

1 **Washington Vaccine Association - Operations Committee Meeting**
2 **February 11 2016, 2:00 - 3:00 p.m.**
3 **Location: Teleconference**
4

5 **I. Attendance.** Participating in all or part of the meeting were the following individuals.
6

7 Payer Representatives:

8 Tammy Blair, GroupHealth

9 Jeri Trice, Zenith

10 Cathy Falanga, Aetna
11

12 KidsVax®:

13 Julia Walter

14 Ashley Kittrell

15 Peter Smith
16

17 Department of Health:

18 Jan Hicks-Thomson
19

20 **II. Minutes**
21

22 Welcome and Introductions
23

24 At 2:00 p.m., Julia Walter from KidsVax® (KV) called the meeting to order.
25

26 Financial Update
27

28 KV financial analyst, Peter Smith, reviewed the cash flow projection that was distributed prior to the meeting.
29 The Washington Vaccine Association (WVA) is continuing to pay down the \$15 million dollar line of credit
30 with KeyBank and building cash reserves to buffer any temporary rise in cash-flow needs for seasonal costs.
31 There is currently \$8.7 million dollars in savings and \$2 million dollars has been applied to the line of credit in
32 February. Current modeling shows the line of credit being extinguished by November 2016.
33

34 Regarding the assessment grid changes, Mr. Smith recommended keeping the rates set at 130% of the CDC
35 contract rates and adjusting individual vaccine rates according to the new CDC contract, published April 1.
36

37 System Monitoring
38

39 Ms. Walter informed the committee that the WVA has been exploring alternate ways to monitor and measure
40 the dosage based assessment generation. A carrier survey was sent to high volume payers in August, 2015 but
41 there was a low response rate due to pressing end of the year requirements. The purpose of the carrier survey,
42 sent by Compass Health Analytics (CHA), was to provide greater accuracy and equitability in the assessments
43 and determine if there is a gap in the amount that the WVA is collecting and what is being billed by provider
44 offices. When asked if payers were still willing to participate in the survey, Tammy Blair commented that, at
45 the time, GroupHealth (GH) had neither the capacity nor the detailed information that some of the questions
46 required. However, she stated that GH is willing to complete as much of the survey as possible. Ms. Walter

1 noted that it would be helpful to have the results by the end of the fiscal year, which is June 30. The WVA
2 committed to resending the survey to be completed as much as possible by June 30.

3
4 Continuing Provider Education

5 The WVA has been reaching out to provider offices in an effort to ensure that billing staff are aware of the
6 purpose of the WVA and to ensure that proper billing practices are being used. The WVA is connecting with
7 smaller providers who are experiencing a higher volume of claim denials. To this end, Ms. Walter has made
8 site visits to various provider offices throughout Washington to provide in-person training. Ms. Walter noted
9 that the WVA can only re-file HCFA 1500 paper forms and relies on provider's offices to refile electronic
10 claims. Together, the Department of Health (DOH) and the WVA plan to write an easily-distributed
11 communications piece that will include the proper billing instructions and explain the purpose of the WVA.
12

13 KidsVax Updates

14
15 Ms. Walter updated the committee on the WVA's efforts to gain TRICARE compliance. TRICARE now owes
16 approximately \$7.9 million dollars in vaccine costs and interest. The financial burden that is placed on the WVA
17 each month to cover TRICARE beneficiaries is increasing. Legislation requiring TRICARE arrearage payment
18 and participation in universal vaccine purchase states has been drafted for the 2016 National Defense
19 Authorization Act. Second, a provision in federal statute allowing TRICARE to develop a pilot program using
20 value based purchasing has been identified and TRICARE's General Counsel committed to having a draft pilot
21 program by the end of February. The payment program for the WVA may be somewhat difficult to implement
22 because the program will be based on a capitated system. Ms. Walter noted that the WVA would appreciate
23 payer feedback and suggestions when the pilot program is introduced.
24

