

Introduction & Notes re: AVAP Annual Assessment Setting Workbook

September 2015 Draft for AVAP's second Assessment Setting Year Starting January 1, 2016

[Note: This is Version 2 as of September 16, 2015. It reflects data available to KidsVax as of that date.]

01. This workbook follows the naming conventions of having each sheet begin with a letter (i.e., "a." through "f."), and each cell within each sheet be identified by row number (e.g., "01.") and column letter (e.g., "A"). So, to facilitate reference while collaborating via conference phone, users can refer to any single number, for example the new child vaccine calculated assessment rate, by a combination of the above. For that key number, for example, the reference is "a.42.C".
02. Since the first measurement period is for the months of Sept-Dec 2015 and assessments are due forty-five (45) days after the end of the quarter, the first assessment payment with the 2016 rate will be February 15, 2016 for the assessment months of Jan-Mar 2016.
03. The primary spreadsheet for the work is the assessment calculation worksheet, worksheet a. The other sheets are intended to be reference or to develop background data in specific areas for the work. Key data for developing the primary funding target is on spreadsheets e. & f. which contain data supplied by the DHSS for the vaccine funding needs. Key numbers from a subsidiary sheet rolled into the main assessment sheet generally are shaded in yellow.
04. Key control points expected to be subject to policy decisions by DHSS or the Council are coded in green. On the protected version of the sheets, cells not shaded green may be locked out to reduce the likelihood of user error. The password used is "AVAP" -- this is not a matter of confidentiality, but rather to reduce error. Users who want to unlock the sheets for any reason are welcome to do so.
05. Those cells in which entries normally would be made are shaded in green. They are unprotected to allow data entry. For example, a user can adjust utilization assumptions for increases over prior years by entering percents either by vaccine on sheets d. & e. or overall on sheet a. (Line 21). The vaccine funding target takes the number as adjusted by those two factors and then applies the assumed cost increase (Line 22). The cost increase is applied for 9/12 of the year for childhood vaccines since it typically becomes effective as of April 1 each year (1/2 of the year due to the July 1 effective date for adult vaccine contract changes).
06. It is anticipated that the DHSS will, as part of its deliberations and upon considering the input of any public members or others at its meeting(s), adjust the assumptions which guide the assessment level. In future years it is anticipated that this work will be completed largely by the Council which may also determine to adjust the assessment setting process itself or this workbook structure at any time.

