publicly funded plan (to the extent allowed by law), and third-party administrators.

Section 3. Requires assessable entities to provide information to the department under (AS 21.09.242)

Section 4. Adds the vaccine assessment account to the list of special accounts for program receipts in (AS 37.05.146(c))

Section 5. Repeals Ch. 24, SLA 2012 (HB310), a temporary statewide immunization program.

Section 6. Redirects the remaining HB310 funds to be deposited to the vaccine account.

Section 7. Makes the act effective July 1, 2014.

ALASKA STATE LEGISLATURE

Senate District N
*Anchorage Hillside, Turnagain Arm,
Cooper Landing, Sterling, Nikiski,
Moose Pass, Bear Creek, Seward*



State Capitol, Room 427
Juneau AK 99801-1182
907-465-4843
Fax: 907-465-3871
800-892-4843

North to the Future

Senator Cathy Giessel

CSSB 169(HSS) Statewide Vaccination Program Sponsor Statement

Senate Bill 169 establishes a Statewide Vaccination Program and creates a vaccine assessment council in the Department of Health and Social Services. The purpose of the program is to monitor, purchase and distribute recommended vaccines to providers, making available universal access for all ages to vaccines.

Every year, Alaska commemorates a significant healthcare emergency-the serum run to Nome. What we call the Iditarod today was the "Great Race of Mercy" in 1925. Nome and the surrounding communities were in the throes of a diphtheria epidemic and dog teams relayed the life-saving antitoxin to them. Because of vaccines, diphtheria, a disease of the throat, tonsils, and nose that restricts the airway, has been nearly eliminated from the United States.

Recognizing the importance of access to vaccines and the vulnerability of Alaska, especially our rural communities, the late Senator Ted Stevens championed funding to the Alaska Vaccination Program to ensure the availability of preventive vaccines to all Alaskans. Since Senator Stevens' passing, federal funding has been significantly reduced, down from \$4.3 million in FY2010 to a mere \$700,000 in FY2013. In 2012, I introduced SB 140 (HB 110) to provide additional state funding to fill the gap left by this reduction federal funding. HB 110 was meant to be a temporary measure while a more permanent solution was sought.

An innovative solution to this dilemma is to create a vaccine program that purchases vaccines in bulk, at a reduced cost, and distributes that vaccine to healthcare providers who administer them. At least nine other states have set up these "vaccine assessment boards" or similar to what SB 169 proposes. By allowing the state to continue procuring vaccines, providers avoid any financial, logistical and administrative burdens associated with purchasing vaccines privately. While insurance payers are assessed for their participation in the program, they too realize a cost saving using the bulk purchasing business model. Next to clean drinking water and good nutrition, vaccines have saved more lives than any other public-health intervention.

As state and federal government budgets shrink and the cost of vaccines rise, it is important for the state to partner with the business sector, prioritizing a sound public health policy that lays the framework for a Statewide Vaccination Program to ensure healthier futures for all Alaskans.

