

**Washington Vaccine Association
Board of Director's Meeting
November 3rd, 2016; 2:00-4:00 p.m. PDT**

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

Directors

John Pierce, Esq., Chairman, Premera
Dennis Kirkpatrick, WPAS
Cathy Falanga, Aetna
Pat Kulpa, MD, MBA, Regence
Ed Marcuse, MD
John Sobeck, MD, MBA, Cigna
Michele Roberts, Department of Health
Jason Farber, Esq., Davis Wright Tremaine (T)
David Efroymson, GroupHealth (T)
Beth Harvey, MD, South Sound Pediatric
Associates (T)

Others

James Flood, Esq., Crowell & Moring
Kristin Peterson, Esq., DOH
Anne Redman, Esq., Perkins Coie

KidsVax[®]

Julia Walter, M.A., Esq., Executive
Director
Ashley Kittrell, Communications
Coordinator
Norm Roberge, Financial Analyst (T)
Peter Smith, MBA Financial Analyst
(T)
Claire Roberge, MBA Controller (T)
Fred Potter, MBA, Esq., Managing
Member (T)
Nicole Price, Esq.

II. Summary of Actions Taken and/or Recommended

A. Actions Taken (votes adopted)

1. To approve the minutes of the June 30, 2016 Board meeting.
2. To approve the minutes of the September 13, 2016 Audit Committee meeting.
3. To ratify the Audit Committee's approval of the September 29 and October 24 to make payments on the line of credit (LOC).
4. To authorize the Executive Committee to negotiate with KeyBank the proposed amount for the new line of credit, not exceeding \$10 million dollars.
5. To authorize the Executive Director, Board Chair, or the Treasurer to seek advice regarding the new LOC from the Washington Vaccine Association's (WVA) general counsel.
6. To ratify the action of the Audit Committee in authorizing publication of the 2015/16 Financial Statements and independent auditor's report.
7. To authorize KidsVax[®] (KV) to proceed with publication of the 2015/16 WVA Annual Report with the changes suggested at the meeting.
8. To re-appoint John Pierce as the Chairman of the WVA Board of Directors for a one-year term.
9. To appoint John Sobeck as the Vice-Chair of the WVA Board of Directors for a one-year term.

10. To appoint Ed Marcuse as the Secretary of the WVA Board of Directors for a one-year term.
11. To re-appoint Dennis Kirkpatrick as the Treasurer of the WVA Board of Directors for a one-year term.
12. To affirm the continuation of Board Member, Jason Farber, whose term renews in 2019 pursuant to RCW 70.290.030 (3)(e).
13. To affirm the continuation of Board Member, Beth Harvey, whose term renews in 2019 pursuant to 70.290.030 (3)(f).
14. To affirm the continuation of Board Member, Pat Kulpa, whose term renews in 2019 pursuant to RCW 70.290.030 (3)(a).
15. To approve the individuals listed on the WVA Committees Directory presented at the meeting to serve on the Audit, Operations, and Vaccine Committees with the Committee chairs as stated.
16. To authorize the Executive Director to extend the current engagement with Crowell & Moring (C&M) through August 2017 at a monthly retainer rate of \$12,000 dollars.

B. Follow up Tasks/Action Items

1. KV will begin a communications taskforce to determine a list of key items and/or goals for the WVA in 2017.
2. KV will make the necessary changes to the Annual Report and Assessment Guide.
3. KV will research potential returns from other UVP states following successful passage of legislation addressing the arrears in 2017.
4. Ms. Walter will extend the current engagement with Crowell & Moring.

III. Minutes

Welcome and Introductions

At 2:00 p.m., a quorum having been established, Chairman John Pierce called the meeting to order. Introductions were made, and Julia Walter announced that the meeting was being recorded for the benefit of the secretary and that the recording would be deleted following the approval of the minutes.

Consent Calendar Items

Chairman Pierce asked for comments or edits to the meeting minutes. There being none, the following items were put to a vote:

Upon motion duly made and seconded, it was unanimously

VOTED: To approve the minutes of the June 30, 2016 Board meeting.

Upon motion duly made and seconded, it was unanimously

1 **VOTED:** To approve the minutes of the September 13, 2016 Audit Committee
2 meeting.

3 Financial Update

4 Peter Smith began the financial updates and asked Ms. Walter to detail the LOC paydown
5 ratifications. Ms. Walter explained that the Audit Committee had requested that the Board ratify
6 the LOC pay-down requests made in September and October. A total of \$4 million dollars has
7 been paid on the LOC, putting the WVA well-ahead of schedule in terms of the maturity date of
8 December 31, 2016. Michele Roberts recommended that the last two payments be split in half to
9 ensure enough cash is on hand to meet all other financial obligations.

10
11 Upon motion duly made and seconded, it was unanimously

12
13 **VOTED:** To ratify the action of the Audit Committee's on September 29 and to make
14 a payment of \$2 million dollars on the LOC.

15
16 **VOTED:** To ratify the action of the Audit Committee's on October 24 to make a
17 payment of \$2 million dollars on the LOC.

18
19 Ms. Walter continued on the agenda to the KeyBank proposal and reviewed the proposed terms
20 for the new LOC. Mr. Smith also reviewed the proposal and recommended that the WVA pursue
21 a new LOC to ensure the WVA's continued financial stability. Ms. Walter then requested that the
22 Board allow the Executive Committee, with advice of outside counsel, to negotiate the LOC.

23
24 Upon motion duly made and seconded, it was unanimously

25
26 **VOTED:** To authorize the Executive Committee to negotiate with KeyBank for a new
27 line of credit, not exceeding \$10 million dollars.

28
29 **VOTED:** To authorize the Executive Director, Board Chair, or the Treasurer to seek
30 advice regarding the new line of credit from the WVA's general counsel.

31
32 KV then proceeded to address the cash reserve analysis. Mr. Smith reviewed the cash collections
33 and projections as well as the monthly financial statements as of September 30 and asked if there
34 were any questions. There being none, the Board reviewed the Audit Committee report.

35
36 Audit Committee Report

37 Audit Committee Chairman, John Sobeck, updated the Board on the recent activities of the Audit
38 Committee and the 2015/16 audit. He reported that the most significant change to the financials is
39 the new category labeled "Estimated Collectible Assessments," which was previously "Accounts
40 Receivables." As had been discussed in other meetings, the name, "Accounts Receivables," was
41 confusing as the category did not accurately reflect the true meaning of the category, which is a
42 projection of what the WVA expects to receive for assessments. After asking for questions or
43 comments, the Board voted to ratify Audit Committee's action to publish the audited financials
44 for FYE 2015/16.

1 Upon motion duly made and seconded, it was unanimously

2
3 VOTED: To ratify the action of the Audit Committee in authorizing publication of
4 the 2015/16 Financial Statements and independent auditor's report.
5

6 Ms. Walter then directed the Board to the WVA Annual Report (AR) in the meeting packet. She
7 noted that the AR is formatted similarly to previous reports and highlights the WVA's participation
8 in the PinkBook Conference, Board members' accomplishments, as well as welcomed new Board
9 members and KV staff. The cost savings memo written by Mr. Smith is also reflected in the
10 financial section and annual immunization statistics.
11

12 Upon motion duly made and seconded, it was

13
14 VOTED: To authorize KV to proceed with publication of the 2015/16 WVA Annual
15 Report with the changes suggested at the meeting.
16

17 Several changes will be made to the AR before publication including revision of the highlight
18 paragraphs and immunization statistics to ensure clarity and accuracy.
19

20 The meeting then progressed to a discussion of the KV updates.
21

22 KidsVax Updates

23 Ms. Walter referenced the Executive Director report in the meeting packet and gave several
24 updates regarding the 2016/17 performance goals, communications, and recent pricing issues. KV
25 has made steady progress in achieving the 2016/17 performance goals including completion of the
26 provider assessment guide, recording short on-demand videos for the website, and updating the
27 Director Handbook.
28

29 Ms. Walter informed the Board that in early October, KV identified a third party administrator
30 (TPA) that is repricing assessments submitted by providers using the 2015 assessment grid. KV
31 then learned that nearly fifty percent of its providers are also using the wrong grid. Compounded
32 to this problem is the fact that the TPA repriced assessments that *were* properly priced from the
33 correct grid. Following this discovery, KV conducted an audit of DBA payments and EOBs of the
34 highest eleven payers to determine the magnitude of the issue. A written report of the analysis was
35 provided to the Board for review. Thus far, KV believes that the 2016 assessment grid was not
36 implemented by a large minority of providers and has contacted the largest payers notifying them
37 of the issue and asking for data in order to determine the magnitude. Cathy Falanga noted that
38 Aetna uses an auto adjudication process and it appears to be a payer issue rather than a provider
39 one. Discussion ensued. KV is scheduling an Operations Committee meeting to determine next
40 steps and further examine this issue.
41

42 Ms. Walter then proceeded to review and discuss the Provider Assessment Guide. Ms. Walter
43 asked Board members for their input or critiques of the Guide and added that a text box had been
44 added asking providers to visit the WVA website periodically to ensure all systems are updated

1 with the most current assessment grid. Dr. Marcuse observed that the pictures on the front and
2 back covers of the Guide featured young children and recommended that a picture of an adolescent
3 be added so as not to give the impression that vaccines are administered only to young children.
4 KV noted the request and will follow up with Desautel Hege (DH).

5
6 Following the review of the Guide, Ms. Walter directed the Board to the KV Communications
7 Proposal handout and explained that the Annual Report and other projects such as the Assessment
8 Guide and provider communications have become increasingly sensitive due to the complexity of
9 the dosage based assessment methodology as well as the CDC's scrutiny of the DBA. In addition,
10 KV has had to closely monitor and revise much of the work done for the Annual Report and
11 Assessment Guide by outside communications firm, DH. Ms. Walter outlined the annual budget
12 for outside communications, which is \$35,000 dollars and proposed that KV produce all materials
13 in house using a graphic designer for layout purposes for \$30,000 dollars. If approved, the contract
14 will begin on December 1, 2016 and be renewed annually. Ms. Walter also suggested that a
15 communications taskforce be formed to determine a list of key items or goals. Chairman Pierce
16 suggested that the Board further discuss the proposal be discussed more in-depth during the
17 Executive Session and proceeded to the next agenda item.

18 19 Board Development

20 Ms. Walter reviewed the roles and duties of the offices of the Board and asked if there were any
21 candidates who wished to be considered. Dr. Marcuse and Dr. Sobeck offered to serve as Secretary
22 and Vice Chair, respectively. Chairman Pierce and Mr. Kirkpatrick expressed willingness to
23 continue serving as Chairman and Treasurer, respectively.

24
25 Upon motion duly made and seconded, it was unanimously

26
27 VOTED: To appoint John Pierce as the Chairman of the WVA Board of Directors for
28 a one-year term.

29
30 VOTED: To appoint John Sobeck as the Vice Chair of the WVA Board of Directors
31 for a one-year term.

32
33 VOTED: To appoint Ed Marcuse as the Secretary of the WVA Board of Directors for
34 a one-year term.

35
36 VOTED: To appoint Dennis Kirkpatrick as the Treasurer of the WVA Board of
37 Directors for a one-year term.

38
39 Chairman Pierce then asked for a motion to renew the terms for Board Members Beth Harvey,
40 Jason Farber, and Pat Kulpa.

41
42 Upon motion duly made and seconded, it was unanimously

1 VOTED: To affirm the continuation of Board Member Jason Farber, whose term
2 renews in 2019 pursuant to RCW 70.290.030 (3)(e).

3
4 VOTED: To affirm the continuation of Board Member Beth Harvey whose term
5 renews in 2019 pursuant to RCW 70.290.030 (3)(f).

6
7 VOTED: To affirm the continuation of Board Member Pat Kulpa, whose term renews
8 in 2019 pursuant to RCW 70.290.030 (3)(a).

9
10 The Board then reviewed the proposed list of committees and chairmen. Ms. Walter asked if any
11 Board members who were not listed were interested in serving on a committee. There being none,
12 Chairman Pierce then asked for a motion to approve the list of committee members for the Audit,
13 Operations, and Vaccine Committees.

14
15 Upon motion duly made and seconded, it was unanimously

16
17 VOTED: To approve the individuals listed on the WVA Committees list presented at
18 the meeting to serve on the Audit, Operations, and Vaccine Committees,
19 respectively, with the committee chairs listed.

20
21 Department of Health Updates

22 Ms. Roberts informed the Board that there had been positive updates in coverage rates including
23 an increase in MMR. Ms. Roberts also discussed school immunization rates and the current focus
24 on daycares. Dr. Kulpa asked if there has been any outreach to homeschooled children. While there
25 has not been a specific outreach, homeschooled children are not exempt from state vaccination
26 requirements.

27
28 Vaccine Committee Updates

29 Dr. Marcuse gave a brief update on the Vaccine Committee meetings. DOH representative, Sasha
30 DeLeon, gave an informative presentation regarding current allocations issues, vaccine choice, and
31 supply.

32
33 The Board then proceeded to executive session.

