

Idaho Immunization Assessment Board
Board Meeting Minutes
Monday, December 1, 2014
Idaho Department of Insurance Office

Board Members Present:

- Jack Myers – Blue Cross of Idaho – Chair
- Ted Epperly, M.D. - Family Practice Residency – Vice Chair
- Richard Rainey, M.D. – Regence BlueShield of Idaho
- Tim Callender – AmeriBen/IEC Group
- Christine Hahn, M.D. – Department of Health & Welfare
- Mike Hodge - Albertsons LLC & New Albertsons Inc.

Board Members Absent:

- Jeff Thompson, Representative - Idaho House of Representatives
- Todd Lakey, Senator - Idaho Senate
- Bill Deal, Director - Department of Insurance
- Chris Pickford – Boise School District

Others Present:

- Tom Donovan, Asst. Director – Department of Insurance
- Mitch Scoggins – Department of Health & Welfare
- Tamarie Olson – Department of Health & Welfare
- Kurt Stembridge – GlaxoSmithKline

Call to Order: Chairman Myers called the meeting to order at 3:13 PM MST.

Approval of Minutes from 11/3/14 meeting: Changes to the Minutes under section “Legislation and Data from Carriers” were made by Dr. Christine Hahn and Dr. Richard Rainey. Dr. Ted Epperly moved to accept the minutes with changes and Tim Callender seconded the motion. Motion passed.

Reports:

Financial Report (combined DHW & DOI report): Elaine Diner gave the financial report (attached).

Remaining the same as the previous report are the Carry Forward Balance of \$1,645,546.61; the Unanticipated Collections of \$327,885 and the Total Adjusted Budget of \$20,394,256.61. So far this year there have been no refunds. The Carrier Population Adjustment remains at a negative \$550,867. The Assessments Collected YTD from Carriers increased by \$790 to total \$13,552,840.50. Assessments Remaining to be Collected are \$4,317,117.50 which is the sum of the quarterly payments remaining to be collected in December and March: \$4,645,002.50 and the Unanticipated Collections of \$327,885 (which on the spreadsheet reduces the amount of collections due, relative to the Operating Budget: see attached Financial Report for formulas). Vaccine Expenditures so far are \$10,719,479. Funds remaining in the Dedicated Vaccine Fund are \$4,478,908.11.

Old Business:

1. Data from carriers/Legislation

Dr. Christine Hahn gave a brief history of the Immunization Program: early funding was from the State General Fund and in 2009 the assessment program was created, based on the New Hampshire model. In Idaho, the assessment is based on the number of children covered (not total covered lives, as is the New Hampshire program). In Idaho, TPAs are also included in the survey & assessment.

Since the board is tasked with evaluating the efficacy of the Immunization Assessment Program, the board has been looking at the cost savings provided by the program versus not having the program. Dr. Epperly asked about the indirect costs being included in the evaluation; Dr. Hahn responded that there is no Idaho data to calculate those costs, so the cost savings is based solely on the cost of the vaccines and does not include indirect costs, such as hospitalization of children who were not vaccinated for diseases such as Rotavirus.

In the discussion from the last board meeting in November the board learned that vaccine cost and utilization varies by the age of the child, e.g. infants require more vaccinations than teens. So in evaluating costs, the ages of the children covered will effect utilization and should be considered.

Dr. Hahn and Mitch Scoggins went through a presentation on the proposed new methodology for funding the Immunization Program (copy of presentation is attached). Included in the presentation is the assessment calculation as it would have been if the new methodology were used on this year's assessment.

A discussion followed the presentation. The vote on adopting the new methodology will be at the next meeting; this will allow board members to review the presentation and have their questions answered by the Department of Health & Welfare.

2. **Educational Materials to include Cost Savings** – to be discussed at the next meeting
3. **TRICARE payment options** – to be discussed at the next meeting
4. **Checklist for Survey Data Received** – to be discussed at the next meeting

New Business:

None

Next meeting:

Thursday, December 18, 2014 at 3:30 PM MST

Location TBD

Agenda Topics for next meeting:

Old Business:

1. Data from Carriers on Cost Savings/Legislation – continued discussion
2. Educational Materials to include Cost Savings
3. TRICARE payment options
4. Checklist for Survey Data Received

Adjournment:

Tim Callender made a motion to adjourn the meeting; Dr. Christine Hahn seconded the motion. Motion passed. Meeting was adjourned at 5:11 PM MST.

Minutes by Elaine Diner, Administrator for the Idaho Immunization Assessment Board.

Attachments presented at meeting:

Financial Report
Adjustment Report
Funding Presentation
Draft of Exhibit A changes to Plan of Operation

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Idaho Immunization Dedicated Vaccine Fund

Funds Collected for SFY2015 (July 1, 2014 - June 30, 2015)

Financial Report as of 11/21/14

Carry Forward Balance	\$	1,645,546.61	
Assessment as Voted	\$	18,420,825.00	233,175 dependents X \$79.
Adjustments Between Vote and Billing	\$	-	
Assessment as BILLED	\$	18,420,825.00	
Total Original Budget	\$	20,066,371.61	=C9 + C10
Total Budget after Pre-billing Adjustments	\$	20,066,371.61	=C9 + C12
Unanticipated Collections**	\$	327,885.00	
TOTAL ADJUSTED BUDGET	\$	20,394,256.61	=C14 + C15

Notes

DOI Adjustments to Original Budget				
Refunds to Carriers*	\$	-	0.00%	Percentage of original budget
Carrier Population Adjustments†	\$	(550,867.00)	-2.75%	Percentage of original budget
Total Adjustments	\$	(550,867.00)	= C19 + C20	Refunds + Adjustments
Actual DHW Carry Forward	\$	1,645,546.61		
Operating Budget	\$	19,515,504.61	=C12 + C22 + C24	97.25% Assessment billed + adjustments + Actual carry forward
Assessments Collected YTD from Carriers	\$	13,552,840.50	69.45%	Percentage of operating budget after adjustments
Assessments Remaining to be Collected	\$	4,317,117.50	=C26 - C28 - C24	22.12% Operating budget - assessments collected - carry forward
Funds Transferred to IDHW	\$	13,552,840.50	100.00%	Percentage of assessment collected
Funds Received by the IDHW	\$	13,552,840.50		
Vaccine Expenditures				
Quarter 1	\$	6,357,748.00	32.58%	Percentage of budget after adjustments
Quarter 2	\$	4,361,731.00	22.35%	Percentage of budget after adjustments
Quarter 3			0.00%	Percentage of budget after adjustments
Quarter 4			0.00%	Percentage of budget after adjustments
Total Vaccine Expenditures	\$	10,719,479.00	=SUM(C34:C37)	54.93% Percentage of budget after adjustments
Funds remaining in the Dedicated Vaccine Fund	\$	4,478,908.11	=C32 + C24 - C39	22.95% Percentage of budget after adjustments

** See "Unanticipated Collections Detail" report

*See "Carrier Refund Detail" report

†See "Carrier Adjustment Detail" report

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Only assessments due are for quarterly payments= \$4,645,002.50

(Data as of 11/21/14)

