

Introduction & Notes re: MVB Annual Assessment Setting Workbook

MVB Calendar Year 2017

[Note: This is a Working Version as of 9/22/2016. Substantial further changes by MVB are anticipated.]

01. This workbook follows the past naming conventions with each sheet beginning with a letter (i.e., "a." through "d."), and each cell within each sheet being identified by a 2-digit row number (e.g., "01.") and column letter (e.g., "A"). So, to facilitate reference while collaborating via conference phone, users can refer to any single number, for example the new assessment rate, by a combination of the above. For that key number, the new monthly assessment rate, the reference is "a.82.B".
02. Since the first measurement period is for the month of January and assessments are due forty-five (45) days after the end of each quarter, the first assessment payment with the new rate will be May 15, 2017 for the months of Jan-Mar, 2017.
03. The primary spreadsheet for the work is the assessment calculation worksheet, worksheet a. The other sheets are intended to be reference or to develop background data in specific areas for the work. Key data for developing the primary funding target is on spreadsheet b. which contains data supplied by the Maine CDC for the vaccine funding needs. Key numbers from a subsidiary sheet rolled into the main assessment sheet generally are shaded in yellow.
04. These spreadsheets are protected as published. This is intended to help users test various assumptions and control points which may be adjusted by the MVB in setting the final new rate. Those cells in which entries normally would be made are shaded in green. They are unprotected to allow data entry. For example, a user can adjust utilization assumptions for increases over prior years by entering percents either by vaccine on sheet b. or overall on sheet a (a.12.B). The vaccine funding target takes the number as adjusted by those two factors and then applies the assumed cost increase (a.14.B). The cost increase is applied for 9/12 of the year since it typically becomes effective as of April 1 each year. The protection password to unlock the spreadsheet, for those who may wish to do so, is "KidsVax". Please note: It is not necessary to unlock the spreadsheet to see the underlying formulas. Those are displayed in the formula bar whenever the cursor is placed on a cell, whether or not the sheet is unprotected.
05. Because the first collections of the year (due February 15) will still be at the old rate and based upon covered lives reported for Oct-Dec 2016, this spreadsheet first deducts that quarterly collection and then calculates the new rate based upon what is needed to hit the funding target over the remaining 9 months.
06. It is anticipated that the MVB will, as part of its deliberations and upon considering the input of any public members or others at its meeting(s), adjust the assumptions which guide the assessment level. Of course, the MVB may also determine to adjust the assessment setting process itself or this workbook structure at any time.

Maine Vaccine Board

2017 Calendar Year Assessment Calculation Worksheet

Column →	A	B	C
Line ↓	Prior Year #s	Calendar Yr. 2017	
A. Preliminary Vaccine Cost & Population Estimates			
01.	13,811,408	12,181,442	¹ Calendar Year Vaccine Funding Estimate
02.	131,117	136,302	Estimate of Total Covered Lives (from Covered Lives spreadsheet)
B. Preliminary Planning / Budgeting Parameters			
11.	0.25%	0.25%	Collection Losses (Bad Debt Expense)
12.	1.00%	1.00%	Provision for Vaccine Utilization increase
13.	3.50%	3.50%	Vaccine cost inflation factor (note prices change each April 1st)
14.	4.50%	4.50%	Reserve up to 10% per Statute section 5.A.(1)
C. Preliminary Budget Estimates			
21.	14,049,433	7,650,747	Assessments Billed
22.	-35,124	-19,127	Collection Losses (i.e. assumed "bad debt expense")
23.	14,014,310	7,631,620	Net Assessment Revenue
24.	5,156	43,940	² Interest Income Estimate
29.	14,019,466	7,675,560	Total Revenue Projected
31.	144,000	147,780	³ Servicing Agent Contract for Comprehensive Administrative Services
32.	7,000	7,000	Audit Fee (Move to paid public auditor & 2 years catch up fees)
33.	4,500	4,500	Bank Fees (adding TD Bank Lockbox including setup expenses)
34.	5,500	5,500	Legal (services of AG's office only estimated)
39.	161,000	164,780	Total Operating Costs Projected
41.	586,857	5,226,241	Carryforward from prior operating year
42.	13,858,466	7,510,780	Net from Operations for Vaccine Reimbursement to State
43.	-13,811,408	-12,181,442	Reimburse State for Vaccines
49.	633,914	555,580	Expected carryforward to reduce subsequent assessments
D. Aggregate Annual Assessment Calculation			
51.	13,811,408	12,181,442	Costs of Vaccines Provided
52.	161,000	164,780	Total Operating Costs
53.	0	0	Other (as approved by board -- see statute section 2.M)
54.	13,972,408	12,346,222	"Total Costs of the Fund" per statute section 2.M.
55.	35,124	19,127	Bad Debt Expense
56.		-43,940	Interest Income
57.	-586,857	-5,226,241	(excess) or shortfall of cash from prior operating year
58.	628,758	555,580	add reserve up to 10% per statute section 5.A.(3).
59.	14,049,433	7,650,747	Total Assessments Needed
60.	-3,209,744	-3,756,114	Projected assessments February 15 at old rate
79.	10,839,689	3,894,633	Total Assessments Needed at new rate
E. Per Covered Life Assessment Calculation			
81.	\$110.23	\$38.10	Annual Assessment per Covered Life
82.	\$9.19	\$3.17	Monthly Assessment per Covered Life
83.	\$0.08	-11.80%	% Change in Vaccine Costs
84.	12.57%	-65.44%	% Change in Assessment
F. Note: Total Assessed as % of Hard Vaccine Costs			
85.	1.72%	-37.19%	All-in costs % above vaccine costs
G. Indicated Monthly Assessment Level next year apart from reserve / cash changes			
98.	\$9.31	\$7.91	⁴ Preliminary Assessment projection

Notes

- ¹ Maine CDC + per vaccine adjustments + utilization increase with inflation factor.
- ² Used last year's Investment Income from audited financials.
- ³ Fixed price contract all inclusive of expenses. 10% of this amount is subject to subsequent board approval.
- ⁴ Projection: annual amounts w/o carryforward cash or reserve changes but 1 more year of inflation & utilization changes.

