

Washington Vaccine Association – Board of Directors Meeting
June, 27, 2013, 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 (T)
Dennis Kirkpatrick
Laura McMillan
Dr. Ed Marcuse

KidsVax.org®:

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

Absent:

Mary Kay O'Neill
Charles Levine
Norman Seabrooks
Dr. Roger Muller

Others:

Janna Bardi (DOH)
Steven Bass (T)
Suzanne Daly
Allen Gilbert (T)
Darryl Price
Anne Redman

II. Summary of Actions Taken and / or Recommended

A. Actions Taken (votes adopted)

1. To ratify immediately Suzanne Daly as the Group Health selected representative to the WVA Board under RCW 70.290.030 (3) (b) for the continuation of a three-year term ending in 2015.
2. To approve the March 29, 2013 minutes.
3. To approve the WVA expense budget for the calendar year 2013-2014.
4. To authorize as a supplemental special claims recovery project to engage (i) Advance Medical Claims & Collections of Boston, MA for a six-month trial period for denied claims recoveries at a flat monthly retainer of \$2,000 and (ii) Norm Roberge for one (1) day per month of supplemental service to WVA to monitoring and assessing such processing in AMCC's offices as outlined in the May 31, 2013 memo to the Board from Peter Smith, KidsVax.org® financial analyst.
5. To approve the WVA TriCare Strategy Memo presented to 2012-2013 WVA Performance Goal 2.c.
6. To authorize KidsVax® to engage a communications consultant at a cost not to exceed \$25,000, with Mr. Ancell's approval, to undertake the process of creating a communication plan and to report back to the Board in September with a written plan.

B. Pending Matters (follow up needed)

1. Ms. Lane will work with CIGNA to find out who will fill their position on the Board.
2. KidsVax® was asked to create a communication plan that periodically updates providers and other WVA stakeholders on the functioning of the WVA and update the website with the information as it works on the Annual Report for presentation at the September meeting.
3. The Board would like KidsVax® to review the administrative processes that are currently in place and put this item on the cycle for a November report to the Board.

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.

Mr. Levine was not in attendance at the meeting. Ms. Lane reported that she was notified earlier this week that Mr. Levine will not be taking over for the AWHP position, as he will be leaving CIGNA. He was invited to attend the meeting as CIGNA's representative for this one meeting, but he declined. Ms. Lane will work with CIGNA to find out who will fill their position on the Board.

Ms. McMillan is also leaving the Board. Ms. Suzanne Daly is the new representative from Group Health. Mr. Potter asked that Ms. McMillan be allowed to execute the Audit Engagement Letter as her last Board action and asked that the action be effective as of June 27, 2013.

Upon motion duly made and seconded, it was unanimously

VOTED: To ratify immediately Suzanne Daly as the Group Health selected representative to the WVA Board under RCW 70.290.030 (3) (b) for the continuation of a three-year term ending in 2015.

No changes were made to the committee information at this time due to all of the changes on the Board of Directors. The one role needed before the next meeting is to have an executive session at which the accounting firm can report directly to the Board with the treasurer and KidsVax[®] personnel absent as to anything they found in the course of the audit, if anything. This is an important procedural step for purposes of presenting the reports at the September meeting. Mr. Potter suggested that the Board allow either the Executive Committee to fulfill that role or to do that as a Board as a whole at the September meeting. Otherwise, the Audit Committee would need to be reconstituted. Mr. Ancell suggested having the auditors' report at the September meeting. If there is a problem before then, the auditors can let Mr. Kirkpatrick, as the treasurer, know and he can raise it and an interim board meeting can be called. Mr. Ancell pointed out that Ms. McMillan was also Vice-Chair of the Board and served on the Executive Committee, so these positions will need to be filled as well. The Vice-Chair position will be opened up to anyone who would like to volunteer to serve in that capacity.

Consent Calendar Items

Mr. Potter identified typographical error on page three of the Audit Committee Charter. The word "and" should be "any."

A motion was made to approve the minutes from the March 29, 2013, WVA Board meeting.

Upon motion duly made and seconded, it was unanimously

VOTED: To approve the minutes of the March 29, 2013, WVA Board meeting.

Executive Director Updates

Mr. Potter updated the Board regarding the Internal Revenue Service accepting the WVA's 2023 Exemption Application and issuing a formal tax-exemption status. They allowed the WVA to proceed without filing annual 990s.

Mr. Potter expressed his appreciation to the Board for their assistance with the committee work that has been completed this year. The results have been quite gratifying.

Department of Health Updates

The universal account is the only non-appropriated account and if not for that reason, the DOH office would have been shut down.

