

Idaho Immunization Assessment Board
Board Meeting Minutes
Monday, December 2, 2013
Department of Insurance

Board Members Present:

- Jack Myers – Blue Cross of Idaho – Chair
- Ted Epperly, M.D. – Family Practice Residency – Vice Chair (via phone)
- Bill Deal – Director, Department of Insurance
- Richard Rainey, M.D. – Regence BlueShield of Idaho
- Tim Callender – AmeriBen/IEC Group
- Christine Hahn, M.D. – Department of Health & Welfare
- Chris Pickford – Boise School District
- Susan Rhoades – Jacksons Food Stores

Board Members Absent:

- Sen. Todd Lakey – Idaho Senate
- Rep. Jeff Thompson – Idaho House of Representatives

Others Present:

- Mitch Scoggins - Immunization Program Manager- DHW
- Tamarie Olson – Immunization Program - DHW
- Richard Burleigh – Attorney - DOI
- Gina McBride – Bureau Chief - Consumer Affairs - DOI
- Sandy Metro – Consumer Affairs - DOI

Call to Order: Chairman Myers called the meeting to order at 2:30 PM MST.

Approval of Minutes from 4/5/13 meeting

Chair Myers asked for any corrections to the minutes. Elaine Diner said that Mitch Scoggins name needs to be corrected and that under the heading of “Reports” the section for DOI should say “DOI update of surveys/assessments.” Dr. Chris Pickford said that on page 3, the name should be Ken McClure instead of Ken McCord. Tim Callender indicated that on page 3 the 3rd paragraph should indicate “grandfathered plan” instead of “non-grandfathered plan.” Chair Myers asked for a motion to approve minutes. Tim Callender moved the motion. Dr. Richard Rainey seconded the motion. Motion was passed on a voice vote.

Reports

DOI update of surveys/assessments:

Elaine Diner presented the 12/3/13 Idaho Immunization Assessment Board Report. The total amount of assessments received (after refunds) was \$12,777,807.86 and the total of outstanding assessments is \$4,046,230.50 which represents the quarterly payments due December 15, 2013 and March 15, 2014. In December there was one quarterly payment received so far. There are 3 carriers paying quarterly. There are no past-due assessments.

For the January surveys there are approximately 896 carriers to survey, 322 TPAs and 11 Registered Administrators. Total of approximately 1229 surveys to be sent out.

Financial Update from DHW

Tamarie Olson said that the DHW has not yet received the financial report for December so these numbers will differ somewhat from the DOI figures. Dr. Christine Hahn said that some of the differences between the DOI figures and the DHW figures are due to refunds as well as the differing dates of the reports.

Vaccine Fund spending is on-target. In the first quarter we spent more compared with last year primarily because the CDC asked us to increase the stock of CDC vaccines prior to the start of the next fiscal year. This was to allow the providers to have adequate supplies. This early ordering does not increase the total amount of vaccine ordered because the 2014 Federal fiscal year starts in January, whereas the 2014 State fiscal year started in July 2013.

There were approximately \$8.9 million of vaccine purchases in the first quarter of the State fiscal year and approximately \$284,000 in the second quarter. Due to the CDC changes most of the anticipated purchases for the second quarter were done in the first quarter. With the approximately \$4.9 million balance on hand and the anticipated remaining quarterly payments of \$4 million the Dedicated Vaccine Fund should be on target.

Dr. Hahn explained that there have been several CDC conference calls informing the DHW that there will be a no requirement for providers to maintain separate stocks of vaccines for VFC (federally funded vaccine) children. The DHW requested a waiver from this requirement because the State of Idaho has an Immunization Assessment program. The CDC was concerned that federal vaccines were being used to vaccinate non-VFC children. Even if the federal vaccine stock were replaced later, the CDC said organizations cannot borrow against federal assets. We were able to show them that we collect assessments up-front, so there is no danger of running out of money for reimbursement. We were the first state in the nation to get a waiver from the CDC requirement. That was in October. As long as the Assessment Program remains in place, providers will not have to maintain separate stocks of vaccines depending on funding.

Another aspect of the conference calls with the CDC was the requirement that states should not run a low balance of vaccines at the distributors and that is why we did the early ordering in the first quarter. We needed to show that we have enough vaccines "on-hand."

Old Business

Sandy Metro stated that there were some Washington Anthem plans that requested refunds last summer and were past the 6-month date. She informed them of the rule and has not heard back from them. Jack Myers said that the language in the IIAB Plan of Operation states that the board cannot make exceptions to the rule that prohibits refunds of assessments if the request is made 6 months after the due date (June 15).

New Business

Flu vaccine issues – Mitch Scoggins: The handout shows how flu vaccine was ordered and distributed in the 4 years since the assessment program started.

