

MAINE STATE LEGISLATURE

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STATE OF MAINE

**Eleventh Report
of the
MAINE VACCINE BOARD**

for the
State Fiscal Year ended June 30, 2021

December 2021

Peter Gore, Chair
Deborah Deatrck, MPH
Larry Losey, MD
Katherine Pelletreau, MPH
Forrest West, MD
Gary Connor, RN
(ex officio, interim) **Tonya Philbrick**

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EXECUTIVE SUMMARY

This is the eleventh 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 insurers continues to be strong. Since inception of the program, compliance has increased steadily resulting in almost 100% of eligible payers participating in the program. The close of the 2020-21 fiscal year saw the MVB continuing to advance in organizational maturity and improved efficiency. The MVB has now completed nine full years of operation.

The MVB annually reviews the vaccine list and receives recommendations from the Maine CDC on which vaccines should be on the list available to Maine providers for orders. In May 2021, the Maine CDC recommended and the MVB approved Hiberix, Vaxelis, and Medquadfi addition to the vaccine currently on the Vaccines for Children (VFC) contract not available for Maine providers. Hiberix is indicated for active immunization for the prevention of invasive disease caused by Haemophilus influenzae (H. influenzae) type b. VAXELIS™ is a vaccine indicated for active immunization to prevent diphtheria, tetanus, pertussis, poliomyelitis, hepatitis B, and invasive disease due to Haemophilus influenzae (H. influenzae) type b. MenQuadfi® is a vaccine indicated for active immunization for the prevention of invasive meningococcal disease caused by Neisseria meningitidis serogroups A, C, W, and Y.

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. Generally, childhood immunization rates have fallen around the country as the pandemic created challenges for maintenance of regular preventive healthcare. Similarly, rates have fallen somewhat in Maine though, thankfully, less severely so than in other states. It appears that some catch-up is occurring from missed appointments and immunization rates are moving back toward pre-pandemic levels. 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, the insurer community, and Maine families.

State vaccine purchases with MVB funds and distribution to providers began in January 2012. This report contains data for the fiscal year July 1, 2020 - June 30, 2021:

Fiscal Year 7/1/2020 - 6/30/2021	
Total Number of Payers (4-qtr average)	104
Total Assessments Raised	\$13,037,214.36
Average Monthly Child Covered Lives	136,487
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 08-11-2020, 09-22-2020, 11-12-2020, 01-07-2021, 06-07-2021. 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 originally consisted of ten members, with representatives from the health insurance carrier community, the health provider community, the public health community, self-insuring employers, the pharmaceutical industry, the Maine Department of Health and Human Services, and the State Treasurer. In 2018, the 128th Legislature passed an amendment to the statute removing the Treasurer of State from the Board and the Board now consists of nine members. Peter M. Gore currently serves as Board chair. Tonya Philbrick has served as the interim designee for the Commissioner of the Department of Health and Human Services since the beginning of 2018. 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, the Maine Center for Disease Control and Prevention (Maine CDC) has worked to aid in enhancing the program.

MVB has adopted nine assessment rate changes since its formation. These rate changes occur each year. 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 25, 2021, MVB voted to set the calendar year 2022 immunization rate at \$9.45 per child per month. The increased amount was due almost entirely due to the fact that the prior year's rate had been intentionally pushed down by MVB through release of reserve build-up. Fewer reserves were available as MVB considered the rate for 2022. Thus, although the rate still is running below the actual cost of vaccine purchases due to application reserves, it is a significant increase from the prior year. MVB alerted payers that another increase should be expected next year as the rate approaches the rate needed replenish vaccines actually used. Notwithstanding these increases, MVB continues to yield very substantial cost savings for payers. As in the past, these are documented in the annual outside analysis completed for MVB and attached to this report.

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
2020	\$7.96
2021	\$7.96

*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.

As MVB reached its tenth anniversary of operations, it chartered an independent impact analysis by the outside actuarial and accounting consulting firm BerryDunn.

BerryDunn was remarkably successful in marshaling survey participation by providers, payers, and other constituents across the State of Maine. One of the sub-analyses of the impact analysis was review of MVB's estimation of its annual cost savings. MVB's work, to hold down costs, had relied upon national reference data assembled annually by the CDC. BerryDunn was able to survey Maine payers covering well over 60% of all vaccine purchases statewide. That detailed analysis indicated cost savings slightly (i.e., under 3%) higher than those estimated by the MVB's less expensive methodology. That detailed validation and afforded helpful confirmation of the appropriateness of MVB's annual self-measurement tool.

Satisfaction with MVB's work was evident in all constituent groups. The report concluded:

"The evidence and data gathered during the course of this study supports that, a decade after its legislative enactment, the MVB has created an efficient mechanism for children to receive, and practitioners to provide, vaccines in Maine."

Notwithstanding the strains of the significantly added workload through the pandemic, Maine CDC personnel were able to catch up on data postings and supply the needed background data so that MVB's auditors could, in turn, timely complete their annual audit. Accordingly, MVB now has returned to complete set of financial best practices with respect to timely audit completion and is please do incorporate the fiscal year in 6/30/2021 independent audit with this comprehensive annual report.

CONCLUSION

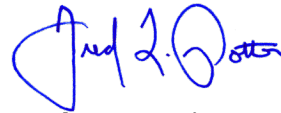
In conclusion, notwithstanding the implicit commendation of the independent Impact Analysis, MVB intends to continue to pursue avenues for improved program operations. The

Impact Analysis certainly validates our annual “thank yous” to Board members and their employers who have allowed time for this service to this state without charge, as well as the staff of the Maine CDC, the Maine State Treasurer’s Office, and the Office of Attorney General, all of whom have been supportive of this work.

MVB will continue to seek out avenues to increase the efficiency, equity, and effectiveness of the program for payers and providers. MVB is grateful for the support of its key constituents: payers, providers, and the Maine CDC.

Attached are Exhibits A, B, C, and D. 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 Fred L. Potter who serves the MVB as its servicing agent through a turnkey Executive Director and Administrative Services Agreement with KidsVax®, LLC. Fred is available to supply additional information and seek to answer any questions that may arise from this report.



Fred L. Potter | Managing Member



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Exhibit A
MVB FYE 06/30/2021 Cost Summary Analysis



Administering Programs
to Fund Vaccines

November 30, 2021

Maine Vaccine Board
P.O. Box 1885
Concord, NH 03302-1885

MBV Program Savings Calculation for FYE 6/30/2021 & FYE 6/30/2020

Dear Directors,

Below is our calculation of the savings that the program has created in the fiscal years ended June 30, 2021 and June 30, 2020.

