

MAINE STATE LEGISLATURE

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STATE OF MAINE

**Eighth Report
of the
MAINE VACCINE BOARD**

for the
State Fiscal Year ended June 30, 2018

December 2018

Peter Gore, Chair
Deborah Deatrack, MPH
Larry Losey, MD
Katherine Pelletreau, MPH
Forrest West, MD
Gary Connor, RN
(ex officio) **Lori Wolanski, MPH**

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EXECUTIVE SUMMARY

This is the eighth annual report of the Maine Vaccine Board (MVB). MVB assessment collections commenced on November 15, 2011. The MVB raises funds to support universal childhood vaccine purchases at the Maine Center for Disease Control and Prevention's (CDC) favorable rates by assessing insurers and other entities responsible for the health benefits afforded to Maine's children. Assessment compliance by payers continues to be strong. The close of the 2017/18 fiscal year saw the MVB continuing to advance in organizational maturity and improved efficiency. The MVB has now completed six full years of operation.

At the core of MVB's mission is the desire to reduce the occurrences of vaccine preventable disease by increasing medically-appropriate use of vaccines for Maine's children. This year continues MVB's success in that goal. Maine's childhood immunization rates continue to improve. As noted in MVB's VaxFactsSM for 2017/18, primary credit for this significant turnaround should go to the Maine CDC and Maine's pediatric care providers. But the contributions of the pharmaceutical industry and healthcare payers, directly and through MVB, should also be noted as significant. While assisting to advance this goal, MVB also enabled overall systemic cost savings to be realized for the provider community and the insurer community.

State vaccine purchases with MVB funds and distribution to providers began in January 2012. This report contains data for the fiscal year July 1, 2017 - June 30, 2018:

Fiscal Year 7/1/2017 - 6/30/2018	
Total Number of Payers (4-qtr average)	91
Total Assessments Raised	\$10,740,032
Average Monthly Child Covered Lives	137,403
Number of Meetings	5

All Board meetings are open to the public and afford opportunity for public comment. Both oral and written comments are welcome. The Board met on 09-16-2017, 11-14-2017, 01-09-2018, 05-15-2018, and 06-14-2018. Detailed information about the MVB and its operations, including minutes of all board meetings, is available at www.MEvaccine.org.

HISTORY AND DESCRIPTION OF THE MAINE VACCINE BOARD

The history and information regarding the Maine Vaccine Board can be found on our website: www.MEvaccine.org.

THE VACCINE BOARD

The MVB was created by the 124th Legislature through the enactment of Public Law 595. That law took effect on August 2, 2010. The Board consists of nine members, with representatives from the health insurance carrier community, the health provider community, the public health community, self-insuring employers, the pharmaceutical industry, and the Maine Department of Health and Human Services. Peter M. Gore currently serves as Board chair. Lori Wolanski, Director, Division of Disease Control, served as the DHHS Commissioner's designee until December 31, 2017. Since that time, Tonya Philbrick as served as the interim designee. With the exception of the pharmaceutical manufacturing industry representative, who serves a one-year term, the terms of Board members are three years.

PROGRAM PROGRESS AND ASSESSMENT RATE HISTORY

The State of Maine began purchasing vaccines for non-VFC eligible children January 1, 2012. Maine became a universal vaccine purchasing state and purchased vaccines for all Maine children at the same favorable federal CDC contract rates negotiated with vaccine manufacturers for the VFC program. As the program has matured Maine Center for Disease Control and Prevention (Maine CDC) has worked to aid in enhancing the program.

MVB has adopted six assessment rate changes since its formation. These rate changes occur each year and in 2015 the rate changes moved from a state fiscal year calculation to a calendar year calculation. The fluctuation in rates over the years is a response to many factors, some of which include: increased vaccine utilization, continuous effort by KidsVax® to broaden the assessment base, increased participation by the insurers, increased vaccine costs, new vaccine recommendations, and inventory management by Maine CDC.

On October 26, 2018, MVB voted to set the assessment rate to \$4.56 per child covered life per month for 2019. At the same time, MVB advised payers that its best estimate of the assessment rate for 2020 would be \$6.33 per child covered life per month.

MVB Assessment Rates	
2011/2012	\$6.98
2012/2013	\$6.81
2013/2014	\$8.16
2015*	\$8.16
2016	\$9.19
2017	\$3.17
2018	\$8.29
2019	\$4.56

*An annual assessment review began in 2015 moving from a fiscal year assessment rate to a calendar year assessment rate. The assessment rate remained at \$8.16 of the remainder of calendar year 2014.

