

Washington Vaccine Association - Board of Directors Meeting by Conference Call

December 16, 2010, 3:00 - 5:00 PM

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

I. **Attendance.** Participating in all or part of the meeting were the following individuals:

Directors:

Brian Ancell
Phil Haas
Dr. Beth Harvey
Dennis Kirkpatrick
Dr. Ed Marcuse
Allene Mares
Laura McMillan
Dr. Mary Kay O'Neill
Dr. Roger Muller
Dorothy Teeter

Vaccine Association:

Margaret Lane
Fred L. Potter

Others:

Chad Murphy
Jan Hicks-Thomson (DOH)
Janna Bardi (DOH)
Anne Redman

II. **Summary of Actions Taken (votes adopted):**

- A. To accept the November 18, 2010, Board meeting minutes.
- B. To approve the recommendations from the Vaccine Committee Presentation on the Influenza Vaccine.

III. **Minutes**

At 3:00, a quorum having been established, Brian Ancell, Chairman of the Vaccine Association, convened the meeting of the Washington Vaccine Association (WVA). It was noted that the vaccine "varicella" was spelled incorrectly under the Executive Director's report section of the minutes for the November meeting.

Upon motions duly made and seconded, it was unanimously

VOTED:

To adopt the WVA Board meeting minutes from the November 18, 2010 meeting, with the changes suggested.

Review of Vaccine Projection Model including Provider Survey

Dr. Ed Marcuse stated that he would like to obtain the Board's approval on three actions: to understand and approve the methodology used to determine the type and quantity of flu vaccine to purchase; the recommendation to begin to assess payers using the DBA methodology for flu vaccine during the 2011-2012 flu season; and the method to be used for funding including the amount the WVA will contribute and be at risk for.

Dr. Marcuse reminded the Board that an Influenza Task Force met and developed recommendations and the Vaccine Committee met twice to consider the recommendations.

The first recommendation is that the Department of Health (DOH) should use its projection model to predict the quantity and type of flu vaccine needed by the state next year. The method is based on four factors: the past experience of the state, the population estimate and report from CDC, a trend analysis and a survey of providers which was introduced this year. These factors are used to calculate an estimate for statewide flu vaccine for children under 19.

The DOH is conducting a survey of providers who have a contract with the state for vaccines. The response rate at this time is 37%, which is a strong response for the amount of time the survey has been out. Questions asked included whether providers planned to order vaccine next year and their preference for live or attenuated vaccine. Initial survey findings show that for kids less than three years of age, provider preference is about 83% for the injectable or inactivated (TIV) vaccine and 17% for live attenuated vaccine (LAIV). For kids between 3 and 18 years of age this changes to a 70% (TIV) – 30% (LAIV) split.

The second recommendation is that WVA should assess health carriers and TPAs for flu vaccine administered and obtained through the state starting in flu season (August) 2011-2012. WVA should use the dosage based assessment process used for other vaccines. Payers will continue to reimburse per their own policies for privately purchased vaccine.

Finally, the WVA will anticipate funding the flu vaccine pre-book purchase in the amount of \$1.5M and not to exceed \$2M without additional Board action. This estimate is derived from the WVA purchasing approximately 150,000 doses of flu vaccine. Government funding would provide the balance of funding but the amount available from government sources is not known at this time. WVA's portion of the flu vaccine purchased is anticipated to be about 20% of the State's total purchase. These estimates include an excess of 5% in order to respond to potential increases in demand. Flu demand is highly variable and the 5% excess will go toward building trust in the system so a modest cushion is desirable.

The Board's decision should be communicated to providers as soon as possible in order for them to make timely purchase decisions. It is suggested that, in the WVA communication, the benefits of using state-supplied vaccine be stated clearly.

Dr. Marcuse stated that this process (using the DOH projection model) will be used in future years, the only difference being that it will occur earlier, starting in late October. The process will require one meeting of the Vaccine Committee next year, anticipated to occur around Thanksgiving, 2011.

No comments were received by either Board members or the vaccine manufacturers. Chairman Ancell suggested that the Board vote on the recommendations. Fred Potter suggested changes to the form of the vote in the Board packet to clarify the recommendation and specify that the dosage based assessment would be used.

Upon motions duly made and seconded, it was unanimously

VOTED:

- To approve the following recommendations from the Vaccine Committee Presentation on Influenza Vaccine:
- DOH is requested to use its projection model, as described to the Board, to predict the quantity and type of flu vaccine needed.
- WVA will assess payers/TPAs for flu vaccine administered and obtained through the state starting in flu season (August) 2011-2012 using the dosage based methodology. WVA will anticipate funding the flu vaccine pre-book purchase in the amount of \$1.5M and hereby approve funding in an amount not to exceed \$2M without additional Board action.
- WVA will take steps to communicate the above decisions on flu vaccine to providers promptly following this vote.

DBA Compliance Strategies

Margaret Lane presented strategies to move the remaining providers to submit the DBA. Ms. Lane stated that regarding the first tier of providers representing 50% of vaccine volume, the WVA has 98% verbal compliance and 77% actual compliance, up from 72% actual compliance in November. The WVA expects the gap between verbal and actual

compliance to start to close on January 1. WVA is calling providers in Tier 1 who are not compliant and communicating that they are expected to have a compliance plan or be in the process of developing one. A positive response from emailing a letter to providers and asking about their compliance status has already been received.

We are also in the process of creating an "N/A" category that is separate from the three existing tiers which categorize providers based on vaccine dosage amounts. This new category has been created for provider groups that do not see privately insured children. Dr. O'Neill asked whether there are any large groups that do not intend to comply. Margaret Lane noted that she and Fred Potter had a discussion with Valley Medical Center, a group that was not yet compliant. Fred stated that these calls are now more firm than in the past. Dr. O'Neill stated that if there are few outstanding providers the plans are willing to help, and Chairman Ancell noted that a call from the State may help as well.

TriWest Letter

A letter has been included from Rep. Norm Dicks to Dr. George Peach Taylor, Assistant Secretary of Defense, in the Board packet. Jack McRae at Premera helped orchestrate this connection. Margaret noted that she has been discussing the TriWest issue with the Idaho Immunization Program, which operates a program similar to WVA's to fund vaccines for privately insured children through their Division of Insurance. TriWest has denied assessment claims from ID.

Financial Reports

Fred Potter noted that WVA has adopted the fund accounting policy. WVA has collected \$25 million and has remitted \$17 million to the state. Fred confirmed that Jan Hicks-Thomson had reviewed financial risk related to the flu vaccine purchase with Fred and Margaret and that they had determined WVA can manage the liquidity stream.

WVA has in excess of \$12.5M in cash even after repayment of first tranche of prepayments. Fred noted that the Board may consider a very modest reduction in the mark-up rate for vaccines. In addition, there is a reasonable prospect of WVA's ability to return all prepayments by the end of the 2011 calendar year.

Chairman Ancell asked that WVA determine what an appropriate reserve level for WVA would be before setting assessment rates for next year. He stated that the final issue was to determine timing for updating the new DBA grid. The current grid was effective May 1, when WVA became effective. The WVA will need to plan for 60 days' notice before the grid becomes effective. One option suggested is the assessment grid to become effective starting on July 1 and follow the WVA fiscal year

Jan Hicks-Thomson responded that aligning the WVA effective date with the state's schedule is ideal, and the July date would be 90 days from the CDC contract which comes out April 1st. Notification would be by May 1 and the grid would be effective July 1. The Board agreed this would be an operating assumption.

Board meeting Schedule

Chairman Ancell proposed that we not meet in January and have the next meeting in February.

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