

Washington Vaccine Association – Board of Directors Meeting
January 28, 2014 – 2:00 p.m. – 4:00 p.m.
Location: Ellis, Li & McKinstry

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

Directors:

Suzanne Daly (T)
Beth Harvey (T)
Dennis Kirkpatrick (T)
Ed Marcuse
Allene Mares
Mary Kay O'Neill
John Pierce
Norm Seabrooks (T)
John Sobeck (T)

DOH:

Michele Roberts
Jan Hicks-Thomson

Others:

Anne Redman

KidsVax.org®:

Margaret Lane
Terry Mills (T)
Laurie Beth Pliakos (T)
Fred Potter
Claire Roberge (T)
Norm Roberge (T)
Peter Smith (T)

Absent:

Jason Farber
Jay Fathi

II. Summary of Actions Taken and/or Recommended

A. Actions Taken (votes adopted)

1. To approve the election of board member John Pierce as WVA board chair for a one-year term.
2. To approve the minutes of the September 19, 2013 Board Meeting as resubmitted.
3. To approve the minutes of the November 21, 2013 Board Meeting as submitted.
4. To authorize Suzanne Daly, Dennis Kirkpatrick, John Pierce, and Norm Seabrooks as signing parties for the WVA for all checks. Two signatures will be required for any check over \$3,000.

B. Follow up Tasks/Action Items

1. Ms. Lane will request an annual communications plan from Desautel Hege Communications to be presented at the April meeting.

III. Minutes

Welcome and Introductions

At 2:00 p.m., a quorum having been established, Vice Chair Dennis Kirkpatrick called the meeting to order.

Consent Calendar Items

The consent calendar was briefly reviewed. The first order of business was the election of a new Board chair. Vice Chair Kirkpatrick brought the motion forward for Board approval.

Upon motion duly made and seconded, it was unanimously

VOTED: To approve the election of board member John Pierce as WVA board chair for a one-year term pursuant to Section 6.1 of the WVA bylaws. [Mr. Pierce recused himself from the vote.]

Once the vote was confirmed, Vice Chair Kirkpatrick turned the remainder of the meeting over to Mr. Pierce, who provided the Board with a brief introduction of himself.

Upon motion duly made and seconded, it was unanimously

VOTED: To approve the minutes of the September 19, 2013 Board Meeting as resubmitted.

Upon motion duly made and seconded, it was unanimously

VOTED: To approve the minutes of the November 21, 2013 Board Meeting as submitted.

There was a brief discussion concerning the form of the meeting minutes. It was the sense of the Board that future minutes need to be shorter and more succinct.

Executive Director Updates

Due to Mr. Potter's illness, Ms. Pliakos briefly reviewed the ED Report. KidsVax® has recently developed and deployed updates to the WVA website calendar/notification system functionality. Board members were invited to subscribe to this new notification system. The cash flow analysis indicates that the projections are on track. Additional questions were answered by financial analyst, Mr. Peter Smith via telephone.

There was a brief discussion concerning the need to update bank authorizations on behalf of the WVA.

Upon motion duly made and seconded, it was unanimously

VOTED: To authorize Suzanne Daly, Dennis Kirkpatrick, John Pierce, and Norm Seabrooks as signing parties for the WVA for all checks. Two signatures will be required for any check over \$3,000.

DOH Updates

Michele Roberts reported that the CDC approved the DOH proposal as to how it would meet new vaccine accountability requirements without separating inventory. The DOH persuaded CDC that it has safeguards in place to assure accountability of funds and vaccine storage and handling at providers' offices. The CDC noted that the strong partnerships among DOH, the WVA, and providers and the state's universal system funding mechanism assures appropriate use of vaccines provided through the Vaccines for Children program.

Michele also reported on the proposed rule on the Secretary's enforcement authority. The Department has worked with the WVA to ensure that the rule is aligned with the statute and Plan of Operation. Based on the current timeline, the rule should be finalized in June.

WVA Communication Enhancements

Desautel Hege Communications has been engaged to communicate with providers on behalf of the WVA via four publications. Dr. Marcuse requested to see an annual communications plan at the April meeting.

At this point, the Board went into Executive Session.

TRICARE Executive Session

John Pierce gave a brief update on the TRICARE situation. There have been good conversations between WVA and the Department of Defense and TriWest. WVA actually began receiving some payments from TRICARE in December, but it's not clear whether these were just payments made in error. WVA also stopped getting denials with the "non-recognized provider" code. Fred Potter wrote to Paul Hutter after we discovered the apparent change in billing, and unfortunately, Mr. Hutter could not confirm that TRICARE has actually begun recognizing WVA and paying assessments. We will continue monitoring the claims and plan to sample them periodically to determine if any more progress is made.

Mr. Pierce explained that it is difficult to determine exactly how much TRICARE currently owes because that information is largely in the government's control. If TRICARE submits its own damage analysis, the task force plans to appropriately audit that number.

Margaret Lane reported that TRICARE is still telling providers that they must bill using the old method in order to receive payment for administration charges. Mr. Potter, acting with task force authorization, previously wrote to Mr. Hutter and asked that TRICARE stop giving these instructions to providers. He has not received any response, although Mr. Hutter did indicate that he would set up a conference call to discuss these issues further. Dr. Marcuse asked if WVA could write to the provider who raised the billing issue to ensure that the provider knows that he was heard. It would also be helpful to discuss this issue with the operations committee.

Mr. Pierce reported that WVA is not yet initiating litigation because TRICARE appears to be responding positively. However, to ensure that the task force is able to appropriately manage any potential litigation, Mr. Pierce reviewed a proposed list of items that trigger board review. He asked that the board vote on these at the next meeting.

There being no further business, the meeting adjourned at approximately 2:45 p.m.



What: Washington Vaccine Association (WVA) Board of Directors Meeting
 Date and Time: Tuesday, January 28, 2014/2:00 pm -4:00 pm PDT
 Place of Meeting: Ellis, Li & McKinstry PLLC, Market Place Tower, Penthouse A (see directions under Item 10)
 Call in Numbers: Local Dial-in: 206.925.3583; Toll-Free: 877.826.6967 Conference ID: 1981457183#

Notice: Meeting may be recorded for the benefit of the secretary. The WVA intends to delete the recording after the minutes of the meeting are approved. Kindly review the attached antitrust policy in advance.

Agenda for Board Meeting in Person

Approx. Time	Topic/[Anticipated Action]	Presented by:
2:00-2:15	1. Welcome, Introductions & Identification of any Items for Section 7 a. b.	D. Kirkpatrick
2:15-2:20	2. Consent Calendar Items * a. Election of WVA board chair * b. Board minutes - September 19 , 2013 * c. Board minutes - November 21, 2013 d. Brief Discussion - Board's preference as to the form of minutes	D.Kirkpatrick/ J. Pierce
2:20-2:30	3. Executive Director Updates * a. Executive Director's report * i. 12/31/13 Financials * ii. Cash Reserve Analysis * iii. Investment Report (Intentionally Omitted) * iv. KidsVax [®] Performance Dashboard b. Updated Bank Authorization	F. Potter
2:30-2:45	4. Board Development a. b.	F. Potter
2:45-3:00	5. DOH Updates a. CDC confirmation of DOH inventory approach * b. DOH rulemaking status on DBA enforcement	M. Roberts M. Roberts
3:05-3:40	6. WVA Communication Enhancements * a. Update on communications plan progress b.	M. Lane
3:40-3:45	7. Other Matters from Board Members a. b.	
	8. (Intentionally Omitted)	
3:45-4:00	9. Closing Section a. Public comment b. Executive session (all staff, guests excluded; outside counsel included) i. TRICARE update ii. Board and F. Potter only iii. Board only c. Wrap up	
	10. Reference Documents * a. Contact List: board, committees * b. Governing statute * c. Schedule of upcoming meetings * d. Proposed form of votes for this meeting * e. Directions to Ellis, Li and McKinstry	

*Indicates agenda item attached



*John Pierce
Senior Vice President &
General Counsel*

John Pierce

John Pierce joined Premera in late 2005 and has been Senior Vice President & General Counsel since March 2008. Pierce has been instrumental in resolution of major outstanding litigation and in repurposing the Legal and Regulatory Department to create stronger relationships with its customers within Premera.

In his role as Senior Vice President and General Counsel, Pierce is responsible for the legal and regulatory affairs of the Premera family of companies, including providing counsel to the Board and senior management on legal issues, defending litigation brought against the company, managing outside counsel, and executing a proactive regulatory strategy.

Pierce has been involved in the healthcare industry in this region for the past 20 years, much of that time as an executive with Regence BlueShield and more recently with responsibility for business development strategies for Script IQ. Pierce received his Juris Doctor from Stanford Law School and his Bachelor of Science Degree from Washington State University.

John has served on multiple non-profit boards including The Washington State High Risk Pool, First Place, The Boyer Clinic, and the Pike Place Market Foundation where he is currently Board Chair.

About Premera Blue Cross:

Our mission is to provide peace of mind to our customers about their healthcare. We provide health insurance and related services to 1.5 million people in Washington and Alaska. Premera Blue Cross has operated in Washington since 1933, and Alaska since 1952. Premera Blue Cross is an independent licensee of the Blue Cross Blue Shield Association.

Premera Blue Cross is a member of a family of companies based in Mountlake Terrace, Washington, that provide health, life, vision, dental, and long-term care insurance, and other related services, in multiple western states.

Washington Vaccine Association – Board of Directors Meeting
September 19, 2013, 2:00 PM – 4:00 PM
Location: Ellis, Li & McKinstry

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

Directors:

KidsVax.org®:

Brian Ancell
 Jason Farber (T)
 Beth Harvey
 Dennis Kirkpatrick
 Ed Marcuse (T)
 Mary Kay O'Neill
 Norm Seabrooks

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

Absent:

Others:

Suzanne Daly
 Allene Mares

Janna Bardi, DOH
 Steven Bass, CPA (T)
 Allen Gilbert, CPA
 Polly Sidwell, Morgan Stanley
 Anne Redman, Esq.
 Keith A. Kemper, Esq.
 Steven T. O'Ban, Esq.

II. Summary of Actions Taken and / or Recommended

A. Actions Taken (votes adopted)

1. To accept and authorize publication of the FYE 2012/13 Financial Statements.
2. To approve the June 27, 2013 minutes.
3. To approve the Assessment Grid Policy and Procedure.
4. To authorize KidsVax.org® to publish the 2012/2013 WVA Annual Report and to designate the report to serve in lieu of an Annual Meeting.
5. To approve the request by KidsVax® to delay the contract performance goal for distribution of the August financials until after the final DOH September draw estimate is received.
6. To authorize the KeyBank line of credit and to adopt the corresponding banking resolution.
7. To delegate KidsVax® to make the appropriate interest rate choice.
8. To increase vaccine assessment levels as recommended.

B. Pending Matters (follow up needed)

1. If after October 1 the TRICARE matter is not resolved and payments have not been made or are not immediately expected, Mr. Potter will schedule a follow-up Board teleconference and consider pursuing the claim.