**Alaska Vaccine Assessment Program
Assessment Calculation Worksheet**

Column →	A	B	C	D	E	F	G
	CHILDREN			ADULTS			
Line ↓	Prior	2016		Prior	2016		Comments
A. Preliminary Vaccine Cost Estimates							
01.	14,091,782	14,925,416		3,787,442	2,673,733		Est. Costs of Vaccines (sheets d. & e. with utilize. & price adj.)
02.	-8,491,765	-9,155,262	VFC	0	0		Estimated VFC Award & Other Federal Grants
03.				-886,565	-543,614		Payer Opt in including DHSS payment
04.	0	0		-55,000	0	Medicaid	Other payments (estimated)
05.	5,600,017	5,770,154	5,770,154	2,845,877	2,130,119	2,130,119	Estimated AVAP Vaccine costs
06.	84,000		115,403	42,688		42,602	DHSS Administrative Fee
07.	280,001		288,508 ¹	142,294		106,506	Vaccine Waste Allowance
08.	0		-387,661 ²	0		-348,549	Vaccine Fund carryforward (sheet f.)
09.	<u>5,964,018</u>		<u>5,786,404</u>	<u>3,030,859</u>		<u>1,930,678</u>	Net AVAP Funds Requested by DHSS
B. Assessable Covered Lives Estimates							
11.	83,066		81,547	310,536		241,846	Assessable Covered Lives (sheet c.)
12.	1.50%		1.50%	1.50%		1.50%	Leakage (unknown insurer, out of reach entity, etc.)
19.	81,820		80,324	305,878		238,218	Assessable lives actually paying
C. Planning / budgeting parameters							
21.	0.01%		0.01%	0.02%		0.02%	Provision for vaccine utilization increase
22.	4.80%		3.75% ³	3.65%		3.75%	Provision for vaccine cost increase
23.	0.25%		0.25%	0.25%		0.25%	Bad debt allowance (as a % of funds to be remitted)
26.	1.50%		2.00%	1.50%		2.00%	DHSS administrative fee
27.	5.00%		5.00%	5.00%		5.00%	DHSS waste cost cap
28.	3.0		3.0	3.0		3.0	Working Capital Reserve as months of ave. Line 09 amount
29.	75.00%		75.00%	75.00%		75.00%	% of reserve to build in future years
30.	0.00%		0.00%	5.00%		5.00%	Other reserves as allowed by law & deemed prudent
D. Assessment Calculation							
31.	\$ 5,964,018		\$ 5,786,404	\$ 3,030,859		\$ 1,930,678	(a) Estimated total non-federal cost (adjusted)
32.	370,643	355,412		187,357	118,588		Total Administrative Budget (from sheet b.)
33.	14,910	14,466		7,577	4,827		Bad Debt Allowance
34.	385,553	369,878	369,878	195,934	123,415	123,415	(b) part 1 - Anticipated Operating Costs
35.	350,097		361,650	189,429		120,667	(b) part 2 - Working Capital Reserve buildup
36.	0		0	151,543		96,534	(c) part 3 - Other Reserves
39.	<u>\$ 6,722,322</u>		<u>\$ 6,517,932</u>	<u>\$ 3,567,765</u>		<u>\$ 2,271,294</u>	Total Assessment Billed
E. Per Assessable Covered Life Assessment							
41.	\$82.16		\$ 81.15	\$11.66		\$ 9.53	Annual Assessment per covered life
42.	\$6.85		\$ 6.77	\$ 0.98		\$ 0.76	Monthly Assessment per covered life calculated
43.	\$6.85		\$ 6.77	\$ 0.98		\$ 0.76	Monthly Assessment per covered life set
F. Financial Carry Forwards							
51.	387,661		376,116 ²	348,549		222,028	Unexpended assessments anticipated to roll forward
G. Various Performance Metrics							
61.	6.62%		6.16%	6.62%		5.57%	Net admin costs as % of vaccine costs
62.	8.38%		8.41%	8.38%		7.79%	Total costs as a % of vaccine costs
63.	n/a		n/a	n/a		n/a	% year to year change in assessment rate
64.	\$ 6.26		\$ 6.56 ⁴	1		\$ 0.85	"Normalized" assessment rate

Notes:

- Alaska's distribution conditions present serious challenges to waste costs. DHSS has agreed to cap the loss at 5% for calendar year 2015.
- Carryforward cash amounts, if any, will be applied to reduce subsequent years' assessments (see line 08).
- The provision for cost increases is applied for 6 months for childhood vaccines and 3 months for adult vaccines in developing the line 01. cost estimates. (This is due to the fact that the CDC contracts for children reprieve in April and for adults in July.)
- This calculation gives an indication of what the assessment rates would have been for a mature program this year (i.e., without reserve changes). (I.e., without reserve changes and with admin costs reduced by \$300K to reach normal "ultimate" levels after added startup burdens have been met.)

Alaska Vaccine Assessment Program Budget Estimates and Allocations

Column →	A	B	C	D	E	F	G	H
Line ↓			CHILDREN				ADULT	
	Prior Year	Unallocated ¹	Specific	Allocated ¹	Total	Specific	Allocated ¹	Total
01. Administrative Fees (program administrator selected by DHSS)								
02. Annual Base Fee		425,000.00 ²		318,672	318,672		106,328	106,328
03. Expense Allowance (travel)		-		-	-		-	-
04. Other	-	-	-	-	-	-	-	-
05. Subtotal	-	425,000	-	318,672	318,672	-	106,328	106,328
General Expenses								
06. Bank Fees & Service Charges		9,500 ⁴		7,123	7,123		2,377	2,377
07. Auditing Fees		15,000 ⁵		11,247	11,247		3,753	3,753
08. Legal Fees				-	-		-	-
09. AVAP Miscellaneous Expenses				-	-		-	-
10. Office Expense				-	-		-	-
11. Telephone Expense				-	-		-	-
12. Postage and Shipping Expense				-	-		-	-
13. Significant Customized Website Enhancement				-	-		-	-
14. Public Information Expense (other than web site)				-	-		-	-
15. Printing Expense				-	-		-	-
16. Publications				-	-		-	-
17. Travel Expense				-	-		-	-
18. Meeting Expense		-	-	-	-	-	-	-
29. Subtotal		24,500	-	18,370	18,370	-	6,130	6,130
Special Projects								
31. [Redacted]				-	-		-	-
32. [Redacted]				-	-		-	-
33. [Redacted]		-	-	-	-	-	-	-
39. Subtotal		24,500	-	18,370	18,370	-	6,130	6,130
49. Total Expenses	-	474,000	-	355,412	355,412	-	118,588	118,588
59. Budgeted for Bad Debt								