11/21/2014

Adjustment Report: Adjustments to Survey, Refunds, Unanticipated Collections

		Company Name	# of Box B Dependents	Notes	Assessment \$	Assessment \$ Billed	# of Box B Dependents AFTER Revision	Assessment \$ After Revisions	Board Approval/Notified Date	Assessment \$ Rec'd	Notes
UNANTICIPATED COLLECTIONS											
added after vote	Carrier	BRIDGESPAN HEALTH CO - ID	0		\$ 79.00		27	\$ 2,133.00	notify 6/16/14	\$ 2,133.00	Added AFTER assessment vote
added after vote	Carrier	Pan-American Life Insurance	0		\$ 79.00		11	\$ 869.00	notify 6/30/14	\$ 869.00	Added AFTER assessment vote
added after vote	Carrier	Blue Cross Blue Shield of Tennessee	0		\$ 79.00		902	\$ 71,258.00	approve 7/14/14	\$ 71,258.00	Added AFTER assessment vote
added after vote	TPA	United HealthCare [2013]	0	Note: Assessment Amount was different in 2013	\$ 78.00		1071	\$ 83,538.00	Approved 9/3/14	\$ 85,456.00	Added AFTER assessment vote
added after vote	TPA	United HealthCare [2012]	0		\$ 79.00		2153	\$ 170,087.00	Approved 9/3/14	\$ 85,456.00	Added AFTER assessment vote
4164								\$ 327,885.00			
REFUNDS											
		NONE						0		0	
ADJUSTMENTS TO SURVEY/ASSESSMENT											
	TPA	Association & Society Insurance Corporation	27	Sent zero survey in August: Monumental Life paid for these lives.	\$ 79.00	\$ 2,133.00	0	\$ -	Notified 8/16/14	\$ -	Paid by Monumental Life
	Carrier	BLUE SHIELD OF CALIFORNIA	854	from Anthem: On 4/8: CHANGE to 3265/751/0	\$ 79.00	\$ 67,466.00	751	\$ 59,329.00	Notify 4/15/14	\$ 59,329.00	They collected data from 2 separate systems, and it was not reconciled prior to initial submission.
	Reg Adm	Boulder Administrative Service, Inc	154	Pan American Life to pay for 11 Lives (stop loss); email of 6/12/14	\$ 79.00	\$ 12,166.00	143	\$ 11,297.00	notify 6/12/14	\$ 11,297.00	Pan-American Life said that they would report & pay for the 11 stop-loss lives.
	TPA	CATAMARAN PBM OF MARYLAND INC	332	per email 4-23-14 revise to zero; Rx only - is now on exempt list; keep here for accounting purposes	\$ 79.00	\$ 26,228.00	0	\$ -	Approve 5-5-14	\$ -	They should have indicated a “zero” response, but they mistakenly reported data based on pharmacy claims processed on behalf of our clients.
	TPA	CNIC HEALTH SOLUTIONS INC	130	per email on 5/6/14 to 382/126/0 from Vic	\$ 79.00	\$ 10,270.00	126	\$ 9,954.00	notified board 5/6/14	\$ 9,954.00	Original response was based on dependents residing in Idaho and their associated subscribers. Report should have been produced for subscribers residing in Idaho and their associated dependents.
	Reg Adm	EBSO, Inc.	76	changed to zero survey: was paid uner Sheffield & Olson, now is EBSO	\$ 79.00	\$ 6,004.00	0	\$ -	Notified 8/12/14	\$ -	
	TPA	HEALTHCARE MANAGEMENT ADMINISTRATORS INC	988	revise to 987 & \$77,973.00 per email 5/5/14	\$ 79.00	\$ 78,052.00	987	\$ 77,973.00	notified 5/5/14	\$ 77,973.00	Total from employers was 987, but person filling out survey entered 988 as B-number on original survey.
	TPA	HEALTHSCOPE BENEFITS INC	702	On 4-23-14 email came with revised survey - revise B num to 372.	\$ 79.00	\$ 55,458.00	372	\$ 29,388.00	APPROVE 5-5-14	\$ 29,388.00	Person doing survey picked up the wrong column of numbers from internal report when transposing the numbers onto the survey form.

	TPA	Meritain Health, Inc.	1771		\$ 79.00	\$ 139,909.00	1757	\$ 138,803.00	notified 6/12/2014	\$ 138,803.00	Calculation error date range on original survey; revised report uses correct date of January 31, 2014. This is why there is a slight difference in the lives that were reported in section A and section B.
	81264	NIPPON LIFE INSURANCE COMPANY OF AMERICA	37		\$ 79.00	\$ 2,923.00	29	\$ 2,291.00	notified 5/2/14	\$ 2,291.00	Original survey erroneously included 8 dep who were over 19 yr old
	Carrier	PREMERA BLUE CROSS	4651	Includes Lifewise Health Plan of Oregon	\$ 79.00	\$ 367,429.00	4646	\$ 367,034.00	notified 5/28/14	\$ 367,034.00	On the original survey, 5 dep WITHOUT immun cov were included in the B-number.
	Carrier	QBE INSURANCE CORPORATION	1276	5/7/14 email from John Svoboda to change to zero survey	\$ 79.00	\$ 100,804.00	0	\$ -	Approve 5-8-14	\$ -	Changed survey due to dep lives being reported by MS Admin, Employee Benefit Mgt, Boudier Admin & Meritain
	Carrier	REGENCE BLUESHIELD (WASHINGTON) (Cambia)	644	"A" number changed to 3507 per email 5/5/14; no change to "B" number	\$ 79.00	\$ 50,876.00	644	\$ 50,876.00	notify 5/9/14	\$ 50,876.00	"A" number changed to 3507 per email 5/5/14; no change to "B" number
Q	Carrier	REGENCE BLUESHIELD OF IDAHO, INC. (Cambia)	25980	changed to 112651/25953/33 per email 5/5/14	\$ 79.00	\$ 2,052,420.00	25953	\$ 2,050,287.00	notify 5/9/14	quarterly	They discovered that the BridgeSpan immunization data was reported, however it was mistakenly embedded within the Regence data. Data difference is rather small, and impacted only two of Regence plans; Regence BlueShield of Idaho (RBSI), and Regence BlueShield (RBS), the Washington affiliate.
	TPA	TALL TREE ADMINISTRATORS, LLC	627	Revised survey for 8 additional lives	\$ 79.00	\$ 49,533.00	635	\$ 50,165.00	notify 6/16/14	\$ 50,165.00	Found 8 additional lives after survey first submitted; changed number on bill; asked for new survey
	Reg Adm	Trusted Plans	393	email was sent to verify the 1384 number; one dependent child was found to be covered by both parents who work for the same company.	\$ 79.00	\$ 31,047.00	392	\$ 30,968.00	notify 6/6/2014	\$ 30,968.00	They discovered a dependent child that was covered by two employees within the same company. The name and date of birth were a little bit different so it was not detected in the original pass of looking for duplicate dependents but in review it was discovered that this was indeed the same dependent child and they have since changed the information in their software system for future reference.
	TPA	UNITED HEALTHCARE	11684	change in assessment after payment made; other adjustments for UHC other years made at same time	\$ 79.00	\$ 923,036.00	10637	\$ 840,323.00	Approve 9/3/14	\$ 923,036.00	Total amount paid by UHC include this transaction and additional payment for years 2012 & 2013 (see add'l collections section)
	Reg Adm	US Dairy Systems DBA Automated Dairy Systems	69	Paid thru UMR	\$ 79.00	\$ 5,451.00	0	\$ -	Notify 6/17/14	\$ -	was reported & paid by UMR
	TPA	WEBTPA EMPLOYER SERVICES, LLC	3784	2 revisions	\$ 79.00	\$ 298,936.00	134	\$ 10,586.00	Approve 6/27/14	\$ 10,586.00	New person doing survey; not understanding + making errors
54,179					\$ 4,280,141.00		47,206	\$ 3,729,274.00			
					Number of Dependents - adjustments	(6,973)		Adjustments	\$	(550,867.00)	
					Number of Dependents - additional	4,164		Additional	\$	327,885.00	
					Number of Dependents - refunds	0		Refunds		0	
					Total:	(2,809)		Total:	\$	(222,982.00)	