III. Minutes

Welcome and Introduction

At 2:05 p.m., a quorum having been established, Chairman Brian Ancell called the meeting to order. Mr. Ancell informed the Board that Janna Bardi has been designated by the Secretary as a Board member for this meeting. She will be voting as the public health representative in the absence of Ms. Mares.

Mr. Ancell welcomed Mr. Allen Gilbert and Mr. Steven Bass of CliftonLarsonAllen to the meeting. The entire Board sat as a committee to hear the report of the independent public auditors regarding the draft financial statements for the fiscal year ended June 30, 2013. No significant changes are expected other than some minor cosmetic revisions. The noted changes to the Statement of Financial Position were the cash investments and receivables. In keeping with management's intent to reduce assets to a more desirable level, the total assets have been reduced from the prior year's \$28.5 million to approximately \$15 million. An item that is a bit unusual is the fact that there are no net assets of this organization. They are called "Assessments Collected in Excess of Funding." This was done because the funds collected do not actually belong to the WVA, so if for any reason the WVA ceases to exist, the money belongs to the members.

The Statement of Activities was reviewed in detail, along with a brief review of the footnotes. The assessment activity is not revenue for the organization just as the vaccines are not the organization's expenses. Page 10 of the Audited Financial Statement indicates under NOTE 2 that on May 14, 2013, the IRS granted §501(c)(3) tax-exempt status and determined that the filing of Form 990 is not required in prior or future years. Attorney Redman suggested the wording may need to be changed to reflect that the commencement date of the tax-exempt status was as of the date of incorporation even though the decision date is May 14, 2013. Chairman Ancell disclosed to the auditors the change in the recent CDC policy requiring WVA to do advance funding versus funding after the fact. Further discussion ensued regarding disclosure of the KeyBank line of credit. A separate disclosure footnote will be added under Subsequent Events regarding the KeyBank line of credit and the assessment rate increase.

The Board then went into Executive Session with the KidsVax® staff excused.

At the conclusion of the Executive Session, the recording was continued for the general session.

Upon motion duly made and seconded, it was unanimously

VOTED: To accept and authorize publication of the FYE 2012/13 Financial Statements and independent auditor's report reflecting the changes suggested at the meeting.

Consent Calendar Items

Upon motion duly made and seconded, it was unanimously

VOTED: To approve the minutes of the June 27, 2013 WVA Board meeting.

Upon motion duly made and seconded, it was unanimously

VOTED: To approve the Assessment Grid Policy and Procedure as recommended by the WVA Operations Committee.

Upon motion duly made and seconded, it was unanimously

VOTED: To authorize KidsVax.org® to proceed with publication of the 2012/2013 WVA Annual Report in the form as presented to the Board and to designate such report to serve in lieu of an Annual Meeting pursuant to section 4.2 of the WVA Bylaws.

Executive Director Updates

Mr. Potter indicated that he had previously made calls to Board members on the important issues related to the CDC funding change and the need to seek outside funding and initiate an assessment level increase. The goal sheet reflecting the policy put in place by the Board was distributed and reviewed today. Additionally, although the Board previously agreed to move the provider cost burden analysis to November, the work has already been started. The line of credit was completely renegotiated to match the cash call from CDC.

Lastly, Mr. Potter explained that although the August financial reports are ready, the final DOH number for the September draw is not yet available and thus the reports will not be completed by the due date. He asked for relief from that goal.

Upon motion duly made and seconded, it was unanimously

VOTED: To approve the request by KidsVax® to delay distribution of the August financials until the final DOH September draw estimate is received and to reset contract performance goals accordingly.

Financial Status/Need for LOC Implementation and Assessment Rate Increase

Chairman Ancell thanked Mr. Potter for sending out a concise summary e-mail to the Directors prior to the meeting. Mr. Potter was asked to once again provide a summary for the Board and allow for questions.

There is nearly \$9 million of cash call coming in, including the \$8 million due to the CDC funding change. Additionally, there is a very heavy September draw, which is not that uncommon. WVA has to write a check for \$13 million and there is only \$4 million in the bank.

Extensive discussion ensued regarding the successful renegotiation of the KeyBank line of credit. At the outset, the LOC will be \$15 million rather than \$10 million due to the need to draw \$10 million and still provide flexibility. The cash collateral requirements have been lowered dramatically from \$8 million to \$4 million despite its greater size. The measurement date is the end of the quarter, which matches the cash flows perfectly. The first measurement has been deferred until 2014. WVA has been given interest choices, although the Board may decide not to use those. It was Mr. Potter's suggestion that WVA retain the flexibility to choose and the choice can be implemented on a draw-by-draw and a month-by-month basis. Mr. Peter Smith is prepared to do this as he does the treasury management function. Further discussion ensued.

Upon motion duly made and seconded, it was unanimously

VOTED: To authorize the KeyBank line of credit and to adopt the following resolution:

Resolution for Board of Directors meeting held on September 19, 2013

WHEREAS: the Board of Directors has determined it is desirable to establish a line of credit on terms offered by KeyBank National Association ("KeyBank") to finance timing differences between the requirements for payment to the Universal Vaccine Purchase Account for vaccine ordering expenses of the Department of Health and the collection of assessments by WVA:

RESOLVED: pursuant to the authority vested in this Board of Directors under Chapter 70.290 RCW the Board of Directors hereby approves WVA entering into a credit/loan and security agreement with KeyBank, substantially on the terms set forth in the letter dated September 18, 2013 ("Commitment Letter") from KeyBank presented at the meeting and providing for a Fifteen Million Dollar (\$15,000,000) revolving line of credit for a two (2) year term at a floating interest rate of KeyBank Prime Rate or based on LIBOR plus 2.75 percent as set forth in the Commitment Letter, and providing for a security interest in WVA assessment receivables;

RESOLVED FURTHER: that each of President Brian Ancell and Secretary/ Treasurer Dennis Kirkpatrick, as a sole signatory, are authorized and directed to execute and deliver on behalf of the corporation, with the advice of counsel, the Commitment Letter, a loan/ credit and security agreement, promissory note, and any other necessary documents, and to take or cause all other actions necessary and appropriate to be taken by the officers of the corporation to effect the action approved by this resolution.

Upon motion duly made and seconded, it was unanimously

VOTED: To delegate KidsVax[®] to make the appropriate interest rate choice and to review the decision with the treasurer.

Approval of Assessment Level Increase

Mr. Smith, KidsVax[®] financial analyst, prepared a sensitivity analysis to demonstrate the impact of different rates of CDC assessments. This analysis was reviewed in detail and extensive discussion ensued. Mr. Potter indicated that TRICARE recoveries have not been factored into the analysis. Ms. Lane reported that the Operations Committee held a special meeting and understood that the decision for them was not about the actual increase, but the timing, and supported implementing on December 1, 2013. They asked for communication after this meeting so they could start updating their systems even earlier than December 1. Suggestions were also made for a communication that will give 60-day notice to providers prior to implementation.

Upon motion duly made and seconded, it was unanimously

VOTED: To increase current vaccine assessment levels 110% of the current CDC price to the State of Washington for each vaccine and make such increase effective for all vaccines administered on or after 12/1/2013.

Ms. Bardi updated the Board regarding CDC discussions. Initially the federal CDC came back with the prepayment issues, as well as the issue of segregating inventory and the related accountability issues. Through various means of discussion, including Secretary Wiesman's engaging in direct conversation with leadership at CDC, he explained to them the challenges and the need to segregate those two issues. The CDC ultimately adjusted the timeline for those changes to February 1, 2014, but they also told the Washington CDC that they may not need to make those changes if they meet certain requirements. The state CDC will need to submit a proposal for how they will meet the requirements without having to implement the inventory changes. If the proposal is approved, Ms. Bardi believes it will likely go no further to providers than what has been experienced so far.

1
2 Annual Review of Investment Performance
3

4 Ms. Sidwell from Morgan Stanley reviewed the WVA investment performance through August 31, 2013. The fund started
5 with \$21 million in February 2012, and Morgan Stanley invested that within about a three-year timeframe, very
6 conservatively tailored, and looking to align with what the anticipated outflow would be. However, recent changes required
7 that it be drawn down fully. The report shows that for the 18 months that the investments were held, they were up about
8 0.6%. There are no gaps and nothing that they would change.
9

10 Ms. Sidwell updated the Board regarding the Federal Reserve. Fixed income, cash, and short-term is flat to down very
11 modestly, but the broad fixed income market is down 2% so far this year. Ms. Sidwell discussed the Portfolio Line Account
12 (PLA). There are steps in place had there been assets there to execute this as a second backup in addition to the line of credit
13 at KeyBank. When the time comes that assets are in the Morgan Stanley account, their terms are LIBOR rate which is about
14 0.18%, plus 1.75%, so a percent less than what's at KeyBank, but different terms because WVA can borrow from Morgan
15 Stanley with assets that are actually secured in place. KidsVax[®] recommended it, and Mr. Kirkpatrick has approved it. Mr.
16 Potter indicated that it allows WVA to get cash without having to prematurely liquidate assets.
17

18 Follow up on Pending Matters
19

20 Mr. Potter provided a brief overview of the Communications RFP. Responses to the RFP are due at the end of September
21 and all of the firms contacted have indicated that they will be quoting for WVA. Mr. Potter welcomed Board members to
22 participate in the interview process and requested that the Board authorize KidsVax[®] to engage two finalists to complete
23 sample communication plans. It may cost \$1,000-2,000 more than the budgeted annual expense, but it would ensure that the
24 Board ultimately hires the best firm. Ms. Lane indicated that she has spoken with the Department of Health about
25 participating in the process as well.
26

27 TRICARE Executive Session
28

29 Perkins Coie considered whether to undertake the TRICARE matter and has declined in light of various firm policies
30 concerning contingent fee engagements. Further discussion ensued.
31

32 Attorneys Kemper and O'Ban with Ellis, Li & McKinstry gave a brief introduction and presented a proposal to the Board
33 for legal services with respect to the TRICARE litigation matter. Lengthy discussion ensued. Due to time constraints and a
34 desire to allow more time for voluntary TRICARE compliance, a vote was not taken at this time. It was the sense of the
35 Board that if after October 1 the TRICARE matter is not resolved and payments have not been made or are not expected,
36 Mr. Potter will schedule a follow-up Board teleconference and consider pursuing further enforcement action at that time.
37

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

Washington Vaccine Association – Board of Directors Annual Meeting
November 21, 2013 – 2:00 p.m. – 4:00 p.m.
Location: Ellis, Li & McKinstry

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

Directors:

Brian Ancell
 Jason Farber (T)
 Jay Fathi (T)
 Beth Harvey
 Dennis Kirkpatrick (T)
 Ed Marcuse
 Allene Mares
 John Sobek

DOH:

Janna Bardi
 Michele Roberts
 John Wiesman

KidsVax.org®:

Margaret Lane
 Terry Mills (T)
 Laurie Beth Pliakos
 Fred Potter
 Claire Roberge (T)
 Norm Roberge (T)
 Peter Smith (T)

Absent:

Suzanne Daly
 Mary Kay O'Neill
 Norm Seabrooks

II. Summary of Actions Taken and/or Recommended

A. Actions Taken (votes adopted)

1. To extend AMCC claim review services.
2. To approve the board terms, offices, and committees.
3. To thank Ms. Bardi.
4. To approve the Information Release Policy.
5. To proceed with TRICARE litigation and to hire Ellis, Li & McKinstry as WVA's litigation counsel.
6. To create a litigation task force consisting of Fred L. Potter, Anne Redman, and John Pierce.
7. To authorize Fred L. Potter to sign a demand letter to TRICARE.
8. To supplement Attorney Redman's engagement as WVA's general counsel.

