

Introduction & Notes re: AVAP Annual Assessment Setting Workbook

September 2021 Draft for AVAP's Assessment Year with Due Dates Starting February 15, 2022

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 2020 and assessments are due forty-five (45) days after the end of the quarter, the first assessment payment with the 2022 rate will be February 15, 2022 for the assessment months of Jan-Mar 2022.
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 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 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 ↓	2021	2022	2021	2022	Comments
A. Preliminary Vaccine Cost Estimates					
01.	7,968,747	8,250,976	4,718,612	2,894,930	Est. Costs of Vaccines (sheets d. & e. with utilize. & price adj.)
02.	398,437	412,549	235,931	144,747	DHSS Administrative Fee
03.	358,594	371,294 ¹	212,338	130,272 ¹	Vaccine Waste Allowance
04.	-399,144	-4,456,506 ²	-1,005,082	-1,147,020 ²	Liquidity Reserve Buildup (Return)
09.	8,326,634	4,578,313	4,161,799	2,022,929	Net AVAP Funds Requested by DHSS
B. Assessable Covered Lives Estimates					
11.	86,549	85,172	279,902	354,729	Assessable Covered Lives (sheet c.)
12.	1.50%	1.50%	1.50%	1.50%	Leakage (unknown insurer, out of reach entity, etc.)
19.	85,250	83,894	275,704	349,408	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%	DHSS administrative fee
25.	4.50%	4.50%	4.50%	4.50%	DHSS 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.	25.00%	50.00%	25.00%	50.00%	% of excess reserve, if any, to return in next assessment year
D. Assessment Calculation					
31.	\$ 8,326,634	\$ 4,578,313	\$ 4,161,799	\$ 2,022,929	(a) Estimated total non-federal cost (adjusted)
32.	194,086	210,587	97,007	93,047	Total Administrative Budget (from sheet b.)
33.	20,817	11,446	10,404	5,057	Bad Debt Allowance
34.	8,541,537	4,800,346	4,269,210	2,121,033	Vaccine + Cash Reserve + Operating Cost components
36.	0	0	0	0	(c) part 3 - Other Reserves
39.	\$ 8,541,537	\$ 4,800,346	\$ 4,269,210	\$ 2,121,033	Total Assessment Billed
E. Per Assessable Covered Life Assessment					
41.	\$100.19	\$ 57.22	\$15.48	\$ 6.07	Annual Assessment per covered life
42.	\$8.35	\$ 4.77	\$ 1.30	\$ 0.51	Monthly Assessment per covered life calculated
43.	\$8.35	\$ 4.77	\$ 1.30	\$ 0.51	Monthly Assessment per covered life set
F. Financial Carry Forwards					
51.	\$ 20,817	\$ 11,446	\$ 10,404	5,057	Unexpended assessments anticipated to roll forward
G. Various Performance Metrics					
61.	2.44%	2.55%	2.06%	3.21%	Net admin costs as % of vaccine costs
62.	112.19%	63.18%	95.48%	78.27%	Total costs as a % of vaccine costs
63.	12%	-43%	150%	-61%	% year to year change in assessment rate
64.	\$ 8.74	\$ 9.19 ⁵	\$ 1.59	\$ 0.78 ⁵	"Normalized" assessment rate this year.

- Notes:**
- Alaska's distribution conditions present serious challenges to waste containment. DHSS has agreed to cap the low at 4.5% for this year.
 - Carryforward cash amounts, if any, will be applied to reduce subsequent years' assessments (see line 04).
 - 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 because CDC contracts for childhood vaccines reprice in April and for adult vaccines in July.)
 - Only one control point is given since assumes that factors are the same for both Child & Adult.
 - This calculation gives an indication of what the assessment rates would have been for a mature & stable program (i.e., without reserve changes.)

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	272,593	282,134 ²		195,675	195,675		86,459	86,459
03. Expense Allowance (travel)	-	- ³		-	-		-	-
04. Other	-	-		-	-		-	-
05. Subtotal	272,593	282,134		195,675	195,675		86,459	86,459
General Expenses								
06. Bank Fees & Service Charges	7,500	10,000 ⁴		6,936	6,936		3,064	3,064
07. Auditing Fees	11,000	11,500 ⁵		7,976	7,976		3,524	3,524
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	18,500	21,500		14,912	14,912		6,588	6,588
Special Projects								
31. TRICARE special assessment supplement				-	-		-	-
32.				-	-		-	-
33.				-	-		-	-
34.				-	-		-	-
35.				-	-		-	-
36.				-	-		-	-
37.				-	-		-	-
38.	-	-		-	-		-	-
39. Subtotal	-	-		-	-		-	-
49. Total Expenses	291,093	303,634		210,587	210,587		93,047	93,047
59. Budgeted for Bad Debt			8					

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: 4,578,313 total adult: 2,022,929 **69.36%** is the child % of total

² Assumes KidsVax[®] contract is renewed at current contracting standards. An evergreen contract approach would reduce this somewhat the year and also limit future increases.

