

What is EOQ?

- Economic Order Quantity (EOQ) is an industry “best practice” for inventory ordering, distribution and management. EOQ is the Centers for Disease Control and Prevention (CDC) standard to more effectively manage the federal vaccine program nationwide.
- The goal of EOQ is to balance provider order size, order frequency, timing of orders, and improve inventory management.
 - “Order frequency” -how often an order is placed
 - “Order timing” - the time of the month an order is placed
 - “Order Schedule” -- which months to place an order
- EOQ assigns order cycles based on the amount of publicly-funded vaccines shipped each year to each provider. The vaccine order frequencies are based on CDC EOQ standard.

Doses Per Year	Order Frequency
0 – 199	Every 6 Months (bi-annually)
200 – 799	Every 3 months (quarterly)
800 – 5,999	Every 2 Months (bi-monthly)
6,000 plus	Monthly

- EOQ assigns order timing, so some providers will order earlier in the month, and other providers will order later in the month.

Does EOQ apply to all publicly funded vaccine orders?

- While EOQ applies to most VFC vaccines, it does not apply to seasonal influenza vaccine or vaccines with limited availability. Influenza vaccine can be ordered as needed within assigned allocations.
- We may exclude other vaccines as special circumstances arise (e.g. shortages and/or allocations). We’ll evaluate special circumstances on a case-by-case basis to determine whether EOQ considerations apply.

Economic Order Quantity Frequently Asked Questions

Is participation mandatory?

- Yes. All providers who order publicly-funded vaccine will be required to order according to their assigned order frequency, order timing, and order schedule.

Why was EOQ implemented?

- There were inefficiencies in how providers place orders (e.g. incorrect quantities, multiple orders within a short period of time, order spikes in the beginning of the month, etc.).
- CDC expects there should be less time spent reviewing and processing orders allowing more time for activities that have a greater impact on public health.
- At the national level, there should be greater predictability in ordering resulting in overall inventory management improvements.
- Implementing EOQ may reduce total operating costs for the program by optimizing the frequency and volume of publicly funded vaccine shipments. EOQ works to balance these competing costs by looking at total costs to save taxpayer dollars.

How will EOQ help me?

- Providers may receive their publicly-funded vaccine orders more quickly. Spreading orders across the state throughout the month helps to alleviate the spike of orders that McKesson currently experiences at the beginning of each month.
- Providers may be able to save time by creating larger, less frequent orders rather than a high volume of small orders.
- With EOQ, there are tools to help determine the right amount of publicly-funded vaccines to order, and how often and when to order. The tools will also help to determine if you have enough refrigerated storage capacity to hold your publicly-funded vaccine order.
- EOQ takes the guesswork out of determining how much of each publicly-funded vaccine is needed for a given order cycle. The EOQ tools may help you save time and help you feel more confident that you are ordering the right amount of publicly-funded vaccine. That way you do not have to worry about publicly-funded vaccine wastage from ordering too much, or running out of publicly-funded vaccine from ordering too little.

Economic Order Quantity Frequently Asked Questions

How will I know which order frequency and order timing window (first or second half of a specific month) I will be assigned?

- You can view your individualized schedule on the order header screen in the create/view order section of the IIS.
- If you do not have enough storage capacity to change your order cycle, we will work with you to ensure that you can order frequently enough to meet your publicly-funded vaccine needs.

What will happen if I place an order outside of my assigned order schedule?

- Off-schedule orders will be accepted. LHJs may contact providers to discuss off-schedule orders if appropriate exception reasons are not provided on the order form.
- Ordering behavior will be monitored at the state level and reports will be developed to track progress.
- The expectation is that if off-schedule ordering becomes a trend for a given provider, we'll work with the LHJ and provider to resolve the issue. This could mean additional training for the provider. If absolutely necessary, it may mean changing a provider's order schedule. Issues will be addressed on a case-by-case basis.

What if I run out of publicly-funded vaccine?

- No matter when you are scheduled to order, you may place an order if you are in danger of running out of publicly-funded vaccine. EOQ tools are designed to help you avoid running out of publicly-funded vaccines so this shouldn't happen very often.
- CDC recommends that you keep a 30-day safety stock of publicly-funded vaccines to help ensure that you do not run out. The 30-day safety stock is already built into the EOQ tools to help ensure that you order the right amount of publicly-funded vaccine.