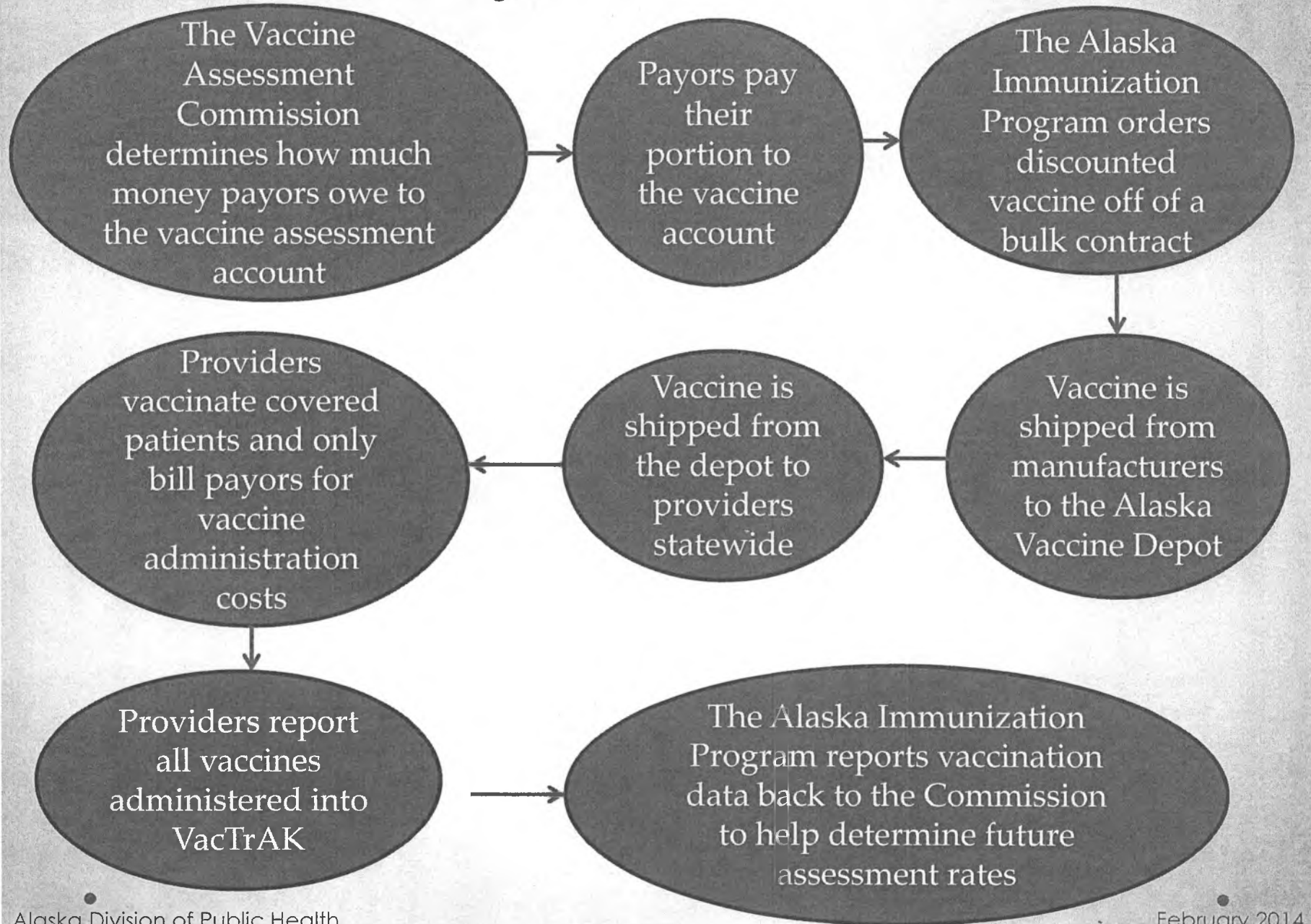
Sen.Cathy.Giessel@akleg.gov

Creating a Vaccine Assessment Account in Alaska: Questions and Answers

Updated February 16, 2014

- 1. How could a vaccine assessment program reduce costs and barriers for providers and patients?**
The proposed solution increases access to vaccines while both insurance companies and health care providers would realize savings -- all at no cost to the state. Insurance payers (private and public) are assessed a fee upfront for the purchasing of vaccines. Using collected fees, the state purchases vaccines in bulk at lower prices than what health care providers can do independently. Health care providers would be distributed the vaccine free of charge and reduce their administrative burden with a single inventory. Providers would also bill insurance companies for less, creating savings for insurance companies. Savings are passed on to patients, who would be charged only for the office visit.
- 2. Would this bill mandate that all children would need to be vaccinated.**
No, this bill does not address childhood vaccination mandates.
- 3. For whom would participation in the assessment be mandatory?**
Participation in the assessment would be mandatory for health care insurers, health benefit plans, self-funded church or government plans, and other creditable coverage. To the extent allowed by federal law, Employee Retirement Income Security Act (ERISA) plans would be expected to pay under the definition for "health care insurer". Third party administrators—who are often contracted to perform medical management and claims processing activities for ERISA plan trustees—would also be included in the mandatory assessment.
- 4. For whom would participation in the assessment be voluntary?**
Voluntary participation in the assessment only applies to providers who wish to obtain state-distributed vaccine for adults who are either uninsured or not otherwise covered by an assessed payer. Providers do not have to opt in or pay an assessment to receive state-supplied vaccine. The benefits of opting-in include discounted vaccine pricing, fewer administrative burdens, and provision of a single vaccine inventory. Providers who care for large numbers of non-qualifying participants already purchase vaccine from the marketplace for their clients, and it is expected that they would continue to do so if they decide not to opt-in to the assessment.
- 5. Would publicly-funded healthcare benefit plans be mandated to participate in the program?**
Yes, publicly funded healthcare benefit plans are included in the bill's definition of "health care insurer". However, it is currently unclear whether this bill could legally require *federally*-funded healthcare benefit plans (e.g., Medicaid, Medicare, the Veteran's Administration, Department of Defense, TRICARE, and tribal health) to participate in the assessment, as federal law might prohibit such a mandate for some or all of the plans. For federal plans that would not be required to participate, providers would need to either opt-in to the assessment or directly purchase vaccine for their patients not covered in the assessment by another payer.
- 6. Would pharmacists (who give shots at retail pharmacies) be able to participate in the program?**
Yes, pharmacists with a collaborating physician would be able to receive vaccine for uninsured adults if they pay an assessment. If they don't opt-in they will continue to directly purchase vaccine for their patients as they do now.
- 7. Would the Patient Protection Affordable Care Act (PPACA) preempt any provision(s) of the vaccine assessment account?**
No. The vaccine assessment account supports the PPACA requirement that coverage be provided without the imposition of cost-sharing for immunizations for routine use in children and adults.
- 8. Where would the State store the vaccine?**
Vaccine would be stored in the Alaska Division of Public Health's central Vaccine Depot in Anchorage.
- 9. Does the bill establish whether the assessment will be a covered lives model or dosage-based model?**
No, the Vaccination Assessment Commission determines which model will be best for Alaska.
- 10. How would payer assessment costs be determined?**
The department would project the state-supplied vaccine cost and overhead for running the program annually. The Vaccination Assessment Commission would proportionately allocate the fair market share of costs to payers based on the method established in the plan of operation.

SB169 Statewide Immunization Program



Who Pays for Vaccine in Alaska?

Current System <i>(through July 1, 2015 when HB310 ends)</i>	Medicaid	Amer Ind/ AK Native	Uninsured	Privately Insured	VA, Military, TRICARE	Medicare			
Children Aged 0-35 months	State supplies at no cost to provider								
Children Aged 3-18 yrs	Provider privately purchases and seeks reimbursement if available								
Adults Aged 19 yrs -65							Provider purchases after FY2015		
Adults Aged 65+									

SB169 Vaccine Assessment <i>(beginning July 1, 2014)</i>	Medicaid	Amer Ind/ AK Native	Uninsured	Privately Insured	VA, Military, TRICARE	Medicare
Children Aged 0-35 months	State supplies at no cost to provider					State supplies if entities can be assessed, otherwise provider purchases or can opt-in
Children Aged 3-18 yrs						
Adults Aged 19 yrs -65	State supplies if entities can be assessed, otherwise provider purchases or can opt-in		Provider purchases or can opt-in*			
Adults Aged 65+						

*State supplied vaccine may be available for FY2015 for uninsured adults age 19-65 years using HB310 GF.

MUNICIPALITY OF ANCHORAGE



Department of Health and Human Services

907-343-6718

Mayor Dan Sullivan

Senator Cathy Giessel
State Capitol, Room 427
Juneau, AK 99801

Dear Senator Giessel:

Our Department's Clinical Services includes the Disease Prevention and Control Section. This Section works primarily to treatment for tuberculosis as well as prevention through epidemiology. We support Senate Bill 169 which will lead to a self-sustaining vaccine financing solution for those whose insurance does not cover immunizations we consider essential to good public health.

As the State and even moreso, Anchorage, we have one of the lowest immunization rates nationally. Let's work toward becoming a state that is on the cutting edge like other states who have already successfully maintained universal access to state-supplied vaccines.

Our department serves 270,000 potential clients/citizens locally. We oftentimes see clients who are under insured and/or in a difficult situation where they are faced with the personal tough choice of good health for themselves, their children versus food on the table. We support Senate Bill 169 for a more efficient and cost-effective vaccination system that decreases administrative burden for health providers and increases access to all Alaskans.

