

**Washington Vaccine Association
Board of Director's Meeting
April 6, 2017; 12:00-3:30 p.m. PST**

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
John Sobeck, MD, MBA, Vice Chair, Cigna
Jason Farber, Esq., Davis Wright Tremaine
Pat Kulpa, MD, MBA, Regence
Derek LeBrun, MBA, Coordinated Care
Ed Marcuse, MD
David Efroymson, GroupHealth (T)
Michele Roberts, MPH, MCHES, Department of Health
Cathy Falanga, Aetna

Absent

Beth Harvey, MD, South Sound Pediatric Associates

KidsVax®

Fred Potter, MBA, Esq., Managing Member
Julia Walter, MA, Esq., Executive Director
Peter Smith, MBA, Financial Analyst
Norman Roberge, Accountant
Claire Roberge, MBA, Controller
Emily McKenna, Administrative Assistant
Ashley Kittrell, Communications Coordinator

Others

Todd Faubion, PhD, WithinReach
Doug Opel, MD, MPH, Seattle Children's Research Institute
Sheanne Allen, MPH, MCHES, Department of Health
Anne Redman, Esq., Perkins Coie

II. Summary of Actions Taken and/or Recommended

A. Actions Taken (votes adopted)

1. To approve the minutes of the November 3, 2016 Board Meeting.
2. To approve the minutes of the November 3, 2016 Vaccine Committee Meeting.
3. To approve the minutes of the December 12, 2016 Operations Committee Meeting.
4. To approve the minutes of the March 13, 2017 Audit Committee Meeting.
5. To affirm Derek LeBrun as the member representing Coordinated Care, whose term renews in 2018 pursuant to RCW 70.290.030 (3)(c).
6. To affirm John Sobeck as the Treasurer of the Washington Vaccine Association Board of Directors for a one-year term.
7. To maintain the current assessment grid for 2017.

8. To authorize the Payer Compliance Special Project for a six-month basis not to exceed a total amount of \$25,000 and to be reviewed as part of the operational plan for 2018 at the annual Board of Directors meeting on November 2, 2017.

B. Follow up Tasks/Action Items

1. Outside counsel, Department of Health (DOH), and KidsVax® (KV) will determine additional changes to the Plan of Operation for the Board's approval at the June 29th Board of Directors meeting.

III. Minutes

Welcome and Introductions

At 12:00 p.m., a quorum having been established, Chairman John Pierce called the meeting to order. Introductions were made, and Ashley Kittrell announced that the meeting was being recorded for the benefit of the minute-taker and will be deleted following the final approval of the minutes.

Consent Calendar Items

Chairman Pierce introduced Derek LeBrun to the Board as the newest member representing Coordinated Care and asked if there were any comments regarding the meeting minutes submitted for the Board's approval. 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 November 3, 2016 Board Meeting.
To approve the minutes of the November 3, 2016 Vaccine Committee Meeting.
To approve the minutes of the December 12, 2016 Operations Committee Meeting.
To approve the minutes of the March 13, 2017 Audit Committee Meeting.
To affirm Derek LeBrun as the member representing Coordinated Care, whose term renews in 2018 pursuant to RCW 70.290.030 (3)(c).
To affirm John Sobeck as the Treasurer of the Washington Vaccine Association Board of Directors for a one-year term.

Chairman Pierce then informed the Board of Dennis Kirkpatrick's resignation and that a resolution recognizing his dedication and distinguished service to the WVA has been drafted for the Board's review and approval. After reading the Resolution aloud, Chairman Pierce asked for a motion to approve it.

Upon motion duly made and seconded, it was unanimously

VOTED: To adopt the resolution recognizing Dennis Kirkpatrick's dedication and service to the WVA.

The meeting proceeded to the next agenda item, the financial report.

Financial Report

KV Financial Analyst, Peter Smith, began the financial update by reviewing the quarterly financials. He informed the Board that there is currently \$8.3 million dollars in the bank and collections are steady and projected. Next Mr. Smith noted that the CDC updated their pediatric contract pricing on April 1st. There is a 2.88% increase due to inflation, which is lower than last year's 3.15%, but there are no major changes to the grid except for the addition of Quadricel.

Ms. Walter asked Mr. Smith to explain how the financial forecasting contrasts with collections and if the cash flows will be impacted by any changes to the CDC pricing. He replied that there are no significant impacts; the WVA is accumulating approximately \$1 million a month in cash reserves and is on target to reach the \$20 million reserve mark by July 2018. Dr. Ed Marcuse clarified that the current assessment grid will remain as is until July 2018. Ms. Walter concurred and added that maintaining the assessment grid will satisfy the payer community's request for more stable grids. The newly implemented \$5 million line of credit (LOC) can be utilized if the WVA does not have the cash on hand to make a DOH vaccine purchase. The LOC has a \$4 million liquidity requirement, but there should be no reason to utilize the LOC barring unforeseen circumstances. Ms. Walter added that future conversations with the Operations Committee and Board will include whether the assessment grid should continue to be reduced and absorb inflation costs over the next two years but will be discussed after the \$20 million reserve mark is reached. Dr. Marcuse asked how that amount was determined; Fred Potter replied that it would cover approximately a month of vaccine purchases minus flu vaccine purchases. Michele Roberts inquired whether that amount should be re-evaluated due to annual rising costs. Ms. Walter agreed that it should be reevaluated when the \$20 million reserve target has been reached. There being no other questions, Chairman Pierce stated that from a carriers' perspective, it would be beneficial not to change the grid and asked for a motion to maintain the current assessment grid.

Upon motion duly made and seconded it was unanimously

VOTED: To maintain the current assessment grid.

Chairman Pierce asked Ms. Walter to proceed to the next agenda item.

Plan of Operation

Ms. Walter informed the Board that she had discussed with outside counsel, Anne Redman, updating the Plan of Operation (PO) to strengthen the requirement that payers must pay dosage base assessments (DBA) using the current assessment grid and to bring the plan into alignment with current regulations. These changes have been made due to payers' failure to either update their systems with the correct assessment grid or adjust DBAs that have the wrong assessment. Several payers argued that the current language is not strong enough to support the WVA's request that they resubmit assessments. Ms. Walter noted that additional changes are recommended to address outdated portions of the PO. Ms. Redman added that the draft language strengthens the collections requirements and penalties and that it would be beneficial to have further discussions with the DOH.

Jason Farber asked if Ms. Redman could clarify the first sentence in Article 6, Section B regarding a payer's request to implement an alternative payment method and if it is intended to clarify that the Board must approve the method in writing before it is effective and what criteria surrounds it. Discussion ensued regarding the payment methods and previous Board decisions. Ms. Roberts noted that in cases such as TRICARE, the PO should clarify the role of the State and WVA regarding late payments and issuance of penalties and fees. It is the State's responsibility to issue penalties and fees for late payments, and the WVA's responsibility to collect vaccine assessments. Chairman Pierce suggested that the DOH, KV, and Ms. Redman continue discussing the changes to the PO for the Board's approval at the next meeting.

Committee Updates

Audit

Audit Committee Chairman, Dr. John Sobeck, informed the Board that the Committee met in March and discussed the LOC and the 2016/17 audit proposal from CliftonLarsonAllen. The signed engagement letter

from CLA was in the meeting packet for the Board's review. Dr. Sobeck added that the Committee is working on filling the open seat in time for the next meeting in June.

Vaccine

Vaccine Committee Chairman, Dr. Marcuse, gave a summary of the meeting held earlier that day and thanked Sheanne Allen for providing the DOH update. Topics discussed included the 2017 influenza vaccine, uptake of Meningococcal B, and provider vaccine preferences. Chairman Pierce inquired if there have been any developments in the flu mist inefficacy. Dr. Marcuse replied that research is still being done, but no definitive cause has been identified yet.

Chairman Pierce thanked the committee chairmen and members for their work and asked Ms. Roberts to proceed with the DOH Updates.

DOH Updates

Ms. Roberts introduced Ms. Allen as the new Vaccine Management Section Manager. Ms. Allen formerly worked in the DOH's Tuberculosis Department where there are many parallels with the Immunization Program. Her role as Section Manager includes purchasing, distributing, and provider quality assurance. Ms. Allen will also attend the Audit and Vaccine Committee meetings and work closely with the WVA to coordinate vaccine funding.

Continuing with updates, Ms. Roberts informed the Board of two potential changes in federal funding in Washington. She briefly noted that changes to the Affordable Care Act (ACA) will affect health insurance in general as well as potentially affect access to vaccines, although there are no definite changes yet. Second, Ms. Roberts stated that because a large part of Washington's immunization program is federally funded, there could be several impacts if funding is decreased. She noted that approximately fifty percent of federal funding is discretionary and the other fifty percent funds the Vaccines for Children program and a portion of the immunization program's operating costs. If there are changes to the Prevention and Public Health Fund, which is part of the ACA, it could possibly affect the DOH in areas such as lab capacity grants, chronic disease, and other public health initiatives. Ms. Roberts noted that the President's current budget does not include discretionary immunization funding, and the DOH is working closely with the Washington congressional delegation. Chairman Pierce asked what the WVA should be aware of as the budget and health care debate continues to evolve. Ms. Roberts responded that there could be changes in discretionary funding, which helps support work with provider offices and promote immunization rates.

KidsVax Updates

Ms. Walter began by welcoming Derek LeBrun as the newest Board member representing Coordinated Care and noted that Mr. Kirkpatrick is still conducting a search to fill the open seat representing Taft-Hartley plans but should have a list of candidates for the Secretary of Health's review in the near future. Directing the Board to the Executive Director report in the meeting packet, Ms. Walter gave several updates regarding the financial position of the WVA, the 2016/17 Performance Goals, and recent TRICARE developments.

2016/17 Performance Goals Status

Ms. Walter informed the Board that all of the 2016/17 Performance Goals are on schedule for completion or have been met except for gaining TRICARE's ongoing compliance which is a stretch goal. She noted that several communications, including the Provider Reference Guide, have been sent to providers throughout Washington, and the WVA website has also been updated. Second, the director handbook has been updated and supplemental reference materials have been created for new board members. Third, three short informational videos have been created for the WVA website with the intent of reducing service calls.

