

Idaho Immunization Assessment Board
Board Meeting Minutes – Approved 8/23/10
Monday, July 12, 2010
Department of Insurance

Board Members Present:

- Richard Rainey, M.D. – Regence BlueShield of Idaho – Chair
- Jack Myers – Blue Cross of Idaho – Vice Chair
- Pat Armstrong – Idaho Sand and Gravel
- Bill Deal – Director, DOI
- Ted Epperly, M.D. – Family Practice Residency
- Christine Hahn, M.D. – Department of Health & Welfare
- Sen. Melinda Smyser – Idaho Senate
- Josh Sears – AmeriBen/IEC Group

Board Members Not Present:

- Rep. Jeff Thompson – Idaho House

Others Present:

- Shad Priest – DOI
- Gina McBride – DOI
- Sandy Metro – DOI
- Joan Krosch – DOI
- Tamarie Olson – DHW
- Diane Kopecky – AmeriBen

Call to Order: Chairman Rainey called the meeting to order at 1:37 p.m.

Approval of Minutes from 5/24/10 meeting:

MOTION: Dr. Epperly moved that the minutes of the meeting of 5/24/10 be approved as written. The motion was seconded. The motion passed on a voice vote.

Review Changes to Plan of Operation

There were questions from the board about changes made in the Plan after 5/26. The Chairman clarified that indeed there were changes made. Gina McBride (DOI) sent out the final draft of the Plan on 6/1/10. The Chairman noted the changes to the Plan.

Dr. Epperly asked if children covered under Tri-Care were excluded from proposed coverage. The Chairman asked Ms. McBride if they were counted in the survey. She said they were not, primarily because they were covered under a federal plan. Shad Priest (DOI) confirmed this. He noted that the board could contact Tri-West, but he did not know who administered their Idaho programs. Ms. McBride noted that the DOI had no regulatory authority over Tri-Care, and DOI had not contacted Tri-West. Ms. McBride then noted that perhaps the definition of “carriers” needed further clarification. The Chairman inquired if Tri-West covered all of Idaho; Dr. Epperly replied he did not know.

Dr. Epperly said that he thought that there were possibly 1000-2000 children in the Tri-Care system. He suggested that perhaps there might be a way to identify these individuals, even though they would probably not qualify. It would be a good idea just to know who and where they are and get an accurate count of their numbers. The Chairman said that identifying them would be a good idea, even though they are covered through the federal system.

Pat Armstrong asked about employees of INL, who are federal employees, and if they were included in the surveys. Jack Myers said that Blue Cross provides coverage and they are included in the final count.

Mr. Myers said that he had no problem with the language in the Plan of Operation. He wondered if the timing for collection of data allowed for adequate funding of the program. He reminded the board that this year's assessment is for 11 months. The survey for 2010 is scheduled for 4/30/11. It will take some time to process this data and assessment bills would be sent out after that. The target date for receiving these assessments is 10/30/11. Discussion on whether sufficient funds will be available for 2011. The Chairman noted that the board has already assessed companies on a 5 month basis, and the Department of Insurance has infused enough funds to cover expenses through 5/30/10. The board could use this as a balance.

Mr. Myers said that he was very concerned that the data received from carriers would arrive at such a late date in 2011. He suggested a deadline of 45 days, instead of 90 days. This would allow the Department to send out assessments earlier. The Chairman noted that the language in the Plan allowed for considerable flexibility. He noted that a survey at 12/31/10 would not be valid. The earliest a survey could be sent is 1/31/11. Ms. McBride noted that sending out the surveys does not present a problem. The problem lies with carriers who do not respond. She said that the earliest date possible for accurate information is 2/28/11.

Dr. Hahn asked if the Statute needed to be changed to reflect a 45-day deadline, instead of 60. Ms. McBride repeated that collecting the assessments presents the biggest challenge.

