

Can Alaska Continue to Provide State-Supplied Vaccine for Insured Children?

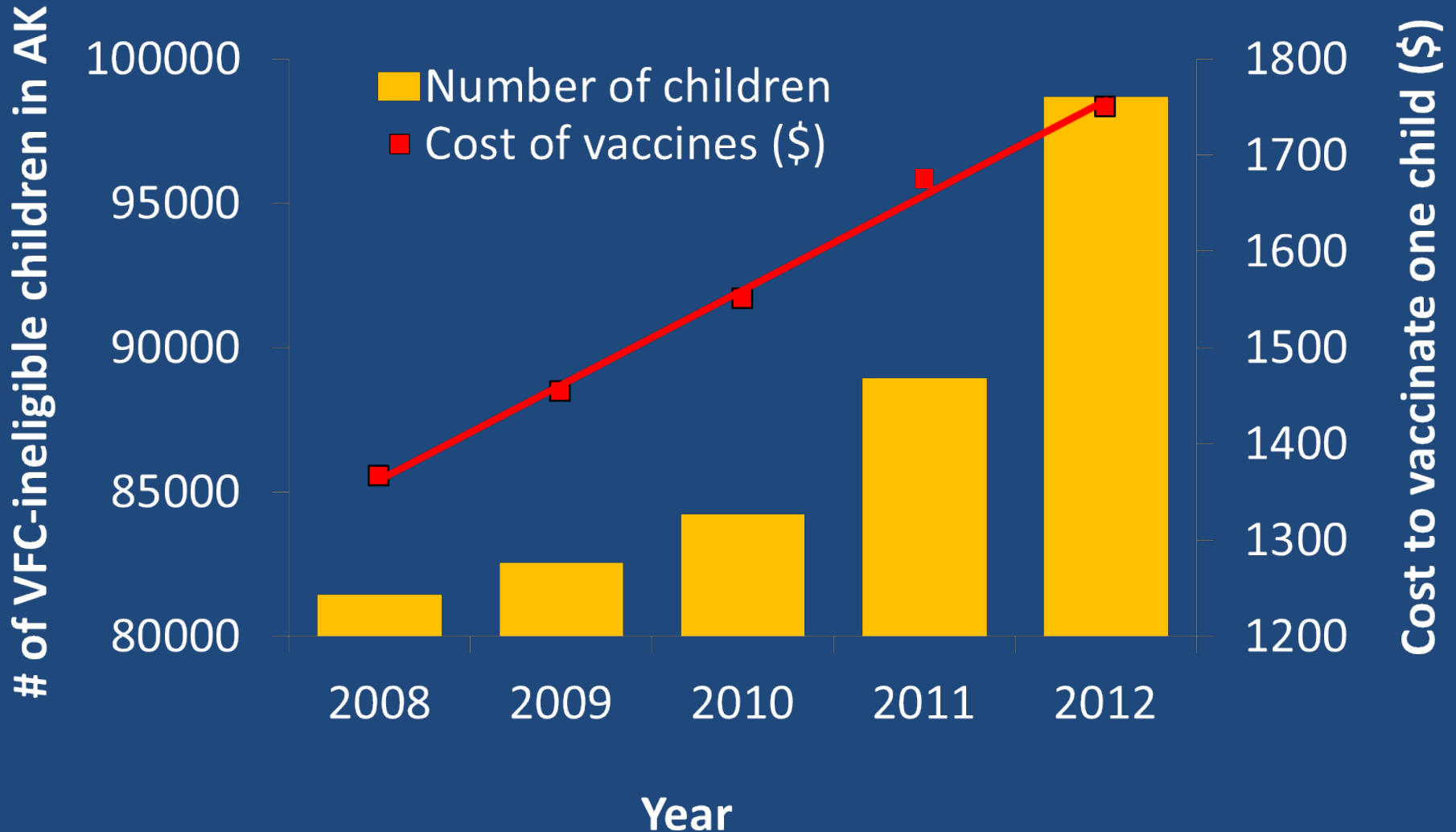
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Background