Each video is no more than two minutes long and explains what the WVA is and how to complete the DBA process both electronically and manually. The fourth goal to plan a strategic meeting for the Board would be met after today. Ms. Walter stated that the final goal to gain TRICARE's ongoing compliance could potentially be met by the June 1st deadline and gave an update on current meetings with congressional representatives and TRICARE General Counsel (GC) as well as efforts to begin payments to the WVA.

TRICARE

Referring to the arrearage estimates in the meeting packet, Ms. Walter stated that TRICARE currently owes \$10.5 million for past assessments. KV and government affairs team, Crowell & Moring (C&M) met with GC in mid-March to discuss prospective payments as well as the necessity for additional language in the 2017 National Defense Authorization Act (NDAA) for the arrears. GC agrees that payments to the WVA should begin immediately and advised that KV discuss with UHC-military. Ms. Walter and Mr. Roberge spoke with UHC-military's director of claim processing and discovered a new, unfamiliar denial code on the claims. UHC does not know why it is being used and is working to identify the cause. There is a possibility that ongoing payments will begin by June.

KV also received encouraging news that an additional authorizations provision in the 2017 NDAA is not necessary for recovery of the arrears and that GC will support the arrears effort. KV is encouraged by the new GC's efforts to work with KV and is optimistic that legislation requiring TRICARE to pay for past assessments will be included in the 2017 Defense Appropriations Act. Throughout February and March, KV traveled to Washington, D.C. to meet with congressional representatives. Ms. Walter stated that both Senator Patty Murray and Representative Derek Kilmer's offices have been very supportive of this initiative. She also thanked the DOH for their continuous support, and Ms. Roberts added that Secretary of Health John Wiesman has made this effort a top priority.

Ms. Walter informed the Board that per their request at the annual meeting, she met with other universal vaccine programs regarding their financial participation in the TRICARE efforts. Ms. Walter reported that other states are considering contributing, and the New Hampshire Vaccine Association recently received authorization to contribute \$25,000 to the effort and has sent the funds. Ms. Walter stated that the other states support this initiative, but they do not have the ability or resources to contribute financially to the effort; however, representatives are supporting this effort by meeting with their respective congressional delegations to gather legislative support.

Chairman Pierce asked for an update on the tolling agreements with TriWest and UHC-military. Ms. Walter replied that the TriWest tolling agreement was extended until December 31, 2017, and the UHC tolling agreement has been extended until April 1, 2018. She also noted that the UHC contract with TRICARE ends in the fall and HealthNet will be the new TRICARE claims administrator. KV will work with UHC to determine how the arrearages will be resolved prior to its contract termination.

After asking if there were any questions, Ms. Walter continued to the next agenda item.

Payer Compliance Special Project

Ms. Walter began by reviewing the issue which was initially brought to the Board's attention at the 2016 annual meeting after Mr. Roberge identified a number of assessments incorrectly submitted by providers and a corresponding number of incorrectly paid assessments. Throughout September and October, Mr. Roberge reviewed 500 DBAs and concluded that approximately 50% of provider groups are not using the correct Grid. He also learned that some payers receiving the incorrect DBAs are either pricing downward to a lower amount, or they are not adjusting to the correct grid rate. Referring to the Memorandum in the meeting packet, Ms. Walter reviewed the actions taken including contacting the top and middle tier payers

identified in Mr. Roberge's claims analysis and requesting that payer/provider relations be utilized to increase the saliency of the WVA. To date, over \$126,000 has been recovered, and KV is proposing conducting a six-month special project to determine what is being submitted versus what is being paid and triage efforts to correct any errors. Ms. Walter explained that the analysis is time-consuming and KV's workload will increase in order to identify noncompliant payers because of the open system of the DBA methodology. KV estimates that between \$1,000,000-200,000 will be recovered as a result of the special project.

Chairman Pierce stated that the project will result in cost-savings if approved and recovering the assessments is a matter of the sanctity of what the WVA is. Appropriate processes need to be implemented to ensure that the WVA continues to be an effective program. Mr. Farber asked what steps will be taken if at some point there is a diminishing return. Ms. Walter replied that a report and review by the Board at the annual meeting in November will help determine the value of the project. There is an 85% compliance rate currently, which should increase as a result of the special project. Cathy Falanga asked if noncompliant payers would be notified via letter. Ms. Walter replied that it could be part of the notification process. Following further discussion, Chairman Pierce amended the proposed vote based on Mr. Farber's recommendation and asked for a motion.

Upon motion duly made and seconded, it was unanimously

VOTED: To authorize the Payer Compliance Special Project for a six-month basis not to exceed a total amount of \$25,000 and to be reviewed as part of the operational plan 3 for 2018 at the annual Board of Directors meeting on November 2, 2017.

Chairman Pierce suggested taking a ten-minute break before beginning the retreat.

Retreat

At 1:15, the meeting resumed, and Dr. Marcuse began the introductions for the Provider Panel.

Vaccine Hesitancy Panel

Dr. Marcuse introduced the panel members: Drs. Doug Opel and Todd Faubion. Both are experts in the immunization field and have spoken at conferences in the United States as well as internationally.

Following the Panel, Chairman Pierce asked Ms. Walter to proceed to the next agenda item.

History and Overview of the WVA

Ms. Walter presented a PowerPoint Presentation of the history of the WVA, its past and current challenges, as well as future goals. Past lessons include the need to educate the public about the WVA and ensure stakeholder cooperation. The WVA's current challenges include gaining TRICARE's compliance and addressing the CDC's inquiry of the DBA methodology. Future challenges include provider relations, the WVA's role in vaccine hesitancy and immunization rates.

SWOT Analysis

Ms. Roberts led the Board in a SWOT exercise of the WVA to assess its current strengths, weaknesses, opportunities, and threats. The Board conducted the following analysis:

Strengths:

1. Collaborative
2. Fiscal health

3. Cost savings
4. Organizational structure
5. Talent
6. Responsive to stakeholders
7. Commitment
8. United provider community
9. KidsVax administration
10. Problem solve
11. Focus on Mission
12. Brand choice
13. No ERISA issues

Weaknesses:

1. Mission: narrow
2. Settlement process: lack of accuracy and administratively cumbersome
3. DBA process: problematic for providers
4. Reactive to issues
5. Maintenance of DBA methodology
6. Invisible to the community and stakeholders

Opportunities:

1. Address the 20% incorrectly submitting the DBA
2. Consider/evaluate the DBA
3. TRICARE
4. Telling WVA's story
5. Strengthen the mission
6. Stakeholder promotion of immunization
7. Collaboration
8. Adult vaccine program

Threats:

1. CDC/ability to purchase off federal contract
2. Pharma
3. Protected Health Information
4. Lack of funding
5. Cost
6. Lack of community awareness
7. Private procurement
8. Communicating cash reserves
9. Communicating new assessment grids

Due to time constraints, Chairman Pierce suggested postponing the Three-year Goal Setting and Evaluation of the DBA Methodology until the meeting in June. Ms. Walter informed the Board that a methodology comparison prepared by Mr. Smith was in the meeting packet for their review and discussion at the next Board meeting.

KV staff was excused, and the Board went into Executive Session.

Executive Session

[Prepared by Anne Redman]

Closing

There being no further business, the meeting was adjourned at 3:30 p.m. PST.

What: Board of Directors Meeting and Retreat
 Date & Time: Thursday, April 6th 2017; 12:00-3:30 p.m.
 Location: Hilton Soundview Conference Room; 1301 6th Ave., Seattle, WA 98101
 Conference Line: (267) 930-4000; Participant ID: 103063718#

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

Agenda for Board of Directors Meeting		
Approx. Time	Topic/[Anticipated Action]	Presented by:
12:00-12:05 p.m.	1. Welcome & Introductions	J. Pierce
12:05-12:10 p.m.	2. Consent Calendar Items	J. Pierce
	* a. Board Meeting Minutes (2016-11-03)	
	* b. Vaccine Committee Meeting Minutes (2016-11-03)	
	* c. Operations Committee Meeting Minutes (2016-12-12)	
	* d. Audit Committee Meeting Minutes (2017-03-13)	
	* e. Vote to Affirm Derek LeBrun's Appointment to the Board	
	* f. Vote to Affirm John Sobeck as Treasurer	
12:10-12:25 p.m.	3. Financial Report	P. Smith
	* a. Quarterly Financials	
	b. New LOC Implementation	J. Walter
	c. July 1, 2017 Assessment Grid	P. Smith
	i. Vote to Maintain the Current Assessment Grid	
	* d. Plan of Operation	J. Walter
	i. Vote to Approve Edits to Plan of Operation	
12:25-12:35 p.m.	4. Committee Updates	
	* a. Audit	J. Sobeck
	b. Vaccine	E. Marcuse
12:35-12:50 p.m.	5. DOH Updates	M. Roberts
	a. Introduction of Vaccine Management Section Manager	
	b. Potential Changes in Federal Funding in WA & Impacts	
12:50-1:15 p.m.	6. KidsVax Updates	J. Walter
	* a. Status Report	
	* b. TRICARE Report	
	* c. 2016/17 Performance Goals Status	
	i. On-demand Videos	
	* d. Payer Compliance Special Project	
	i. Vote to Authorize Special Project	
RETREAT		
1:15-2:05 p.m.	7. Guest Speaker Introductions	J. Walter
	a. Vaccine Hesitancy Panel	E. Marcuse
2:05-2:40 p.m.	8. History & Overview of the WVA	J. Walter
	a. SWOT Analysis	M. Roberts
	b. Three-year Goal Setting	J. Pierce
2:40-3:25 p.m.	* 9. Evaluation of DBA Methodology	P. Smith
	a. CDC Matter	M. Roberts
	b. Other UVP Experiences	J. Walter
3:25-3:30 p.m.	10. Closing	J. Pierce
	* a. Proposed Form of Votes	
	* b. Governing Statute	
	* c. Schedule of Upcoming Meetings	
	* d. Contact List	
	* e. Directions to Hilton	

**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 by 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

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

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

Board Development

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

Upon motion duly made and seconded, it was unanimously

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

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

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

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

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

Upon motion duly made and seconded, it was unanimously

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).