Assessment Costs

A discussion



Cost to Immunize One Child in the Public Sector Has Risen by 500% Since 2000

	<u>2000</u>	<u>2002</u>	<u>2004</u>	<u>2006</u>	<u>2008</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
DTaP	\$46.25	\$59.65	\$62.05	\$63.98	\$63.25	\$66.25	\$66.25	\$75.00	\$76.90
Hib	\$21.96	\$28.44	\$33.60	\$31.74	\$33.78	\$34.53	\$34.92	\$48.96	\$49.68
MMR	\$30.16	\$31.22	\$32.38	\$34.56	\$36.52	\$37.27	\$37.98	\$38.66	\$39.52
Polio	\$31.00	\$34.64	\$40.40	\$43.28	\$45.92	\$46.96	\$47.88	\$35.91	\$27.99
Hep B	\$27.18	\$28.11	\$27.45	\$27.65	\$28.50	\$30.75	\$31.05	\$32.19	\$32.79
Varicella	\$37.14	\$40.87	\$47.02	\$113.80 ²	\$123.00	\$134.16	\$139.47	\$144.98	\$150.72
PCV	\$88.50 ¹	\$183.96	\$203.00	\$230.36	\$265.76	\$367.00	\$388.84	\$408.12	\$428.48
Flu	--	--	\$30.00	\$69.18	\$205.36 ⁴	\$175.67	\$184.69	\$186.44	\$217.39
Tdap	--	--	--	\$30.75 ³	\$30.75	\$28.54	\$29.59	\$29.59	\$24.63
MCV-4	--	--	--	\$68.00	\$76.35	\$79.75	\$164.24	\$164.24	\$138.72
Hep A	--	--	--	\$24.31	\$24.50	\$26.50	\$28.50	\$29.50	\$30.50
Rotavirus	--	--	--	\$156.00	\$171.60	\$167.50	\$178.50	\$182.04	\$184.30
HPV	--	--	--	--	\$301.77 ⁵	\$288.24	\$288.24	\$335.89	\$321.47
TOTAL⁶	\$282.19	\$406.89	\$475.90	\$893.61	\$1407.06	\$1483.12	\$1620.15	\$1711.52	\$1723.08

1. In 2000, the PCV cost to fully vaccinate one child was for half the calendar year. The CDC contract was not in place until July 1, 2000.

2. In 2006, ACIP recommended two doses of varicella.

3. Tdap replaced Td as the adolescent booster recommended by ACIP in June 2005, to provide protection against pertussis. The cost of Td has not been included in previous years due to the absence of a CDC contract.

4. In 2008, ACIP recommended annual influenza vaccination for all children up to age 18. Two doses are needed the first year of vaccination and 1 dose is needed annually thereafter, for a total of 20 doses.

5. Beginning in 2007 the total represents the cost to fully vaccinate a female including the HPV vaccine. The HPV vaccine is also recommended for males as of late 2011.

6. The cost of recommended vaccines is significantly higher when combination vaccines are factored in to the total cost. This table shows only the lower cost of single vaccines.

TOTAL represents the cost to vaccinate one child with vaccines universally recommended from birth through 18 years of age using federal contract prices.

Source: Centers for Disease Control and Prevention

Background

- CDC purchases discounted vaccines for VFC-eligible children under federal vaccine contracts; state immunization programs ensure distribution to enrolled providers
- State immunization programs can purchase vaccines for non-VFC children at the same price as long as state general funds are being utilized
- Until 2009, Idaho immunization Program (IIP) could utilize state general funds for vaccine purchase of non-VFC vaccines for children, but due to budget-tightening, these were removed from the IIP budget
- In response, Idaho evaluated other models for universal vaccine purchase, including the New Hampshire program established in 2002 which created the NH Vaccine Association. Health insurers operating in NH are assessed per “covered life,” allowing NH to purchase vaccine for all children under this pricing
- In 2010, Idaho adopted this model in legislation, with modifications including inclusion of TPAs and basis of assessment only on “program-eligible children”

Background

Assessment Statute

TITLE 41
INSURANCE
CHAPTER 60

IMMUNIZATION ASSESSMENTS [EFFECTIVE UNTIL JULY 1, 2015]

41-6004. PLAN OF OPERATION. [EFFECTIVE UNTIL JULY 1, 2015] (1) The board shall submit to the director a plan of operation and thereafter any amendments thereto. The plan of operation, and any amendments thereto, shall become effective upon written approval by the director. If the board fails to submit a suitable plan of operation, the director shall adopt and promulgate a temporary plan of operation.

(2) The plan of operation shall:

(a) Identify methodology and procedures for determining assessments to the carriers that are fair and equitable;

(b) Establish procedures for the director to collect assessments from carriers to fund vaccine purchases by the state of Idaho; and

(c) Provide for any additional matters necessary for the implementation and administration of the fund.

(3) Administrative cost associated with the creation and amending the plan of operation shall be paid out of the fund.

Background: Plan of Operation

Article 7 -Assessment Collections

Assessments shall be billed in accordance with the schedule in *Exhibit A*. Financial reports shall be compiled as scheduled in *Exhibit B*. ~~The Board may allow assessment payments in installments in accordance with *Exhibit A*.~~

Covered lives determinations shall be made each year by April 15 based upon numbers reported by carriers to the Idaho Department of Insurance on or before March 15 each year.

Assessment payments will be due as stated in the notices mailed to the carriers. Interest payments or other penalties may be imposed as allowed by the Act for late or nonpayment of assessments by a carrier. Any late or nonpayment of assessments will be addressed in accordance with the protocol in *Exhibit C*.

Article 8 -Penalties; Adjustments; Dispute Resolution

A. Penalties; Adjustments

1. **Background.** Given numerous factual determinations to be made and tasks to be performed by carriers relative to their calculations of covered lives, all carriers shall exercise the highest degree of good faith and due diligence in all aspects of their relationship with the Board and its administrator should an error occur. The carrier shall notify the Insurance Director as soon as practicable explaining such error and the Insurance Director shall take appropriate action.

