

**Washington Vaccine Association Operations Committee Meeting
December 12th, 2:00-3:00 p.m. PDT**

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

Committee Members

Brandon Jensen, UnitedHealthcare
Stephanie Crook, UnitedHealthcare
Trevor Hammond, UnitedHealthcare
Cathy Falanga, Aetna
Jeri Trice, Zenith Administrators
Angela Wilson, Providence
Joshua Walker, Cigna
Walter Kuiee, Regence
Tammy Blair, Group Health
Maureen Brooks, Group Health
Susan Comer, Aetna

Others

George Harper, First Choice Health Network

KidsVax[®]

Julia Walter, M.A., Esq., Executive Director
Norm Roberge, Accountant
Emily McKenna, Assistant
Ashley Kittrell, Communications Coordinator
Peter Smith, Financial Analyst

II. Summary of Actions Taken and/or Recommended

A. Actions Taken (votes adopted)

1. To approve the minutes of the October 6th Operations Committee meeting.

B. Follow up Tasks/Action Items

1. KidsVax[®] (KV) will circulate draft language to the Committee for the Plan of Operation mandating the implementation of future assessment grids.

III. Meeting Minutes

Introductions

At 2:00 p.m., Julia Walter called the meeting to order and asked any participants who had not yet introduced themselves to do so. Ms. Walter then proceeded to the next agenda item.

Consent Calendar Items

Ms. Walter asked Committee members if there were any changes or comments to the October 6th meeting minutes. There being none, she asked for a motion to approve them.

1 Upon motion duly made and seconded, it was unanimously

2
3 VOTED: To approve the minutes of the October 6th Operations Committee meeting.
4

5 Ms. Walter then addressed the 2016 grid implementation.
6

7 2016 Grid Implementation

8 Ms. Walter explained that a random audit conducted in October revealed that the 2016 Washington Vaccine
9 Association (WVA) assessment grid has not been properly implemented by the majority of both providers
10 and payers. WVA accountant, Norm Roberge, examined previous years' grid implementations, which
11 showed the same rate of correct grid usage. Referring to page five of the meeting packet, Ms. Walter
12 explained the claims analysis conducted by Mr. Roberge. Section A denotes the top ten payers in the market
13 and the percentages of providers submitting claims at the 2016, 2015, or earlier assessment grids. Section
14 B represents other payers, and Section C represents the bottom 10-20% of the market.
15

16 The WVA then examined how many payers are paying using auto-adjudication to correct erroneous claims
17 by providers. 98.3% of the top market is remitting payments at the correct rate. Section B indicates that
18 69.9% are remitting payments at the correct rates and 75% in Section C. Ms. Walter stated that there has
19 not been a high level of communication with providers in the past to confirm that the new grid is
20 implemented. Mr. Roberge also added that while conducting the audit in October, he did not see any
21 provider information other than the WVA's.
22

23 To ensure future compliance and payer equity, Ms. Walter proposed that the WVA conduct a provider
24 claims analysis and examine how they match with the payer side as well as how they are adjudicated and
25 if they correspond with the payment submitted. Cathy Falanga clarified that the WVA would contact
26 providers for batches of submitted claims and then ask the payer to verify the amount paid. Mr. Roberge
27 confirmed this and added that reviewing claims would allow the WVA to contact the specific provider and
28 ensure it is correctly filing and refiling denied claims if necessary. Ms. Falanga noted that this process might
29 be hard to implement and asked if the WVA has confirmed that payers have taken the necessary steps to
30 ensure their systems are set up correctly to process WVA claims in addition to provider outreach efforts.
31 Ms. Walter responded that a communication was sent through the WVA website notification system as well
32 as the Department of Health's blast fax system. She added that regular communications procedures to
33 providers will be implemented in the future.
34

35 Jeri Trice asked if the WVA could provide a list of the highest five to ten providers not submitting claims
36 correctly. Mr. Roberge answered that he could not at this time but might possibly be able to after he begins
37 reviewing claims. Ms. Trice added that having that information could help further notify providers that are
38 using the incorrect grid.
39

40 Ms. Walter also suggested adding a provision to the Plan of Operation change mandating the
41 implementation of the grid and submission of payment. KV will circulate draft language to the Committee
42 for comment.
43