In the **first year** of the program (for the 2010-2011 season) there was no flu vaccine provided by the program because the program started in July and the "pre-book" for flu vaccines had already been completed earlier in the year. That was also the first time there was a CDC universal recommendation for flu vaccine for everyone over the age of 6 months old.

Second year (2011 – 2012) – only some (not all) flu vaccine was provided through the program. Providers were allowed to bill insurance for privately purchased flu vaccine. Flu strains were the same as the previous year and it was a mild flu year. There was low uptake of the vaccine.

Third year (2012-2013) – We required that all pediatric flu vaccine come through the program; that is the way it has remained.

Fourth year (2013 – 2014) – current year has not ended

The second and third years had some monetary loss from undistributed flu vaccine, especially in the second year. The losses were \$472,000 in the 2011-2012 season and \$162,000 in the 2012-2013 season.

This year is a different situation. We have distributed about 80% of the flu vaccine that we have been able to get from the CDC. Already there are providers who have significantly exceeded the amount of flu vaccine that they were planning to use for the season when they submitted their flu surveys to us at the beginning of the year. In particular, Saint Alphonsus Medical Group (SAMG) and Primary Health have exceeded what they ordered. Both organizations appear to have ordered amounts that were consistent with historical usage. They have been calling us for more vaccines and are very upset that they cannot get more from us and that they are not allowed to privately purchase vaccine. Tamarie was able to find vaccine from other providers who are under-utilizing and we were able to meet the demand – for now. If nothing changes we will probably squeak by this season. It will only take one big news story on the flu to deplete the vaccine supply due to increased demand.

These organizations are two of the more influential medical groups in valley.

Since we have a system that says, “It comes from us, or nowhere” we overestimate a bit when ordering. We also hate wasting vaccine. Each year we have a different set of circumstances. It is hard to have a perfect year; either we have unhappy providers or we have excess vaccine.

In February DHW will have a proposal for the board. We wanted you to start thinking about this now, so we are presenting this today:

- (1) We want to keep the requirement that all providers get their flu vaccines through the state program.
- (2) We also want to keep the system largely unchanged, but with the exception that if the providers are unable to get enough vaccine from us we want to be able to come to the board to ask for approval to allow the providers to order privately and then bill insurance for those flu vaccines for the remainder of the season. That would allow us to save some money by making more conservative estimates early in the year and keep our providers happy knowing they can service their customers/patients. For some providers, e.g. Primary Health, flu vaccination is their main interaction with people in the community.

Dr. Hahn added that we want to avoid having kids not getting vaccinated because some providers run out.

Jack Myers said that this would introduce several problems for the insurance carriers & TPAs:

- (1) Our automated systems are set simply: For all providers we do not reimburse for the cost of the vaccine for any children. Under this proposal, as each provider runs out of stock we would have to go into the system, provider by provider, to modify the system – probably on a weekly basis. If the carriers “flipped the switch” so that from a certain date on we allowed all providers to order privately, the carriers would lose control of the ordering (i.e. all providers would be able to order privately).
- (2) The flu vaccine is different from other vaccines, in that it spoils. It is seasonal. It cannot be kept over for the next year, so the providers tend to over-order. This ends up costing the carriers/TPAs more in terms of a higher assessment which in turn results in higher premiums.

Jack Myers suggested that a possible solution would be to remove the flu vaccine from the assessment program. This would allow each provider to order privately; the flu vaccine is one of the lower cost vaccines and some people already go to places other than their provider to get vaccinated (e. g. drug stores).

Dr. Rainey said that the amendment that went into the legislation a couple of years ago said that if ACIP (Advisory Committee for Immunization Practices) recommended vaccines they have to come through the assessment program; the flu vaccine is an ACIP vaccine. There would have to be a legislative change to get the flu vaccine excluded from the assessment program. This proposal, as stated by the DHW, would be in accordance with the legislation, but if the board decides to exclude the flu vaccine from the program we would have to get legislative change.

Mitch commented that the excluding flu vaccine from the program has a couple of problems from the public health point of view:

- (1) There are some providers (local health departments and pediatricians) who have never purchased a vaccine. They have always purchased their vaccines through the State. Some of them may not be able (local public health) or may not want to purchase directly.
- (2) A larger problem is the proposal that CDC accepted (our waiver from the “separate stock” requirement of the CDC). The basis of the proposal is that Federal vaccine cannot be put at risk in Idaho. Every time we ship vaccine out to providers it is always proportional, based on the assessment proportion vs. the federal proportions. If we move away from the universal vaccine model we could bring an end to the assessment program. We would go back to having providers being required to separate vaccine stocks and provide data from their systems for different insurers.

Dr. Hahn asked the carrier representatives if there were other problems besides the billing systems.

Dr. Rainey replied that if there are going to be a lot of billings for flu vaccines, we need to inform all the hundreds of carriers/TPAs so they understand. It would be a confusing message to them. It weakens our case for providing universal vaccines. Jack Myers said that the message would be, “We are providing all vaccines – except later we might also bill you for flu vaccines...”