Thank you.

Sincerely,

Janet S. Vietmeier

Janet S. Vietmeier

cc: Kenneth Takakuwa, DHHS, Direct Services Division Manager
Kerre Shelton, SOA, Public Health Nursing, Director



Alaska Primary Care
ASSOCIATION

February 21, 2014

Senator Cathy Giessel
Senator.Cathy.Giessel@akleg.gov

The importance of vaccinations cannot be denied. From childhood immunizations to those for seniors, vaccinations save lives and protect the public's health.

Alaska's Community Health Center (CHC) system of 27 organizations and more than 160 clinic locations across the state serve more than 98,000 patients every year. And our primary care providers administer a very large number of immunizations.

Alaska's CHCs will be financially, administratively, and programmatically negatively affected by the termination of State of Alaska support for the Immunization Program (HB 310, SB 140) in June 2015.

You have proposed a solution, however, in Senate Bill 169 to establish a vaccine assessment account and implement a self-sustaining vaccine financing solution to preserve universal access to State-supplied vaccines.

The Alaska Primary Care Association energetically supports SB 169, as it will save money and time for our CHC primary care providers, as well as helping to ensure universal access to life-saving immunizations for Alaskans at all stages of their lives.

Sincerely,

Nancy Merriman
Executive Director

Alaska State Medical Association

4107 Laurel Street • Anchorage, Alaska 99508 • (907) 562-0304 • (907) 561-2063 (fax)

February 19, 2014

Honorable Cathy Giessel
Alaska Senate
State Capital Room 427
Juneau, AK 99801

RE: Senate Bill 169

Dear Senator Giessel:

The Alaska State Medical Association (ASMA) represents physicians statewide and is primarily concerned with the health of all Alaskans.

Thank you for introducing Senate Bill 169. It is well documented that vaccines improve the overall health of our communities and can ultimately prove to save future health care costs. ASMA supports your effort to increase the availability of vaccines to Alaskans and supports passage of SB 169.

Please let us know if there is anything we can do to further support passage of this legislation.

Sincerely,



Michael Haugen, JD, MBA.
Executive Director
Alaska State Medical Association



Asthma and Allergy
Foundation of America®

ALASKA CHAPTER

AAFA Alaska Chapter
P.O. Box 201927
Anchorage, AK 99520-1927

February 19, 2014

Dear Senator Giessel,

On behalf of the Asthma and Allergy Foundation of America - Alaska Chapter, I am writing to you in support of SB 169. This bill, in addition to health promotion would give the state a tool to monitor trends of vaccine usage. In a state with that has many challenges with access to healthcare it is imperative that we can study areas with low vaccination rates to determine if they are caused by a lack of education or by lack of financial access to services.

Adults and children living with asthma are at an increased risk of illness and unfortunate outcomes from a variety of diseases that are currently preventable. Common illnesses like influenza in an asthmatic person can lead to more serious conditions as well as death. However many asthmatics do not receive the flu vaccine either due to a misunderstanding of its benefits or because they do not have the financial resources to do so. It is imperative that patients have access to vaccines at a fiscally appropriate level.

Diseases like pertussis are also preventable with a vaccine however, babies and the elderly are always at risk due to vaccine timing. Asthmatic babies and adults are at even a greater risk as they already live with compromised airways. If these vulnerable populations are exposed to someone with pertussis the outcome can be grim. AAFA Alaska supports any and all programs that will allow the state to study the current levels of pertussis vaccinations in Alaska. While some people make a choice to not get vaccinated, many would like to receive the vaccination but find that their primary clinics do not carry the vaccine. The clinic are making this choice due to the cost of maintaining two sets of documentation for vaccinating children with and without vaccine funding eligibility.

The health and productivity of the people of Alaska depends on your decision. Vaccines have a real, practical and positive impact on the lives of the adults and children. Prevention of disease not only saves lives, but also reduces missed work time and school absences. All things that are good for the people of Alaska.

Sincerely,

Dale Knutsen
Executive Director
AAFA Alaska Chapter



ALASKA ACADEMY OF FAMILY PHYSICIANS

35555 Spur Highway #266, Soldotna, AK 99669 akaafp@gci.net www.alaskaafp.org 907 258-2255 office 530 326-5612 fax

January 20, 2014

Re: Alaskan Vaccine Association

Dear Senator Giessel:

The Alaska Academy of Family Physicians supports the development of an Alaskan Vaccine Association. Alaska has had low childhood immunization coverage, leaving our children vulnerable to disease outbreaks. It is critical to develop a long term solution to vaccine access in Alaska and improve our children's health. We support the development of a Vaccine Association. It has proven to be successful in other states. A Vaccine Association is a self sustaining solution which facilitates universal purchase of vaccines by collecting payments from health plans, insurers and other payers and remitting funds directly to the State. A Vaccine Association makes it possible for:

- physicians, clinics and hospitals to receive State supplied vaccines at no charge ,
- all children to have easy access to critical vaccines,
- all payers to participate in one of the most efficient, cost effective systems in the country for purchasing and distributing childhood vaccines.

Currently, several small family practice offices find it burdensome to front the cost of vaccines and maintain separate public and private supplies of vaccines.

Creating a Vaccine Association will improve the ability of health care providers throughout Alaska to offer vaccines. We support the development of a Vaccine Association this session.

The Alaska Academy of Family Physicians is a state chapter of the American Academy of Family Physicians which was founded in 1947; the AAFP represents more than 100,000 physicians and medical students nation-wide. It is the only medical society devoted solely to primary care. Family medicine's cornerstone is an ongoing, personal patient-physician relationship focused on integrated care.

Thank you for your attention to this important health matter.

Respectfully,

Triin Minton, MD
President-Elect

From: Tomasoski, Therese [<mailto:Therese.Tomasoski@providence.org>]
Sent: Wednesday, February 19, 2014 8:48 AM
To: Sen. Cathy Giessel
Subject: Senate Bill 169

Dear Senator Giessel,

For over 30 years, the State of Alaska Immunization Program had a “universal” vaccine program – distributing childhood and adult vaccines to all Alaskans. Vaccine costs increases and federal funding declines led to a reduction in this “universal” program. In 2012, legislation was introduced to provide \$4.5 million in state general funds to fill the gap left by this reduction in federal funding. The intent of House Bill 310 (Senate Bill 140) was to temporarily reinstate funds for underinsured children and underinsured/uninsured adults while permanent solutions were sought. This funding will no longer be available after June 30, 2015. We support Senate Bill 169 to establish a vaccine assessment account and implement a self-sustaining vaccine financing solution that has been implemented in other states to preserve universal access to state-supplied vaccines. This bill provides for a more efficient cost-effective vaccination system and reduces administrative burden for health providers and increases access to vaccines for all Alaskans.

