

November 2018

Notice of Assessment Rate Setting Timeframe Change

On October 30, 2018, the Immunization Funding Advisory Committee (IFAC) met to review available funding, changing the assessment rate setting timeframe, and the impact of a potential change on the 2019 assessment rate. Based on the recommendation of IFAC, the Commissioner of Health affirmed the change to move to a state fiscal year (SFY) assessment rate setting cycle and to continue the same assessment rate through June 30, 2019.

The monthly rate for child covered lives will remain at \$0.01. The monthly rate for adult covered lives will remain at \$0.01. These rates are in effect for amounts due on February 15, 2019 and May 15, 2019 for the measuring months of October through December 2018 and January through March 2019, respectively.

A new assessment rate will be set in April 2019 for SFY20 with the first assessment collection due on August 15, 2019 at the new rate. A notice of the new SFY20 will be sent in May 2019.

The recommendation to change the assessment rate setting timeframe comes as a result of a continued review of the Vaccine Purchasing Program (VVPP) and industry best practices to increase the program's efficiency and effectiveness for the residents of Vermont. Using the state fiscal year as the time period to set the assessment rate, allows the use of more actual numbers in the rate setting formula rather than projections as the Vermont Department of Health (VDH) purchases vaccines and determines program needs on this cycle. This alignment of rate setting with actual purchases and programmatic needs decreases the frequency of sharp rate fluctuations which creates more stability for payers.

Additionally, by using the state fiscal year as the time frame for assessment rate setting, all assessments collected during the year are at the same assessment rate. One known rate for the year is beneficial for planning and budgeting purposes. It is also timely to make the change now while the rates are extremely low. While this change adds one additional quarter of assessment collections at the current rate, the substantially reduced rate lessens the fiscal impact and aids in a more efficient transition to the new assessment rate setting timeframe.

The assessment rate will remain at \$.01 for one extra quarter for assessments due on May 15, 2019 for the measuring months of January through March 2019. The IFAC will meet in April 2019 to set the assessment rate for SFY20. The rate will apply to assessments due on August 15, 2019, November 15, 2019, February 15, 2020 and May 15, 2020 for the measuring months of April through June 2019, July through September 2019, October through December 2019, and January through March 2020, respectively.

At this time, there is no action needed by the payers. More updates and communication will follow in the coming months regarding setting the assessment rate. We thank the payer community for their continued support and participation in the Vermont Vaccine Purchasing Program. We also want to express our appreciation to the Vermont Department of Health for their continued efforts to strengthen and enhance the program for the Vermont community.

The Commissioner's letter approving this change can be found on the VVPP website under the "News & Notices" section at www.VTvaccine.org. As always, please do not hesitate to contact us at any time if we can offer further assistance.