	(A)	(B)
	<u>FY 6/2021</u>	<u>FY 6/2020</u>
A. CDC Survey Market Comparison costs: (Actual doses per brand x CDC market survey)	\$14,246,488	\$19,278,336
 B. MVB Program costs:		
Cost of vaccine replenishments	\$10,107,071	\$13,254,805
+ Operating Cost	185,283	279,885
+ Leakage & Bad Debt	-	-
+/- Incremental Reserve Adj.	-	-
	<hr/>	<hr/>
= Total Program Cost	<u>\$10,292,354</u>	<u>\$13,534,690</u>
 C. MVB Program Savings (A - B = C)	\$3,954,134	\$5,743,646
 D. Program Savings Percentage (C / A = D)	27.75%	29.79%
 E. Savings per child covered life per year (Covered lives: FY2021= 136,487; FY2020= 139,371)	\$28.97	\$41.21

Notes:

1. In any program like this it is not possible to calculate savings with 100% accuracy. There are a number of reasons for this including the fact that some providers may continue to bill for some private supply. Allocations are made in order to correct for timing of reimbursement transactions.
2. The market comparison used for each dose is an average of prices given in response to the survey conducted annually by the CDC. Information is not provided on volume or location purchased. This CDC survey just addresses vaccine costs. It does not include other costs such as management fees, financing costs or other overhead, which some providers properly include in billings. Neither does it include normal payer administration costs for individual claims administration.
3. We believe this is a fair representation of the cost savings for the vaccines themselves. Payments to providers for administration of vaccines, of course, are completely outside of this system.
4. KidsVax.org will continue to track this metric periodically to aid the MVB in monitoring its program effectiveness.

Sincerely,

Peter M. Smith
Financial & Internal Control Analyst



Exhibit B--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.



2020-2021

ME

VaxFactsSM

MVB | MAINE VACCINE BOARD

DEAR FRIENDS AND COLLEAGUES,

MVB continues its continuous record of significant cost savings (well in excess of 20%) for Maine residents this year. Given various pandemic strains, we remain particularly grateful to Maine providers and the Maine CDC for their implementation of vaccination programs which deploy the childhood vaccines financed by the MVB.

One of the most important outcomes of Maine's universal vaccine program 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.



*2019 National Immunization Survey Childhood Report, published Oct. 2020

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. Despite fewer non-COVID vaccine purchases over this year, the program still resulted in nearly \$4 million of savings.

The Maine Universal Access to Childhood Vaccines Program is a joint public and private effort that provides all Maine children birth through age 18 access to vaccinations. The MVB gathers the funding from health insurance carriers and third party administrators, and, in collaboration with the Maine CDC, aids in improving immunization rates while lowering the costs of health care. The universal childhood immunization purchasing program administered by DHHS in partnership with the MVB allows the state to purchase all of the Advisory Committee on Immunization Practices' (ACIP) recommended childhood vaccines at substantially discounted rates.

Additionally, we are grateful for the added work Maine CDC staff took on to enable MVB to bring current all reporting which had been set aside during the pandemic year and, additionally, to move back to careful forecasting detail to undergird our annual assessment setting work. As a result, we are able to continue to hold vaccine replenishing funding assessments meaningfully below the actual cost of vaccines purchased.

Accordingly, MVB continues its remarkable run at advancing immunization rates in the state while also significantly reducing vaccine costs. Our thanks go out to all who have aided this important work.

Peter Gore, Chair
Peter is Executive Vice President of the Maine State Chamber of Commerce. He serves on a volunteer basis as the Chair of the MVB.





BOARD OF DIRECTORS

Gary Connor, RN
Asclepius Research Services, Inc.

Deborah Deatruck, MPH (Ret.)
Public Health Representative

Peter Gore, Chair
Executive Vice President
Maine State Chamber of Commerce

Larry Losey, MD
Mid Coast Hospital
Maine Chapter,
American Academy of Pediatrics

Katherine Pelletreau, MPH
Executive Director
Maine Association of Health Plans

Forrest West, MD
HealthReach Community Health
Centers

Tonya Philbrick, BS
Senior Health Program Manager
Maine CDC

A Message from Tonya Philbrick Senior Health Program Manager, Maine CDC

I am grateful for the strong work of our ordering and provider support staff which enabled Maine to surpass President Biden's 70% immunization goal in advance of the July 1, 2021 target date. Nonetheless, unexpectedly for us (and for other public health officials around the nation), highly infectious COVID-19 variants have overtaken Maine's remarkable public health accomplishment so that infections and hospitalizations again are unacceptably high. We are hopeful that broadened immunization rollout across additional age cohorts, together with the universal availability of booster shots, will again dampen the spread.

We applaud providers who, supported by our team, absorbed the enormous increase in immunization workloads attendant to pandemic responses while also, this year, catching up on missed opportunities for other vaccinations which fell behind due to pandemic-deferred well-health checkups. Thank you.

I am also grateful for the numerous community partners who have expanded our vaccination capabilities. Already, we are benefiting from broadened immunization contact points afforded by these new partners. Clearly, Maine's expanded delivery capabilities will be helpful both to resume our past pre-pandemic work of steadily increasing immunization rates and to assuring greater healthcare equity over the years ahead. We applaud our staff and partners, each one, for working tirelessly and retaining Maine's commitment to community service through the much heavier workloads we have experienced over the last two years. We now look forward, with you, to improved health outcomes going forward.

Tonya Philbrick, BS
Senior Health Program Manager, Maine CDC

FINANCIALS

July 1, 2020 - June 30, 2021

Resources
\$13,162,914



■ 99.6% Assessments
■ 0.4% Interest

Expenditures
\$13,162,914



■ 76.8% Vaccine Purchases
■ 21.8% Reserve Increase
■ 1.2% Service Agent
■ 0.2% All Other



ADMINISTRATOR:



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Fred L. Potter
Managing Member

David B. Pelletier
CFO

Heather Veen
Executive Assistant

Matthew Miller
Client Services
Coordinator

Peter Smith, CPA
Financial Analyst

For complete financial reports see www.MEvaccine.org/audit/2021 and www.MEvaccine.org/savings/2021.

Exhibit C—Approved Audit Report of 06/30/2021

Maine Vaccine Board

FINANCIAL REPORT

June 30, 2021 and 2020

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June 30, 2021 and 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Maine Vaccine Board
Concord, New Hampshire

We have audited the accompanying financial statements of Maine Vaccine Board (the Board), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Maine Vaccine Board as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Waterville, Maine
October 25, 2021

MAINE VACCINE BOARD
STATEMENTS OF FINANCIAL POSITION

June 30,

ASSETS

	2021	2020
Assets		
Cash and cash equivalents	\$ 10,075,207	\$ 7,192,394
Assessments receivable	15,091	24,954
Accrued interest	4,118	-
	\$ 10,094,416	\$ 7,217,348
Total Assets	\$ 10,094,416	\$ 7,217,348

LIABILITIES and NET ASSETS

Current Liabilities		
Accounts payable	\$ 6,508	\$ -
Total Current Liabilities	6,508	-
Assessments Collected in Excess of Vaccine Funding and Administrative Activities	10,087,908	7,217,348
Total Liabilities	10,094,416	7,217,348
Net Assets	-	-
Total Liabilities and Net Assets	\$ 10,094,416	\$ 7,217,348

See independent auditor's report.
The accompanying notes are an integral part of these financial statements.

MAINE VACCINE BOARD
STATEMENTS OF ACTIVITIES
Years Ended June 30,

	2021	2020
Revenues		
Assessment revenue	\$ 13,114,387	\$ 9,059,398
Assessment interest	1,106	99
Investment income	47,421	155,293
Total Revenue	13,162,914	9,214,790
Program Expenses		
Vaccine replenishments	10,107,071	13,254,805
Administrative Expenses		
Servicing agent fees	152,021	149,536
Project management fees	17,235	14,092
Legal fees	-	102,805
Audit	8,800	6,200
Bank fees	7,227	7,252
Total Administrative Expenses	185,283	279,885
Total Expenses	10,292,354	13,534,690
Change in Net Assessments Collected	2,870,560	(4,319,900)
Vaccine Funding and Administrative Activities in Excess of Assessments Collected	(2,870,560)	4,319,900
Change in Net Assets	-	-
Net Assets at Beginning of Year	-	-
Net Assets at End of Year	\$ -	\$ -

See independent auditor's report.
The accompanying notes are an integral part of these financial statements.

