

MAINE STATE LEGISLATURE

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STATE OF MAINE

**Twelfth Report
of the
MAINE VACCINE BOARD**

for the
State Fiscal Year ended June 30, 2022

December 2022

**Peter Gore, Chair
Deborah Deatruck, MPH
Larry Losey, MD
Katherine Pelletreau, MPH
Forrest West, MD
Gary Connor, RN
(*ex officio*) Jessica Shiminski**

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EXECUTIVE SUMMARY

This is the twelfth 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 2021-22 fiscal year saw the MVB continuing to advance in organizational maturity and improved operational efficiency. The MVB has now completed eleven 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 clinicians for orders. The Maine CDC made two recommendations to the MVB this calendar year as the FDA approved a newer formulation to expand the coverage offered by the pre-existing pneumococcal vaccine (Pneumovax-13) that is a routinely recommended multi-dose childhood vaccine. The CDC began offering Merck's Vaxneuvance vaccine, a 15-valent pneumococcal vaccine, for children through its Vaccines for Children (VFC) program. After review by the Maine Vaccine Board, Vaxneuvance has been added to the Maine Immunization Program's formulary. Likewise, the FDA approved for use only the second MMR (measles-mumps-rubella) vaccine in the United States since the 1971 licensing of Merck's MMR II vaccine. Priorix, manufactured by GSK has been added to the Maine Immunization Program's formulary as well after review by the Maine Vaccine Board. The addition of these vaccines will offer additional choices to Maine's medical community while having minimal impact on the Maine Vaccine Board's finances and requires no change to the yearly assessment rate.

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 significantly than in other states. It appears that some catch-up vaccination is occurring after missed appointments and immunization rates are rebounding to pre-pandemic levels. The contributions of the pharmaceutical industry, healthcare payers and the business community, directly and through MVB, should also be noted as significant. While supporting 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, 2021 - June 30, 2022:

Fiscal Year 7/1/2021 - 6/30/2022	
Total Number of Payers (4-qtr average)	97
Total Assessments Raised	\$13,595,892.00
Average Monthly Child Covered Lives	135,947
Number of Meetings	4

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 10-25-2021, 12-07-2021,

01-10-2022, 5-19-2022. 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 served as the interim designee for the Commissioner of the Department of Health and Human Services since the beginning of 2018, until stepping down from her position as Director of the Maine Immunization Program in March 2022. Jessica Shiminski, the new Immunization Program Director, has assumed this role. 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

On January 1, 2012, the State of Maine became a universal vaccine purchasing state and purchased vaccines for all children (including non-VFC eligible ones) in the State of Maine at the same favorable federal CDC contract rates negotiated with vaccine manufacturers for the VFC program.

MVB has adopted twelve 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 September 20, 2022, MVB voted to set the calendar year 2023 assessment rate at \$7.82 per child covered life month commencing with assessment payments due on May 15, 2023. While appreciably lower than the previous year's rate of \$9.45, MVB had the foresight to cautiously maintain a moderate cash reserve to serve as a cushion for any escalating costs that may result from a change in the upcoming year's funding of COVID vaccines. Although it appears increasing likely that states will be responsible for having to purchase these vaccines for their residents beginning in early 2023, Maine is uniquely positioned by having funds at the ready to seamlessly continue offering all recommended immunizations, including COVID vaccines, to its infant, pediatric, and adolescent populations. Ongoing analysis demonstrates that MVB continues to yield substantial cost savings for payers.

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
2022	\$9.45
2023	\$7.82

*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.

More specifically, Maine's immunization funding program epitomizes sustainability and cost-effectiveness. This year's resultant analysis confirms that there continues to be substantial health care cost savings from MVB's work and the State's universal vaccine program. By saving approximately 20 percent on the purchase price of childhood vaccines, MVB realized nearly \$3.5 million in measurable health care cost savings in Maine last year. While the specific amount varies slightly from year to year based on the number of vaccines purchased, the actual number vaccines administered, and the price of vaccines established by the Federal CDC's Vaccines for Children Program, the MVB's operations consistently generate considerable and reproducible savings annually.

When 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 confirmed the accuracy of MVB's annual self-measurement tool. Satisfaction with MVB's work was evident in all constituent groups. The findings, previously published by BerryDunn, were recently presented to the payer community, on November 9, 2022, via interactive webinar: The Maine Universal Childhood Immunization Program (MUCIP) & The Maine Vaccine Board (MVB): Promoting Access and Cost Savings, on November 9, 2022.

CONCLUSION

In conclusion, notwithstanding the ongoing implicit commendation of the previously produced independent Impact Analysis, MVB plans to continue pursuing additional avenues for improved program operations, efficiency, equity, and effectiveness of the program for our key constituents: payers, providers and the Maine CDC. We are thankful for their ongoing generous support. The Impact Analysis certainly validates our annual “thank you” 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 the Attorney General, all of whom have been supportive of this work. Attached are Exhibits A and B which 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 Everett Lamm, M.D., on behalf of KidsVax®, who serves the MVB as its servicing agent through a turnkey Executive Director and Administrative Services Agreement. Dr. Lamm is available to supply additional information and answer any questions that may arise from this report.