34
35 Closing

36 Following Executive Session, the meeting adjourned at approximately 4:20 p.m. PDT.

What: Board of Directors Meeting
Date & Time: November 3, 2016; 2:00-4:00 p.m. PDT
Location: Alki Conference Room; 2025 1st Ave., Market Place Tower, PH-A, Seattle, WA 98121
Call-in: (267) 930-4000; 103063718#

Notice: This 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.

Approx. Time		Topic/[Anticipated Action]	Presented by:
2:00-2:05 p.m.		1. Welcome & Introductions a. Notification of Recording	J. Pierce
2:05-2:10 p.m.		2. Consent Calendar Items	J. Pierce
	*	a. Board Meeting Minutes (June 30, 2016)	
	*	b. Audit Committee Meeting Minutes (September 13, 2016)	
2:10-2:20 p.m.		3. Financial Update	P. Smith
	*	a. LOC Pay-down Update	
		i. Vote to Ratify September 29 th Pay-down Request	
		ii. Vote to Ratify October 24 th Pay-down Request	
	*	b. Key Bank Report	J. Walter
		i. Vote to Approve the New Proposed LOC Amount	
		ii. Vote to Engage Outside Counsel	
	*	c. Cash Reserve Analysis	
		i. Quarterly Financials ending 9/31/2016	P. Smith
2:20-2:30 p.m.	*	4. Audit Committee Report	J. Sobeck
		a. Vote to Ratify Publication of 15/16 Audited Financials	
		b. Vote to Authorize Publication of 15/16 Annual Report	
2:30-2:50 p.m.		5. KidsVax Updates	J. Walter
	*	a. Status Report	
	*	b. Provider Pricing Issue	
	*	c. WVA Communications Update	
		d. 2016/17 Goals Report	
2:50-3:00 p.m.		6. Board Development	J. Walter
	*	a. Election of Officers	
		i. Votes to Elect Chairman, Vice-Chair, Secretary, & Treasurer	
		ii. Vote to Confirm Board Member Terms	
		iii. Reappointment of Committee Chairs	
	*	b. 2017 Meeting Calendar	
	*	c. Conflict of Interest and Code of Ethics Forms	
3:00-3:10 p.m.		7. Department of Health Updates	M. Roberts
3:10-3:20 p.m.		8. Vaccine Committee Updates	E. Marcuse
3:20-3:55 p.m.		9. Executive Session (guests excluded; outside counsel included)	
		a. Flumist	J. Pierce
		b. GroupHealth/Kaiser Merger	D. Efroymsen
		c. CDC Issue	M. Roberts
		d. TRICARE	
	*	i. Crowell & Moring Update	J. Flood
		ii. Litigation Update	K. Kemper
		iii. Vote to Authorize ED to Extend C&M Engagement	
3:55-4:00 p.m.		10. Closing	J. Pierce
		11. Reference Documents	
	*	a. Proposed Form of Votes	
	*	b. Contact List	
	*	c. Governing Statutes	
	*	d. Directions to Ellis, Li, & McKinstry	

*Indicates agenda item attached
Red text indicates an action item

**Washington Vaccine Association - Board of Directors Meeting
June 30, 2016; 10:00 a.m. - 12:00 p.m.**

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

Directors

John Pierce, Esq., Chairman, Premera
Beth Harvey, MD., South Sound Pediatrics
Pat Kulpa, MD., Regence (T)
David Efroymson, Group Health
John Sobeck, MD., Cigna
Michele Roberts, DOH
Jason Farber, Esq., Davis, Wright & Tremaine (T)
Dennis Kirkpatrick, WPAS
Cathy Falanga, Aetna

Absent

Jeremy Martinez, Coordinated Care
Ed Marcuse, MD

DOH

Jan Hicks-Thomson

Others

Anne Redman, Esq., Perkins Coie
Keith Kemper, Esq., Ellis, Li & McKinstry
James Flood, Esq., Crowell & Moring (T)

KidsVax®

Fred Potter, Esq., Executive Director
Julia Walter, M.A., Esq., Deputy Executive Director
Ashley Kittrell, Executive Assistant
Claire Roberge, Controller (T)
Norman Roberge, Accountant (T)
Peter Smith, Financial Analyst (T)
Nicole Price, Esq., NHVA Deputy Executive Director

II. Summary of Actions Taken and/or Recommended

A. Actions Taken (votes adopted)

1. To approve the minutes of the April 14, 2016 Board meeting.
2. To approve the minutes of the April 14, 2016 Vaccine Committee meeting.
3. To affirm Cathy Falanga as the Board member representing Aetna, whose term renews in 2017, pursuant to RCW 70.290.030(3)(c).
4. To adopt the changes to the Record Retention Policy.
5. To approve the 2016/17 WVA Budget.
6. To approve Julia Walter as the Washington Vaccine Association (WVA) Executive Director.
7. To approve the 2016/17 KidsVax® (KV) supplemental goals with the changes suggested at the meeting.
8. To set the 2015/16 Board-designated performance award to KV.

B. Follow up Tasks/Action Items

1. Review all WVA governance documents.
2. Review corporate compliance with Anne Redman.
3. Send the May financial update to the Board for review and suggested changes.
4. Review Section 1557 of the ACA regarding corporate compliance.
5. Begin planning the 2016 fall Board retreat.
6. KV will discuss the value of sending letters from pediatricians to the Defense Health Agency (DHA) or congressional delegation with Crowell & Moring (C&M).

III. Minutes

Welcome and Introductions

At 10:00 a.m., a quorum having been established, Chairman John Pierce called the meeting to order. Introductions were made and Julia Walter announced that the meeting was being recorded for the benefit of the secretary but that the recording will be deleted when the minutes are approved.

Consent Calendar Items

Chairman Pierce asked for comments or changes on the following consent calendar items.

Upon motion duly made and seconded, it was unanimously

VOTED: To approve the minutes of the April 14, 2016 Board meeting.

Upon motion duly made and seconded, it was unanimously

VOTED: To approve the minutes of the April 14, 2016 Vaccine Committee meeting.

Upon motion duly made and seconded, it was unanimously

VOTED: To affirm Cathy Falanga as the Board member representing Aetna whose term renews in 2017, pursuant to RCW 70.290.030(3)(c).

Financial Update

Peter Smith reviewed the financial statements as of May 31st, highlighting three recent positive changes. First, as of June 30th, the WVA is now within covenant compliance with \$5 million dollars in the bank. An additional \$1 million dollars has been paid on the line of credit (LOC), putting the WVA one month ahead of the current pay-down schedule. Last, collections continue to be received as forecasted and the WVA is on schedule to have the targeted \$20 million dollars in reserve by March, 2018. After asking for questions and discussion, Ms. Walter continued with the 2016 assessment grid updates.

Assessment Grid

Ms. Walter informed the Board that the 2016 assessment grid is scheduled to take effect on July 1st pursuant to the Board's decision at the April meeting to adjust the assessment grid to reflect a weighted average of 130% of the CDC contract prices and not to exceed the CDC market survey price on any vaccine. WVA has updated the grid on the website and sent email notifications on the effective date and where to download the grid. The Department of Health (DOH) also sent a blast fax to all provider offices informing them of the change and directing questions to the WVA. Fred Potter noted that the WVA will closely monitor all provider settlement reports and follow up as necessary.

Monthly Financial Update

Ms. Walter then reviewed the monthly financial update and asked for any comments or suggested changes that the Board would like to make the report more helpful and informative. Dennis Kirkpatrick suggested sending the May update to Board members for review after the meeting and send any suggestions via email. Ms. Walter also noted that she recently spoke with KeyBank representatives to give an update of the WVA's current financial situation. KeyBank expressed its confidence that all requirements will be met.

KidsVax Updates

Status Report

Ms. Walter directed members to the ED Report in the packet and reviewed several items. She thanked Aetna representative, Cathy Falanga, for her willingness to serve on the Board and recognized Norm

Seabrooks for his years of service on the Board. She briefly reviewed the financial progress and audit preparation. As requested by the Audit Committee, the WVA is working with CliftonLarsonAllen auditor, Allen Gilbert, to rename and adjust the amount listed in the "Accounts Receivable" section. The amount is an estimate of what the WVA expects to collect based on vaccine purchase and has been renamed as "Assessments Receivable." The amount will be reduced from approximately \$20 million dollars to \$5 million dollars based on an agreed upon write-down methodology.

WVA Communications Update

Following the Board's approval in April, Desautel-Hege (DH) began writing a billing reference guide for provider offices. The most recent draft was available for the Board's review and comments. Members discussed whether the emphasis should be placed on electronic or paper claim forms process. Ms. Walter explained that the most errors seen are on the HCFA 1500 forms and the brochure carefully explains how to complete both the administration and vaccine form as well as the importance of refiling denied claims on behalf of the WVA. Both paper and electronic forms and processes will be addressed and the DOH, KV, and DH are meeting on July 1st to discuss further edits and changes. Once the brochure is in near final format, KV will send the brochure to Board members asking for final suggestions. The WVA's goal is to distribute the brochure to every provider in Washington. Mr. Kirkpatrick asked if the WVA had considered engaging another communications firm for future work. Ms. Walter replied that DH has offered the most economic cost savings but that it may be wise to simply write and create materials in-house because of the multiple complexities of the dosage based system.

Record Retention Policy

Outside general counsel, Ms. Redman, explained that the Record Retention Policy was revised to ensure that the language does not include claims and that the process of how protected health information (PHI) is received and handled is clearly outlined.

Upon motion duly made and seconded it was unanimously,

VOTED: To adopt the changes to the Records Retention Policy.

Ms. Walter then suggested that all other WVA governance documents be reviewed to make any changes. Chairman Pierce also suggested that the WVA conduct an annual compliance audit to examine pertinent issues. He noted that section 1557 of the Affordable Care Act might potentially affect the WVA and should be reviewed. Ms. Redman and Ms. Walter also agreed to meet and review WVA corporate compliance.

Audit Committee Report

Audit Committee Chairman, Dr. John Sobeck, gave a brief update on the recent Audit Committee meeting and the proposed 2016/17 WVA budget. Mr. Potter then explained the operational budget and asked Board members for any questions, noting that there were no new items in the budget but that the TRICARE cost had risen over the past year due to the Board-authorized special project. After again asking for questions and comments, Dr. Sobeck recommended that the budget be approved.

Upon motion duly made and seconded it was unanimously,

VOTED: To approve the 2016/17 WVA Budget.

Department of Health Updates

Jan Hicks-Thomson gave several DOH updates. First, she informed the Board that the flu mist is no longer available of which the WVA had allocated approximately \$1.6 million dollars. The DOH is working with the CDC to possibly recoup the cost but have not received a final answer. The DOH does not anticipate a shortage of vaccines, but it will require purchases of multiple flu vaccine and will cost

approximately \$1.3 million dollars to replace. To help offset this potential loss, approximately \$64,000 dollars will be collected in federal excise tax. Also, at the close of the 2015 state fiscal year, a reconciliation is given of the pre-purchased vaccines based on monthly projections. Approximately \$1.5 million dollars was recovered in 2015 and \$1.5-1.9 million dollars is expected to be received for 2016. This would allow the DOH to purchase the replacement flu vaccines without additional cost to the WVA. Chairman Pierce asked if a written memo could be distributed to the carriers and to Board members. Ms. Hicks-Thomson replied that she could provide a written update but would like to wait until the CDC issues its final decision.

Following the DOH updates, Chairman Pierce asked that members of the public exit the meeting in preparation for Executive Session.

Executive Session [Guests excluded; Staff and outside general counsel included]

TRICARE

Ms. Walter began with a brief update on TRICARE. She informed the Board that our proposed provision is in Section 757 of the 2016 National Defense Authorization Act (NDAA). In previous years, the Department of Defense (DOD) maintained that, as a part of federal government, it did not have authorization to participate in universal vaccine purchase (UVP) programs. However, TRICARE General Counsel (GC) has met with KV multiple times throughout 2015 and 2016 to work on a solution and has expressed support for the current NDAA provision. GC informed KV that it prefers the current discretionary language as opposed to mandatory because of its ability to possibly pursue an interagency agreement with the CDC. Nevertheless, GC is aware of its responsibility to provide vaccines to its beneficiaries and recognizes that some UVP states may be forced to cut beneficiaries if a solution is not reached.

Ms. Walter then asked C&M partner, James Flood, for further updates on the NDAA and governors' letter. Mr. Flood explained that the NDAA is currently in conference committee and the provision is in the Senate version of the NDAA. Even though the language is discretionary, the Congressional Budget Office (CBO) has established that this is a mandatory provision regardless of language. The arrears are not addressed in the current provision and although C&M is working to include them into the NDAA, C&M has received a firm commitment from Senator Patty Murray's office to address them in 2017 through an appropriations bill. Senate and House staff have begun meetings to reconcile the Senate and House versions and C&M is closely monitoring all progress. Included in the Board packet was a governors' letter that was recently sent to congressional leadership explaining the issue and cost savings of universal vaccine programs and urging Congress to require TRICARE reimburse UVP programs.

Outside counsel, Keith Kemper then updated the Board on potential litigation. He explained that the chances of winning against federal preemption are less likely than a legislative solution, however, the WVA is still willing to file suit if necessary. If the Board decides to pursue a lawsuit, it would be filed against the third party administrators (TPAs) with a state-based claim. Both Tri-West and UnitedHealth-Military have both entered into tolling agreements with the WVA that last until November 2016 and April 2017 respectively.