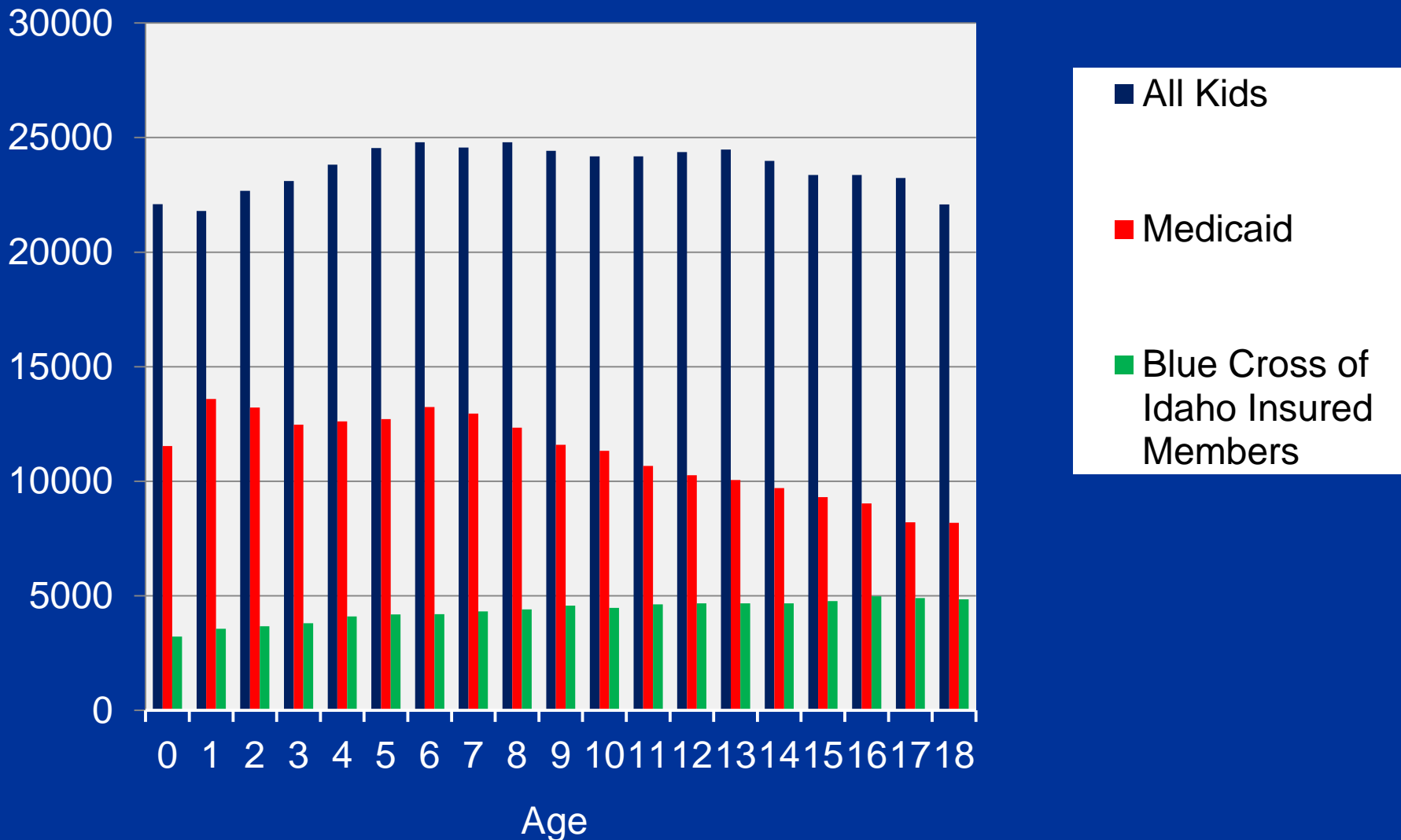


Impetus for re-evaluation of method for calculating assessment proportion

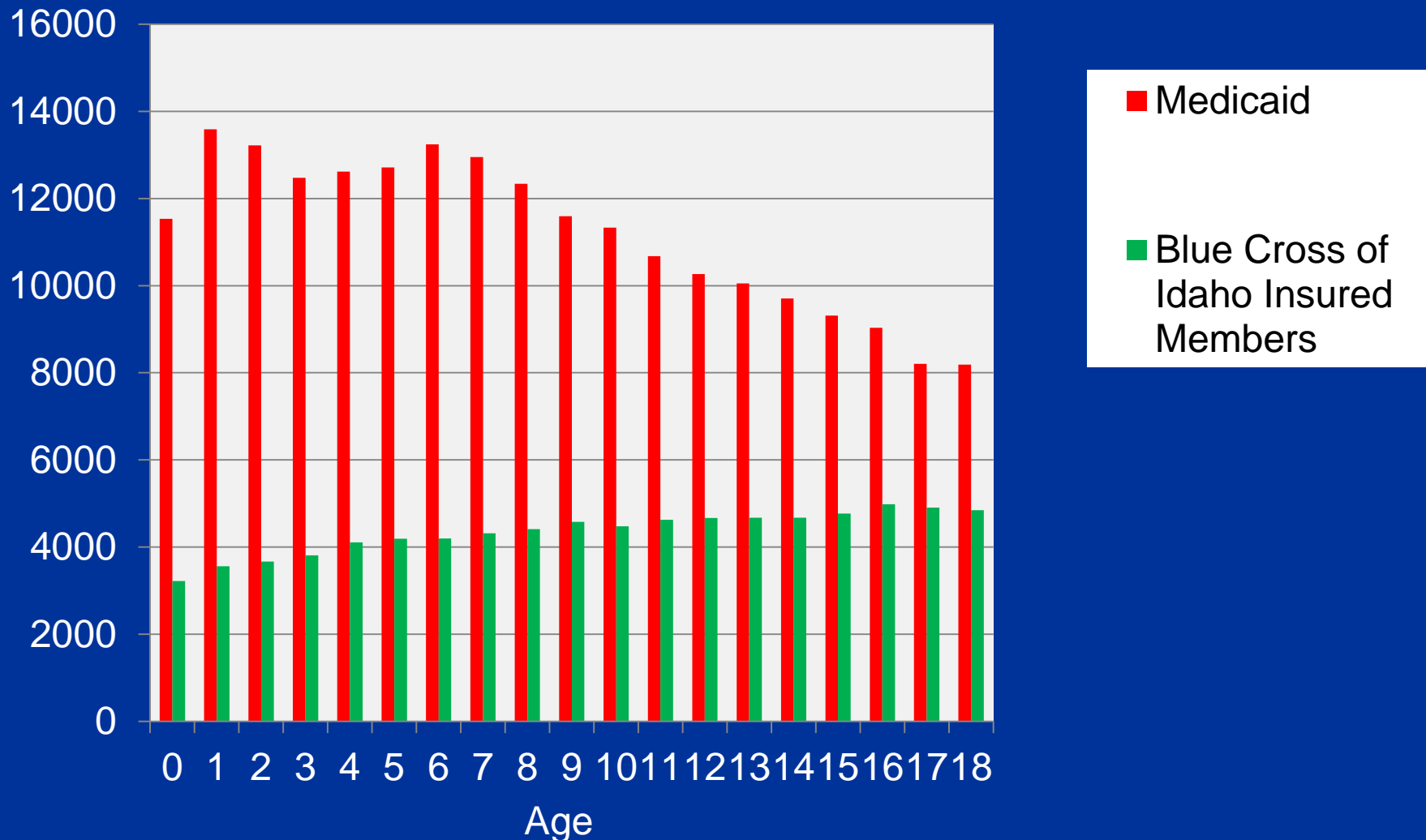
- Program has now been in place since 2010
- Each year, program cost estimates are provided by IIP and approved by the Board; numbers of program-eligible children are obtained using the carrier survey performed by DOI; then, following the Plan of Operation, used to generate the assessment per carrier
- Recent evaluation by some carriers demonstrated variable savings over the years of the assessment process, which are generally less than expected