MAINE VACCINE BOARD
STATEMENTS OF CASH FLOWS

Years Ended June 30,

	2021	2020
Cash flow from operating activities:		
Changes in net assets	\$ -	\$ -
Adjustments to reconcile changes in net assets to net cash flows from operating activities		
(Increase) decrease in assets:		
Assessments receivable	9,863	(24,954)
Accrued interest	(4,118)	-
Increase (decrease) in liabilities:		
Accounts payable	6,508	(19,090)
Deferred assessment revenue	-	(8,248)
Vaccine funding and administrative activities in excess of assessments collected	2,870,560	(4,319,900)
Net cash flows from operating activities	<u>2,882,813</u>	<u>(4,372,192)</u>
Net change in cash and cash equivalents	2,882,813	(4,372,192)
Cash and cash equivalents at beginning of period	<u>7,192,394</u>	<u>11,564,586</u>
Cash and cash equivalents at end of period	<u><u>\$ 10,075,207</u></u>	<u><u>\$ 7,192,394</u></u>

See accompanying independent auditor's report.
The accompanying notes are an integral part of these financial statements.

Maine Vaccine Board

NOTES to FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE 1 – PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

The Universal Childhood Immunization Program (Program) and the Maine Vaccine Board were established by the Maine State Legislature in 2010 (22 M.R.S.A § 1066) to provide all children from birth until 19 years of age in the State of Maine with access to a uniform set of vaccines as determined and periodically updated by the Maine Vaccine Board (Board). Through the Maine Center for Disease Control and Prevention's (CDC) Childhood Vaccine Program, the State of Maine purchases vaccines at favorable rates and distributes them to providers at no charge. Additionally, through a joint rule (Rule 95-695 Chapter 248) issued between the Department of Health and Human Services (DHHS) and the Maine Vaccine Board, the Board also determines the list of childhood vaccines available in the Maine Universal Childhood Immunization Program. The Board is comprised of 9 individuals including members of the medical profession, State of Maine employees, and insurance company employees.

The Childhood Immunization Fund (Fund) was established under the same legislation for the sole purpose of funding the Program, including the costs of vaccines provided under the Program to children and any costs the Board may incur for staff, a service agent, administrative support services, legal representation and contracted services. The Fund is administered by the Board or the service agent, which shall act as a fiduciary. The Fund is held in trust by the Treasurer of the State of Maine for the purpose of making payments under the provisions of the Program and is not available for general use of the State of Maine. The Treasurer of the State of Maine is the custodian of the Fund and may make disbursements only upon written direction from the Board or the service agent. No portion of the Fund may be used to subsidize any other State of Maine programs or budgets.

The servicing agent for most operations is KidsVax, LLC. Based in New Hampshire, KidsVax® was founded in 2002. It provides a range of administrative services for non-profit, governmental, and quasi-governmental organizations nationwide. The amounts paid to KidsVax® under the terms of the management agreement during the years ended June 30, 2021 and 2020 were \$152,021 and \$149,536, respectively.

Basis of Accounting Presentation

The Board's financial statements have been prepared on the accrual basis of accounting in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*.

Cash and Cash Equivalents

The Board considers all cash and highly liquid financial instruments with original maturities of three months or less to be cash and cash equivalents.

Assessment Credit Policy

Assessments receivable would include the running total of replenishment requests to date minus amounts collected to date through the end of the fiscal year, and is the amount that would be expected to be collected from assessed entities. There were no such receivables at June 30, 2021 and 2020. Assessments receivable would also include outstanding amounts due from assessed entities on quarterly assessment billings which amounted to \$15,091 and \$24,954 at June 30, 2021 and 2020, respectively.

Assessments are due quarterly, 45 days after the quarter ends. Interest is charged on late submission of assessments at a rate of .03 percent per day past due. Interest is added to the assessment if the submittal is made after the due date.

Maine Vaccine Board

NOTES to FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE 1 – PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Assessments Collected in Excess of Vaccine Funding and Administrative Activities

The Board has collected assessments in excess of amounts required to fund vaccines and associated administrative costs. The Board is a limited purpose entity and its primary purpose is to collect funds through mandatory assessments paid by assessed entities. Funds collected are dedicated solely to the specific purposes discussed above. Net assessments collected accumulate and will be used to reduce assessments in the succeeding Program year, for timely funding of future vaccine funding obligations of the Program, and for reasonable and necessary administrative costs of the Board.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of restrictions and the nature of those restrictions. The Board did not report any net assets at June 30, 2021 and 2020.

Revenue and Expense Recognition

The Board collects assessment revenue due from participating health plans, insurance companies and other payors. Each entity is required to pay the assessment based on the number of covered lives multiplied by the monthly assessment rate. Monthly assessment rates are determined by the provisions of the Program and are approved annually by the Board. The Board remits payments to the State of Maine to pay for vaccine costs each time a vaccine replenishment order for the Program is due and requested from the State of Maine.

Collection of assessment revenue and payments remitted to the State of Maine for vaccine replenishments are similar to agency transactions. Although these transactions are not considered revenue or expenses of the Board, they are included in the statement of activities to reflect gross amount of collections and replenishments. Other administrative expenditures of the Board are recognized when incurred.

Functional Expenses

The statements of activities present the natural classification detail of the Board's expenses. Vaccine replenishments are primarily related to program activities as outlined in 22 M.R.S.A § 1066. All other expenditures are considered administrative and the Board has determined that no allocation of administrative costs among program and supporting services was necessary for the years ended June 30, 2021 and 2020. As a result, the Board excluded a statement of functional expenses, as required by FASB Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*, and determined the exclusion did not materially affect the Board's financial statement presentation or impact the users of its financial statements.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require the Board to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Financial Instruments and Credit Risk

Cash balances are maintained at two financial institutions. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Balances in certain accounts may exceed FDIC insurance. The Board has not experienced any losses in such accounts and management believes it is not exposed to any significant risk.

The fair value of the Board's financial instruments approximates their carrying amounts, either because the expected collection or payment period is relatively short or because the terms are similar to market terms.

Maine Vaccine Board

NOTES to FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE 1 – PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Income Taxes

The Board was established by the Maine State Legislature in 2010 (22 M.R.S.A § 1066) and as such is exempt from federal and state income taxes.

Subsequent Events

Management has evaluated subsequent events through October 25, 2021, the date the financial statements were available to be issued and determined that any subsequent events that would require recognition or disclosure have been considered in the preparation of the financial statements.

NOTE 2 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure (vaccine replenishments and administrative costs), within one year of the statement of financial position date, comprise the following as of June 30:

	2021	2020
Cash and cash equivalents	\$10,075,207	\$7,192,394
Assessments receivable	15,091	24,954
Accrued interest	4,118	
	<u>\$10,094,416</u>	<u>\$7,217,348</u>

NOTE 3 – CASH AND CASH EQUIVALENTS

The State of Maine sponsors an internal investment pool called the State of Maine Treasurer’s Cash Pool (TCP). The Board invests monies that are not needed for immediate use in the TCP, in accordance with the requirements of the Childhood Immunization Fund (see Note 1). The TCP is primarily comprised of investment vehicles with short maturities (certificates of deposit, commercial paper, corporate bonds, U.S. treasury bills, repurchase agreements and federal agency notes) and the Board characterizes the investments with the TCP as low risk. The TCP is not rated by external rating agencies. The Board is able to make withdrawals from the TCP at par with little advance notice and without penalty. The Board considers this investment vehicle a money market instrument and carries the amounts in the pool at cost. Cash balances of \$10,020,022 and \$7,059,222 were pooled and invested in the TCP at June 30, 2021 and 2020, respectively.