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

Upon motion duly made and seconded, it was unanimously

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.

Department of Health Updates

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

Vaccine Committee Updates

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

Executive Session

Ms. Walter introduced Jim Flood, Chair of the Government Affairs Group in Washington D.C.-based firm, Crowell & Moring (C&M) and asked him to give an update on current TRICARE efforts and the proposed 2017 engagement. Mr. Flood thanked the Board for the opportunity to give an update on Section 757 of the National Defense Authorization Act (NDAA) as well as present a proposal to address the arrears in 2017. He reviewed the timeline of the passage of the 2016 NDAA and thanked the Board for their efforts in coordinating letters from pediatric physicians and the governors' letter to congressional representatives. The NDAA is expected to pass in December and C&M believes that the momentum and support for the current provision can carry over into 2017 and efforts to recover the arrears. Mr. Flood reviewed the key committees through which the arrears legislation could be passed. Additionally, C&M feels confident that Washington representatives Patty Murray, Adam Smith, and Rick Larsen will support and sponsor

1 legislation. C&M anticipates that legislation will likely pass by the end of September 2017 or later
2 if a continuing resolution is passed instead. Mr. Flood also noted that the working relationship with
3 TRICARE General Counsel (GC) is helpful to pursuing the arrears. C&M and KV met with GC
4 in late October and agreed work together to come to a consensus on the amount owed for all
5 universal vaccine purchase (UVP) states. The arrearage in Washington alone is over \$9 million
6 dollars. Mr. Flood then outlined the proposal and costs for the 2017 contract. The current monthly
7 fee is \$10,000 dollars and the 2017 fee would increase to \$12,000 dollars. Mr. Flood explained
8 that work would begin immediately to write the legislation and meeting with congressional
9 representatives.

10
11 Mr. Flood was excused from the meeting and Chairman Pierce asked outside counsel, Keith
12 Kemper, to give a litigation update. Mr. Kemper informed the Board that the tolling agreement
13 with TriWest has been extended to December 31, 2017. All parties involved remain in agreement
14 that the best strategy is to pursue TRICARE's ongoing participation and payment of arrears
15 through legislation.

16
17 Following Mr. Kemper's dismissal, the Board discussed C&M's proposal. Chairman Pierce
18 expressed concern in a 20% monthly fee increase and that he was unsure of whether or not it
19 continues to be a wise investment. Ms. Roberts conveyed her confidence in C&M's ability to
20 recover the arrears. David Efroymsen stated that he did not feel Mr. Flood fully explained the
21 reason for the fee increase. Chairman Pierce asked Ms. Walter to describe the scope of C&M's
22 work. Ms. Walter answered that C&M has conducted extensive outreach to stakeholders and
23 congressional representatives, which is necessary to ensure there is sufficient support for the
24 legislation as well as managed the contract for the public relations firm that was engaged in the
25 summer. Ms. Walter also described the advantages of C&M's connections within the various
26 committees and their ability to expertly brief representatives on the matter and complexities of
27 UVP programs. KV has researched other firms, but all are costlier than C&M. Mr. Kirkpatrick
28 asked if there was any way that other UVP states could share in the costs in light of the fact that
29 the WVA has taken on all financial responsibility. Ms. Walter replied that, with the exception of
30 the New Hampshire Vaccine Association (NHVA), which contributed \$25,000 dollars for the
31 public relations firm, all other KV-administered UVP programs cannot contribute monetarily in
32 any lobbying action. Mr. Kirkpatrick then asked if states could repay the WVA once legislation is
33 passed and TRICARE begins repaying the states. Ms. Walter stated that she would research if this
34 might be possible. Ms. Roberts responded that states may owe the funds to the state or there might
35 be some technical issues. After asking for any questions or further discussion, Chairman Pierce
36 asked for a motion for the engagement extension.

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

39
40 VOTED: To authorize the Executive Director to extend the current engagement with
41 Crowell & Moring through August 2017 at a monthly retainer rate of
42 \$12,000 dollars.

43
44 Chairman Pierce asked Mr. Efroymsen to apprise the Board of the Kaiser/GroupHealth merger.

1 Kaiser/GroupHealth Merger

2 GroupHealth and Kaiser are awaiting approval from the Division of Insurance and expect to have
3 a decision by January 1, 2017. Mr. Efroymson informed the Board that the GroupHealth
4 integration team plans to keep the six Vancouver sites exempted as they were under Kaiser. All
5 other sites will participate in the DBA. Mr. Efroymson will continue to keep the Board informed
6 of any other changes.
7

8 CDC Updates

9 Ms. Roberts informed the Board of the CDC's concern of the DBA methodology and the steps that
10 the DOH and KV have taken. Secretary of Health, John Wiesman and Assistant Secretary for
11 Prevention and Community Health, Janna Bardi met with Matthew Penn, Director of the Public
12 Health Law Program, to discuss the CDC's specific questions regarding the WVA and DBA
13 methodology. No further action has been taken by the CDC, but the WVA is preparing a memo
14 outlining the statutory authority of the WVA to have a DBA model as well as gathering other
15 historical materials to prepare for future inquiries. KV is preparing a comparison of per-capita and
16 DBA methodology for the Board's discussion at the retreat in January.
17

18 Flumist

19 Chairman Pierce briefly discussed Flumist, its ineffectiveness, and whether or not the WVA has a
20 fiduciary to take any legal action. After discussions with the DOH and outside counsel, no action
21 will be taken at this time, but the WVA will monitor the situation.
22

23 Closing

24 There being no further business, the meeting was adjourned at approximately 4:20 p.m. PDT.

**Washington Vaccine Association
Vaccine Committee Meeting
November 3, 2016; 12:30-1:30 p.m. PDT**

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

Committee Members

Ed Marcuse, MD, Chairman
Rachel Wood, MD
Cathy Falanga, Aetna
John Dunn, MD
Michele Roberts, Department of Health
Rachel Wood, MD (T)
Jeffrey Gombosky (T)

Others

Sasha DeLeon, Department of Health
Dennis Kirkpatrick, President, WPAS
James Flood, Crowell & Moring
Scott Douglas, Crowell & Moring
Mary Kay O'Neill, MD, Mercer Consulting
Kristin Peterson, Esq., Department of Health

KidsVax®

Julia Walter, M.A., Esq., Executive Director
Ashley Kittrell, Communications Coordinator

II. Minutes

Welcome & Introductions

At 12:30 p.m., a quorum having been established, Chairman Ed Marcuse called the meeting to order. Julia Walter informed the Committee that the meeting is recorded for the benefit of the secretary and will be deleted following the approval of the minutes. Committee members introduced themselves, and Chairman Marcuse asked Sasha DeLeon to proceed with the Department of Health (DOH) updates.

Department of Health Updates

Ms. DeLeon, the DOH Vaccine Assurance Unit Supervisor updated the Committee on several items including flu allocation and ordering, the Advisory Committee on Immunization Practice's (ACIP) recommendation of HPV Gardasil 9 (HPV9), vaccine choice, and Meningococcal B. In preparation for the 2016/17 flu season, approximately 686,000 doses have been pre-booked. Because Flumist is no longer recommended by the ACIP, the stock has been replaced with Fluzone MDV and FluLaval MDV. As of November 1st, approximately 87% allocation to the state is available for ordering, and of the 686,000 doses pre-booked, 345,920 doses have been ordered and approximately 247,510 doses remain. Chairman Marcuse asked Ms. DeLeon to clarify the difference between vaccine allocation and ordering. Ms. DeLeon explained that the number of doses each local department of health estimates that it will need is written as an allocation and the DOH reserves the estimated amount.

1 Regarding allocation issues, Ms. DeLeon noted that initially, large organizations that cover
2 different counties receive the same amount of vaccines, which is sent in either prefilled syringes
3 or vials. This year, approximately 70% received prefilled syringes and 30% vials; however, the
4 delay of prefilled syringes, the vials have had to replace the prefilled syringes. Michele Roberts
5 added that the CDC did not inform the DOH that when it replaced Flumist, some manufacturers
6 had to make new vaccine. Ms. DeLeon also noted that there has been an increased demand for pre-
7 filled syringes by parents and naturopathic doctors looking for a preservative-free option. There is
8 currently no known demand for cell-based and recombinant flu vaccines as these are usually used
9 for patients with severe egg allergies. Discussion ensued regarding the demand for preservative-
10 free flu vaccine and its possible effect on Flumist.

11
12 Ms. DeLeon continued to the discussion of HPV9, noting that the FDA recently approved HPV9
13 as a 2-dose series for adolescents between 9 and 14 years old. ACIP believes that the reduction
14 from three to two shots will help facilitate series initiation and completion, as well as reduce office
15 visits. Children younger than 9 who receive the series will still need to receive the three doses.
16 Chairman Marcuse noted that this should result in savings for the WVA. Ms. Roberts replied that
17 DOH will have to conduct an analysis to verify and will include it in the budget updates.

18
19 Ms. DeLeon continued with the review of the vaccine choice enrollment period, which began on
20 October 17th and ends on November 4th. Because all forms are being faxed in this year, it is difficult
21 to determine what vaccines have been selected and what providers are changing in comparison to
22 the previous periods. From initial data analysis, there seems to be a change from Menveo to
23 Menactra, and there has been little interest in switching to Hiberix.

24
25 Ms. DeLeon concluded the DOH updates by saying that the Department continues to see steady
26 ordering, which is monitored closely because providers have to contact the DOH to order
27 Meningococcal B and has been steadily increasing.

28 29 Flu Mist

30 Chairman Marcuse then directed the Committee to the handout showing the history and
31 background of LAIV, or Flumist. He noted that several Board members have expressed concern
32 as to why it was not as effective as originally thought. LAIV was approved in 2003, and there are
33 three to four components in the LAIV strain that is given through the nose. Flu strains change
34 annually and in 2009, a pandemic strain was introduced. LAIV supposedly gave a greater cross
35 protection. The data of efficacy decreased over the next three years when it became clear that
36 LAIV 4 was inferior to other strains and gave no protection to the H1N1 strain. LAIV 3 and 4 are
37 currently being used in Canada and Europe. Chairman Marcuse reviewed several hypotheses of
38 why LAIV does not work, such as the addition of the fourth influenza and interfered with viral
39 replication; however, there are no definite known reasons for the inefficacy of Flumist at this time.
40 Ms. Roberts asked if there is any new data for the ACIP's review regarding why the vaccine was
41 ineffective. Chairman Marcuse replied that he was not aware of any discussions regarding actual
42 examination of data to determine the cause.

