

UNDERSTANDING THE CALCULATION OF YOUR 2011 ANNUAL ASSESSMENT

Per Implementation Procedure 7.0, annual insurer assessments for vaccines are calculated using the formula below.

Step 1 Start with the total estimated annual cost of vaccines to be purchased by the Vermont Department of Health Immunization Program	Children \$9,645,007	Adults \$1,861,744
Step 2 <u>Multiply</u> each amount by the percent of the population with private insurance (separate percentage is used for children 0-18 years and adults)*	X 0.56*	x 0.70*
	\$5,401,204	\$1,303,221
	$\$5,401,204 + \$1,303,221 = \$6,704,425$	
Step 3. Adjust the amount to account for federal funding available or any over - or under - charges in the previous year	$\$6,704,425 - \$709,274 = \$5,995,151$	
Step 4 <u>Add</u> VDH operational costs (administrative surcharge 3.23%)	$\$5,995,151 + \$193,848 = \$6,188,999$ <i>This is equal to the total amount billed to health insurers</i>	
Step 5 Determine market share for each insurer using the current "Average Annual Enrollment and Paid Claims Report for the Period: July 1 – June 30", prepared by BISHCA. (Market share is calculated by the number of covered VT lives [^] / total number of Vermont covered lives as reported to BISHCA VHCURES program [^])	Medical enrollment reported to BISHCA VHCURES program: # <hr style="width: 50%; margin: auto;"/> Total VT covered lives: 341,021	
Step 6 <u>Multiply by</u> market share for each insurer	x market share (calculated in Step 5)	
Step 7 This is <u>equal</u> to the annual amount due from each insurer	Annual assessment due in quarterly installments	

*The proportion of vaccine costs attributable to privately insured children and adults is calculated using the population counts derived from the 2009 Vermont Household Health Insurance Survey administered by the Department of Banking, Insurance, Securities and Health Care Administration (BISCHA) and based on the percent of Vermonters, by age, with private insurance.

[^]The determination of the number of Vermont covered lives enrolled in comprehensive major medical benefit plans will be derived from an annual report that BISHCA develops annually for the Health Information Technology Reinvestment Fund program based on claims data submitted to BISHCA by health insurers in through the VHCURES program titled, "Average Annual Enrollment and Paid Claims Report for the Period: July 1 – June 30."

Please note that the member counts for the Vaccine Purchasing Pool are also used for the FY basis report provided for the HIT Reinvestment Fund Report (last surcharge cycle for the period covering July 1, 2009 through June 30, 2010).

The next VHCURES enrollment and paid claims report for July 1, 2010 through June 30, 2011 will be published on October 1, 2011. If you have any questions about the VHCURES report, please contact Dian Kahn at the Department of Banking, Insurance, Securities and Health Care Administration (BISCHA) at (802) 828-2906 or dian.kahn@state.vt.us.

For questions regarding the Vaccine Purchasing Pool Pilot program, please contact the Immunization Program at (802) 863-7638.