



Department of Health and Social Services

William J. Streur, Commissioner
Ward B. Hurlburt, MD, MPH, CMO
3601 C Street, Suite 540
Anchorage, Alaska 99503

<http://www.epi.alaska.gov>

Division of Public Health

Kerre Shelton, Director
Local (907) 269-8000
24 Hour Emergency (800) 478-0084

Editors:

Joe McLaughlin, MD, MPH
Louisa Castrodale, DVM, MPH

Bulletin No. 14 August 13, 2014

Alaska's New Vaccine Assessment Law: Increased Access to Vaccines at a Cost-Savings

Background

In recent years, rising vaccine costs and decreased federal funding have hindered the Alaska Department of Health and Social Services' (DHSS) ability to supply vaccines for Alaskans.¹ In 2012, Senate Bill 310 was signed into law as a temporary (3-year) stop-gap measure to enable state-supplied vaccine distribution to continue until a long-term vaccine financing solution could be created, as has been done in nine other states through public-private partnerships.^{2,3}

In June 2014, Senate Bill 169 was signed into law, authorizing the formation of a vaccine assessment account, from which the Alaska Immunization Program will be able to purchase pediatric and adult vaccines at discounted rates for distribution to health care providers.⁴ This long-term vaccine financing solution will be funded by private and public health care insurers, health benefit plans, Employee Retirement Income Security Act plans, third-party administrators, and other payers, who will be assessed based on their proportionate share of the overall vaccine costs. An independent vaccine assessment council, appointed by the DHSS Commissioner, will determine assessments and oversee programmatic activities. The purpose of this *Bulletin* is to inform payers and providers about the new vaccine assessment program.

Alaska Vaccine Assessment Council

The council, which will be appointed in January 2015, will consist of two health care providers, three insurers, one representative of a public insurance or tribal health entity, and the Alaska Division of Insurance Director and DHSS Chief Medical Officer (or their designees). Nominations for the council are being accepted through October 2014. Requests for a nomination form should be sent to: immune@alaska.gov.

Assessment Models

The other states that have created vaccine financing solutions have used either a "covered lives" or a "dosage-based" assessment model.^{2,3} Both models forward-fund state-provided vaccine. Under a covered lives model, the payers' projected assessment amount is determined, based on the number of persons they cover. Under a dosage-based model, the payers' projected assessment amount is determined based on the number of vaccine doses administered. While the covered lives model is generally simpler for providers, the dosage-based model is initially more accurate for payers.

For the first year, the DHSS Commissioner will determine the vaccine assessment amount that payers will owe, most likely using a covered lives model. In October 2014, payers will be asked to provide the number of Alaska children and adults they covered during July, August, and September 2014 (likely through an online form). After the first year, the council will determine which assessment model is the best fit for Alaska.

Information for Payers

The new law establishes all payers as potential participants in the assessment starting January 1, 2015. There will be a 3-year phase-in period, during which payers will be allowed to opt-out; however, participation by all eligible payers will be mandatory on January 1, 2018. Payers are expected to realize a substantial cost savings compared with privately-purchased vaccines because state-distributed vaccines will be purchased at a discounted bulk rate. In other states, payers have saved up to 30% on vaccine costs after implementation of their vaccine financing solutions.^{2,3}

Information for Providers

- Providers who already receive state-distributed vaccine will simply enroll for vaccine from the Vaccine Assessment Account as part of their annual Alaska Immunization Program re-enrollment.⁵ New providers will need to initiate enrollment through the Alaska Immunization Program.
- Providers who are currently purchasing vaccine should start planning for the transition to receive state-distributed vaccine.
- Participating providers should order pediatric and adult vaccine from the Vaccine Assessment Account through the Alaska Immunization Program starting in January 2015. Initially, providers may need to store some private vaccine for certain patients (e.g., patients covered by non-participating payers).
- Since uninsured adults do not have a covering payer, providers who usually provide vaccine for uninsured adults may opt-in at any time to pay the assessment and receive vaccine from the Vaccine Assessment Account at the State's bulk discount rate.

Widespread Participation is Critical

Successful implementation of this program hinges upon widespread participation by payers and providers. With 100% participation, this law will 1) afford all Alaskan children and covered adults increased access to vaccines, 2) help curb the rising cost of vaccines for payers and providers, and 3) enable providers to order all of their vaccine from the Alaska Immunization Program.

Additional Information

The Vaccine Assessment Program is new and rapidly evolving; as such, additional information will be forthcoming. A "frequently asked questions" (FAQ) document is currently available at <http://www.epi.alaska.gov>. Future updates will be provided through *Epidemiology Bulletins*, stakeholder teleconferences sponsored by the Alaska Chapter of American Academy of Pediatrics, and a vaccine assessment website (to be launched this fall).

Estimated Timeline of Future Activities

Date	Activity
July–October 2014	Council member nominations
October–November 2014	Payer survey of covered Alaskans
November 2014	First year vaccine assessment amount published
December 2014	Initiate provider enrollment
January 2015	Providers order vaccine through the Alaska Immunization Program

References

1. Section of Epidemiology *Bulletin* "Further Cuts in State-Provided Vaccines for VFC-Ineligible Children in 2012." No. 28, October 19, 2011. Available at: http://www.epi.alaska.gov/bulletins/docs/b2011_28.pdf
2. New Hampshire Vaccine Association webpage. Available at: <http://www.nhvaccine.org/nhvaccine.nsf/pages/home.html>
3. Washington Vaccine Association webpage. Available at: <http://www.wavaccine.org/wavaccine.nsf/pages/home.html>
4. Enrolled SB 169. State Vaccine Assessment Council. Available at: http://www.legis.state.ak.us/basis/get_bill_text.asp?hsid=SB0169Z&session=28
5. Alaska Immunization Program homepage. Available at: <http://www.epi.alaska.gov/id/immune.stm>