- **Universal coverage for over 30 years**
- **Changed to universal select in 2009**
 - **Rising costs to vaccinate a child from birth–18 yrs**
 - \$45 in 1985
 - >\$1,700 in 2012
 - **Growing VFC-ineligible pediatric population**
 - **Decreasing federal 317 funding**
 - **Limited federal vaccine funding for underinsured VFC-ineligible persons**

Number of VFC-Ineligible Children and Estimated Cost of Recommended Vaccines for One Child from Birth through Age 18 Years — Alaska, 2008–2012



317 Vaccine Funding — Alaska, 2010–2013



Universal Select Actions Taken

- **2009: pediatric HPV and MCV4 vaccines discontinued for VFC-ineligibles**
- **2011: adult vaccines discontinued**
- **2012: pediatric influenza, PCV13, and rotavirus vaccines discontinued for VFC-ineligibles**

New State Funding for Vaccines

- In 2012, \$5.2 M was added in the FY13 budget to support immunization purchase
 - \$4.5 million/year from HB 310
 - 3-year stopgap measure
 - ACIP-recommended vaccines to underinsured kids (not including HPV)
 - Select vaccines for un/underinsured adults
 - \$700.0/year in Governor's budget
- Providers need to buy vaccine for insured kids starting January 1, 2013

Problems with Stopping State-supplied Vaccine for Insured Children

- **Burden on health care providers**
 - Vaccine management is complex and time-consuming
 - Administrative costs
 - Vaccine wastage
 - Storage issues (separating state-supplied from privately purchased vaccines)
- **Possible decrease in IZ coverage**
 - Some smaller-scale providers might decide not to vaccinate

Alaska Vaccine Financing Solution

Option 1--Dosage-based Assessment Model

- **Providers send 2 claims to carriers**
- **Claim A: vaccine administration reimbursement**
 - Paid to the provider
- **Claim B: vaccine serum reimbursement**
 - Paid to the Vaccine Association (an independent, non-profit that sets assessment rates)
 - \$ submitted to WA DOH to buy vaccine off federal contract
- **New CDC determination**
 - Noncompliant with the federal procurement contract
 - Reimbursement for the cost of vaccines purchased off the federal contract is prohibited

Alaska Vaccine Financing Solution

Option 2--Assessment Model

- In 2010, a new Idaho law created
 - *Immunization Assessment Board*
 - Situated in the Department of Insurance
 - Carriers report to the Board the # of ID children who have vaccine coverage under their plan(s)
 - Prior to the new year, the Board determines each carrier's % of the assessment
 - *Vaccine Fund*
 - Managed by the Assessment Board
 - Carrier payments go into the fund
 - Payments go to DOH to purchase vaccines under the federal contract
- CDC currently “okay” with this model
 - This might change in 2014 if ACA is not overturned

Assessment Model Benefits

- **Patients**
 - Increased access
 - No deductible/co-pay cost for vaccines
- **HCPs**
 - Less burdensome, decreased administrative costs
 - Decreased financial liability
 - No need to maintain separate stocks of vaccines
 - No extra forms to fill out
- **Carriers**
 - Lower vaccine costs if procured under CDC's Federal Contract
 - ~\$79/child/year
 - ~30% cost savings
- **DOH**
 - Consistent with mission to protect and promote health
 - Minimal added burden

Assessment Model Drawbacks

- **Requires tracking each carrier down to get them to contribute their fair share**
 - **Particularly challenging for small out-of-state affiliates**
- **Insured kids from other states are not eligible**
- **Problems with covering TriCare (military) kids**
- **Takes a long time to incorporate new ACIP vaccine recommendations (up to a year)**

Actions Taken

- Education regarding existing models in other states
- Stakeholder Discussions
 - CDC
 - AK Chapters of AAP and AAFP leadership
 - ANTHC
 - Municipality of Anchorage
 - Premera

Next Steps

- Further conversations with CDC regarding future viability of assessment model
- Determine feasibility and acceptability
- Explore other vaccine procurement options
 - MN Multistate Contracting Alliance for Pharmacy
 - AK-specific contract with manufacturers
- Engage stakeholders
- Determine the need for legislation

Thank you!