Cash balances of \$55,185 and \$133,172 were kept in a bank lockbox at June 30, 2021 and 2020, respectively, before being transferred to the TCP.

Total cash and cash equivalents are as follows as of June 30:

	2021	2020
Cash held in State of Maine TCP	\$10,020,022	\$7,059,222
Cash lockbox account	55,185	133,172
	<u>\$10,075,207</u>	<u>\$7,192,394</u>

NOTE 4 – CONCENTRATIONS

The Board collected assessment revenues of approximately \$8,724,000 and \$6,031,000 from four payers for the years ended June 30, 2021 and 2020, respectively. These combined assessment revenues represent 67% of 2021 and 2020 gross revenues collected, respectively.

Maine Vaccine Board

NOTES to FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE 5 – TRICARE SETTLEMENT

In June 2018, the Board received a \$3,568,551 settlement from TRICARE, the 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 State of 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 State of 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.

The Board approved a \$100,000 contribution to Washington Vaccine Association (WVA) for administrative expenses WVA incurred in regards to the TRICARE settlement described above. The amount was paid in August 2019 and is included in legal fees in the 2020 statement of activities.

Exhibit D—BerryDunn Impact Analysis Report



**Impact Analysis
Maine Vaccine Board
Maine Universal Access to Childhood Vaccines**

September 22, 2020

Prepared for:

Maine Vaccine Board

Prepared by:

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NOTE: This Impact Analysis does not address vaccines for the Coronavirus disease 2019 (COVID–19). At the time of publication, these vaccines remain under development with none available for public use.

1.0 Executive Summary

1.1 Vaccination and Public Health

The importance of vaccination¹ and its role in public health is well documented in medical literature, and as a result, efforts have been made worldwide to help ensure all children receive vaccinations. At its peak in the 1940s and 1950s, polio killed or paralyzed more than a half-million people worldwide each year, especially children and young adults.² Although polio is extremely rare today because of polio vaccination, the disease paralyzed more than 15,000 people every year in the United States (U.S.) during the 1950s.³ Many other diseases—such as diphtheria, tetanus, pertussis, measles, and pneumococcal disease—also cause significant morbidity and mortality, but can be prevented through widespread use of vaccinations. For that reason, vaccinations have been heralded as the 20th century’s most cost-effective public health achievements.⁴ Vaccinations have eradicated small pox, controlled the rate of polio with the hope of eradication, and allowed the U.S. to maintain its measles elimination status of nearly 20 years despite some recently imported cases from other countries.^{5,6} Consequently, the U.S. and many other countries have adopted methods to make vaccines more universally available to children.

1.2 History of the Maine Vaccine Board (MVB) and the Maine Universal Childhood Immunization Program (MUCIP)

In 2009, Maine Public Law 595 authorized the universal purchase of vaccines for Maine children through the establishment of the Maine Vaccine Board (MVB), with the goal of expanding vaccination access for Maine children. Pursuant to Title 22 Maine Revised Statutes Annotated (MRSA) §1066, the MVB oversees the MUCIP and has established a mechanism for the State of Maine (“the State”) to purchase all childhood vaccines for children who are not eligible for the Vaccines For Children (VFC)ⁱ program and distribute them to providers free of charge. Working in conjunction with the Maine Centers for Disease Control (Maine CDC), the MVB is a public-private collaboration focused on improving access to vaccines for Maine children while lowering the cost of healthcare.

The MVB determines the list of childhood vaccines available in the MUCIPⁱⁱ and facilitates universal purchase of vaccines for Maine children by working with the Maine CDC to purchase vaccines at the lowest possible cost negotiated by the of the U.S. Department of Health and

ⁱ The VFC program is a federally funded program that provides vaccines at no cost to children who might not otherwise be vaccinated because of inability to pay. Funding for the VFC program is approved by the Office of Management and Budget and allocated through the CDC.

ⁱⁱ Pursuant to Rule 95-695 Chapter 248, the Maine Department of Health and Human Services (Department) and the MVB are required to determine a list of vaccines to be provided by the MUCIP. In determining the list, the MVB considers the following: the Advisory Committee on Immunization Practices recommended Immunization Schedules; the recommendations of the Department based on its review of the Advisory Committee recommendations; and the clinical and cost-benefit analysis relating to potential vaccines.

Human Services, Centers for Disease Control and Prevention (CDC),ⁱⁱⁱ Through the collection of assessments from health plans and insurers and remitting the funds to the State for purchase of vaccines, the MVB makes it possible for:

- Physicians, clinics, and hospitals to receive State-supplied vaccines at no charge
- All Maine children who are not eligible for the VFC program to have access to critical vaccines at no charge
- All payers to participate in one system for purchasing and distributing childhood vaccines

Prior to 2009, Maine administered a program that provided a number of vaccines through a combination of federal and state funds and voluntary contributions from health insurers.⁷ Although this program improved childhood access to some vaccinations, its structure and funding was not sufficient to provide universal access to vaccines at no cost for children through 18 years of age. The MUCIP, with the MVB's oversight, was created to fully achieve these goals.^{iv}

1.3 Universal Access and Cost Savings

Providing universal access to vaccines for children required the MVB to create and maintain a sustainable and predictable financing system, used to fund the State's purchase of childhood vaccines, and distribute the vaccines to providers at no charge. A key goal of Maine's vaccine purchasing program is to reduce the administrative and financial burdens on providers who offer vaccination services.⁸ Healthcare providers surveyed for this study overwhelmingly commented on the ease of providing vaccinations to their patients because of the MUCIP. Universal access vaccination programs not only result in increased availability of vaccines to all children to prevent illness, but these programs also result in significant cost savings. It is estimated that for children born in the U.S. during 1994 – 2013, when coverage was near or above 90%, vaccinations will prevent an estimated 322 million illnesses, 21 million hospitalizations, and 732,000 deaths over the course of their lifetimes, at a net savings of \$295 billion in direct costs and \$1.38 trillion in total societal costs.⁹

The MUCIP purchases vaccines from the CDC at a cost per dose that is less than private (commercial insurance carrier) payer rates. In order to measure savings, BerryDunn compared the cost of the vaccines purchased by the MUCIP from the CDC—plus the MUCIP administrative costs—to vaccine costs based on a national survey of private payers and a local survey of Maine private payers. From April 2016 through March 2020, annual savings ranged

ⁱⁱⁱ "CDC" refers to the U.S. Centers for Disease Control and Prevention. "Maine CDC" refers to Maine Center for Disease Control & Prevention.

^{iv} Maine Public Law 595 authorizes the universal purchase of vaccines for the children of Maine through the established Maine Vaccine Board covering all privately insured Maine children. Funding from the federal VFC program is supplemented with both federal 317 funds and assessments on Maine private insurance companies. Section 317 of the Public Health Service Act authorized the federal purchase of vaccines to vaccinate children, adolescents, and adults. Section 317 discretionary funding also supports immunization program operations at the local, state, and national levels.

between 20% and 30%, averaging approximately \$4 million per year over the four-year study period. These savings accrue to the payers which lowers rates for purchasers of health insurance.