Regarding TRICARE's preference to pursue an interagency agreement with the CDC, Dr. Beth Harvey noted that providers would be required to keep vaccines allocated for TRICARE beneficiaries separate and would be a burden to providers. KV agreed and noted that it has strongly recommended that TRICARE not pursue this because of those reasons. Dr. Harvey asked if it would be helpful to send pediatric letters. KV will discuss the value of this with C&M and follow up with Board members.

CDC Issue

Michele Roberts informed the Board that the CDC recently contacted the DOH and voiced its concerns of the dosage-based assessment (DBA) methodology because of the potential conflicts with CDC requirements and potential resale of vaccines. In May, the DOH wrote a very detailed letter to CDC

explaining the DBA process and why it is not a resale of vaccines. However, from what the DOH has gathered, CDC lawyers believe that the methodology is in violation of CDC requirements. Ms. Roberts stated that it may be wise to form a taskforce to research potential alternatives and prepare a case for defense of the DBA methodology. Possible alternatives include changing the methodology to per capita or purchasing vaccines from a different contract. The WVA and DOH are also reviewing the WVA website and changing any language that might be read as a resale of vaccines. Ms. Roberts noted that the CDC seems to be collaborative with the DOH and she will keep the Board informed as things progress. The Board had no objection to the formation of a taskforce if necessary.

KV Performance Goals

Ms. Walter reviewed the following proposed 2016/17 performance goals.

1. Goal: Improve WVA Contact with Providers
 - . Contact 100% of Washington Pediatric provider offices.
 - . Create and disseminate Provider Reference Guide by 12/1/16; and
 - c. Create one additional “outward facing communication for inclusion in pediatric newsletters or other communications by 4/1/17
2. Goal: Update Board Member Development Materials
 - a. Update WVA director handbook by 3/1/17.
3. Goal: Diminish need for service calls
 - . Develop short, on-demand videos for WVA website to supplement FAQs and other training and informational materials by 5/1/17
4. Goal: Initiate a special project to strategize how to move the WVA forward as an organization
 - a. Coordinate an extended Board meeting (incremental expenses paid by WVA) by 5/1/17:
 - i. Plan agenda with board planning subcommittee
 - ii. Facilitate meeting
 - iii. Prepare written summary
5. Stretch Goal: Gain TRICARE’s ongoing compliance by 6/1/17

Board members discussed Goal 4 at length and inserted the following: “Prepare and gain Board approval for a written summary plan incorporating how to move the WVA forward as an organization by evaluating topics such as the dosage based assessment and others as communicated by the Board.”

Upon motion duly made and seconded it was unanimously,

VOTED: To approve the 2016/17 KV supplemental goals with the suggested changes.

Executive Session [Prepared by outside general counsel, Attorney Anne Redman of Perkins Coie. KV staff was excused.]

Agenda Items 7.d through f. in Executive Session, board members and counsel present.

d. Executive Director Transition.

John Pierce distributed a memorandum from Fred Potter to the meeting on the subject of the Executive Director Transition.

- Upon motion duly made and seconded, appointment of Julia Walter as the Executive Director of WVA was unanimously approved.

e. KidsVax Performance Goals

The Board members discussed the achievement of KidsVax 2015-2016 performance goals, as set forth in the Dashboard included in the board meeting information packet. With the exception of the Tricare “stretch” goal (reach and confirm settlement with Tricare), all Performance Goals were met. On the qualitative scoring of Overall Performance Perspective, the board scored KidsVax as 18 of possible 20 points, with the lower score given to Timeliness. The total weighted score of 98.75% (38.75% for Performance Perspective and 60% for Performance Goals) entitles KidsVax to incentive compensation of \$40,860.78. A copy of the score card is attached to these minutes.

- Upon motion duly made and seconded, the board unanimously approved and authorized payment at this time of incentive compensation in the amount of \$40,860.78.

The board reviewed proposed 2016/2017 Performance Goals and suggested one revision to goal 4.a.iii, as follows: (iii) Prepare a written summary plan for moving forward and present the plan for board approval.

- Upon motion duly made and seconded, the board unanimously approved the proposed 2016/2017 Performance Goals with the suggested changes.

Closing

There being no further business, the meeting adjourned at 12:00 p.m.

**Audit Committee Meeting
September 16, 2016; 3:00-4:30 p.m. PDT**

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

Directors

John Sobeck, M.D., Chairman - Market Medical Executive, Cigna
Dennis Kirkpatrick - President, Welfare & Pension Administrative Service, Inc.
Jason Farber, Esq. - Davis Wright Tremaine, LLP

KidsVax®

Julia Walter, Executive Director
Ashley Kittrell, Communications Coordinator
Claire Roberge, Controller
Norm Roberge, Accountant
Peter Smith, Financial Analyst

Others

Allen Gilbert, CPA - CliftonLarsonAllen

II. Summary of Actions Taken and/or Recommended

A. Actions Taken (votes adopted)

1. To approve the minutes of the June 22nd, 2016 Audit Committee meeting.
2. To accept and authorize publication of the FYE 2015/16 Financial Statements and independent auditor's report with the changes suggested at the meeting.
3. To recommend authorization to the Board for an additional line of credit (LOC).

B. Follow Up Tasks

1. KidsVax® (KV) will determine whether or not to include the footnote in the financials describing the LOC.
2. KV will provide a breakdown of the Administrative Category into "KidsVax® Administration" and "Operational" categories or other appropriate names. Claire and Norm Roberge will assign associated account codes for each category.
3. CliftonLarsonAllen (CLA) will send the management representation letter for Julia Walter and Claire Roberge's signatures.

III. Meeting Minutes

At 3:00 p.m., a quorum having been established, Chairman John Sobeck called the meeting to order. Ms. Walter informed participants that the meeting was being recorded and that it would be deleted following the approval of the minutes.

1 Consent Calendar Items

2 Chairman Sobeck asked if there were any changes to the June 22nd Audit Committee meeting
3 minutes. Hearing none, he asked for a motion to approve them.

4
5 Upon motion duly made and seconded, it was unanimously,

6
7 VOTED: To approve the minutes of the June 22nd meeting minutes.
8

9 Overview of Draft 2015/16 Audited Financials

10 Allen Gilbert directed the Committee to the draft 2015/16 audited financials and highlighted
11 several items. Cash has increased approximately \$3 million dollars and the amount for prepaid
12 vaccines has decreased by approximately \$131,000 dollars. The LOC has also continued to
13 decrease and the current balance is \$5 million dollars. He noted that if the LOC is renewed, the
14 balance will be \$0 in January.

15
16 Mr. Gilbert then explained the rationale for the reallocation and renaming of the Accounts
17 Receivables section. The term “Accounts Receivables” was potentially misleading as it did not
18 accurately reflect the correct meaning or estimated amount. To remedy this, KV and CLA re-
19 named the section to “Estimated Collectible Assessments” and the amount has been adjusted by
20 \$15 million dollars to reflect a more accurate estimate.

21
22 Mr. Gilbert reviewed the statement of activities and vaccine funding activities were reviewed; he
23 noted that there was one new line to show the write-down of assessments. \$5.7 million dollars
24 reflects the portion of the write-down that were for claims processed during the prior year.

25
26 To afford more clarity, the Committee requested that the Administrative category be divided into
27 two subcategories labeled “KidsVax® Administrative Services” and “Operations” or other
28 appropriate names

29
30 Finally, Mr. Gilbert pointed out that footnote four in the report, which describes the LOC, could
31 be taken out of the report but deferred to the Committee’s judgment. The Committee asked KV to
32 determine whether it is necessary to keep the footnote.

33
34 After final review and questions, Chairman Sobeck asked for a motion to approve the publication
35 of the report.

36
37 Upon motion duly made and seconded, it was unanimously,

38
39 VOTED: To accept and authorize publication of the FYE 2015/16 Financial
40 Statements and independent auditor’s report with the changes suggested at
41 the meeting.

Review of Refund Checks

The Committee briefly reviewed the refund checks and found everything to be in satisfactory order. Mr. Kirkpatrick noted that he routinely reviews the refund requests and flags any notable transactions.

Financial Update

Peter Smith began the financial update by reporting that the current cash balance is \$8.5 million dollars. Mr. Smith referred the Committee to the cash flow model in the meeting packet that shows projected receipts and reimbursements to the Department of Health (DOH) and LOC pay down. By the end of September, the WVA expects to have approximately \$4 million dollars and make a payment of \$2 million dollars on the LOC. He concluded that the WVA remains in compliance and on schedule to have the LOC completely paid off by January 1st, 2017.

Norm Roberge added that the WVA received a \$2.3 million credit from the DOH in August as part of an annual reconciliation for the pre-purchased vaccines. This has helped offset the cost for flu vaccine.

Future Credit Options

Ms. Walter opened the topic by explaining that the current LOC's maturity date is 1/1/2017 and asked for the Committee's feedback regarding whether the WVA should seek to secure another line in order to provide the WVA with financial flexibility. Ms. Walter recently met with KeyBank Vice President and Senior Relationship Manager, Timothy Mansfield, to discuss what options are available. Mr. Mansfield outlined several questions for the Committee to review and discuss. The Committee asked Ms. Walter to meet with KeyBank and research the best options to present at the annual Board meeting.

Upon motion duly made and seconded, it was unanimously

VOTED: To authorize the WVA to propose an additional line of credit to the Board.

Other Matters from Committee Members

There were no other matters to discuss.

Executive Session

KV staff was excluded and Committee members went into executive session.

Closing

There being no further business, the meeting adjourned at 4:22 p.m.



September 30, 2016

Dennis and John:

I am formally requesting your approval for an immediate 2 million dollar pay down on the line of credit made upon Peter Smith's analysis and KidsVax's recommendation. The WVA has the funds on hand to make this pay down and maintain a cash on hand balance of at least 4 million dollars on the close of business 09/30/16.

The information laid out below contains the relevant financial information to aid you in the approval process:

1) WVA cash on hand

As of 09/28/16 \$6,256,000

2) September DOH vaccine transfer requests

All vaccine requests made by DOH during month of September have been transferred

3) Balance on the LOC

As of 09/28/16 \$9,000,000

4) Whether the WVA is on target to pay off the LOC on the current maturity date (1/1/2017)

Yes. WVA is on target to meet the pay off of LOC by 1/1/2017


5) Any other near-term expected outlays

The only known short term outlays are normal administrative expenses and vaccine requests shown in the WVA cash flow projections.

Vaccines transfer during October is anticipated to be \$5.3M

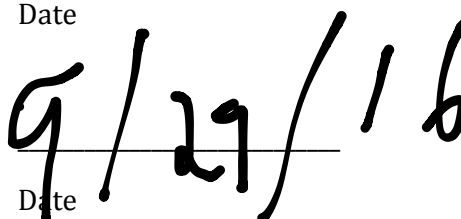
If you approve of the pay down recommendation, please sign and return via email.

Dennis Kirkpatrick



John Sobeck

Date



Date

Respectfully,

Julia G. Walter

WAvaccine.org

P 1.888.928.2224 • F 1.888.928.2242
PO Box 94002 • Seattle WA 98124-8402



October 24, 2016

Dennis and John:

I am formally requesting your approval for an immediate \$2 million dollar pay down on the line of credit made upon Peter Smith's analysis and KidsVax's recommendation. The WVA has the funds on hand to make this pay down and maintain a cash on hand balance of at least \$4 million dollars on the close of business 10/31/16 in accordance with our loan covenants.

The information laid out below contains the relevant financial information to aid you in the approval process:

1) WVA cash on hand:

As of 10/24/16: \$5,541,512

2) October DOH vaccine transfer requests:

All vaccine requests made by DOH during month of October have been transferred

3) Balance on the LOC:

As of 10/24/2016: \$7,000,000

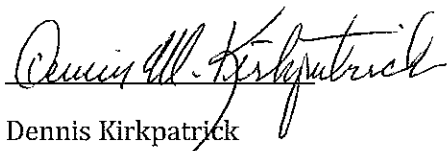
4) Whether the WVA is on target to pay off the LOC on the current maturity date (1/1/2017):

Yes. WVA is on target to meet the pay off of LOC by 1/1/2017

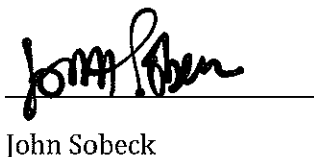
5) Any other near-term expected outlays

The only known short term outlays are normal administrative expenses and vaccine requests shown in the WVA cash flow projections. Vaccine transfers during November are anticipated be \$4.8M

If you approve of the pay down recommendation, please sign and return via email.