43
44 Dr. John Dunn proceeded to discuss optimal timing of annual flu vaccine.

Optimal timing of Annual Flu Vaccine

John Dunn began the discussion of optimal timing of flu vaccine and noted that in the past, the general rule was to avoid vaccination before October, especially for the elderly because of the rapid decline of the vaccine-induced antibody. In 2009, the general rule became that vaccines should be administered if possible by October to decrease the likelihood of contamination. That soon changed, however, and in 2010, it was recommended that flu vaccine should be administered as soon as it is available and continue for the remainder of flu season. The current CDC recommendation is that flu vaccination should begin after vaccine becomes available, if possible by October. Dr. Dunn explained that the optimal time to vaccinate has changed throughout the last several years and there are many factors that affect this. For example, peak influenza activity has occurred in or after January and February; yet in recent seasons, vaccine shipments have begun as early as July. The Committee discussed the difficulty of serving a high volume of children in as little as two months as recommended and it is necessary to vaccinate children when able in order to decrease the chance of missed opportunities.

KidsVax Updates

Chairman Marcuse thanked Dr. Dunn and asked if the representatives from Crowell and Moring (C&M) would like to give any updates regarding TRICARE's participation in universal vaccine purchase (UVP) states. Jim Flood, the chair of C&M's Government Affairs Group, thanked the Committee for allowing them to participate in the meeting and gave an update on the current legislation and 2017 plan for addressing the arrears. Mr. Flood gave an overview of the process throughout 2015 and 2016 to get legislation in the National Defense Authorization Act (NDAA). The provision is in the final Senate version and C&M is confident that it will be passed in the NDAA, which will be most likely be passed in December. C&M is currently strategizing with KV and other UVP representatives regarding legislation for the arrears in 2017.

Closing

There being no further business, the meeting adjourned at approximately 1:33 p.m.

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.

Washington Vaccine Association Audit Committee Meeting
March 13, 2017; 3:00-4:00 p.m.

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

Directors:

John Sobeck, M.D., Chairman – Market Medical Executive, Cigna
Jason Farber, Esq. – Davis Wright Tremaine, LLP

Department of Health:

Sheanne Allen, MPH, MCHES – Vaccine Management Section Manager

KidsVax®:

Julia Walter, M.A., Esq. – Executive Director
Ashley Kittrell – Communications Coordinator
Claire Roberge, MBA – Controller
Norman Roberge – Accountant
Peter Smith, MBA – Financial Analyst

A. Follow up Tasks/Action Items

1. KidsVax® (KV) will send the engagement letter from CliftonLarsonAllen to John Sobeck for his signature.

II. Meeting Minutes

At 3:00 p.m., Chairman John Sobeck called the meeting to order and Julia Walter identified the participants. Ashley Kittrell announced that the meeting was being recorded for the benefit of the minute-taker and would be deleted following the final approval of the minutes. The meeting proceeded to the financial update.

Financial Update

Line of Credit

Ms. Walter informed the Committee that the loan documents for the new \$5 million line of credit (LOC) are going through final revisions by outside counsel and will be sent to Chairman Sobeck and John Pierce for their review and signature. The new LOC will replace the previous line of \$15 million, which was fully paid off on December 31, 2016. After asking if there were any questions, Ms. Walter asked Norm Roberge to proceed with the collections report and payer compliance updates.

Collections Report & Payer Compliance Update

Mr. Roberge stated that collections have been stable except for one vaccine that was not collected as expected in February, but the data from March should provide more insight. Regarding payer compliance, Mr. Roberge explained that two larger payers were identified in early October 2016

1 that were not adjusting improperly priced dosage based assessments (DBAs) to the 2016
2 assessment grid rates. One payer has resolved the issue and begun making corrections to previously
3 filed assessments and KV is continuing to follow up with the second payer.

4
5 Chairman Sobeck inquired what steps could be taken to ensure that future assessment grids are
6 more fully implemented by both payers and providers. Ms. Walter responded that the Operations
7 Committee discussed the ramifications of a special project to address this matter. The suggested
8 work would enable KV to determine what has been remitted to the WVA versus what has been
9 submitted on the DBA forms. For example, Mr. Roberge created a spreadsheet of the largest payers
10 and determined what the WVA was paid through settlement reports when this issue was first
11 identified in October 2016. The WVA was then able to contact the payers using the wrong
12 assessment grid. This analysis requires in-depth research on Mr. Roberge's part. Another factor is
13 the payer-provider network. In the past, the WVA has not fully utilized payer provider relations
14 and more communications should be sent through this avenue. Ms. Walter added that it would be
15 beneficial to conduct more audits than previously done to identify these discrepancies. Chairman
16 Sobeck commented that it should be made clear that a substantial amount of money has been
17 recovered based on Mr. Roberge's research.

18 19 **July 1, 2017 Assessment Grid**

20 Next, Peter Smith discussed the 2017 assessment grid. He reported that the projections are on
21 target based on the cash flow projection model. As of March 1st, the WVA had \$6.7 million in the
22 bank, and he expects the Association to have \$20 million in reserves by June 1, 2018. Based on
23 the current cash flow model, Mr. Smith recommend that the assessment grid remain as is. He noted
24 that the Board may need to evaluate certain doses and adjust for old or new vaccines when the
25 CDC contract prices are published on April 1st; however, there should be no major changes aside
26 from a typical 3-4% inflation increase.

27 28 Auditor Selection

29 Ms. Walter directed the Committee to the engagement letter submitted by CliftonLarsonAllen
30 (CLA). CLA anticipates that the audit will be completed by August in time for publication and the
31 annual report deadlines. Chairman Sobeck discussed the possibility of soliciting additional
32 proposals to ensure that proper due diligence is done. Ms. Walter replied that other proposals could
33 be obtained, but it is beneficial that CLA has done past audits and has a key understanding of the
34 Association. Mr. Smith added that CLA's work is satisfactory and there would be some difficulty
35 of engaging a new auditor who would have to learn the complexities of the system within a short
36 timeframe.

37 38 Audit Committee Development

39 Ms. Walter discussed the open seat on the Committee and asked members for their thoughts on
40 who should fill the seat. Ms. Walter asked members to email her with any suggestions regarding
41 the selection of a new member for the Committee.

1 Other Matters from Committee Members

2 There were no other matters from Committee members.

3

4 Executive Session

5 KV staff was excused and the Committee went into executive session.

6

7 Closing

8 There being no further business, the meeting adjourned at 3:40 p.m.

DRAFT



The Association of Washington Healthcare Plans

March 30, 2017

Mr. Derek Brun
Coordinated Care
1145 Broadway, Suite 300
Tacoma, WA 98402

Dear Derek,

On behalf of the members of the Association of Washington Healthcare Plans, I am pleased to appoint you to the Washington Vaccine Association Board of Directors. Your position represents health carriers under RCW70.290.030 (3)(c).

The Washington State Legislature created the board in 2010 as a nonprofit to collect and remit adequate funds from health carriers and third-party administrators for the cost of vaccines provided to certain children in Washington. The board's role is to conduct activities related to funding vaccines including:

- Preparing and adopting a plan of operation
- Developing a funding mechanism through which the number and cost of doses of vaccine purchased and administered to covered children are attributed to the respective health carriers and third-party administrators covering such children.
- Establishing a committee to develop recommendations to the board regarding the selection of vaccines the Department of Health will purchase.

If you have questions regarding this board or your re-appointment, please contact Julia Walter, Deputy Executive Director, Washington Vaccine Association, at 955-556-4104.

Thank you for your willingness to serve on the Washington Vaccine Association Board. AWHP looks forward to continued work and collaboration centered on this effort.

Sincerely,

Cc: Julia Walter, Washington Vaccine Association
Ashley Kittrell, Washington Vaccine Association
Jay Fathi, M.D., Coordinated Care

Molli A. Robertson
Association of Washington Healthcare Plans
awhp-online.com
molli.awhp@gmail.com
Mobile: 425-830-4628

AWHP is an alliance of licensed Health Maintenance Organizations (HMO), Health Care Service Contractors (HCSC), & Disability Insurers. Its diverse membership is comprised of local, regional, & national healthcare plans of varying size, serving the needs of consumers, employers, & public purchasers. Together, they provide health care coverage to over 5 million residents of Washington State. AWHP members include Aetna, Amerigroup, Cambia Health Solutions, CIGNA, Community Health Plan of WA, Coordinated Care, Group Health Cooperative, Health Net, Kaiser Permanente, Molina, Premiera Blue Cross, Providence Health Plan, & UnitedHealthcare.