Please help get this bill passed. As a pediatrician I have seen the cost of vaccines be an obstacle for parents deciding whether to vaccinate their child. It is in the best interest of the child and this state to have a universal access to state supplied vaccines. Thank you for all you do.

Sincerely,

Therese Tomasoski, MD

Providence Matanuska Health Care

Phone: 907 761-5900

Fax: 907 761-5975

Rosalyn Singleton MD
22423 Columbia Glacier Loop
Eagle River, AK
907-229-1989
907-729-3418
Ris2@cdc.gov

February 10, 2014

RE: Letter of Support for Senate Bill 169 to establish a Vaccine Assessment Account

As a long-time Alaska pediatrician I am writing about my concerns regarding gaps in access to critical childhood and adult vaccines in Alaska. House Bill 310 temporarily reinstated funds for a period of 3 years for underinsured children and underinsured and uninsured adults. This legislation is temporary and funding will go away in 2015.

For over 30 years, the Alaska Department of Health and Social Services Immunization Program had a "universal" vaccine program – distributing all recommended childhood and adult vaccines to public and private. Vaccines were supplied with federal funding from the Vaccines for Children (VFC) Program (an entitlement program which pays for children who meet federal criteria); and Section 317 of the U.S. Public Health Service Act which covered vaccine cost for VFC-ineligible children and adult. In 2008, the federal government notified the state immunization program that they were decreasing the Section 317 funding to the State during 2010 to 2013 from \$4.3 million to \$0.7 million. House Bill #310 attempted to temporarily reinstate funds for underinsured children and underinsured/uninsured adults while permanent solutions were sought but this bill runs out in 2015.

Unfortunately, when faced with the complexities of maintaining two separate vaccine supplies for VFC and non-VFC eligible children, as well as fronting the cost for expensive vaccines, some small medical practices have stopped providing vaccines to their patients.

Alaska has had low immunization coverage rates in children, exacerbated by difficult access to vaccine for some. These low immunization coverage rates increase the imminent threat that our state could experience outbreaks of diseases like measles and hepatitis A which have been well-controlled for many years. Measles outbreaks are occurring across Europe and the Middle East and imported measles cases are increasing in the US. Paralytic polio remains endemic in a few countries and is only a plane flight away.

This is a critical time to develop a long-term solution to vaccine access in Alaska. Other states, including Washington and Idaho, have found a solution in developing a Vaccine Assessment Account which facilitates universal purchase of vaccines. By collecting payments from health plans, insurers, and other payers and remitting the funds to the state, the Vaccine Account makes it possible for:

- Physicians, clinics, and hospitals to receive state-supplied vaccines at no charge
- All children and adults to have easy access to critical vaccines
- All payers to participate in one of the most efficient, cost-effective systems in the country for purchasing and distributing childhood vaccines.

House Bill 310 is a stop-gap measure which is running out. The current system in Alaska leaves many without easy access to affordable vaccines. Our childhood immunization rates are among the lowest in the nation. I urge the legislature to take action and support Senate Bill 169 to increase access to vaccine for all Alaskans.

Sincerely,

Rosalyn Singleton, MD MPH



3340 Providence Dr. #500, Anchorage, AK 99508 / T. 907-562-2423 / F. 907-563-1170

OFFICE OF THE GOVERNOR
MAILROOM

JAN 30 2014

HV

The Honorable Sean Parnell
Alaska State Capitol Building
PO Box 11001
Juneau AK 99811-0001

23 January 2014

Dear Governor Parnell

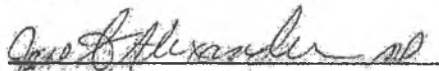
Anchorage Pediatric Group would like to encourage the formation of an Alaska Immunization Association, with the appropriate legislation.

As you are aware Alaska previously was a universal vaccine state. After the decrease in funding and the change to a VFC only State (Vaccines for Children). Our office had to develop a new process of purchasing, maintaining, and delivering private stock vaccines for the rest of our pediatric patients. This was an expensive decision in time, money and office resources. I know that many offices chose not to take on the additional difficulty and stopped providing immunizations.

Alaska has many barriers accessing medical care. Our already low immunization rates paired with a new barrier of a 2 tier system which makes it cumbersome to administer vaccines only adds to the problem. A Vaccine Association will help by streamlining the process for the state, providers, and patients alike. Studies have shown that many states have developed self-sustaining immunization programs that increase immunization rates while decreasing the overall cost(s) for everyone.

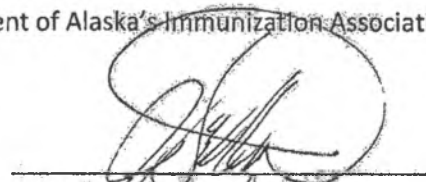
Please give careful consideration to the development of Alaska's Immunization Association

Respectfully,

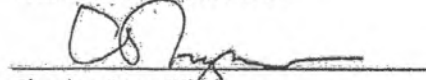

Janet Alexander MD


Susan Beesley MD


Jody Butto MD FAAP


Jodi Elliot DO


Willow Monterrosa MD


Charles Ryan MD

Jane Conway

m: Jane Conway
Sent: Thursday, February 20, 2014 3:58 PM
To: Jane Conway
Subject: Support SB 169 Atwood

From: Atwood, Jesse W [<mailto:Jesse.Atwood@providence.org>]
Sent: Thursday, February 20, 2014 3:48 PM
To: Jane Conway
Subject: Support for Senate Bill 169

Ms. Conway,

My name is Jesse Atwood. I am a Pediatrician, practicing in the Matsu Valley at Providence Matanuska Health Care Clinic. I have been practicing pediatrics for over 16 years, and have done extensive personal research into vaccines, their side effects, and their benefits. After having given thousands of vaccines to children over the years, and seeing the beneficial results of widespread immunization to both the individual, and society collectively, I am thoroughly convinced that the benefits of vaccines FAR outweigh any perceived or potential risks. It also seems consistent that some financial / governmental support to promote vaccinations improves vaccination rates, and improves the overall health of our communities, likely paying financial dividends down the road. But regardless of any financial benefits, there is almost no medical advancement in the history of the world that has had a greater impact in reducing suffering and death than what immunization programs have achieved. The numbers of people who suffered and even died from many / most of the diseases we vaccinate compared to the numbers suffering or dying from these diseases since the individual vaccines were approved, is staggering. Why wouldn't we want to promote one of the most successful advancements in the history of mankind?