44 Ms. Walter asked Peter Smith to proceed with the financial update.
45

46 Financial Update

47 Mr. Smith stated that there is currently \$8.9 million in the bank and collections have been steady over the
48 past month. He also expects the DOH request for funds to be approximately \$6 million dollars. In addition,

1 a final payment of \$2.5 million will be made on the line of credit (LOC) by January 1, 2017. Ms. Walter
2 noted that payers had previously expressed their desire for more stability in future assessments and asked
3 Mr. Smith if he could provide any insight concerning this. Mr. Smith replied that he anticipates future
4 assessment grids will be stable as long as collections remain stable in addition to WVA efforts to reduce
5 noncompliance. Ms. Walter added that the WVA obtained the current LOC to help offset the CDC's
6 requirement for prepaid vaccines as well as TRICARE's noncompliance. As Mr. Smith noted, the current
7 LOC will be completely paid off by January 1, 2017, after which a new LOC of \$5 million will be
8 implemented to ensure continued financial stability for the WVA.

9 10 Evaluation of DBA Methodology

11 The WVA Board plans to examine the dosage based assessment methodology during the retreat on January
12 12th to ensure it will continue to be an effective system for collecting assessments as well as aid in setting
13 strategic goals.

14 15 Other News

16 Ms. Walter informed the Committee that the National Defense Authorization Act (NDAA) passed Congress
17 on December 8 with Section 719, allowing for TRICARE's participation in state universal vaccine purchase
18 programs. KidsVax® (KV) is meeting with TRICARE General Counsel to determine payment
19 methodologies for each state program. Section 719 does not require TRICARE to pay for past assessments;
20 however, the WVA is leading the effort in 2017 requiring TRICARE's payment through an appropriation
21 bill and an authorization provision if necessary in the 2018 NDAA if necessary.

22 23 Closing

24 In closing, Ms. Walter asked the Committee to review and sign the Conflict of Interest forms for 2017. The
25 2017 meeting calendar was also in the meeting packet for their review. Ashley Kittrell noted that the dates
26 were not finalized and asked Committee members to contact her if there were any scheduling conflicts.

27
28 Ms. Walter thanked the Committee for their time, and the meeting adjourned at 2:50 p.m.



What: Operations Committee Meeting
 Date & Time: December 12, 2016, 2:00-3:00 p.m.
 Call in Number: (267) 930-4000; Conference ID: 103063718#
 Location: Beacon Conference Room; 2025 1st Ave., Market Place Tower, PH-A; Seattle, WA 98121

Notice: Meeting may be recorded for the benefit of the secretary. The WVA intends to delete the recording after the minutes of the meeting are approved.

Approx. Time	Topic/[Anticipated Action]	Presented by:
2:00-2:05 p.m.	1. Introductions & Overview a. Survey of Other Topics	J. Walter
2:05-2:10 p.m.	2. Consent Calendar Items * a. 2016-10-06 Committee Meeting Minutes	J. Walter
2:10-2:15 p.m.	3. Financial Update	P. Smith
2:15-2:30 p.m.	4. 2016 Grid Implementation a. Provider Communications b. Payer Communications * c. Claims Data Analysis * d. Plan of Operation Update	J. Walter N. Roberge J. Walter
2:30-2:45 p.m.	5. Evaluation of DBA Methodology	J. Walter
2:45-2:55 p.m.	6. Other Matters	Any
2:55-3:00 p.m.	7. Closing a. Next Steps * b. 2017 Calendar * c. Conflict of Interest Forms	J. Walter

**Operations Committee Meeting
October 6, 2016; 2:00-3:00 p.m. PDT**

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

Committee Members

Jeri Trice, Zenith
Cathy Falanga, Aetna
Marcia Joy, Providence
Tammy Blair, GroupHealth

KidsVax®

Julia Walter, Executive Director
Ashley Kittrell, Communications Coordinator
Peter Smith, Financial Analyst

II. Meeting Minutes

Introductions

At 2:03 p.m., Julia Walter called the meeting to order and asked all participants to introduce themselves.

Evaluation of DBA Methodology

Ms. Walter introduced the topic by informing the Committee that the Board of Directors is holding a meeting and retreat in January and will evaluate the dosage based assessment (DBA) methodology. She asked the Committee for insight and feedback on improvements of the DBA. Discussion ensued. Ms. Walter asked if Committee members would be willing to complete a brief survey to give more in-depth feedback. Members agreed to participate.