Director Bill Deal said that maybe we could continue as we have been: adjusting supplies between providers. Dr. Hahn said that this was the first year there has been a short supply and telling providers we possibly cannot provide all the vaccines needed. We want to use this as a warning to the providers: make sure you have a plan in place for what to do if vaccines you ordered are used up. In addition, the public health departments cannot order privately.

Dr. Rainey asked if only the two providers (SAMG & Primary Health) were asking for more vaccines. Mitch responded that there were a number of providers who were calling DHW to say they were running low. It seems that the causes of the shortages come from several situations: more advertising about vaccines (possible changes in the advertising model at the two large providers), changes in the flu vaccine itself (which gets reported in the news), people starting to understand the universal recommendation for flu vaccine, and also the availability of egg-free vaccines made the news.

The two big providers went through a lot of vaccines early in the season. It took DHW about 3 weeks to adjust supplies between providers and get the two providers enough vaccine. We did not run out because they started calling early in the season, before we really knew how the other providers were going to go through their own supplies. We are not sure yet that we are “out of the woods.”

Dr. Rainey asked why DHW doesn't go back to CDC to order more vaccines this early in the season, since the large providers have indicated greater need. Mitch said that the process works like this. The pre-book that we do at the beginning of the year is an obligation. The CDC concatenates the orders from the 64 grantees (states and municipalities) and gives it to PhRMA (Pharmaceutical Research and Manufacturers of America). A contract is signed for that amount. Toward the end of the season, if it was a light season, there is usually a lot of correspondence between the states: the states with excesses send out emails asking if any other states want it. This year there was none of that.

Dr. Rainey asked if it were possible to increase the order. Mitch replied that for the last two years, CDC has offered a second pre-book because PhRMA has come to them with additional vaccines. This year the second pre-book was the last week in September. We asked for 8000 additional doses. We received 2200 doses. CDC does not guarantee the second pre-book nor the amount requested in the second pre-book. We cannot count on being able to do that.

Dr. Chris Pickford asked about the availability of flu vaccines in the event of a severe flu season. Dr. Hahn said that with several types of flu vaccines being offered it is taking about 6 weeks to manufacture them.

Dr. Pickford said it appears that the amount of unused vaccine is running a small percentage - a variable percentage – especially considering the community health benefits. Even if this costs somewhat more, it might be worth doing.

Dr. Pickford added that checking with our largest providers about their changes in their advertising model would also be helpful, so we might understand what will drive their utilization.

DHW should bring to the board what the “cushion” is above the pre-book.
How much is allowed for some “emergency” ordering if there is a high demand.

Next year DHW is adding an additional step to the survey for the pre-book: an MD has to sign off on the number submitted to us. It will have to be a high-level person in the organization – someone who will know about marketing plans or other reasons the pre-book should be higher (i.e. a planned flu clinic or health fair)

Jack asked if DHW can order directly from a manufacturer, instead of the CDC, for additional vaccines. Mitch said that there is no legal prohibition from ordering through the manufacturer. Of course the vaccine would have to be available. The board would have to approve such an expenditure off-contract. The exception process procedures would need to be added to the Plan of Operation. Dr. Hahn said that could be one of the proposals to bring up in February.

Mitch asked if we needed to order more before February this year, could this be handled by the board via emails. Jack said “yes” for this season. In February we will establish a procedure to do that and add it to the Plan of Operation.

Medicare Advantage Plans:

Sandy Metro said that one of the Blue plans asked if they should include Medicare Advantage members on their survey under “Column A -Total Insured.” She consulted with Jack Myers, who agreed. Sandy told the Blue plan that they should be doing that. Apparently they had been including those members, but their parent company was questioning them. This was a new question.

Letters to Carriers/TPAs/Registered TPAs:

Jack Myers explained that in the last meeting we discussed ways to have the Carriers/TPAs/ Registered TPAs understand that the numbers reported on the survey should be reviewed with their accounting departments since refunds are not allowed after 6 months from the due date. This is an attempt to limit the number of requests for refunds. The changes to the survey instructions were discussed and will be posted to the instructions on the website. When the survey is sent out a link to the instructions is provided in the email.

Next meeting:

February 3, 2014 at 3:00 to 5:00 PM

Agenda topics:

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| Old Business: | DHW - Various proposals on the flu vaccine issue |
| | DHW - Communication plans for how to explain changes in the program |
| | DHW - Proposals for ordering additional vaccines mid-season; add to Plan of Op |
| New Business: | DHW - New vaccine which includes Meningococcal Vaccine – limited supply |

Adjournment

The meeting adjourned at 4:17 PM MST.

Minutes by Elaine Diner, Administrator, Idaho Immunization Assessment Board