My practice is different from other practices. Will EOQ work for me?

- We will work with you if you have special circumstances that may affect how frequently you can order. We will listen to your concerns and make suggestions.

Economic Order Quantity Frequently Asked Questions

With providers storing larger inventories won't there be more compromised/wasted vaccine?

- In Washington, wastage has decreased since implementing EOQ in 2008.
- Since most vaccines have expiration dates 1.5 to 2 years out, if providers continue to maintain an appropriate amount of safety stock (i.e. not stockpiling), rotate stock with each new delivery, and monitor expiration dates, we should not see an increase in wasted vaccine.
- The vaccine management guidelines allow for LHJ-to-provider and provider-to-provider transfers of vaccine. Vaccine that is nearing the expiration date can be transferred from a smaller clinic to a larger clinic where it is more likely to be used prior to expiration. Before a transfer occurs contact your LHJ.
- Providers and LHJs may need to monitor vaccine expiration dates more closely and may need to look further out into the future when evaluating potential expiration issues.

What tools are available to help with EOQ?

- Each provider has an assigned Economic Order Schedule which tells providers which months and weeks they should place an order.
- Maintaining inventory in the Washington Information Immunization System (IIS) helps manage vaccine usage and reduce wastage.
- Recommended Order Quantity is another tool to help you figure out how much vaccine to order based on your order history, usage, and order frequency. This information is based on the actual amount of publicly-funded vaccine distributed to each practice. It also takes into account the busiest, back-to-school season. Contact your LHJ for help figuring out how much vaccine you need. There are also ordering guidelines to make sure providers have enough safety stock on hand (see Recommended Order Quantity section below for more information).

How does the Recommended Order Quantity (ROQ) Calculator work?

- **ROQ is different than EOQ. ROQ is used to identify how much vaccine is need for each provider based on historical vaccine use, the time of year, and includes a 30-day safety stock.**
- One of the tools available is the Recommended Order Quantity Calculator. This is a Microsoft Excel tool based on three years' worth of state-wide historical ordering data.
- Calculations include adjustments for seasonal fluctuations in vaccine volumes and include one month (30 days) of safety stock.
- When using the calculator, you choose the order frequency and the ordering month so the tool knows which months to include in the calculations.
- You will need to treat the recommended order quantity provided by this tool as a suggestion and use your discretion as to whether or not it seems reasonable or if it needs to be adjusted up or down for your practice.
- We are working to implement this feature directly in the IIS. Stay tuned!

Economic Order Quantity Frequently Asked Questions

My LHJ serves as a depot for distributing vaccine to our smaller providers. Can I still continue to distribute vaccines this way?

- We would prefer that LHJs not function as a depot for distributing vaccine. We encourage each provider's order to be submitted separately.
- Under certain circumstances, we have an allowance in the vaccine management guidelines for alternate delivery sites. Once approved by the LHJ and DOH, providers can place an order and have it delivered to the LHJ or another provider site for storage. The vaccine can then be transferred to the provider when it is needed.
- Alternate delivery sites will be evaluated and determined on a case by case basis.

Where can I find my EOQ ordering schedule?

- The demographic portion of the Create Order screen displays each provider's assigned order frequency (how often to order), order timing (when during the month to order), and order schedule (which months to order).
 - Log into the IIS
 - Under **Order/Transfers** tab select **Create Order**.
 - The create order screen contains the EOQ information.

What happens if I order out of my assigned schedule?

- If an order is placed outside of the assigned schedule, a warning message will be displayed and an exception reason will be required to proceed with the order.
- Off-schedule orders will be accepted and when approved by the LHJ will be submitted for processing by DOH.

Will my EOQ stay the same next year?

- Yes, your EOQ stays the same every year. The only time an EOQ changes is when a provider is ordering more or less vaccine and needs a change in EOQ. These changes are only made by DOH and providers should contact their LHJ if a change is needed. DOH will evaluate each case individually.

If you still have unanswered questions, please contact your local health jurisdiction or Jennifer Alvisurez at Jennifer.alvisurez@doh.wa.gov or 360-236-3553.

If you have a disability and need this document in another format, please call 1-800-322-2588 (711—TTY relay).