Ms. Walter then noted that some big insurers recently implemented a new change to the claims process requiring national drug codes (NDC), which affects how the claims for the Washington Vaccine Association (WVA) are filled out. Ms. Walter explained that according to market intelligence, other payers will also begin requiring the codes and asked if Committee members are aware of any other payers that will begin requiring them. Cathy Falanga replied that it is dependent on a provider's contract and this new requirement could be a troublesome step, especially for small providers. She also noted that she was unsure if the NDC is a reportable field and could cause issues for quarterly settlements. Jeri Trice and Tammy Blair echoed the same concerns and noted they will have to research it further. Committee members agreed that they would have to discuss it internally but that it could potentially be a burdensome step for all parties involved. Ms. Walter added that the Department of Health is preparing a crosswalk to be posted to the WVA website in light of the new requirement.

1 The Committee discussed the possibility of notifying providers that it is only a requirement for
2 Premera or require it for all payers. It was the general consensus that it could be a burdensome
3 step. Ms. Walter asked that Committee members inform her of any additional changes or news
4 regarding this new requirement. The meeting proceeded to the financial update.

5 6 Financial Update

7 WVA Financial Analyst Peter Smith informed the Committee that there is currently \$6.3 million
8 dollars in the bank; collections are going as projected and the WVA anticipates a \$5.3 million
9 dollar reimbursement request in October based off of DOH estimates, leaving \$1-2 million dollars
10 to pay on the line of credit (LOC). The WVA expects another \$2 million dollars in collections by
11 the end of October.

12
13 Ms. Walter noted that the WVA is pursuing an evergreen LOC to ensure the WVA's financial
14 security in the event of a cash call. The Committee agreed that this was a wise decision for the
15 WVA, given its financial obligations.

16 17 Stakeholder Outreach

18 Ms. Walter opened by the topic by informing the Committee that the WVA continues to update
19 documents and FAQs on the WVA website. The WVA is also working on two projects to further
20 educate providers and payers by creating a provider assessment guide and short, on-demand videos
21 that providers and payers can easily access.

22
23 Referring again to the survey for the DBA methodology, Ms. Walter asked if there was specific
24 information or questions that should be included in the survey as well as who the survey should be
25 sent to. Ms. Falanga stated that it depends on who fills out the survey; those who work in operations
26 would probably prefer a per-capita methodology, but many executives prefer the DBA. Committee
27 members said that it would be helpful if the WVA could provide an example of DBA versus per-
28 capita assessment costs in order to compare the methodologies together. Ms. Falanga also noted
29 that it would be beneficial to ask how many staff hours are dedicated to the DBA methodology
30 and overall work. Ms. Walter stated that the survey answers will provide the Board with a better
31 outlook for future planning. She added that the CDC has once again asked the WVA to demonstrate
32 why the WVA does not resell vaccines through the DBA methodology. The DOH and WVA are
33 working together to formulate a response addressing the WVA legal authority to continue the
34 DBA. Although there is no immediate threat to the current methodology, the CDC has advised the
35 WVA to examine alternatives.

36
37 Ms. Walter gave a brief update on TRICARE. The provision that is in the Senate version of the
38 National Defense Authorization Act (NDAA) requires TRICARE to participate in all universal
39 vaccine purchase programs. TRICARE General Counsel is supportive of this requirement and has
40 been working in tandem with KidsVax® (KV) to resolve this issue. KV is also working with
41 government affairs firm, Crowell & Moring (C&M) to address the arrears through legislation in
42 2017.

- 1 Closing
- 2 There being no further business, the meeting adjourned at 2:48 p.m. PDT.

