

Dear Friends and Colleagues,

As AVAP's 3rd year draws to a close, we are pleased to report another great year of carrier participation. Thanks to the efforts of AVAP stakeholders—insurers & TPAs, providers, and the Department of Health and Social Services—AK's vaccine assessment mechanism has become even more equitable as no private payers opted out of the Program for 2017. This collaborative effort serves all Alaskans by lowering direct and long-term healthcare costs and yields numerous public health benefits.

Through AVAP, Alaska continues to demonstrate leadership in creating innovative solutions for difficult public health issues. Out of the 11 universal vaccine purchase programs in the United States, Alaska is the only state to allow providers to receive state-supplied vaccine for uninsured adults, enabling increased vaccine access for Alaskan adults.

Lastly, DHSS would like to thank Gerri Yett, former Immunization Program Manager, for her many decades of service in public health. Her leadership and guidance during the first 3 years of AVAP strengthened the Program and guaranteed its initial success.

Thank you for supporting AVAP, and we look forward to another great year in public health for Alaskans.

Joe McLaughlin, MD
Chairman

State Epidemiologist and Chief, Section of Epidemiology, Division of Public Health, Department of Health and Social Services

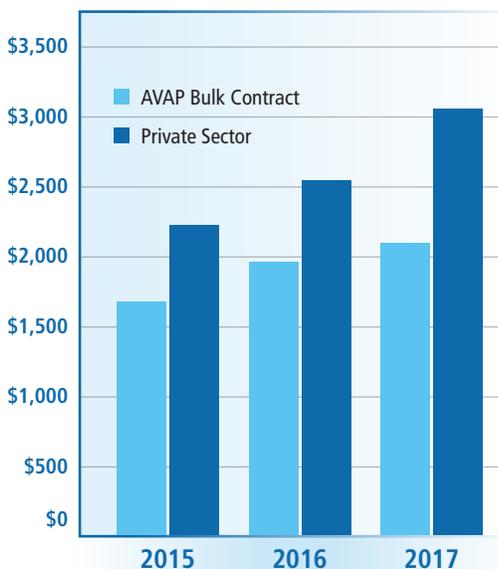
What is a Universal Purchase Program?

A universal vaccine purchase program allows a state to purchase recommended vaccines for all children and select vaccine's for limited adults, regardless of insurance coverage or income. Alaska's universal vaccine program ensures that every child who enters a doctor's office or hospital, and some adults, can receive recommended vaccines for free. More healthcare providers can offer vaccination services because they have less vaccine up-front costs to finance out of their own pockets, reduced staffing burdens required to separate private and public vaccine stock and lessening the operational overhead of complex ordering systems. This approach allows state health officials to manage the supply of vaccines, thereby lowering providers' administrative costs and ensuring that the state can quickly supply vaccines to vulnerable patient groups during emergencies or vaccine shortages. Alaska is one of only 11 states that has a universal childhood vaccine program and one of only 3 states that offer some adult vaccines. Additionally, it is the only state that offers healthcare providers the option of purchasing state-supplied vaccine to serve uninsured adults.

How Does the Universal Purchase Program Lower Health Care Costs?

As a universal purchase state, Alaska qualifies to purchase vaccines at substantially discounted bulk contract rates from vaccine manufacturers. Federal dollars fund vaccines for low-income and other federally-eligible children, while AVAP covers vaccine costs for privately insured children and some adults through assessments collected from insurance carriers. This approach allows the state to leverage bulk purchasing with vaccine manufacturers instead of having every provider office purchase off the private market. Thus, universal vaccine purchase lowers overall vaccine costs by 20-30 percent.

COST TO FULLY VACCINATE A PERSON THROUGH 18 YEARS OF AGE



The cost to fully vaccinate a person through 18 years of age increased by \$340 (18%) on the AVAP Bulk Contract from 2015 to 2017 compared to a \$682 (28%) increase in the private sector.





ALASKA VACCINE ASSESSMENT PROGRAM

AVAP Council Members

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State Epidemiologist and Chief, Section of Epidemiology, Division of Public Health, Department of Health and Social Services

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Executive Director of AVAP *Controller*

AVAP: A Critical Component of Alaska's Universal Vaccine Purchase Program

Alaska's universal vaccine purchase program is a private-public vaccine partnership funded through federal, healthcare providers, and AVAP dollars. The Alaska Department of Health and Social Services (DHSS) Immunization Program receives funds through the following mechanisms:

- Federal dollars to fund vaccines for low-income and other federally eligible children
- Provider opt-in payments to fund vaccines for their practice's uninsured adults and
- AVAP assessments collected from insurers and other payers based on their proportionate share of covered lives to fund vaccines for privately insured children and adults.

DHSS then uses these funds to purchase vaccines at a substantially discounted bulk contract rate compared with privately purchased vaccines.

Exploring AVAP's Role in Increasing Alaska's Immunization Rates

AVAP is proud to be a key partner in providing access to life-saving vaccines. Alaska's immunization coverage rates, however, are below the national average. Despite the success in making vaccines more widely available to healthcare providers and patients, many other barriers to increasing Alaska immunization coverage rates remain, including vaccine acceptance, missed opportunities, access to primary care in rural Alaska and information gaps. Together, along with other strong vaccine advocates, we can continue finding ways to improve and evolve our impact on immunization coverage rates.

FINANCIALS

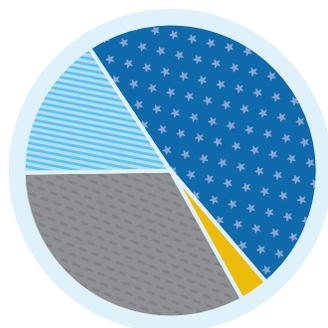
January - December, 2016

Revenues

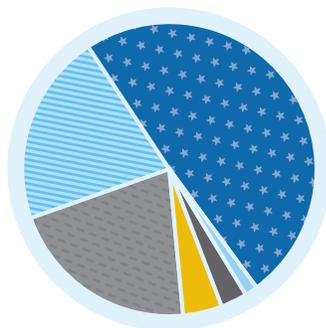
\$13,288,145

Expenses

\$13,288,145



- ★ **48.2%** Child Assessments
- ▨ **16.0%** Adult Assessments
- **32.8%** HB 310 funding
- **3.0%** Provider Opt-in Payments



- ★ **49.2%** Child Vaccines
- ▨ **21.1%** Adult Vaccines
- **21.1%** Reserves
- **2.9%** KidsVax Admin Services
- **1.5%** DHSS Admin Fee
- **4.3%** Other

For illustrative purposes for January – December 2016. AVAP revenues are actuals. Other numbers are from various sources. These charts will be updated when accounting policies are finalized and the audited financials for 2016 are released. This is expected to be prior to September 30, 2017.