Dennis Kirkpatrick

10/24/2016
Date


John Sobeck

10/21/2016
Date

Respectfully,

Julia G. Walter

WAvaccine.org

P 1.888.928.2224 • F 1.888.928.2242
PO Box 94002 • Seattle WA 98124-8402

**Washington Vaccine Association
Statement of Financial Position
As of September 30, 2016**

A**ASSETS**

Current assets		
1	Cash and cash equivalents	\$ 4,776,593.83
2	Investments	9,655.42
3	Members Estimated Collectible Assessments	8,517,623.00
4	Prepaid Vaccine	8,162,020.31
5	Prepaid Administrative Services	-
6	Total current assets	21,465,892.56
7	Total assets	\$ 21,465,892.56

LIABILITIES AND NET ASSETS

Current liabilities		
8	Accounts payable	\$ 27,634.20
9	Key Bank - Line of Credit	7,000,000.00
10	Payable to Washington Department of Health	-
11	Other accruals	-
12	Total current liabilities	7,027,634.20
Net assets		
13	Excess Assessments - Vaccines	21,515,898.82
14	Excess Assesments - Administrative Activities	(7,077,640.46)
15	Total net assets	14,438,258.36
16	Total liabilities and net assets	\$ 21,465,892.56

**Washington Vaccine Association
Statement of Activities and Changes in Net Assets**

	A Month Ending September 30, 2016			D For 3 Months Ending September 30, 2016		
	Administrative Activities	Vaccine Activities	Total	Administrative Activities	Vaccine Activities	Total
Revenues:						
1 Assessments	\$ 1,840,178.07	\$ 6,578,062.00	\$ 8,418,240.07	\$ 5,691,595.21	\$ 19,388,107.00	\$ 25,079,702.21
2 Less: Vaccine expense	-	(6,707,872.54)	(6,707,872.54)	-	(17,418,459.43)	(17,418,459.43)
3 Net Assessment margins	1,840,178.07	(129,810.54)	1,710,367.53	5,691,595.21	1,969,647.57	7,661,242.78
4 Investment income	-	-	-	-	-	-
5 Other income	-	-	-	-	-	-
6 Net revenues	1,840,178.07	(129,810.54)	1,710,367.53	5,691,595.21	1,969,647.57	7,661,242.78
Expenses:						
7 Administrative services - fixed contract	35,688.83	-	35,688.83	107,066.53	-	107,066.53
8 Adm services - variable compensation	-	-	-	-	-	-
9 Administrative services - Tricare	20,000.00	-	20,000.00	60,000.00	-	60,000.00
10 Tricare - Legislative Services	10,000.00	-	10,000.00	20,000.00	-	20,000.00
11 Legal fees	2,566.12	-	2,566.12	10,713.55	-	10,713.55
12 Audit	-	-	-	9,000.00	-	9,000.00
13 Annual report / special communications	-	-	-	6,034.75	-	6,034.75
Special projects:						
14 DOH vaccine order system	-	-	-	-	-	-
15 Denied claims recovery	2,800.00	-	2,800.00	8,400.00	-	8,400.00
16 All other special projects	7,881.27	-	7,881.27	19,653.76	-	19,653.76
17 Insurance	-	-	-	25,465.00	-	25,465.00
18 Bank fees	4,311.68	-	4,311.68	11,391.97	-	11,391.97
19 Investment advisor / manager	-	-	-	-	-	-
20 Other administration expenses	425.51	-	425.51	1,300.12	-	1,300.12
21 Total administrative expenses	83,673.41	-	83,673.41	279,025.68	-	279,025.68
22 Line of credit - financing costs	24,834.20	-	24,834.20	81,084.54	-	81,084.54
23 Total expenses	108,507.61	-	108,507.61	360,110.22	-	360,110.22
24 Increase (decrease) in net assets	\$ 1,731,670.46	\$ (129,810.54)	\$ 1,601,859.92	\$ 5,331,484.99	\$ 1,969,647.57	\$ 7,301,132.56
25 Unrestricted net assets, beginning of year				(12,409,125.45)	19,546,251.25	7,137,125.80
26 Unrestricted net assets, end of year				\$ (7,077,640.46)	\$ 21,515,898.82	\$ 14,438,258.36

Unaudited - For Management Purposes Only
Prepared by KidsVax, LLC

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

(15)

	A	B	C	D
	Inception Through 7/31/2016	Month 8/31/2016	Month 9/30/2016	Inception Through 9/30/2016
1 Cash balance - beginning of period	\$ -	\$ 4,924,570.24	\$ 5,942,233.34	\$ -
Inflows:				
2 Principal prepayments	7,800,001.00	-	-	7,800,001.00
3 Vaccine collections	311,686,325.36	7,739,005.43	9,039,249.73	328,464,580.52
4 Interest income	53,408.37	-	-	53,408.37
5 Investment income/ (loss)	149,787.97	-	-	149,787.97
6 Key Bank - LOC advances	10,000,000.00	(1,000,000.00)	(2,000,000.00)	7,000,000.00
7 Total inflows	329,689,522.70	6,739,005.43	7,039,249.73	343,467,777.86
Outflows:				
8 Principal repayments	(7,799,908.85)	-	-	(7,799,908.85)
Program				
9 Vaccine remittance State of WA	(311,213,006.38)	(5,615,431.54)	(8,049,088.94)	(324,877,526.86)
10 Vaccine Selection Development	(79,950.00)	-	-	(79,950.00)
11 Public information	(135,844.56)	(500.00)	(4,442.25)	(140,786.81)
12 Total program disbursements	(311,428,800.94)	(5,615,931.54)	(8,053,531.19)	(325,098,263.67)
Administration				
13 Administrative services	(2,803,769.06)	(66,659.14)	(73,570.10)	(2,943,998.30)
14 Project management fees	(419,878.90)	-	-	(419,878.90)
15 Denied claims recovery	(82,133.44)	(2,800.00)	(2,800.00)	(87,733.44)
16 Design and advertising	(31,031.38)	-	-	(31,031.38)
17 Claims system development	(26,000.00)	-	-	(26,000.00)
18 Legal fees	(276,843.91)	-	(2,566.12)	(279,410.03)
19 Audit fees	(74,655.00)	(4,500.00)	(4,500.00)	(83,655.00)
20 Website and information technology	(113,993.32)	-	-	(113,993.32)
21 Travel	(1,829.68)	-	-	(1,829.68)
22 Total administration	(3,830,134.69)	(73,959.14)	(83,436.22)	(3,987,530.05)
Office				
23 Bank Fees	(462,327.62)	(3,465.53)	(4,311.68)	(470,104.83)
24 Office supplies	958.92	-	-	958.92
25 Postage and shipping	(1,438.36)	-	-	(1,438.36)
26 Printing	(4,819.61)	-	-	(4,819.61)
27 Office Rent	(51,313.90)	-	-	(51,313.90)
28 Telephone	(2,514.23)	-	-	(2,514.23)
29 Total office	(521,454.80)	(3,465.53)	(4,311.68)	(529,232.01)
Other				
30 Insurance	(156,503.07)	-	(25,465.00)	(181,968.07)
31 Interest Line of Credit	(1,027,053.61)	(27,986.12)	(28,064.22)	(1,083,103.95)
32 Board meetings	(1,096.50)	-	(425.51)	(1,522.01)
33 Total Other	(1,184,653.18)	(27,986.12)	(53,954.73)	(1,266,594.03)
34 Total outflows	(324,764,952.46)	(5,721,342.33)	(8,195,233.82)	(338,681,528.61)
35 Cash balance - end of period	\$ 4,924,570.24	\$ 5,942,233.34	\$ 4,786,249.25	\$ 4,786,249.25

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

October 5, 2016

Washington Vaccine Association
Board of Directors
PO Box 94002
Seattle, WA 98124-9402

WVA Program Savings Calculation for FYE June 30

Dear Directors,

Below is our calculation of the savings that the program has created in the fiscal years ended June 30, 2015 and June 30, 2016.

	<u>FY 6/2016</u>	<u>FY 6/2015</u>
A. CDC Survey Market Comparison costs:		
(Actual doses per brand x CDC market survey)	\$99,114,891	\$89,291,124
B. WVA Program costs:		
Cost of vaccine replenishments	\$66,992,123	\$63,092,224
+ Operating Cost	1,014,148	604,451
+/- Net change in assessment rates	1,419,701	2,534,541
+/- Net Interest Expense/(Income).	428,112	364,862
	<hr/>	<hr/>
= Total Program Cost	\$69,854,094	\$66,596,078
C. WVA Program Savings (A – B = C)	\$29,290,797	\$22,695,046
D. Program Savings Percentage (C / A = D)	29.52%	25.42%

Notes:

1. In any program like this it is not possible to calculate savings with 100% accuracy. There are a number of reasons for this including the fact that some providers may continue to bill for some private supply.
2. The market comparison used for each dose is an average of prices given in response to the survey conducted annually by the CDC (<http://www.cdc.gov/vaccines/programs/vfc/awardees/vaccine-management/price-list/>). Information is not provided on volume or location purchased. This CDC survey just addresses vaccine costs. It does not include other costs such as management fees, financing costs or other overhead, which some providers properly include in billings. Neither does it include normal payer administration costs for individual claims administration.
3. We believe this is a fair representation of the cost savings for the vaccines themselves. Payments to providers for administration of vaccines, of course, are completely outside of this system.
4. KidsVax.org will continue to track this metric periodically to aid the WVA in monitoring its program effectiveness.

Sincerely,



Peter M. Smith
Financial & Internal Control Analyst

cc: Julia Walter, Executive Director



Assessment Collections as of 9/30/2016:	\$328 + Million
Remittances to State of WA since inception:	\$324 + Million
Prepaid Vaccine Purchases:	\$8 + Million
Cash Balance as of 09/30/2016:	\$4.7 Million
Utilized Line of Credit:	\$5 Million
Available Line of Credit	\$10 Million

November 3, 2016 Executive Director Overview

As we approach the end of the year, we are pleased to report that the Washington Vaccine Association (WVA) has finished its annual audit, completed the annual report and provider assessment guide, advanced work on the 2016/17 performance goals, and continued making progress towards gaining TRICARE's participation in universal vaccine purchase (UVP) states as well as strategized how to address the arrears in 2017.

In opening, I would like to thank Jeremy Martinez for his service on the Board representing Coordinated Care and the Association of Washington Health Plans. I would also like to thank Jan Hicks-Thomson for her years of service to the WVA. We will miss her support and tireless efforts in helping ensure the WVA's success.

On the financial front, we are pleased to report that an additional \$5 million dollars has been paid on the line of credit (LOC) since the last Board meeting in June. We are grateful for the Board's decision to utilize the medium approach of the pay-down schedule, which has enabled the WVA to repay the LOC within the recommended timeframe. The WVA remains in regular contact with KeyBank to ensure that all requirements are being met. Following the maturity of the current line on January 1, 2017, KidsVax® (KV), after consulting with the Audit Committee, recommends that the WVA obtain a new LOC to ensure that the WVA can meet its financial obligations in the event of exigent circumstances necessitating greater liquidity than what is available through reserve capital. KeyBank's proposal can be found in the Board packet.

The 2015/16 audit has been successfully completed by auditing firm, CliftonLarsonAllen, and the draft audited financials are available for your review. One of the most significant changes in the financials is the renamed column, "Estimated Collectible Assessments," which was previously "Accounts Receivable." This change clarifies and represents the true meaning of the category, which is necessary to accurately portray in light of the WVA's dosage-based assessment (DBA) methodology.

Through routine internal audits of the DBA system, KV recently identified several providers that have not updated their systems to the 2016 assessment grid that went into effect on July 1st. We are taking the necessary steps to contact them and aid them in updating their

systems. A blast fax was sent to providers reminding them to visit www.wavaccine.org for periodic updates and requesting that they sign up for email alert notifications. We have also contacted the largest payer groups and asked for their assistance in providing information on providers using the wrong Grid levels. As soon as the WVA receives that information, KV will begin calling all providers with incorrect assessment procedures.

On the communications front, the 2015/16 Annual Report and Provider Reference Guide have been completed. I would like to thank Desautel-Hege and the Department of Health in assisting the WVA with their production. The guide is intended to assist in the training of new staff in provider billing offices as well as a convenient reference for frequently asked questions. Both the brochure and annual report are available for your review.

The WVA has made significant progress towards accomplishing several of the 2016/17 goals. First, the Provider Reference Guide has been posted on the WVA website and distributed via DOH blast fax to all providers throughout Washington. Second, several short, on-demand videos have been created with the intent to reduce redundant service calls. The videos are no more than three minutes in length and address salient questions such as what the WVA does, how the DBA process works, and how to complete both paper and electronic claims. Last, the Executive Committee and KV have begun planning the Board retreat for January. The retreat is intended to provide an in-depth look at the WVA's past effectiveness and performance as well as future planning. Discussion topics include an evaluation of the DBA system and other potential methodologies, as well as future strategic planning and goals.

Finally, I am pleased to report that efforts in gaining TRICARE's compliance in UVP states have been largely successful, pending the passage of the bill. Our provision, Section 757, is in the Senate version of the National Defense Authorization Act (NDAA) and Fred Potter and I conducted numerous meeting on the Hill throughout August, September, and October to ensure that there is widespread support for the provision. I would like to thank Jim Flood and Scott Douglas from Crowell & Moring (C&M) for their tireless work in this effort. I would also like to thank outside counsel, Keith Kemper, for his work in recently securing a further tolling agreement with TriWest, preserving the WVA's right to pursue litigation on the arrears. On October 20th, KV and C&M met with TRICARE General Counsel (GC) to discuss and strategize the next steps for addressing the arrears. TRICARE GC has verbally supported our efforts and we are hopeful that they will continue to work with the states when addressing the arrears in 2017. Thank you for your continued service and dedication to the WVA. There is much work to be done, but I am looking forward to continue serving with you in 2017.