2013 age distributions -- Idaho children

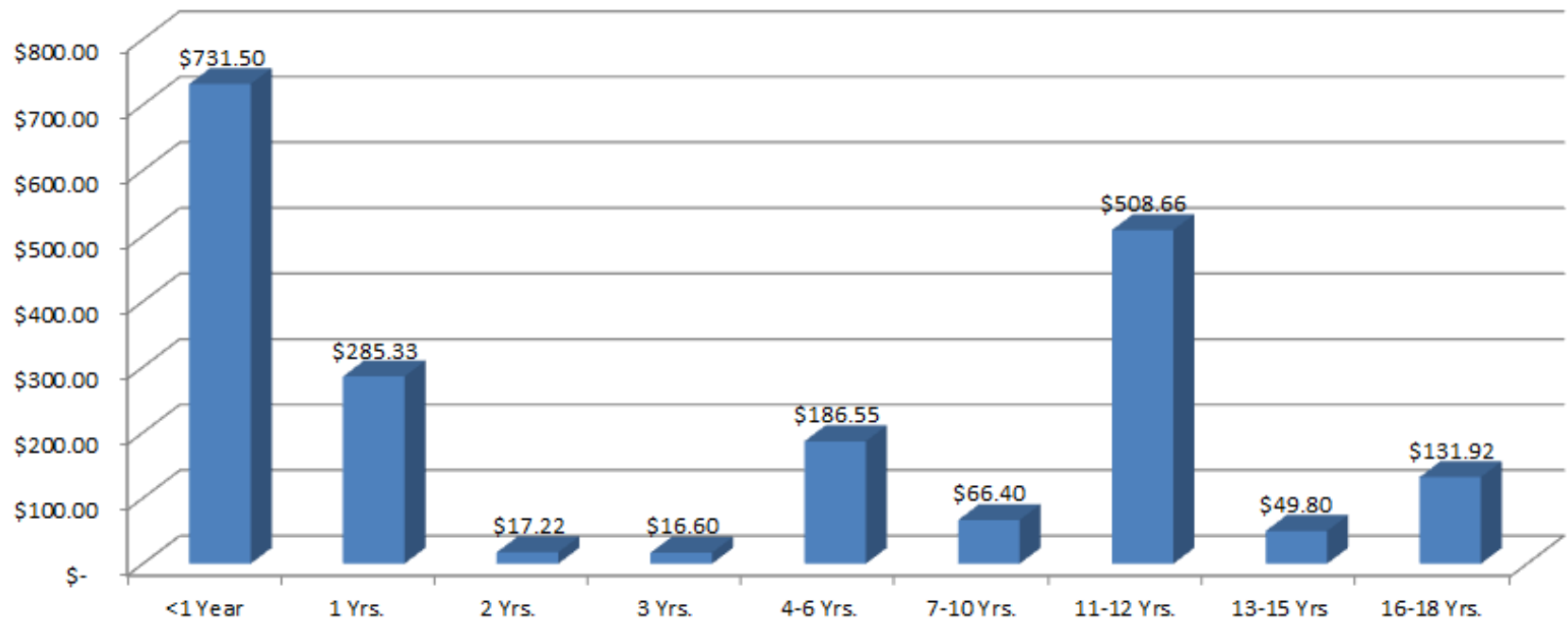


2013 age distributions— children covered by Medicaid and BCI



Estimated Cost per Child by Age

Cost of Idaho Brand-choice Vaccines by Age Group per Child



-Based on the predominately chosen brand/presentation of vaccines in Idaho, total cost = \$1,993.98

-The cost of vaccines that may be administered anywhere within a date range are divided evenly between those years (e.g. the \$186.55 cost for the 4-6 year age range is distributed at \$62.18 during each of those three years).

SFY2015 Assessment

SFY2015 Vaccine Assessment AS VOTED (and corrected on April 8, 2014)
April 8, 2014

	A	B	C
1	SFY 2015 Vaccine Assessment Calculations		
2	Base assessment cost ¹	\$17,567,309	= (33464762 * B14) * 1.00535
3	Actual assessment portion of flu prebook cost	\$1,449,181	= 1494772 * 0.9695
4	Vaccine price variability adjustment factor (2.84%)	\$498,912	= B2 * 0.0284
5	Total SFY2015 Funding Need	\$19,515,402	= SUM(B2:B4)
6	Unanticipated collections during SFY2014 ²	(\$47,917)	
7	Carryover of unspent funds from SFY2014	(\$1,046,755)	
8	Total adjustment from 2014 to be deducted from 2015 assessment	(\$1,094,672)	= SUM(B6:B7)
9	State Fiscal Year 2015 Assessment	\$18,420,730	= B5 + B8
10			
11			
12	CY2013 Idaho population 0 through 18 years ^{3,5}	446,562	= 446562
13	SFY2015 Assessment Survey, covered Idaho children ^{4,6}	233,175	= 233175
14	Percent of Idaho children covered by the assessment	52.2%	= B13/B12
15			
16			
17	Per child assessment for SFY2015	\$79.00	= B9/B13
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21			
22	¹ This amount includes; 1) a 1-year cost averaged from 2 years of vaccine cost data, 2) an actual 2.14% increase in federal vaccine contract pricing, and 3) a further increase of 1/4 of this year's price increase to allow for the one quarter of the 2015 assessment year that will be paid based on 2016 vaccine contracts, 4) does not include flu vaccine.		
23	² Includes back payments from insurers in Idaho.		
24	³ Estimate provided by Vital Records staff.		
25	⁴ Provided by the Idaho Dept. of Insurance.		
26	⁵ Includes 1,137 Washington children who receive vaccines in Idaho.		
27	⁶ Includes 512 insured Washington children who receive vaccines in Idaho, based on their current ratio of 55% federally eligible, 45% insured children.		

SFY2015 Assessment Methodology:

Base Assessment Cost

	A	B
1	SFY 2015 Vaccine Assessment Calculations	
2	Base assessment cost ¹	\$17,567,309

- Annual average cost based on 2 previous years of actual vaccine purchased, and using the latest federal vaccine contract prices
- Multiplied by the percentage of Idaho children that are program eligible
- Multiplied by 0.25 of SFY2015 vaccine price increase to account for the 2015 assessments paid based on 2016 vaccine costs
- *Note: Base assessment cost does not include costs for influenza vaccine*

SFY2015 Assessment Methodology:

Influenza Vaccine Costs

	A	B
1	SFY 2015 Vaccine Assessment Calculations	
2	Base assessment cost ¹	\$17,567,309
3	Actual assessment portion of flu prebook cost	\$1,449,181

- Since the flu vaccine for 2014-2015 flu season had already been pre-booked with the CDC by the time the Assessment is set, the actual cost is included here
- The non-federal flu vaccine cost is multiplied by 96.95% to deduct those vaccines paid for by the State for TRICARE-covered children

SFY2015 Assessment Methodology: Contingency Costs

	A	B
1	SFY 2015 Vaccine Assessment Calculations	
2	Base assessment cost ¹	\$17,567,309
3	Actual assessment portion of flu prebook cost	\$1,449,181
4	Vaccine price variability adjustment factor (2.84%)	\$498,912

- This is the “contingency” amount included to keep the Assessment Fund solvent
- For SFY2015 it was set at 2.84% of the base Assessment cost

SFY2015 Assessment Methodology:

Total Funding Needed

1	SFY 2015 Vaccine Assessment Calculations	
2	Base assessment cost ¹	\$17,567,309
3	Actual assessment portion of flu prebook cost	\$1,449,181
4	Vaccine price variability adjustment factor (2.84%)	\$498,912
5	Total SFY2015 Funding Need	\$19,515,402

- Total Funding Need is the sum of:
 - Base Assessment Cost (Row 2)
 - Influenza Vaccine Cost (Row 3)
 - Contingency Funding (Row 4)

SFY2015 Assessment Methodology:

Deductions from Total Funding Needed

5	Total SFY2015 Funding Need	\$19,515,402
6	Unanticipated collections during SFY2014 ²	(\$47,917)
7	Carryover of unspent funds from SFY2014	(\$1,046,755)
8	Total adjustment from 2014 to be deducted from 2015 assessment	(\$1,094,672)

- Row 6 is the unanticipated collections received during the year (*e.g.*, a newly-discovered carrier doing business in Idaho who was not counted in the annual survey)
- Row 7 is the unspent funds from the previous year that will be carried forward
- Row 8 is the sum of deductions that are subtracted from total funding need

SFY2015 Assessment Methodology:

Total Assessment Amount

5	Total SFY2015 Funding Need	\$19,515,402
6	Unanticipated collections during SFY2014 ²	(\$47,917)
7	Carryover of unspent funds from SFY2014	(\$1,046,755)
8	Total adjustment from 2014 to be deducted from 2015 assessment	(\$1,094,672)
9	State Fiscal Year 2015 Assessment	\$18,420,730

- The total adjustment amount is subtracted from the Total Funding Need to determine the total Assessment amount to be collected from participants

SFY2015 Assessment Methodology: Population of Children

12	CY2013 Idaho population 0 through 18 years ^{3,5}	446,562
----	---	---------

- The Immunization Program receives current population estimates for the Idaho population 18 years of age and younger from the Bureau of Vital Records and Health Statistics (U.S. Census Bureau data)
- The number of Washington children who received vaccines in Idaho is added to the total population (data are extracted from IRIS)