B. Follow up Tasks/Action Items

1. Ms. Lane will continue her research regarding providers' additional expenses stemming from the DBA submissions and determine if the WVA can do anything to alleviate this added burden.
2. KidsVax® will set the meeting dates for 2014.
3. Ms. Lane will continue to work with Desautel Hege Communications to refine and implement the Communications Plan.

III. Minutes

Welcome and Introductions

At 2:00 p.m., a quorum having been established, Chairman Brian Ancell called the meeting to order. Mr. Ancell welcomed two new board members, Dr. Jay Fathi of Coordinated Care, and Dr. John Sobek of Cigna. Dr. Fathi will fill the board seat reserved for the Association of Washington Healthcare Plans. Dr. Sobek will fill Cigna's seat on the board. Mr. Ancell reported that United has given up its board seat because of perceived conflict caused by their having the federal defense contract. Cigna has taken United's place because it is the next largest plan in the state, and the WVA statute requires that the three largest plans have a seat on the board. Everyone in attendance and on the phone introduced themselves and welcomed the new board members.

Mr. Ancell thanked the Washington State Secretary of Health, John Wiesman, for attending. Secretary Wiesman thanked the Board for its work and expressed how important the partnership is between the WVA and the Department of Health, especially for the parents and children who benefit from the partnership. Prior to the formation of the WVA, Secretary Wiesman was concerned about the state's ability to protect Washington's children from diseases in light of the state's impending inability to fund its universal childhood vaccine program. He was greatly relieved when the WVA was formed and began working to preserve universal access to childhood vaccines. Secretary Wiesman noted that his predecessor, Secretary Selecky, was very involved in forming the WVA. He expressed the DOH's continuing commitment to the vaccine program and the WVA. He thanked Ms. Mares for representing the DOH on the board and emphasized that he is very willing to assist the Board in any way.

Dr. Marcuse thanked the Secretary for working to resolve the problems caused by the CDC's announced requirement of separate provider-level vaccine inventories. Secretary Wiesman reported that they are still working on this issue and that he met directly with CDC Director Dr. Thomas Frieden to express his concerns. Secretary Wiesman will continue working through national associations and other organizations to resolve the issue. It is generally believed that a separate inventory approach will drive providers away and hurt immunization rates. The DOH has submitted a plan to the CDC for tracking vaccine inventories based on funding source. If the plan is approved, providers will not be required to keep separate inventories. The DOH expects to have a call with the CDC tomorrow to discuss the proposal further.

Consent Calendar Items

It was the sense of the Board that the meeting minutes should be edited for conciseness. Now that WVA has completed its startup, it seems appropriate to reduce the length of minutes. The minutes will be revised and re-evaluated at the next meeting.

Executive Director Updates

Mr. Potter reviewed his written report and stated that the KeyBank loan closed, the WVA is in covenant compliance, and the WVA now has \$5MM reserve capacity. KidsVax®'s financial forecast proved surprisingly accurate. Mr. Potter reported that KidsVax® has engaged Mr. Smith, as an independent compliance officer, to take on the duty of monitoring the WVA's covenant compliance. He asked Mr. Smith to confirm where the WVA currently stands in terms of compliance. Mr. Smith explained that the WVA has an obligation to keep \$4MM reserve in cash due to the line of credit. At the end of September, there was \$5.6MM in cash. That number has gone down slightly, but the WVA is successfully maintaining compliance. Compliance is measured on a quarterly basis, and the WVA can draw on the line of credit at measurement points if necessary to maintain cash reserves. However, this will only be done if it is absolutely necessary. Mr. Smith projects that the low point of cash availability could occur in December 2013. He will update the Board further at a later date. Mr. Potter reported that because of the WVA's planned assessment rate increase and the inherent delayed cash impact arising from this change, KeyBank has agreed to postpone the first measurement until the first quarter of 2014. Further discussion ensued.

Mr. Potter briefly reviewed the KidsVax® Performance Dashboard. Mr. Potter asked for clarifications with regard to several items in the "New Undertakings" section. Mr. Ancell instructed him to put those items on a separate page to make it clear that they do not directly affect compensation to KidsVax® under the variable compensation provisions of the WVA/KidsVax® contract. No specific relief was requested at this time.

Next, Mr. Potter reported that the claims recovery servicer, AMCC, has generated positive financial return to WVA over its initial six-month contract. The contract was set to end in December of this year. Mr. Potter recommended that the Board engage AMCC for another six months and review AMCC's performance prior to next year's budget cycle. Along with generating positive financial return, AMCC has helped the WVA by identifying various reasons why claims are denied. This knowledge allows the WVA to train providers so that there will be fewer claim denials and the program will run more efficiently. Dr. Harvey expressed that this approach seems responsible and that it could be useful to be mindful of AMCC's findings as WVA proceeds under its recently drafted Communications Plan.

Upon motion duly made by Dr. Marcuse and seconded by Dr. Sobeck, it was unanimously

VOTED: To approve authorization of the special project for AMCC claim review and monitoring services by KidsVax® staff for an additional six months.

Ms. Lane updated the Board on her research regarding additional costs that provider offices feel they have for submitting the DBA. Some offices pay their claims service provider on a per-claim basis, so they may incur additional costs if they have to submit two claims instead of one. Other offices just pay a monthly fee. This issue is still under review. Dr. Marcuse emphasized that the WVA should exercise appropriate diligence and be responsive to providers' concerns. Ms. Lane will bring back the final report once the research is completed.

Election and Reelection of Officers

Mr. Ancell reviewed the board member list as well as the members' respective terms and committee assignments. He noted that Dennis Kirkpatrick has agreed to be Vice-Chair and Treasurer, and Norm Seabrooks has agreed to be the Secretary. Additionally, he pointed out the suggested chairs for each of the committees.

Upon motion duly made by Dr. Harvey and seconded by Ms. Mares, it was unanimously

VOTED: To approve the board terms, offices, and committees listed on the WVA Board of Directors and Committee list presented at the meeting.

Review of 2014 Meeting Date Alternatives

Mr. Potter explained that meeting dates have not been finalized because a new board member, Suzanne Daly of Group Health, is unavailable on some meeting dates. Group Health wants to participate in the WVA and will designate another executive if the Board cannot find meeting times that fit into Ms. Daly's schedule. Mr. Potter will continue working to coordinate the meeting dates. He anticipates that there will be four regularly scheduled board meetings in 2014.

DOH Updates

Allene Mares reported that Janna Bardi has taken a new position in the DOH as the Director of the Office of Healthy Communities. Ms. Mares introduced Michele Roberts, the new Office Director for Immunizations and Child Profile, and explained that Ms. Roberts will replace Ms. Bardi on the vaccine committee. Jan Hicks-Thomson remains available for all the day-to-day activities around vaccine accountability.

Ms. Bardi gave a brief update regarding the DOH rulemaking process. The universal vaccine financing law gives the Secretary authority to levy fines and penalties against any payer who does not reimburse the cost of an audit the WVA calls for or for failure to pay the assessments. The DOH and KidsVax® have been working on rulemaking to support the Secretary's authority. Ms. Bardi explained that after the DOH initiated the rulemaking process, it subsequently identified another section of the Washington Administrative Code that needs to be amended.

This is to bring clarity to due process procedures for any payers who may contest fines. This would be handled through an already-existing 30-day abbreviated process called a "brief adjudicative proceeding." Because the initial rulemaking paperwork did not identify that code provision, the DOH had to start the rulemaking process over again. The DOH anticipates that the new rulemaking timeline will include an open comment period in February, a hearing in March, and rule finalization in April. Ms. Bardi will provide the final rule language to the Board today. The DOH remains available to discuss the rule further.

The Board members expressed that they are grateful to Ms. Bardi for her hard work in service to the WVA.

Upon motion duly made by Dr. Marcuse and seconded by Dr. Harvey, it was unanimously:

VOTED: To thank Ms. Bardi for helping to create the WVA and for her service over its history.

WVA Communication Enhancements

Ms. Lane introduced Sara Johnston and Lisa Cargill of Desautel Hege Communications. Pursuant to a new board initiative, KidsVax[®] conducted a RFP process on WVA's behalf to engage a communications firm to increase the frequency of strategic, concise communications. KidsVax[®] solicited recommended candidates and followed up on every name suggested by board members, as well as others in the community. The finalists completed a job sample, and Desautel Hege was the clear winner. The firm has a history of working on public health issues with hospital systems and other providers.

Ms. Johnston thanked the Board for choosing Desautel Hege and gave a brief overview of the firm's background. She then reviewed the draft Communications Plan in detail, including the research findings, communications strategies, and measurement goals. She explained that prior to creating the plan, Desautel Hege conducted insight interviews with board members and the DOH to identify the WVA's strengths and weaknesses and areas of opportunity from a communications standpoint. Ms. Cargill added that the WVA is off to a good start because it already has clearly identified goals. She recommended that the WVA focus on four main areas of communication. It should seek to maintain communication with providers, strong relationships with payers and TPAs, and collaboration with DOH, and it should work to grow awareness beyond those audiences. Ms. Cargill reviewed a number of specific strategies for communication. She noted that Dr. Marcuse is already working on our first contributed article. Several board members suggested additions to the plan. Specifically, they requested that Desautel Hege expand the definition of "providers" to include pharmacists and the professional associations of any providers licensed to deliver vaccines in the state. Ms. Johnston and Ms. Cargill thanked the Board for its suggestions and expressed willingness to edit the plan as the Board sees fit.

Mr. Potter suggested that the Board allow Ms. Lane to act as the primary liaison between the firm and the WVA. Dr. Marcuse expressed that he anticipates that the added service to WVA will be valuable because it will help WVA create and preserve long-term relationships in the state. Ms. Lane noted that the plan also has operational value because if the WVA can provide health plans and providers with concise communications and directions, then their customer service employees will know what to do when they see the WVA tax ID on a claim. This will help ensure that the payment flow works effectively.

At this point, the Board went into Executive Session.

Executive Session: Information Release Policy

Mr. Ancell explained that the WVA registers TPAs for the state as part of its role as assessment system administrator. The WVA has now been asked for access to its TPA database by the DOH for a required mailing to TPAs. Mr. Ancell distributed a draft Information Release Policy stating that it is the general policy of the WVA that it will not release information for purposes unrelated to WVA business. Further discussion ensued, and several minor changes to the policy were suggested.