Washington Vaccine Association

Statement of Financial Position

As of February 28, 2017

A

ASSETS

Current assets		
1	Cash and cash equivalents	\$ 6,736,402.73
2	Investments	9,655.42
3	Members Estimated Collectible Assessments	10,457,863.00
4	Prepaid Vaccine	4,310,125.46
5	Prepaid Administrative Services	-
6	Total current assets	21,514,046.61
7	Total assets	\$ 21,514,046.61

LIABILITIES AND NET ASSETS

Current liabilities		
8	Accounts payable	\$ 4,243.67
9	Key Bank - Line of Credit	-
10	Payable to Washington Department of Health	-
11	Other accruals	-
12	Total current liabilities	4,243.67
Net assets		
13	Excess Assessments - Vaccines	21,027,056.62
14	Excess Assesments - Administrative Activities	482,746.32
15	Total net assets	21,509,802.94
16	Total liabilities and net assets	\$ 21,514,046.61

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

	Month Ending February 28, 2017			For 8 Months Ending February 28, 2017		
	Administrative Activities	Vaccine Activities	Total	Administrative Activities	Vaccine Activities	Total
Revenues:						
1 Assessments	\$ 1,636,156.73	\$ 5,339,817.00	\$ 6,975,973.73	\$ 13,715,608.35	\$ 46,951,516.00	\$ 60,667,124.35
2 Less: Vaccine expense	-	(5,439,465.25)	(5,439,465.25)	-	(45,470,710.63)	(45,470,710.63)
3 Net Assessment margins	1,636,156.73	(99,648.25)	1,536,508.48	13,715,608.35	1,480,805.37	15,196,413.72
4 Investment income	-	-	-	-	-	-
5 Other income	-	-	-	-	-	-
6 Net revenues	1,636,156.73	(99,648.25)	1,536,508.48	13,715,608.35	1,480,805.37	15,196,413.72
Expenses:						
7 Administrative services - fixed contract	38,188.83	-	38,188.83	290,510.68	-	290,510.68
8 Adm services - variable compensation	-	-	-	-	-	-
9 Administrative services - Tricare	20,000.00	-	20,000.00	161,639.54	-	161,639.54
10 Tricare - Legislative Services	12,101.26	-	12,101.26	62,822.76	-	62,822.76
11 Legal fees	1,443.67	-	1,443.67	25,400.64	-	25,400.64
12 Audit	-	-	-	9,900.00	-	9,900.00
13 Annual report / special communications	-	-	-	12,874.75	-	12,874.75
Special projects:						
14 DOH vaccine order system	-	-	-	-	-	-
15 Denied claims recovery	2,800.00	-	2,800.00	22,400.00	-	22,400.00
16 All other special projects	-	-	-	37,295.85	-	37,295.85
17 Insurance	-	-	-	45,579.37	-	45,579.37
18 Bank fees	4,873.79	-	4,873.79	38,020.81	-	38,020.81
19 Investment advisor / manager	-	-	-	-	-	-
20 Other administration expenses	-	-	-	2,831.77	-	2,831.77
21 Total administrative expenses	79,407.55	-	79,407.55	709,276.17	-	709,276.17
22 Line of credit - financing costs	-	-	-	114,460.41	-	114,460.41
23 Total expenses	79,407.55	-	79,407.55	823,736.58	-	823,736.58
24 Increase (decrease) in net assets	\$ 1,556,749.18	\$ (99,648.25)	\$ 1,457,100.93	\$ 12,891,871.77	\$ 1,480,805.37	\$ 14,372,677.14
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				\$ 482,746.32	\$ 21,027,056.62	\$ 21,509,802.94

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

2017-04-06 (22)

	A	B	C	D
	Inception Through 12/31/2016	Month 1/31/2017	Month 2/28/2017	Inception Through 2/28/2017
1 Cash balance - beginning of period	\$ -	\$ 5,314,248.27	\$ 5,245,473.96	\$ -
Inflows:				
2 Principal prepayments	7,800,001.00	-	-	7,800,001.00
3 Vaccine collections	350,940,397.07	5,339,946.69	5,824,065.73	362,104,409.49
4 Interest income	53,408.37	-	-	53,408.37
5 Investment income/ (loss)	149,787.97	-	-	149,787.97
6 Key Bank - LOC advances	-	-	-	-
7 Total inflows	358,943,594.41	5,339,946.69	5,824,065.73	370,107,606.83
Outflows:				
8 Principal repayments	(7,799,908.85)	-	-	(7,799,908.85)
Program				
9 Vaccine remittance State of WA	(339,533,800.67)	(5,318,030.25)	(4,226,052.29)	(349,077,883.21)
10 Vaccine Selection Development	(79,950.00)	-	-	(79,950.00)
11 Public information	(147,626.81)	-	-	(147,626.81)
12 Total program disbursements	(339,761,377.48)	(5,318,030.25)	(4,226,052.29)	(349,305,460.02)
Administration				
13 Administrative services	(3,140,327.14)	(80,461.26)	(70,290.09)	(3,291,078.49)
14 Project management fees	(419,878.90)	-	-	(419,878.90)
15 Denied claims recovery	(96,133.44)	(2,800.00)	(2,800.00)	(101,733.44)
16 Design and advertising	(31,031.38)	-	-	(31,031.38)
17 Claims system development	(26,000.00)	-	-	(26,000.00)
18 Legal fees	(288,491.85)	(1,511.55)	-	(290,003.40)
19 Audit fees	(84,555.00)	-	-	(84,555.00)
20 Website and information technology	(113,993.32)	-	-	(113,993.32)
21 Travel	(1,829.68)	-	-	(1,829.68)
22 Total administration	(4,202,240.71)	(84,772.81)	(73,090.09)	(4,360,103.61)
Office				
23 Bank Fees	(485,941.94)	(5,917.94)	(4,873.79)	(496,733.67)
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	(545,069.12)	(5,917.94)	(4,873.79)	(555,860.85)
Other				
30 Insurance	(182,617.07)	-	(19,465.37)	(202,082.44)
31 Interest Line of Credit	(1,136,610.90)	-	-	(1,136,610.90)
32 Board meetings	(1,522.01)	-	-	(1,522.01)
33 Total Other	(1,320,749.98)	-	(19,465.37)	(1,340,215.35)
34 Total outflows	(353,629,346.14)	(5,408,721.00)	(4,323,481.54)	(363,361,548.68)
35 Cash balance - end of period	\$ 5,314,248.27	\$ 5,245,473.96	\$ 6,746,058.15	\$ 6,746,058.15

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



WVA Cash Flow Projection Model
As of March 10, 2017

Month	Projected Net Cash Receipts	Projected DOH Reimb	Flu / CDC Advance	Admin Exp / Other	Borrowing cost	LOC Draws & Repayment	Net Cash Change	Cash Balance (a)	Line of Credit Balance (b)	Net Liquidity (a - b)	
Sep-15	8,212,713	(3,000,000)	(3,806,347)	(75,766)	(38,833)		1,291,767	2,597,325	15,000,000	(12,402,675)	
Oct-15	7,312,265	(8,009,249)	-	(77,209)	(37,500)		(811,693)	1,785,632	15,000,000	(13,214,368)	< Deferred \$2,708,769.82 to Oct due to low cash
Nov-15	7,027,691	(4,244,926)	-	(74,693)	(38,750)		2,669,322	4,454,955	15,000,000	(10,545,045)	\$8.3M includes \$2.7M carryover from Sept
Dec-15	7,426,578	(4,198,198)	-	(77,905)	(37,500)	(1,000,000)	2,112,975	6,567,930	14,000,000	(7,432,070)	
Jan-16	4,834,017	(5,432,469)	-	(115,986)	(38,454)		(752,891)	5,815,038	14,000,000	(8,184,962)	
Feb-16	5,893,278	(4,813,588)	-	(81,431)	(38,368)	(2,000,000)	(1,040,109)	4,774,930	12,000,000	(7,225,070)	
Mar-16	6,879,529	(4,498,451)	-	(72,223)	(33,646)		2,275,209	7,050,138	12,000,000	(4,949,862)	
Apr-16	5,359,159	(5,357,383)	-	(71,266)	(33,485)		(102,975)	6,947,163	12,000,000	(5,052,837)	< Weighted average CDC cost increase (in April) was 3.89%
May-16	5,346,077	(5,041,930)	-	(70,267)	(32,005)	(1,000,000)	(798,125)	6,149,039	11,000,000	(4,850,961)	
Jun-16	6,318,973	(6,210,703)	-	(65,812)	(32,336)	(1,000,000)	(989,877)	5,159,161	10,000,000	(4,840,839)	
Jul-16	5,626,346	(4,444,198)	(1,263,808)	(123,581)	(29,350)	-	(234,592)	4,924,570	10,000,000	(5,075,430)	< Adjust Rates as of 7/1 to 130% of current CDC)
Aug-16	7,739,005	(5,615,932)	-	(77,425)	(27,986)	(1,000,000)	1,017,663	5,942,233	9,000,000	(3,057,767)	
Sep-16	9,041,533	(5,546,402)	(2,507,129)	(113,138)	(28,064)	(2,000,000)	(1,153,201)	4,789,032	7,000,000	(2,210,968)	
Oct-16	7,482,696	(4,748,545)	-	(79,988)	(24,742)	(2,000,000)	629,420	5,418,452	5,000,000	418,452	
Nov-16	8,855,104	(4,457,024)	-	(91,560)	(19,783)	(2,500,000)	1,786,737	7,205,189	2,500,000	4,705,189	
Dec-16	6,135,734	(5,450,704)	-	(66,989)	(8,982)	(2,500,000)	(1,890,941)	5,314,248	-	5,314,248	< LOC Paid off by 12/31
Jan-17	5,339,947	(5,318,030)	-	(90,691)	-		(68,774)	5,245,474	-	5,245,474	
Feb-17	5,824,066	(4,226,052)	-	(97,429)	-		1,500,584	6,746,058	-	6,746,058	
Mar-17	5,906,767	(6,494,277)	-	(80,380)	-		(667,890)	6,078,168	-	6,078,168	
Apr-17	7,714,586	(5,989,752)	-	(80,380)	-		1,644,454	7,722,622	-	7,722,622	< Includes estimated 4% CDC cost increase
May-17	7,419,239	(5,243,607)	-	(80,380)	-		2,095,252	9,817,874	-	9,817,874	
Jun-17	6,801,537	(6,459,131)	-	(80,380)	-		262,026	10,079,900	-	10,079,900	
Jul-17	7,640,412	(4,621,966)	-	(80,380)	-		2,938,066	13,017,966	-	13,017,966	
Aug-17	6,199,793	(5,840,569)	(4,200,000)	(80,380)	-		(3,921,156)	9,096,810	-	9,096,810	
Sep-17	7,120,721	(5,768,258)		(80,380)	-		1,272,082	10,368,893	-	10,368,893	
Oct-17	7,098,441	(4,938,487)		(80,380)	-		2,079,574	12,448,467	-	12,448,467	
Nov-17	6,274,511	(4,635,305)		(80,380)	-		1,558,826	14,007,293	-	14,007,293	
Dec-17	6,013,505	(5,668,733)		(80,380)	-		264,393	14,271,686	-	14,271,686	
Jan-18	6,932,895	(5,530,751)		(80,380)	-		1,321,763	15,593,449	-	15,593,449	
Feb-18	6,791,211	(4,395,094)		(80,380)	-		2,315,736	17,909,186	-	17,909,186	
Mar-18	5,984,829	(6,754,048)		(80,380)	-		(849,599)	17,059,587	-	17,059,587	
Apr-18	7,817,587	(6,229,342)		(80,380)	-		1,507,866	18,567,452	-	18,567,452	< Includes estimated 4% CDC cost increase
May-18	7,517,683	(5,453,351)		(80,380)	-		1,983,951	20,551,404	-	20,551,404	
Jun-18	6,890,448	(6,717,496)		(80,380)	-		92,571	20,643,975	-	20,643,975	< Reach Target Reserve \$20MM

Amounts in **BOLD** are actuals.