Everett Lamm, M.D. , F.A.A.P.
Vice President and Chief Medical Officer



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Exhibit A - VaxFacts

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.



ME

VaxFacts

2021-2022

MVB | MAINE
VACCINE
BOARD

DEAR FRIENDS AND COLLEAGUES,

MVB, in its second decade of operation, continues to provide funding to vaccinate all children in the State of Maine. MVB's time-tested approach generates significant savings annually while successfully serving as an efficient and effective mechanism for all children to receive, and clinicians to provide, vaccines in Maine. Our universal vaccine purchase program, which serves as a model nationwide, saves the residents of Maine approximately \$3.5 million per year while ensuring our childhood immunization rates are amongst the highest in the nation. We remain particularly grateful to Maine's medical community and the Maine CDC for their tireless efforts through the pandemic. MVB is extremely thankful for the health plan, business, and payer communities' unwavering support that makes this all possible.

**Peter Gore, Chair
Maine Vaccine Board**

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

A POWERFUL MODEL

The Maine Vaccine Board's (MVB) work to stabilize vaccine funding has played a crucial role in ensuring all children in Maine have ongoing access to recommended vaccines. Despite vaccine costs continuing to rise nationally, the MVB has been able to reduce its assessment rate for the upcoming year, 2022-2023. This successful funding model has additional powerful benefits:

- **No Clinician Financing costs.** Instead of fronting significant dollars to keep vaccines on hand, clinicians receive and administer vaccines from The Maine CDC's Immunization Program.
- **Consolidated Storage and Ordering.** Clinicians can avoid navigating complex ordering systems based on who paid for them or who they will immunize. The Maine Immunization Program provides support for one vaccine ordering process, regardless of the patient's insurance status.
- **Stable Vaccine Supply.** Clinicians can focus on patient needs and have the full complement of recommended vaccines on hand.
- **Healthcare Savings.** The Maine Immunization Program's bulk purchase of vaccines provides significant cost savings versus the private market.

STRONG FINANCIAL PERFORMANCE

MVB continues to perform extremely well despite two years of COVID-influenced operations. Thanks to the extraordinary work of Maine's Immunization Program during the pandemic, children have had continued access to routinely recommended and COVID vaccines. The payer community has consistently made timely and accurate payments through the pandemic and provided stability to MVB during otherwise uncertain times. Payer reliability is the cornerstone of MVB's remarkably stable operation.





BOARD OF DIRECTORS

Gary Connor, RN
Asclepius Research Services, Inc.

Deborah Deatrick, MPH
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

A Message from Jessica Shiminski Immunization Program Director, Maine CDC

The last two and a half years have been like no others in recent history for Immunization Programs nationally. More than 50% of all immunization programs nationwide have new leadership, and ours is no exception. I am grateful for the overwhelming support of our hardworking staff, the medical community, and statewide partners who have contributed to our ongoing vaccination campaigns. These programs have prevented a considerable number of cases, hospitalizations and needless loss of lives from infectious diseases.

As we look ahead to the New Year, we anticipate that each state will be responsible for purchasing and distributing its own COVID vaccines, rather than receiving supplies from the federal government. In Maine, we are grateful that the Maine Vaccine Board, with the unwavering support of the State's health benefit payers and businesses, has a strong financial position and the foresight to maintain reserves to serve as a cushion for any escalating costs that we may face from having to purchase additional vaccines.

In conjunction with my colleagues at the Maine CDC, we are closely watching the fate of COVID vaccines and anticipating the rapid spread of influenza. We highly recommend COVID and Influenza vaccines for everyone 6 months of age and older, and pledge to maintain an adequate supply for all who are interested in receiving them.

Thank you to everyone who supports our team, continues to absorb increased immunization workloads by administering COVID, influenza, and routine childhood vaccines, all which keep our children among the healthiest in the nation.

Jessica Shiminski

Jessica Shiminski
Immunization Program Director,
Division of Disease Surveillance, Maine CDC



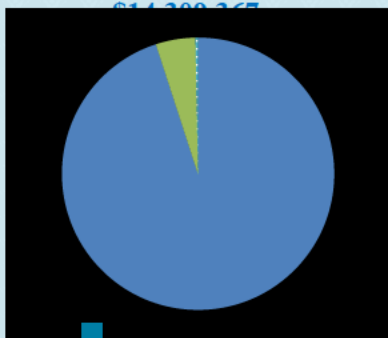
MAINE CDC

Jessica Shiminski
Immunization Program Director
Maine CDC

FINANCIALS

July 1, 2021 - June 30, 2022

Resources



Expenditures

\$14,309,367



98.8% Vaccine Purchases
1.1% Service Agent
0.1% All Other

For complete financial reports please see www.MEvaccine.org/audit/2022

ADMINISTRATOR



www.KidsVax.org

Seema Mack
President & CEO

Fred Potter
Founding Member

Everett Lamm, MD
VP & CMO

Megan Conrad
Controller

Heather Veen
Chief of Staff

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

Maine Vaccine Board

FINANCIAL REPORT

June 30, 2022 and 2021

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June 30, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of Maine Vaccine Board, which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