1.4 MVB Program Efficacy

The MUCIP provides all children from birth through 18 years of age in the State with access to a uniform set of vaccines as determined annually by the MVB, utilizing recommendations from the CDC Advisory Committee on Immunization Practices (ACIP). Funding for the MUCIP comes from the VFC program and an assessment on health plans, insurers, and third-party administrators (TPAs)^v, which allow Maine to be a universal state and provide vaccines at no cost for all Maine children, birth through 18 years of age.¹⁰ The vaccines currently offered through the program are identified in Appendix A. The MUCIP is administered by the Maine CDC, an office of the Maine Department of Health and Human Services in order to expand access to vaccinations against diseases as recommended by the ACIP. Title 22 MRSA §1066 stipulates that the MUCIP, in partnership with the MVB, should optimize public and private resources to lower the cost of providing vaccinations to children. This report summarizes key findings from stakeholder surveys and literature reviews and provides a cost analysis. It also notes challenges presented by vaccine policy and fluctuating exemption rates.

2.0 Background

The importance of vaccinating children against disease is widely recognized. Not only does vaccination reduce the burden of infectious disease, it also leads to increased life expectancy—only clean water performs better.¹¹ Vaccinations protect both individuals and the larger population, especially those who are immunocompromised.¹² Vaccinations also have significant economic benefits because they prevent disease and strengthen overall immunity. Improved health through vaccination leads to longer working lives, higher productivity, improved educational outcomes, greater social inclusion, and reduced healthcare costs.¹³ Vaccination is one of the most beneficial and cost-effective disease prevention measures.¹⁴

Prior to inception of the MUCIP, the State provided a select few vaccines^{vi} (i.e., DTaP, MMR, Polio, and the first dose of Varicella) through the Maine Immunization Program (MIP). The MIP was considered a “Universal Select” program, meaning it provided a limited number of vaccines, and as such, lacked all the ACIP-recommended vaccines. In addition, the MIP was difficult to implement for provider offices because they had to maintain separate stock and tracking mechanisms for VFC and non-VFC children.¹⁵

With the creation of the MUCIP in 2009, all Maine children from birth through 18 years of age have access to a uniform set of vaccines determined by the MVB, including vaccinations for all

^v Pursuant to 22 MRSA §1066, an “assessed entity” means a health insurance carrier licensed under Title 24-A or a third-party administrator registered under Title 24-A.

^{vi} DTaP (Diphtheria, Tetanus, Pertussis); MMR (Measles, Mumps, and Rubella).

of the targeted illnesses recommended by the ACIP.^{vii} The MVB consists of a nine-member volunteer board representing the State, health insurance carriers, providers, self-insured employers, and the pharmaceutical industry. The MVB also determines the annual assessment to payers.

The MVB engaged BerryDunn to provide an impact analysis of the MVB and its funding of the MUCIP. This report reflects an assessment of the MUCIP's impact since its inception, and identifies opportunities for improvement. To conduct this assessment, BerryDunn:

- Solicited stakeholder input by surveying insurance carriers, pharmaceutical representatives, healthcare providers, a public health representative, and a representative from the State of Maine
- Reviewed the Maine statutes and other relevant information about the MUCIP
- Conducted a literature review and national scan of other universal child vaccination programs
- Collected and analyzed the data provided

The report proceeds as follows: Section 3.0 reviews the cost savings over time, and Section 4.0 reviews program efficacy.

3.0 Cost Savings Over Time

Providing universal access to vaccines for children required the MVB to create and maintain a sustainable and predictable financing system, then partner with the State to establish mechanisms for the State to purchase childhood vaccines and distribute them to providers at no charge. Universal access vaccination programs not only result in the availability of vaccines to all children to prevent disease, but they also provide to significant cost savings.

3.1 Payer

Each year, the MUCIP staff estimate the number of vaccine dosages needed for the coming year. Estimations take into account vaccine trends, administered vaccines for the current year, and the latest ACIP recommendations. Vaccines are then purchased from the CDC at a cost per dose that is lower than private payer rates. In order to measure savings, BerryDunn compared the cost of the vaccines purchased by the MUCIP from the CDC to the cost that would have been incurred by private payers. It is important to note that the MUCIP provides vaccines free of charge to providers. Providers also charge a fee to administer the vaccines which is not

^{vii} Pursuant to Rule 95-695 Chapter 248, the Maine Department of Health and Human Services (Department) and the MVB are required to determine a list of vaccines to be provided by the MUCIP. In determining the list, the MVB considers the following: the Advisory Committee on Immunization Practices recommended Immunization Schedules; the recommendations of the Department based on its review of the Advisory Committee recommendations; and the clinical and cost-benefit analysis relating to potential vaccines.

included, and is covered by payers. This cost savings analysis focused only on the cost of vaccines. In order to determine cost savings, BerryDunn took the following steps.

Step One: Comparison of the MUCIP costs to the CDC private survey costs

BerryDunn compared the MUCIP cost to the cost of vaccines based on an annual CDC survey of private payers. The national survey provides average private-payer-per-dose cost for each vaccine brand. The survey does not include information on volume or location, nor does it include vaccination administration fees or payer administration cost.

Every April 1, the CDC increases its cost per dose for childhood vaccines. The increases are due to increased costs from the vaccine manufacturers. Therefore, BerryDunn reviewed four recent CDC fiscal years to observe cost savings. For each of the four fiscal years, BerryDunn compared the MUCIP cost to vaccine cost based on the private payer survey. The cost-per-dose amounts from the private payer survey for each vaccine brand were multiplied by the annual number of doses and summed to determine an annual cost. The MUCIP costs were calculated using the CDC cost-per-dose rates, which were multiplied by the number of vaccines and summed. The MUCIP operational costs were added to the vaccine cost to calculate a total MUCIP cost. The operational costs increased over time due to increases in banking and legal fees as well as increases in the servicing agent’s administrative fees. The differences between the survey-based private payer vaccine cost and the total MUCIP cost are the MUCIP payer savings, which are shown in Table 1.

Table 1: MUCIP Savings Based on CDC National Survey

Federal Fiscal Year	April 2019 – March 2020	April 2018 – March 2019	April 2017 – March 2018	April 2016 – March 2017
Number of Doses	234,838	205,451	215,323	216,528
Private Vaccine Cost	\$17,392,853	\$15,277,481	\$16,126,125	\$16,509,740
MUCIP Vaccine Cost	\$13,627,265	\$11,324,363	\$11,991,752	\$11,752,335
MUCIP Operational Cost	\$202,872	\$189,790	\$152,594	\$157,626
Total MUCIP Cost	\$13,830,137	\$11,514,153	\$12,144,346	\$11,909,961
Savings	\$3,562,716	\$3,763,329	\$3,981,780	\$4,599,779
% Savings	20.5%	24.6%	24.7%	27.9%

Step 2: Comparison of the MUCIP vaccine costs to Maine private payer survey vaccine costs

BerryDunn compared the MUCIP cost to the cost of vaccines based on a survey of private payers in Maine. Using the number of covered lives (children) in the MUCIP, BerryDunn surveyed the six largest private payers in Maine. These payers represent approximately 85% of the children in the MUCIP. Four carriers responded to the survey, representing between 63% and 71% of the non VFC eligible children participating in the MUCIP. This variation is caused by

changes in the number of groups and members that purchased health insurance and were enrolled with the payers participating in the survey.

