



| *Administering Programs to
Fund Childhood Vaccines*

May 7, 2013

presentation to the

**VT Pilot Immunization Program
Steering Committee**

Presentation Outline



1. This overview
2. Who we are
3. State Programs Administered
4. Facts & Figures
5. Questions
6. More Questions
7. More Questions
8. Thanks



About KidsVax.org™



- KidsVax.org™ is the childhood vaccine funding arm of CML Administrators, LLC, a NH-domiciled organization which provides administrative services to not-for-profit, governmental and quasi-governmental organizations.
- Specializes in administering initiatives to fund state universal childhood vaccination programs.
- Is a team of highly-skilled multi-specialty independent professionals passionate about funding universal vaccine purchase programs.
- Started vaccine funding 10 years ago in New Hampshire.
- Now administers programs in NH, WA & ME.



Today's Presenter

An honors college & MBA graduate of Harvard and then Michigan Law School, Fred L. Potter has served a broad range of commercial and non-profit clients. He has managed over \$3.5 billion in mergers & acquisitions. On the non-profit side, he has led teams providing coverage for the uninsurable in NH and closing childhood immunization funding gaps in the states of NH, WA and ME. He is a past president of the NH Bar Association and past Executive Director & CEO of Christian Legal Society, the 50+-year-old nationwide organization of Christian attorneys integrating their faith and practice through: 1. Attorney chapters, 2. Law student mentoring & fellowship, 3. Defense of religious liberty, and 4. Legal aid for the poor & needy. He has served on the boards of both private & publicly-held corporations and as an insurance company president. He has offices in Concord NH and Seattle WA. He and his wife, Mertie, a professor of psychiatric nursing, have 3 married children and 6 grandchildren.

Fred's email address is FPotter@KidsVax.org.

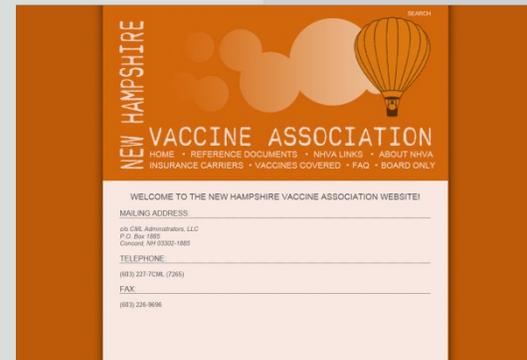


Fred skiing with oldest grandson

Currently Administered



- New Hampshire
www.NHvaccine.org



- Washington
www.WAvaccine.org



- Maine
www.MEvaccine.org



WVA Summary



Saving Universal Purchase of Childhood Vaccines in Washington State

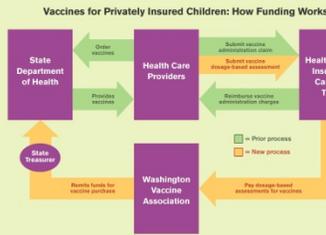
Overview

In 2009, Washington state's health care community learned that state vaccine funds for privately insured children were scheduled to end the following year.

In response, the state legislature called together a multidisciplinary group of stakeholders to explore ways to preserve the existing system – universal purchase of vaccines for all the state's children, from birth to 18 years old.

The health care providers, insurers, and government agencies that comprised the Universal Purchase Leadership Planning Group, as it was called, worked collaboratively for nearly a year. Despite widely divergent perspectives, the group found a way to preserve universal purchase, without any disruption to the flow of vaccines.

All told, we estimate that more than 10,000 hours were spent on this effort, 50 percent donated by health care professionals throughout the state. Here is our story.