The Plan of Operation was signed by Mary Selecky on April 24, 2013, and was the necessary piece needed to translate from the law to the Plan of Operation the ability to make rules related to the potential of the Secretary levying a penalty for late payment. Earlier this month, Secretary Wiesman, who is the new DOH secretary, signed to implement rulemaking for the authority that the secretary has to levy a penalty or fine. It is anticipated that on August 20, 2013, the rule proposal (CR 102) will be filed. August 27 through September 23 will be the open public comment period. A public hearing is being planned for September 24, 2013, and the hope is that if everything moves smoothly the final rule will be signed by the secretary on October 15 and filed with the Code Reviser's office and become effective on November 15, 2013. That would complete the DOH piece of the law in terms of various items that needed to be implemented.

There was a brief update on the new DOH secretary, John Wiesman, who started April 15, 2013. He has a large focus on communication and is also holding himself to the book during the first 90 days. His 90-day period is close to an end, but he has been using this time to gather information and listen and learn. He is not making a lot of decisions during this period, although he has made a few internal decisions. He has been briefed a couple of times on the WVA and its importance. It is expected that he will attend the November meeting. The priority areas that he has outlined are to maintain and build capacity to respond to urgent and emergency events; patient safety and quality health care; tobacco prevention; defining the Public Health leadership role in healthcare reform and insuring implementation of the agenda for change, which is a body of work that has been undertaken with local public health so that with the decentralized local public health system and autonomous health jurisdictions function as one larger system; the obesity epidemic; and working with the governor on climate change.

TPA legislation went through and the change from TPAs registering with Revenue to registering with the WVA is effective July 27, 2013.

Dr. Patrick O'Carroll, at the regional office, assisted with getting in contact with Paul Hutcher, general counsel for TriCare. Mr. Hutcher has been working with DOH and they have connected him with CDC to see if a solution can be reached about TriCare's payments. Mr. Hutcher has had several productive conversations with Dr. Richards, who is the head of the Immunization Services Division at CDC. They are very willing to consider a way for TriCare to pay CDC directly and that way they would be able to pay for the vaccines for any state with this kind of a system for military children. He is hoping that they might have a solution by June 30. He was contacted prior to the Board meeting for an update, but was unavailable. Mr. Potter added that Paul Hutcher has said that there will be a back payment, but there are other technical/legal issues as we go past the years, but there are absolute federal limitations.

Budget Approval

The administrative cost budget was reviewed. The vast majority of funds that flow through the WVA are what is taken in for the dosage based section and what goes out to the state. Those are not reflected in the proposed budget. Not-for-profit governance boards approve budgets prior to the state of the fiscal year, which is a best practice. However, it includes a line item for a small project, which is the claims recovery. The Board might want to consider whether it wants KidsVax[®] to pursue that project before the Board comes to the budget, in which case it would affect two lines on the budget. Mr. Ancell favored approving the budget and then removing the project if it is not approved. Mr. Smith noted that the far right column is the proposed budget and the expenses. Everything is stable and a lot of the items are budgeted the same as last year, but the expenses are very stable or possibly trending down in some cases. The largest item, general administrative, is for KidsVax[®]. WVA has a contract that specifies what it will be. The contract is evergreen, but there is the three-year decline, and then there's an inflation adjustment in future years, unless it is terminated by the Board.

A motion was made to approve the WVA expense budget for the calendar year 2013-2014.

Upon motion duly made and seconded, it was unanimously

VOTED: To approve the WVA expense budget for the calendar year 2013-2014.

Follow up on Pending Matters

Mr. Potter reported that one of the items on the KidsVax[®] incentive plan for this year was to bring a denied assessment payment recovery recommendation to the Board. Mr. Smith reported on the recommendation. Mr. Smith searched for a firm that could help with our unique situation with denied payments. There is not a lot of volume, but the estimate is approximately \$130,000 per year that is lost due to payment errors or denied payments. At least five firms were contacted and this has been narrowed down to one. Advance Medical Claims & Collections ("AMCC") is a firm out of Boston that has expertise in coding and practice management and recovery. They are able to understand our model and can provide a good proposal for taking a look at these denied payments. The proposal KidsVax[®] is putting forth is to spend six months exploring with this firm how they can help to streamline our processes and collect on denied payments that we've received. This would be at a flat monthly retainer of \$2,000 per month. Mr. Potter also reported that KidsVax[®] performed a system-wide review this year. Mr. Roberge started that task in January. It was a pleasant surprise to find that the denied payments were estimated at \$100,000+, lower than expected. Mr. Potter made the recommendation to commence work with AMCC with regard to WVA's denied payment recovery for the next six months, so that additional intelligence can be gathered by having Mr. Roberge go to Boston once a week and sit with them while they go through the process to see if there is further triage that can be done by KidsVax[®]. This does not include any litigation. It is back office collection, not a third party legal action. Further discussion ensued. It was the sense of the Board that it is reasonable for the cost to pursue having Mr. Roberge work with AMCC.