25 Other Matters from Committee Members

26
27 Ms. Walter opened the line for committee members to voice their concerns or add comments. Aetna
28 representative, Cathy Falanga, citing the difficulty to make projections throughout the year, asked if there was
29 anything the Committee might do to predict future projections for company planning purposes. Jan Hicks-
30 Thomson addressed the CDC inflationary increase and noted that it may be possible to decrease the 130% when
31 the projections are updated in April. In addition, the CDC includes a five year rolling average price change to
32 account for any potential vaccine price decrease. Ms. Falanga suggested adding an item to future committee
33 agendas to discuss projections that could be shared with the payers and what changes there might be in the
34 assessment rate in addition to the annual statutory assessment letter. Ms. Walter will ask Mr. Smith and KV
35 analyst, Norm Roberge if there is any way to modify the annual statutory assessment letter to allow future
36 projections not based on past assessments.
37

38 There being no further business, the meeting adjourned at approximately 2:55 p.m.

What: Washington Vaccine Association Operations Committee Meeting
 Date and Time: February 11, 2016, 2:00-3:00 p.m.
 Location: Teleconference
 Call in Number: (605) 562-3180; Conference ID: 103063718#

AGENDA for Operations Committee Meeting

Approx. Time	Topic/[Anticipated Action]	Presented by:
2:00-2:05 p.m.	1. Introductions & Purpose of Meeting a. Survey of other agenda topics	J. Walter
2:05-2:20 p.m.	2. System Monitoring a. Carrier Survey b. Provider Compliance c. Committee Input	J. Walter
2:20-2:35 p.m. *	3. Financial Update a. Assessment Grid Changes	P. Smith
2:35-2:50 p.m.	4. Continuing Provider Education a. WVA Website, FAQs, Webinar b. Provider Communication	J. Walter
2:50-3:00 p.m.	5. Other Matters from Committee Members	Any