Respectfully submitted,



Julia Walter, M.A., Esq.
Executive Director



2016 WVA Pricing Grid Update

Issues Identified: 1) There has been a widespread failure by Washington providers to update to the 7/1/16 Grid;

2) Several TPAs and insurers, after receiving correct assessments, have been repricing downward to an amount lower than the 7/1/16 Grid assessment rate.

Procedural History: In early October, KV analyst Norm Roberge identified several DBA payments from a TPA reflecting an incorrect assessment amount for individual vaccines. After further investigation, Norm quantified the problem by auditing batches of DBA payments and EOBs for dates of services after the 7/1/2016 assessment grid increase.

Following this discovery, KV contacted the TPA, which also serves as a pricing agent. They stated that none of their contacts received any notice of the Grid change. Upon KV review, the TPA failed to provide a valid e-mail address upon TPA registration. They also maintain that their system does not allow prices to be adjusted upward, only downward, meaning that they claim an inability to reprice the claims correctly. Furthermore, the TPA believes that approximately 50% of their provider network is using the wrong Grid. They also confirmed that they have been pricing all claims downward to reflect the 7/1/2015 Grid, even when providers have submitted claims using the 7/1/2016 Grid.

Immediately following initial contact with this TPA, KV began an extensive audit of DBA payments to verify the validity of its claims that providers are billing incorrectly and to ascertain the breadth of payer down pricing practices.

Actions Taken:

1. KV provided DOH with preliminary notification of this issue.
2. KV sent additional notices to all email alert subscribers and the TPA registration list via the WVA email alert system. These notices requested providers and payers to verify they are using the correct Grid and to update their systems with the 7/1/2016 Grid if necessary.
3. KV verified with SolutionWorx, the IT company supporting the WVA, that the new grid notification was sent to all emails on the email alert system in June and July.
4. KV prepared a provider communications piece and sent to DOH for review and distribution via blast fax.
5. Julia Walter contacted operations personnel representing the top 6 carriers advising of the situation and requesting reports on
 - a) providers billing incorrectly or
 - b) providers not billing on behalf of the WVA.

- Note: KV understood that, in the past, payers had requested KV not to contact providers directly, and prefer instead to have WVA compliance handled through their provider relations personnel. Understandably, it appears that WVA provider compliance is no longer a priority task for payers. KV is requesting the information needed for it to make contact with non-compliant providers.
6. Norm Roberge provided additional analysis and compiled the following information:



- a. the estimated amount of incorrect payments;
 - b. the breath of the problem;
 - c. the percentage of claims being paid properly by both payers and providers; and
 - d. determine whether this issue existed in October 2015 after the 7/1/2015 grid increase.
- 7. KV initiated further contact with the TPA to determine what steps should be taken for claims that were adjusted using the 7/1/2015 grid.
- 8. SolutionWorx has updated the TPA Registration Form on www.wavaccine.org to *require* the following fields:
 - a. TPA Name and Address
 - i. TPA Legal Name
 - ii. Mailing Address
 - iii. Federal Tax ID Number
 - iv. State or Jurisdiction of legal formation/incorporation
 - b. Administrative Contact Information
 - i. First Name
 - ii. Last Name
 - iii. Position
 - iv. Phone
 - v. Fax
 - vi. Email
 - vii. Mailing Address
- 9. KV contacted the top ten provider offices that submitted claims not using the DBA from the first payer report.

Next Steps:

- 1. Begin outreach to high-volume providers billing incorrectly that have been identified by payer reports.
- 2. Send compliance letters to all payers downward pricing assessments.
- 3. Contact TPAs and ask them to update their profiles and contact information.
- 4. Follow-up with major carriers regarding problem and request aid in communicating with all providers on billing practices.
- 5. Determine more effective ways to institute grid pricing updates.
- 6. Discuss with Board whether to formulate a special project to resolve this issue.

Quick Guide

**Dosage Based Assessments
for Washington's Universal Vaccine Program**

Ensuring Universal Purchase of Childhood Vaccines in Washington

The Washington Vaccine Association (WVA) and the Department of Health work together in a public/private partnership to support Washington's universal Childhood Vaccine Program. The state uses a combination of federal and state funds to make vaccine available at no cost to all children in Washington.

Removing cost as a barrier assures that all Washington children have ready access to life-saving vaccines.

Providers make this possible by including the Dosage Based Assessment (DBA) process with their claims submission. This critical step allows physicians, clinics, hospitals, and other providers to receive vaccine for all children at no cost.

It's important that provider office billing staff understand how to complete the DBA process. For your convenience, we created this Quick Guide.

Submit the Administration Claim Form with the DBA Form to the payer—not WVA.

You have the option of filling out the Forms electronically (preferred) or by mail.

ELECTRONIC

STEP 1

Fill out the DBA Form electronically

The Form must include:

1. Billing provider Federal Tax ID Number
2. Billing provider information
3. Patient account number
4. Signature of physician or supplier
5. Service facility location & facility NPI
6. Service line and date of service
7. CPT Code
8. Charges

STEP 2

Submit Electronically

Submit the Administrative Claim Form and DBA Form to the payer (health plan, insurance company, or third-party administrator) via your company clearinghouse—not to the WVA.

Do not submit to WVA.

DENIED CLAIMS

If the administrative claim is denied for incorrect demographic or eligibility information, please re-file the WVA claim with the corrections. The WVA relies on provider offices to ensure that any denied claims are re-filed correctly.

QUESTIONS?

You can find answers to many questions on the “FAQs” page at www.wavaccine.org.

Note for first time electronic filers

The first time you use the electronic DBA process, please notify your claim clearinghouse that you intend to submit the electronic Form using the DBA process with WVA's name, Tax ID, and NPI.

Important Numbers

WVA National Provider Identifier (NPI):
1699092718

WVA Tax Identification Number (TIN):
27-2251833

837 Electronic Claim - Professional

X12N 837, Version 5010A1 Claim - Field Description		Loop	Segment/ Element	Qualifier	Qualifier Description	Data for WVA DBA Process
1	Billing Provider					
	Federal Tax ID Number (TIN)	2010AA	REF01	EI	for EIN	
	TIN	2010AA	REF02	SY	for SSN	27-2251833
2	Billing Provider Information	2010AA	NM101	85		
	Billing Provider Entity Type	2010AA	NM102	2		
	Billing Organizational Name	2010AA	NM103			Washington Vaccine Association
	Identification Code Type	2010AA	NM108	XX	NPI	
	National Provider Identifier (NPI)	2010AA	NM109			1699092718
	Billing Provider Address	2010AA	N3			leave blank
	Billing Provider Address - Line 1	2010AA	N301			Marketplace Tower PH-A
	Billing Provider Address - Line 2	2010AA	N302			2025 First Ave
	Billing Provider City, State, ZIP Code					
	City	2010AA	N401			Seattle
	State	2010AA	N402			WA
	Zip Code	2010AA	N403			981213125
	Pay-To Address Name	2010AB	NM101	87		Washington Vaccine Association
	Pay-to Entity Type	2010AB	NM102	2		
	Pay-To Address	2010AB	N3			
	Pay-To Address - Line 1	2010AB	N301			PO Box 94002
	Pay-To Address - Line 2	2010AB	N302			
	Pay-To City, State, ZIP Code					
	City	2010AB	N401			Seattle
	State	2010AB	N402			WA
	Zip Code	2010AB	N403			981249402
3	Patient Account Number	2300	CLM01			
	Total Charge	2300	CLM02			Total Charge Amount
4	Rendering Provider Name	2310B	NM1			
	Rendering Provider Name	2310B	NM102	82		Rendering Rendering Provider Name
		2310B	NM103			
5	Service Facility Location Information	2310C				
	Service Facility Identifier	2310C	NM101	77	Location	
				FA	Facility	Office Address of Service Facility
	Service Facility Type	2310C	NM102	2		
	Non-Person Name, or Person Last Name	2310C	NM103			
6	Service Line, Service Date(s)	2400	DTP01	472		
	Service From - To Dates	2400	DTP02	RD8		
	Formatas: CCYYMMDD-CCYYMMDD	2400	DTP03			
7	Procedures, Services, Supplies	2400	SV1			
	Product/Service ID	2400	SV101-1	HC		
	Procedure - CPT/HCPCS Code	2400	SV101-2			
8	Line Item \$ Charge Amount	2400	SV102			



You make the program work!

When you use the DBA process, it allows the WVA to collect the necessary assessments from insurance carriers and third party administrators.

With your help, Washington can continue to provide vaccines to protect all children in our state.

Stay Connected

For more information, visit www.wavaccine.org and sign up for email alerts.

info@wavaccine.org

Ph. 888-928-2224

Fax. 888-928-2242



WVA Provider 10/24 Communication

As the Washington Vaccine Association (WVA) completes its 6th year, we would like to recognize our provider community for making universal vaccine purchase a success. Together, we are able to ensure that no child in the state of Washington is denied access to recommended vaccines due to an inability to pay. Provider completion of the dosage-based assessment mechanism is a critical function that allows for the adequate collection of funds. Since its inception, the WVA has saved over \$29.3 million dollars in vaccine costs. The impact of this program goes beyond cost savings, too. Providers in Washington have helped us increase our vaccination rates, leading to better-protected communities. To receive notifications regarding pricing information and events, please sign up on the WVA homepage at www.wavaccine.org. Thank you for your continued support of this important Washington state healthcare initiative.

Board Governance Roles & Committees

Executive Committee

Chair & President: John Pierce

Treasurer: Dennis Kirkpatrick

ice ir (Open Position)

Secretary (Open position)

Beth Harvey, MD

Michele Roberts

Audit Committee

Chair: John Sobeck, MD

Dennis Kirkpatrick

Jason Farber

Vaccine Committee

Chair: Ed Marcuse, MD

(Open Position)

Cathy Falanga

Michele Roberts

Mary Kay O'Neill, MD (public member)

Jeff Gombosky, *representative to*

Committee

under HB 2551 sec. 5(1) (non-voting)

Vaccine Committee Consultants

Jeffrey Duchin

Lisa Johnson, MD

John Dunn, MD

Chad Murphy, PharmD

Dr. Rachel Wood

Operations Committee

Chair: Julia Walter

Peter Smith

Cathy Falanga

Jeri Trice

Laura McKenna

Walter Kuiee

Angela Wilson

Chad Murphy

Kim Barringer

Marcia Joy

Maureen Brooks

Patricia Berge

Stephanie Crook

e ride

mm l ir

Tom Messick

Nyla Rieman

Susan Comer

WVA Corporate Governance Calendar (2017 Board Meeting and Committee Meeting Schedules)

*All times are Pacific Standard Time

Date	Board (Generally Thursdays 2 – 4 PM except as noted below)	Board Executive Committee (Scheduled if needed)	Vaccine	Operations	Audit
January	X (January 12) (9:30 am-1:00 pm)				
February				X (February 16)	
March					X (March 23)
April	X (April 6)		X (April 6)		
May					
June	X (June 29)				
July					
August					
September					X (September 7)
October				X (October 12)	
November	X (November 2)		X (November 2)		

- 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.

Code of Ethics

I. Integrity

All directors, officers, employees, if any, of the Washington Vaccine Association (WVA) and its key contractors, including KidsVax.org® or any successor organization or individuals providing Executive Director and administrative services to WVA, shall act with honesty, integrity, and openness in all of their dealings as representatives of WVA. WVA shall maintain a working environment that values integrity, fairness, and respect.

II. Mission and Vision

Our mission is established by State of Washington law and primarily is to assure that adequate funds are available to the State of Washington to purchase childhood vaccines for beneficiaries of WVA's members and to assist in the selection of vaccines to be made available under the State of Washington's universal childhood vaccination program.

We pursue our mission by:

- administering a dosage based assessment (DBA) system whereby the costs of childhood vaccines are shared equitably among all entities responsible for paying for vaccines for State of Washington resident children who are not eligible for vaccines under the federal Vaccines for Children program,
- refining this system based on what payers and providers tell us to assure that the DBA system operates effectively and efficiently,
- staying abreast of and helping to shape current best practices and paradigms in the childhood vaccine funding arena.

III. Compliance with Laws and Ethical Standards

WVA shall comply with all applicable federal, state, and local laws and regulations and shall seek the advice of counsel when necessary or appropriate. WVA shall also adhere to the highest ethical standards. Decisions and actions taken by the Board of Directors shall: (1) comply with applicable law, and (2) reflect the highest ethical standards as determined by the Board of Directors/

IV. Diversity

WVA shall, within the limits of its statutory authority, promote diversity and inclusiveness in its Board of Directors, management team or staff employed from time to time, if any, and contractors.

V. Evaluation

WVA shall develop and implement an evaluation procedure whereby the performance of the Board of Directors as a whole, and the Executive Director and administrative staff are evaluated periodically.

