



VaxFactsSM

AVAP | ALASKA VACCINE ASSESSMENT PROGRAM

Timeline

1980-2009 » Alaska was “universal”, providing vaccines for children and adults using federal Vaccine for Children (VFC) and 317 funds and state House Bill 310 funds. The VFC program funds vaccine for children who are Medicaid eligible, uninsured, underinsured (at limited facilities) or Alaska Native/American Indian. Rising vaccine cost and decreased 317 federal funding led to the following changes in state-supplied vaccines for non-VFC eligible children and for adults.

2009 » Pediatric HPV and MCV4 vaccines were discontinued for VFC-ineligible (private pay) children.

2011 » Adult vaccines discontinued.

2012 » Pediatric influenza, PCV13, and rotavirus vaccines discontinued for VFC-ineligible children.

2012 » Vaccines provided to underinsured children and uninsured/underinsured adults with funds from House Bill 310.

January 2013 » Vaccines for VFC-ineligible insured children discontinued.

March 2013 » Reinstated vaccine distribution for all children <36 months using funds from House Bill 310 through December 2014.

2014 » Facing the loss of funding to continue state-supplied vaccine, except for VFC-eligible children, the Alaska legislature adopted a statute establishing a vaccine assessment account funded by payers from which the Alaska Immunization Program purchases vaccines at the discounted bulk purchase rate.

2015 » The Alaska Vaccine Assessment Program (AVAP) was launched in January 1, 2015. AVAP is able to provide vaccines at a reduced cost because of DHSS's bulk purchase contract rate:

- The average cost of child vaccines purchased on the state bulk contract is 32% lower than the private market cost (based on Dec 31, 2014 cost)
- The average cost of adult vaccines purchased on the state bulk contract is 28% lower than the private market cost (based on Dec 31, 2014 cost)

How does the program lower health care costs?

AVAP creates a public-private vaccine partnership that reduces vaccine costs, safeguards vaccine availability, and minimizes the administrative burden on health care providers.

What are the estimated savings?

CHILDREN:

- Average yearly vaccine costs per child based on the **U.S. private market price = \$102.03**
- Average yearly vaccine cost per child through **AVAP = \$81.84***

ADULT:

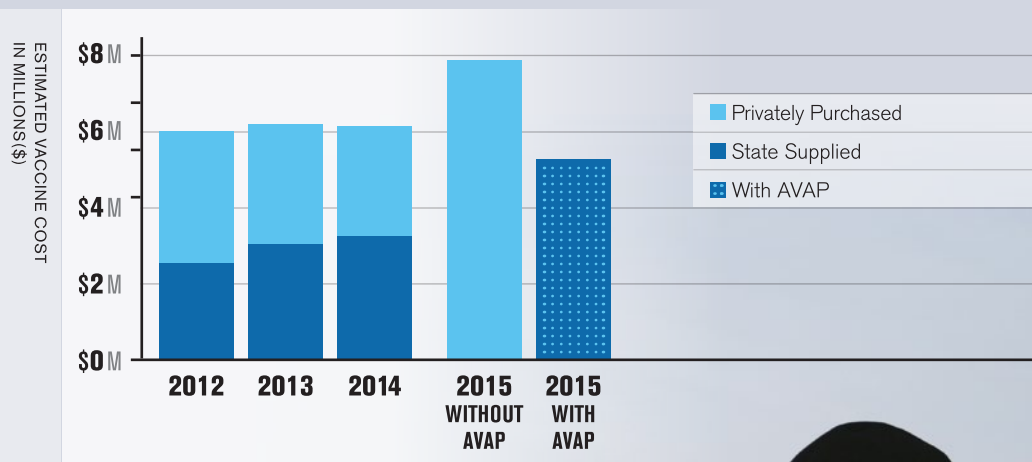
- Average yearly vaccine cost per adult based on the **U.S. private market price = \$17.15**
- Average yearly vaccine cost per adult through **AVAP = \$12.2***

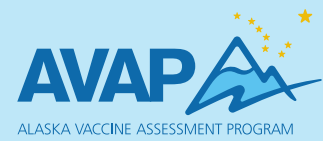
* <http://www.akvaccine.org/akvaccine.nsf/documents/2014-12AVAPBudgetandAssessmentWorksheets>

The state bulk purchase cost to vaccinate one child through age 18 years is 27% lower than the private market cost (e.g., For December 31, 2014 the cost was \$1,670 vs. \$2,285)

During 2012-15 the DHSS supplied nearly half of the vaccines administered to private-pay (or non-VFC-eligible) children using federal and temporary state funds. Without AVAP, no state-supplied vaccine would have been available for private-pay children and payers would have noticed a significant increase in vaccine costs. Through AVAP, payers are able to realize a 20% overall savings on the vaccine costs for children.