Benefits of Universal Purchase of Childhood Vaccines

FOR Providers	FOR Public Health	FOR Payers
Supplies vaccine at no charge	Preserves relationship between providers and public health	Preserves highly efficient purchase and distribution system
Removes cost barrier from parents' vaccination decisions	Simplifies vaccine ordering and distribution	Assesses vaccine brand market rate
Eliminates significant claim entry required by private payers	Streamlines vaccine management and health insurance	Aligns assessment process with existing systems
Avoids separate storage of private purchases and federally funded vaccines	Ensures access to vaccines in children's medical homes	Reduces claims for costly, vaccine-preventable childhood diseases

Ensures single standard of immunization care and timely access to all ACIP-recommended vaccines



Who's Who

- WVA Board of Directors**
- Sam Knoff, MD, MPH, Health Care Services and Strategic Design, Pioneer Blue Cross
 - Paula Gillett, MD, St. Medical Director for Washington State Regional BioShield
 - Pat Egan, Network Market Head, Allstate Insurance Company
 - Bob Harvey, MD, Pediatric Association, Providence, USA, Deputy American Academy of Pediatrics
 - Dennis Metzger, CEO, United Health Administration Services, Inc.
 - Edgar S. Hazzard, MD, MPH, Associate Medical Director, Seattle Children's, Professor of Pediatrics, University of Washington
 - Alison Marks, BA, MPH, Adult, Sr., Community and Family Health III, Washington State Department of Health
 - Laura McMillan, Chief of Staff, Strategic Planning and Deployment, Group Health Cooperative
 - Roger Muller, MD, Kaiser Medical Center, Pacific Northwest United HealthCare
 - May Kay O'Neil, MD, Chief Medical Officer, Pacific Northwest OGDH
 - Dorothy Tynes, Chief of Health Operations, Public Health, Seattle and King County

Timeline: SPRING 2009 → JUNE 2011

Spring/Summer/Fall 2009: Legislature cuts vaccine funds for privately insured children. With support from two state legislators, a group of stakeholders forms to explore ways to supply vaccines to all children. Statewide Immunization Congress, funded by American Academy of Pediatrics grant to Washington chapter, lays foundation for WVA.

March 2010: House Bill 2551 creates WVA and funding model, which assesses health plans and other payers for vaccines administered to privately insured children.

April 2010: \$78 million in assessments prepaid by six health plans to fund WVA. WVA Board of Directors formed. WVA Operations Committee designs dosage-based assessment (DBA) process for collecting assessment funds needed for state's vaccine purchases.

May 2010: WVA sets assessment rates for state-supplied vaccines. WVA repays first third of \$78 million of assessment prepayments.

June 2010: WVA begins remitting funds to state treasurer for Department of Health's purchase of vaccines.

Nov 2010: WVA repays first third of \$78 million of assessment prepayments.

Dec 2010: To date, more than 300,000 doses of vaccine have been funded through DBA process. Board votes to add flu vaccine codes to assessment grid for 2011-2012 flu season. By legislative mandate, WVA Vaccine Committee begins evaluating vaccine selection process.

Feb 2011: With vaccine manufacturers participating through an open process, WVA Vaccine Committee proposes that vaccine selection process give providers full choice.

Mar 2011: WVA board votes to recommend full provider choice to state. WVA pays remaining balance of \$78 million of assessment prepayments.

April 2011: WVA initiates steps to reduce assessments.

June 2011: State launches provider choice for vaccine orders. WVA lowers vaccine assessments to CDC contract rates. WVA's first complete fiscal year ends.

Working Principles

- Keep it simple.
- Facilitate a single standard of care.
- Model solutions on what we do now.
- Avoid hassles for providers.
- Strive for equitable cost-sharing.
- Avoid having children fall through cracks.
- Continue tracking and monitoring results.

Provider Choice Process for State-Supplied Childhood Vaccine

Providers surveyed for brand preferences → Each provider selects preferred brands or no preferences → Custom Order Sets or State's Default Order Sets → State Dept. of Health prepares and continually monitors and updates projections, budget, and spending plan.

Timeline Milestones:

- Spring/Summer/Fall 2009: Legislature cuts vaccine funds for privately insured children.
- March 2010: House Bill 2551 creates WVA and funding model.
- April 2010: \$78 million in assessments prepaid by six health plans to fund WVA.
- May 2010: WVA sets assessment rates for state-supplied vaccines.
- June 2010: WVA begins remitting funds to state treasurer for Department of Health's purchase of vaccines.
- Nov 2010: WVA repays first third of \$78 million of assessment prepayments.
- Dec 2010: To date, more than 300,000 doses of vaccine have been funded through DBA process.
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- Mar 2011: WVA board votes to recommend full provider choice to state.
- April 2011: WVA initiates steps to reduce assessments.
- June 2011: State launches provider choice for vaccine orders.