Upon motion duly made by Dr. Harvey and seconded by Dr. Sobeck, it was unanimously

VOTED: To approve the Information Release Policy as edited in this meeting.

Executive Session: TRICARE

The Board then moved on to a discussion regarding the potential TRICARE litigation.

Upon motion duly made by Dr. Fathi and seconded by Dr. Sobeck, it was

VOTED: To proceed with TRICARE litigation and to hire Ellis, Li & McKinstry as WVA's litigation counsel in this matter.

Ms. Mares abstained from voting due to her position with the state.

Upon motion duly made by Dr. Sobeck and seconded by Dr. Harvey, it was

VOTED: To create a litigation task force to oversee the WVA litigation strategy, consisting of Fred L. Potter, Anne Redman, and John Pierce.

Ms. Mares abstained from voting due to her position with the state.

1
2 **Upon motion duly made by Dr. Sobeck and seconded by Dr. Harvey, it was**

3
4 **VOTED:** To authorize Fred L. Potter to sign a demand letter to TRICARE on WVA's behalf once approved by the task force.
5
6 Ms. Mares abstained from voting due to her position with the state.
7

8
9 **Upon motion duly made by Dr. Sobeck and seconded by Dr. Harvey, it was**

10
11 **VOTED:** To supplement Attorney Redman's engagement as WVA's general counsel as discussed in this meeting.
12
13 Ms. Mares abstained from voting due to her position with the state.
14
15 There being no further business, the meeting adjourned at approximately 4:00 p.m.

January 28, 2014 Executive Director Overview

Assessment Collections since inception:	\$144+ Million
Remittances to State of WA since inception:	\$147+ Million
Cash Balance as of December 31, 2013:	\$3.7+ Million
Morgan Stanley as of December 31, 2013	\$1,000.00
Outstanding Line of Credit Balance	\$10 Million
Available Line of Credit	\$5 Million

I trust that 2014 is off to a good start on all fronts for each of our Board members. It has been so for your KidsVax® team.

I am pleased to report that KidsVax® has significantly strengthened its staff in support of vaccine operations. As you may recall, Terry Mills joined KidsVax® full-time last summer. Claire Roberge has returned to full-time status effective January 1. Claire has served with me in vaccine funding work from its beginning in New Hampshire over a decade ago. Additionally, Laurie Beth Pliakos, who was at the last Board meeting as part of KidsVax®'s "job sample" hiring process, also accepted full-time employment commencing January 1. She will be serving as staff attorney and communications coordinator. Her first major project in Washington is working under the direction of Deputy ED Margaret Lane to formalize provider servicing protocols so, in the future, others on staff will be able to handle most provider questions as they arise from time to time.

As you each have experienced directly, 2013 was a year of tremendous turmoil in the health industry. Though not related to the broad trends affecting health care nationally, WVA itself experienced an unusually heavy turnover of Board members, including the changes in several carrier representatives. Most recently, staff liaisons assisting Director Allene Mares with WVA work have changed with the appointment of Michelle Roberts as WA Immunization Director. Brian Ancell, our founding Chair, certainly modeled the highest standard of board service. He has written to each of you expressing his regrets about leaving us as a necessary part of wrapping up his time at Premera as of the end of last year. We all wish him the best as he moves on to future career opportunities. Meanwhile, Brian was kind enough to take care to assure that John Pierce, Senior Vice President & General Counsel, whose remarkable professional biography is in the pre-meeting packet at item 02.a., has agreed to serve as Premera's new board representative. As noted my recent e-mail, John also has also graciously agreed to pick up Brian's mantle as Board Chair if the Board believes that would be helpful at this time. John was instrumental

in the founding of the WVA and has continued to monitor its progress from time-to-time, most recently serving as Chair of its litigation task force.

We have noted some apparent breakthroughs with respect to that litigation task force work, which will be reported in Executive Session at this meeting. We also are well under way in follow-up of the WVA's enhanced communications outreach now that a communications firm has been selected and initial public distribution materials prepared. An article penned by our physician board members Ed Marcuse and Beth Harvey should be appearing in several professional publications in the next few weeks.

Finally, I am pleased to report that WVA's first assessment increase, that necessitated by CDC's funding change and the consequent line of credit draw, appears to be going very smoothly. Again, Peter Smith's projections are emerging pretty much "dead on" to the forecast presented at the time the Board made its most recent assessment determination. The most significant credit for the accuracy of that work, of course, goes to the DOH. The DOH has been very helpful in providing excellent utilization forecasts to support the cash flow planning. Then the work by our major payers coordinated by Deputy Director Margaret Lane through the Operations Committee to reprice upwards for the change even while provider systems are being updated has been a significant help in maintaining assessment equity and meeting the projected cash pattern. Norm Roberge's support on the back end to help us spot trends and follow up on payer assessment processing work from time to time has been invaluable as well.

Thank you, once again, for the opportunity to serve with you. I look forward to our work together next week.



Fred L. Potter, writing January 22, 2014 for the January 28, 2014 board meeting.



Standard Attachments

- i. Quarterly financial reports through December 2013
- ii. Cash Reserve Analysis
- iii. Investment Report (Omitted – balance is a placeholder of \$1,000)
- iv. KidsVax® Performance Dashboard

**Washington Vaccine Association
Statement of Financial Position
As of December 31, 2013**

A**ASSETS**

Current assets		
1	Cash and cash equivalents	\$ 3,716,643.05
2	Investments	1,004.61
3	Assessment receivable	4,649,179.00
4	Prepaid Vaccine	3,936,128.42
5	Total current assets	12,302,955.08
6	Total assets	\$ 12,302,955.08

LIABILITIES AND NET ASSETS

Current liabilities		
7	Accounts payable	\$ 25,439.14
8	Key Bank - Line of Credit	10,000,000.00
9	Payable to Washington Department of Health	-
10	Other accruals	-
11	Total current liabilities	10,025,439.14
Net assets		
12	Excess Assessments - Vaccines	33,321,473.08
13	Excess Assesments - Administrative Activities	(31,043,957.14)
14	Total net assets	2,277,515.94
15	Total liabilities and net assets	\$ 12,302,955.08

Washington Vaccine Association
Statement of Activities and Changes in Net Assets

WVA 2014-01-28 03.a.i. 2

		A			B			C			D			E			F		
		Month Ending December 31, 2013						For 6 Months Ending December 31, 2013											
		Administrative		Vaccine				Administrative		Vaccine									
		Activities		Activities		Total		Activities		Activities		Total							
Revenues:																			
1	Assessments	\$	231,158.04	\$	3,779,348.00	\$	4,010,506.04	\$	(7,820,410.76)	\$	30,513,423.00	\$	22,693,012.24						
2	Investment Income		-		-		-		10,361.20		-		10,361.20						
3	Other Income		-		-		-		-		-		-						
4	Total revenues		231,158.04		3,779,348.00		4,010,506.04		(7,810,049.56)		30,513,423.00		22,703,373.44						
5	Vaccine replenishments		-		3,759,778.42		3,759,778.42		-		29,997,624.09		29,997,624.09						
Expenses:																			
6	Vaccine Selection Development		-		-		-		-		-		-						
7	Public information		7,232.50		-		7,232.50		10,582.50		-		10,582.50						
Administration																			
8	Administrative services		29,695.22		-		29,695.22		169,377.15		-		169,377.15						
9	Project management fees		199.00		-		199.00		1,706.54		-		1,706.54						
10	Design and advertising		-		-		-		5,060.00		-		5,060.00						
11	Claims system development		-		-		-		-		-		-						
12	Legal fees		25,000.00		-		25,000.00		51,425.56		-		51,425.56						
13	Audit		-		-		-		8,750.00		-		8,750.00						
14	Website and information technology		-		-		-		-		-		-						
15	Travel		44.00		-		44.00		(6,960.73)		-		(6,960.73)						
16	Total administration		54,938.22				54,938.22		229,358.52		-		229,358.52						
Office																			
17	Bank Fees		8,223.72		-		8,223.72		55,567.62		-		55,567.62						
18	Office supplies		43.92		-		43.92		43.92		-		43.92						
19	Postage and shipping		-		-		-		-		-		-						
20	Printing		-		-		-		1,860.57		-		1,860.57						
21	Office Rent		-		-		-		-		-		-						
22	Telephone		-		-		-		-		-		-						
23	Total office		8,267.64				8,267.64		57,472.11		-		57,472.11						
Other																			
24	Insurance		-		-		-		21,388.98		-		21,388.98						
25	Interest Line of Credit		25,295.14		-		25,295.14		78,333.33		-		78,333.33						
26	Travel		-		-		-		-		-		-						
27	Conferences		-		-		-		-		-		-						
28	Board meetings		-		-		-		-		-		-						
29	Total other		25,295.14				25,295.14		99,722.31		-		99,722.31						
30	Total expenses		95,733.50		-		95,733.50		397,135.44		-		397,135.44						
31	Increase (decrease) in net assets	\$	135,424.54	\$	19,569.58	\$	154,994.12		(8,207,185.00)		515,798.91		(7,691,386.09)						
32	Unrestricted net assets, beginning of year								(22,836,772.14)		32,805,674.17		9,968,902.03						
33	Unrestricted net assets, end of year								\$ (31,043,957.14)	\$	33,321,473.08	\$	2,277,515.94						

