

Washington Vaccine Association - Board of Directors Meeting

November 18, 2010, 2:00 - 4:00 PM

Location: Law office of Ellis, Li & McKinstry PLLC, Market Place Tower, PH-A

- I. **Attendance.** Participating in all or part of the meeting in person (P) or by telephone (T) were the following individuals:

Directors:

Brian Ancell
Phil Haas
Dr. Beth Harvey
Dr. Ed Marcuse
Laura McMillan
Dr. Mary Kay O'Neill
Dr. Roger Muller (T)

Vaccine Association:

Margaret Lane
Fred L. Potter
Heidi Prillwitz
Claire Roberge (controller) (T)

Others:

Ross Baker
Jan Hicks-Thomson (DOH)
Janna Bardi (DOH)

II. **Summary of Actions Taken and / or Recommended**

A. Actions Taken (votes adopted)

See votes adopted under the Consent Calendar.

B. Actions Recommended

1. To present questions on the influenza vaccine ordering methodology before the Board of directors meeting on December 16, 2010.
2. To communicate with providers concerning the anticipated Board decision regarding the influenza vaccine ordering for the 2011/2012 influenza season.
3. To invite Dr. Koh, the Assistant Secretary of Health, to attend the January 20, 2011, Board meeting or invite him to a meeting with Board representatives and appropriate staff.

III. **Minutes**

At 2:00, a quorum having been established, Brian Ancell, Chairman of the Vaccine Association, convened the meeting of the Washington Vaccine Association.

Vaccine Committee Presentation

(This section of the Board Minutes reflect the presentation minutes from the Vaccine Committee meeting with respective questions and comments from the Board included.)

Chad Murphy, representing the Influenza Vaccine Task Force, presented the recommendation of the task force which was accepted by the Vaccine Committee at the November 18, 2010, meeting just prior to the Board meeting. Dr. Ed Marcuse, chairman of the Vaccine Committee, prefaced the presentation by noting that the decision of type and quantity of influenza vaccine to purchase was the first task of the Vaccine Committee. The presentation describes the methodology for determining type and quantity of flu vaccine and how to fund the assessment.

In previous years, the influenza vaccine has been a part of the Washington State Universal Purchase program. The WVA statute suggests including all the vaccines recommended by the Advisory Committee on Immunization Practices' (ACIP). Chad noted that the Task Force learned that if the influenza vaccine was not included as a part of the WVA program and providers were forced to privately purchase the vaccine, Washington would lose its Universal Purchase status and become Universal Select for Influenza.

The WVA did not assess nor did it remit funds to the State for the flu vaccine for the 2010/2012 influenza season. The state-supplied vaccines were federally funded through 317 DA discretionary funds and VFC funding. This season the state pre-booked 530,000 doses of influenza vaccine, and predicted that this was approximately 140,000 doses short of the total market need. Providers privately purchased to fill the gap. The 317 DA discretionary funding has been stable in the past but can vary year to year. The WVA is unable to rely on the availability of these funds for the influenza vaccine. If these funds are reallocated for other vaccines in the coming years, the gap in need and supply for influenza vaccine is estimated to be 300,00-400,000 doses.

It is anticipated by the Task Force that the demand for the flu vaccine will increase in the future. Last year's demand spiked as a result of H1N1. The provider community has historically had low confidence in the flu vaccine availability due to shortages in the past. The Department of Health has not had a robust model to match supply and demand. This presentation is the proposition for a model of stability.

Recommendations:

1. The model presented shows how the Department of Health will project the need and determine the pre-book for the influenza vaccine based on three factors: clinic based needs estimate (provider survey), population based needs estimate (this factor is currently being used by the DOH) and trend analysis (which looks at historical data).
2. The Task Force recommended assessing payers and TPAs for the flu vaccine, starting with the state-supplied vaccine administered in the 2011/2012 season. Providers will still be able to privately purchase the vaccine and payers can still reimburse providers according to their own policies. By beginning the assessment during the 2011/2012 season, these dollars along with the discretionary 317 DA and VFC funds will be used to pre-book the state-supplied vaccine for the 2012/2013 influenza season. The flu vaccine is pre-booked and paid for during the spring prior to the season. The assessment charge will be determined by the WVA Board of Directors. The provider survey will be used to determine doses needed by each clinic and the providers' vaccine preferences thereby enabling providers to give input on the vaccine purchase decisions. This survey will not constitute a purchase order form but will only serve to guide the DOH in their determination of what amount of which types and brands of influenza vaccine to buy.

Risks and challenges to this method of influenza vaccine purchase were considered in the presentation. During the first season of this new method (2011/2012), providers will still need to bill two different ways for childhood influenza vaccine if they continue to purchase privately. A complicating factor in assessing the influenza vaccine is the large private market which many providers turn to instead of using state-supplied vaccine. It was noted that this assessment should lower costs for payers, since privately purchased influenza vaccine is more costly. The operational cost for payers is still unknown. Because influenza vaccine only has a one-year lifespan, there is a risk of waste because providers may still order privately.

