



ALASKA VACCINE ASSESSMENT PROGRAM

ANNUAL REPORT

2018-2019

Dear Friends and Colleagues,

AVAP started stronger than anyone expected given the complexities of funding both child and adult vaccines and allowing providers to opt in for uninsured adults. I am pleased to report that AVAP has steadily built upon its early successes to pass two key milestones:

1. Fully reserved status. This, in turn, has allowed an absolute reduction in assessment rates for payers notwithstanding further inflationary vaccine cost increases.

2. Permanent reauthorization. By nearly unanimous vote of Alaskan legislators, all statutory sunset provisions have been removed.

Matt Bobo is doing an excellent job as the AK Immunization Program Manager and has developed a very strong team. We are pleased to welcome, as well, new DHSS leadership: Commissioner, Adam Crum, and Chief Medical Officer, Dr. Lily Lou. We appreciate their strong support for AVAP.

Thank you for your support as well. We look forward to continuing to serve the healthcare needs of Alaskans.

Sincerely,

Joe McLaughlin, MD, MPH
Chairman

State Epidemiologist and Chief, Section of Epidemiology, Division of Public Health,

- *Department of Health and Social Services*

A POWERFUL MODEL

Vaccine costs continue to rise nationally. AVAP's work to stabilize vaccine funding has played a crucial role in ensuring all Alaska children and adults have access to recommended vaccines.

Our model has powerful benefits:

- **No Provider Financing costs.** Instead of fronting significant dollars to keep vaccines on hand, providers receive and administer vaccines from the Alaska Department of Health and Social Services (DHSS).
- **Consolidated Storage and Ordering.** Providers can avoid navigating complex ordering systems based on who paid for them or who they will immunize. DHSS provides support for one vaccine ordering process, regardless of the patient's insurance status.
- **Stable Vaccine Supply.** Providers can focus on patient needs and have the full complement of recommended vaccines on hand.
- **Healthcare Savings.** DHSS's bulk purchase of vaccines provides significant cost savings versus the private market.

Stable Vaccine Funding Achieved

When AVAP was founded, several years were expected to fully fund needed operating reserves. We are pleased to report that milestone was reached during 2018. Accordingly, despite vaccine cost increases of 5.5% projected for 2019, AVAP reduced its assessment rate for next year. AVAP's 2018 audit confirmed it may be possible to take a further reduction in absolute assessment rates for 2020 notwithstanding three more cost increases coming over the 2019-2020 time frame. This remarkable financial accomplishment reflects well on AVAP's steady financial management.

VACCINE COVERAGE

366,000 Alaskans
50% of population

86,000 Children
44% of all children

280,000 Adults
52% of all adults



Most improved among adults aged 65+ for pneumonia

Most improved among adolescents for HPV





AVAP Council Members

Joe McLaughlin, MD, Chairman
State Epidemiologist and Chief, Section of Epidemiology, Division of Public Health, Department of Health and Social Services

GOVERNMENT REPRESENTATIVES

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HEALTH CARE PROVIDER REPRESENTATIVES

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Mike Patton
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Premera

Fred Brown
Executive Director
Health Care Cost Management Corporation of Alaska

TRIBAL REPRESENTATIVE

Kara King
Pharmacy Manager
Alaska Native Medical Center Consortium

A message from Matt Bobo, Alaska's Immunization Program Manager

I had no idea when retained as an outside consultant to aid AVAP's formation that I would later become the Alaska Immunization Program manager. I assisted DHSS personnel as they selected KidsVax® to handle the heavy lifting of AVAP setup and administration and have played a policy role thereafter. It has been most gratifying to see AVAP mature into a terrific private-public partnership. Perhaps this is best captured in **a few quotes** from testimony in support of Senate Bill 37, AVAP's reauthorization bill:

"This program makes access to vaccines universal for all Alaskans and makes sure all children can get vaccines."

"It completely pays for itself."

"Over the first 3-4 years of the program, \$11 million was saved."

"We have seen a significant trend in improving vaccination rates."

Now that I am in a managerial role, I am particularly appreciative of the funding stability afforded our program by AVAP. I am also grateful for all Alaska Immunization Program staff who have assisted with administering the program.

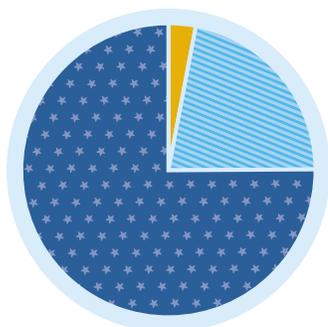
Along with reauthorization, SB37 restructures AVAP's financials from a fund transfer arrangement to fund capitalization. This will afford the program greater flexibility to meet healthcare crises as they arise and provide even greater assurance that 100% of payer assessment dollars will be deployed for the intended purposes of improving immunization rates in Alaska.

FINANCIALS

January - December, 2018

Revenues

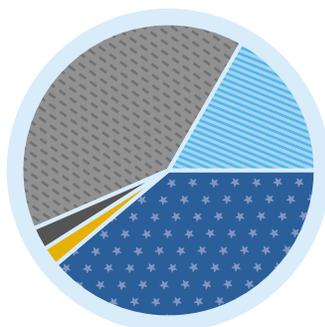
\$12,159,491



- ★ **75.1%** Child Assessments
- ▨ **21.9%** Adult Assessments
- **2.8%** Provider Opt-in Payments
- **0.2%** Interest

Expenses

\$12,159,491



- ★ **38.9%** Child Vaccines
- ▨ **16.7%** Adult Vaccines
- **39.8%** Reserves
- **2.5%** DHSS Administrative Fee
- **2.0%** KV Contract
- **0.1%** Other

For complete audited financials, go to www.AKvaccine.org/audit/2018.

WWW.AKVACCINE.ORG

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