DRAFT

WVA Supplemental Research of Underpayment of Claims Based on July 2016 Grid												
Summary of 10 of the 11 Highest Payers												
Payers and Providers - (all claims are for period after 07/01/16)												
A	B		E	F	G	H	I	J	K	L	M	N
				PROVIDER			ADJUSTMENTS			PAYER		
				Number	Number	Number				Number	Number	Number
				Using Grid	Using Grid	Using Grid	Number	Number	Number	Paid at Grid	Paid at Grid	Paid at
Percentage				July	July	Other	No	Adjusted	Adjusted	July	July	Other
of FY 06/30/16			Total	2016	2015		Adjustment	Down by	Up by	2016	2015	
Payments	Payer		Claims	by Provider	by Provider	by Provider	Payer	Payer	Payer	by Payer	by Payer	by Payer
	Section A:											
	Payers correcting all claims (up or down) to the July 2016 grid											
34.60%	PAYER 1		50	26	22	2	27	5	18	49	1	-
24.55%	PAYER 2		55	30	22	3	31	3	21	52	2	1
7.56%	PAYER 3		50	31	9	11	30	10	9	50	-	-
3.17%	PAYER 4		50	30	12	8	30	4	16	50	-	-
1.14%	PAYER 5		20	7	6	7	7	2	11	20	-	-
1.13%	PAYER 6		20	13	4	3	13	2	5	20	-	-
	Sub Total		245	137	75	34	138	26	80	241	3	1
72.15%			100%	55.92%	30.61%	13.88%	56.33%	10.61%	32.65%	98.37%	1.22%	0.41%
	Section B:											
	Payers paying the claim at the submitted charge with no upward corrections.											
	Downward corrections if 2016 grid is less than 2015 grid											
3.71%	PAYER 7		63	31	28	4	48	15	-	43	19	1
1.06%	PAYER 8		30	20	6	4	22	8	-	22	6	2
	Sub Total		93	51	34	8	70	23	-	65	25	3
4.77%			100%	54.84%	36.56%	8.60%	75.27%	24.73%	0.00%	69.89%	26.88%	3.23%
	Section C:											
	Payers paying all claims at 2015 grid											
7.23%	PAYER 9		50	26	21	3	21	27	2	-	50	-
1.82%	PAYER 10		20	11	8	1	9	11	-	-	19	1
	Sub Total		70	37	29	4	30	38	2	-	69	1
9.05%			100%	52.86%	41.43%	5.71%	42.86%	54.29%	2.86%	0.00%	98.57%	1.43%
	Grand Total		408	225	138	46	238	87	82	306	97	5
85.97%			100%	55.15%	33.82%	11.27%	58.33%	21.32%	20.10%	75.00%	23.77%	1.23%

Notes:

7.73% PAYER 11 - Norm is in the process having credentials updated in order to perform claim analysis.
The report is broken into 3 Sections (A, B & C) and the grand total rows.

Grand Total Rows:

Discussion of row 25 & 26. A total of 408 claims (Col E) were examined and categorized into provider submission (col F,G & H), payer adjustments to the claims (col I, J & K) and final payer pricing (col L, M & N)

Columns (F,G&H) 55% of the claims submitted by providers were priced at the current July 2016 grid, 34% were priced at the July 2015 grid and the other 11% were priced at a variety of prices.

Columns (I,J,&K) payers accepted 58% of the claims as filed while they downward adjusted 21% of the claims and upward adjusted 20% of the claims.

Columns (L,M&N) 75% of claims were paid at the July 2016 grid while 24% were paid at the July 2015 grid and 1% was paid at different pricing.

Section A:

This section consists of payers who adjusted all claims up or down in order to pay WVA at the current July 2016 grid pricing.

Row 10 Col A indicates that these payers accounted for 72.15% of payments in year ended 06/30/2016.

Row 10 Col (J&K) indicates that the payers had to adjust 43.26% of claims submitted, in order to pay 98.37% (row 10 col L) of the claims at the July 2016 grid.

Section B:

This section consists of payers who adjusted claims downward if the submitted claims were higher than the July 2016 grid price, but did not adjust any of the claims upward to the July 2016 grid.

Row 17 Col A indicates that these payers accounted for 4.77% of payments in year ended 06/30/2016.

Row 17 Col (J&K) indicates that the payers downward adjusted 24.73% of claims submitted and paying only 69.89% (row 17 col L) of the claims at July 2016 grid.

Section C:

This section consists of payers who adjusted all claims downward the July 2015 grid.

Row 26 Col A indicates that these payers accounted for 9.05% of payments in year ended 06/30/2016.

Row 26 Col F indicates that 52.86% of claims submitted were at the July 2016 grid pricing. Row 26 Col J indicates that 54.29% of claims were adjusted downward to July 2015 pricing.