WVA Cash Flow Projection Model
As of February 8, 2016

Month	Projected Net Cash Receipts	Projected DOH Reimb	Flu / CDC Advance	Admin Exp / Other	Borrowing cost	LOC Draws & Repayment	Net Cash Change	Cash Balance (a)	Line of Credit Balance (b)	Net Liquidity (a - b)
Nov-11	4,142,614	(3,145,117)	-	(45,628)			951,871	30,523,787	-	30,523,787
Dec-11	3,634,722	(5,043,900)	-	(38,646)			(1,447,823)	29,075,964	-	29,075,964
Jan-12	3,626,070	(2,195,989)	-	(37,872)			1,392,211	30,468,174	-	30,468,174
Feb-12	2,562,382	(2,676,395)	-	(114,805)			(228,818)	30,239,356	-	30,239,356
Mar-12	2,082,513	(2,538,030)	-	(39,172)			(494,688)	29,744,668	-	29,744,668
Apr-12	3,076,458	(3,265,523)	-	(24,222)			(213,286)	29,531,382	-	29,531,382
May-12	1,746,327	(2,886,762)	-	(31,346)			(1,171,780)	28,359,602	-	28,359,602
Jun-12	2,865,574	(3,700,494)	-	(109,470)			(944,389)	27,415,213	-	27,415,213
Jul-12	2,542,505	(3,705,851)	(1,938,180)	(116,062)			(3,217,587)	24,197,626	-	24,197,626
Aug-12	2,719,297	(3,779,167)	-	(36,154)			(1,096,023)	23,101,602	-	23,101,602
Sep-12	2,437,473	(4,272,786)	-	(69,813)			(1,905,126)	21,196,477	-	21,196,477
Oct-12	2,755,213	(5,178,099)	-	(41,387)			(2,464,272)	18,732,205	-	18,732,205
Nov-12	2,623,664	(3,606,438)	-	(42,167)			(1,024,940)	17,707,264	-	17,707,264
Dec-12	2,724,112	(2,994,488)	-	(47,109)			(317,484)	17,389,781	-	17,389,781
Jan-13	1,793,111	(2,663,471)	-	(37,852)			(908,211)	16,481,570	-	16,481,570
Feb-13	1,962,810	(2,664,901)	-	(37,390)			(739,479)	15,742,091	-	15,742,091
Mar-13	2,012,143	(3,810,882)	-	(37,216)			(1,835,954)	13,906,136	-	13,906,136
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	4,331,740	(3,686,910)	-	(40,987)	(25,295)		578,549	4,296,196	10,000,000	(5,703,804)
Feb-14	3,499,703	(4,250,279)	-	(34,162)	(25,225)		(809,964)	3,486,232	10,000,000	(6,513,768)
Mar-14	4,555,105	(4,360,550)	-	(33,252)	(22,847)	1,000,000	1,138,456	4,624,688	11,000,000	(6,375,312)
Apr-14	4,293,975	(4,542,162)	-	(35,897)	(24,684)		(308,768)	4,315,920	11,000,000	(6,684,080)
May-14	4,879,921	(4,503,422)	-	(35,729)	(27,847)		312,922	4,628,842	11,000,000	(6,371,158)
Jun-14	4,371,923	(4,117,206)	-	(67,678)	(27,825)		159,214	4,788,057	11,000,000	(6,211,943)
Jul-14	5,228,653	(4,747,851)	-	(29,356)	(26,927)		424,519	5,212,576	11,000,000	(5,787,424)
Aug-14	5,127,133	(5,956,855)	-	(84,802)	(23,513)	500,000	(438,037)	4,774,539	11,500,000	(6,725,461)
Sep-14	5,833,482	(4,742,513)	(3,899,421)	(48,122)	(28,845)	500,000	(2,385,419)	2,389,120	12,000,000	(9,610,880)
Oct-14	6,191,518	(4,153,515)	-	(50,444)	(28,722)		1,958,597	4,347,717	12,000,000	(7,652,283)
Nov-14	5,243,376	(4,188,476)	-	(37,687)	(30,354)		986,859	5,334,576	12,000,000	(6,665,424)
Dec-14	5,488,950	(4,048,048)	-	(43,651)	(29,375)		1,367,877	6,702,453	12,000,000	(5,297,547)
Jan-15	4,173,000	(4,292,784)	-	(96,667)	(30,354)		(246,805)	6,455,648	12,000,000	(5,544,352)
Feb-15	4,578,140	(5,325,081)	-	(13,971)	(30,354)		(791,266)	5,664,382	12,000,000	(6,335,618)
Mar-15	5,032,669	(5,747,408)	-	(51,639)	(27,417)		(793,794)	4,870,588	12,000,000	(7,129,412)
Apr-15	4,637,417	(6,103,114)	-	(48,202)	(30,354)	500,000	(1,044,254)	3,826,333	12,500,000	(8,673,667)
May-15	3,971,937	(5,779,186)	-	(49,996)	(30,395)	1,500,000	(387,640)	3,438,693	14,000,000	(10,561,307)
Jun-15	4,098,342	(6,339,559)	-	(40,345)	(34,801)	1,000,000	(1,316,363)	2,122,331	15,000,000	(12,877,669)
Jul-15	5,635,225	(5,111,387)	-	(51,258)	(36,066)		436,514	2,558,845	15,000,000	(12,441,155)
Aug-15	6,058,919	(7,143,365)	-	(130,746)	(38,095)		(1,253,286)	1,305,559	15,000,000	(13,694,441)