VI. Transparency

WVA shall provide comprehensive and timely information to the public, the media, and all stakeholders and shall be responsive in a timely manner to reasonable requests for information. All information about WVA shall fully and honestly reflect the policies and practices of WVA. All financial and program reports shall be complete and accurate in all material aspects.

The following governance documents shall be posted on WVA's website: Articles of Incorporation of Washington Vaccine Association, Bylaws of Washington Vaccine Association, Conflict of Interest Policy, Code of Ethics, Information Release Policy, Whistleblower Policy, Joint Venture Policy, Anti-Trust Compliance Policy, and Record Retention Policy, along with audited financial statements for the most recent three years.

VII. Confidentiality

All directors, officers, employees, and contractors have a duty to safeguard information that is proprietary to WVA. Information about WVA that is confidential or proprietary and obtained by a director, officer, employee or volunteer as a consequence of such person's association with WVA may not be disclosed to third parties unless expressly authorized by WVA.

VIII. Annual Affirmation Statement

WVA shall provide a copy of this Code of Ethics to every director, officer, employee, and contractor and request that each sign an affirmation statement upon taking office or providing services. Each year the Annual Affirmation Statement, attached, shall be signed by each director, officer, and employee, affirming that such person has received a copy of this Code of Ethics, has read and understands it, and agrees to comply with it.

All Annual Affirmation Statements shall be submitted to the Board President or the Board Secretary and then filed with the minutes of the first meeting of the Board of Directors held each year after January 31.

WVA ANNUAL AFFIRMATION STATEMENT

The Code of Ethics of WVA requires an annual affirmation that you have received, read, understand, and agree to comply with the Code of Ethics.

Please sign this Annual Affirmation Statement indicating your affirmation as described above.

Please return this Statement to the Executive Director of WVA each year by January 31.

Your name: _____ Date: _____

Conflict of Interest Policy

Policy: Washington Vaccine Association (the “Association”) has been established by act of the Washington Legislature 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 the state of Washington. The Association will comply fully with all laws that relate to the conduct of its activities, including all tax law.

Purpose: The purpose of this policy is to protect the Association’s interests when it is contemplating entering into a transaction or arrangement, or making a decision, that might benefit the private interest of an officer or board member of the Association or member of a committee with board delegated powers or might result in a possible excess benefit transaction as defined by the Internal Revenue Code. The Association intends to conduct its affairs consistent with the requirements of tax-exempt status under the Internal Revenue Code.

Definitions:

Interested Person: Any board member, principal officer, or member of a committee with board delegated powers, who has a direct or indirect financial interest, as defined below, or a duality of interest, as defined below, is an interested person.

Financial Interest: A person has a financial interest in a transaction or arrangement or decision if the person has, directly or indirectly, through business, investment or family: (a) an ownership or investment interest in any entity with which the Association has a transaction or arrangement; or (b) a compensation arrangement with the Association or with any entity or individual with which the Association has a transaction or arrangement; or (c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Association is negotiating a transaction or arrangement or which will be affected by a decision of the Association. A “family member” includes a spouse, siblings (half or whole), children, grandchildren, and in-laws. “Business” includes those businesses which the person owns or controls at least 35%, or disregarded entities.

Duality of Interest: An interested person has a duality of interest with regard to a decision or action where in addition to the obligations of the interested person to the Association, the interested person has an obligation with regard to another organization or enterprise involved or implicated in the action of the Association. For instance, an interested person may serve as a board member of the Association and also as a board member of an organization engaging in a transaction with the Association. A duality of interest will be dealt with in the manner of a conflict of interest.

Conflict of Interest: A conflict of interest exists where an interested person has a financial interest or a duality of interest, in a proposed transaction or arrangement with the Association or decision by the Association. Examples of conflicts of interest include the following:

- a. Where an interested person makes a decision or does an act or is required to make a decision or perform an act that also involves an entity with which the person has a financial relationship and that benefits financially from the sale, marketing, re-selling, or distribution of vaccines; examples of such relationships include direct employment or an investment interest, a consultancy or other contractor relationship, serving on a speakers bureau, receiving honoraria, research and/or travel support;
 - b. Where an interested persons personally contracts with the Association or where he/she is a board member of another organization which is contracting with this Association;
 - c. Where an interested person has any direct or indirect interest in, or a relationship with, any individual or organization that proposes to enter, or has entered, into any transaction or arrangement with the Association involving the sale, re-sale, purchase, marketing, or distribution of any goods or services (including vaccines) or involving the investment or deposit of any funds of the Association;
 - d. Where an interested person in his or her capacity with the Association learns of an opportunity for profit or benefit which may be valuable to him/her personally or to another organization of which he/she is a member, or to other persons known to the interested person;
 - e. Where an interested person will receive compensation, directly or indirectly, from the Association for services; and,
 - f. Where a family or business relationship exists between the interested person and another interested person, consultants, or with staff of the Association.
- (This is not an exhaustive list.)

Procedures:

1. **Duty to Disclose:** An interested person will disclose any conflict of interest, be it real, potential, or apparent, *which is not immediately obvious* with regard to any matter being discussed in the person's presence during a meeting.

- a. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the interest and be given the opportunity to disclose all material facts to the board members or members of committees with board delegated powers considering the proposed transaction or arrangement or decision.
- b. Disclosure involving board members should be made to the board chair, who shall bring these matters, if material, to the board.
- c. Disclosure in the Association should be made to the chief executive (or if she or he is the one with the conflict, then to the board chair), who shall determine whether a conflict exists and is material, and if the matters are material, bring them to the attention of the board chair.
- d. The Washington law establishing the Association provides that board membership of the Association includes members selected from health carriers, third-party administrators, health plans, physicians, and a delegate of the Secretary of the Department of Health. A potential conflict of interest arises between the

obligations of a board member of the Association and the board members' obligations to the organization or profession or position represented by the board member. The representative capacities and experience of board members are valuable to the Association board of directors. Under these circumstances, board members are not required to specifically disclose their represented relationships in each instance so long as such relationships are obvious in the situation. The board member should annually disclose any such financial interest on the disclosure form required by this policy.

2. **Determining Whether a Conflict of Interest Exists**

After disclosure of the interest and all material facts, and after any discussion with the interested person, he/she shall leave the board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The board shall determine whether a conflict exists and is material, and in the presence of an existing material conflict, whether the contemplated transaction may be authorized as just, fair, and reasonable to the Association. The decision of the board on these matters will rest in their sole discretion, and their concern must be the welfare of the Association and the advancement of its purpose and *will be documented in the minutes*.

3. **Procedures for Addressing the Conflict of Interest**

- a. An interested person may make a presentation at the board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement or decision involving the possible conflict of interest.
- b. The chair of the board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement or make the proposed decision.
- c. After exercising due diligence, the board or committee shall determine whether the Association can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the board or committee shall determine by a majority vote of the disinterested board members whether the transaction or arrangement is in the Association's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4. **Violations of the Conflicts of Interest Policy**

- a. If the board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, or duality of interest, it shall

inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

- b. If, after hearing the board member's response and after making further investigation as warranted by the circumstances, the board or committee determines the member has failed to disclose an actual or possible conflict of interest, or duality of interest, it shall take or not take such disciplinary and/or corrective action as it, in its sole discretion, determines to be appropriate.

5. **Records of Proceedings**

The minutes of the board and all committees with board delegated powers shall contain:

- i. The names of the persons who disclosed or otherwise were found to have a financial interest or duality of interest, the nature of the financial interest or duality of interest, any action taken to determine whether a conflict of interest or duality of interest was present, and the board's or committee's decision as to whether a conflict of interest in fact existed.
- ii. The names of the persons who were present for discussions and votes relating to the transaction or arrangement or decision, a brief summary of the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

6. **Annual Statements**

Each board member and member of a committee with board delegated powers shall annually sign a statement which affirms such person:

- i. Has received a copy of the conflicts of interest policy;
- ii. Has read and understands the policy;
- iii. Has agreed to comply with the policy; and,
- iv. Understands the Association is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

7. **Periodic Reviews**

To ensure the Association operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- i. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
- ii. Whether partnerships, joint ventures, and arrangements with management of the Association conform to the Association's written policies, are properly recorded, reflect reasonable investment or payments for goods

and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

8. **Use of Outside Experts**

When conducting the periodic reviews, the Association may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the board of its responsibility for ensuring periodic reviews are conducted.

Conflict of Interest Disclosure Statement

The Washington Vaccine Association (the “Association”) has adopted a conflict of interest policy to protect the Associations interest when it is contemplating entering into a transaction or arrangement or making a decision that might benefit the private interests of an officer or director or committee member of the Association. The existence of a conflict does not imply wrong doing on anyone’s part. But when conflicts do arise, they must be recognized and disclosed. Some relationships may create an appearance of conflict; those too, are important to manage so that the Association may maintain public confidence in the integrity of the Association’s activities and to maintain federal tax exempt status.

Thank you for your cooperation.

Please complete the following information, date and sign this statement below.

A. Name and position (e.g. director, officer, member of a committee with board delegated powers): _____

B. Occupation: _____

C. Current employer, if any: _____

D. Affirmation:

(1) I have received a copy of the Policy;

(2) I have read and understand the Policy;

(3) I agree to comply with the Policy; and

(4) I understand that the Washington Vaccine Association (the “Association”) is a tax-exempt organization (or intends to apply for tax-exempt status) and that in order to maintain the federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

E. Financial Interests:

The Policy requires that if you have a financial interest in a proposed transaction or arrangement with the Association, you must disclose the existence and nature of your financial interest to the board or board committee with board delegated powers considering the proposed transaction or arrangement. Please identify any such financial interest which you have disclosed in the past 12 months. If there is a financial interest you believe you should have disclosed, please describe any such interest here as well.

A person has a financial interest in a transaction or arrangement if the person has, directly or indirectly, through business, investment, or family¹: (a) an ownership or investment interest in any entity with which the Association has a transaction or arrangement, or (b) a compensation arrangement with the Association or with any entity or individual with which the Association has a transaction or arrangement, or (c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Association is negotiating a transaction or arrangement.

The Policy also requires you to report family or business relationships you may have with other members on the board, or with officers, with consultants, or with staff of the Association. The reportable relationships include: (a) whether you are employed by, or you employ, a board member, an officer, a consultant, or staff; (b) a business in which you and any one of the above-listed persons holds a key position or an aggregate of 10% ownership in the assets or income; (c) transactions between you and any of the above-listed persons individually, or through their 35% owned business, which exceeds \$5,000 in aggregate during the reporting year; and (d) family relationships with any of the above-listed persons. Describe any such relationship in detail below.

I affirm the accuracy and completeness of the information provided above.

Signature

Date

{2543.00001/M0171086.DOC; 5}

¹ Family members include spouse, siblings (half or whole), ancestors, children, grandchildren, and in-laws. Businesses include those in which you own or control at least 35%, or disregarded entities.

**November 3, 2016 WVA Meeting of the Board of Directors
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 the Board of Directors.

Items under Agenda Section 2:

VOTED: To approve the minutes of the June 30, 2016 Board Meeting.

[To approve the minutes of the June 30, 2016 Board Meeting with the changes suggested at the meeting.]

VOTED: To approve the minutes of the September 13, 2016 Audit Committee Meeting minutes with the changes suggested at the meeting.

[To approve the minutes of the September 13, 2016 Audit Committee Meeting minutes with the changes suggested at the meeting.]

Items under Agenda Section 3:

VOTED: To ratify the Audit Committee's September 29th pay-down request of \$2 million dollars on the line of credit.

[To ratify the Audit Committee's September 29th pay-down request of \$2 million dollars on the line of credit with the changes suggested at the meeting.]

VOTED: To ratify the Audit Committee's October 24th pay-down request of \$2 million dollars on the line of credit.

[To ratify the Audit Committee's October 24th pay-down request of \$2 million dollars on the line of credit with the changes suggested at the meeting.]

VOTED: To authorize the Executive Committee to negotiate with KeyBank the proposed amount for the new line of credit, not exceeding \$10 million dollars.

[To authorize the Executive Committee to negotiate with KeyBank the proposed amount for the new line of credit, not exceeding \$10 million dollars, with the changes suggested at the meeting.]

VOTED: To authorize the Executive Director, Board Chair, and the Treasurer to seek such

counsel from WVA's general counsel as any one of the foregoing may deem helpful to their work on WVA's behalf with respect to the new line of credit.

[To authorize the Executive Director, Board Chair, and the Treasurer to seek such counsel from WVA's general counsel as any one of the foregoing may deem helpful to their work on WVA's behalf with respect to the new line of credit with the changes suggested at the meeting.]

Items under Agenda Section 4:

VOTED: To ratify the action of the Audit Committee in authorizing publication of the 2015/16 Financial Statements and independent auditor's report.

[To ratify the action of the Audit Committee in authorizing publication of the 2015/16 Financial Statements and independent auditor's report with the changes suggested at the meeting.]

VOTED: To authorize KidsVax® to proceed with publication of the 2015/16 WVA Annual Report in the form as presented to the Board.

[To authorize KidsVax® to proceed with publication of the 2015/16 WVA Annual Report with the changes suggested at the meeting.]

Items under Agenda Section 6:

VOTED: To affirm _____ as the Chairman of the WVA Board of Directors for a one-year term.