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;

Commented [NN1]: AR: Update with reference to second amendment.

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.

Commented [NN2]: AR: update cite

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.

Commented [NN3]: AR: review financial reporting.

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.

Commented [NN4]: AR: Limit still appropriate?

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.

Commented [NN5]: AR: RCW 70.290.070 just says a financial report in form approved by the Secretary. Is the report just the audited financials - can we say that?

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)(a))~~, the Association has adopted a dosage-based assessment methodology ("DBA") further described on **Exhibit B**. Following a 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 as set forth in Section B of this Article. 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. Alternative Payment Method. Where the special circumstances of a Payer, in the reasonable determination of the board, require adoption of an alternative payment method ("Alternative Payment Method") for the Payer to meet its obligations to pay the DBA amounts for vaccines used for its pediatric covered lives, the board shall agree in writing with the Payor on the Alternative Payment Method. Except as otherwise permitted by the Board,

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this Alternative Payment Method must include at least the date of service; patient name; vaccine received; and applicable health plan eligibility.

Commented [NN6]: AR: See RCW 70.290.040(4). Should there be a default assessment method if payer does not agree?

CB. 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 compliance with its reporting for assessment obligations 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 or, without prior written approval by the Board of an alternative payment method approved in writing by the Board. 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.

Commented [NN7]: AR: What reporting requirements are being referred to here? RCW 70.290.060 refers to "reporting obligations" of members under the Plan of Operations. The statute does not otherwise refer to any reporting obligations nor does this PoO..

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.

Commented [NN8]: AR: Secretary's regulations establish 150% civil penalties for audit costs and late assessments. Does that negate interest charges by WVA? RCW 70.290.060 is ambiguous.

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.

Commented [NN9]: AR: Does WVA send out annual notices of assessments? See Section 70.290.030(5)(k). See also cite in WAC 246-120-040 to RCW 70.290.060 which provides for an assessment of for delinquent payments.

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.

Commented [NN10]: AR: Does this board appeal and arbitration process conflict with idea of having an audit and the Secretary assessing penalties and collecting assessments?

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:

John Wiesman, DrPH, MPH
Washington Department of Health

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 the Payer’s respective 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 RCWChapter 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.

Where the special circumstances or character of the Payor cannot accommodate the DBA process, WVA and the Payor enter into an Alternative Payment Method that permits WVA to collect assessments as required by Washington law.

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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

March 6, 2017

Board of Directors
Washington Vaccine Association
P.O. Box 94002
Seattle, WA 98124

Dear Board of Directors:

We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the audit and nonaudit services CliftonLarsonAllen LLP (CLA) will provide for Washington Vaccine Association ("you," "your," or "the entity") for the year ending June 30, 2017.

Steve Bass is responsible for the performance of the audit engagement.

Audit services

We will audit the financial statements of Washington Vaccine Association, which comprise the statement of financial position as of June 30, 2017, and the related statements of activities and cash flows for the year then ending, and the related notes to the financial statements.

Nonaudit services

We will also provide the following nonaudit services:

- Preparation of your financial statements and related notes.
- Preparation of adjusting journal entries.

Audit objective

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion.

We will issue a written report upon completion of our audit of your financial statements. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

Auditor responsibilities, procedures, and limitations

We will conduct our audit in accordance with U.S. GAAS. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. An audit involves performing procedures to obtain sufficient appropriate 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. 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.

There is an unavoidable risk, because of the inherent limitations of an audit, together with the inherent limitations of internal control, that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS. Because we will not perform a detailed examination of all transactions, material misstatements, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity, may not be detected.

In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management and those charged with governance of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management and those charged with governance of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential.

In making our risk assessments, we consider 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. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, we will communicate to you in writing significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we identify during the audit.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Management responsibilities

Our audit will be conducted on the basis that you (management and, when appropriate, those charged with governance) acknowledge and understand that you have certain responsibilities that are fundamental to the conduct of an audit.

You are responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP. Management's responsibilities include the selection and application of accounting principles; recording and reflecting all transactions in the financial statements; determining the reasonableness of significant accounting estimates included in the financial statements; adjusting the financial statements to correct material misstatements; and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for 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. You are responsible for the design, implementation, and maintenance of internal controls to prevent and detect fraud; assessing the risk that the financial statements may be materially misstated as a result of fraud; and for informing us about all known or suspected fraud affecting the entity involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations, and informing us of all instances of identified or suspected noncompliance whose effects on the financial statements should be considered.

You are responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters, and for the accuracy and completeness of that information; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence. You agree to inform us of events occurring or facts discovered subsequent to the date of the financial statements that may affect the financial statements.

Management is responsible for providing us with a written confirmation concerning representations made by you and your staff to us in connection with the audit. During our engagement, we will request information and explanations from you regarding, among other matters, the entity's activities, internal control, future plans, specific transactions, and accounting systems and procedures. The procedures we will perform during our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the representations that we receive in the representation letter and otherwise from you. Accordingly, inaccurate, incomplete, or false representations could cause us to expend unnecessary effort or could cause a material fraud or error to go undetected by our procedures. In view of the foregoing, you agree that we shall not be responsible for any misstatements in the entity's financial statements that we may fail to detect as a result of misrepresentations made to us by you.

Responsibilities and limitations related to nonaudit services

For all nonaudit services we may provide to you, management agrees to assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services.

The responsibilities and limitations related to the nonaudit services performed as part of this engagement are as follows:

- We will prepare a draft of your financial statements and related notes. Since the preparation and fair presentation of the financial statements is your responsibility, you will be required to review, approve, and accept responsibility for those financial statements prior to their issuance and have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements.
- We will propose adjusting journal entries as needed. You will be required to review and approve those entries and to understand the nature of the changes and their impact on the financial statements.

Use of financial statements

The financial statements and our report thereon are for management's use. If you intend to reproduce and publish the financial statements and our report thereon, they must be reproduced in their entirety. Inclusion of the audited financial statements in a document, such as an annual report or an offering document, should be done only with our prior approval of the document. You are responsible to provide us the opportunity to review such documents before issuance.

If we agree that CLA will not be involved with your official statements related to municipal securities filings or other offering documents, we will require that any official statements or other offering documents issued by you with which we are not involved clearly indicate that CLA is not involved with the contents of such documents. Such disclosure should read as follows:

CliftonLarsonAllen LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this offering document.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website or submitted on a regulator website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on or distributed.

Engagement administration and other matters

We expect to begin our audit in early August 2017.

We understand that your employees will prepare all confirmations, account analyses, and audit schedules we request and will locate any documents or invoices selected by us for testing. A list of information we expect to need for our audit and the dates required will be provided in a separate communication.

The workpapers supporting the services we perform are the sole and exclusive property of CLA and constitute confidential and proprietary information. We do not provide access to our workpapers to you or anyone else in the normal course of business. Unless required by law or regulation to the contrary, we retain our workpapers in accordance with our record retention policy that typically provides for a retention period of seven years.

Except as permitted by the "Consent" section of this agreement, CLA will not disclose any confidential, proprietary, or privileged information of the entity to any persons without the authorization of entity management or unless required by law. This confidentiality provision does not prohibit us from disclosing your information to one or more of our affiliated companies in order to provide services that you have requested from us or from any such affiliated company. Any such affiliated company shall be subject to the same restrictions on the use and disclosure of your information as apply to us.

Mediation

Any disagreement, controversy, or claim ("Dispute") that may arise out of any aspect of our services or relationship with you, including this engagement, shall be submitted to non-binding mediation by written notice ("Mediation Notice") to the other party. In mediation, we will work with you to resolve any differences voluntarily with the aid of an impartial mediator.

The mediation will be conducted as specified by the mediator and agreed upon by the parties. The parties agree to discuss their differences in good faith and to attempt, with the assistance of the mediator, to reach an amicable resolution of the Dispute.

Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties.

Any Dispute will be governed by the laws of the state of Minnesota, without giving effect to choice of law principles.

Time limitation

The nature of our services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any Dispute that may arise between us. The parties agree that, notwithstanding any statute or law of limitations that might otherwise apply to a Dispute, including one arising out of this agreement or the services performed under this agreement, for breach of contract or fiduciary duty, tort, fraud, misrepresentation or any other cause of action or remedy, any action or legal proceeding by you against us must be commenced within twenty-four (24) months ("Limitation Period") after the date when we deliver our final audit report under this agreement to you, regardless of whether we do other services for you relating to the audit report, or you shall be forever barred from commencing a lawsuit or obtaining any legal or equitable relief or recovery.

The Limitation Period applies and begins to run even if you have not suffered any damage or loss, or have not become aware of the existence or possible existence of a Dispute.

Fees

Our fees for these services will be based on the time involved and the degree of responsibility and skills required, plus expenses including internal and administrative charges. Based on our preliminary estimates, the fee for the engagement should approximate \$10,500. The fee estimate is based on anticipated cooperation from your personnel and their assistance with preparing confirmations and requested schedules. If the requested items are not available on the dates required or are not accurate, the estimated fee for services will likely be higher. If unexpected circumstances require significant additional time, we will advise you before undertaking work that would require a substantial increase in the fee estimate. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

Unanticipated services

We do not anticipate encountering the need to perform additional services beyond those described in this letter. If any such service needs to be completed before the audit can proceed in an efficient manner, we will notify you and provide a fair and reasonable price for providing the service. We will bill you for the service at periodic dates after the additional service has been performed.