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 WVA Project Manager: Margaret Lane
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 WVA Web: www.wavaccine.org

MVB Summary



Policy to Progress—Maine's New Universal Childhood Vaccination Program

Authors and Presenters: Judith Chamberlain MD, Larry Hart, Larry Losey MD, Katherine Pelletreau, Lori Wolanski, Deborah Deatrack



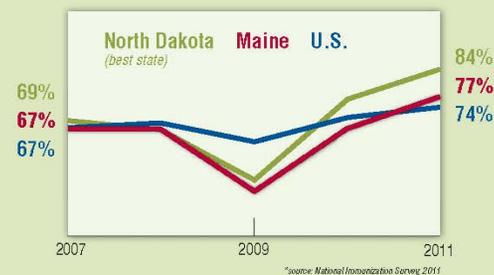
Background

Maine's rate of childhood immunization once ranked highest in the US. Since then, the state's childhood immunization rate has declined over the years. The drop in rates and growing concern about financial barriers to child vaccination led the Maine Legislature to approve legislation that created the Maine Universal Childhood Immunization Program (MUCIP). The Program is governed by the Maine Vaccine Board, a ten-member body whose members are designated by health insurers, employers, medical and public health provider associations, the pharmaceutical industry, and two ex-officio members. This poster describes key factors that led to the Maine law, a description of program components, major accomplishments of the Board and Program

in its first two years of operation, and priorities for the coming year.

MUCIP's goal is to improve the health of Maine children by improving immunization rates. The Board's initial priorities were to conduct rule making to establish the initial slate of vaccines and operationalize the assessment mechanism and set policies and procedures for management of the assessment funds. An experienced Service Agent was contracted by the Board to administer the program. The Maine Centers for Disease Control and Prevention provides technical assistance regarding vaccine selection, purchase and distribution.

Percent of 19-35 Month Olds Up-to-Date for a Series of Seven Immunizations*



Maine Vaccine Board Directory

- Judith Chamberlain, M.D.
Senior Medical Director
Aetna Medical
- Deb Deatrack,
Vice President
Community Health
MaineHealth
- Peter Gore
Vice President
Maine State Chamber of Commerce
- Larry Hart
Pricing Director
Anthem Blue Cross Blue Shield
- Larry Losey, M.D.
Bronwood Pediatrics
Maine Chapter AAP
- Katherine Pelletreau
Executive Director
Maine Association of Health Plans
- Barbar Ratha,
Deputy Treasurer
Maine Office of the Treasurer
- Jane Sheehan
President, CEO
Foundation for Blood Research
- Forrest West, M.D.
Health Reach
Lovejoy Health Center
- Lori Wolanski
Director, Division of Infectious Disease
Maine CDC
- KidsVax.org**
Fred L. Potter
Executive Director
Maine Vaccine Board

Timeline

2009

Legislation

- A diverse group of stakeholders came together to craft the bill, payers, physicians and other health care providers, public health groups, provided support.
- PL 2009-595 was created by the 124th Maine Legislature; the program was hailed as a public-private effort to save health plans and payers on the cost of immunization while increasing the number of Maine children who are immunized.

2010

Maine Vaccine Board Created

- The MVB consists of 10 members who serve three years, (with the exception of the pharmaceutical industry representative); there are three representatives from health insurance carriers, three representatives of providers in the state as nominated by statewide associations of providers, a representative of employers who self-insure for health coverage, a representative of the pharmaceutical manufacturing industry, and two non-voting ex-officio members, the MDHHS Commissioner or a designee, and the state Treasurer or a designee. Peter M. Gore has served as the Board's Chair since its inception.
- The Board has rulemaking authority for selecting the list of vaccines to be covered through the Program and to set the assessment based on the list of vaccines to be covered and the number of children to be included annually.
- The Board selected KidsVax.org™ and its principal, Fred L. Potter, as its administrator. Maine thereby gained the benefit of their 10 years of experience in administering the RH program.
- Initial rules (emergency and technical) were established and approved with the assistance of the Maine Attorney General's Office.
- The Board is required to submit an annual report to the Legislature and Governor.

