



STATE OF MAINE

**Thirteenth report
of the
MAINE VACCINE BOARD**

for the
State Fiscal Year ended June 30, 2023

December 2023

Hon. Gary Connor, RN, Chair
Rick Speigel
Larry Losey, MD
Forrest West, MD
Shonna Poulin Gutierrez
Stephen Sears, MD, MPH
Daniel Demeritt
Jeffrey Sedlack, MD
(ex officio) **Jessica Shiminski**

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EXECUTIVE SUMMARY

This is the thirteenth 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 the inception of the program, compliance has increased steadily resulting in almost 100% of eligible payers participating in the program. The close of the 2022-23 fiscal year saw the MVB continuing to advance in organizational maturity and improved operational efficiency. The MVB has now completed twelve full years of operation.

Over the past year, the Maine Vaccine Board (MVB) has experienced significant transitions, marked by the retirement of several long-standing volunteers whose contributions have been vital to its mission. The MVB expresses deep gratitude to the former Chair, Peter Gore, and directors Katherine Pelletreau and Deborah Deatruck, for their enduring commitment and leadership.

In the wake of these departures, the MVB warmly welcomed new board members appointed by the Governor, whose expertise is expected to further the organization's tradition of healthcare excellence.

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. The momentum gained during the pandemic continued into a year with innovation and expansion. Notably, the MVB oversaw the commercial release of an updated COVID-19 vaccine formulation—a significant achievement in the management of the pandemic. As the respiratory virus season commenced, the introduction of a new RSV monoclonal antibody for infants exemplified the MVB's dedication to preventive health measures.

The MVB has persevered in its commitment to promoting routine vaccinations for all, striving to increase immunization rates that had diminished during the pandemic, affecting both pediatric and adult populations.

The Board reflects with great pride on the diligent work of providers, community members, and the Maine Immunization Program team, who have collectively played a crucial role in protecting the health of Maine's citizens against vaccine-preventable diseases.

The Board's achievements are a direct result of the support and collaboration of all its partners. The MVB, on behalf of its members, extends heartfelt thanks to everyone who has contributed to its success.

State vaccine purchases with MVB funds and distribution to providers began in January 2012. This report contains data for the fiscal year July 1, 2022 - June 30, 2023:

Fiscal Year 7/1/2022 - 6/30/2023	
Total Number of Payers (4-qtr average)	129
Total Assessments Raised	\$14,676,937
Average Monthly Child Covered Lives	134,542
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 09-20-2022, 11-10-2022, 01-11-2023, 05-17-2023. 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. Hon. Gary Connor, RN currently serves as Board chair. Jessica Shiminski serves as the designee for the Commissioner of the Department of Health and Human Services and is the Director of the Maine Immunization Program. With the exception of the pharmaceutical manufacturing industry representative, who serves a one-year term, the terms of Board members are three years.

PROGRAM PROGRESS AND ASSESSMENT RATE HISTORY

The State of Maine began purchasing vaccines for non-VFC eligible children January 1, 2012. Maine became a universal vaccine purchasing state and purchased vaccines for all Maine children at the same favorable federal CDC contract rates negotiated with vaccine manufacturers for the VFC program. As the program has matured, the Maine Center for Disease Control and Prevention (Maine CDC) has worked to aid in enhancing the program.

MVB has adopted thirteen 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. In September 2023, the MVB voted to move the rate changes back to a state fiscal year calculation. The assessment rate changes will now be decided during the first quarter of its fiscal year. 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.

Maine is uniquely positioned by having funds at the ready to seamlessly continue offering all recommended immunizations, including COVID and RSV immunizations, to its infant, pediatric, and adolescent populations. Ongoing analysis demonstrates that MVB continues to yield very substantial cost savings for payers.