Row 26 Col (L) indicates that 0.00% of claims were paid at July 2016 grid while Row 26 Col (M) indicates that 98.57% of claims were paid at July 2015 grid.

WASHINGTON VACCINE ASSOCIATION

AMENDED AND RESTATED PLAN OF OPERATION

WHEREAS, the Washington State Universal Childhood Vaccine Program operated by the Washington State Department of Health provides vaccines to children less than 19 years of age resident in Washington (the “Program”);

WHEREAS, the Washington legislature has enacted SSHB 2551, Ch. 174, 61st Leg., 2010 Reg. Sess. (Wash. 2010) (the “Act”), now codified as Chapter 70.290 RCW, establishing a mechanism to assess insurers and third-party administrators for the costs of vaccines provided to certain children in Washington in support of the Program;

WHEREAS, the Act authorizes the formation of a not-for-profit corporation known as the Washington Vaccine Association (the “Association”);

WHEREAS, the Association is governed by a Board of Directors (the “Board”);

WHEREAS, as required by the Act, the Board has adopted a Plan of Operation (“Plan”) dated May 10, 2010, in form approved by the Secretary of the Department of Health (the “Secretary”);

WHEREAS, the Association desires to amend and restate the Plan, subject to approval by the Secretary;

WHEREAS, the Association has members (“Members”) consisting of (i) all health carriers issuing or renewing health benefit plans in Washington state; and (ii) all third-party administrators (“TPAs”) conducting business on behalf of residents of Washington state or Washington health care providers and facilities (collectively the “Payers”);

RESOLVED that the Board hereby adopts the following Plan as required by the Act.

ARTICLE I

Effective Date; Amendment

This amended and restated Plan and any amendments to same as may be approved from time to time by the Board shall become effective upon the approval of the Secretary. Amendments may include a retroactive effective date if such date is proposed in the amendments and approved by the Secretary. The completion of any blanks in the exhibits will not constitute an amendment to this Plan, but the change in the structure or substance of any exhibit will be considered an amendment requiring approval.

ARTICLE II

Conformity to Act, Articles and Bylaws; Limitation of Liability; Priority of Documents

The Association shall perform its functions under this Plan and in accordance with the Act, which is hereby incorporated as part of this Plan. The provisions of the Articles of

Incorporation and the Bylaws of the Association, as amended from time to time, are incorporated in this Plan of Operation by reference. The liability of the Association, its members, directors, officers, employees and agents, and of health care providers arising from the lawful performance of their duties or required activities under the Act shall be limited as provided in the Act,¹ and further limited as provided in the Articles of Incorporation and Bylaws of the Association, as amended from time to time. The Association is governed by the above referenced documents together with the Policies as described in Article IX. In the event of any conflict between these documents, the order of priority of authority shall be as follows: The Act, Articles of Incorporation, Bylaws, this Plan, and the Policies.

ARTICLE III

Management of the Association and its Assets

The Association shall have no employees. Rather, the Board shall select one or more third parties to provide services needed to administer the Association and to implement the steps contemplated in the Plan. Included among such third parties, the Board may retain an administrator to serve as its executive director (“Executive Director”) and manage the day-to-day affairs of the Association. Unless explicitly elected as such by the Directors, an individual serving as Executive Director shall be neither a Director nor a corporate officer of the Association.

ARTICLE IV

Public Awareness

The Board may establish and maintain public awareness of the Association through development of a website containing basic descriptive data and downloadable copies of the Association’s Articles and Bylaws, together with this Plan and such other data as the Board or the Executive Director may determine to be helpful or necessary from time to time. If, in the judgment of the Board, additional efforts are required to establish and maintain public awareness of the Association, the Board shall be authorized to undertake such additional efforts. The Board shall include the estimated costs for its public awareness program in its annual budget.

ARTICLE V

Administrative Expenses; Accounting; Financial Reporting

A. Financial and Other Records. Monthly, quarterly and annual financial records shall be maintained and distributed by the Executive Director in accordance with the schedule set forth in **Exhibit A**. The quarterly report information shall include rolling forward-looking cash flow projections suitable to assist the Board in assuring adequacy of funds for future vaccine purchases and revising its assessment levels from time to time.

