

Washington Vaccine Association - Board of Directors Meeting

March 17, 2011, 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. Joe Gifford
Dennis Kirkpatrick
Dr. Ed Marcuse
Allene Mares
Laura McMillan
Dr. Mary Kay O'Neill
Dr. Roger Muller (T)
Dorothy Teeter

Vaccine Association:

Margaret Lane
Fred Potter
Anne Redman (counsel)
Claire Roberge (controller) (T)

Others:

Janna Bardi (DOH)
Jodi Fischer (DOH) (T)
Jan Hicks-Thomson (DOH)
Sarah Michaels, Sanofi-Pasteur
Chad Murphy (T)

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

A. Actions Taken (votes adopted)

1. Voted to adopt February 17, 2011 minutes with corrections.
2. Voted to approve the WVA Vaccine Committee Proposal on Vaccine Selection.
3. Voted to approve the expanded assessment grid and timeline for provider communication and effective date.

B. Actions Recommended

1. That the policy for the provider category of n/a be reworded.

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.

Corrections noted to the minutes were changes to the attendance record. Phil Haas is presently not listed as present, but was in attendance. Dr. Mary Kay O'Neill was not present, but is listed as an attendee.

Upon motions duly made and seconded, it was unanimously

VOTED:

To adopt the WVA Board meeting minutes from the February 17, 2011 meeting with corrections.

Executive Director Report

As commissioned at the February 17, 2011, meeting, the last two tranches of repayment checks have been sent to the carriers. Frank Swart at Premera conducted a financial analysis of the WVA and reviewed with Fred Potter certain irregular, non-recurring

transactions. After making adjustments for those transactions and considering the financial projections described below they recommend at this meeting implementing the flat CDC rate without mark-up.

Financial Projections

Frank Swart rolled the assumed new WVA assessment levels at the CDC rate into his cash flow analysis spreadsheet. WVA is developing greater precision in understanding the allocation between privately insured and publicly funded children in the state. WVA benefits from the state's over-allocation to federally insured children. As a consequence WVA has been assessing for vaccine by the Dosage Based Assessment (DBA) method which was not purchased by the WVA. In addition, in October the state received a grant which was used to purchase a portion of that month's vaccines.

Additional positive factors in the financials include payments still owed to WVA. Based on estimates of the number of TriCare covered children receiving vaccines in Washington, the TriWest portion of our collections to date is estimated to be 5.5%. The Kaiser payment has also not been made in full. Kaiser paid on each DBA when using state supplied vaccine, but has yet to pay the Kaiser exception which states that they pay the WVA the difference between the CDC rate and the assessment rate per dosage. That difference will go to zero in June, but in the meantime, the WVA is waiting for about a half million dollar payment from Kaiser. Fred noted that he believes the assessment level and financial projection is still conservative. Fred recommended keeping the reserve level at the two highest vaccine months plus the influenza vaccine. This comes to a cash reserve of around \$9 million. The current recommendation for an assessment rate is that the Board set it at the current 2010 CDC rate without markup. Throughout this next year, the WVA assessment rate will be lower than the CDC rate due to the inflation that will affect the 2011 CDC rate. The effective date for the lower assessment is June 1, 2011 with notice to providers and payers by April 1.

A provider communication, still in draft form, was distributed at the meeting for Board review and input. It was the recommendation of Board members that the celebratory tone of the communication be eliminated and that the only message conveyed be the change in the assessment rate. It was also suggested to remove the reference to CDC as many times as possible as the purchase is through the state and there is no WVA –CDC interaction.

Vaccine Committee Report

Dr. Ed Marcuse, Chair of the Vaccine Committee, presented the report on the Vaccine Committee. He noted the Committee Guiding Principles as Appendix A to the recommendation and confirmed that nothing changed within that document from the last meeting. The principles guided the Committee in their work and encouraged the committee to ensure a single standard of care and develop a rational approach to selecting vaccines. The survey will ask providers to choose between vaccines for which there are more than one brand available. All providers will be able to choose among various combination vaccines. The next step of the committee was to decide what to do with providers who had no preference of vaccine. The state, collaborating with WVA will develop default order sets for those providers using various brands so that the state gets experience using different products. Vaccine Manufacturers have stated that they would like providers to have the option to change products each month. Ed reported that at this time, this option is not possible. The state has the capability to allow product changes every six months or at times when a new vaccine is available. This would not involve another survey to providers, but a communication that if they desire to change, it is possible.