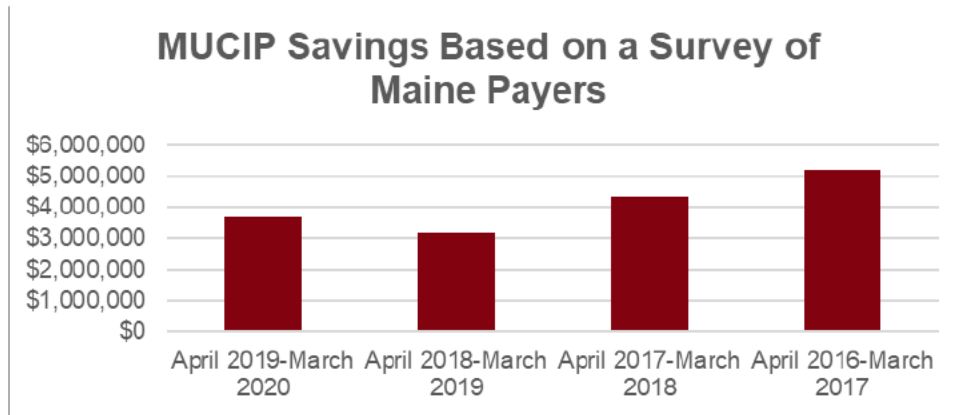
BerryDunn collected cost-per-dose data for each vaccine included in the MUCIP. For each vaccine, a weighted average cost-per-dose was developed by using the number of children for each payer. The cost-per-dose amounts for each vaccine were multiplied by the annual number of doses and summed to determine an annual cost based on the Maine private payer payment rates. The MUCIP costs were calculated using the CDC cost-per-dose rates, which were multiplied by the number of vaccines and summed. The MUCIP operational costs were added to the vaccine cost to calculate a total MUCIP cost. The differences between the private payer cost and the total MUCIP cost are the savings.

The Maine survey data collected has limitations. Because most vaccines are covered by the MUCIP, data sets collected by the Maine private payers were small, and the provider mix by private payer varied significantly from month to month. Because cost-per-dose rates vary by provider, the cost data collected is volatile from month to month as well. Unlike the CDC prices that gradually increase over time, the Maine private payer data collected had multiple periods of increasing and decreasing costs during the study period. Because of this limitation, BerryDunn developed an average cost-per-dose from the four-year study period for each vaccine brand. The long-term average Maine private payer vaccine costs reported in the survey were close to the national private payer survey vaccine costs, so BerryDunn used the long-term average to develop the estimated savings. Results are shown in Table 2. Annual savings amounts are shown graphically in Figure 1.

Table 2: MUCIP Savings Based on a Survey of Maine Payers

Federal Fiscal Year	April 2019 - March 2020	April 2018 - March 2019	April 2017 - March 2018	April 2016 - March 2017
Number of Doses	234,838	205,451	215,323	216,528
Private Vaccine Cost	\$17,502,480	\$14,705,611	\$16,491,465	\$17,119,764
MUCIP Vaccine Cost	\$13,627,265	\$11,324,363	\$11,991,752	\$11,752,335
Operation Cost	\$202,872	\$189,790	\$152,594	\$157,626
Total MUCIP Cost	\$13,830,137	\$11,514,153	\$12,144,346	\$11,909,961
Savings	\$3,672,343	\$3,191,459	\$4,347,120	\$5,209,803
% Savings	21.0%	21.7%	26.4%	30.4%

Figure 1: MUCIP Savings Based on a Survey of Maine Payers



Due to data limitations, it is not possible to calculate exact savings, but the data strongly suggest that the MUCIP generates significant savings to immunize the children covered by private payers in Maine. Annual savings ranged between 21% and 30%, and annual savings averaged approximately \$4 million over the four-year study period. These savings accrue to the payers which lowers rates for purchasers of health insurance. The MUCIP annual costs increased each year with the exception of the fiscal year ending in March 2019. The reduction was due to a significant drop in the number of doses (because of an increase in combination vaccines), in addition to the annual cost from the private payer surveys being lower in that fiscal year. In the fiscal year ending March 2018, there was a slight reduction in the number of doses. The increase in the cost per dose from the private payer surveys was small, and combined with the reduction in doses, there was a reduction in the private payer annual cost in that fiscal year.

3.2 Providers

Results from a survey administered by BerryDunn to Maine providers indicated that providers have reduced costs and improved efficiency as the result of the MUCIP.¹⁶ Prior to the MUCIP, providers were required to order and keep two vaccine supplies: one for children eligible for VFC^{viii} and one for commercially insured children. Under the MUCIP, vaccines for commercially insured children are purchased by the Maine CDC, along with the VFC vaccines. Because of a single supply, providers have experienced time efficiencies, including reduced time in ordering vaccines, managing the stock of vaccines, correcting errors arising from administering a vaccine from the wrong supply, and easier logging of the correct manufacturer lot number. Under the current system, regardless of insurance status, every Maine child qualifies for a vaccination. In a study of pediatric practices in Colorado—a state that does not have a universal access

^{viii} The Vaccines for Children (VFC) program is a federally funded program that provides vaccines at no cost to children who might not otherwise be vaccinated because of inability to pay. The CDC buys vaccines at a discount and distributes them to state health departments, which in turn distribute them at no charge to private physicians' offices and public health clinics registered as VFC providers. Children who are eligible* for VFC vaccines are entitled to receive those vaccines recommended by the ACIP.

program—virtually all practices used some type of “just-in-time” inventory method^{ix}, taking advantage of manufacturers’ special pricing and ordering vaccines based on patients’ needs in the near term.¹⁷ However, such a “just-in-time” system carries a heavy administrative burden.

In response to the survey administered by BerryDunn, one provider commented that the streamlined process for insurance eligibility screening saves a significant amount of administrative time. In addition, the MUCIP eliminated the cost of potentially giving privately purchased vaccines to VFC-eligible children. Prior to the MUCIP, there would have been no reimbursement for that cost, and one provider estimated it could easily be as much as 1% of total vaccine doses.

Consolidation of vaccines to one supply reduces both administrative and storage costs. Before having a single source of vaccines, providers were required to store vaccines acquired from the State for VFC-eligible children separately from those used for children with private insurance. Depending on the size needed, an acceptable vaccine refrigerator costs between \$1,000 and \$3,000. There are also decreased costs tied to vaccine supply by reducing vaccine wastage and eliminating the costs associated with vaccines purchased, but not paid for, by insurer or patient. The ability to combine the storage of vaccines also reduced the administrative burden on practices to account for vaccines coming from two different sources.

While providers were not able to quantify savings in dollars, the survey results strongly indicated that providers have experienced cost savings and increased efficiency as a result of the MUCIP. These benefits have been realized by having a single vaccine source, decreased administrative time related to insurance and vaccine stocking and storage, and decreased vaccine wastage. The majority of the providers surveyed reported positive experience with the MUCIP program.

4.0 MVB Program Efficacy

The MVB facilitates universal purchase of vaccines by collecting payments from health plans, insurers, and other payers, and then remitting the funds to the State.¹⁸ Through the MVB:

- Providers can receive State-supplied vaccines at no charge.
- Children have improved access to vaccines.
- All payers participate in an efficient, cost-effective system for purchasing and distributing childhood vaccines.