To that end, I am writing to ask that you support in any way possible Senate Bill 169, to establish a vaccine assessment account, and implement a self-sustaining vaccine financing solution that has been implemented in other states, to preserve universal access to state-supplied vaccines. As a pediatrician, I feel that this bill provides for a more efficient cost-effective vaccination system, and reduces the ever increasing administrative burden for health care providers, a burden that can and will eventually result in a deterrent to providing vaccinations for some. I also feel that this bill will increase access to vaccines for all Alaskans, and serve to improve our health and well-being as a state and as a community.

I thank you for your service to our State and our community, and for your attention to this matter.

Respectfully yours,

Jesse Atwood MD

2250 S Woodworth Loop, Suite #101

mer, AK 99645 Ph: 907-761-5900

George W. Brown, MD

Community Pediatrician

1640 Second Street Douglas, AK 99824 -5211 907 364 2726

gbrow177537@yahoo.com

Senators Stedman, Micciche, Ellis, Kelly, and Meyer
Senate Health and Social Services Committee
28th Alaska State Legislature
Juneau, AK 99801

February 19, 2014

Honorable Senators:

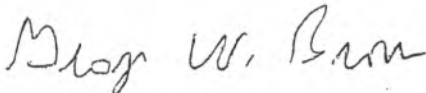
Thank you for the opportunity to provide written testimony in strong support of SB 169 to assure effective vaccines will continue to be available for all Alaska citizens, especially children who are our real future. Thank you for your public service, a somber load where your decisions will guide our public future and where competing voices are respectfully heard as you have to make responsible decisions.

I am unable to speak in person for the Friday, February 21 hearing. Last year, you listened carefully as Dr. Hurlbert and I emphasized our personal 1960's - 1980's experiences of treating many children suffering severe infectious illnesses which are now fully preventable with current immunization resources. Such is an undeniable investment in the future health of our state. The savings in dollar costs and personal agony are magnified many times for the program costs. Establishing a lasting system which assures public and private partnership is a wise choice for which you will look back on your public service career with satisfaction.

As one Alaska citizen, I personally will be happy to pay state tax to underwrite such an investment if that becomes clearly necessary. Next to assuring access to public education for all Alaska children, which is the bed rock support of citizen guided democracy, preventing unnecessary infectious illnesses must remain our top priority.

As Senators Giessel's and French's leadership moves this bill through this session, I will follow its progress and do my best to testify in person as needed.

Respectfully,



George W. Brown, MD

From: The Brands [<mailto:brand@mtaonline.net>]
Sent: Thursday, February 20, 2014 9:45 AM
To: Sen. Cathy Giessel
Subject: Senate Bill 169

Dear Senator Giessel:

I have been a Pediatrician in Alaska since 1982. I have seen immunizations fully funded by the CDC, partially funded by the CDC and also a time in the 80's when there was no funding except for Medicaid patients. During that period in the 80's our immunization rates tanked.

Since the reduced Federal funding immunization purchase and fees have yo-yo'd from full to partial and it is unwieldy for all. A consortium with insurances and MC funding a pool would stabilize funding, availability and make for consistent delivery across the board. Please advance SB 169.

Jeff Brand ,

jbrand@latouchepediatrics.net

Jane Conway

From: Sen. Cathy Giessel
Sent: Thursday, February 20, 2014 10:49 AM
To: Jane Conway
Subject: FW: Senate Bill #169

Follow Up Flag: Follow up
Flag Status: Flagged

From: Doris [<mailto:dorie@alaska.net>]
Sent: Thursday, February 20, 2014 10:48 AM
To: Sen. Cathy Giessel; Sen. Hollis French
Subject: Senate Bill #169

I strongly support Senate Bill 169 as I have been a supporter of vaccinations for many years. The distribution of vaccines in the State of Alaska in order to insure vaccination of our population, and especially our children, is one of the most important health programs in the State. The idea that it should end is awful. It could so easily cause an epidemic that our State would have to spend a great deal more than the cost of vaccination to try to remedy. The remedy would never erase the suffering an epidemic would cause.

Thank you for all you do for our beautiful State and thank you for supporting this legislation. Following this personal comment I am including some boiler plate information which I have received and which has induced me to let you know of my personal support.

For over 30 years, the State of Alaska Immunization Program had a "universal" vaccine program – distributing childhood and adult vaccines to all Alaskans. This universal program insured that all Alaskans had equal access to vaccines. Vaccine costs increases and federal funding declines led to a reduction in this "universal" program. In 2012, legislation was introduced to provide \$4.5 million in state general funds to fill the gap left by this reduction in federal funding. The intent of House Bill 310 (Senate Bill 140) was to temporarily reinstate funds for underinsured children and underinsured/uninsured adults while permanent solutions were sought. This funding will no longer be available after June 30, 2015. *We support Senate Bill 169 to establish a vaccine assessment account and implement a self-sustaining vaccine financing solution that has been implemented in other states to preserve universal access to state-supplied vaccines. This bill provides for a more efficient cost-effective vaccination system and reduces administrative burden for health providers and increases access to vaccines for all Alaskans.*

Doris Bailey dorie@alaska.net

Alaska, Alaska

Dear Senator Giessel,

As you know, I have been practicing pediatrics in Anchorage for over 30 years, and have seen the benefit of the the State of Alaska's universal vaccine program. This ensured that all Alaskans had equal access to vaccines. Vaccine cost increases and federal funding declines have led to a reduction in this program.

Temporary solutions are fine for the interim, but our children need a permanent solution to this problem.

The benefits of vaccination are undeniable. vaccines (along with clean water and good nutrition) have saved more lives than any other public health intervention.