2010 Ongoing

Outreach and Education

- Starting in 2011, KidsVax.org™ commenced outreach, with assistance from the Maine Bureau of Insurance, to all payers doing business in Maine to inform them about the new law and the assessment, and to request information about their number of child covered lives.
- The net vaccine budget for 2011 was established: \$9,702,096, which included 6% allowable administrative costs.

2011 Ongoing

Engagement of Payers and Providers

- Payer response to the new law was monitored closely and surpassed expectations of the administrator.
- The Maine CDC developed training and outreach workshops which were conducted across the state and on the internet to inform provider practices about the new law, requirements for ordering vaccine, and maintenance or records using IMMFACT II.

2012 Ongoing

Implementation

- Maine's new Universal Childhood Vaccine Program was launched formally on January 1, 2012.
- Communication and outreach was accomplished through the Maine Immunization Coalition, commercial health plans, physician organizations, hospitals, health systems, the pharmaceutical industry, and other stakeholders.
- The new law appears to be widely accepted by payers and providers, and preliminary cost impact analyses show that the overall cost of vaccines purchased and provided in Maine has been reduced.

Major Accomplishments of the Board and Program

- Increase from 70.4% in 2010 to 79.1% for the 4:3:1:3:3:1 series
- Dramatic increases in HPV, HepA and Rotavirus
- Successfully established rules
- Held more than 20 public meetings
- Developed a list of covered vaccines
- Established processes to reimburse the State of Maine for the federally-established cost of vaccines
- More than 100 payers have paid the MVB assessments, resulting in over \$10 million to cover the cost of the vaccine and the program's administrative costs

Financial Impact

(estimates of savings are derived from a comparison of US CDC costs of vaccines vs the costs previously paid by private suppliers)

- Total MVB program vaccine purchases inception through 2012: over \$10.3 million
- Estimated 2012 savings: \$3,260,618 (23+% average estimated savings)
- Projected 2013 total program vaccine purchases: \$10,654,015
- MVB will continue to monitor its savings

The new Maine Universal Childhood Immunization Program has been successfully established and is well on its way to assuring increased access to childhood immunizations for all children throughout Maine.

The US Centers for Disease Prevention and Control recently (2012) estimated that:

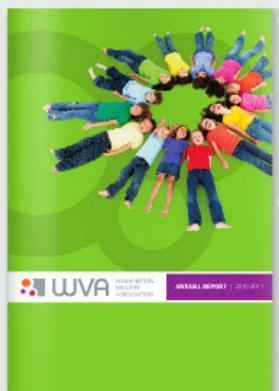
Each dollar invested in childhood immunizations yields \$10.20 in future savings.

www.MEvaccine.org | 1-855-ME-vacci(ne) | 1-855-638-2224



VA Annual Reports

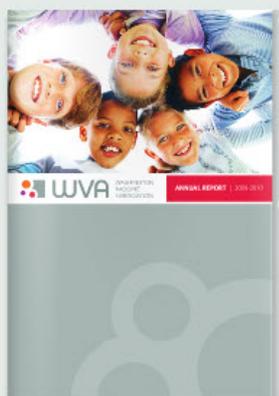
WVA Annual Report 2010-2011



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The annual report may take a few seconds to download. Once the download is complete, click the small arrow on the right edge of the cover to turn the pages. To view the report in full-screen mode, click anywhere on the cover.

