

Washington Vaccine Association – Board of Directors Meeting
November 15, 2012, 2:00 PM – 4:00 PM
Location: Elis, Li & McKinstry

I. **Attendance.** Participating in the meeting were the following individuals:

Directors:

Brian Ancell
Jason Farber (T)
Dr. Beth Harvey
Dennis Kirkpatrick
Allene Mares
Laura McMillan
Dr. Roger Muller (T)
Dr. Mary Kay O'Neill

KidsVax.org™:

Fred Potter
Margaret Lane
Claire Roberge (T)
Norman Roberge (T)
Peter Smith (T)
Emily McKenna (T)

Others:

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

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

A. Actions Taken (votes adopted)

1. Voted to approve the September 7, 2012 minutes, as amended.
2. To approve re-election of WVA Officers for new one-year terms pursuant to Section 6.1 of the WVA Bylaws.
3. To approve the nomination of Norm Seabrooks to serve on the WVA Vaccine Committee as a voting member representing a health carrier as set out under RCW 70.90.050(1).
4. To affirm the continuation of board members Norm Seabrooks and Laura McMillan whose terms renew in 2012 and who have agreed to continue to serve additional 3-year board terms pursuant to RCW 70.90.030 (3)(a) and (3)(b), respectively.
5. To affirm the continuation of board member Dr. Mary Kay O'Neill, whose term renews in 2012, who has been re-elected by the Association of Washington Health Plans to serve pursuant to RCW 70.90.030 (3)(c), and who has agreed to continue to serve an additional 3-year term.
6. To affirm the continuation of board member Dr. Ed Marcuse, whose term renews in 2012, and who has been re-appointed by the Secretary pursuant to RCW 70.90.030 (3)(f).
7. To approve the recommendation from the WVA ID Task Force that WVA, make adjusting payments of up to \$100,000 per year to the State of Idaho (based upon ID's per capita assessment currently \$79/year) to assure continuing access by ID providers to ID-purchased vaccines for the benefit of Washington resident children receiving vaccines in Idaho.
8. To instruct KidsVax.org™ to work with the Department of Health in seeking to obtain a statutory change with respect to TPA licensing, moving that from the Department of Revenue to the WVA.
9. To authorize KidsVax.org™ to seek federal legislative changes compelling TriCare to participate in the WVA assessment program and to coordinate if helpful or necessary the states of Idaho, Maine and New Hampshire over such efforts.
10. To authorize the expenditure of to \$10,000, prior to further authorization, for the support of Crowell & Moring as supplemental outside counsel to supplement the existing work of outside general counsel Anne Redman's firm.

B. Pending Matters (follow up needed)

1. Update of the matrix consistent with Board direction with a view to February 1 announcement and April 1 implementation.
2. Continuing follow up on TriCare with movement to move forward more aggressively to (a) assure future participation on an equitable basis in the assessment program and (b) recover as much as possible of past unpaid assessments.

III. Minutes

Welcome and Introduction

At 2:05 p.m., a quorum having been established, Brian Ancell, Chairman of the Vaccine Association, called the meeting of the Board of Directors to order.

Consent Calendar Items

A motion was made to approve the minutes from the September 7, 2012, WVA Board meeting.

Upon motion duly made and seconded, it was unanimously

VOTED: To approve the minutes of the September 7, 2012 WVA Board meeting with the changes suggested at the meeting.

Executive Director Updates

The Executive Director's report had been submitted to the Board well in advance of the meeting. Mr. Potter noted that in accordance with the standing practice now that the Executive Director's report is part of the enhanced quarterly reporting, he will not dwell upon the content of that written report but be happy to answer any questions on subject matters covered. He noted, however, that the experience mentioned is continued in terms of burning cash more rapidly than originally projected. This had been triggered by the positive health outcome of an uptick in immunization rates meaningfully beyond the levels which had been baked into the past assessment calculation and liquidity analysis projections. Normally (when assessments are set at the level needed just to meet the vaccine purchase cash requirements) variances have no impact on liquidity projections. However, this is not true presently for the WVA, which is in cash burn down mode. We had set assessments intending to reduce cash to targeted absolute cash levels. Now that the volume of vaccines has increased, consequently, the cash burn down is more rapid. This factor is exacerbated by the fact that the immunization increases are most pronounced for the more expensive childhood vaccines. While positive from a health outcomes perspective, it is, of course, negative as to cash.

Mr. Potter asked Peter Smith, the KidsVax.org™ financial analyst to supply more detail and review his projections. Peter gave several details including the price increase from Gardasil, increased utilization and other matters. He suggested that, rather styling the assessment change as a percent increase from the Association's prior rate, that it be based upon the anticipated CDC price matrix with a level discount across vaccines. This methodology would help equalize the impact and move us towards the intended "0-cash-change" level of funding. It also would help immunize WVA from volume variances among specific vaccine, particularly those with higher unit costs.

It was the sense of the Board that this slight uptick from the 29% increase voted in September was appropriate. KidsVax.org™ was instructed to bring back the matrix for final approval consistent with this recommendation.

Margaret Lane reported on the Operations Team that the announcement date for an April 1 assessment rate change be set at February 1. It was the sense of the Operations Team that even though the WVA could provide advance notification of the assessment change in this case, WVA should continue to provide the expected 60 days notice in order to be consistent over time. Further, both DOH and individual payer provider relations staff had recommended that the WVA not give out its assessment increase information during the busy year-end timeframe.

In light of that, the Board asked that KidsVax.org™ continue to monitor cash reduction experience and bring back a specific recommendation at its January meeting for an anticipated February 1 announcement and April 1 effective date.

