

Dear Friends and Colleagues,

As AVAP continues to mature programmatically, 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.

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

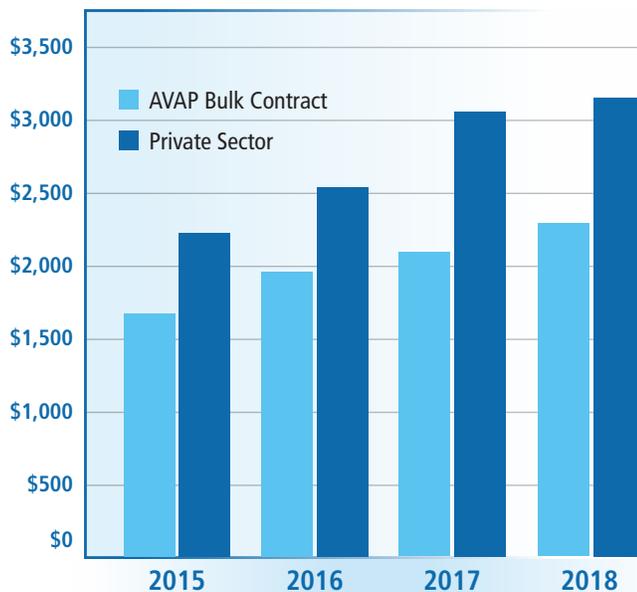
What is a Universal Purchase Program?

The universal vaccine purchase program implemented in Alaska allows the state to purchase recommended vaccines for all children and select vaccines for limited adults. Alaska’s universal vaccine purchase program ensures that every child and some adults who enter a participating doctor’s office or hospital can receive recommended vaccines at no cost. Therefore, more healthcare providers can offer vaccination services because they have less up-front costs to finance out of their own pockets for vaccines, reducing staff burdens required to separate private and public vaccine stock and lessening the operational overhead of complex ordering systems. This approach allows the State 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 offers 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 requiring every provider office to purchase from the private market, thereby lowering overall vaccine costs by 20%–30%.

COST TO FULLY VACCINATE A PERSON THROUGH 18 YEARS



The cost to fully vaccinate a person through 18 years of age increased by \$427 (23%) on the AVAP Bulk Contract from 2015 to 2018 compared to a \$722 (30%) 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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AVAP: A Critical Component of Alaska's Award Winning Vaccine Program

Alaska's universal vaccine purchase program is a private-public vaccine partnership funded through federal dollars, healthcare providers paying into the program to gain access to state-supplied vaccine for uninsured adults, and payers' assessment dollars. The Alaska Department of Health and Social Services' (DHSS) Immunization Program was recognized at the National Immunization Conference in Atlanta, GA in May for its efforts in increasing pediatric vaccine uptake rates. At the conference, DHSS was honored with the "Most Improved Coverage Amongst Adolescents Award". Federal funding, along with AVAP partners, has enabled DHSS to deploy public health's resources in a way that makes a meaningful difference in the lives of Alaskan residents who would not otherwise have access to the full spectrum of recommended vaccines.

Creating Solutions for Government Payer Participation

This year, the AVAP Council and DHSS took one more step towards guaranteeing payer equity and ensuring that all Alaskan residents remain eligible for state-supplied vaccine. After multi-year negotiations with TRICARE, the US military's health insurance program, DHSS received a partial assessment payment for past-due amounts and has been assured by TRICARE that it will participate in the program going forward. The Council's willingness to offer guidance and send letters of support helped make this achievement possible. DHSS continues to work with state Medicaid and research options for Medicare participation to resolve the issue of carve-out populations from Alaska's universal vaccine supply programs.

FINANCIALS

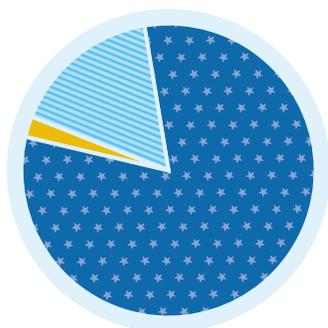
January - December, 2017

Revenues

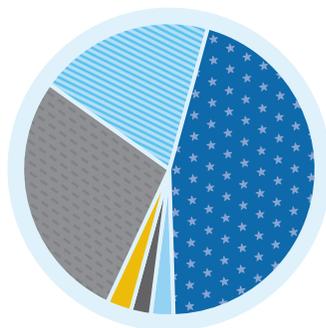
\$10,582,848

Expenses

\$10,582,848



- ★ 81.3% Child Assessments
- ▨ 16.4% Adult Assessments
- 2.3% Provider Opt-in Payments



- ★ 45.3% Child Vaccines
- ▨ 19.4% Adult Vaccines
- 27.9% Reserves
- 2.2% KidsVax Admin Services
- 2.5% DHSS Admin Fee
- 2.7% Other

For illustrative purposes for January – December 2017. 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 2017 are released. This is expected to be prior to September 30, 2018.