SFY2015 Assessment Methodology: Program Eligible Children

12	CY2013 Idaho population 0 through 18 years ^{3,5}	446,562
13	SFY2015 Assessment Survey, covered Idaho children ^{4,6}	233,175

- Line 13: The total number of insured children from the Department of Insurance survey
 - Includes an estimate of the insured Washington children who receive immunizations in Idaho

SFY2015 Assessment Methodology:

Percent of Program-Eligible Idaho Children

12	CY2013 Idaho population 0 through 18 years ^{3,5}	446,562
13	SFY2015 Assessment Survey, covered Idaho children ^{4,6}	233,175
14	Percent of Idaho children covered by the assessment	52.2%

- The percentage of Idaho children who are program-eligible is derived by dividing the number of children enumerated in the DOI survey by the population of children in Idaho 0-18 years of age

SFY2015 Assessment Methodology:

Per Child Assessment Amount

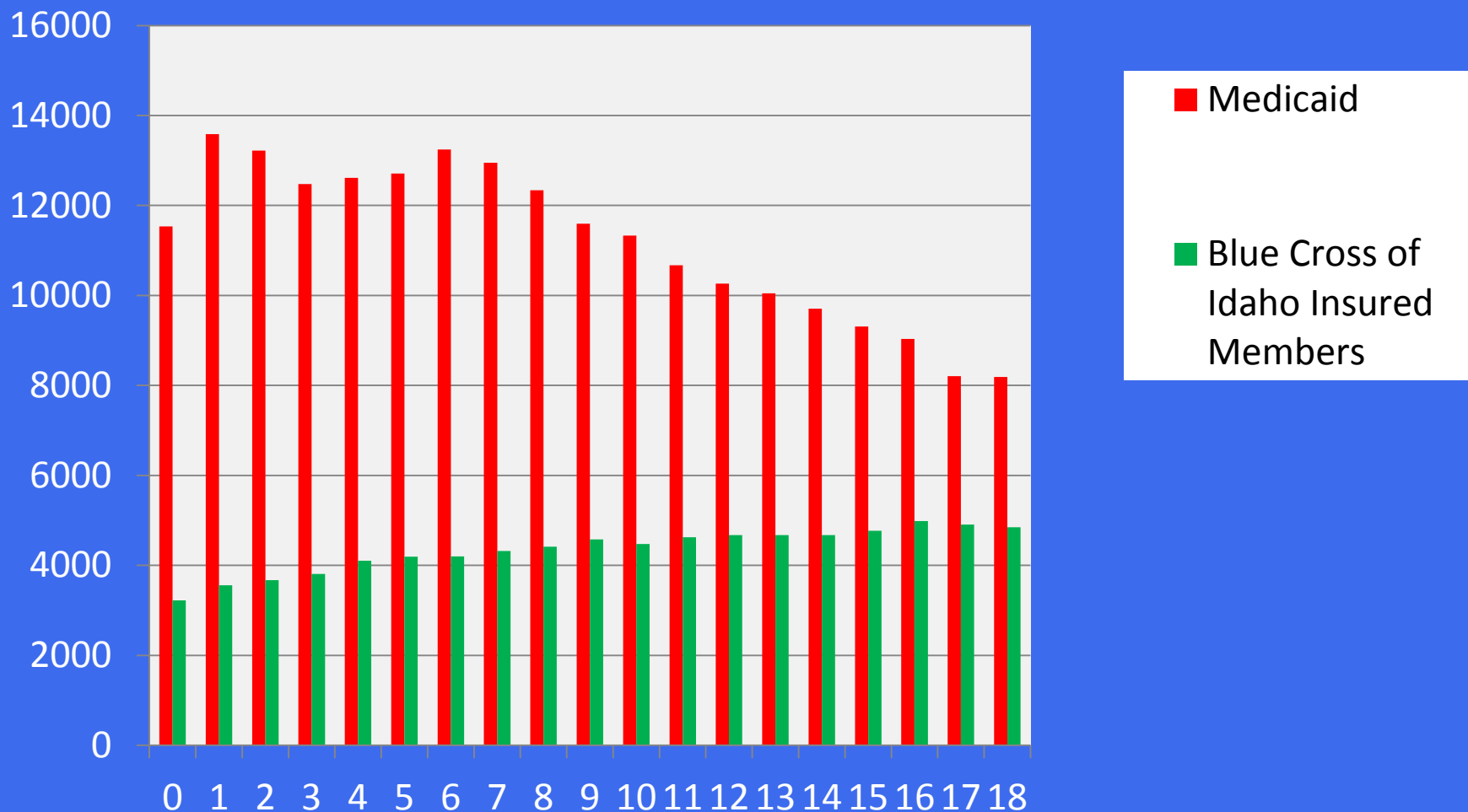
17		Per child assessment for SFY2015	\$79.00
18			

- The per child assessment amount is derived by dividing the Total Assessment Amount (row 9) by the number of program-eligible children; \$79.00 per child in SFY2015

Summary

- The current methodology (the one we just walked through) as outlined in the Plan of Operation, assumes a similar population distribution between federal and state cohorts
- Recent data shared from private insurers, when compared to Idaho Medicaid data, clearly shows that the population distributions are not similar

2013 age distributions– children covered by Medicaid and BCI



Applying New Methodology to SFY2015

	A	B	C
1	SFY 2015 Vaccine Assessment Calculations		
2	Base assessment cost ¹	\$12,481,849	=(33464762*B14)*1.00535
3	Actual assessment portion of flu prebook cost	\$1,109,121	=2989544*0.371
4	Vaccine price variability adjustment factor	\$498,912	
5	Total SFY2015 Funding Need	\$14,089,882	=SUM(B2:B4)
6	Unanticipated collections during SFY2014 ²	(\$47,917)	
7	Carryover of unspent funds from SFY2014	(\$1,046,755)	
8	Total adjustment from 2014 to be deducted from 2015 assessment	(\$1,094,672)	=SUM(B6:B7)
9	State Fiscal Year 2015 Assessment	\$12,995,210	=B5+B8
10			
11			
12			
13	SFY2015 Assessment Survey, covered Idaho children ^{3,4}	233,175	
14	Assessment perportion of the total cost to vaccinate weighted by age	37.1%	
15			
16	Per child assessment for SFY2015	\$55.73	=B9/B13
17			
18			
19	¹ This amount includes; 1) a 1-year cost averaged from 2 years of vaccine cost data, 2) an actual 2.14% increase in federal vaccine contract pricing, and 3) a further increase of 1/4 of this year's price increase to allow for the one quarter of the 2015 assessment year that will be paid based on 2016 vaccine contracts, 4) does not include flu vaccine.		
20	² Includes back payments from insurers in Idaho.		
21	³ Provided by the Idaho Dept. of Insurance.		
22	⁴ Includes 512 insured Washington children who receive vaccines in Idaho, based on their current ratio of 55% federally eligible, 45% insured children.		
23			

New Methodology Description

- It is clear from the data provided by the insurers, when compared to the data we have from Medicaid, that the Assessment must take into account the fact that the younger children are disproportionately federally-eligible
- The previous slide showed the “answer” of what impact the new methodology would have on Assessment costs
- The following section walks through the calculations used to arrive at the 37.1% share for the Assessment

New Methodology Description

[illegible]

New Methodology Description

A
Age of child
0
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18

- Column A is the listing of years of age of all the children who are included in the federal and state funded immunization program, birth through 18 years

New Methodology Description

	A	B
1	Age of child	VFC Population (From VTrckS)
2	0	15,270
3	1	13,865
4	2	13,865
5	3	14,021
6	4	14,021
7	5	14,021
8	6	14,021
9	7	11,469
10	8	11,469
11	9	11,469
12	10	11,469
13	11	11,469
14	12	11,469
15	13	11,469
16	14	11,469
17	15	11,469
18	16	11,469
19	17	11,469
20	18	11,469
21		236,712