In 2023, the MVB recorded strategic changes to its schedule of assessment rate settings. On July 24, 2023, the Board agreed to a proposal from the Maine CDC to advance the assessment rate setting from September to May. This change was recommended to leverage the most current data in setting the assessment rates, which traditionally take effect on July 1 of each year. The MVB's adoption of this proposal aligns the rate setting with the second quarter of the calendar year, ensuring more timely and data-informed decision-making.

Furthermore, on November 15, 2023, the MVB convened to address the need for an interim adjustment to the 2023 assessment rate. This amendment was necessitated by the inclusion of the RSV immunization and the transition to commercialization for the COVID-19 vaccine. Consequently, the MVB determined an interim assessment rate of \$10.04, to be applied in the fourth quarter of 2023, with the reporting due by February 15, 2024.

Looking ahead, the MVB is scheduled to deliberate and vote on the assessment rate for the year 2024 in the upcoming May 2024 meeting. This forward-planning approach underscores the Board's commitment to maintaining fiscal responsibility while adapting to evolving healthcare needs.

As in the past, these are documented in the annual outside analysis completed for MVB and attached to this report.

MVB Assessment Rates	
2011/2012	\$6.98
2012/2013	\$6.81
2013/2014	\$8.16
2015*	\$8.16
2016	\$9.19
2017	\$3.17
2018	\$8.29
2019	\$4.56
2020	\$7.96
2021	\$7.96
2022	\$9.45
2023	\$7.82
2023 Interim Assessment Rate	\$10.04

*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.

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 and afforded helpful confirmation of the appropriateness of MVB's annual self-measurement tool. The findings,

previously published by BerryDunn, were 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. Satisfaction with MVB's work was evident in all constituent groups.

CONCLUSION

In conclusion, notwithstanding the ongoing implicit commendation of the previously produced independent Impact Analysis, MVB intends to continue to pursue avenues for improved program operations. 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 Attorney General, all of whom have been supportive of this work.

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

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

seemamack

Seema P. Mack
President and CEO



PO Box 1885 • Concord, NH 03302-1885

ph 1.855.KidsVax (543.7829) | fax 1.855.KidsFax (543.7329) | email smack@kidsvax.org

Exhibit A--VaxFactsSM

The VaxFactsSM provides an overview of MVB activities for the past fiscal year along with high level financial summaries and links to MVB's website locations for more detailed financial data. A full-sized version of the VaxFactsSM report is available for viewing or download on MVB's home page at www.MEvaccine.org.

**ME**

VaxFacts

2022-2023

MVB | MAINE
VACCINE
BOARD**DEAR FRIENDS
AND COLLEAGUES,**

MVB had significant changes in the past year, with several long-time volunteers retiring. We are eternally grateful for the tireless efforts of our former Chair, Peter Gore, outgoing directors Katherine Pelletreau and Deborah Deatrack. MVB is excited to have several new members appointed by the Governor join a team of committed healthcare professionals to continue their great work. With the help of KidsVax, our universal vaccine purchase program remains a nationwide model, saving residents of Maine approximately \$4 million per year and 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 continued efforts through the pandemic and the MVB wishes to recognize and thank the health plan, business, and payer communities' who underpin this successful public-private partnership.

**Hon. Gary Connor, RN, Chair
Maine Vaccine Board**

Gary, a former ME Legislator, serves on a volunteer basis as the Chair of the MVB.

A Message from Jessica Shiminski Immunization Program Director, Maine CDC

The momentum we experienced during the pandemic has continued throughout this year and brought with it many new and exciting changes. Most notable was the long-awaited commercialization of COVID-19 vaccines which included a newly updated COVID-19 vaccine formulation. Additionally, as we approach winter and the beginning of respiratory virus season, we have introduced a new RSV monoclonal antibody for infants. Together with our providers, the Maine Vaccine Board, and all our committed staff members, we have worked tirelessly to ensure these lifesaving vaccines are available to all children.

Amid these changes, we have sustained our work around recommending routine vaccination and making it available to all patients. We continue to work on increasing immunization rates that had declined during the pandemic for both pediatric and adult populations.

