

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

**MBV Program Savings Calculation for FYE 6/30/2016 & FYE 6/30/2015**

Dear Directors,

Below is our calculation of the savings that the program has created in the fiscal years ended June 30, 2016 and June 30, 2015.

	(A) <u>FY 6/2016</u>	(B) <u>FY 6/2015</u>
A. CDC Survey Market Comparison costs: (Actual doses per brand x CDC market survey)	\$16,413,677	\$14,939,756
 B. MVB Program costs:		
Cost of vaccine replenishments	\$10,048,369	\$10,806,509
+ Operating Cost	154,267	141,476
+ Leakage & Bad Debt	-	-
+/- Incremental Reserve Adj.	-	-
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= Total Program Cost	<u>\$10,202,636</u>	<u>\$10,947,985</u>
 C. MVB Program Savings (A – B = C)	\$6,211,041	\$3,991,771
 D. Program Savings Percentage (C / A = D)	37.84%	26.72%
 E. Savings per child covered life per year (Covered lives: FY2016= 131,117, FY2015= 124,921)	\$47.37	\$31.95

Notes:

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

Sincerely,



Peter M. Smith  
Financial & Internal Control Analyst

cc: Fred L. Potter, Nicole Price