A motion was made to commence work with Advance Medical Claims & Collections.

Upon motion duly made and seconded, it was unanimously

VOTED: As a supplemental special claims recovery project to engage (i) Advance Medical Claims & Collections of Boston, MA for a six-month trial period

for denied claims recoveries at a flat monthly retainer of \$2,000 and (ii) Norm Roberge for one (1) day per month of supplemental service to WVA to monitoring and assessing such processing in AMCC's offices as outlined in the May 31, 2013 memo to the Board from Peter Smith, KidsVax.org® financial analyst.

Mr. Potter presented the Board with a TriCare Strategy Memo, which was modified according to our current status. The memo outlines some of the preceding work on all of the options that had been looked at and recommends that we continue the DOH voluntary resolution program with a due date of August 1. Failing that, we reactivate litigation and legislation strategies. The next litigation step would be to pursue legal action to enforce payment arrearage and seek competitive proposals from two law firms and present those proposals to the Board on September 19. Further follow-up would then be decided by the Board. At the same time, we would pursue federal legislative mandate for the advancement of legislation. Mr. Potter would meet with congressional delegations and key committee staffers in Washington, DC and present a full follow-up report to the Board. Mr. Potter reported that there is an Armed Services Appropriation Bill each calendar year. And, unlike anything else that goes before Congress, it never has failed to pass prior to the end of the calendar year. Washington has the ideal House side sponsor for this with strong representatives on the House Armed Services Committee and New Hampshire has ideal Senate sponsors for this as well. We would not be paying a lobbyist. A colleague that Mr. Smith has worked with in the past is donating his services to make the appointments. Staff and TriCare know that this will be coming legislatively if they don't resolve it bureaucratically between now and then. Further discussion ensued.

A motion was made to commence work with Advance Medical Claims & Collections.

Upon motion duly made and seconded, it was unanimously

VOTED: To approve the WVA TriCare Strategy Memo presented to 2012-2013 WVA Performance Goal 2.c.

Other Matters from Board Members

The Vaccine Committee recently met. The committee reviewed the provider ordering of vaccines. It is interesting to note that 26 out of 1,060 providers made a change; this reflects remarkable stability. The next selection cycle will be in October. Several new vaccines were looked at. It is anticipated that this year's flu season is going to be more difficult from a vaccine standpoint because there are three- and four-component vaccines. As the federal government anticipates the implementation of the Affordable Care Act they are trying to tighten the use of 317 Funds and the group that gets left out is undocumented children. Our system is based on providers being able to offer vaccine to everyone who shows up and at some point decisions may need to be made as to how best to handle the undocumented children of which there are 25,000. Further discussion ensued.

Dr. Marcuse suggested that there is a need to communicate periodically with providers, but also other WVA stakeholders. As part of the WVA's annual work, he would like to see a communication plan that continues to let people know how WVA is functioning and update the website with the information. KidsVax® was asked by the Board to create a communication plan to be dovetailed with the Annual Report distribution for presentation at the September meeting. Mr. Ancell suggested that the Board authorize KidsVax® to engage a communications consultant if needed.

A motion was made to authorize KidsVax® to engage a communications consultant to assist in creating a communications plan.

Upon motion duly made and seconded, it was unanimously

VOTED: To authorize KidsVax® to engage a communications consultant at a cost not to exceed \$25,000, with Mr. Ancell's approval, to undertake the process of creating a communication plan and to report back to the Board in September with a written plan.

Dr. Marcuse indicated that providers have been in communication with him, as well as with Ms. Harvey about an issue that he wanted to bring to the Board's attention. While providers are very happy with the WVA system as a whole, the system doesn't necessarily work to the providers' advantage. In other states where providers purchase vaccines and resell it, that is a significant portion of a primary care physician's income. What is of concern to some providers is the continuing cost of the double billing system. Depending on what practice you speak with, the cost to the practice is between \$2,000 and \$10,000 a year to support the complexity of the system. Some providers would like the WVA to explore that burden and see if there are ways to lessen it. Dr. Marcuse feels an obligation to respond to those who have contacted him. It is the sense of the Board that it is very reasonable for the WVA to review the administrative processes that are currently in place. Further discussion ensued. KidsVax® will be put this item on the cycle for a November report.

Executive Session

All KidsVax® staff members were excused for the remainder of the meeting.

Darryl Price from Slalom Consulting was in attendance at the meeting. He prepared a report for the Board in terms of reviewing KidsVax® past performance and offering recommendations. The report is in alignment with previous Board discussions. Mr. Price provided the Board with a brief presentation regarding his report. Mr. Ancell indicated that there is a worksheet that will need to be completed. Part of it is based on performance of the initiatives and then part is Board assessment. The Board assessment will need to be completed and then based on that, the incentive for KidsVax® can be calculated.

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