- Column B shows the number of federally-eligible (VFC) children in each age cohort
- These data come from VTrckS, which is the federal “Vaccine Tracking System” which handles all of the ordering, shipping, and returns data
- Note that the CDC only considers four age brackets (highlighted to the left).
- Please remember that Medicaid is only part of VFC

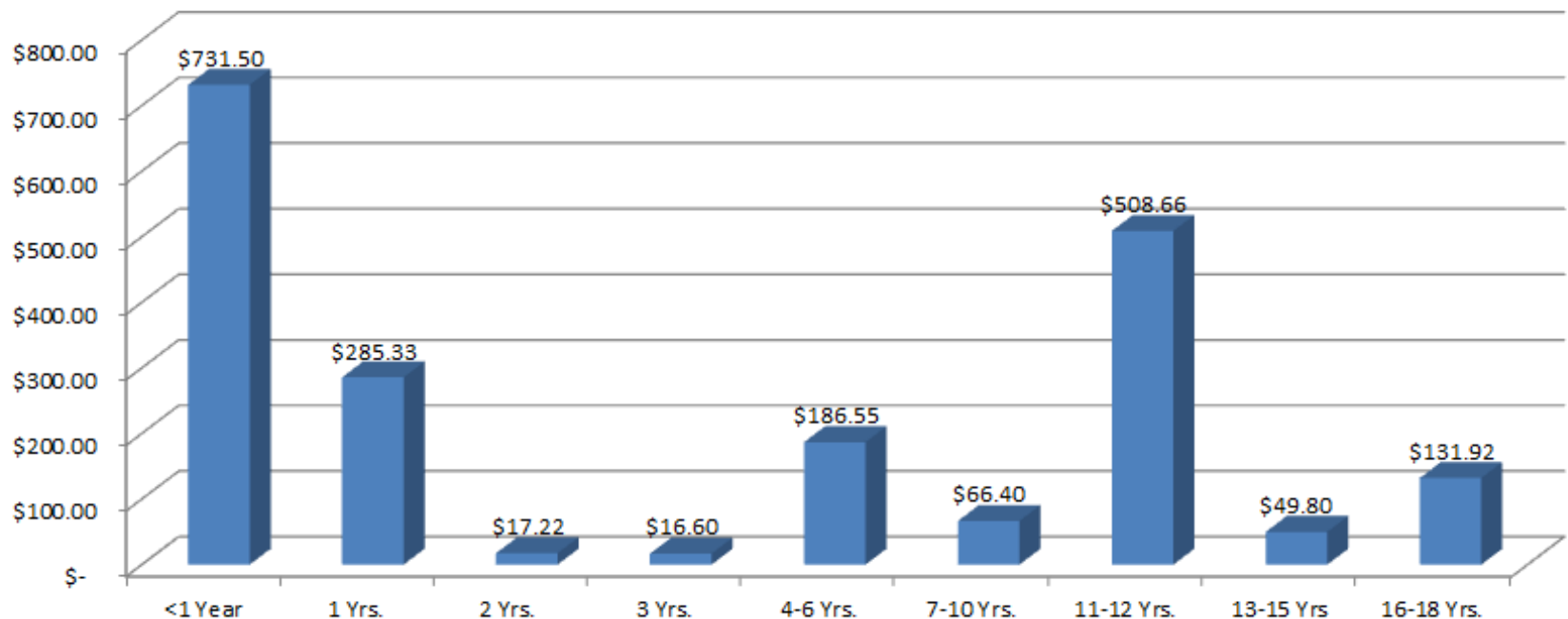
New Methodology Description

Age of child	Vaccine Cost per Cohort Year
0	\$ 731.50
1	\$ 285.33
2	\$ 17.22
3	\$ 16.60
4	\$ 62.18
5	\$ 62.18
6	\$ 62.18
7	\$ 16.60
8	\$ 16.60
9	\$ 16.60
10	\$ 16.60
11	\$ 254.33
12	\$ 254.33
13	\$ 16.60
14	\$ 16.60
15	\$ 16.60
16	\$ 43.97
17	\$ 43.97
18	\$ 43.97

- Column C shows the estimated cost to vaccinate one child during each year of life
- Calculations are based on the most-ordered brands and presentations of vaccines in Idaho
- Vaccines that can be administered anytime within an age range are divided among those years (e.g. the \$186.55 cost for the 4-6 year age range is charged at \$62.18 during each of those three years)

New Methodology Description

Cost of Idaho Brand-choice Vaccines by Age Group per Child



-Based on the predominately chosen brand/presentation of vaccines in Idaho, total cost = \$1,993.98

-The cost of vaccines that may be administered anywhere within a date range are divided evenly between those years (e.g. the \$186.55 cost for the 4-6 year age range is distributed at \$62.18 during each of those three years).

New Methodology Description

Age of child	Total Cost of the 1-yr Fed Cohort
0	\$ 11,170,005.00
1	\$ 3,956,100.45
2	\$ 238,755.30
3	\$ 232,748.60
4	\$ 871,872.52
5	\$ 871,872.52
6	\$ 871,872.52
7	\$ 190,385.40
8	\$ 190,385.40
9	\$ 190,385.40
10	\$ 190,385.40
11	\$ 2,916,910.77
12	\$ 2,916,910.77
13	\$ 190,385.40
14	\$ 190,385.40
15	\$ 190,385.40
16	\$ 504,330.16
17	\$ 504,330.16
18	\$ 504,330.16
	\$ 26,892,736.72

- Column D = (total number of children in each age cohort * cost to vaccinate each age cohort)

New Methodology Description

Age of child	Tot. <19 yrs. Population From 2013 Census Data	Non-VFC Population Calculated From 2013 Census Data
0	22,089	6,819
1	21,802	7,937
2	22,679	8,814
3	23,100	9,079
4	23,817	9,796
5	24,546	10,525
6	24,799	10,778
7	24,567	13,098
8	24,800	13,331
9	24,425	12,956
10	24,180	12,711
11	24,179	12,710
12	24,368	12,899
13	24,473	13,004
14	23,979	12,510
15	23,368	11,899
16	23,369	11,900
17	23,241	11,772
18	22,078	10,609
	449,859	213,147

- Column E shows the population of Idaho in each age cohort (Source: U.S. Census Bureau)
- Column F is the estimated insured children in each age cohort, calculated by subtracting the VFC population from the total population
- Note: The total insured children in Column E is less than what the survey reports as insured children

New Methodology Description

Age of child	Total Cost of the 1-yr State Cohort
0	\$ 4,988,098.50
1	\$ 2,264,664.21
2	\$ 151,777.08
3	\$ 150,711.40
4	\$ 609,147.93
5	\$ 654,479.58
6	\$ 670,211.97
7	\$ 217,426.80
8	\$ 221,294.60
9	\$ 215,069.60
10	\$ 211,002.60
11	\$ 3,232,534.30
12	\$ 3,280,602.67
13	\$ 215,866.40
14	\$ 207,666.00
15	\$ 197,523.40
16	\$ 523,282.67
17	\$ 517,654.08
18	\$ 466,513.09
	\$ 18,995,526.88

- As with Column D, Column H = (total number of children in each age cohort * cost to vaccinate each age cohort)

New Methodology Description

Total Costs

- Total costs to fully vaccinate children in Idaho for 2013 were calculated (D21 + H21)
- Note: these estimated costs are only used to calculate **proportion** of obligation, and presumes 100% vaccination of all children