³ KidsVax[®] has bundled travel costs into the presently effective contract.

⁴ Set at last year's expense (which should be adequate) plus \$1,000 to allow for any necessary cost increases.

⁵ A good faith estimate which should be more than adequate.

⁶ Bundled in KidsVax[®] contract.

⁷ Not likely to be needed. 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	15-Aug-21	85,172	323,575
02.	Provider Opt-In uninsureds (unique to AK)			31,154
03.				
04.				
05.				
09.	total		85,172	354,729
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		85,172	354,729
xx.	Note prior quarter numbers for reference	15-May-20	84,036	319,260
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)

DHSS Pediatric Vaccine Purchase Estimates
AVAP Calendar Year

Column →
Line ↓

	A	B	C	D	F	G	H	I	J		
	Vaccine	Brand Name	NDC	Cost Per Dose*	PY Estimated Doses	SFY through 6/30/2019	SFY through 6/30/2020	Total Estimated Doses	Total Estimated Cost	Vaccine Level AVAP Adjustments	AVAP Budget
01.	DT	DT		\$60.036	20	-	-	1	\$60	0.00%	\$60
02.	DTaP*	Infanrix		\$19.840	4,290	3,897	4,075	4,100	\$81,344	0.00%	\$81,344
03.	DTaP/Hep B/IPV	Pediarix		\$62.492	10,720	10,582	10,620	10,800	\$674,914	0.00%	\$674,914
04.	DTaP/IPV	Kinrix		\$46.643	3,830	3,424	3,681	3,800	\$177,243	0.00%	\$177,243
05.	Hep A	Havrix		\$21.724	8,210	7,495	7,719	8,000	\$173,792	0.00%	\$173,792
06.	Hep B	Recombivax		\$15.673	2,850	2,768	2,110	2,800	\$43,884	0.00%	\$43,884
07.	Hib - PRP-OMP	PedvaxHIB		\$13.790	10,930	10,766	10,889	11,000	\$151,690	0.00%	\$151,690
09.	9vHPV*	Gardasil9		\$196.320	7,200	6,475	5,895	7,000	\$1,374,240	0.00%	\$1,374,240
10.	e-IPV	IPOL		\$14.060	1,030	950	865	1,000	\$14,060	0.00%	\$14,060
11.	Meningococcal	Menactra		\$100.500	6,160	5,424	5,276	6,000	\$603,000	0.00%	\$603,000
12.	MENB	Bexsero		\$128.604	700	553	870	1,000	\$128,604	0.00%	\$128,604
13.	MVC40	Menveo		\$99.582	50	26	2	50	\$4,979	0.00%	\$4,979
14.	MMR	M-M-R II		\$22.110	9,440	7,963	7,396	8,500	\$187,935	0.00%	\$187,935
15.	PCV13	Prevnar 13		\$150.830	14,500	13,757	13,948	14,000	\$2,111,620	0.00%	\$2,111,620
16.	PPSV23	Pneumovax23		\$62.080	40	33	58	60	\$3,725	0.00%	\$3,725
17.	Rotavirus	RotaTeq		\$74.730	9,500	9,257	9,213	9,500	\$709,935	0.00%	\$709,935
18.	Td	TDVAX		\$16.546	130	84	51	150	\$2,482	0.00%	\$2,482
21.	Tdap	Boostrix		\$34.067	4,620	4,138	4,128	4,450	\$151,598	0.00%	\$151,598
22.	Varicella	Varivax		\$115.770	8,170	7,515	7,545	8,000	\$926,160	0.00%	\$926,160
23.								-	\$0	0.00%	\$0
24.								-	\$0	0.00%	\$0
25.	all flu (weighted average cost per dose)			\$15.750	30,862	30,862	27,617	32,000	\$504,000	0.00%	\$504,000
18.	TOTAL				PY Cost Estimated: \$ 7,382,149				\$8,025,265		\$8,025,265
19.									Adjusted for overall utilization increase		\$8,025,265
20.									Adjusted for price increase		\$8,250,976
30.	Total Doses				133,252	121,958	132,211				

Notes:

*Cost per dose is based on the CDC Vaccine Price List, which can be found here:
<http://www.cdc.gov/vaccines/programs/vfc/awardees/vaccine-management/price-list/>

[†]Influenza brand names vary each influenza season. Cost based upon weighted average.