I am proud of the strong work done by our providers, community members and by the Maine Immunization Program team to protect Mainers against vaccine preventable disease. We all play a vital role in providing good public health and I am happy to be a part of it. Many thanks to all who support us along the way.

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

WWW.MEVACCINE.ORG



BOARD OF DIRECTORS

Connor, Gary, RN, Chair
Asclepius Research Services, Inc.

Demeritt, Daniel, Executive Director
Maine Association of Health Plans

Losey, Larry, MD
Mid Coast Pediatrics

Poulin Gutierrez, Shonna
Executive Director
State of Maine Office of Employee
Health and Wellness

Sears, Stephen, MD, MPH
Maine Centers for Disease Control

Sedlack, Jeffrey, MD, Medical Director
Point32 Heath Maine

Spiegel, Rick, Actuarial Director
Anthem, Inc./Elevance Health

West, Forrest, MD
Healthcare Representative

MAINE CDC

Shiminski, Jessica
Immunization Program Director, Maine CDC

ADMINISTRATOR



www.KidsVax.org

Seema Mack
President & CEO

Megan Conrad
Controller

Heather Veen
Chief of Staff

Fred Potter
Founding Member

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 had been able to reduce its assessment rate for the current year, 2022-2023. This successful funding model has additional powerful benefits:

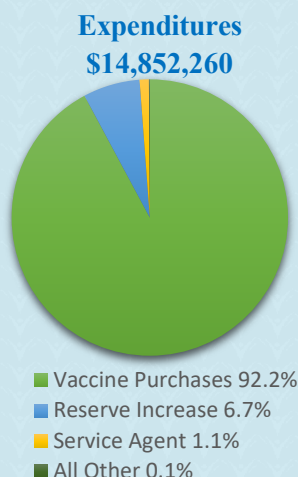
- **No Clinician Financing costs.** Instead of fronting significant dollars to keep vaccines on hand, clinicians receive and administer vaccines from The Maine CDC's Immunization Program.
- **Consolidated Storage and Ordering.** Clinicians can avoid navigating complex ordering systems based on who paid 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 three 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.

FINANCIALS

July 1, 2022 - June 30, 2023



For complete financial reports please see www.MEvaccine.org/audit/2023

Thirteenth Annual Report of the Maine Vaccine Board

(December 2023)

Exhibit B—Approved Audit Report of 06/30/2023

Maine Vaccine Board

FINANCIAL REPORT

June 30, 2023 and 2022

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June 30, 2023 and 2022

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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, 2023 and 2022, 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, 2023 and 2022, 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.

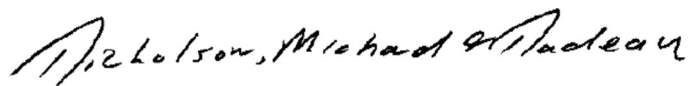
Auditor's Responsibilities for the Audit of the Financial Statements

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, reading "Michael A. Maclean". The signature is written in a cursive, flowing style.

Waterville, Maine
November 15, 2023

MAINE VACCINE BOARD
STATEMENTS OF FINANCIAL POSITION

June 30,

ASSETS

	2023	2022
Assets		
Cash and cash equivalents	\$ 10,372,238	\$ 9,281,143
Assessments receivable	9,143	128,784
Accrued interest	21,014	4,349
Total Assets	<u>\$ 10,402,395</u>	<u>\$ 9,414,276</u>

LIABILITIES and NET ASSETS

Assessments Collected in Excess of Vaccine Funding and Administrative Activities	<u>\$ 10,402,395</u>	<u>\$ 9,414,276</u>
Total Liabilities	<u>10,402,395</u>	<u>9,414,276</u>
Net Assets	-	-
Total Liabilities and Net Assets	<u>\$ 10,402,395</u>	<u>\$ 9,414,276</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,