As a result of, MVB's oversight of the universal vaccine program and collaborative efforts of Maine CDC, the payer community and many others, Maine continues to make progress in increasing the immunization rates in Maine as well as access for all Maine children. This is particularly important as a way to improve the health of all Mainers by reducing or eliminating vaccine-preventable diseases. In addition, there is a multiplier effect of childhood immunization dollars in reducing long term healthcare costs. Experts estimate the long term financial cost reduction through disease avoidance at over \$10 for each \$1 of childhood immunization costs. This cost benefit to healthcare payers, of course, is in addition to the indirect benefits of improved health and decreased loss of work hours.

CONCLUSION

MVB is grateful for the support of its key constituents: payers, providers, and the Maine CDC. Special thanks go to the Board members and their employers (who allow time for this service to the state without charge), the staff of the Maine CDC, the Maine State Treasurer's Office, and the Office of Attorney General, all of whom have facilitated its work in improving childhood health in the State of Maine. Other agencies, including the MVB's auditor, Dawson, Smith, Purvis, and Bassett, PA, have remained resourceful and diligent in supporting the board.

Attached are Exhibits A, B, and C. These further illustrate the cost savings, increased access to immunizations and benefits of the universal vaccine purchasing program respectively.

Please note this report has been compiled by Nicole G. Price who serves the MVB as its servicing agent through a turnkey Executive Director and Administrative Services Agreement with KidsVax®, LLC. Nicole can answer any questions that may arise from this report.



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Exhibit A

FYE 6/30/2018 PROGRAM HIGHLIGHTS

MVB Program Savings Calculations for FYE 6/30/2018 & FYE 6/30/2017*

	FYE 6/30/2018	FYE 6/30/2017
A. CDC survey Market Comparison costs (Actual doses per band x CDC market survey	\$18,925,339	\$16,062,036
B. MVB Program Costs		
Cost of vaccine replenishments	\$13,347,946	\$10,916,405
+ Operating costs	150,543	158,746
+ Leakage & Bad Debt	-	-
= Total Program Costs	\$13,498,489	\$11,075,151
C. MVB Program Savings (A-B=C)	\$5,426,850	\$4,986,885
D. Program Savings % (C/A=D)	28.68%	31.1%

*Data calculated by Peter M. Smith, an independent Financial & Internal Control Analyst. The complete MVB FYE 6/30/2018 Cost Savings Memo can be found at www.MEvaccine.org.