Other fees

You also agree to compensate us for any time and expenses, including time and expenses of legal counsel, we may incur in responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings that we are asked to respond to on your behalf. You and your attorney will receive a copy of every subpoena or request we are asked to respond to.

Finance charges and collection expenses

You agree that if any statement is not paid within 30 days from its date, the unpaid balance shall accrue interest at the monthly rate of one and one-quarter percent (1.25%), which is an annual percentage rate of 15%. In the event that any collection action is required to collect unpaid balances due us, reasonable attorney fees and expenses shall be recoverable.

Consent

Consent to use financial information

Annually, we assemble a variety of benchmarking analyses using client data obtained through our audit and other engagements. Some of this benchmarking information is published and released publicly. However, the information that we obtain is confidential, as required by the AICPA Code of Professional Conduct. Your acceptance of this engagement letter will serve as your consent to use Washington Vaccine Association's information in these cost comparison, performance indicator, and/or benchmarking reports.

Subcontractors

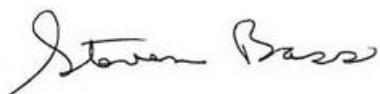
CLA may, at times, use subcontractors to perform services under this agreement, and they may have access to your information and records. Any such subcontractors will be subject to the same restrictions on the use of such information and records as apply to CLA under this agreement.

Agreement

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. This letter constitutes the entire agreement regarding these services and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between us. If you have any questions, please let us know. Please sign, date, and return a copy of this letter to us to indicate your acknowledgment and understanding of, and agreement with, the arrangements for our audit of your financial statements including the terms of our engagement and our respective responsibilities.

Sincerely,

CliftonLarsonAllen LLP



Steve Bass, CPA
Principal
425-250-6016
steve.bass@CLAconnect.com

Response:

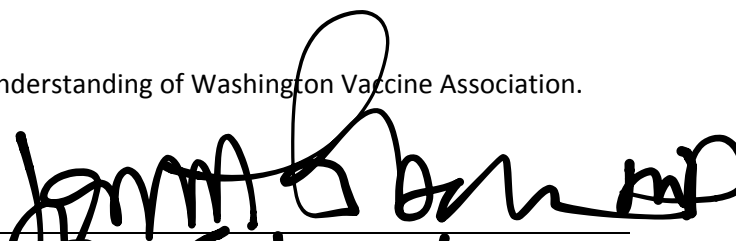
This letter correctly sets forth the understanding of Washington Vaccine Association.

Authorized Governance Signature: _____

Printed Name: _____

Title: _____

Date: _____


John A. Sobelkino
Chair, WVA Audit Committee
3/13/2017

Authorized Management Signature: _____

Printed Name: _____ Julia G. Walter, M.A., Esq. ..

Title: _____ WVA Executive Director

Date: _____ 3/13/2017

April 6, 2017 Executive Director Overview

Assessment Collections as of 2/28/2017:	\$362 + Million
Remittances to State of WA since inception:	\$349 + Million
Prepaid Vaccine Purchases:	\$4 + Million
Cash Balance as of 2/28/2015:	\$6.7+ Million
Available Line of Credit	\$5 Million

To begin, I would like to welcome our new Board members and to thank those of you who have continued to serve the Association. Thanks to your strong leadership and guidance, the WVA ended 2016 on a positive note financially, organizationally, and with respect to our TRICARE initiative. While the WVA's maturation has led to novel operational issues, I am confident that the Association will continue to overcome these obstacles much in the way it has over these last seven years—through the diligence and oversight of a competent and engaged Board, through maintaining and working collaboratively with stakeholders, and through actively engaging the expertise of a variety of resources to troubleshoot and resolve problems.

By way of updates, first and most closely related to the WVA's mission, I am delighted to report that the WVA's cash position is positive and that collections are building at a slightly higher rate than initially forecasted. Thus, outside analyst Peter Smith recommends essentially maintaining the current assessment Grid, providing payers with assessment stability. Next, we are pleased to report that the WVA retired the \$15 million LOC on schedule in December 2016 and we are in the final stages of implementing the new \$5 million LOC with KeyBank. While Mr. Smith does not expect the WVA to utilize this new line, it is intended to ensure that the WVA can meet its financial obligations if circumstances require greater liquidity than what is available. Finally, accounting firm CliftonLarsonAllen (CLA), has been engaged for the 2016/17 audit. We are confident that CLA's expertise and knowledge of the WVA will produce a seamless audit as in past years.

Over the past few years, the WVA has continued to implement systematic improvements, as recommended by the Board and the WVA's committees to better fulfill the Association's purpose and serve its stakeholders. Part of these ameliorative and prophylactic changes have been reflected in the KV Annual Performance Goals. As shown by the included goal progress report, KV has made great strides in completing the 2016/17 goals. To date, the WVA Provider Reference Guide has been completed and was sent to providers via the Department of Health's blast fax and is posted on www.WAvaccine.org. Several on-demand videos have been created for the website in order to reduce servicing calls by having easily-accessible information about the WVA and the dosage base methodology. Each video is no more than two minutes long and addresses frequently asked questions. We have also completed updating the Board member reference materials, which should be a robust resource for new members. In addition, today's meeting will fulfill the goal of facilitating a board meeting to discuss strategic planning and future objectives for the WVA. Last,

as will be discussed later, we continue working towards gaining TRICARE's ongoing compliance and anticipate that this will be accomplished in 2017.

In other operational matters, KV is proposing a limited special project to address the two-fold problem of providers submitting incorrectly-priced dosage-based assessments and payers failing to correctly pay at the relevant grid rates. Due to the intense labor costs involved in obtaining and comparing DBA submissions with assessments paid, KV requests that this work be considered a special project. Since initiating these efforts in November, KV has recovered approximately \$126,000 from WA payers discovered to have been downward pricing assessments or failing to upward price for providers that submitted DBAs at a rate lower than the current Grid level. It is KV's belief that further efforts may help uncover additional funds owed to the WVA.

We have been looking forward to the opportunity to have a retreat for the Board to evaluate and discuss issues facing the WVA as well as long-term goals. We are also excited to host a panel of highly regarded Washington providers, assembled by Dr. Marcuse, who will provide us with some information on relevant vaccine practices and public health policy expertise. Additionally, I am excited to have Michele Roberts lead the Board in a SWOT exercise to aid the organization in strategic goal setting.

Finally, the TRICARE saga continues with substantial progress and optimism. As you know, Section 719 was passed in the National Defense Authorization Act (NDAA) on December 8, 2016 requiring TRICARE to participate in UVPs. We have met several times with TRICARE General Counsel, including their new lead attorney, Leigh Bradley, who has expressed willingness to continue working with KV and assured us that TRICARE intends to begin participating in 2017. We are optimistic that ongoing payments will begin in Washington sooner than in other UVP states because of the ease that the DBA model affords. Our work with government affairs firm, Crowell & Moring, continues as we seek to gain authorization and appropriations language in the 2018 NDAA and Defense Appropriations Bill, respectively. Member requests have been submitted to the appropriate offices and we are encouraged by the amount of support from Washington representatives for this project.

I am very grateful to members for their diligence and willingness to serve on the Board, and I look forward to continuing this important initiative in 2017.

Respectfully submitted,



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



KidsVax® Performance Dashboard 2016/17 Washington Vaccine Association Administrative Services Agreement

	Original Due Date	Board Approved change	Now expected	4/06/2017 Status	YE Expected
1. Maintain Core Service Metrics					
a. Responsiveness					
i. Telephone (85% within 1 business day 100% within 2)	ongoing			G	M
ii. Emails (85% acknowledged w/ delivery time in 3 days 100% in 5 days)	ongoing			G	M
b. Financial Reporting (from period end)					
i. Monthly financials w/in 15 business days (except 1st month of year)	ongoing			G	M
ii. Annual within 40 business days	ongoing			G	M
iii. Quarterly 12-month liquidity forecasts w/in 25 business days	ongoing			G	M
c. State funding					
i. 100% funding on or before due date	ongoing			G	M
ii. Annual regulatory reports on or before due date	ongoing			G	M
2. Provider & Payer Compliance					
a. 95% Provider Compliance	ongoing			G	M
b. 100% Payer compliance (except for TRICARE)	ongoing			Y	M
3. System / Operational Improvements					
a. <u>Improve WVA Contact with Providers</u>				M	M
i. Contact 100% of Washington Pediatric provider offices regarding set "talking points"	1/1/2017				M
ii. Create and disseminate Provider Reference Guide	12/1/2017			M	
iii. Create one additional "outward facing communication for pediatric newsletters or other communications.	4/1/2017			M	
b. <u>Update Board Member Development Materials</u>	3/1/2017			G	M
i. Update director handbook and create supplemental reference guides for new board members.				G	
				M	
c. <u>Diminish need for service calls</u>	5/1/2017			M	
i. Develop short, on-demand videos for WVA website to supplement FAQs and other training and informational materials				G	
d. <u>Initiate a special project to strategize how to move the WVA forward as an organization</u>	5/1/2017			G	
i. Plan agenda with board planning subcommittee				M	
ii. Facilitate meeting				G	
iii. Prepare written summary				G	
e. <u>[Stretch Objective] Gain TRICARE's ongoing compliance.</u>	6/1/2017			Y	M

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

Washington Vaccine Association
Calculated TRICARE Uncollected Vaccine Assessments
Calculated Interest Through March 2017 at WVA Stated Interest Rate

Per WVA Article VII B the stated interest daily rate is 0.049300%
which equals an annual rate of 17.9945%