**Washington Vaccine Association
Statement of Cash Flows
For the Periods Ending**

WVA 2014-01-28 03.a.i. 3

	A Inception Through 10/31/2013	B Month 11/30/2013	C Month 12/31/2013	D Inception Through 12/31/2013
1 Cash balance - beginning of period	\$ -	\$ 4,824,720.01	\$ 4,636,001.56	\$ -
Inflows:				
2 Principal prepayments	7,800,001.00	-	-	7,800,001.00
3 Vaccine collections	137,468,926.00	3,635,477.68	3,112,548.04	144,216,951.72
4 Interest income	53,407.95	-	-	53,407.95
5 Investment income/ (loss)	149,787.97	-	-	149,787.97
6 Key Bank - LOC advances	10,000,000.00	-	-	10,000,000.00
7 Total inflows	155,472,122.92	3,635,477.68	3,112,548.04	162,220,148.64
Outflows:				
8 Principal repayments	(7,799,908.85)	-	-	(7,799,908.85)
Program				
9 Vaccine remittance State of WA	(140,173,468.87)	(3,759,778.42)	(3,936,128.42)	(147,869,375.71)
10 Vaccine Selection Development	(79,950.00)	-	-	(79,950.00)
11 Public information	(94,848.31)	(250.00)	(7,232.50)	(102,330.81)
12 Total program disbursements	(140,348,267.18)	(3,760,028.42)	(3,943,360.92)	(148,051,656.52)
Administration				
13 Administrative services	(1,248,897.15)	(25,703.08)	(29,794.22)	(1,304,394.45)
14 Project management fees	(419,367.64)	-	-	(419,367.64)
15 Design and advertising	(31,031.38)	-	-	(31,031.38)
16 Claims system development	(26,000.00)	-	-	(26,000.00)
17 Legal fees	(184,898.95)	(1,750.50)	(25,000.00)	(211,649.45)
18 Audit fees	(54,305.00)	-	-	(54,305.00)
19 Website and information technology	(112,258.32)	-	-	(112,258.32)
20 Travel	(1,829.48)	-	-	(1,829.48)
21 Total administration	(2,078,587.92)	(27,453.58)	(54,794.22)	(2,160,835.72)
Office				
22 Bank Fees	(272,509.55)	(8,155.10)	(8,223.72)	(288,888.37)
23 Office supplies	1,002.84	-	(43.92)	958.92
24 Postage and shipping	(1,438.36)	-	-	(1,438.36)
25 Printing	(4,819.61)	-	-	(4,819.61)
26 Office Rent	(51,313.90)	-	-	(51,313.90)
27 Telephone	(2,514.23)	-	-	(2,514.23)
28 Total office	(331,592.81)	(8,155.10)	(8,267.64)	(348,015.55)
Other				
29 Insurance	(88,685.15)	-	-	(88,685.15)
Interest Line of Credit	-	(28,559.03)	(24,479.16)	(53,038.19)
30 Travel	-	-	-	-
31 Conferences	-	-	-	-
32 Board meetings	(361.00)	-	-	(361.00)
33 Total Other	(89,046.15)	(28,559.03)	(24,479.16)	(142,084.34)
34 Total outflows	(150,647,402.91)	(3,824,196.13)	(4,030,901.94)	(158,502,500.98)
35 Cash balance - end of period	\$ 4,824,720.01	\$ 4,636,001.56	\$ 3,717,647.66	\$ 3,717,647.66

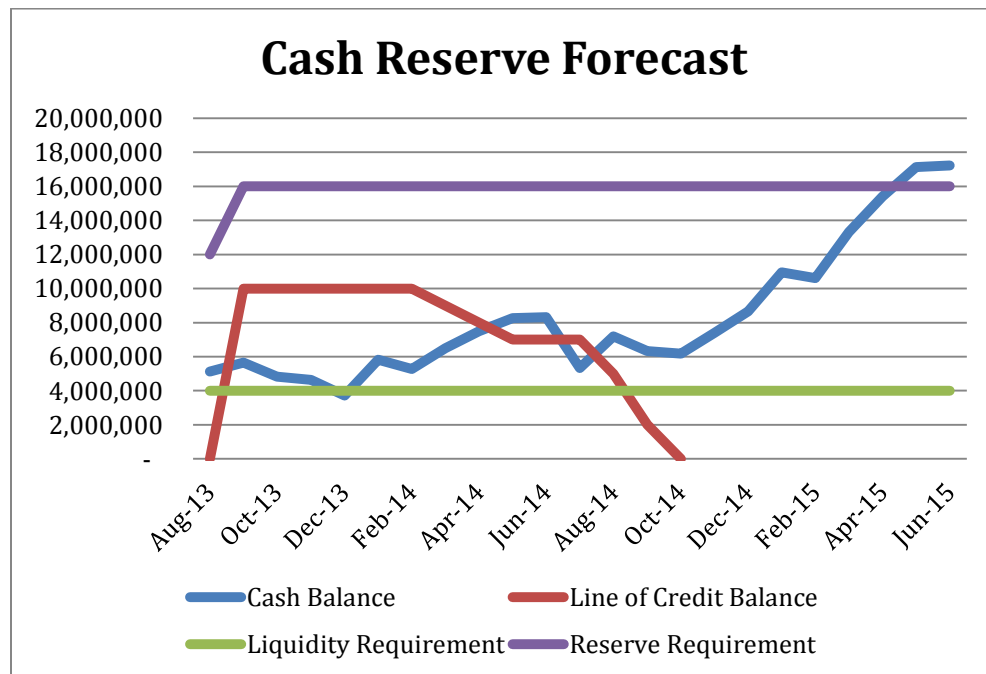
Note: Cash balance includes amounts in Key Bank and Morgan Stanley

DECEMBER 31, 2013 CASH RESERVE ANALYSIS SUMMARY

Cash on hand as of Dec 31:	\$ 3,716,643
Value of invested funds at Dec 30:	\$ 1,005
Total Cash Reserve:	\$ 3,717,648
LOC Liquidity Requirement:	\$ 4,000,000
LOC Balance at 12/31:	\$ 10,000,000
Net liquidity at 12/31:	(\$ 6,282,352)
New reserve target:	\$ 16,000,000
Projected average increase per month after 12/1 grid increase:	\$ 1,290,048
Projected months to desired reserve:	17

Since the major cash related events in September the financial operations have gone largely according to the projections. The rate increase of December 1 has gone into effect, however resulting monthly increases to cash levels will likely take 45 days to take full effect. Accordingly KidsVax® will continue to monitor cashflows more closely between now and then.

The following chart and table show the currently projected collections and cash reserve levels.



CASH FLOW ANALYSIS SUMMARY

The below projection incorporates the current financial results as of December 31, 2013 including the increase to the grid rates effective December 1, 2013 as well as the current projections from the DOH for the period of November 2013 through June 2015.

WVA Cash Flow Projection Model
As of December 31, 2013

Month	Projected Net Cash Receipts	Projected DOH Reimb	Flu / CDC Advance	Admin Exp / Other	Borrowing cost	LOC Draws	Net Cash Change	Cash Balance (a)	Line of Credit Balance (b)	Net Liquidity (a - b)
Apr-13	2,156,326	(3,115,878)	-	(37,310)			(996,861)	12,909,276	-	12,909,276
May-13	2,829,101	(3,804,548)	-	(48,074)			(1,023,519)	11,885,757	-	11,885,757
Jun-13	3,047,800	(3,902,000)	-	(41,080)			(895,280)	10,990,477	-	10,990,477
Jul-13	3,027,852	(3,801,140)	(3,992,235)	(60,420)			(4,825,944)	6,164,533	-	6,164,533
Aug-13	3,231,765	(4,216,037)	-	(55,473)			(1,039,745)	5,124,788	-	5,124,788
Sep-13	3,826,780	(5,331,858)	(7,909,996)	(36,147)	(17,717)	10,000,000	531,061	5,655,849	10,000,000	(4,344,151)
Oct-13	3,629,425	(4,341,800)	-	(106,734)	(12,020)		(831,129)	4,824,720	10,000,000	(5,175,280)
Nov-13	3,635,478	(3,759,778)	-	(35,858)	(28,559)		(188,718)	4,636,002	10,000,000	(5,363,998)
Dec-13	3,112,548	(3,936,128)	-	(70,295)	(24,479)		(918,354)	3,717,648	10,000,000	(6,282,352)
Jan-14	5,859,601	(3,686,910)	-	(46,647)	(27,083)		2,098,961	5,816,608	10,000,000	(4,183,392)
Feb-14	5,028,996	(5,492,901)	-	(46,647)	(27,083)		(537,636)	5,278,973	10,000,000	(4,721,027)
Mar-14	7,146,053	(4,845,287)	-	(46,647)	(27,083)	(1,000,000)	1,227,036	6,506,008	9,000,000	(2,493,992)
Apr-14	6,559,773	(4,507,944)	-	(46,647)	(24,375)	(1,000,000)	980,807	7,486,815	8,000,000	(513,185)
May-14	6,103,063	(4,259,902)	-	(46,647)	(21,667)	(1,000,000)	774,847	8,261,662	7,000,000	1,261,662
Jun-14	5,767,252	(5,642,053)	-	(46,647)	(18,958)		59,594	8,321,256	7,000,000	1,321,256
Jul-14	7,638,472	(6,561,931)	(4,000,000)	(46,647)	(18,958)		(2,989,065)	5,332,191	7,000,000	(1,667,809)
Aug-14	8,883,845	(4,963,426)	-	(46,647)	(18,958)	(2,000,000)	1,854,814	7,187,005	5,000,000	2,187,005
Sep-14	6,719,715	(4,521,550)	-	(46,647)	(13,542)	(3,000,000)	(862,023)	6,324,982	2,000,000	4,324,982
Oct-14	6,121,483	(4,219,223)	-	(46,647)	(5,417)	(2,000,000)	(149,804)	6,175,178	-	6,175,178
Nov-14	5,712,179	(4,447,064)	-	(46,647)	-		1,218,468	7,393,646	-	7,393,646
Dec-14	6,020,640	(4,717,133)	-	(46,647)	-		1,256,860	8,650,506	-	8,650,506
Jan-15	6,386,272	(4,048,794)	-	(46,647)	-		2,290,831	10,941,338	-	10,941,338
Feb-15	5,481,444	(5,772,343)	-	(46,647)	-		(337,546)	10,603,792	-	10,603,792
Mar-15	7,814,864	(5,056,729)	-	(46,647)	-		2,711,488	13,315,280	-	13,315,280
Apr-15	6,846,033	(4,710,643)	-	(46,647)	-		2,088,743	15,404,023	-	15,404,023
May-15	6,377,486	(4,600,694)	-	(46,647)	-		1,730,145	17,134,168	-	17,134,168
Jun-15	6,228,632	(6,093,417)	-	(46,647)	-		88,568	17,222,736	-	17,222,736
Total Interest					(285,901)					

Amounts in **BOLD** are actuals.

This assumes a 4% increase in vaccine prices effective April 1 of 2014 and 2015. Presently KidsVax® projects that WVA will reach its reserve target in the second or third quarter without the need for further assessment rate increases between now and then.

KidsVax.org Performance Dashboard -- 2013-14 Washington Vaccine Association Administrative Services Agreement

	Original Due Date	Board Approved change	Now expected	1/22/2014 Status	YE Expected	Comments
1. Maintain Core Service Metrics						
a. Responsiveness						
i. Telephone (85% within 1 business day 100% within 2)	ongoing			G	G	
ii. Emails (85% acknowledged w/ delivery time in 3 days 100% in 5 days)	ongoing			G	G	
b. Financial Reporting (from period end)						
i. Monthly financials w/in 15 business days (except 1st month of year)	ongoing			G	G	With granted relief for DOH delays in August, all now on track Completed for FYE 6/30/2013
ii. Annual within 40 business days	ongoing			M	M	
iii. Quarterly 12-month liquidity forecasts w/in 25 business days	ongoing			G	G	
c. State funding						
i. 100% funding on or before due date	ongoing			G	G	With LOC approval last month, current status went from yellow to green Filed with new process of DOH advance review of narrative report
ii. Annual regulatory reports on or before due date	ongoing			M	M	
2. Provider & Payer Compliance						
a. 95% Provider Compliance	ongoing			G	G	
b. 100% Payer compliance (except for TriCare)	ongoing			G	G	
3. System / Operational Improvements						
a. Implement new TPA registration system & notify TPAs of need to register	11/1/2013			M	M	Registration system and notification letters both were completed ahead of due date.
b. Board governance -- Audit committee checklist & new member orientation notebook	1/1/2014		6/1/2014	R	G	Missed original due date.
c. [Stretch Objective] TRICARE participating in WVA funding	5/1/2014			Y	Y	It appears that first payments have started. Need confirmation will continue.