I support Senate Bill 169 to establish a vaccine assessment account.

This bill provides for a more efficient, cost-effective, and self-sustaining vaccination system, reduces administrative burden for health care providers and increases access to vaccines for all Alaskans.

The risks of having a less-vaccinated, less protected population are clear, as some vaccine-preventable diseases are re-emerging in areas of this country and of the world where vaccination rates have declined.*

Thank you for working to get this legislation passed.

Sincerely,

Phyllis Kichl, M.D.

*See this map showing outbreaks of vaccine-preventable diseases.

And be aware, it is not completely up to date, as it does not include some of these diseases reported in Alaska (among undoubtedly other areas). (For example, we know that Pertussis has been increasing here).

http://www.cfr.org/interactives/GH_Vaccine_Map/#map

From: Elizabeth Galloway <gall_eliz@hotmail.com>

Date: February 19, 2014 at 8:19:11 PM AKST

To: "Senator.Cathy.Giessel@akleg.gov" <Senator.Cathy.Giessel@akleg.gov>

Subject: Support for senate bill 169

Senator Giessel, thank you for your time. I am a pediatric ICU doctor at providence. I wanted to lend my support to senate bill 169. Vaccinations work when every child has access to them. Any program the state can enact to help our population stay vaccinated will keep more children out of my ICU. Thank you for your time and efforts.

Sincerely

Elizabeth Galloway MD

PAMC PICU

907 306 5929

From: Tsao-Wu, George [<mailto:GTsao-Wu@SouthcentralFoundation.com>]
Sent: Wednesday, February 19, 2014 1:14 PM
To: Sen. Cathy Giessel
Subject: Bill 169

Hello Cathy Giessel,

I just want you to know that I support the new bill 169 that you have introduced. As a pediatrician in Alaska since 1996, I have had the privilege of taking care of many children. I am thankful that only a handful of them were infected and injured by bacteria or viruses for which we have vaccines. This is in part because of the generous program that the State of Alaska has had in providing vaccines for children. In order to keep our populace as healthy as possible we definitely need a more permanent solution to vaccine funding and this bill 169 seems like a proven and effective methodology to do just that.

Thanks for taking up the cause for vaccinating our kids!

Sincerely,

George Tsao-Wu, MD

Pediatric Clinic Medical Director

Alaska Native Medical Center

Southcentral Foundation

4320 Diplomacy Dr Ste 2300

Anchorage AK 99508

(907) 729-8913

Jane Conway

From: Thad Woodard <twoodard@AKPeds.com>
Sent: Friday, February 14, 2014 9:23 AM
To: Sen. Cathy Giessel; Jane Conway
Subject: self-sustaining vaccine financing solution

Follow Up Flag: Follow up
Flag Status: Flagged

Senator Giessel and Ms Conway, I am writing to strongly support the adoption of Senate Bill 169 designed to develop a vaccine assessment account providing a sustainable vaccine financing solution for Alaska. One of the most beneficial public health achievements of mankind has been the use of immunizations to prevent life threatening illnesses. There is abundant evidence of the safety, efficacy, cost effectiveness and success of this effort. However the cost of vaccines and the ease of providing them to patients has been a worsening burden over time and as a result Alaska's immunization levels and health care costs related to vaccine preventable diseases are rising. Vaccine assessment accounts have been shown in other states to relieve the problems related to increased costs and help to increase immunization rates. I support Senate Bill 169 for these reasons.

T Woodard, MD

Thad Woodard, MD
Alaska Center for Pediatrics
1200 Airport Heights Drive Suite 140
Anchorage, Alaska 99508
907.777.1800
www.akpeds.com



Medical
Management

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From: "Mary Ann Jacob, M.D." <jacobmd@mac.com>

Date: February 12, 2014 at 3:25:09 PM AKST

To: <Senator.Cathy.Giessel@akleg.gov>

Subject: Vaccine Assessment Bill

Dear Senator Giessel:

Thanks so much for your interest in Senate Bill 169. As a pediatrician in Anchorage, I have seen firsthand many of the diseases that are vaccine-preventable. I've also struggled to continue to provide vaccines at my small private practice, due to the difficult requirements that we keep duplicate stocks of these expensive vaccines for differently insured patients. It's my understanding that the proposed bill will end up costing everyone less money by doing away with multiple "layers" of bureaucratic requirements and paperwork. I believe that if this bill becomes law, small practices like my own will be more likely to continue offering vaccines to our patients. This increased availability translates into higher vaccination rates. Children will be healthier (and their parents will miss less work). Employers will pay less for insurance (polio vaccine is much cheaper than treating a case of polio!); and since many children are insured directly or indirectly by state funds, Alaska will save money, too.

I strongly encourage you to support this bill.

Sincerely,
Mary Ann Jacob, M.D.

-----Original Message-----

From: Dave Bomalaski [mailto:dbomalaski@gci.net]

Sent: Thursday, February 20, 2014 8:56 AM

To: Sen. Cathy Giessel

Cc: Jane Conway; Singleton, Rosalyn J. (CDC/OID/NCEZID)

Subject: Senate Bill 169

Dear Senator Giessel,

One of the greatest assets of our state is the vast expanse of wilderness that is the envy of the world. At the same time, it imposes significant challenges to the delivery of healthcare in terms of cost, access and quality. We are still obligated to provide the same quality of healthcare to Alaska's children as is given in the lower 48 where they do not face our additional burden of geography and environment. Children's vaccines save lives. It is one of the most cost effective means of preventing disease and reducing healthcare costs.

Other states in the Pacific Northwest have recognized this and established partnerships between practitioners, industry and government to meet this moral obligation. Senate Bill 169 is to establish a vaccine assessment account and implement a self-sustaining vaccine financing solution that has been implemented in other states to preserve universal access to state-supplied vaccines. This bill provides for an efficient cost-effective vaccination system, reduces administrative burden for health providers and increases access to vaccines for all Alaskans.

The Alaska medical community strongly supports Senate Bill 169 to provide access to vaccines for Alaskans in all communities.