Vaccine Cost for Alaska Non-VFC Eligible Children | 2012-15





AVAP Council Members

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Director, Division of Public Health

Government Representatives

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Alaska Neonatal Associates

Health Care Insurer Representatives

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Senior Medical Director, Pacific Northwest Aetna

Mr. Derek Blomquist
Senior Manager, Underwriting
Premera Blue Cross Blue Shield of Alaska

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Health Care Cost Management Corporation of Alaska

Tribal Representative

Captain Gary Givens RPh
Director of Pharmacy
Alaska Native Medical Center

Alaska innovating to improve public health

In 2014 Alaska's legislature established the Alaska Vaccine Assessment Program (AVAP) to preserve access to vaccines for all Alaskan children in view of sharply reduced federal vaccine funding and dramatically increased vaccine costs. Through AVAP, the Alaska Department of Health and Social Services (DHSS) receives funds from insurers and other payers based on their proportionate share of covered lives, and purchases vaccines at a significantly reduced cost compared with privately purchased vaccines. In addition to preserving access and reducing health care costs, a key goal of AVAP is to reduce administrative and financial burdens on Alaska's physicians and other health care providers who provide immunization services.

Of the states with vaccine assessment programs, Alaska joins just two other states in including core vaccines for adults. Alaska's adult vaccination rates have been low for core vaccines like tetanus and diphtheria. The State is providing the following core adult vaccines: flu, tetanus/diphtheria with or without pertussis, Pneumovax®, Zoster (Shingles) (60 through 64 years), HPV (19 through 26 years for females and 19 through 21 years for males) and meningococcal (19 through 20 years).

States that serve as the single purchaser of vaccines receive more favorable pricing. For Alaska, the State is able to purchase child vaccines at an average cost 32% below the private market cost, and adult vaccines at an average cost 28% lower. These savings reduce health care costs and, ultimately, help hold down rising premiums for individuals and benefit costs for employers. Health care providers can administer vaccines to their patients while avoiding the financial and staffing burdens required to separate private and public vaccine stock.

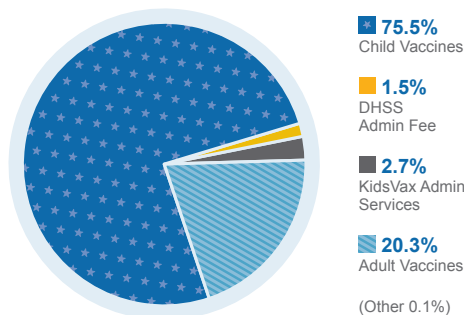
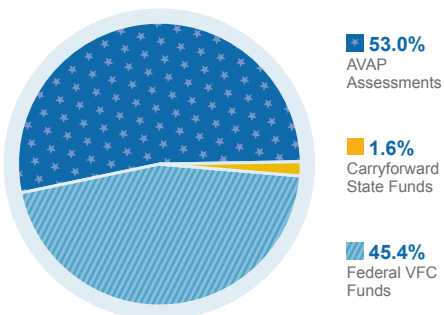
The AVAP program was successfully launched in January 2015. Because of time constraints, DHSS chose a per-capita methodology for the first year. AVAP is receiving quarterly assessments from approximately 90% of the private market, and 30 providers have opted-in to pay for vaccine for uninsured adults. AVAP has not been able to engage federal entities (Medicare, TRICARE) in 2015 but is working on alternative strategies. The AVAP Council was established with representatives from health care providers, health care insurers and tribal organizations. The Council has regular meetings to guide the direction of AVAP.

Next to clean drinking water and good nutrition, vaccines have saved more lives than any other public health intervention in modern history. The Centers for Disease Control and Prevention estimates that vaccinating every child born in the U.S. from birth to adolescence would prevent 14 million infections, spare 33,000 lives, and save \$10 billion in medical costs.

FINANCIALS | January - June 2015

REVENUES \$9,355,883

EXPENSES \$9,335,956



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For illustrative purposes for January - June 2015. The only actual number is AVAP assessments of over \$4.9 million collected through 6/25/2015 from over 165 payers. Actual numbers for 2015 together with a link for a full financial report will be included in the first full year report when filed.