Beyond ensuring a single standard of vaccination care for all children, universal purchase provides benefits to a number of constituencies:

^{ix} Just-in-time (JIT) is a common inventory management technique and type of lean methodology designed to increase efficiency, cut costs, and decrease waste by receiving goods only as they are needed.

Table 3: Benefits of Universal Access Vaccination Programs¹⁹

Families	Providers	Public Health	Payers
Removes cost barrier from vaccination decisions	Supplies vaccines at no charge	Reduces risk of certain communicable diseases	Offers vaccines at favorable rates
Protects children against vaccine-preventable diseases	Eliminates significant cash expenditure required for private purchase	Streamlines vaccine management and quality assurance	Reduces claims for diseases that could have been prevented
Enables children to be vaccinated by their own pediatrician or healthcare provider	Avoids separate storage of privately purchased and federally funded vaccines	Helps ensure access to vaccines in children's medical homes	Preserves an efficient purchase and distribution system
Lowers healthcare costs due to illness prevention	Reduces administrative burdens	Reduces illness burden	Lowers healthcare cost due to illness prevention

4.1 Program Administration

The MUCIP is administered by the Maine CDC with support from the MVB. As set forth in the MUCIP vision and mission, the MUCIP "...strives to ensure full protection of all Maine children and adults from vaccine-preventable disease."²⁰ Providers surveyed for this study commented on the ease of acquiring vaccines from the MUCIP. All respondents to the survey agreed with the approach taken by the MVB to choose vaccines every year. A few respondents suggested that Tetanus-Diphtheria (Td) be added to the approved vaccine list because it would help address the needs of under-vaccinated children. After the survey used in this study was released, the MVB voted at the July 11, 2019, directors meeting to add Td to the approved list of vaccines.²¹

4.2 Impact on Providers

Through the MVB, providers in Maine have a single source for their vaccine supply. Prior to the creation of the MVB, program healthcare providers received vaccines from multiple sources, creating an administrative burden. The MVB, and its establishment of a universal access program, have greatly simplified the acquisition of vaccines for providers. The MUCIP is a voluntary program, and according to the State's response to BerryDunn's survey conducted for this study, there are few non-participating providers. Providers who responded to a similar survey unanimously commented favorably regarding the administrative simplicity of the current program, as noted in Section 3.0. Providers reported that the MVB has improved vaccine availability, and several providers believe some parents would forgo vaccination without readily available, no-cost vaccines.

4.3 Opportunities for Improvement

Based on responses received from all stakeholder groups, BerryDunn received few recommendations for improvement. Suggestions included greater promotion and education regarding the MVB and the MUCIP—such as what they do, and why they are important—and an explanation of the program’s public health benefits.

One respondent suggested an extension of the program to adults. Except for a limited supply for high-risk adults, Maine does not offer adult vaccines. Some states, such as Rhode Island and Vermont, include adults in their universal vaccine programs.

Some respondents expressed the need to address coverage for cross-border children. New Hampshire is also a universal state, and its providers vaccinate any child, regardless of their state of residency. However, according to Maine law, only Maine residents are covered by the MUCIP.

The MVB is working with the New Hampshire Vaccine Association to execute a memorandum of understanding to address these cross-border issues. In addition to these efforts, based on the other responses received, the MVB might want to explore potential future program modifications.

4.4 Current Challenges Facing the MVB

Although the MVB has created an efficient and effective mechanism to help ensure Maine children are vaccinated, the MVB cannot impact parental decisions to opt out of vaccinations for their children. According to federal guidelines, vaccine exemptions should be rare. For example, these exemptions are generally reserved only for children who are allergic to the components of a vaccine and for children who are immunocompromised. However, at the time this report was written, 45 states and Washington D.C. allow parents to opt out of vaccinations for their children because of religious reasons, and 15 states allow philosophical exemptions based on personal, moral, and other beliefs.²²

Despite these guidelines and the evidence that vaccines are one of the most important measures of preventative medicine, there have been recent trends among some parents who hesitate to vaccinate their children due to a number of reasons.^{23,24}

The MVB was created to work in partnership with the Maine CDC in the creation of the MUCIP and to provide access to vaccines, with no direct expectation that the program would increase vaccination rates. Although vaccination rates should not be used as a measure of the MVB’s success, a response to the survey performed by BerryDunn from the pharmaceutical industry expressed a concern that universal purchase programs have not demonstrated an increase in vaccination rates with the use of assessments for vaccine purchasing.

Vaccination requirements are set forth in the Maine rules adopted pursuant to 20-A MRSA §6359, requiring students to be immunized.^x School vaccination requirements ensure that children who are behind in childhood vaccinations are to be vaccinated before school entry, and the school vaccination assessments allow the MIP to identify schools and communities where focused action could improve vaccination coverage to help ensure that more children can benefit from the protection offered by vaccines.²⁵

The MVB has been successful in ensuring access. However, allowing broad categories for vaccination exemptions has been demonstrated to adversely impact vaccination rates. Prior to the passage of Public Law, Ch. 154 (introduced as LD 798), which limits vaccination exemptions, Maine allowed medical, religious, and philosophical exemptions to vaccination.²⁶ This new law will not take effect until September 1, 2021. Until then, the broad exemptions for Maine children remain in effect.²⁷ These broad exemptions are likely the cause of Maine's rate of pertussis being eight times the national average in 2018.²⁸ In California, where a law was passed that bars parents from citing personal or religious beliefs to exempt their children from vaccinations, the percentage of vaccinated kindergarteners rose two years after the law's enactment, from 92.9% in the 2015 – 2017 school year to 95.1% in the 2017 – 2018 school year.²⁹ The 2018 – 2019 MIP school exemption rates for kindergarten are set forth in Appendix B.

5.0 Conclusion

Through the purchase of vaccines from the CDC at the most favorable rates, the MUCIP generates significant savings to immunize children covered by private payers in Maine. Annual savings range between 20% and 30%, and savings average approximately \$4 million per year. While the MUCIP was not designed to directly impact vaccination rates, it has improved vaccination access and efficiency, and has reduced costs for providers. By having a single supply, providers spend less time ordering vaccines, managing stock, and correcting errors resulting from administering vaccine from the wrong supply. In addition, the streamlined process for insurance eligibility screening saves a significant amount of administrative time for providers, eliminating potential delays in vaccinating children. Provider practices no longer need a second vaccine refrigerator, saving space and between \$1,000 and \$3,000 per refrigerator. Providers also reported savings due to a reduction in vaccine wastage.

It is also important to note that, although the Affordable Care Act (ACA) requires health plans and insurance policies to provide coverage without cost-sharing for certain preventive services, certain provisions in the ACA allow for up to a one-year delay for coverage of newly recommended vaccines by the ACIP.³⁰ The MVB prevents these potential delays in coverage by ensuring that all children who are not VFC eligible receive vaccines at no cost.

^x Department of Education, Chapter 126: Immunization Requirements for School Children and Department of Health and Humans Services, Chapter 261: Immunization Requirements for School Children.

According to the CDC, the “successful delivery of vaccines to children of all income levels relies on participation of public and private health-care providers, insurance companies, state and federal public health officials, vaccine manufacturers, and parents.”³¹ The evidence and data gathered during the course of this study supports that, a decade after its legislative enactment, the MVB has created an efficient and effective mechanism for children to receive, and practitioners to provide, vaccines in Maine.