Dr. Epperly posed a scenario where a lawsuit is filed, effectively ceasing operations of the board, and queried would that be handled. The Chairman noted that this is a rare "disaster" scenario. Mr. Armstrong said that the only case where this might happen would be an ERISA versus non-ERISA lawsuit. Mr. Myers said that it would be a class-action suit instead of an individual and probably does not present a problem at this point.

Dr. Hahn posed a question regarding the clinical committee. She noted that there are several members of the clinical committee who have voting privileges, but who are not members of the board. The Chairman reminded the board that this committee consists of several general practice physicians from different parts of Idaho. Dr. Hahn asked if these members are considered as guests. The Chairman mentioned that Dr. Ryter is a member of the committee, but is not a member of the board. Dr. Hahn asked if this situation required a change in the Plan of Operation. The Chairman said that he believes there is enough flexibility built into the Plan to handle this problem. He suggested a motion to clarify this situation and explain the composition of the group. Mr. Armstrong said that he had no problem with the composition of the clinical committee. Its members were selected on recommendations of the board. Dr. Hahn agreed with Mr. Armstrong and suggested that language be inserted into the Plan to clarify this situation. Josh Sears (AmeriBen) suggested the following language be inserted into Article 3 of the Plan: "the board and any member of their committees..."

The board and committee members shall perform their functions under this Plan and have the powers and authority granted by the Act. Nothing in this Plan or the actual operation of the board shall create any private rights of action against any member of the board or any committee. All such persons shall at all times enjoy immunity from liability to the fullest extent afforded by any provision of any law.

The Chairman also noted a clerical error on page 9, the bottom of the page, the paragraph beginning "It is expected....". A reference is made to "Section" 10; the correction should read "Article 10".

MOTION: Dr. Epperly moved that the Plan be accepted with the amendments as proposed. The MOTION passed on a voice vote.

Third Party Administrator Services

Josh Sears explained AmeriBen's proposed agreement to the board. He noted a change in Section 8, page 3. He noted that there is a one-time fee of \$4000, and a \$15 per carrier, per insured, per month fee, e.g. 60 carrier billings x \$15=\$900.

Director Deal noted that carriers who are assessed \$20,000 or more will have the option of a quarterly payment plan. The assessment figures could become quite large very quickly. Mr. Sears said that this procedure is entirely new, and his company tried to find an average figure to use as a basis. Dr. Epperly suggested a modification to the fee structure after this first year.

Dr. Epperly asked Director Deal if the board could use the fee structure used by the High Risk Pool. Director Deal said that he wasn't familiar with the fee structure used by the High Risk Pool, but he felt that it would not apply. Dr. Epperly suggested a "cap" for the fee. Mr. Sears said that this \$15 figure is less than that charged to the High Risk Pool, and trying to compare the two plans would be impossible. He volunteered to work on the formula to make it more equitable in the future.

Diane Kopecky (AmeriBen) spoke from the audience to say that language on page 8 of the agreement allowed for a review by all involved parties after 90 days.

Mr. Myers noted that there were 37 other Blue Cross Plans that were not included in the count for Blue Cross of Idaho. Ms. McBride asked how the assessments of these carriers were to be handled. Both Mr. Myers and Chairman Rainey agreed that the two insurers would collect from these miscellaneous plans and a single assessment could be submitted. Mr. Myer said that they planned to send separate assessments to these "outlier" carriers, and would handle payment. Mr. Sears clarified that Blue Cross of Idaho would receive one bill, broken out by individual carriers, and Blue Cross could make a single payment. Mr. Myer noted that Blue Cross would probably collect from a majority of its "outliers", and then might have to send another payment when others finally sent in their assessments. Ms. McBride said that this arrangement would be adequate so long as individual carriers are identified, but the Department would not be collecting any monies. Mr. Myer said that he wanted the Department to have the authority to collect if necessary. Mr. Sears reiterated that AmeriBen definitely also needed to have an accurate accounting of what individual carriers had paid.