VOTED: To affirm _____ as the Vice-Chair of the WVA Board of Directors for a one-year term.

VOTED: To affirm _____ as the Secretary of the WVA Board of Directors for a one-year term.

VOTED: To affirm _____ as the Treasurer of the WVA Board of Directors for a one-year term.

VOTED: To affirm the continuation of Board Member Jason Farber, whose term renews in 2019 pursuant to RCW 70.290.030 (3)(e).

VOTED: To affirm the continuation of Board Member Beth Harvey, whose term renews in 2019 pursuant to RCW 70.290.030 (3)(f).

VOTED: To affirm the continuation of Board Member Pat Kulpa, whose term renews in 2019 pursuant to RCW 70.290.030 (3)(a).

VOTED: To approve the individuals listed on the WVA Committees list presented at the meeting to serve on the Audit, Operations, and Vaccine Committees, respectively, with the Committee chairs listed.

[To approve the individuals listed on the WVA Committees list presented at the meeting to serve on the Audit, Operations, and Vaccine Committees, respectively, with the Committee chairs listed with the changes suggested at the meeting.]

Item under Agenda Section 9:

VOTED: To authorize the Executive Director to extend the current engagement with Crowell & Moring through August 2017 at a monthly retainer rate of \$12,000 dollars.

[To authorize the Executive Director to extend the current engagement with Crowell & Moring through August 2017 at a monthly retainer rate of \$12,000 with the changes suggested at the meeting.]



**2016 Washington Vaccine Association Directory
As of 09/15/2016**

Conference Call information
Conference Line: (267) 930-4000
Conference ID: 103063718#

Board of Directors

Payer Representatives

John Pierce, Esq.
Senior VP and General Counsel
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Mountlake Terrace, WA 98043

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Catherine Falanga
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Aetna Life Insurance Co.

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FalangaC@aetna.com

Jeremy Martinez, CPA, MBA
Vice President, Finance
Coordinated Care

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1145 Broadway, Suite 300
Tacoma, WA 98402

Self-Funded Employer Representative

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Phone: 206.757.8041
Cell: 206.604.0399
jasonfarber@dwt.com
Assistant: Natasha Hovanski
natashahovanski@dwt.com
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Physician Representatives

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Board Governance Roles & Committees

Executive Committee

Chair & President: John Pierce

Vice-Chair/Treasurer: Dennis Kirkpatrick

Secretary:

Beth Harvey, MD

Michele Roberts

Audit Committee

Chair: John Sobeck, MD

Dennis Kirkpatrick

Jason Farber

Vaccine Committee

Chair: Ed Marcuse, MD

(Open Position)

Michele Roberts

Cathy Falanga

Mary Kay O'Neill, MD (public member)

Jeff Gombosky, *representative to
Committee under HB 2551 sec. 5(1)
(non-voting)*

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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.

**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

Dear Friends and Colleagues,

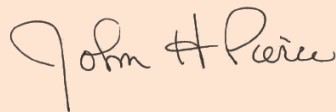
It has been a great year for the Washington Vaccine Association (WVA) and our mission to support access to vaccines for all children in the state. I am honored to serve with a group of strong advocates for such a critical component of our state's universal childhood vaccine program.

Washington is one of only 11 states that has a universal childhood vaccine program. That is a luxury we can't take for granted. Our community came together to put in place a system that allows kids access to vaccines regardless of whether they can afford them. It's the Washington way—to find uncommon solutions to common issues.

WVA is proud to be a key partner in this effective and efficient public-private partnership that provides children access to the life-saving vaccines they need. Together, we continue finding ways to improve and evolve our organization's impact. This is aided by the introduction of new Board members and operational leaders who have joined the team in the last year. They bring new perspectives and meaningful contributions to many initiatives.

Thank you for supporting WVA and Washington's kids. Together, our efforts have improved the overall health of children in our state.

If you want to know more or get involved, please contact us.



John H. Pierce, Board Chair
Senior VP and General Counsel,
Premiera Blue Cross

Highlights from the Past Year



Strengthening Provider Relationships

Our program works because of our partnership with Washington providers and their staff. Together with the DOH we enable the administration of more than 2.8 million immunizations to children in Washington, ensuring all kids have access to vaccines, regardless of their insurance status. To strengthen this important partnership, we increased our efforts to connect with provider offices. We had a booth at The Pink Book regional conference in our own backyard (Tacoma) last October, where we networked with providers from around the country and learned the most up-to-date immunization information from the CDC. We also developed supplemental materials to explain the Dosage Based Assessment process to providers and their staff and made site visits to find out how the process has been working for them, answering questions and brainstorming improvements.



Recognizing Opportunity to Increase Immunization Rates

Vaccine hesitancy is a real barrier to increasing Washington's immunization rates. As an organization, the WVA is in a unique position to bring together the key partners that can address this problem, as an organization that is a nexus between healthcare providers, insurance and third-party administrators, and the Washington State Department of Health. We see opportunity to begin building a strategy to increase vaccine acceptance among parents in Washington.



Ensuring Strong and Capable Leadership

The WVA continues to be blessed with skilled representatives from a broad spectrum of its stakeholder community who serve on its Board and committees. Though a number of Board members have transitioned to new ventures, we have had many new members join our team bringing fresh insight. This year we welcomed David Efroymson (Group Health Cooperative), Cathy Falanga (Aetna), and Jeremy Martinez (Coordinated Care) to the Board. We also appreciate our current talent; join us in congratulating Board member Michele Roberts who won the 2016 Rising Star Award from the Association of Immunization Managers for demonstrating effective leadership.



Continuing a Successful Partnership

The WVA model works thanks to the specialized support from the team at KidsVax®, now under the leadership of a new WVA Executive Director, Julia Walter. We are indebted to her predecessor Fred Potter and sincerely thank him for helping create the WVA and making it the success it is today. We'd also like to welcome Nicole G. Price to KidsVax®, as she will provide backup for Julia. Congratulations to Ashley Kittrell in her new role as Communications Coordinator for the WVA. Not only did Julia and Ashley assume primary responsibilities for the WVA, they both moved to Washington state from the east coast, giving the WVA two team members residing in-state.

2015-16 Immunizations At-a-Glance

Stabilized Vaccine Funding

Stable vaccine funding is critical to improving Washington's childhood immunization rates. Our system protects vaccine supply from the fluctuations of the state budget and provider cash flows. Under our model, providers don't front the cost of vaccines. Instead, providers receive all childhood vaccines and use their existing administrative system to ensure WVA collects assessments from health plans to fund vaccine purchase.



2.8 million

doses of vaccines supplied



86.3%

increase in MMR coverage
(19-35 months old)



79.5%

increase in 4
doses of PCV



81.6%

increase in 4
doses of Tdap



67.4%

increase in complete
series coverage



1.7 million

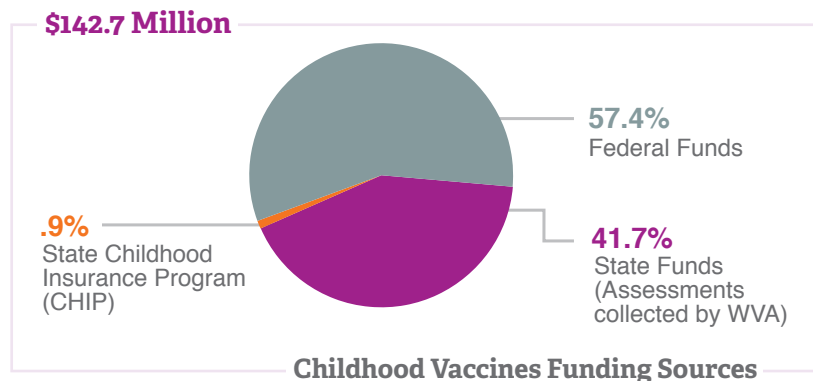
children served

Source:

cdc.gov/vaccines/imz-managers/coverage/nis/child/index.html

Financials

July 1, 2015 - June 30, 2016



Source:

<http://www.wavaccine.org/ar/2016>



Board of Directors

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Senior VP and General Counsel,
Premera Blue Cross

Patricia Kulpa, MD

Medical Director, Washington,
Regence BlueShield

Catherine Falanga

Director of Provider Relations,
Aetna Life Insurance Company

Beth Harvey, MD

Pediatric Associations

Dennis Kirkpatrick, President

Welfare & Pension Administration
Service, Inc.

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University of Washington

Michele Roberts, MPH, MCHES

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and Child Profile, Washington State
Department of Health

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John Sobeck, MD, MBA

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Communications Coordinator

Peter Smith, MBA

Financial Analyst

Claire M. Roberge, MBA

Controller

Norm Roberge

Accountant

WASHINGTON VACCINE ASSOCIATION
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2016 AND 2015

**WASHINGTON VACCINE ASSOCIATION
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YEARS ENDED JUNE 30, 2016 AND 2015**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Washington Vaccine Association
Seattle, Washington

Report on the Financial Statements

We have audited the accompanying financial statements of Washington Vaccine Association (a nonprofit organization), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
Washington Vaccine Association

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Washington Vaccine Association as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Bellevue, Washington
September 16, 2016

**WASHINGTON VACCINE ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 5,159,161	\$ 2,122,330
Estimated Collectible Assessments	5,842,522	12,296,588
Prepaid Vaccines to Washington Department of Health	<u>6,207,953</u>	<u>6,339,559</u>
Total Current Assets	<u>\$ 17,209,636</u>	<u>\$ 20,758,477</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 72,511	\$ 41,053
Bank Line of Credit, Current Portion	<u>10,000,000</u>	<u>1,000,000</u>
Total Current Liabilities	<u>10,072,511</u>	<u>1,041,053</u>
LINE OF CREDIT, Net of Current Portion	-	14,000,000
ASSESSMENTS COLLECTED IN EXCESS OF VACCINE FUNDING AND ADMINISTRATIVE ACTIVITIES	<u>7,137,125</u>	<u>5,717,424</u>
Total Liabilities	17,209,636	20,758,477
NET ASSETS - UNRESTRICTED	<u>-</u>	<u>-</u>
Total Liabilities and Net Assets	<u>\$ 17,209,636</u>	<u>\$ 20,758,477</u>

See accompanying Notes to Financial Statements.

**WASHINGTON VACCINE ASSOCIATION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016**

	Administrative Activities	Vaccine Funding Activities	Total
CHANGE IN UNRESTRICTED NET ASSETS			
Assessment Activity:			
Assessments	\$ 16,579,594	\$ 59,032,500	\$ 75,612,094
Write-down of Assessments	(127,000)	(5,631,000)	(5,758,000)
Vaccine Replenishments	-	(66,992,123)	(66,992,123)
Net Assessment Activity	<u>16,452,594</u>	<u>(13,590,623)</u>	<u>2,861,971</u>
Expenses:			
Public Information	12,809	-	12,809
Administrative:			
Administrative Services	492,624	-	492,624
Special Projects Services	378,140	-	378,140
Legal and Accounting	27,244	-	27,244
Office	59,812	-	59,812
Interest	428,122	-	428,122
Other	43,519	-	43,519
Total Expenses	<u>1,442,270</u>	<u>-</u>	<u>1,442,270</u>
Total Change in Unrestricted Net Assets	15,010,324	(13,590,623)	1,419,701
VACCINE FUNDING AND ADMINISTRATIVE ACTIVITIES IN EXCESS OF ASSESSMENTS COLLECTED	<u>(15,010,324)</u>	<u>13,590,623</u>	<u>(1,419,701)</u>
CHANGES IN NET ASSETS	-	-	-
Net Assets - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**WASHINGTON VACCINE ASSOCIATION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015**

	Administrative Activities	Vaccine Funding Activities	Total
CHANGE IN UNRESTRICTED NET ASSETS			
Assessment Activity:			
Assessments	\$ 2,977,564	\$ 62,649,201	\$ 65,626,765
Vaccine Replenishments	-	(63,092,224)	(63,092,224)
Net Assessment Activity	<u>2,977,564</u>	<u>(443,023)</u>	<u>2,534,541</u>
Expenses:			
Public Information	13,220	-	13,220
Administrative:			
Administrative Services	399,792	-	399,792
Special Projects Services	70,534	-	70,534
Legal and Accounting	26,764	-	26,764
Office	69,842	-	69,842
Interest	364,862	-	364,862
Other	<u>24,299</u>	<u>-</u>	<u>24,299</u>
Total Expenses	<u>969,313</u>	<u>-</u>	<u>969,313</u>
Total Change in Unrestricted Net Assets	2,008,251	(443,023)	1,565,228
VACCINE FUNDING AND ADMINISTRATIVE ACTIVITIES IN EXCESS OF ASSESSMENTS COLLECTED	<u>(2,008,251)</u>	<u>443,023</u>	<u>(1,565,228)</u>
CHANGES IN NET ASSETS	-	-	-
Net Assets - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**WASHINGTON VACCINE ASSOCIATION
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Assessments Collected	\$ 76,308,160	\$ 59,602,628
Cash Remittances to Washington Department of Health for Vaccines	(66,860,517)	(65,315,152)
Administrative Expenses Paid	(977,703)	(599,464)
Cash Paid for Interest Expense	(433,109)	(353,738)
Net Cash Provided (Used) by Operating Activities	<u>8,036,831</u>	<u>(6,665,726)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Line of Credit Borrowings	<u>(5,000,000)</u>	<u>4,000,000</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,036,831	(2,665,726)
Cash and Cash Equivalents - Beginning of Year	<u>2,122,330</u>	<u>4,788,056</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 5,159,161</u></u>	<u><u>\$ 2,122,330</u></u>
RECONCILIATION OF CHANGES IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Changes in Net Assets	\$ -	\$ -
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided (Used) by Operating Activities:		
(Increase) Decrease in:		
Estimated Collectible Assessments	6,454,066	(6,024,137)
Prepaid Vaccines to Washington Department of Health	131,606	(2,222,928)
Increase (Decrease) in:		
Accounts Payable	36,445	4,987
Vaccine Fees Payable to Washington Department of Health	(4,987)	11,124
Assessments Collected in Excess of Vaccine Funding and Administrative Activities	<u>1,419,701</u>	<u>1,565,228</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 8,036,831</u></u>	<u><u>\$ (6,665,726)</u></u>

See accompanying Notes to Financial Statements.