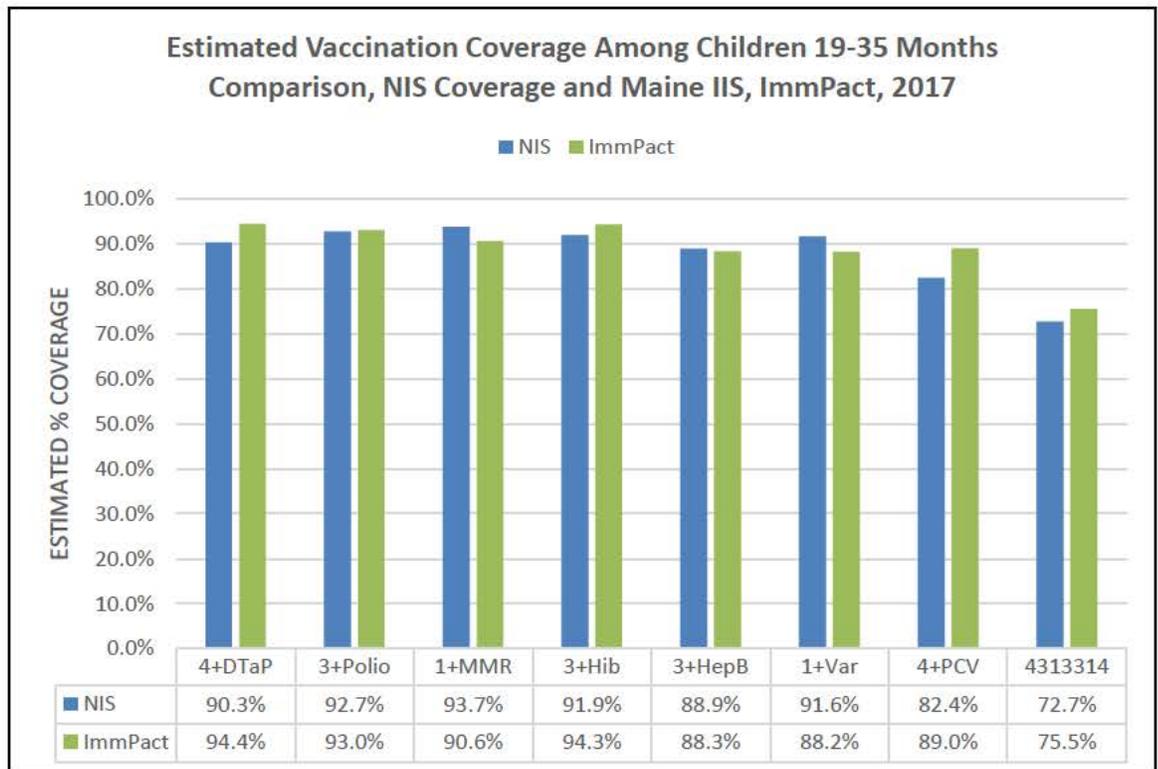
TRICARE SETTLEMENT

In June 2018, MVB received a \$3,568,551 settlement from TRICARE, U.S. military's health insurance program. This settlement covered arrears for assessments not paid from July 1, 2011 to March 31, 2018. Additionally with the passage of the 2018 National Defense Authorization Act (NDAA) in December 2017, TRICARE's participation in the Maine universal immunization program is mandatory which requires them to pay quarterly just as other payers in the state of Maine. TRICARE began partially contributing to the Maine universal immunization program with assessments due on December 31, 2017 and their full participation began with assessments due on August 15, 2018. With TRICARE's participation, there is an increase of approximately 18,800 child covered lives per quarter. Also, TRICARE's financial participation helps to further the goal of equitable participation for all payers.

Exhibit B

The graph below represents vaccination coverage for Maine’s 2-year old children. It illustrates vaccination coverage as compiled by the 2017 National Immunization Survey (NIS) and ImmPact, the Maine specific database.

- NIS uses data to monitor vaccination coverage among 2-year old children at both the national and state levels. 15,333 children aged 19-35 months were included in the NIS survey, only 271 of which resided in Maine, representing 0.02% of Maine’s 2-year old population.
- ImmPact’s cohort of children includes 9530 Maine children aged 24 – 35 months, representing 74% of Maine’s 2-year old population.
- ImmPact is the immunization registry from for the state of Maine.
- The registry represents only Maine children and is updated in real time which allows for more accurate data as well as a larger sample size.
- **Trend:** Apart from MMR, HepB, and Varicella, Maine’s IIS rates are higher than NIS.



4+ DTaP ~ ≥4 doses of diphtheria and tetanus toxoids and acellular pertussis (DTaP) vaccine. ImmPact
 3+ Polio ~ ≥3 doses of any poliovirus (Polio) vaccine.
 1+MMR ~ ≥1 dose of measles-mumps-rubella (MMR) vaccine.
 3+Hib ~ ≥3 doses of Haemophilus influenzae type b (Hib) vaccine.
 3+ HepB ~ ≥3 doses of hepatitis B (HepB) vaccine.
 1+Varicella ~ ≥ 1 dose of varicella (VAR) vaccine.
 4+PCV ~ ≥ 4 doses of pneumococcal conjugate vaccine (PCV).
 4:3:1:3:3:1:4 ~ A series comprised of all of the above individual antigens

Note: Hib, HepB and PCV vaccines are not part of the vaccine requirements for school children in Maine.

Exhibit C--VaxFactsSM

The VaxFactsSM provides an overview of MVB activities for the past fiscal year along with high level financial summaries and links to MVB's website locations for more detailed financial data. A full-sized version of the VaxFactsSM report is available for viewing or download on MVB's home page at www.MEvaccine.org.



2017 - 2018

ME

VaxFactsSM

MVB MAINE VACCINE BOARD

One of the most important outcomes of Maine's universal vaccine program for children 0 to 19 are the health benefits achieved through improved immunization rates for Maine's children. Most of the credit for this goes to Maine's healthcare providers, in cooperation with the Maine Center for Disease Control and Prevention's (CDC) vaccine distribution system, clinical expertise and technical support. The work of the Maine Vaccine Board (MVB) in overseeing the universal vaccine program has been aided by representatives of the Maine CDC, as well as the cooperation of employers and health insurers who do business in Maine.

TIMELINE

2009-2010

The Maine State Legislature passed a bill establishing the Universal Childhood Immunization Program to provide all children birth to 19 years of age with access to a uniform set of vaccines. The Maine Vaccine Board (MVB) was created and MVB hired KidsVax[®] to administer the program.

2011-2012

MVB began selecting vaccines and setting the assessment rate. January 2012 began the purchase of state vaccines using MVB funds with distribution to providers. Initial reports confirmed that the program reduced costs. Additionally, the program assisted Maine CDC in raising childhood immunization rates.