The Chairman said that Regence would prefer to have individual bills sent to its outliers, but would collect from them and send in a single payment.

Discussion on the parties represented under the proposed agreement. Director Deal suggested that the wording in the Agreement read "the Idaho Immunization Assessment Board and the Idaho Department of Insurance"; Mr. Priest agreed.

Dr. Epperly asked if this proposal had been opened up to any other companies. Director Deal said that it was his decision to go directly to AmeriBen for the initial billing process. They had done an outstanding job with the High Risk Pool and he trusted them to handle this complex process.

There were other questions about federal employees not included in the surveys. It was agreed that this could be re-visited in the future.

The Chairman noted that there appeared to be too many proposed changes in the agreement to approve it at this point. He suggested that a revised copy of the agreement (incorporating these changes) be emailed to all members of the board so that it could be approved without delay. Director Deal stressed that it was imperative that this process be put into place as soon as possible.

MOTION: Mr. Armstrong moved that AmeriBen, Director Deal, and Chairman Rainey re-work the agreement to incorporate these changes, and send a completed agreement by email to the board members for approval. Dr. Epperly seconded. The motion passed on a voice vote.

Review of Assessment Calculation Formulas and Carrier Surveys

Dr. Hahn addressed the “numerator”, i.e. program cost for vaccines. She passed out information on estimated funding for FY2011 to explain her figures. She said that the final figure does not reflect the cost of flu vaccine, since it was paid for by the Department of Health and Welfare through stimulus funds. She said that her figures were based on a number of factors, primarily the prior year’s expense and an educated guess at the federal funds that would be allocated to Idaho in the future, but she felt that \$8.4 million was a reasonable figure. There was some question from members of the board if the figure for flu vaccine should be added to achieve a more accurate figure, but those funds have already been secured from other sources. However, Dr. Hahn and Dr. Epperly stated that flu vaccines must be a part of the board’s figures in the future since flu represents a serious threat to our population, and vaccinating the young would provide important protection for all of Idaho’s citizens.

The Chairman noted that assessments received in 2010 are in effect until 12/31/10. The next installment into the fund would not take place until the surveys are distributed, received back, and assessments mailed out and received. It will be late in 2011 before any funds would be available from the 2011 assessments. Tamarie Olson (DHW), an assistant to Dr. Hahn, said that she believed there is enough time to review this timeline and still provide necessary funds.

Mr. Myers voiced concern that this program cost figure was only an estimate. He said that he needed more facts to understand how it was derived. Sen. Melinda Smyser also asked how she arrived at this figure. Dr. Hahn said that she could provide them with more hard information to help explain how she arrived at this figure. She explained that she gathered information from other individuals, but there were still many variables to take into account. She said these included the cost of the vaccine from past experience, all figures from prior years, an estimate of the amount of federal dollars given to the state, and a look at any future trends.

Mr. Myers suggested that all figures should be based on a historical perspective, but especially looking at the prior 2-3 years VFC funds contributions. Dr. Hahn said that within the next week she could generate a spreadsheet with accompanying data to support each figure.

Dr. Hahn noted that the figures used by her department for the number of lives insured was probably not as accurate as Gina’s figures, and she prefers to use that number – 176,000 lives. Because of the surveys sent out by the DOI to the carriers with the largest reported premiums in the state of Idaho, those figures reflect a more current number.

Ms. McBride spoke about the results of the surveys sent out to carriers. She noted that most had responded with a very few exceptions. However, she pointed out that there were a few significant companies missing, e.g. Micron, Hewlett-Packard, St. Lukes. She feels that her section is close to securing information from those entities. She currently has a population count of 157,765 lives in Idaho. She said that most companies had complied with the requirements of the survey, but there were a few that did not cooperate until she pointed out to them that they were required to do so since they were doing business in Idaho. Dr. Epperly clarified that these 157,765 lives were under the age of 19, and would qualify for the immunization program.