**WASHINGTON VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 1 NATURE OF ORGANIZATION

Organization and Operations

Since 1990, Washington State has maintained a Universal Childhood Vaccine Program, providing vaccines to all children under age 19. Together with federal funding, Washington's program has advanced the widely recognized benefits of universal childhood vaccination. Faced with a scheduled end to state funding in 2010, the Washington State legislature established the universal vaccine purchase account to be able to continue providing state-supplied vaccines to privately-insured children. This legislation was adopted after a year of study by and with broad support from the Washington health care community.

Washington Vaccine Association (the Association) is a special purpose nonprofit corporation formed on April 1, 2010, to support the state government in developing and administering a new method for collecting funds to support the Universal Childhood Vaccine Program. The Washington legislature created the Association through the Washington Vaccine Association Act, now codified in Chapter 70.290 RCW.

The Association's members are comprised of all health insurance carriers issuing or renewing health benefit plans in Washington State, and all third-party administrators (TPAs) conducting business on behalf of residents of Washington State or Washington health care providers.

The Association's primary purpose is to raise funds through mandatory assessments paid by its members. Payments are made to the State of Washington Department of Health (DOH) for the purchase of vaccines. The vaccines are to be administered to children in the State of Washington who are under the age of 19 and who are not eligible for free vaccines under one or more federal programs.

The Association is operated under a Plan of Operation adopted by the board of directors as required by Washington State House Bill 2SHB 2551. The Association's governance documents are available at the Association's website: www.WAvaccine.org.

Termination of the Association

The Association board may vote to recommend termination of the Association if it finds that the original intent of its formation and operation has not been achieved. The Association board must provide notice of the recommendation to the relevant policy and fiscal committees of the Washington State legislature within 30 days of the vote being taken by the Association board. If the legislature has not acted by the last day of legislative session to reject the board's recommendation, the board may vote to permanently dissolve the Association.

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 2SHB 2551 must be returned to members 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.

**WASHINGTON VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Association have been prepared in accordance with the provisions of accounting standards generally accepted in the United States of America. Under those standards, net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. The Association's net assets do not contain restrictions as of June 30, 2016 and 2015.

Concentration of Risk

Financial instruments that subject the Association to concentrations of credit risk consist of cash deposits. The Association places its cash deposits with high quality financial institutions. Deposits exceed federally insured limits as of June 30, 2016 and 2015.

Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, all highly liquid investments available for use with an initial maturity of three months or less are considered to be cash equivalents.

Estimated Collectible Assessments

Estimated collectible assessments represents the running total of replenishment requests to date minus amounts collected to date through the end of the year, and is the amount the Association expects to collect from members. The Association has determined that an allowance for uncollectible amounts is not necessary due to the method used to calculate the balance.

The Association charges interest on late payment of assessments at a monthly rate of 1.5%. Interest is added to the assessment for payments received after the due date of the assessment.

Revenue Recognition

The Association collects member assessments that are remitted to the DOH for purchase of vaccines. In addition, the Plan of Operation allows the Association to retain sufficient funds to cover its administrative costs, net of investment income. Expense is recognized for the administrative costs of operating the Association. The replenishment of vaccines and collection of vaccine assessments are similar to agency transactions. Although these transactions are not considered revenue or expenses of the Association, they are included in the statements of activities as vaccine replenishments to reflect the gross amount of collections and replenishments.

**WASHINGTON VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Dosage Based Assessments

Funds collected from health insurers and TPAs of health plans in the state of Washington (including administrative revenue and reserve portion discussed below) are determined using a Dosage Based Assessment methodology. At each administration of vaccines to a nonfederally eligible child in the state of Washington, the provider's office charges for and generates a claim for administrative services and also generates an item, resembling a claim form, on which the per-vaccine assessment is reported to the respective payer. The per-vaccine assessment amounts are established by the Association periodically. The payer pays the provider for the administration claim, and also pays the assessment amount to the Association, in a manner similar to payment of a claim for the cost of vaccines. The Association collects these assessments and remits payments to the State of Washington Treasurer to pay its allocated share of vaccine costs each time a vaccine replenishment order for the state's Universal Childhood Vaccine Program is due. The cost for each vaccine is negotiated by the Center for Communicable Diseases. The DOH invoices the Association for vaccine purchases.

Remittance to Universal Purchase Account

The Plan of Operation requires the Association to periodically remit its assessment receipts, less the Association's administrative costs and any reserves set by the board or the executive director, to the credit of the universal vaccine purchase account (UVPA) established pursuant to RCW 43.70.720. Funds transferred to the UVPA are to be delivered on a just-in-time basis, in order to support the assessment collection process and to enable the Association to gain as much interest income as reasonably possible through its collection process to help offset its costs of administration. The DOH or its designee has access privileges to be able to directly observe the balances in the Association's accounts, and the Association is required to promptly respond to any inquiry of the DOH concerning the availability and timely transfer of funds, enabling the DOH to make payment of the Association's share under the statute for vaccine purchases made by the state of Washington.

Assessments Collected in Excess of Vaccine Funding and Administrative Costs

The Association has collected assessments in excess of amounts required to be paid to the DOH through the end of the accounting period for childhood vaccine funding and administrative costs. The Association is a limited purpose entity whose funds are dedicated solely to the specific purposes discussed above. These excess assessment collections, which may accumulate from time to time, will be applied to (i) future vaccine funding obligations of the Association, and (ii) reasonable and necessary operating costs of the Association. The Association maintains a level of excess collections (reserves) to be able to meet DOH needs for funding timely. As of June 30, 2016 and 2015, assessments collected in excess of vaccine funding and administrative activities totaled \$7,137,125 and \$5,717,424, respectively.

Income Taxes

The Association follows Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) Topic 740, *Income Taxes* (Topic 740). Topic 740 clarifies the accounting for uncertainty in income taxes.

**WASHINGTON VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

The Association operates as a tax-exempt organization created by Washington State statute and an affiliate of a governmental unit. In order to obtain 501(c)(3) status and to determine whether filing of an annual federal information return (Form 990) is required, the Association prepared and submitted Form 1023 to the Internal Revenue Service (IRS) in June 2012. 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.

Management evaluated the Association's tax positions and concluded that the Association had taken no uncertain tax positions that require adjustments to the financial statements. Based upon its evaluation, the Association has concluded that it is operating in compliance within its tax-exempt status and that there are no matters that would create taxable income.

Subsequent Events

The board of directors and management have evaluated subsequent events through September 16, 2016, the date the financial statements were available to be issued.

NOTE 3 REMITTANCE TO THE STATE OF WASHINGTON

Pursuant to the Association's statutory purposes, transfers of \$66,860,517 and \$65,315,152 were made by the Association to the State of Washington's UVPA during the years ended June 30, 2016 and 2015, respectively.

NOTE 4 LINE OF CREDIT

In September 2013, the Association accepted a commitment from KeyBank National Association for a \$15 million line of credit (LOC) that expired in December 2014. The Association renewed the LOC on December 1, 2014. The maximum available balance on the renewed LOC is \$15 million until January 31, 2016, reduced to \$10 million until August 31, 2016, and finally reduced to \$5 million until January 1, 2017. The Association may elect to pay interest on the LOC at either the adjusted LIBOR Rate or Bank Prime Rate (3.5% at June 30, 2016). The LOC is secured by the general assets of the Association. The LOC agreement includes a covenant regarding liquid assets. Management believes the Association is in compliance with the debt covenant.

This LOC was designed to enable the Association's timely response to a new requirement from the federal Centers for Disease Control (CDC). Effective October 1, 2013, all states purchasing from the CDC contract must purchase under a new advanced funding method. The LOC was necessary for the Association to respond to this immediate cash call. The Association increased its assessment rates on December 1, 2013, April 1, 2015, and again on July 1, 2015 so that it should have sufficient funds both (i) to repay the LOC, and (ii) to rebuild liquidity reserves.

**WASHINGTON VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 5 CONTINGENCIES

There is an inherent risk that a certain portion of the vaccines purchased by the DOH will not be administered to children, resulting in vaccine shrinkage. If member assessments are insufficient for reimbursement to the DOH for purchases of vaccines, the Association would be liable to the DOH to cover the shortfall.



2017 WVA Communications Proposal

2017 Communications Proposal for the Washington Vaccine Association

Background:

In recent years, the Washington Vaccine Association (WVA) has utilized the services of an outside communications firm for the Annual Report and special projects such as the Assessment Billing Guide and other stakeholder communications. Previously, that work has been satisfactory; however, KidsVax® (KV) staff is spending increasingly more time with the firm to ensure that all content is correct. Second, recent challenges in communication to both providers and payers have necessitated a re-evaluation of the WVA's broad communication strategies. Timely compliance with WVA's dosage-based assessment (DBA) methodology has decreased significantly over the past two to three years, evidencing the need for an aggressive approach in all communication efforts. Lastly, given the WVA's sensitive relationship with the CDC and pharmaceutical manufactures, special expertise is required to avoid unintended harmful outcomes from communications. In order to produce cost-efficient, timely, and well-written materials, KV proposes producing all content in-house in the future.

Deliverables:

1. Annual Report (AR)
 - Coordinate and conduct all external interviews
 - Generate the content and produce the infographics needed for the AR
 - Gain all external approvals
 - Print 500 copies and disseminate to stakeholders in accordance with standard WVA policy
2. Provider Communications & Compliance
 - Conduct a limited number of provider in-person meetings on an "as-needed" basis
 - Produce at least one communications piece annually designed for inclusion in provider-targeted bulletins/newsletters
 - Produce written materials such as blast faxes and website notification updates to send to providers for the assessment grid implementation and updates and quarterly updates
 - Coordinate messages with payers' provider relations networks to strengthen WVA's stakeholder ties
3. Partnership Awards
 - Prepare WVA provider participation and service awards to Washington providers
 - Disseminate press releases concerning WVA awards
 - Prepare other awards as appropriate opportunities arise

Fee Structure:

To provide all communications services and materials, KV will be paid \$30,000, which will become part of the base contract but renewed annually. This communications service component will be added to the base fee amount in the KV contract and become payable and adjusted as necessary in accordance with the base contract terms. However, this component may be discontinued at any time upon vote of the WVA Board.

WVA Budget Impact Analysis:

The proposed KV base fee increment commencing December 1, 2016 of \$30,000 is less than the current WVA annual budget for the current outside vendor of \$35,000, and more services will be added under this proposal than are provided by the current vendor. Additionally, due to the quality and focus increment anticipated, KV would expect that this change will result in more accurate, timely, and complete collection of WVA assessments, resulting in revenue enhancements to the WVA. The revenue gains would further increase the next favorable budget impact of this change.





CONTACT INFORMATION

Web: KidsVax.org

Email: info@KidsVax.org

Phone: 1.855.KidsVax (1.855.543.7829)

Fax: 1.855.KidsFax (1.855.543.7329)

Offices: Concord, NH and Seattle, WA

Administering Programs to Fund Vaccines

History of LAIV Relative to Circulating Strains

- **Aug 2003**

LAIV3 approved by FDA

- **Apr 2009**

A/H1N1pdm2009 circulated in United States

- **Feb 2012**

LAIV4 approved by FDA

- **2013-14 influenza season**

- **2014-15 influenza season**

“When immediately available, LAIV should be used for healthy children aged 2 through 8 years who have no contraindications.”

- **2015-16 influenza season**

“No preference is expressed for LAIV or IIV for any person aged 2 through 49 years for whom either vaccine is appropriate.”

- **2016-17 influenza season**

“In light of the evidence for poor effectiveness of LAIV in the U.S. over the last 3 influenza seasons..., for the 2016-17 season, ACIP makes the interim recommendation that LAIV should not be used”

Possible Explanations Why VE of LAIV Has Been Low for 3 Seasons

- Vaccine virus interference in quadrivalent vaccine
- Limited thermostability of A/H1N1pdm09 LAIV strain
- Pre-existing influenza immunity interferes with vaccine strain replication
- Reduced replication of A/H1N1pdm09 LAIV strain in human respiratory cells