NOTES:

¹ "Unallocated" in this spreadsheet means that the specific item is not specific to either child or adult vaccines. If no other rule is given, allocation will be based upon the ratio of the child & adult vaccine funds needed, respectively, to the total. That computation is as follows:

total child: 5,786,404 total adult: 1,930,678 **74.98%** is the child % of total

² Estimated costs of the KidsVax contract in year 2, to be finalized this fall. Costs would be higher if the assessment methodology is changed.

³ KidsVax anticipates bundling of travel costs into new contract.

⁴ This will be affected by final banking / collection / depositing arrangements. This presumes a specialized AK lockbox account.

⁵ KidsVax recommends that there be an annual audit (estimated not-to-exceed cost is \$15,000). DHSS RFP process to commence soon.

⁶ If KidsVax is the 2016 service provider all of these items will be bundled into the KV comprehensive fee.

⁷ Not likely to be needed if KidsVax is the selected vendor. KV makes significant annual investment in web & other IT technology and deploys to all states under technology licenses.

⁸ To be set as part of the assessment work.

AVAP Covered Lives Estimates

Column → Line ↓	A	B	C	D
	Source / Entity	Date	Children	Adults
A. Current Estimate of Covered Lives				
01.	AVAP Self-Reporting assessment system #s	31-Aug-15	81,547	241,846
02.				
03.				
09.	total		81,547	241,846
B. Possible Deductions				
11.				
12.				
13.				
14.				
15.				
16.				
19.	total		0	0
C. Possible Additions				
21.				
22.				
23.				
24.				
29.	total		0	0
D. Totals				
99.	Best Current Estimate		81,547	241,846

**DHHS Pediatric Vaccine Purchase Estimates
AVAP Calendar Year 2015**

Column → A B C D F G H I J K
Line ↓

	Vaccine	Brand Name	NDC	Cost Per Dose*	Total Estimated Doses	Total Estimated Cost	Vaccine Level AVAP Adjustments	AVAP Budget
01.	DTaP	Infanrix	58160-0810-11	\$16.15	5,460	\$88,179	0.00%	\$88,179
02.	DTaP/Hep B/IPV	Pediarix	58160-0811-52	\$53.86	10,100	\$543,986	0.00%	\$543,986
03.	DTaP/IPV	Kinrix	58160-0812-11	\$38.50	1,630	\$62,755	0.00%	\$62,755
04.	Hep A	Havrix	58160-0825-11	\$17.01	7,600	\$129,276	0.00%	\$129,276
05.	Hep B	Recombivax	00006-4981-00	\$11.75	1,320	\$15,510	0.00%	\$15,510
06.	Hib - PRP-OMP	PedvaxHIB	00006-4897-00	\$12.34	10,360	\$127,842	0.00%	\$127,842
07.	9vHPV	Gardasil	00006-4119-03	\$134.26	5,970	\$801,532	0.00%	\$801,532
08.	Influenza	<i>Varies</i> [†]		\$16.68 [‡]	34,000	\$567,120	0.00%	\$567,120
09.	IPV	IPOL	49281-0860-10	\$12.58	2,400	\$30,192	0.00%	\$30,192
10.	MCV4	Menactra	49281-0589-05	\$84.95	3,230	\$274,389	0.00%	\$274,389
11.	MENB	Bexsero	46028-0114-01	\$122.95	20	\$2,459	0.00%	\$2,459
12.	MMR	M-M-R II	00006-4681-00	\$19.90	7,570	\$150,643	0.00%	\$150,643
13.	PCV13	Prevnar 13	00005-1971-02	\$116.91	13,180	\$1,540,874	0.00%	\$1,540,874
14.	Rotavirus	RotaTeq	00006-4047-41	\$63.96	8,800	\$562,848	0.00%	\$562,848
15.	Tdap	Boostrix	58160-0842-11	\$31.25	3,820	\$119,375	0.00%	\$119,375
16.	Varicella	Varivax	00006-4827-00	\$83.77	7,100	\$594,767	0.00%	\$594,767
17.								
18.	TOTAL					\$5,611,747		\$5,611,747
19.						Adjusted for overall utilization increase		\$5,612,308
20.						Adjusted for price increase		\$5,770,154
21.						Estimated VFC award		\$9,155,262
22.		Calculated VFC %:	61.34%			Estimated total 2016 expenditures		\$14,925,416

