



ALASKA VACCINE ASSESSMENT PROGRAM

ANNUAL REPORT

2019-2020

Dear Friends and Colleagues,

Legislative leadership was prescient last year in permanently reauthorizing the Alaska Vaccine Assessment Program. We are very grateful for the broad support in 2019 and the continued strengthening of the program ahead of the recent COVID-19 pandemic. For the second year in a row, AVAP has lowered assessment rates charged to insurance companies while continuing to absorb inflationary cost increases. Accordingly, AVAP helped mitigate the impacts of other healthcare cost increases, therefore, benefitting all Alaskans.

AVAP's Advisory Council's wisdom in maintaining strong financials was confirmed as AVAP deployed strategic reserves to prepare for expected higher flu immunization rates this upcoming season. AVAP's support for adult vaccinations, including, through provider participation, the uninsured, is unique nationwide. Again, AVAP took that step with no assessment increase.

Personally, I want to thank Matt Bobo and his team for stepping up as I was called away to work with other state leaders overseeing Alaska's well-executed response to the pandemic. Despite challenging times, AVAP remains strong and continues to contribute to positive health outcomes for Alaskans.

Joe McLaughlin, MD
Chairman

State Epidemiologist and Chief, Section of Epidemiology, Division of Public Health, Department of Health and Social Services

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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.

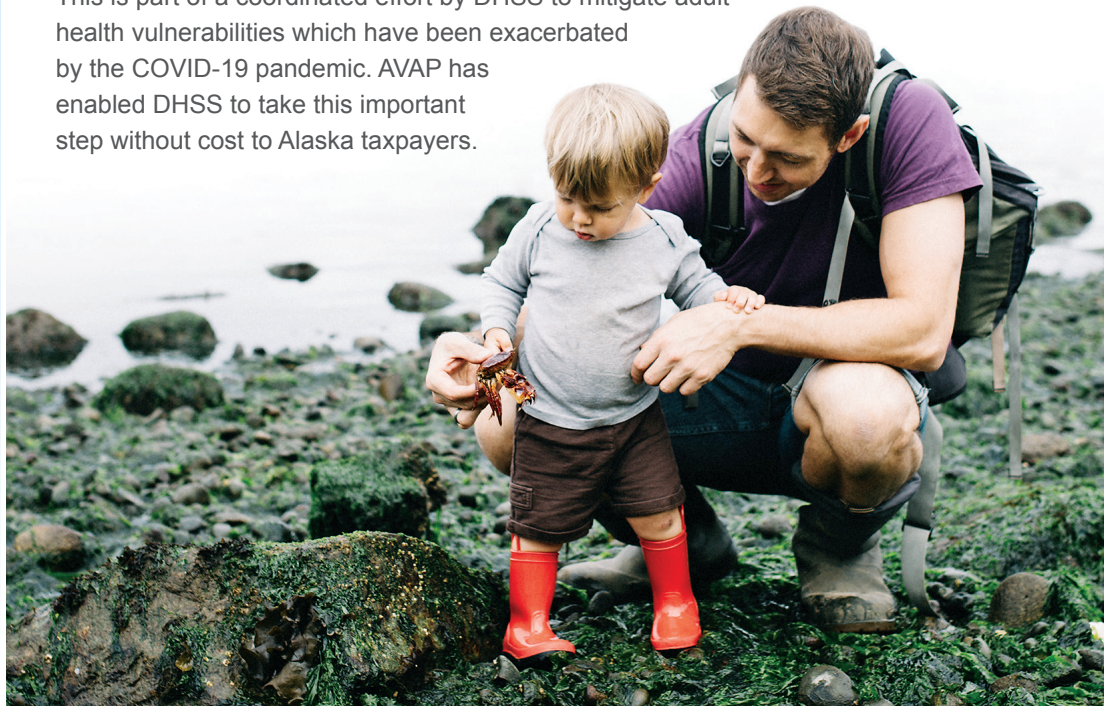
Our model has powerful benefits:

- **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.

Strong Financial Performance

As hoped, AVAP has taken a modest assessment decrease over each of the last two years, while absorbing four vaccine cost increases from manufacturers over this same period. Implementing its Advisory Council's prudent financial controls, AVAP continued to build reserves. Consequently, AVAP recently was able to fund, without additional assessments, \$3.6 million of supplemental adult flu vaccine purchases by DHSS.

This is part of a coordinated effort by DHSS to mitigate adult health vulnerabilities which have been exacerbated by the COVID-19 pandemic. AVAP has enabled DHSS to take this important step without cost to Alaska taxpayers.





AVAP Council Members

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

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A message from Matt Bobo, Alaska's Immunization Manager

The last operating year has underscored AVAP's effectiveness and the wisdom of our state legislature in its permanent reauthorization. We were pleased by dual recognitions afforded the program. First, the American Academy of Pediatrics recognized AVAP as Alaska's "Children's Organization of the Year." The Alaska legislature built upon that recognition in a citation honoring AVAP which underscored its financial benefits for Alaskans – noting savings had already surpassed \$27 million.

I want to, again, thank the DHSS immunization program's outstanding team. As we assured adequate vaccine supply throughout the state, we also prepared for COVID-19 vaccinations, looking forward to when a safe vaccine becomes available for deployment. Noteworthy in that regard was AVAP's ability, following its careful fiscal management, to finance a supplemental \$3.6 million adult flu vaccine order. This will help Alaska better support those who have proven most vulnerable to COVID-19, our elderly and immune compromised residents. Supported by AVAP, Alaska stands alone in the nation in funding all recommended vaccines for all adults, including, through a remarkable provider partnership, those who are uninsured.

Amid 2019/2020's multitude of public health challenges, the stability and strength of AVAP has again eased our burden. We appreciate the cooperative efforts of AVAP, working with providers and payers statewide, to help us mitigate the impacts of vaccine-preventable diseases.

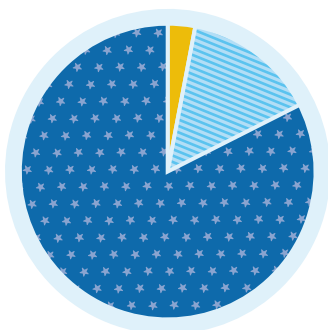


FINANCIALS

January - December, 2019

Revenues

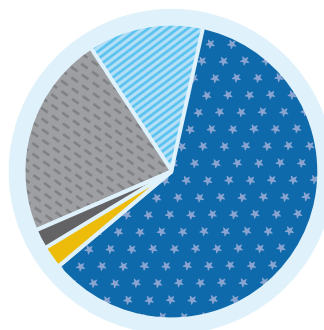
\$10,150,650



- ★ **81.1%** Child Assessments
- ▨ **15.9%** Adult Assessments
- **2.8%** Provider Opt-in Payments
- **0.1%** Interest

Expenses

\$10,150,650



- ★ **59.8%** Child Vaccines
- ▨ **13.6%** Adult Vaccines
- **21.3%** Reserves
- **2.5%** DHSS Administrative Fee
- **2.7%** KidsVax Contract
- **0.2%** Other