STATUS KEY	
M	Goal has been Met for the year
G	On schedule for full performance
Y	Problems &/or uncertainty &/or changes
R	Have missed date or performance unlikely

KidsVax requests (if any)

10. August Financials Due Date Relief [Status of request: GRANTED at September 2013 board meeting]

Note: The financials for August are due on September 23 (15 working days after month end).

KidsVax has done all bookkeeping through August but cannot complete the financials until it has a final September vaccine funding request from DOH. We have requested that final estimate, but -- understandably -- DOH has not been able to deliver that yet. This DOH delay is due to a number of considerations, including the request from KidsVax to lighten the order as much as possible in light of the unexpected CDC cash call.

KidsVax.org Performance Dashboard -- 2013-14 Washington Vaccine Association Administrative Services Agreement

NB -- The following items are additional items added by the board in the course of the year. These are documented for tracking purposes -- they are not part of the agreed annual performance goals.

11. Added by KidsVax

- a. AMCC monitored claim denial recovery effort

12. Added by Board

- a. Communications RFP
- b. Provider Cost burden Analysis

Sep-13
Nov-13

M	M
Y	G

RFP process satisfactorily concluded -- selection made -- work underway
Request due date reset -- awaiting work from others

13. Added by Events / Other

- a. Revised LOC facility to meet CDC Cash Call
- b. Active outstanding debt / enlarged Treasury responsibilities

Sep-13
ongoing

M	M
G	G

\$15MM LOC implemented and 1st draw taken in time to meet CDC cash call
Additional monitoring is reflected in the enhanced quarterly reporting packet

KidsVax requests (if any)

20. Provider Cost burden Analysis

KidsVax has been awaiting information from providers now that further understanding of the concern has been developed. This was not part of goals so was added workload at a time of intense external pressures (CDC funding rules changes). The added time to bring the provider concern into clearer focus should help the board's review process to be more efficient.

- Creating new chapter 120 under Title 246 WAC. OTS _____.1
- Amending WAC 246-10-501. OTS _____.1

Chapter 246-120 WAC

Civil Penalties of Health Carriers and Third Party Administrators

NEW SECTION

WAC 246-120-010 Purpose. The purpose of this chapter is to describe the procedures and conditions by which the secretary must issue civil penalties to health carriers and third party administrators. This chapter is adopted under RCW 70.290.060.

[Statutory authority: RCW 43.70.095; 70.290.060]

NEW SECTION

WAC 246-120-020 Definitions. For the purposes of this chapter, the words and phrases in this section have the following meanings unless the context clearly indicates otherwise:

(1) "Health Carrier" has the same meaning as defined in RCW 70.290.010 and RCW 48.43.005.

(2) "Secretary" means the secretary of the department of health.

(3) "Third party administrator" has the same meaning as defined in RCW 70.290.010.

(4) "Washington vaccine association" or "association" means the association created under Chapter 70.290 RCW. The association collects and remits adequate funds from health carriers and third party administrators for the cost of vaccines provided to certain children in Washington State.

[Statutory authority: RCW 43.70.095; 70.290.060]

NEW SECTION

WAC 246-120-030 Penalty - Failure to reimburse audit costs.

(1) The Washington vaccine association may, pursuant to either a vote of its board of directors or request of the secretary, audit a health carrier's or third-party administrator's compliance.

(2) Upon certification of the audit, the Washington vaccine association shall notify the health carrier or third-party administrator in writing that there is an outstanding debt to reimburse the Washington vaccine association for the cost of the audit.

(3) Within forty-five days of the written notice, the health carrier or third-party administrator must reimburse the Washington vaccine association for the cost of the audit.

(4) If the health carrier or third-party administrator fails to reimburse the Washington vaccine association for the cost of the audit, the Washington vaccine association shall notify the secretary and the secretary shall assess a civil penalty of one hundred fifty percent of the amount of the costs of the audit.

(5) The civil penalty provided for in subsection (4) shall be imposed by a notice in writing to the health carrier or third-party administrator against whom the civil penalty is assessed. The notice shall be served on the health carrier or third-party administrator by personal service or by certified mail in a manner that shows proof of receipt. The civil penalty is due and payable twenty-eight days after receipt by the health carrier or third-party administrator.

(6) A health carrier or third-party administrator who has received written notification of an assessed civil penalty may request a brief adjudicative proceeding pursuant to chapter 34.05 RCW.

(a) The application for a brief adjudicative proceeding must:

(i) Be in writing;

(ii) State the basis for contesting the civil penalty;

(iii) Include a copy of the adverse notice;

(iv) Be served on and received by the department within twenty-eight days of the health carrier or third-party administrator receiving the notice of a civil penalty; and

(v) Be served in a manner which shows proof of receipt by the Adjudicative Clerk Office at the following address:

310 Israel Rd. S.E.

Olympia, WA 98504-7879.

(b) If a health carrier or third-part administrator files a timely and sufficient application for a brief adjudicative proceeding, the secretary shall not implement the action for the civil penalty until the final order is entered. The presiding or reviewing officer may permit the secretary to implement part or all of the action while the proceedings are pending if the health carrier or third-party administrator causes an unreasonable delay in the proceedings or for other good cause.

(c) The sole issue at the brief adjudicative proceeding shall be whether the health carrier or third-party administrator paid the cost to reimburse the Washington vaccine association for the cost of the audit.

(7) The secretary may file liens and seek judgment to recover civil penalties and recover reasonable collection costs, including reasonable attorneys' fees and costs.

[Statutory authority: RCW 43.70.095; 70.290.060]

NEW SECTION

WAC 246-120-040 Penalty - Failure to remit assessment.

(1) The Washington vaccine association will notify, in writing, each health carrier and third-party administrator of the health carrier's or third-party administrator's estimated total assessment by November 15th of each year.

(2) Within ninety days of the notice, the health carrier or third party administrator must remit the amount of the assessment to the Washington vaccine association or develop an approved payment plan with the Washington vaccine association.

(3) If the health carrier or third-party administrator fails to pay the amount of the assessment or the amount owed on the approved payment plan, the Washington vaccine association must provide notification to the secretary of the amount due to the Washington vaccine association. The secretary shall assess a civil penalty of one hundred fifty percent of the amount due to the Washington vaccine association.

(4) The civil penalty provided for in this section shall be imposed by a notice in writing to the health carrier or third-party administrator against whom the civil penalty is assessed. The notice shall be served on the health carrier or third-party administrator by personal service or by certified mail in a manner that shows proof of receipt. The civil penalty is due and payable twenty-eight days after receipt by the health carrier or third-party administrator.

(5) A health carrier or third-party administrator who has received written notification of an assessed civil penalty may request a brief adjudicative proceeding pursuant to Chapter 34.05 RCW.

(a) The application for a brief adjudicative proceeding must:

(i) Be in writing;

(ii) State the basis for contesting the civil penalty;

(iii) Include a copy of the adverse notice;

(iv) Be served on and received by the department within twenty-eight days of the health carrier or third-party administrator receiving the notice of a civil penalty; and

(v) Be served in a manner which shows proof of receipt by the Adjudicative Clerk Office at the following address,

310 Israel Rd. S.E.

Olympia, WA 98504-7879.

(b) If a health carrier or third-party administrator files a timely and sufficient application for a brief adjudicative proceeding, the secretary shall not implement the action for the civil penalty until the final order is entered. The presiding or reviewing officer may permit the secretary to implement part or all of the action while the proceedings are pending if the health carrier or third-party administrator causes an unreasonable delay in the proceedings or for other good cause.

(c) The sole issue at the brief adjudicative proceeding shall be whether the health carrier or third-party administrator failed to pay the annual assessment or the amount owed on the approved payment plan.

(6) The secretary may file liens and seek judgment to recover civil penalties and recover reasonable collection costs, including reasonable attorneys' fees and costs.

[]

WAC 246-10-501 Application of brief adjudicative proceedings. (1)

If an adjudicative proceeding is requested, a brief adjudicative proceeding will be conducted where the matter involves one or more of the following:

(a) A determination whether an applicant for a professional, business, or facility license meets the minimum criteria for an unrestricted license and the department proposes to deny such a license or to issue a restricted license;

(b) An application to approve a water system plan under WAC 246-290-100;

(c) An application to approve a project report under WAC 246-290-110;

(d) An application for source approval under WAC 246-290-130;

(e) An application to approve construction documents under WAC 246-290-120;

(f) An application to approve an existing Group A water system under WAC 246-290-140;

(g) An application for source approval under WAC 246-291-100 or 246-291-110;

(h) An application to approve a design report under WAC 246-291-120;

(i) An application to approve an existing Group B water system under WAC 246-291-130;

(j) An application to approve a water system plan under WAC 246-291-140;

(k) A decision under WAC 246-293-190;

(l) A decision with respect to service area conflicts under WAC 246-293-430;

(m) An application for approval as a satellite management agency under WAC 246-295-040;

(n) A civil penalty imposed under RCW 70.119A.040 when the amount of the civil penalty does not exceed two thousand five hundred dollars;

(o) A request to bank nursing home beds under RCW 70.38.111(8) and 70.38.115(13);

(p) A determination as to whether a person is in compliance with the terms and conditions of a final order previously issued by the department;

(q) Any approval of a school or curriculum when such approval by the department is required or authorized by statute or rule;

(r) A determination whether a license holder requesting renewal has submitted all required information and meets minimum criteria for license renewal;

(s) A decision to deny, modify, or impose conditions upon an operating permit under WAC 246-294-050; or

(t) A decision to deny or revoke certification as a home care aide when a long-term care worker is disqualified from working with vulnerable persons under chapter 74.39A RCW.

(u) A civil penalty imposed against a health carrier or third-party administrator under RCW 70.290.060.

(2) If an adjudicative proceeding is requested, in a matter not listed in subsection (1) of this section, a brief adjudicative proceeding may be conducted in the discretion of the presiding officer when it appears that protection of the public interest does not require that the department provide notice and an opportunity to participate to persons other than the parties and:

(a) Only legal issues exist; or

(b) Both parties have agreed to a brief proceeding.

[Statutory Authority: Chapters 18.88B and 18.130 RCW, 2012 c 164, and 2013 c 259. WSR 13-19-087, § 246-10-501, filed 9/18/13, effective 10/19/13. Statutory Authority: RCW 18.130.050 and 43.70.040. WSR 96-

21-027, § 246-10-501, filed 10/7/96, effective 11/7/96. Statutory Authority: RCW 43.70.040. WSR 94-04-079, § 246-10-501, filed 1/31/94, effective 3/3/94; WSR 93-13-005 (Order 369), § 246-10-501, filed 6/3/93, effective 7/4/93.]