Mr. Armstrong pointed out that with a projected budget of \$8.4 million and 157,765 lives, each carrier would be assessed \$53.30 per insured life. The addition of other lives from Micron, HP, and St. Lukes would make that assessed figure lower. Ms. McBride added that she thought the total number of insured lives from these other companies might be 10,000.

The Chairman pointed out that convincing some carriers, particularly those “outliers” – those companies insuring a small number of lives in Idaho, or out of state companies – to pay their assessments might prove problematic. Gina pointed out that she had received some resistance to the reporting requirements in the survey, but she had never mentioned an assessment figure. She emphasized that all carriers insuring lives in Idaho must pay an assessment. There could be no exceptions.

Director Deal stated that the timing is critical at this point. The board must quickly decide on the amount each carrier is assessed. He said that using a denominator of 180,000 lives, and a budget of \$8.4 million, each assessment would be \$46.72, rounded up to \$47. It is critical to make this decision now so that the board can go forward with this program. Dr. Epperly agreed, saying that the board can use these broader figures for now, and then later refine their numbers to be more accurate. Mr. Armstrong agreed with the \$47 figure and lauded Blue Cross of Idaho and Regence BlueShield for their cooperation and willingness to participate in the process.

The Chairman added that adjustments could be made to the assessments at the end of the year, either by applying excess funds to credit the next year's assessment, or by cutting a check to the company. The Chairman added that two carriers had already paid their half-year's assessment. Mr. Sears added that his company had the ability to credit next year's assessment if necessary.

Dr. Hahn expressed concern that there might always be an over/under situation, where a company might be credited from the previous assessment, then be asked to increase their later assessment to cover increased costs. Mr. Myers suggested that the board wait to approve this decision until accurate figures could be secured from BlueCross outliers, HP, Micron, and St. Lukes. Dr. Hahn pointed out that the cash flow is fairly tight and there is currently a minimum of a 60-day turnaround between an assessment being mailed, and the funds received.

Director Deal told the board that any additional lives added to the denominator would result in a fairly insignificant change in assessment amounts. He recommended it is time to move forward and send these assessments out so that Idaho's children can be immunized according to the provisions of the law. He also pointed out that the immunization expenses through May and June amounted to around \$2 million. If \$8.4 million is divided by 4, the result is \$2million. That indicates that \$8.4million is a fairly accurate number to use.

The Chairman noted that adjustments to paid assessments could be "trued up" in two ways:

- Fourth quarter adjustments up or down
- All parties agree to an adjusted annual assessment, no "true-ing up" during this year

Mr. Armstrong suggested a third option: issue a 6-month assessment, instead of an annual figure.

He agreed that the final figure would probably fall in the \$45-46 range, and adjustments could be made in the fourth quarter.

Director Deal, Dr. Epperly and Mr. Sears agreed with the option to assess now and "true up" in the fourth quarter.

MOTION: Director Deal moved that the board set the assessment figure at \$47 per life, with any excess to be refunded later. Mr. Armstrong seconded the motion. Mr. Myers suggested a smaller assessment for the first assessment of 2011. The MOTION passed on a voice vote.

Dr. Epperly wished the minutes to reflect his gratitude to Blue Cross and Regence for their cooperation and involvement in the process. Without these two companies, this program could not have happened.

Director Deal announced that Josh Sears would be taking Andy Fujimoto's place on the board. He asked that the board welcome him.

The Chairman mentioned that Health Care Reform (PPACA) would probably impact the immunization program. Dr. Hahn agreed, saying that she had already heard testimony to that effect.

Dr. Epperly asked if there should be reporting procedures in place for the clinical committee. Dr. Hahn suggested time limits.

Other business

No other business was offered for discussion.

Next Meeting

Monday, August 23, 2010 at 1:30 p.m. at the DOI

Adjournment

The meeting adjourned at 3:50 p.m.

Minutes by Teresa Jones, DOI.