

Introduction & Notes re: AVAP Annual Assessment Setting Workbook

September 2023 Draft for AVAP's Assessment Year with Due Dates Starting February 15, 2024

Note: Substantial Revisions May be Made to this Spreadsheet

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 Oct-Dec 2023 and assessments are due forty-five (45) days after the end of the quarter, the first assessment payment with the 2024 rate will be February 15, 2024 for the assessment months of Jan-Mar 2024.
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 d. & e. which contain data supplied by the DOH 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 DOH 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 Council 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. The Council's recommendations will be considered by the Commissioner who has final decision-making authority regarding assessment rates.

Alaska Vaccine Assessment Program Assessment Calculation Worksheet

Column →	CHILDREN		ADULTS		
Line ↓	2023	2024	2023	2024	Comments
A. Preliminary Vaccine Cost Estimates					
01.	9,228,040	14,535,813	4,046,933	9,815,216	Est. Costs of Vaccines (sheets d. & e. with utilize. & price adj.)
02.	461,402	726,791	202,347	490,761	DOH
03.	415,262	654,112 ¹	182,112	441,685 ¹	Vaccine Waste Allowance
04.	0	248,309	0	320,190	Estimated TRICARE cost shifting ⁶
05.	-564,566	-1,384,968 ²	314,703	1,044,062 ²	Liquidity Reserve Buildup (Return)
09.	<u>9,540,138</u>	<u>14,780,057</u>	<u>4,746,095</u>	<u>12,111,914</u>	Net AVAP Funds Requested by DHSS
B. Assessable Covered Lives Estimates					
11.	84,597	85,545	276,069	282,020	Assessable Covered Lives (sheet c.)
12.	1.50%	1.50%	1.50%	1.50%	Leakage (unknown insurer, out of reach entity, etc.)
19.	83,328	84,262	271,928	277,790	Assessable lives actually paying
C. Planning / budgeting parameters					
21.	0.00%	0.00%	0.00%	0.00%	Provision for vaccine utilization increase
22.	3.75%	3.75% ³	3.75%	3.75% ³	Provision for vaccine cost increase
23.	0.25%	0.25% ⁴	0.25%	0.25%	Bad debt allowance (as a % of funds to be remitted)
24.	5.00%	5.00%	5.00%	5.00%	DOH administrative fee
25.	4.50%	4.50%	4.50%	4.50%	DOH waste cost cap
26.	3.0	3.0 ⁴	3.0	3.0	Working Capital Reserve as months of ave. Line 09 amount
27.	0.00%	0.00%	0.00%	0.00%	% of reserve to build in future years
28.	0.00%	0.00%	0.00%	0.00%	Other reserves as allowed by law & deemed prudent
29.	50.00%	50.00%	50.00%	100.00%	% of excess reserve, if any, to release next year
D. Assessment Calculation					
31.	\$ 9,540,138	\$ 14,780,057	\$ 4,746,095	\$ 12,111,914	(a) Estimated total non-federal cost (adjusted)
32.	285,224	235,078	141,895	192,641	Total Administrative Budget (from sheet b.)
33.	23,850	36,950	11,865	30,280	Bad Debt Allowance
34.	9,849,212	15,052,085	4,899,855	12,334,835	Vaccine + Cash Reserve + Operating Cost components
36.	0	0	0	0	(c) part 3 - Other Reserves
39.	<u>\$ 9,849,212</u>	<u>\$ 15,052,085</u>	<u>\$ 4,899,855</u>	<u>\$ 12,334,835</u>	Total Assessment Billed
E. Per Assessable Covered Life Assessment					
41.	\$118.20	\$ 178.63	\$18.02	\$ 44.40	Annual Assessment per covered life
42.	\$9.85	\$ 14.89	\$ 1.51	\$ 3.71	Monthly Assessment per covered life calculated
43.	\$9.85	\$ 14.89	\$ 1.51	\$ 3.71	Monthly Assessment per covered life set
F. Financial Carry Forwards					
51.	23,850	36,950	11,865	30,280	Unexpended assessments anticipated to roll forward
G. Various Performance Metrics					
61.	3.09%	1.62%	3.51%	1.96%	Net admin costs as % of vaccine costs
62.	111.73%	108.55%	126.08%	130.67%	Total costs as a % of vaccine costs
63.	106%	51%	196%	146%	% year to year change in assessment rate
64.	\$ 10.41	\$ 16.01 ⁵	\$ 1.41	\$ 3.29 ⁵	"Normalized" assessment rate this year.

Notes:

- ¹ Alaska's distribution conditions present serious challenges to waste costs. DOH has agreed to cap the loss at 4.5% for calendar year 2020.
- ² Carryforward cash amounts, if any, will be applied to reduce subsequent years' assessments (see line 04).
- ³ The provision for cost increases is applied for 9 months for childhood vaccines and 6 months for adult vaccines in developing the line 01. cost estimates. (This is due to the fact that the CDC contracts for children reprice in April and for adults in July.)
- ⁴ Only one control point given since assumes that factors are same for both Child & Adult.
- ⁵ This calculation gives an indication of what the assessment rates would have been for a mature & stable program this year (i.e., without reserve changes).
- ⁶ AVAP believes that TRICARE's cap methodology does not reflect its Congressional mandate and reserves the right to seek to recover this amount.

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 DOH)								
02. Annual Base Fee	405,119	405,119		222,657	222,657		182,462	182,462
03. Expense Allowance (travel)	-	-		-	-		-	-
04. Other	-	-		-	-		-	-
05. Subtotal	405,119	405,119	-	222,657	222,657	-	182,462	182,462
General Expenses								
06. Bank Fees & Service Charges	10,000	10,000 ³		5,496	5,496		4,504	4,504
07. Auditing Fees	12,000	12,600 ⁴		6,925	6,925		5,675	5,675
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	22,000	22,600	-	12,421	12,421	-	10,179	10,179
Special Projects								
31.				-	-		-	-
32.				-	-		-	-
33.				-	-		-	-
34.				-	-		-	-
35.				-	-		-	-
36.				-	-		-	-
37.				-	-		-	-
38.	-	-		-	-	-	-	-
39. Subtotal	-	-	-	-	-	-	-	-
49. Total Expenses	427,119	427,719	-	235,078	235,078	-	192,641	192,641
59. Budgeted for Bad Debt			7					

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: 14,780,057 total adult: 12,111,914 **54.96%** is the child % of total

² KidsVax[®] has bundled travel costs into the contract.

³ Set at last year's expense (which should be adequate).

⁴ A good faith estimate (increase 5% from prior year) which should be more than adequate.

⁵ Bundled in KidsVax[®] contract.

⁶ Not likely to be needed. KV makes significant annual investment in web & other IT technology and deploys to all states under technology licenses.

⁷ 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	15-Aug-23	85,545	251,110
02.	Provider Opt-In uninsureds (unique to AK)			30,910
03.				
04.				
05.				
09.	total		85,545	282,020
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		85,545	282,020
xx.	Note prior quarter numbers for reference	15-May-23	85,402	251,411
E. Known outliers				
101.	None			
102.				
103.				
104.				
109.	total		0	0

Note: Commencing August 15, 2018 includes TRICARE reported lives.
 (Note KidsVax® still is pressing for methodological improvements which would be expected to raise these #s)