	<u>2023</u>	<u>2022</u>
Revenues		
Assessment revenue	\$ 14,676,937	\$ 13,595,892
Assessment interest	1,074	2,441
Investment income	174,549	37,402
Total Revenue	<u>14,852,560</u>	<u>13,635,735</u>
Program Expenses		
Vaccine replenishments	13,688,368	14,140,697
Administrative Expenses		
Servicing agent fees	160,553	153,288
Audit	7,000	7,000
Bank fees	8,520	8,382
Total Administrative Expenses	<u>176,073</u>	<u>168,670</u>
Total Expenses	<u>13,864,441</u>	<u>14,309,367</u>
Change in Net Assessments Collected	988,119	(673,632)
Vaccine Funding and Administrative Activities in Excess of Assessments Collected	<u>(988,119)</u>	<u>673,632</u>
Change in Net Assets	-	-
Net Assets at Beginning of Year	<u>-</u>	<u>-</u>
Net Assets at End of Year	<u>\$ -</u>	<u>\$ -</u>

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,

	2023	2022
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	119,641	(113,693)
Accrued interest	(16,665)	(231)
Increase (decrease) in liabilities:		
Accounts payable	-	(6,508)
Vaccine funding and administrative activities in excess of assessments collected	988,119	(673,632)
Net cash flows from operating activities	<u>1,091,095</u>	<u>(794,064)</u>
Net change in cash and cash equivalents	1,091,095	(794,064)
Cash and cash equivalents at beginning of period	<u>9,281,143</u>	<u>10,075,207</u>
Cash and cash equivalents at end of period	<u><u>\$ 10,372,238</u></u>	<u><u>\$ 9,281,143</u></u>

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

Maine Vaccine Board

NOTES to FINANCIAL STATEMENTS

June 30, 2023 and 2022

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, 2023 and 2022 were \$160,553 and \$153,288, 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, 2023 and 2022. Assessments receivable would also include outstanding amounts due from assessed entities on quarterly assessment billings which amounted to \$9,143 and \$128,784 at June 30, 2023 and 2022, 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, 2023 and 2022

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, 2023 and 2022.

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, 2023 and 2022. 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, 2023 and 2022

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 November 15, 2023, 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:

	2023	2022
Cash and cash equivalents	\$10,372,238	\$9,281,143
Assessments receivable	9,143	128,784
Accrued interest	21,014	4,349
	<u>\$10,402,395</u>	<u>\$9,414,276</u>

NOTE 3 – CASH AND CASH EQUIVALENTS

The State of Maine sponsors an internal investment pool called the State of Maine Treasurer's Cash Pool (TCP). The Board invests monies that are not needed for immediate use in the TCP, in accordance with the requirements of the Childhood Immunization Fund (see Note 1). The TCP is primarily comprised of investment vehicles with short maturities (certificates of deposit, commercial paper, corporate bonds, U.S. treasury bills, repurchase agreements and federal agency notes) and the Board characterizes the investments with the TCP as low risk. The TCP is not rated by external rating agencies. The Board is able to make withdrawals from the TCP at par with little advance notice and without penalty. The Board considers this investment vehicle a money market instrument and carries the amounts in the pool at cost. Cash balances of \$10,323,529 and \$9,234,676 were pooled and invested in the TCP at June 30, 2023 and 2022, respectively.

Cash balances of \$48,709 and \$46,467 were kept in a bank lockbox at June 30, 2023 and 2022, respectively, before being transferred to the TCP.

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

	2023	2022
Cash held in State of Maine TCP	\$10,323,529	\$9,234,676
Cash lockbox account	48,709	46,476
	<u>\$10,372,238</u>	<u>\$9,281,143</u>

NOTE 4 – CONCENTRATIONS

The Board collected assessment revenues of approximately \$9,500,000 and \$9,000,000 from four payers for the years ended June 30, 2023 and 2022, respectively. These combined assessment revenues represent 64% and 67% of 2023 and 2022 gross revenues collected, respectively.