2013-2014

MVB simplified the process for setting the vaccine list. KidsVax[®], the Maine Bureau of Insurance, and the Attorney General's Office worked to narrow the gap between projected and reported child covered lives and to ensure that assessments were allocated equitably. Maine's universal immunization program was recognized nationally for its success in improving statewide healthcare.

2015-2016

With funding secured via MVB, Maine CDC, providers, and payers worked to continue increasing childhood immunization rates. In December 2016, Maine's immunization rules became further aligned with national recommendations by requiring one dose of Tdap vaccine for all students entering the seventh grade.

2017-2018

Maine CDC's Immunization Program implemented a new vaccine replacement procedure to help reduce vaccine wastage. This led to significant cost savings. In 2018, Maine's immunization rules became further aligned with national recommendations by requiring one dose of meningococcal conjugate vaccine (MCV4) for all students entering twelfth grade.



*2017 National Immunization Survey Childhood Report, published Dec. 2018

MVB has reduced administrative and financial burdens on health care providers. Instead of having to purchase vaccines up front and await repayment from insurance companies, provider offices now receive vaccines from the state free of charge.

MVB funds help support Maine's universal childhood vaccine purchasing program. The program yielded over \$38 in savings per child this year. That added up to over \$5MM in total health care cost savings.

MVB is a joint public and private effort, in collaboration with the Maine CDC, to improve immunization rates while lowering the costs of health care. The universal childhood immunization purchasing program administered by the MVB allows the state to purchase all 17 of the Advisory Committee on Immunization Practices' (ACIP) recommended vaccines from ages 0-19 for all Maine's children at substantially discounted rates.

INDEPENDENT STUDIES ESTIMATE THAT FOR ALL CHILDREN BORN IN A GIVEN YEAR WHO RECEIVE ALL CHILDHOOD VACCINES TO PROTECT THEM AGAINST 13 VACCINE PREVENTABLE DISEASES:

135	600,000	\$43 million
LIVES ARE SAVED	CASES OF DISEASE ARE PREVENTED	IN DIRECT COSTS ARE SAVED

\$1 SPENT ON VACCINES = \$10.10 SAVED IN DIRECT HEALTHCARE COSTS

*Data from FangJun Zhou, PhD Health scientist, CDC 2011

Immunizations remain the single most effective way to protect Mainers against Disease Surveillances and some cancers. The Maine Immunization Program reviews state and national data to assess and improve immunization rates, identify populations at risk, and measure the impact of current initiatives. <https://www.maine.gov/dhhs/mecdc/>





Maine: Working Together to Improve Public Health

Immunization Rates for the 4:3:1:3:3:1:4 Antigen Series*	2017 NIS	Maine ImmPact 2017
Diphtheria and tetanus toxoids & acellular pertussis (DTaP/DT/DTP)	90.3%	94.4%
Poliovirus (Polio)	92.7%	93%
Measles or Measles-Mumps-Rubella (MMR)	93.7%	90.6%
Haemophilus influenza type b (Hib)	91.9%	94.3%
Hepatitis B (HepB)	88.9%	88.3%
Varicella -chicken pox- (VAR)	91.6%	88.2%
Pneumococcal conjugate vaccine (PCV)	82.4%	89%

*Data from the 2017 National Immunization Survey Childhood Report (NIS). The NIS uses a total sample size of 15,333 children nationally. This total includes a smaller subset of 271 Maine children, which represents .02% of Maine's 2 year-old population. ImmPact, the Maine specific database, includes 9350 Maine children aged 19-35 months, representing 74% of Maine's 2 year old population.

FINANCIALS

July 1, 2017 - June 30, 2018

FY18 MVB Funding and Expenditures



Expenditures appear to exceed revenues due to the timing of collections and the state's vaccine purchasing schedule. Complete audited financials can be found at www.mevaccine.org/Audit/FY2018. All dollars are rounded to the nearest hundred thousands.

MVB Board of Directors

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Forrest West, MD
HealthReach Community Health
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Lori Wolanski, MPH
(ex officio until 12/31/17)
Director, Division of Infectious
Disease Maine CDC



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Nicole G. Price
Executive Director

Claire M. Roberge
Controller

Heather Veen
Sr. Executive Assistant

Matthew Miller
Client Services Coordinator



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References: 1) Complete audited financials: www.mevaccine.org/audit/2018.
2) Assessment setting workbook <https://www.mevaccine.org/mevaccine.nsf/pages/for-payers.html>