**DHSS Adult Vaccine Purchase Estimates
AVAP Calendar Year**

Column →
Line ↓

	A	B	C	D				E	F	G	H
	Vaccine	Brand Name	NDC	Cost Per Dose*	PY Estimated Doses	SFY through 6/30/2020	SFY through 6/30/2021	Total Estimated Doses	Total Estimated Cost	Vaccine Level AVAP Adjustments	AVAP Budget
01.	9vHPV (19-26 yrs)	Gardasil9		\$159.773	1,890	1,620	1,476	1,890	\$301,971	0.00%	\$301,971
02.	Meningococcal Conjugate (19-20 yrs)	Menactra		\$80.728	230	220	241	250	\$20,182	0.00%	\$20,182
03.	MENB	Bexsero		\$111.398	140	121	375	500	\$55,699	0.00%	\$55,699
04.	PPSV23	Pneumovax23		\$74.503	1,620	1,549	1,433	1,620	\$120,695	0.00%	\$120,695
05.	Td	Tenivac		\$16.471	2,050	1,966	1,157	2,050	\$33,766	0.00%	\$33,766
06.	Tdap	Boostrix		\$26.156	11,570	10,088	9,520	10,500	\$274,638	0.00%	\$274,638
07.	Zoster Recombinant	Shingrix		\$98.890	10,000	6,976	9,097	10,500	\$1,038,345	0.00%	\$1,038,345
08.	Hep A	Havrix®		\$23.635	2,550	293	389	500	\$11,818	0.00%	\$11,818
11.	Hep B	Hepelisav-B™		\$74.940	6,370	700	1,155	1,500	\$112,410	0.00%	\$112,410
12.	MMR (Measles/Mumps/Rubella)	M-M-R®II		\$53.929	5,290	698	439	800	\$43,143	0.00%	\$43,143
13.	PCV13 (Pneumococcal conjugate)	Prevnar 13™		\$137.220	9,660	768	806	850	\$116,637	0.00%	\$116,637
14.	Varicella	Varivax®		\$94.385		146	198	250	\$23,596	0.00%	\$23,596
15.								0	\$0	0.00%	\$0
16.	All Influenza			\$14.500	50,000	42,343	43,861	47,500	\$688,750	0.00%	\$688,750
21.				PY Cost Estimated: \$ 1,670,866					\$2,841,649		\$2,841,649
22.								Adjusted for overall utilization increase			\$2,841,649
29.								Adjusted for price increase			\$2,894,930
39.	Total Doses				101,370		70,147	78,710			

Notes:

*Cost per dose is based on the CDC Vaccine Price List, which can be found here:
<http://www.cdc.gov/vaccines/programs/vfc/awardees/vaccine-management/price-list/>
 †Influenza brand names vary each influenza season. Cost based on weighted average.

Prior Year's Financial Recap

Column →	A	B	C	D
Line ↓			Child	Adult
01.	Starting Cash balance (see calculation below)	30-Jun-2020	9,654,137	3,005,257
02. ¹	Balance of TRICARE settlement (in at zero for now)		-	-
03. ²	Increment from 2021 remaining		1,699,620	529,078
04.				
05.				
09.	Total		11,353,757	3,534,336
Estimated Revenues				
11.	Rebalance reserves to adult fund			
12.				
13.				
14.				
19.	Total		-	-
Expenditures / Allowances				
21.	Rebalance reserves to adult fund		-	
22.				
23.				
24.				
25.				
26.				
27.				
29.	Total		-	-
31.	Estimated Starting Balance January 1		11,353,757	3,534,336
33.	Target months cash (non-flu)	3	1,936,744	551,545
34.	Target cash for flu		504,000	688,750
35.	Target cash reserve (Line 33 + Line 34)		2,440,744	1,240,295
36.	Deferral amount	0.00%	-	-
37.	Target Cash Reserve net of deferral		2,440,744	1,240,295
99.	Excess Cash balance above Cash target		8,913,013	2,294,041
Notes:				
¹ KV believes that the TRICARE arrearage owed is higher than the \$2,526,652 it offered in full settlement on June 27, 2018. So far TRICARE has prepaid \$1,500,000 leaving \$1,026,652 due AVAP by its calculations. Because DHSS funded the TRICARE vaccines in the past from state dollars, any remaining recovery does not affect these calculations.				
² From DHSS report to KV of cash as of 7/1/2021. Assume 1/2 of 6 months gain through balance of year.				
³ At present point just assuming the bad debt reserve is unexpended in 2020. As experience is gained and program matures, may be able to make better estimates in future years.				
⁴ KidsVax® does not presently have mid-year expenditure verifications from DHSS. Accordingly, the cash allocation in the quarterly financials, while correct in aggregate, may ultimately be allocated differently between vaccine expenses and fund balances.				
Development of carryforward cash by fund:				
			<u>Child</u>	<u>Adult</u>
	2016 target assessment billed		6,522,946	2,146,641
	2017 target assessment billed		8,219,588	2,003,055
	2018 target assessment billed		9,015,792	2,961,887
	2019 target assessment billed		7,815,974	1,744,000
	2020 target assessment billed		7,815,974	1,744,000
	2021 target assessment billed		8,258,929	4,233,240
	totals		<u>47,649,203</u>	<u>14,832,823</u>
	percents		76%	24%
	12/31/2020 total per audit:	10,430,696		
	Assessment carryforward from			
	2021-06-30 Financials ⁴ :	12,659,394	9,654,137	3,005,257
	Expected growth through balance of year	2,228,698	1,699,619.96	529,078.37