B. Annual Association Audit. The Association shall retain an independent CPA firm to conduct an annual audit of the financial statements of the Association. The audit shall

¹ See, for example, Sec. 8 of the Act.

be conducted in accordance with generally accepted auditing standards, and an opinion shall be rendered by the CPA firm as to whether the Association's financial statements are fairly stated in accordance with generally accepted accounting principles. In conjunction with the annual audit, the CPA firm shall produce a management letter for the benefit of the Board. The results of the annual audit, together with the management letter, shall be presented to the Board's audit committee and forwarded to the entire Board. The CPA firm selected by the Association must be authorized to do business in the State of Washington.

C. Budgeting. The Executive Director shall draft an annual expense budget for review, modification as deemed necessary or appropriate, and approval by the Board prior to the commencement of each fiscal year. The Board shall assure that adequate internal control policies and procedures with respect to the handling of Association assets and liabilities by the Executive Director including but not limited to, cash, cash receipts, cash disbursements, assessments, investments, accounts payable, and administrative expenses, are in place, and may, in its discretion, at any time, engage the CPA firm to review such policies and procedures.

D. Bank Accounts. Money and marketable securities shall be kept in bank accounts and investment accounts as approved by the Board. The Association shall deposit receipts and make disbursements from these accounts. All bank accounts/checking accounts shall be established in the name of the Association, and shall be approved by the Board members. Authorized check signers shall be approved by the Board. Two signatures shall be required on all checks in excess of \$2,500.00.

E. Examination and Annual Report. The Association shall be subject to examination by the Secretary. The Board shall submit to the Secretary each year, not later than 120 days after the Association's fiscal year, a financial report and a report of its activities during the preceding fiscal year as required by the Act.

ARTICLE VI

Assessment Plan

A. Dosage-Based Assessment. Because the Act contemplates an assessment methodology based on each Payer's actual use of vaccines (RCW 70.290.040(3)) and a payment plan (RCW 70.290.030(5)(n)), the Association has adopted a dosage-based assessment methodology ("DBA") further described on **Exhibit B**. Following Board vote of approval of DBA amounts as described in Section B of this Article, all Payers shall timely pay the Association all such assessments in accordance with the DBA amounts in effect, unless the Association has specifically agreed in advance with a Payer to an alternative payment method. The DBA is not a medical claim. Payment of any DBA within the timeframe applicable under Washington State law to a medical claim will be deemed timely payment.

B. Assessment Grid. The Association has posted to its public website a grid of assessment amounts ("Assessment Grid"), by vaccine, to be applied to transactions under the DBA. From time to time, the Association will update the Assessment Grid as needed to assure that adequate funds, in aggregate, are available each month for transfer to the State's universal payment vaccination account for timely payment of invoices arising from the State's purchase of vaccines for which the Association is charged to provide funding under the Act. The Association will provide notice to its known Members of any revision to the

assessment amounts and such assessment revisions will be posted to the Association's website at least sixty (60) days prior to the effective date of the revisions.

ARTICLE VII

Member Audits; Interest and Late Assessments; Calculation of Penalty; Collection

A. Member Audits. Audit of a Member's compliance with obligations under the Act requires majority vote of the Board or request of the Secretary. The Association may audit compliance when a Member (i) fails to respond fully to any written request authorized by the Board for information concerning such Member's reporting for assessment purposes; a response is timely if made within forty-five (45) days after the date the request is mailed, postage pre-paid; or (ii) refuses to comply with the DBA without prior written approval by the Board of an alternative payment method. Any Member so audited shall reimburse the costs of such audit as required by the Act within forty-five (45) days of the Board mailing, postage pre-paid, the Member notice that the Board has certified the audit costs. Upon failure of any such Member that has been audited to reimburse the costs of such audit, the Association shall provide notification to the Secretary of the unpaid costs due.

B. Interest and Late Assessments. The Association establishes the interest charge for late payment of assessments equal to the product of (i) the number of days past due times (ii) 0.000493 times (iii) the amount past due. Interest accruals shall commence ninety (90) days following the annual notice of assessment in the case of a delinquent payment pursuant to RCW 70.290.030. In the case of failure to pay one or more DBAs, the Association shall send a notice of late DBA payment or payments, and the payments shall be deemed due, and late, and interest shall accrue commencing thirty (30) days following the date the notice of late assessment is mailed, postage pre-paid, to the Member. The interest charge for late payment shall be added to amounts due for any assessment payment received after the applicable interest accrual commencement date. Upon failure of a Member to make payment within ninety (90) days of the date such payment is due, upon a majority vote of Board, the Association shall provide notification to the Secretary of the total unpaid assessment amounts, due dates thereof, and accruing interest.