Sincerely,

M. David Bomalaski, MD, FAAP

Alaska Chapter of the American Academy of Pediatric

Alaska Urology

3841 Piper St., Ste. T300

Anchorage, AK 99508

907-563-3103

From: William Saltonstall <willsaltonstall@gmail.com>

Date: February 20, 2014 at 11:29:48 PM AKST

To: <Senator.Cathy.Giessel@akleg.gov>

Subject: Senator Giessel:

As a physician and one of your constituents please let me support you in encouraging Senate Bill 169. Vaccination rates are down. We are seeing pertussis and other preventable diseases. A universal state organized vaccine program would help improve accessibility and reduce administrative costs by providing a single vaccine source. Vaccination is one of the positive, preventative services we offer reducing illness and costs in the future.

Thanks for pursuing this bill.

William Saltonstall M.D.

From: <mcuster@alaska.net>

Date: February 20, 2014 at 11:04:05 PM AKST

To: <Senator.Cathy.Giessel@akleg.gov>

Subject: Senate Bill 169

Dear Senator Giessel,

Thank you for introducing Senate Bill 169. This bill will help improve access to vaccines across the state, and will bring us closer to the universal access we once had. The model for a vaccine account has worked well in other states, and reduced costs.

Sincerely,

Marcy Custer, R.N.

From: LPNAKA@aol.com [<mailto:LPNAKA@aol.com>]

Sent: Saturday, February 22, 2014 7:50 PM

To: Sen. Cathy Giessel

Cc: ris2@cdc.gov; ringleton@anthc.org

Subject: SB169

Honorable Senator Cathy Giessel,

I am writing to you in strong support of your efforts to promote SB169. Prior to my retirement in the year 2001, my active years in clinical pediatrics, public health, and administrative medicine included four years on the staff of the Alaska Native Health Hospital, two years as the director of the health program for the

residents of Bethel and the fifty native communities receiving medical services through the now replaced "old" Bethel hospital and its supportive rural public health services. On leaving Alaska in 1974, I served as the medical director for the health services for the Navajo Nation and subsequently in the same capacity for the Native people in the States of Oregon, Idaho, and Washington States. I returned to Alaska in 1991 at the request of the administration of Governor Walter Hickel to serve four years as the State Director of Public Health. I subsequently served six years in the same capacity under the Governorship of Tony Knowles before finding retirement being dictated by personal health problems.

I state the above only to demonstrate that I do have experience and credentials to speak on the critical requirement of a strongly based and supported immunization program for all residents of the State of Alaska. Access to strong adult and childhood immunization services were instrumental in the positive gains to the improved health of Alaskans witnessed since my initial introduction to the health needs of its citizens in 1969. The contents of SB169 will help to assure the well demonstrated benefits of a universal adult and childhood vaccination service in a time of increased vaccine costs and decreased federal support. A proposal to assess insurance companies and various agencies responsible for making access to medical and health services and the bulk acquisition of vaccines by the State of Alaska should decrease the cost of vaccines as well as reduce the probability of any increased costs to the State.

Thanks to you and your fellow Colleagues for introducing and supporting the proposed SB 169

Peter Nakamura M.D. Ped. MPH Retired.

-----Original Message-----

From: David Baines [<mailto:bumlegbaines@hotmail.com>]

Sent: Thursday, February 20, 2014 4:08 PM

To: Sen. Cathy Giessel

Subject: SB 169

For over 30 years, the State of Alaska Immunization Program had a "universal" vaccine program -- distributing childhood and adult vaccines to all Alaskans. This universal program insured that all Alaskans had equal access to vaccines. Vaccine costs increases and federal funding declines led to a reduction in this "universal" program.

In 2012, legislation was introduced to provide \$4.5 million in state general funds to fill the gap left by this reduction in federal funding. The intent of House Bill 310 (Senate Bill 140) was to temporarily reinstate funds for underinsured children and underinsured/uninsured adults while permanent solutions were sought. This funding will no longer be available after June 30, 2015.

While I support Senate Bill 169 to establish a vaccine assessment account and implement a self-sustaining vaccine financing solution that has been implemented in other states to preserve universal access to state-supplied vaccines as a vast improvement, I feel the state could go one step further. As an Alaska Native and Physician I feel it should cover all Alaskan including uninsured adults.

I used to work in Dutch Harbor (2005-2009) and the vaccine program helped us vaccinate the large foreign born workforce there for Hepatitis B, a big public health issue. Thanks to the program that provided the vaccines free of charge we could pass those savings on to our patients who had no medical insurance and otherwise would have not been immunized. That coverage allowed us to break the cycle of passing Hepatitis B from generation to generation. This bill still charges providers who see uninsured

adults which would be a barrier to that vulnerable population getting immunized. Thanks for your hard work in improving access to vaccinations but I think it should be that our wonderful state can provide this basic service to all of us who call Alaska home regardless of financial status.

Sha aam dza waan (Wishing you well), David R Baines MD

Mr. Chairman and Committee members, my name is Phyllis Arthur and I represent the Biotechnology Industry Organization (BIO) and I am here to speak on Senate Bill 169.

BIO opposes Senate Bill (S.B.) 169. While we recognize and share the State's goals of increasing the administrative ease of vaccine administration and achieving high vaccination rates, we believe the proposed program would result in an additional administrative burden for the State, create redundancy relative to the Affordable Care Act (ACA) and have very little impact on immunization rates among Alaskans.

America's vaccine manufacturers strongly support efforts by states to increase immunization rates among people of all ages. We work closely with state governments, insurers and other vaccine stakeholders to develop and implement solutions that are proven to increase access to immunizations through **sustainable** public-private partnerships.

I would like to discuss three key issues:

1. UP programs have not actually helped to increase immunization rates;
2. The implementation of this program may not actually solve the current issues of many providers; and
3. Providing private insurers access to federally discounted vaccine intended for disadvantaged children runs counter to the original intent of the VFC program and provides a pass through to insurers at the expense of vaccine companies.

The UP program created by S.B. 169, will most likely not lead to higher immunization rates.