Washington Vaccine Association Works

Public Private Immunization Partnership

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WVA Board Members

The Washington Vaccine Association (WVA) is helping our state ensure that all recommended vaccines are available to all qualified providers to administer to any child in Washington. But what does that mean for you? It means the WVA is working on your behalf so you can keep providing vaccinations to all children in your practice effectively and efficiently.



The stabilization of vaccine funding is critical to improving Washington's child immunization rates. Since opening its doors in May 2010, the WVA has administered the flow of funds collected from payers and remitted these funds to the state for the purchase of childhood vaccines. For the WVA's fiscal year ending on June 30, 2013, funds passed through to the state totaled \$55.9 million. **The WVA's unique dosage-based assessment (DBA) is the key element in the process.**

Recently, proposed policy changes at the Centers for Disease Control (CDC) mandated that providers segregate vaccines based on fund source, but Washington's Department of Health (DOH) quickly convinced the CDC that the DBA system has proven reliable. Because payments are assessed at the payer source, providers shouldn't have to segregate vaccines.

It's you and your fellow providers' commitment to the process that makes the system work. **The WVA thanks you and your office staff for doing your part.**

Less than five years ago, Washington state vaccine funds used to purchase vaccines for privately-insured children not covered by the Vaccines For Children (VFC) Program were cut from the DOH's budget. A collaboration of key stakeholders then developed the WVA to preserve the state's invaluable public-private immunization partnership and its cost-effective universal purchase system. Now 99 percent of payers are making their assessment payments and providers like you, who administer over 95 percent of the vaccines, follow the one-of-a-kind DBA process.

The WVA's work continues. In December 2013, WVA updated the assessment grid – the table of charges for each vaccine – which increased the cost of vaccines, due to two key factors:

- Unexpected changes in the federal CDC policies for vaccine purchasing
- Unpredicted increases in the use of more expensive vaccines, like HPV and PCV13

The increase in vaccine assessment rates will bring WVA's low DBAs in line with current expenses. The revised assessments remain well below vaccine catalogue prices, but still enable WVA to deliver vaccines to providers at no charge.

The updated grid became effective December 1, 2013. Please ensure your systems are up-to-date. Explore the new grid and resources on the WVA website at wavaccine.org by clicking "For Providers."



We are serving as the physician members appointed by the Washington State Secretary of Health to the WVA Board. We welcome your questions.

**2013 Washington Vaccine Association Directory
As of 01/27/14**

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Vice-Chair/Treasurer: Dennis Kirkpatrick
Secretary: Norman Seabrooks
Beth Harvey, MD
Allene Mares

Audit Committee

Chair: Suzanne Daly
Dennis Kirkpatrick
Jason Farber

Vaccine Committee

Chair: Ed Marcuse, MD
Vice Chair: Mary Kay O'Neill, MD
Norman Seabrooks
Michele Roberts
Jay Fathi, MD
Jan Hicks-Thomson, Ex-Officio (without
vote)
Jeff Gombosky, *representative to*
Committee under HB 2551 sec. 5(1)
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WASHINGTON VACCINE ASSOCIATION
Governing Statutes under the Revised Code of Washington

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Title 70. Public health and safety

Chapter 290. Washington vaccine association

RCW 70.290.010. Definitions

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

- (1) "Association" means the Washington vaccine association.
- (2) "Covered lives" means all persons under the age of nineteen in Washington state who are:
 - (a) Covered under an individual or group health benefit plan issued or delivered in Washington state or an individual or group health benefit plan that otherwise provides benefits to Washington residents; or
 - (b) Enrolled in a group health benefit plan administered by a third-party administrator. Persons under the age of nineteen for whom federal funding is used to purchase vaccines or who are enrolled in state purchased health care programs covering low-income children including, but not limited to, apple health for kids under RCW 74.09.470 and the basic health plan under chapter 70.47 RCW are not considered "covered lives" under this chapter.
- (3) "Estimated vaccine cost" means the estimated cost to the state over the course of a state fiscal year for the purchase and distribution of vaccines purchased at the federal discount rate by the department of health.
- (4) "Health benefit plan" has the same meaning as defined in RCW 48.43.005 and also includes health benefit plans administered by a third-party administrator.
- (5) "Health carrier" has the same meaning as defined in RCW 48.43.005.
- (6) "Secretary" means the secretary of the department of health.
- (7) "State supplied vaccine" means vaccine purchased by the state department of health for covered lives for whom the state is purchasing vaccine using state funds raised via assessments on health carriers and third-party administrators as provided in this

chapter.

- (8) "Third-party administrator" means any person or entity who, on behalf of a health insurer or health care purchaser, receives or collects charges, contributions, or premiums for, or adjusts or settles claims on or for, residents of Washington state or Washington health care providers and facilities.
- (9) "Total nonfederal program cost" means the estimated vaccine cost less the amount of federal revenue available to the state for the purchase and distribution of vaccines.
- (10) "Vaccine" means a preparation of killed or attenuated living microorganisms, or fraction thereof, that upon administration stimulates immunity that protects against disease and is approved by the federal food and drug administration as safe and effective and recommended by the advisory committee on immunization practices of the centers for disease control and prevention for administration to children under the age of nineteen years.

RCW 70.290.020. Washington vaccine association - Creation

There is created a nonprofit corporation to be known as the Washington vaccine association. The association is formed for the purpose of collecting and remitting adequate funds from health carriers and third-party administrators for the cost of vaccines provided to certain children in Washington state.

RCW 70.290.030. Composition of association - Board of directors - Duties

- (1) The association is comprised of all health carriers issuing or renewing health benefit plans in Washington state and all third-party administrators conducting business on behalf of residents of Washington state or Washington health care providers and facilities. Third-party administrators are subject to registration under section 47 of this act.
- (2) The association is a nonprofit corporation under chapter 24.03 RCW and has the powers granted under that chapter.
- (3) The board of directors includes the following voting members:
 - (a) Four members, selected from health carriers or third-party administrators, excluding health maintenance organizations, that have the most fully insured and self-funded covered lives in Washington state. The count of total covered lives includes enrollment in all companies included in their holding company system. Each health carrier or third-party administrator is entitled to no more than a single position on the board to represent all entities under common ownership or control.
 - (b) One member selected from the health maintenance organization having the most fully insured and self-insured covered lives in Washington state. The count of total lives includes enrollment in all companies included in its holding company system. Each health maintenance organization is entitled to no more than a single position on the

board to represent all entities under common ownership or control.

- (c) One member, representing health carriers not otherwise represented on the board under (a) or (b) of this subsection, who is elected from among the health carrier members not designated under (a) or (b) of this subsection.
- (d) One member, representing Taft Hartley plans, appointed by the secretary from a list of nominees submitted by the Northwest administrators association.
- (e) One member representing Washington state employers offering self-funded health coverage, appointed by the secretary from a list of nominees submitted by the Puget Sound health alliance.
- (f) Two physician members appointed by the secretary, including at least one board certified pediatrician.
- (g) The secretary, or a designee of the secretary with expertise in childhood immunization purchasing and distribution.
- (4) The directors' terms and appointments must be specified in the plan of operation adopted by the association.
- (5) The board of directors of the association must:
 - (a) Prepare and adopt articles of association and bylaws;
 - (b) Prepare and adopt a plan of operation. The plan of operation must include a dispute mechanism through which a carrier or third-party administrator can challenge an assessment determination by the board under RCW 70.290.040. The board must include a means to bring unresolved disputes to an impartial decision maker as a component of the dispute mechanism;
 - (c) Submit the plan of operation to the secretary for approval;
 - (d) Conduct all activities in accordance with the approved plan of operation;
 - (e) Enter into contracts as necessary or proper to collect and disburse the assessment;
 - (f) Enter into contracts as necessary or proper to administer the plan of operation;
 - (g) Sue or be sued, including taking any legal action necessary or proper for the recovery of any assessment for, on behalf of, or against members of the association or other participating person;
 - (h) Appoint, from among its directors, committees as necessary to provide technical assistance in the operation of the association, including the hiring of independent consultants as necessary;
 - (i) Obtain such liability and other insurance coverage for the benefit of the association, its directors, officers, employees, and agents as may in the judgment of the board of

directors be helpful or necessary for the operation of the association;

- (j) On an annual basis, beginning no later than November 1, 2010, and by November 1st of each year thereafter, establish the estimated amount of the assessment;
 - (k) Notify, in writing, each health carrier and third-party administrator of the health carrier's or third-party administrator's estimated total assessment by November 15th of each year;
 - (l) Submit a periodic report to the secretary listing those health carriers or third-party administrators that failed to remit their assessments and audit health carrier and third-party administrator books and records for accuracy of assessment payment submission;
 - (m) Allow each health carrier or third-party administrator no more than ninety days after the notification required by (k) of this subsection to remit any amounts in arrears or submit a payment plan, subject to approval by the association and initial payment under an approved payment plan;
 - (n) Deposit annual assessments collected by the association, less the association's administrative costs, with the state treasurer to the credit of the universal vaccine purchase account established in RCW 43.70.720;
 - (o) Borrow and repay such working capital, reserve, or other funds as, in the judgment of the board of directors, may be helpful or necessary for the operation of the association; and
 - (p) Perform any other functions as may be necessary or proper to carry out the plan of operation and to affect any or all of the purposes for which the association is organized.
- (6) The secretary must convene the initial meeting of the association board of directors.

RCW 70.290.040. Estimate of program cost for upcoming year - Assessment collection - Surplus assessments - Start-up funding

- (1) The secretary shall estimate the total nonfederal program cost for the upcoming calendar year by October 1, 2010, and October 1st of each year thereafter. Additionally, the secretary shall subtract any amounts needed to serve children enrolled in state purchased health care programs covering low-income children for whom federal vaccine funding is not available, and report the final amount to the association. In addition, the secretary shall perform such calculation for the period of May 1st through December 31st, 2010, as soon as feasible but in no event later than April 1, 2010. The estimates shall be timely communicated to the association.
- (2) The board of directors of the association shall determine the method and timing of assessment collection in consultation with the department of health. The board shall use a formula designed by the board to ensure the total anticipated nonfederal

program cost, minus costs for other children served through state-purchased health care programs covering low-income children, calculated under subsection (1) of this section, is collected and transmitted to the universal vaccine purchase account created in RCW 43.70.720 in order to ensure adequacy of state funds to order state-supplied vaccine from federal centers for disease control and prevention.