C. Calculation of Civil Penalties. Upon receipt of notification from the Association pursuant to this Article, the Secretary shall calculate the civil penalty amount and assess a civil penalty against any Member as required by RCW 70.290.060.

D. Collection. The Association may pursue separately pursue collection of amounts past due as may be authorized by the Board.

ARTICLE VIII

Remittance to Universal Vaccine Purchase Account

The Association shall remit its assessment receipts, less the Association's administrative costs and any reserves set by the Board or the Executive Director from time to time, to the credit of the universal vaccine purchase account ("UVPA") established pursuant to RCW 43.70.720. Funds transferred to the UVPA shall 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 Secretary's or the Secretary's designee shall have

access privileges to be able to directly observe the balances in the Association's accounts, and the Association shall promptly respond to any inquiry of the Secretary concerning the availability and timely transfer of funds, enabling the Secretary to make payment of the Association's share under the Act for vaccine purchases made by the State of Washington.

ARTICLE IX

Disputes

A. Member Appeal of Disputes to Board. Members may request permission to appear before the Board at any time in connection with any dispute with the Association relating to an assessment or assessment reconciliation. No request or appeal relating to assessments shall be heard until the protesting party has paid the assessment in full. Any assessment amount paid under protest and not based on Member error, Member negligence, or Member misconduct shall be held in an interest bearing account with principal and interest to be paid to the prevailing party upon final resolution of the protest.

B. Arbitration. All disputes and differences that cannot be agreed upon by the parties will be decided by arbitration. The arbitrator(s) will have the authority to interpret this Plan and, in doing so, shall consider the customs and practices of the insurance industry. The arbitration shall be conducted under the auspices of the American Arbitration Association in accordance with its commercial arbitration rules. Such arbitration shall be held in Seattle, Washington. This agreement to arbitrate shall be enforceable and judgment upon any award may be entered in any court having jurisdiction, which the parties hereby stipulate and agree, will include any court of appropriate subject matter jurisdiction located within the state of Washington. Reasonable costs of arbitration shall be borne equally by the parties and each party shall pay the cost of its own personnel and counsel involved in such proceedings.

ARTICLE X

Board Policies

The Board may from time to time adopt and post to the Association website one or more policies ("Policies"). Such Policies shall govern the operation of the Association from and after the date of such posting, subject to further amendment by the Board from time to time.

ARTICLE XI

Health Information

A. Authority of WVA. The Association, including its authorized subcontractors, will receive and use certain health information of individuals to whom a vaccine is administered and for which an assessment is collected by the Association as provided by the Act and this Plan of Operation. The Association receives and collects such information pursuant to the grant of authority and direction of the Act as part of the public health activities constituting the Program and solely for such purpose. For clarity, no personal or health information of individuals (including "protected health information" as defined by the HIPAA administrative simplification rules) is or shall be obtained from or disclosed to the Department of Health in connection with the activities of the Association and operation of the Program.

B. Compliance with Health Information Privacy and Security Laws. As required by applicable federal and state law, including the Act, the Association will preserve and protect the privacy and security of individual health information that the Association receives and uses in the course of carrying out its statutory purpose, including without limitation maintaining appropriate privacy and security policies and procedures, and agreements with the Association's contractors, subcontractors and associates to preserve the privacy and security of the health information of individuals.

ARTICLE XII

Agreements with Other States

Subject to approvals of the Secretary and the Board, the Association may from time to time (a) enter into one or more agreements with states other than Washington or vaccine funding organizations in such other states to address the needs of Washington resident children who receive vaccines in such other states and/or (b) make payments for vaccines for such children as requested by the Secretary. Such agreements may also address assessment equity and seek to minimize the risk of duplicate assessments for childhood vaccines. Payments under this Article or pursuant to agreements it authorizes shall be considered as vaccine costs in determining the assessments needed by the Association.

ARTICLE XIII

TPA Registration

This Article becomes effective should the State of Washington legislature amend the Act and move responsibility for TPA registration to the Association.