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, 2022 and 2021, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Maine Vaccine Board and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Maine Vaccine Board's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

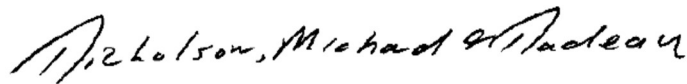
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Maine Vaccine Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Maine Vaccine Board's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

A handwritten signature in black ink that reads "Michael A. Anderson". The signature is written in a cursive style with a large initial "M".

Waterville, Maine
October 20, 2022

MAINE VACCINE BOARD
STATEMENTS OF FINANCIAL POSITION

June 30,

ASSETS

	2022	2021
Assets		
Cash and cash equivalents	\$ 9,281,143	\$ 10,075,207
Assessments receivable	128,784	15,091
Accrued interest	<u>4,349</u>	<u>4,118</u>
Total Assets	<u>\$ 9,414,276</u>	<u>\$ 10,094,416</u>

LIABILITIES and NET ASSETS

Current Liabilities		
Accounts payable	\$ -	\$ 6,508
Total Current Liabilities	<u>-</u>	<u>6,508</u>
Assessments Collected in Excess of Vaccine Funding and Administrative Activities	<u>9,414,276</u>	<u>10,087,908</u>
Total Liabilities	<u>9,414,276</u>	<u>10,094,416</u>
Net Assets	<u>-</u>	<u>-</u>
Total Liabilities and Net Assets	<u>\$ 9,414,276</u>	<u>\$ 10,094,416</u>

**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,

	2022	2021
Revenues		
Assessment revenue	\$ 13,595,892	\$ 13,114,387
Assessment interest	2,441	1,106
Investment income	37,402	47,421
Total Revenue	13,635,735	13,162,914
Program Expenses		
Vaccine replenishments	14,140,697	10,107,071
Administrative Expenses		
Servicing agent fees	153,288	152,021
Project management fees	-	17,235
Audit	7,000	8,800
Bank fees	8,382	7,227
Total Administrative Expenses	168,670	185,283
Total Expenses	14,309,367	10,292,354
Change in Net Assessments Collected	(673,632)	2,870,560
Vaccine Funding and Administrative Activities in Excess of Assessments Collected	673,632	(2,870,560)
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,

	2022	2021
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	(113,693)	9,863
Accrued interest	(231)	(4,118)
Increase (decrease) in liabilities:		
Accounts payable	(6,508)	6,508
Vaccine funding and administrative activities in excess of assessments collected	(673,632)	2,870,560
Net cash flows from operating activities	<u>(794,064)</u>	<u>2,882,813</u>
Net change in cash and cash equivalents	(794,064)	2,882,813
Cash and cash equivalents at beginning of period	<u>10,075,207</u>	<u>7,192,394</u>
Cash and cash equivalents at end of period	<u>\$ 9,281,143</u>	<u>\$ 10,075,207</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, 2022 and 2021

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, 2022 and 2021 were \$153,288 and \$152,021, 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, 2022 and 2021. Assessments receivable would also include outstanding amounts due from assessed entities on quarterly assessment billings which amounted to \$128,784 and \$15,091 at June 30, 2022 and 2021, 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, 2022 and 2021

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, 2022 and 2021.

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, 2022 and 2021. 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, 2022 and 2021

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 20, 2022, 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:

	2022	2021
Cash and cash equivalents	\$9,281,143	\$10,075,207
Assessments receivable	128,784	15,091
Accrued interest	4,349	4,118
	<u>\$9,414,276</u>	<u>\$10,094,416</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 \$9,234,676 and \$10,020,022 were pooled and invested in the TCP at June 30, 2022 and 2021, respectively.

Cash balances of \$46,467 and \$55,185 were kept in a bank lockbox at June 30, 2022 and 2021, respectively, before being transferred to the TCP.

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

	2022	2021
Cash held in State of Maine TCP	\$9,234,676	\$10,020,022
Cash lockbox account	46,467	55,185
	<u>\$9,281,143</u>	<u>\$10,075,207</u>

NOTE 4 – CONCENTRATIONS

The Board collected assessment revenues of approximately \$9,000,000 and \$8,724,000 from four payers for the years ended June 30, 2022 and 2021, respectively. These combined assessment revenues represent 67% of 2022 and 2021 gross revenues collected, respectively.