Sep-15	8,212,713	(3,000,000)	(3,806,347)	(75,766)	(38,833)		1,291,767	2,597,326	15,000,000	(12,402,674)
Oct-15	7,312,265	(8,009,249)	-	(77,209)	(37,500)		(811,693)	1,785,633	15,000,000	(13,214,367)
Nov-15	7,027,691	(4,244,926)	-	(74,693)	(38,750)		2,669,322	4,454,955	15,000,000	(10,545,045)
Dec-15	7,426,578	(4,198,198)	-	(77,905)	(37,500)	(1,000,000)	2,112,975	6,567,930	14,000,000	(7,432,070)
Jan-16	4,834,017	(5,432,469)	-	(115,986)	(38,454)		(752,891)	5,815,039	14,000,000	(8,184,961)
Feb-16	6,787,870	(5,587,829)	-	(46,647)	(37,917)	(1,500,000)	(384,524)	5,430,515	12,500,000	(7,069,485)
Mar-16	6,981,993	(6,267,018)	-	(46,647)	(33,854)	(1,000,000)	(365,527)	5,064,989	11,500,000	(6,435,011)
Apr-16	7,830,639	(6,009,433)	-	(46,647)	(31,146)	(1,500,000)	243,414	5,308,402	10,000,000	(4,691,598)
May-16	7,508,786	(5,548,917)	-	(46,647)	(27,083)	(1,000,000)	886,139	6,194,542	9,000,000	(2,805,458)
Jun-16	6,933,371	(6,893,630)	-	(46,647)	(24,375)	(1,000,000)	(1,031,281)	5,163,261	8,000,000	(2,836,739)
Jul-16	8,613,591	(7,077,188)	-	(46,647)	(21,667)	(1,000,000)	468,090	5,631,350	7,000,000	(1,368,650)
Aug-16	8,842,946	(8,549,467)	-	(46,647)	(18,958)	(1,000,000)	(772,126)	4,859,224	6,000,000	(1,140,776)
Sep-16	10,682,559	(6,194,024)	(4,339,764)	(46,647)	(16,250)	-	85,874	4,945,098	6,000,000	(1,054,902)
Oct-16	7,739,434	(5,189,956)	-	(46,647)	(16,250)	(4,500,000)	(2,013,419)	2,931,679	1,500,000	1,431,679
Nov-16	6,484,850	(4,596,506)	-	(46,647)	(4,063)	(1,500,000)	337,634	3,269,313	-	3,269,313
Dec-16	5,743,334	(6,235,903)	-	(46,647)	-	-	(539,216)	2,730,097	-	2,730,097
Jan-17	7,791,761	(6,004,739)	-	(46,647)	-	-	1,740,375	4,470,472	-	4,470,472
Feb-17	7,502,921	(5,906,676)	-	(46,647)	-	-	1,549,598	6,020,070	-	6,020,070
Mar-17	7,380,391	(6,684,362)	-	(46,647)	-	-	649,382	6,669,453	-	6,669,453
Apr-17	8,352,110	(6,388,489)	-	(46,647)	-	-	1,916,974	8,586,427	-	8,586,427
May-17	7,982,417	(5,942,309)	-	(46,647)	-	-	1,993,462	10,579,888	-	10,579,888
Jun-17	7,424,915	(7,169,375)	-	(46,647)	-	-	208,892	10,788,780	-	10,788,780
Jul-17	8,958,135	(7,360,275)	-	(46,647)	-	-	1,551,212	12,339,993	-	12,339,993
Aug-17	9,196,664	(8,891,446)	-	(46,647)	-	-	258,572	12,598,564	-	12,598,564
Sep-17	11,109,861	(6,441,785)	(4,513,355)	(46,647)	-	-	108,074	12,706,639	-	12,706,639
Oct-17	8,049,011	(5,397,554)	-	(46,647)	-	-	2,604,810	15,311,449	-	15,311,449
Nov-17	6,744,243	(4,780,366)	-	(46,647)	-	-	1,917,231	17,228,679	-	17,228,679
Dec-17	5,973,067	(6,485,339)	-	(46,647)	-	-	(558,919)	16,669,760	-	16,669,760

Note: Assessment Changes are shown in Green
Vaccine cost increase estimates shown in Red.

< Rates intended to return excess cash implemented

< Actual average CDC cost increase was 3.25%

< Rates intended to stabilize cash implemented

< Actual average CDC cost increase (in April) was 2.39%

< WVA's Flu share increased due to end of \$317 funds

< Advance 2 months per CDC funding policy change

< Increase grid rates by 49% to 110% CDC rates as of 4/1/2014

< Includes estimated 4% CDC cost increase

< Balance out of covenant compliance (4MM)

< Includes estimated 4% CDC cost increase

< Adjust Rates as of 7/1 (approx 19% increase to 130% of CDC)

< Deferred \$2,708,769.82 to Oct due to low cash
\$8.3M includes \$2.7M carryover from Sept

< Includes estimated 4% CDC cost increase

< Includes estimated 4% CDC cost increase

< Reach Target Reserve 16MM

Total Interest (1,084,671)

Amounts in **BOLD** are actuals.

WVA Cashflow Analysis 2-8-2016.xlsx
Cash Flow Proj