New Methodology Description

	VFC	Non-VFC (Assessment, TRICARE & S-CHIP)	TRICARE	S-CHIP	Assessment
Ratio	58.6%	41.4%	1.6%	2.7%	37.1%

	VFC	Non-VFC (Assessment, TRICARE & S-CHIP)	TRICARE	S-CHIP	Assessment
Ratio	=D21/(D21+H21)	=H21/(D21+H21)	=596000/37132254	=1014214.24/37132254	=D24-F24-E24

- The federal and state funding obligations are calculated as proportions of the total cost to vaccinate all Idaho children
- The TRICARE and S-CHIP funding amounts are subtracted from the state obligation (since those funds come from other sources) to arrive at the Assessment's percentage of the funding obligation

Applying New Methodology to SFY2015

	A	B	C
1	SFY 2015 Vaccine Assessment Calculations		
2	Base assessment cost ¹	\$12,481,849	=(33464762*B14)*1.00535
3	Actual assessment portion of flu prebook cost	\$1,109,121	=2989544*0.371
4	Vaccine price variability adjustment factor	\$498,912	
5	Total SFY2015 Funding Need	\$14,089,882	=SUM(B2:B4)
6	Unanticipated collections during SFY2014 ²	(\$47,917)	
7	Carryover of unspent funds from SFY2014	(\$1,046,755)	
8	Total adjustment from 2014 to be deducted from 2015 assessment	(\$1,094,672)	=SUM(B6:B7)
9	State Fiscal Year 2015 Assessment	\$12,995,210	=B5+B8
10			
11			
12			
13	SFY2015 Assessment Survey, covered Idaho children ^{3,4}	233,175	
14	Assessment perportion of the total cost to vaccinate weighted by age	37.1%	
15			
16	Per child assessment for SFY2015	\$55.73	=B9/B13
17			
18			
19	¹ This amount includes; 1) a 1-year cost averaged from 2 years of vaccine cost data, 2) an actual 2.14% increase in federal vaccine contract pricing, and 3) a further increase of 1/4 of this year's price increase to allow for the one quarter of the 2015 assessment year that will be paid based on 2016 vaccine contracts, 4) does not include flu vaccine.		
20	² Includes back payments from insurers in Idaho.		
21	³ Provided by the Idaho Dept. of Insurance.		
22	⁴ Includes 512 insured Washington children who receive vaccines in Idaho, based on their current ratio of 55% federally eligible, 45% insured children.		
23			

Applying New Methodology to SFY2015: Base Assessment Cost

1	SFY 2015 Vaccine Assessment Calculations		
2		Base assessment cost ¹	\$12,481,849

- The base cost is calculated the same way as it was in the actual SFY2015 Assessment, except cell B14 in the formula is now showing an Assessment-share percentage of only 37.1% instead of the 52.2% shown in the original Assessment
- *(The 37.1% is explained later in this presentation)*

Applying New Methodology to SFY2015: Flu Cost

2	Base assessment cost ¹	\$12,481,849
3	Actual assessment portion of flu prebook cost	\$1,109,121

- Flu cost is calculated as 37.1% of the total flu vaccine cost for the year

Applying New Methodology to SFY2015: Contingency Amount

2	Base assessment cost ¹	\$12,481,849
3	Actual assessment portion of flu prebook cost	\$1,109,121
4	Vaccine price variability adjustment factor	\$498,912

- The same “contingency” amount is carried forward from the voted Assessment

Applying New Methodology to SFY2015: Total Need

2	Base assessment cost ¹	\$12,481,849
3	Actual assessment portion of flu prebook cost	\$1,109,121
4	Vaccine price variability adjustment factor	\$498,912
5	Total SFY2015 Funding Need	\$14,089,882

- Total funding is calculated the same as before, the sum of:
 - Base Assessment Cost (Row 2)
 - Influenza Vaccine Cost (Row 3)
 - Contingency Funding (Row 4)

Applying New Methodology to SFY2015: Deductions from Need

6	Unanticipated collections during SFY2014 ²	(\$47,917)
7	Carryover of unspent funds from SFY2014	(\$1,046,755)
8	Total adjustment from 2014 to be deducted from 2015 assessment	(\$1,094,672)

- These are the same unexpected collections from the actual Assessment

Applying New Methodology to SFY2015: Total to be Assessed

5	Total SFY2015 Funding Need	\$14,089,882
6	Unanticipated collections during SFY2014 ²	(\$47,917)
7	Carryover of unspent funds from SFY2014	(\$1,046,755)
8	Total adjustment from 2014 to be deducted from 2015 assessment	(\$1,094,672)
9	State Fiscal Year 2015 Assessment	\$12,995,210

- The adjustment amount is subtracted from the total need to determine the amount to be collected

Applying New Methodology to SFY2015: Applying the Weighting

13	SFY2015 Assessment Survey, covered Idaho children ^{3,4}	233,175
14	Assessment proportion of the total cost to vaccinate weighted by age	37.1%

- This is the cell B14 which provides the percentage of costs that are the Assessment's share

Applying New Methodology to SFY2015: The Final Outcome

Per child assessment for SFY2015	\$55.73
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- The amount needed to be collected (cell B9) is divided by the total number of insured children identified through the survey (cell B13)

Applying New Methodology to SFY2015: Comparison

SFY2015 Actual Per-child Assessment	\$79.00
SFY2015 Per-child Assessment w/ New Methodology	\$55.73

29.5% savings $((79.00 - 55.73)/79.00)$

- Comparing the actual per-child Assessment used for SFY2015 to the one shown following the new methodology demonstrates a savings of 29.5%

Next Steps

- Proposed change to IIP's cost estimate methodology as per slides and discussion today
- Consider change to Plan of Operations Exhibit A (see handout), which requires the following:

Article 1-Effective Date; Amendment

This Plan and any amendments to same may be recommended from time to time by the Board and shall become effective upon written approval of the Director of the Idaho Department of Insurance (the "Insurance Director"). The Board may propose amendments at any time. Amendments may include a retroactive effective date if such date is proposed in the amendments and approved in writing by the Insurance Director.



Next Steps

- Once the new Plan is signed and methodology approved by the Board, the IIP will immediately make adjustments to begin realizing savings within the current state fiscal year
- *Carryover for the assessment fund will increase for next year as spending is adjusted in this spending cycle.*



Current SFY2015 Assessment										
Base	Assessment Portion = 52.2%	Assessment Flu	Total Vaccine Assessment Cost	Contengency	Total Need	Minus Carry Forward	Total Assessment	Number of kids	\$ per Kid	
\$ 33,643,798	\$ 17,567,309	\$ 1,449,181	\$ 19,016,490	\$ 498,912	\$ 19,515,402	\$ (1,094,672)	\$ 18,420,730	233,175	78.99959258	

SFY2015 Assessment If New Methodology Had Been Followed										
Base	All Flu	Total Cost All Vaccine	(Need) Assessment Portion = 37.1%	Contengency	Minus Carry Forward	Total Assessment	Number of kids	\$ per Kid	Percent "Savings" Over Current Assessment	
\$ 33,943,798	\$ 2,989,544	\$ 36,933,342	\$ 13,702,270	\$ 498,912	\$ (1,094,672)	\$ 13,106,510	233,175	56.20889839	28.8%	

Difference between two assessments (will contribute to carryover for SFY2016): \$ 5,314,220

Note: As we are in a new FFY, we will not be able to completely adjust to the new ratio during the current year.

SFY2015 Vaccine Assessment (as it would have been under the new methodology)
December 1, 2014

	A	B	C
1	SFY 2015 Vaccine Assessment Calculations		
2	Base assessment cost ¹	\$12,481,849	= (33464762*B14)*1.00535
3	Actual assessment portion of flu prebook cost	\$1,109,121	= 2989544*0.371
4	Vaccine price variability adjustment factor	\$498,912	
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