- For 30 years, Alaska had a full UP program. Higher immunization rates along with increased access to vaccines have long been touted as benefits of universal purchase programs.
- However, according to 2012 data from the CDC, only 3 UP states were ranked among the top 10 states nationally for childhood immunization rates while another 3 UP states were ranked in the bottom 10.^[1]
- From 2000 to 2009 Alaska ranked at or well below the U.S. average for all standard series vaccines.
- In 2012, the year for which the most recent CDC data is available, the estimated vaccination coverage rate among children aged 19-35 months in Alaska was 59.5%, the lowest in the nation for the standard series. ^[2]

¹ CDC Estimated Vaccination Coverage Rate % Vaccination Series Among Children 19-35 Months of Age by State, U.S., National Immunization Survey, Q1/2012-Q4/2012. Data for 4:3:1 plus ≥3 doses of Hib

The Affordable Care Act (ACA) has addressed many of the financial barriers to immunization affecting patients by requiring private insurers to cover ACIP-recommended vaccines for children, adolescents and adults with no out-of-pocket expense and no deductible. While there are still some issues affecting providers, UP programs may not help to solve these problems.

- The ability of the state to assess all types of insurance plans in the state is unclear and may not be allowed under federal law. This may result in a multi-tiered immunization system where providers still must access the private sector for some patients or specific vaccines but with smaller volumes.
- In addition providers will still be required to screen patients for eligibility, stock private sector doses for children and adults whose insurance plan is not paying into the assessment pool, submit for reimbursement and track use of these doses. Moreover, providers will still need to bill for the administration of vaccines.
- Lastly UP programs often burden state health departments with the additional administrative costs of managing the vaccine supply for the entire state, such as warehousing and shipping doses to multiple sites. Accountability for ordering, storing, tracking and shipping vaccine ultimately rests with the Alaska Department of Health during a time when public sector funding for infrastructure is being cut.

Lastly this type of UP program, tax assessments and insurance pools, create a pass through of a federal discount intended for vulnerable populations.

- Parents and employers pay premiums for their immunization coverage, so the vaccine cost is already paid for, as is the visit and all of the other medical care.
- Vaccine costs are not a high or significant cost for insurers as a portion of insurance premiums. In fact a 2009 HHS study showed that vaccine coverage accounts for only 0.8% of family premiums.²
- Health plans reap the benefits of fully immunized populations through reductions in health expenditures for hospitalizations, office visits, testing, and treatment.

vaccine of any type, 3 or more doses of HepB, 1 or more doses of varicella vaccine, and 4 or more doses of PCV. Available at: http://www.cdc.gov/vaccines/stats-surv/nis/data/tables_2012.htm#overall .

¹ Alaska Department of Health and Social Services. State of Alaska Epidemiology Bulletin. Published February 17, 2011. Available at: http://www.epi.hss.state.ak.us/bulletins/docs/b2011_02.pdf

² Rose Chu, presentation at June 2009 NVAC meeting, "2009 Premiums for Routine Immunizations."

America's vaccine manufacturers are continuously investing in both existing and new vaccines for children, adolescents and adults. This is only possible when there is a sustained, viable market for these vital public health products.

BIO believes that a private sector solution can be found that solves the issues of all vaccine stakeholders – patients, providers, insurers and vaccine manufacturers. We have worked closely with states to develop public-private solutions to many of these same problems. For example, in Colorado BIO works with a large coalition of vaccine stakeholders to develop a set of recommendations for the state on ways to increase immunization access and rates. The group is evaluating unique contracting options specifically targeted to small volume providers in rural and underserved areas, researching organizations that can help providers with billing of insurance plans and developing better educational programs for provider offices and staff. We are working on similar programs in California and New Mexico.

Thank you again for this opportunity to share our issues. I will be glad to answer any questions.



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

Department of
Health and Social Services

ALASKA COMMISSION ON AGING

P.O. Box 110693
Juneau, Alaska 99811-0693
Main: 907 465 3250
Fax: 907 465 1398

March 3, 2014

Senator Cathy Giessel
Alaska Capitol, Room 427
Juneau, Alaska 99801-1182

Subject: Support SB 169, Statewide Immunization Program

Dear Senator Giessel:

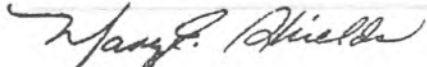
The Alaska Commission on Aging (ACoA) is pleased to express our support for SB 169 to establish a statewide immunization program that will provide recommended vaccines for Alaskans of all ages. This legislation, authored by you and co-sponsored by Senator French, proposes a business model that allows the program to become self-sustaining over time with revenues collected from assessment fees paid by health insurance payers and savings resulting from the state's bulk purchase of vaccine supplies at a reduced cost. It creates a permanent solution to fill the fiscal gap of reduced federal funding for Alaska's immunization program. HB 310 (SB 144) addressed this issue as a temporary measure in 2012, legislation which ACoA supported, that is scheduled to expire on July 1, 2015. Although SB 169 addresses the immunization needs of all Alaskans, our comments will focus on the benefits of this legislation we perceive for older Alaskans.

Preventative services, such as immunizations, are important tools for maintaining the health of all Alaskans at every stage of life. Immune systems weaken with age, which places older people at risk for severe illnesses from pneumonia, influenza, and shingles. The Centers for Disease Control and Prevention recommends vaccines for these conditions for all people over the age of 60. Based on our understanding, vaccines for pneumonia, influenza and shingles would be included under the statewide immunization program proposed by SB 169. Your legislation would help improve access to these vaccines by seniors who are low-income, those not eligible for Medicare, and for seniors who receive services by providers who do not accept Medicare.

SB 169 will also help a growing number of Alaskan seniors who are grandparents raising grandchildren on a fixed income with limited insurance coverage. They desire healthy grandchildren who have access to recommended immunizations recognized by public health standards. Medicare does not cover the cost of childhood immunizations, which are required for admission to public schools. Rather than seeing their grandchildren go without immunizations, many grandparents will make personal and financial sacrifices to insure their grandchildren receive the recommended immunizations. SB 169 will help reduce the cost of immunizations and improve access for these children being raised by grandparents with modest incomes.

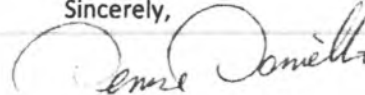
The ACoA supports SB 169 and believes this legislation provides an innovative public-private partnership solution that will create a strong foundation for ensuring improved health outcomes for Alaskans. We thank you and Senator French for your leadership on SB 169.

Sincerely,



Mary E. Shields
Chair, Alaska Commission on Aging

Sincerely,



Denise Daniello
ACoA Executive Director

Cc: Senator French