Appendix A: MVP-Approved Vaccine List

1. DTaP Vaccines (Diphtheria, Tetanus, acellular Pertussis)

- a. Daptacel[®] (Sanofi Pasteur)
- b. Infanrix[®] (GSK)

2. Hepatitis A Vaccines

- a. Vaqta[®] (Merck)
- b. Havrix[®] (GSK)

3. Hepatitis B Vaccines

- a. Engerix B[®] (GSK)
- b. Recombivax[®] (Merck)

4. Polio Vaccine

- a. IPOL[®] (Sanofi Pasteur)

5. Hib Vaccines (Haemophilus influenzae type b)

- a. ActHIB[®] (Sanofi Pasteur)
- b. Pedvax HIB[®] (Merck)
- c. Hiberix[®] (GSK)

6. HPV Vaccines (Human Papillomavirus)

- a. Gardasil-9[®] (Merck)

7. Pneumococcal Vaccines

- a. Prevnar 13[®] (Wyeth)
- b. Pneumovax 23[®] (Merck)

8. Meningococcal Conjugate Vaccines

- a. Menactra[®] (Sanofi Pasteur)
- b. Menveo[®] (Novartis)

9. Meningococcal Group B

- a. Bexero[®] (GlaxoSmithKline)
- b. Trumenba[®] (Pfizer)

10. Measles, Mumps and Rubella Vaccine

a. MMRII[®] (Merck)

11. Rotavirus Vaccines

a. Rotarix[®] (GSK)

b. RotaTeq[®] (Merck)

12. Tdap Vaccines (Tetanus Toxoid, Reduced Diphtheria Toxoid and acellular Pertussis – adolescent formulation)

a. Boostrix[®] (GSK)

b. Adacel[®] (Sanofi Pasteur)

13. Td Vaccine (Tetanus and Diphtheria Toxoid)

a. Tenivac[®] (Sanofi Pasteur), single dose syringe presentation

b. Tenivac[®] (Sanofi Pasteur), single dose vial presentation

14. Varicella Vaccine

a. Varivax[®] (Merck)

15. Combination Vaccines

a. Kinrix[®] (GSK)

b. Pediarix[®] (GSK)

c. Pentacel[®] (Sanofi Pasteur)

d. ProQuad[®] (Merck)

e. Quadracel[®] (Sanofi Pasteur)

16. Influenza Vaccines

a. At least one preservative free, single dose injectable presentation

b. FluMist[®] (AstraZeneca), nasal presentation

Reviewed: 07-11-2019, effective until next review by MVB.

Appendix B: 2018 – 2019 MIP School Exemption and Immunization Rates, Kindergarten

2018 – 2019 School Exemption and Immunization Rates By Individual Vaccine, Kindergarten ³²							
Vaccine	Number of Students Surveyed	Number of Missing Records	Missing Records Rates	Total Exemptions (Medical, Religious, & Philosophical)	Total Exemption Rates	Total Students Immune by Vaccine/Disease	Total Vaccination Rates
DTaP	12875	88	0.7%	616	4.8%	12171	94.5%
MMR	12875	124	1.0%	674	5.2%	12077	93.8%
Polio	12875	83	0.6%	623	4.8%	12169	94.5%
Varicella	12875	37	0.3%	493	3.8%	12345	95.9%

Endnotes

- ¹ The CDC defines vaccination as the act of introducing a vaccine into the body to produce immunity to a specific disease and immunization as a process by which a person becomes protected against a disease through vaccination. “Immunization” is often used interchangeably with vaccination or inoculation.
- ² Ending Polio’s Reign of Terror. University of Pittsburgh. Kumerfield C. Remembering the polio epidemic of the 1950’s: Part 1. Published August 21, 2017. Accessed 4 August 2020: <https://www.225.pitt.edu/story/ending-polio%27s-reign-terror>.
- ³ Your Child’s First Vaccines. Vaccine Information Statements. CDC. Published November 15, 2015. Accessed 8 October 2019: <https://www.cdc.gov/vaccines/hcp/vis/vis-statements/multi.html#know>.
- ⁴ Immunization policy issues overview. National Conference of State Legislatures. Published May 22, 2019. Accessed 30 September 2019: <http://www.ncsl.org/research/health/immunizations-policy-issues-overview.aspx>.
- ⁵ Pickering LK, Baker CJ, Freed SA, et al. Immunization programs for infants, children, adolescents, and adults: clinical practice guidelines by the Infectious Diseases Society of America. IDSA Immunizations Guidelines. *Clinical Infectious Diseases* 2009;49 (15 September) Accessed 30 September 2019: <https://academic.oup.com/cid/article/49/6/817/333393>.
- ⁶ U.S. Department of Health & Human Services. CDC. Measles Elimination. Accessed 4 August 2020: <https://www.cdc.gov/measles/elimination.html>.
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- ¹⁰ Maine Immunization Program Policy and Procedure Provider Manual 2019. Accessed 2 October 2019: <https://www.maine.gov/dhhs/mecdc/infectious-disease/immunization/documents/MIP-Policies-and-Procedures.pdf>.
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- ¹² *Op.cit.* Immunization policy issues overview. National Conference of State Legislatures.
- ¹³ Rémy V, LARGERON N, Quilici S, Carroll S. The economic value of vaccination: why prevention is wealth. *J Mark Access Health Policy*. 2015;3:10.3402/jmahp.v3.29284. Published 2015 Aug 12. Accessed 4 August 2020: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4802701/>.
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- ¹⁵ The Universal Childhood Immunization Program: Implementing Public Law 2009-595 in Maine. Accessed 2 October: <https://www.maine.gov/dhhs/mecdc/infectious-disease/immunization/providers/presentations/Universal-Childhood-Immunization-Program-Becomes-Law-in-Maine.pdf>.
- ¹⁶ BerryDunn surveyed 10 Maine providers, and eight responded. In order to get a statewide representative sample of providers, we surveyed a variety of practice sizes addressing geographic distribution as well as including both pediatric and family practice providers.
- ¹⁷ Glazner JE, Beaty B and Berman S. Cost of Vaccine Administration Among Pediatric Patients. *Pediatrics* December 2009, Volume 124/Issue Supplement 5. Accessed 2 October 2019: https://pediatrics.aappublications.org/content/124/Supplement_5/S492.full.
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- ²¹ Maine Vaccine Board, 2019 Calendar, July 11 MVB Directors Meeting, Minutes, <https://www.mevaccine.org/mevaccine.nsf/WebEvents/F86EE2F7CD56EAE88525838D00595FB7>.
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- ²⁸ Lawlor J. Worst-in-nation puts attention on vaccines. *Maine Sunday Telegram* March 24, 2019. Accessed 30 September 2019: <https://www.pressherald.com/2019/03/24/worst-in-nation-status-for-pertussis-rates-focuses-attention-on-vaccines/>.
- ²⁹ *Op. cit.* Measles cases are on the rise.
- ³⁰ *Op. cit.* Immunization policy issues overview.

³¹ *Op. cit.* Whitney CG, Zhou F, Singleton J, Schuchat A. Benefits from Immunization During the Vaccines for Children Program Era – United States, 1994-2013. 25 April 2014 / 63(16); 352-355 Centers for Disease Control and Prevention.

³² *Op. cit.* 2018-2019 Maine School Immunization Assessment report.