2009-2010 Annual Report



Powered by Issuu

- **Good overview of setup steps for a complex startup**

- **Accessible via www.WAvaccine.org**

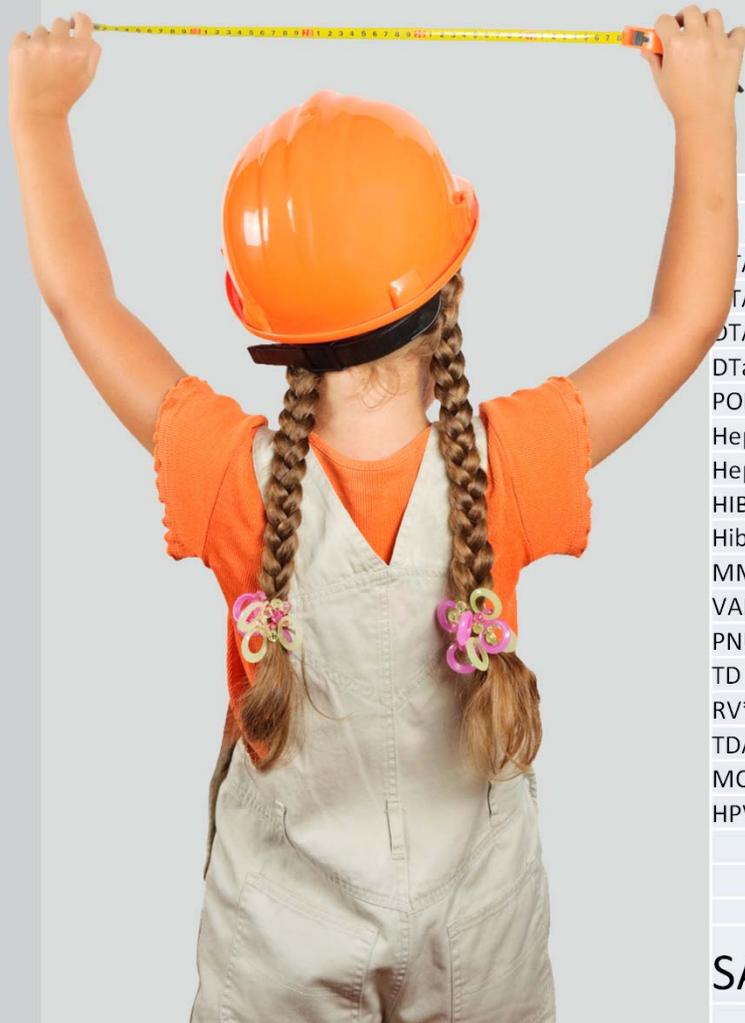
(follow home page link to annual report)

Success Secrets

- There are no secrets, but a lot of hard work
- Shared governance by senior professionals
 - Public Health Officials
 - Physicians
 - Payers
- Internal openness
- Shared commitment to succeed
- External transparency
- Strong backstop enforcement powers, (ironically, which are not needed and, therefore, never used in practice)



It just works (and saves \$)



NH Health & Human Services Analysis as of March 8, 2012

*2011		CDC	Private	Difference	# Doses	CDC	Private
DTaP *		\$ 14.68	\$ 21.20	\$ 6.52			
DTaPIPV I	Pentace	\$ 52.55	\$ 77.48	\$ 24.93	3	\$ 157.65	\$ 232.44
DTaPHBIP	Pediarix	\$ 51.15	\$ 70.72	\$ 19.57			
DTaP-IPV	Kinrix	\$ 34.25	\$ 48.00	\$ 13.75	1	\$ 34.25	\$ 48.00
POLIO		\$ 11.97	\$ 25.43	\$ 13.46			
Hepatitis A *		\$ 14.25	\$ 29.55	\$ 15.30	2	\$ 28.50	\$ 59.10
Hepatitis B *		\$ 10.42	\$ 22.28	\$ 11.86	3	\$ 31.26	\$ 66.84
HIB		\$ 9.00	\$ 24.29	\$ 15.29			
Hib Booster	Hiberix	\$ 8.98	\$ 22.83	\$ 13.85	1	\$ 8.98	\$ 22.83
MMR		\$ 18.99	\$ 50.16	\$ 31.17	2	\$ 37.98	\$ 100.32
VAR		\$ 69.73	\$ 83.77	\$ 14.04	2	\$ 139.46	\$ 167.54
PNU-13		\$ 97.21	\$ 114.51	\$ 17.30	4	\$ 388.84	\$ 458.04
TD		\$ 16.50	\$ 20.39	\$ 3.89			
RV*		\$ 74.50	\$ 86.59	\$ 12.09			
TDAP *	adol	\$ 30.25	\$ 38.19	\$ 7.94	1	\$ 30.25	\$ 38.19
MCV	adol	\$ 82.12	\$ 106.49	\$ 24.37	2	\$ 164.24	\$ 212.98
HPV	adol	\$ 108.72	\$ 130.27	\$ 21.55	3	\$ 326.16	\$ 390.81
		\$ 705.27	\$ 972.15	\$ 266.88		\$ 1,347.57	\$ 1,797.09
SAVINGS through 18 years.						\$	449.52
*CDC Vaccine Price List as of 1/10/12							