Each TPA Member shall provide the data elements identified in Exhibit C to the Association by making an initial filing on or before October 15, 2013 using such web-based tools as shall be offered by the Association and, thereafter, review and update any information so filed with the Association (i) upon the reasonable request of the Association, which shall not, without a two-thirds vote of the Board shall occur more frequently than annually, or (ii) upon the Member's own initiative within ninety (90) days of the date of any change in the contents of any such data previously supplied by the Member to the Association. The Association shall undertake reasonable efforts to make available, generally 24/7 apart from periodic maintenance and backup, a web-based tool which enables TPAs to check and update their Exhibit C information on file with the Association.

In accordance with the Act, the foregoing Plan of Operation, as amended, is approved by the Secretary.

By:

Dated:



Mary Selecky, Secretary
Washington Department of Health

4-11-2013

EXHIBIT A
Schedule of Financial Statements

Financial Statements will be released on the following schedule:

1. Monthly Statements: To the Treasurer and the Chairman of the Board fifteen (15) business days after the close of each month.
2. Quarterly Statements: To the full Board twenty-five (25) business days after the close of each quarter.
3. Annual Statements: Management's statements will be ready for internal review sixty (60) business days after the close of the year; full statements will be released to the public as soon as the audit is completed and the audit report accepted by the Board.

Exhibit B**Washington Vaccine Association Dosage Based Assessment Methodology**

Pursuant to Chapter 70.290 RCW, the Washington Vaccine Association (the “Association”) collects and remits funds from health carriers and third-party administrators (collectively, the “Payers”) for the cost of vaccines provided to covered children in Washington state. The Association has developed a dosage based assessment (“DBA”) method that uses a process similar to medical claims submissions to assess Payers for vaccines administered by providers to children who are Covered Lives of the Payers. “Covered lives” has the meaning defined in Chapter 70.290.010 RCW. Providers administering vaccines to Covered Lives are required to submit a claim to the applicable Payer for administration of the vaccine and to submit separately a form (in claims format) complete with the billing code(s) for the vaccine(s) administered, the current vaccine assessment amount, the Association’s federal tax identifier & NPI (national provider identification) number, and other typical claim form information (date, patient, payer and provider information, etc.)

The provider is paid by the applicable Payer for the claim for vaccine administration.

Each DBA form sent by providers generates payment by the applicable Payer to the Association in the amount of the DBA assessment. Per-vaccine DBA assessment amounts are established from time to time by the Association as provided in the Association’s Plan of Operation. These amounts are published to the Association’s website in the form of an assessment grid which lists the assessment amount for each vaccine.

Exhibit C
TPA Data Elements
for

Web-based TPA Registration with the Washington Vaccine Association

Pursuant to the Plan of Operation (“Plan”) of the Washington Vaccine Association (“WVA”), third party administrators (“TPAs”), as such entities are defined in the Plan, are required to maintain current information with the WVA on the following data elements:

A. TPA name and address

(to identify the entity and provide basic corporate or other business contact information)

1. TPA legal name.
2. Alternative or d/b/a name(s), if any.
3. Mailing Address:
 - a. Address line 1
 - b. Address line 2
 - c. City
 - d. State
 - e. Zip
4. NAIC and Group #s, if any.
5. Federal Tax ID number.
6. State or jurisdiction of legal formation/ incorporation.

B. Administrative Contact

(contact information for individual primarily responsible for day-to-day WVA compliance)

1. First Name
2. Last Name
3. Position
4. Phone
5. Fax
6. Email

C. Executive Contact

(contact information for executive primarily responsible for overall WVA compliance and/or policy communications)

1. First Name
2. Last Name
3. Position
4. Phone
5. Fax
6. Email
7. Mailing Address
 - a. Address line 1
 - b. Address line 2
 - c. City
 - d. State
 - e. Zip

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

Date	Board	Executive Committee (Scheduled if needed)	Vaccine	Operations	Audit
January	X (January 12)				
February				X (February 23)	
March					X (March 23)
April	X (April 6)		X (April 20)		
May					
June	X (June 29)				X (June 15)
July					
August					
September					X (September 7)
October					
November	X (November 2)		X (November 2)	X (November 10)	

*All times are Pacific Standard Time

- 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.

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

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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.