The challenge left for the Committee is dealing with combination vaccines. The state, at this time, does not supply all combination vaccines. The Committee will tackle that challenge in the next few weeks. A subset of the Vaccine Committee, the Vaccine Selection Workgroup,

will also be making a recommendation to the Committee regarding the default sets for providers with no vaccine preference. The Committee asks that the Board approve only the process for vaccine choice selection at this meeting.

This process has been informed by the State's past process. The goal of the default order sets is to develop a process where providers without preference receive a set of products determined by the State. How this is determined will be based on a rationale, transparent process that will be fair for the various manufacturers.

The question was raised as to whether or not a single default set could be developed. Ed reported that maintaining process is all about trust between the manufacturers and the WVA. A consensus was reached to use multiple default order sets. The Board has the authority to reject this. The Board advised that the sets not number more than three.

Upon motions duly made and seconded, it was unanimously

VOTED:

To approve the WVA Vaccine Committee Proposal on Vaccine Selection as the WVA's recommendation regarding selection of vaccines for purchase by the Washington State Department of Health in the upcoming year. (see SSHB 2551 §5.)

Upon motions duly made and seconded, it was unanimously

VOTED:

1. To approve the update to the WVA Vaccine Assessment Grid by:
 - a. Expanding the grid to include all vaccines approved by the CDC to facilitate provider and patient choice; and
 - b. Reducing assessment levels to the actual per-vaccine amount in effect as of March 15, 2011, for charges to the State of Washington and to a roughly-equivalent level for any new vaccines added to the grid.
2. To seek to implement these changes effective June 1, 2011 and provide initial notice to providers and payers no later than April 1, 2011.

Compliance Update

Margaret Lane reported that provider compliance on tier one providers is now at 100%. Through letter outreach by the WVA, various challenges have come to light across the tiers and have been largely resolved.

The only compliance issue on the payer side is from TriCare, which makes up about 5.5% of the assessments. TriCare has presented many obstacles to naming WVA as a certified provider which would allow the WVA be considered as a payee. Congressman Norm Dicks, who worked on the letter to TriCare with WVA, is looking into a number of options to resolve this non-compliance issue. One involves amending the federal law. Early in the process, WVA worked with Bennet, Bigelow & Leedom to do a preliminary analysis of the WVA's legal grounds, which may be revisited.

Margaret presented a proposed draft policy to categorize certain providers as n/a instead of tier 1-3. These providers would not be asked to complete the DBA. This is not the same as Tier 3 providers who may have low volume; WVA is continuing to work with these providers to help them become compliant. This category would include roughly 20 Tribal clinics, which see mostly children whose vaccines are paid for federally. It would also include local health jurisdictions in our database that do not see patients, but are resource offices.

Chairman Ancell recommended rewriting the presented document to read more like a policy than background information. The policy should read that the Board will accept the exemption when the clinics are unable to complete the DBA for the limited reasons stated in the policy.

A recommendation will be presented to the Board in May to relax the reporting of the single claim submission form by payers to quarterly instead of monthly. This will be an optional change; payers still wishing to submit monthly will still be able to do so.

National Immunization Conference Poster

The poster which will be presented at the National Immunization Conference in Washington, DC, at the end of March was shown to the Board. Ed Marcuse reported that he, Jan Hicks-Thomson, Janna Bardi, Fred Potter and Jane Beyer will be traveling to DC to have this poster presentation. Ann Senechal and Meghan Crandall created the poster.

The Board discussed whether or not smaller copies of this poster could be useful for individual members to present at meetings or in their offices. Fred Potter made this option available to the Board.

There being no further business, the meeting was adjourned at 3:50 pm.

[Attorney Redman reported that there were no formal actions taken by the Board during that portion of the Executive Session when all of the staff had been excused.]

Secretary
Washington Vaccine Association

Date of Approval