23. *Cost per dose is based on the CDC Vaccine Price List (reviewed/updated: August 3, 2015), which can be found here
24. <http://www.cdc.gov/vaccines/programs/vfc/awardees/vaccine-management/price-list/>
25. [†]Influenza brand names vary each influenza season
26. [‡]Influenza cost per dose is based on a weighted average of 2015-16 influenza season vaccines, which include Fluarix
27. (\$14.04/dose), Fluzone (age 6 mos and older) (\$13.15/dose), Fluzone (age 6-35 mos) (\$17.94/dose), and FluMist
28. (\$18.88/dose)

**DHHS Adult Vaccine Purchase Estimates
AVAP Calendar Year 2015**

Column →
Line ↓

	A	B	C	D	E	F	G	H
	Vaccine	Brand Name	NDC	Cost Per Dose*	Total Estimated Doses	Total Estimated Cost	Vaccine Level AVAP Adjustments	AVAP Budget
01.	9vHPV (female, 19-26 yrs; male, 19-21 yrs)	Gardasil	00006-4119-03	\$121.64	2,000	\$243,280	0.00%	\$243,280
02.	Influenza	<i>Varies</i> [†]		\$14.12 [±]	79,000	\$1,115,480	0.00%	\$1,115,480
03.	MCV4 (19-20 yrs)	Menactra	49281-0589-05	\$75.63	200	\$15,126	0.00%	\$15,126
04.	PPSV23	Pneumovax 23	00006-4943-00	\$26.59	1,500	\$39,885	0.00%	\$39,885
05.	Td	Tenivac	49281-0215-10	\$14.42	500	\$7,210	0.00%	\$7,210
06.	Tdap	Boostrix	58160-0842-11	\$23.45	11,000	\$257,950	0.00%	\$257,950
07.	Zoster (60-64 yrs)	Zostavax	00006-4963-41	\$117.59	3,500	\$411,565	0.00%	\$411,565
08.	Total						\$2,090,496	\$2,090,496
09.						Adjusted for overall utilization increase		\$2,090,914
10.						Adjusted for price increase		\$2,130,119
11.						Estimated Provider Opt In		\$543,614
12.						Estimated total 2016 expenditures		\$2,673,733

Notes:

Prior Year's Financial Recap

Column →	A	B	C
Line ↓			
Revenues			
01.	PLACEHOLDER - Proj. Last Yr. Line 51.	387,661	348,549
02.			
03.			
04.			
05.			
06.			
07.			
09.			
Expenditures / Allowances			
21.			
22.			
23.			
24.			
25.			
26.			
27.			
28.			
29.			
31.	Excess of Listed Expenditures over Listed Revenues		\$0.00
33.	Years to amortize balance	3	
34.	Total amount to amortize this year		\$0.00
		<u>Child</u>	<u>Adult</u>
39.	Allocation (based upon budgets)	\$0.00	\$0.00

Notes:

¹ This sheet will be populated in future years when and if overcollections or shortfalls materialize. It also will track progress toward building intended working capital reserves. A placeholder (last year's projection), believed to be reasonable, is used since the financing components are still under development among DHSS, KidsVax, and the state treasurer's office.