- (3) Each licensed health carrier and each third-party administrator on behalf of its clients' health benefit plans must be assessed and is required to timely remit payment for its share of the total amount needed to fund nonfederal program costs calculated by the department of health. Such an assessment includes additional funds as determined necessary by the board to cover the reasonable costs for the association's administration. The board shall determine the assessment methodology, with the intent of ensuring that the nonfederal costs are based on actual usage of vaccine for a health carrier or third-party administrator's covered lives. State and local governments and school districts must pay their portion of vaccine expense for covered lives under this chapter.
- (4) The board of the association shall develop a mechanism through which the number and cost of doses of vaccine purchased under this chapter that have been administered to children covered by each health carrier, and each third-party administrator's clients health benefit plans, are attributed to each such health carrier and third-party administrator. Except as otherwise permitted by the board, this mechanism must include at least the following: Date of service; patient name; vaccine received; and health benefit plan eligibility. The data must be collected and maintained in a manner consistent with applicable state and federal health information privacy laws. Beginning November 1, 2011, and each November 1st thereafter, the board shall factor the results of this mechanism for the previous year into the determination of the appropriate assessment amount for each health carrier and third-party administrator for the upcoming year.
- (5) For any year in which the total calculated cost to be received from association members through assessments is less than the total nonfederal program cost, the association must pay the difference to the state for deposit into the universal vaccine purchase account established in RCW 43.70.720. The board may assess, and the health carrier and third-party administrators are obligated to pay, their proportionate share of such costs and appropriate reserves as determined by the board.
- (6) The aggregate amount to be raised by the association in any year may be reduced by any surpluses remaining from prior years.
- (7) In order to generate sufficient start-up funding, the association may accept prepayment from member health carriers and third-party administrators, subject to offset of future amounts otherwise owing or other repayment method as determined by the board. The initial deposit of start-up funding must be deposited into the universal vaccine purchase account on or before April 30, 2010.

RCW 70.290.047. Registration of third-party administrators

- (1) A third-party administrator must register with the association. Registrants must report a change of legal name, business name, business address, or business telephone number to the association within ten days after the change.
- (2) The association must establish data elements and procedures for the registration of third-party administrators necessary to implement this section in its plan of operation.

RCW 70.290.050. Selection of vaccines to be purchased - Committee

- (1) The board of the association shall establish a committee for the purposes of developing recommendations to the board regarding selection of vaccines to be purchased in each upcoming year by the department. The committee must be composed of at least five voting board members, including at least three health carrier or third-party administrator members, one physician, and the secretary or the secretary's designee. The committee must also include a representative of vaccine manufacturers, who is a nonvoting member of the committee. The representative of vaccine manufacturers must be chosen by the secretary from a list of three nominees submitted collectively by vaccine manufacturers on an annual basis.
- (2) In selecting vaccines to purchase, the following factors should be strongly considered by the committee: Patient safety and clinical efficacy, public health and purchaser value, compliance with RCW 70.95M.115, patient and provider choice, and stability of vaccine supply.

RCW 70.290.060. Additional duties and powers of the association and secretary - Penalty - Rules

In addition to the duties and powers enumerated elsewhere in this chapter:

- (1) The association may, pursuant to either vote of its board of directors or request of the secretary, audit compliance with reporting obligations established under the association's plan of operation. Upon failure of any entity that has been audited to reimburse the costs of such audit as certified by vote of the association's board of directors within forty-five days of notice of such vote, the secretary shall assess a civil penalty of one hundred fifty percent of the amount of such costs.
- (2) The association may establish an interest charge for late payment of any assessment under this chapter. The secretary shall assess a civil penalty against any health carrier or third-party administrator that fails to pay an assessment within three months of notification under RCW 70.290.030. The civil penalty under this subsection is one hundred fifty percent of such assessment.
- (3) The secretary and the association are authorized to file liens and seek judgment to recover amounts in arrears and civil penalties, and recover reasonable collection costs, including reasonable attorneys' fees and costs. Civil penalties so levied must be

deposited in the universal vaccine purchase account created in RCW 43.70.720.

- (4) The secretary may adopt rules under chapter 34.05 RCW as necessary to carry out the purposes of this section.

RCW 70.290.070. Board shall submit financial report to the secretary

The board of directors of the association shall submit to the secretary, no later than one hundred twenty days after the close of the association's fiscal year, a financial report in a form approved by the secretary.

RCW 70.290.080. Limitation of liability

No liability on the part of, and no cause of action of any nature, shall arise against any member of the board of the association, against an employee or agent of the association, or against any health care provider for any lawful action taken by them in the performance of their duties or required activities under this chapter.

RCW 70.290.090. Vote to recommend termination of the association - Disposition of funds

- (1) The association board may, on or after June 30, 2015, vote to recommend termination of the association if it finds that the original intent of its formation and operation, which is to ensure more cost-effective purchase and distribution of vaccine than if provided through uncoordinated purchase by health care providers, has not been achieved. The association board shall provide notice of the recommendation to the relevant policy and fiscal committees of the legislature within thirty days of the vote being taken by the association board. If the legislature has not acted by the last day of the next regular legislative session to reject the board's recommendation, the board may vote to permanently dissolve the association.
- (2) In the event of a voluntary or involuntary dissolution of the association, funds remaining in the universal purchase vaccine account created in RCW 43.70.720 that were collected under this chapter must be returned to the member health carrier and third-party administrators in proportion to their previous year's contribution, from any balance remaining following the repayment of any prepayments for start-up funding not previously recouped by such member.

RCW 70.290.100. Physicians and clinics ordering state supplied vaccine — Tracking of vaccine delivered — Documentation

Physicians and clinics ordering state supplied vaccine must ensure they have billing mechanisms and practices in place that enable the association to accurately track vaccine delivered to association members' covered lives and must submit documentation in such a form as may be prescribed by the board in consultation with state physician organizations. Physicians and other persons providing childhood immunization are strongly encouraged to use state supplied vaccine wherever possible. Nothing in this chapter prohibits health carriers

and third-party administrators from denying claims for vaccine serum costs when the serum or serums providing similar protection are provided or available via state supplied vaccine.

RCW 70.290.110. Judicial invalidation of program's funding — Termination of program

If the requirement that any segment of health carriers, third-party administrators, or state or local governmental entities provide funding for the program established in this chapter is invalidated by a court of competent jurisdiction, the board of the association may terminate the program one hundred twenty days following a final judicial determination on the matter.

RCW 70.290.900. Effective date — 2010 c 174

This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately [March 23, 2010].

Title 43. State government - executive**Chapter 70. Department of health****RCW 43.70.720. Universal vaccine purchase account**

The universal vaccine purchase account is created in the custody of the state treasurer. Receipts from public and private sources for the purpose of increasing access to vaccines for children may be deposited into the account. Expenditures from the account must be used exclusively for the purchase of vaccines, at no cost to health care providers in Washington, to administer to children under nineteen years old who are not eligible to receive vaccines at no cost through federal programs. Only the secretary or the secretary's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

Title 48. Insurance**Chapter 43. Insurance Reform****RCW 48.43.690. Assessments under RCW 70.290.040 considered medical expenses**

Assessments paid by carriers under RCW 70.290.040 may be considered medical expenses for purposes of rate setting and regulatory filings.

Title 82. Excise taxes**Chapter 04. Business and occupation tax****RCW 82.04.640. Exemptions - Washington vaccine association - Certain assessments received**

This chapter does not apply to assessments described in RCW 70.290.030 and 70.290.040 received by a nonprofit corporation established under RCW 70.290.020.

WVA Corporate Governance Calendar (Board Meeting and Committee Meeting Schedules for 2014)

*All times are Pacific Standard Time

Date	Board (Generally Tuesdays 2 – 4 PM except as noted below)	Board Executive Committee (Scheduled if needed)	Vaccine (Dates, times TBD. In person)	Operations (2 nd Thursdays 2 – 3:30 PM phone call)	Audit (Dates, times TBD)
January	X (January 28)				
March					
April	X (April 29)			X (TBD)	
May			X (TBD)		X (TBD)
June	X (June 17)				X (TBD)
July				X (TBD)	
August					X (TBD)
September					
October	X (October 21 – Annual Meeting)				
November			X (TBD)	X (TBD)	

- In-person WVA Board meetings are from 2:00 – 4:00 PM at the offices of Ellis, Li & McKinstry.
- A written annual report may serve in lieu of an annual meeting of members. (Bylaws section 4.2)
- Officers are elected for 1-year terms at the annual meeting of the Board (Bylaws section 6.1)
- Committees may adjust their scheduled meeting dates or times for the convenience of their members.

January 28, 2014 WVA Board Meeting
Proposed Form of Votes

The following are suggested forms of votes only. They are intended to be an aid to facilitate work by individual directors. All board policy and the final form of votes is exclusively the province of the Board acting collectively as a Board of Directors.

Items under Agenda Section 2:

VOTED: To approve the election of board member John Pierce as WVA board chair for a one-year term pursuant to Section 6.1 of the WVA bylaws.

[To approve the election of board member John Pierce as WVA board chair for a one-year term pursuant to Section 6.1 of the WVA bylaws with the changes suggested at the meeting.]

VOTED: To approve the minutes of the September 19, 2013 and November 21, 2013 WVA Board Meetings.

[To approve the minutes of the September 19, 2013 and November 21 WVA Board meetings with the changes suggested at the meeting.]

Item under Agenda Section 3:

VOTED: To authorize Suzanne Daly, Dennis Kirkpatrick, John Pierce, and Norm Seabrooks as signing parties for the WVA for all checks. Two signatures will be required for any check over \$_____.

[To authorize Suzanne Daly, Dennis Kirkpatrick, John Pierce, and Norm Seabrooks as signing parties for the WVA for all checks. Two signatures will be required for any check over \$_____ with the changes suggested at the meeting.]

**Directions to Ellis, Li & McKinstry
Market Place Tower
2025 First Avenue, PH-A
Seattle, WA 98121**

Traveling South on I-5:

- Take the **Stewart St/Denny Way exit**
- Continue straight on Stewart St for approximately 13 blocks
- Turn RIGHT onto 1st Ave
- Continue north on 1st Ave for approximately 2 blocks
- Turn LEFT onto Lenora St
- Turn LEFT into the first gate on Lenora to enter the garage

Traveling North on I-5:

- Take the **Seneca St exit (exit only on left-hand side of freeway)**
- Turn RIGHT onto 1st Ave
- Continue north on 1st Ave for approximately 7 blocks
- Turn LEFT onto Lenora St
- Turn LEFT into the first gate on Lenora to enter the garage

Traveling West on I-90:

- Connect onto I-5 N
- Take the **Madison St/Convention Pl exit**
- Stay straight onto 7th Avenue
- Turn LEFT onto Madison Street (at light)
- Continue straight, down the hill, for approximately 6 blocks
- Turn RIGHT onto 1st Ave
- Continue north on 1st Ave for approximately 9 blocks
- Turn LEFT onto Lenora St
- Turn LEFT into the first gate on Lenora to enter the garage

Traveling West on Hwy 520:

- Follow exit signs for downtown Seattle/I-5 S
- Exit road becomes Stewart St
- Continue straight on Stewart St for approximately 13 blocks
- Turn RIGHT onto 1st Ave
- Go north on 1st Ave for approximately 2 blocks
- Turn LEFT onto Lenora St
- Turn LEFT into the first gate on Lenora to enter the garage

To the Penthouse from Parking Garage:

- Use elevator to reach Market Place Tower lobby
- Switch to 1 of the 4 back elevators
- Penthouse is labeled PH on elevator buttons
- Exit left into the lobby