It just works (and saves \$)

KidsVax.org™

**Washington Vaccine Association
Assessments as of 3/1/2012 –**

45% of CDC *wholesale* rate

**(Not reproducible elsewhere, but
the actual WA experience – saving
tens of \$millions for payers each
year in 2012/13/14.)**



It just works (and saves \$)



Maine – 6%
reduction in Yr 2

Maine Vaccine Board			
2012/13 Program Year Assessment Calculation Worksheet			
	This Year's #	Next Year	
A. Preliminary Vaccine Cost & Population Estimates, Allowances, and Planning assumptions			
01.		3.50%	Vaccine cost inflation factor (note prices change each April 1st)
02.	9,702,095	10,519,825	Anticipated Total Costs of Vaccines Provided Under the Program (from Maine CDC + inflation)
03.	142,389	139,698	Estimate of Total Covered Lives (from MVB Covered Lives Estimate spreadsheet)
B. Preliminary Planning / Budgeting Parameters			
11.	5.00%	2.00%	Collection Losses (Bad Debt Expense)
12.	4.50%	0.00%	Leakage (unknown insurer, out of reach entity, etc.)
13.	8.00%	7.75%	Reserve up to 10% per Statute section 5.A.(1)
C. Preliminary Budget Estimates (2011-2012 Program Year)			
21.	11,389,135	11,411,247	Assessments Billed
22.	-569,457	-228,225	Collection Losses (i.e. assumed "bad debt expense")
23.	10,819,678	11,183,022	Net Assessment Revenue
24.	15,000	12,500	Interest Income
25.	0	0	Other Revenue
29.	10,834,678	11,195,522	Total Revenue
31.	251,694	167,933	Servicing Agent Contract (1.5% of Line 29)
32.	7,250	8,500	D&O Insurance
33.	7,500	7,500	Audit Fee
34.	2,000	2,000	Legal (unknown presently)
35.	0	0	Other
36.	5,500	10,000	Reimbursable out-of-pocket expenses (postage, travel, long distance services, etc.)
37.		25,000	Provider Transitional Loss Mitigation Program Expenses
39.	273,944	220,933	Total Operating Costs
41.		407,832	Carryforward from prior operating year
42.	10,560,734	10,974,589	Net from Operations for Vaccine Reimbursement to State
43.	-9,702,095	-10,519,825	Reimburse State for Vaccines
49.	858,640	862,596	Expected carryforward to reduce 2013/14 operating expenses
D. Aggregate Annual Assessment Calculation			
Add Backs			
51.	\$9,702,095	\$10,519,825	Costs of Vaccines Provided
52.	569,457	228,225	Bad Debt Expense
53.	0	0	Other (as approved by board -- see statute section 2.M)
54.	10,545,495	10,968,983	"Total Costs of the Fund" per statute section 2.M.
55.	843,640	850,096	add reserve up to 10% per statute section 5.A.(3).
56.	0	-407,832	Adjust for any prior year carryover (from PY Carryover Estimate spreadsheet)
59.	\$11,389,135	\$11,411,247	Total Assessments Billed
E. Per Covered Life Assessment Calculation			
61.	142,389	139,698	Total Covered Lives
62.	-6,408	0	Estimated unknown / unresponsive carrier (leakage)
63.	135,981	139,698	Net assessed covered lives
71.	\$83.76	\$81.69	Annual Assessment per Covered Life
72.	\$6.98	\$6.81	Monthly Assessment per Covered Life
73.		-2.4%	% Change in Assessment
F. Note: Total Assessed as % of Hard Vaccine Costs			
	22.92%	8.48%	All-in costs % above vaccine costs



More?



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| *Administering Programs to
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Thank You!