Mr. Potter also reported on progress on the updated Plan of Operation. He indicated that the meetings with the Department of Health had gone well and that he was hopeful that that joint recommendation would be brought back for final language to the January 2013 meeting.

Board Development

Deputy Director Margaret Lane then reviewed board terms and other matters related to board governance. She noted that progress had been made to regularize this annual governance update. Chairman Ancell invited members to comment and particularly noted willingness to revisit the officer's slate should anyone have a desire to change positions. Brief discussion ensued.

Upon motion duly made and seconded, it was unanimously

VOTED: To approve the nomination of Norm Seabrooks to serve on the WVA Vaccine Committee as a voting member representing a health carrier as set out under RCW 70.90.050(1).

Upon motion duly made and seconded, it was unanimously

VOTED: To affirm the continuation of board members Norm Seabrooks and Laura McMillan whose terms renew in 2012 and who have agreed to continue to serve additional 3-year board terms pursuant to RCW 70.90.030 (3)(a) and (3)(b), respectively.

Upon motion duly made and seconded, it was unanimously

VOTED: To affirm the continuation of board member Dr. Mary Kay O'Neill, whose term renews in 2012, who has been re-elected by the Association of Washington Health Plans to serve pursuant to RCW 70.90.030 (3)(c), and who has agreed to continue to serve an additional 3-year term.

Upon motion duly made and seconded, it was unanimously

VOTED: To affirm the continuation of board member Dr. Ed Marcuse, whose term renews in 2012, and who has been re-appointed by the Secretary pursuant to RCW 70.90.030 (3)(f).

Follow up on Pending Matters

Jan Hicks-Thompson reported on the background concerning cross-border immunizations with Idaho. Idaho had been using 317 funds for out-of-state children. The CDC now has disallowed this practice.

Ms. Hicks-Thompson brought forward the recommendation of the Cross Border Task Force to fund annually for the foreseeable future and continue dialogue with Idaho to monitor the situation. Mr. Potter then drew the Board's attention to the letter helpfully supplied by outside general counsel Anne Redman. He noted that her conclusion is that WVA is authorized under WVA's governing statute to provide for Washington childhood vaccines through such a mechanism as reimbursement of the State of Idaho for these limited cross-border immunizations. She recommended that the funds be processed through the office of State Treasurer if possible, but that in any event the process by which the Secretary of Health had requested the WVA to pay for these limited number of vaccines be formalized. She felt this would work more conclusively to document the WVA's authority to proceed in this fashion.

Upon motion duly made and seconded, it was unanimously

VOTED: To approve the recommendation from the WVA ID Task Force that WVA make adjusting payments of up to \$100,000 per year to the State of Idaho (based upon ID's per capita assessment currently \$79/year) to assure continuing access by ID providers to ID-purchased vaccines for the benefit of Washington resident children receiving vaccines in Idaho.

Mr. Potter reported on multiple meetings with the Department of Revenue and the input from the Department of Health concerning movement of the TPA registrations to the WVA. At this point it is clear that both Department of Revenue and Department of Health would support that change and be prepared to include that in the Department of Revenue's agency-sponsored legislation for the upcoming session. However, it is also doubtful that the Department of Health would proceed if any penalties or fees are involved related to the TPA registration process. Mr. Potter indicated that WVA had no interest in fees but was concerned about ensuring that adequate information was filed.

It was the sense of the Board that WVA should support this legislative initiative. The Board expressed preference that penalties for non-registration be retained. However, it was the sense of the Board that movement should occur even if the penalty provision cannot be retained.

Other Matters from Board Members

Chairman Ancell asked if there were other matters from Board members to be brought to the meeting. There were none. He then went into Executive Session, first inviting opportunity for public comment. There were no public members present for the meeting at the time of the meeting and the time no one at joined on the telephone. Accordingly, he then moved the board into executive session.

Executive Session

The Board then discussed briefly the topic of Alaska's interest in adopting a program similar to that in Washington State. Mr. Potter made a formal conflicts disclosure reminding the Board that he had been in contact with Alaska (at Alaska's request) about potentially administering such a program there. He also mentioned that with respect to Tricare funding he had been contacted about this from the State of Idaho for possible administration of that program and is already serving the states of Maine and New Hampshire which may also have an interest in the Tricare resolution. Mr. Potter offered to leave the meeting during the discussion in accordance with WVA conflicts policy, but Mr. Ancell, after thanking Mr. Potter for the formal conflicts notification indicated from his perspective it actually seemed advantageous to WVA for KidsVax.org™ to have administrative services roles for other states. The sense of the board was that other board members shared that view and Mr. Potter was asked to stay in the meeting throughout the follow up conversations on other matters.

Chairman Ancell reported that Premera's position is that it would support a program similar to WVA's in Alaska but would object to funding by any method other than the dosage based assessment method. He noted the characteristics of the Washington and Alaska markets which would require this method, in his view, to obtain assessment equity among payers. It was the sense of the Board that other Board members understood and shared the perspective of Premera on this topic. Mr. Kirkpatrick offered to be of assistance with introductions in Alaska that would be helpful to advancing their program or the work of KidsVax.org™.

The board received the update on the TriCare matter, including the pending FOIA request.

Upon motion duly made and seconded, it was unanimously

VOTED: To authorize KidsVax.org™ to seek federal legislative changes compelling TriCare to participate in the WVA assessment program and to coordinate if helpful or necessary the states of Idaho, Maine and New Hampshire over such efforts.

Upon motion duly made and seconded, it was unanimously

VOTED: To authorize the expenditure of to \$10, 000 for the support of Crowell & Moring as supplemental outside counsel to supplement the existing work of outside general counsel Anne Redman's firm.

Janna Bardi updated the Board on the CDC relationship matter.

Fred Potter was then excused from the meeting and the Board continued in Executive Session.

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