Various Board members from health plans confirmed their support of the presented methodology. The WVA is already setup to do assessments, so adding the influenza vaccine

to the WVA program was not a point of concern. WVA finances may be complicated by adding another vaccine purchase without a funding from payers in the initial year. It was discussed that WVA should confirm they have the resources for the pre-purchase. It was suggested that waste is not a big concern because the WVA will collect the data each year and is able to re-evaluate the need each year.

Chairman Ancell reported that the official vote for the Board on the influenza vaccine issue will most likely be held during the December 16, 2010 meeting. He encouraged members with questions and concerns about the methodology to raise them before the next board meeting. The meeting will be held by phone. The WVA was encouraged to communicate to the provider community about the favorable decision beginning in December.

Review of Consent Calendar

Upon motions duly made and seconded, it was unanimously

VOTED:

To adopt the WVA Board meeting minutes from the September 16, 2010 meeting.

Upon motions duly made and seconded, it was unanimously

VOTED:

To accept and publish the written Annual Report of the WVA as presented to the Board in electronic booklet and PDF formats with edits noted.

Executive Director Report

Fred L. Potter provided the Executive Director Overview. The WVA is currently working with the Department of Licensing and the Department of Health to bring payers, TPAs and providers on board with the program. In the upcoming months, the WVA will once again work on the long term solution after a time of focusing on provider and payer compliance and other project goals.

The year-end audit is now completed and the financials, as shown in the financial reports, are positive. The cash position, after paying the November varicella remittance to the State, is at \$12.4 million. This is even as the WVA continues to wait for the Kaiser Permanente settlement payments which date back to May 2010. Fred Potter stated that the high rate of collections is not likely to continue now that the WVA is coming off the high vaccination period prior to school commencement.

Chairman Ancell brought the discussion back to the proposed initial repayment to the health plans. The first repayment will be accelerated to be paid by December 20, 2010, but each of the following payments will still be scheduled as laid out in the Plan of Operation.

Upon motions duly made and seconded, it was unanimously

VOTED:

To authorize early repayment prior to 12/20/2010, of the first tranch (30%) of the initial health carrier prepayments which supplied WVA's initial working capital. (These are the amounts otherwise due on or before 10/1/2011)

Kaiser Permanente Alternative to the Plan of Operation

Kaiser Permanente has proposed an alternative to the Plan of Operation. For Kaiser members seen outside of the Kaiser network providers, Kaiser, in its health plan capacity, will pay the necessary assessment to the WVA. Kaiser will privately purchase vaccines for their own provider locations. This proposal is not an objection to the program, but an

alternative to the distribution method. Kaiser as a payer would like to pay upon receiving vaccines to its central distribution center and therefore will privately purchase the vaccines. Kaiser will pay the difference between the CDC contract rate and the WVA assessment fee on their privately purchased vaccine to the WVA to cover the administration of the WVA. Kaiser has reported this to be a more convenient solution. The Board noted that this alternative to the Plan of Operation is supported in part because Kaiser is a non-domiciled provider and payer.

It was noted that an alternative to the DBA method was allowed for Group Health as well because of its unique payer/provider status. Group Health now does a list bill for their members receiving vaccination at their provider locations.

Upon motions duly made and seconded, it was unanimously

VOTED:

To approve the Kaiser Permanente request for an alternative, as presented to the meeting, to the standard assessment methodology as set out in the Plan of Operation and to note that this vote is unique to the Kaiser Permanente situation and will have no precedent value for any other circumstances.

Board Development

The Board was given a demonstration of the Annual Report in booklet form. The report will be posted under the *References* page on the WVA website and available for public view following the meeting. It is not the intent of the WVA to send the link to legislators. The link, however, will be sent to members (plans & TPAs) who participate in the program.

It was noted by Chairman Ancell that the only known issue to bring to the Board on December 16, 2010 is the influenza decision. It will be a one hour telephone meeting. Along with the vaccine recommendation, the monthly finances will be reported.

Other Matters from the Board

Dr. Ed Marcuse noted that Dr. Koh, the Assistant Secretary of Health will be in Seattle on January 20, 2011, the date of the January Vaccine Committee and Board meetings. Dr. Marcuse suggested that the WVA extend an invitation to Dr. Koh to be a part of the Board meeting. With further discussion from the Board, it was recommended that the WVA invite Dr. Koh, but not rearrange the schedule or location of the meeting for him. If the Board meeting is not convenient for Dr. Koh, the Board authorized a few Board members to meet with him outside of that time.

Dr. Ed Marcuse reported that the next issue for the Vaccine Committee to take on is the decision regarding vaccine choice. The Board will first hear about the recommendation in February and then again in March.

Executive Session

There were no notes or action items submitted from the executive session attendees.

There being no further business, the meeting was adjourned at 4:00 pm.