Month	Calculated Uncollected Vaccine Assessments	Number of Days Outstanding	Per Diem Rate	Interest
For the Period of May 2010 - March 2013				
May-10	\$ 75,823.69	2,496	0.049300%	\$ 93,303.17
Jun-10	\$ 110,642.56	2,465	0.049300%	\$ 134,457.81
Jul-10	\$ 108,320.94	2,435	0.049300%	\$ 130,034.42
Aug-10	\$ 154,498.02	2,404	0.049300%	\$ 183,106.73
Sep-10	\$ 165,333.63	2,373	0.049300%	\$ 193,422.00
Oct-10	\$ 151,850.03	2,343	0.049300%	\$ 175,401.82
Nov-10	\$ 133,151.86	2,312	0.049300%	\$ 151,768.62
Dec-10	\$ 116,750.48	2,282	0.049300%	\$ 131,347.32
Jan-11	\$ 136,605.43	2,251	0.049300%	\$ 151,596.92
Feb-11	\$ 109,936.86	2,220	0.049300%	\$ 120,321.50
Mar-11	\$ 145,985.62	2,192	0.049300%	\$ 157,760.23
Apr-11	\$ 131,042.14	2,161	0.049300%	\$ 139,608.76
May-11	\$ 126,384.15	2,131	0.049300%	\$ 132,777.04
Jun-11	\$ 104,768.35	2,100	0.049300%	\$ 108,466.67
Jul-11	\$ 101,558.28	2,070	0.049300%	\$ 103,641.24
Aug-11	\$ 154,580.45	2,039	0.049300%	\$ 155,388.44
Sep-11	\$ 138,049.00	2,008	0.049300%	\$ 136,660.78
Oct-11	\$ 130,442.40	1,978	0.049300%	\$ 127,201.43
Nov-11	\$ 105,836.15	1,947	0.049300%	\$ 101,589.05
Dec-11	\$ 87,207.44	1,917	0.049300%	\$ 82,418.09
Jan-12	\$ 90,511.68	1,886	0.049300%	\$ 84,157.58
Feb-12	\$ 49,645.76	1,855	0.049300%	\$ 45,401.79
Mar-12	\$ 52,344.97	1,826	0.049300%	\$ 47,121.88
Apr-12	\$ 55,027.57	1,795	0.049300%	\$ 48,695.82
May-12	\$ 56,598.67	1,765	0.049300%	\$ 49,249.05
Jun-12	\$ 55,923.43	1,734	0.049300%	\$ 47,806.82
Jul-12	\$ 62,838.70	1,704	0.049300%	\$ 52,789.03
Aug-12	\$ 85,848.08	1,673	0.049300%	\$ 70,806.55
Sep-12	\$ 67,602.19	1,642	0.049300%	\$ 54,724.38
Oct-12	\$ 72,468.06	1,612	0.049300%	\$ 57,591.53
Nov-12	\$ 59,806.24	1,581	0.049300%	\$ 46,614.96
Dec-12	\$ 46,789.16	1,551	0.049300%	\$ 35,777.00
Jan-13	\$ 62,134.27	1,520	0.049300%	\$ 46,560.94
Feb-13	\$ 50,514.66	1,489	0.049300%	\$ 37,081.65

Washington Vaccine Association
 Calculated TRICARE Uncollected Vaccine Assessments
 Calculated Interest Through March 2017 at WVA Stated Interest Rate

Per WVA Article VII B the stated interest daily rate is 0.049300%
 which equals an annual rate of 17.9945%

Month	Calculated Uncollected Vaccine Assessments	Number of Days Outstanding	Per Diem Rate	Interest
Mar-13	\$ 51,482.69	1,461	0.049300%	\$ 37,081.59
Sub Total	\$ 3,408,303.61			\$ 3,471,732.61

For the Period of April 2013 - March 2017

Apr-13	\$ 60,174.99	1,430	0.049300%	\$ 42,422.77
May-13	\$ 61,175.83	1,400	0.049300%	\$ 42,223.56
Jun-13	\$ 48,404.92	1,369	0.049300%	\$ 32,669.30
Jul-13	\$ 53,802.92	1,339	0.049300%	\$ 35,516.76
Aug-13	\$ 79,344.44	1,308	0.049300%	\$ 51,164.79
Sep-13	\$ 62,407.88	1,277	0.049300%	\$ 39,289.57
Oct-13	\$ 70,617.48	1,247	0.049300%	\$ 43,413.58
Nov-13	\$ 59,474.40	1,216	0.049300%	\$ 35,654.19
Dec-13	\$ 111,707.90	1,186	0.049300%	\$ 65,315.39
Jan-14	\$ 139,711.67	1,155	0.049300%	\$ 79,553.92
Feb-14	\$ 109,753.03	1,124	0.049300%	\$ 60,817.67
Mar-14	\$ 111,628.00	1,096	0.049300%	\$ 60,315.73
Apr-14	\$ 118,340.80	1,065	0.049300%	\$ 62,134.25
May-14	\$ 122,539.66	1,035	0.049300%	\$ 62,526.47
Jun-14	\$ 123,304.29	1,004	0.049300%	\$ 61,032.17
Jul-14	\$ 133,192.01	974	0.049300%	\$ 63,956.41
Aug-14	\$ 205,544.89	943	0.049300%	\$ 95,557.61
Sep-14	\$ 143,171.08	912	0.049300%	\$ 64,372.01
Oct-14	\$ 163,239.66	882	0.049300%	\$ 70,980.85
Nov-14	\$ 126,900.68	851	0.049300%	\$ 53,240.29
Dec-14	\$ 108,971.98	821	0.049300%	\$ 44,106.74
Jan-15	\$ 127,942.00	790	0.049300%	\$ 49,829.57
Feb-15	\$ 113,892.28	759	0.049300%	\$ 42,617.01
Mar-15	\$ 124,020.12	731	0.049300%	\$ 44,694.74
Apr-15	\$ 144,700.12	700	0.049300%	\$ 49,936.01
May-15	\$ 154,211.22	670	0.049300%	\$ 50,937.51
Jun-15	\$ 150,839.63	639	0.049300%	\$ 47,518.56
Jul-15	\$ 201,954.37	609	0.049300%	\$ 60,634.17
Aug-15	\$ 287,413.32	578	0.049300%	\$ 81,899.58
Sep-15	\$ 221,203.53	547	0.049300%	\$ 59,652.18
Oct-15	\$ 233,425.45	517	0.049300%	\$ 59,495.71

Washington Vaccine Association
 Calculated TRICARE Uncollected Vaccine Assessments
 Calculated Interest Through March 2017 at WVA Stated Interest Rate

Per WVA Article VII B the stated interest daily rate is 0.049300%
 which equals an annual rate of 17.9945%

Month	Calculated Uncollected Vaccine Assessments	Number of Days Outstanding	Per Diem Rate	Interest
Nov-15	\$ 194,688.86	486	0.049300%	\$ 46,647.06
Dec-15	\$ 162,434.51	456	0.049300%	\$ 36,516.58
Jan-16	\$ 207,304.71	425	0.049300%	\$ 43,435.52
Feb-16	\$ 167,383.27	396	0.049300%	\$ 32,677.90
Mar-16	\$ 172,085.57	365	0.049300%	\$ 30,965.94
Apr-16	\$ 178,974.66	335	0.049300%	\$ 29,558.56
May-16	\$ 167,757.38	304	0.049300%	\$ 25,142.13
Jun-16	\$ 153,934.88	273	0.049300%	\$ 20,717.94
Jul-16	\$ 162,692.27	243	0.049300%	\$ 19,490.37
Aug-16	\$ 204,094.76	212	0.049300%	\$ 21,331.17
Sep-16	\$ 171,567.43	182	0.049300%	\$ 15,394.06
Oct-16	\$ 189,556.05	151	0.049300%	\$ 14,111.12
Nov-16	\$ 173,838.63	121	0.049300%	\$ 10,370.00
Dec-16	\$ 145,573.37	90	0.049300%	\$ 6,459.09
Jan-17	\$ 187,210.08	59	0.049300%	\$ 5,445.38
Feb-17	\$ 151,602.48	31	0.049300%	\$ 2,316.94
Mar-17	\$ 149,946.39	0	0.049300%	\$ -
Sub Total	<u>\$ 6,913,655.85</u>			<u>\$ 2,074,058.83</u>

Summary:

Calculated Uncollected Vaccine Assessments:

For the Period of May 2010 - March 2013

\$ 3,408,303.61

For the Period of April 2013 - March 2017\$ 6,913,655.85

Total Calculated Uncollected Vaccine Assessments:

\$ 10,321,959.46

Calculated Interest

For the Period of May 2010 - March 2013

\$ 3,471,732.61

For the Period of April 2013 - March 2017\$ 2,074,058.83

Total Calculated Interest

\$ 5,545,791.44

Civil Penalties per RCW 70.290.060(2) 150% of Assessments\$ 15,482,939.19

Total Calculated Uncollected Vaccine Assessments, Interest
 and **Civil Penalties** for the Period of May 2010 - March 2017

\$ 31,350,690.09

TRICARE Assessment Arrearage and Cost Savings Estimates

As Shown Below, the Total Arrearage Estimate is \$49,208,370

A	B	C ^a	D	E	F	G	H	I	K	L	
							Calendar 2016 & Prior		Calendar Year 2017 & on		
FOIA reported Child			Adjusted Child	Estimated Adult ^j	Program	TRICARE liability	total estimated	total est.	Est. Annual Cost ^{op}	Est. Annual TRICARE savings ^q	
Line	State	Notes	Covered Lives	Covered Lives	Covered Lives	start year	start year	Arrearage	TRICARE savings ^q	going forward	going forward
KidsVax® clients											
01.	WA	^b	84,339	105,424	n/a	2010	2010	10,071,718 ^m	7,129,159	2,355,931	1,667,621
02.	NH	^c	4,432	5,540	n/a	2002	2013	3,300,732 ⁿ	2,336,388	527,053	373,069
03.	ME	^d	6,832	8,540	n/a	2011	2011	4,165,812 ⁿ	2,948,726	812,461	575,092
04.	VT	^e	2,235	2,794	17,379	2012	2014	2,293,196 ⁿ	1,623,215	265,786	188,134
05.	AK		26,496	33,120	118,570	2015	2015	7,888,874 ⁿ	5,584,056	3,150,904	2,230,334
06.	ID	^g	7,864	9,830	n/a	2010	2013	1,800,000	1,274,111	600,000	424,704
07.	RI	^h	5,206	6,508	34,427	2016	2017? ^h	-	-	619,098	438,222
08.	subtotals		137,404								
Other Universal or universal select states (KidsVax®'s current best estimate)											
21.	CT		10,906	13,633	n/a	2014	2014	4,863,709	3,442,725	1,296,942	918,026
22.	NM		18,975	23,719	n/a	2015	2015	5,641,327	3,993,154	2,256,507	1,597,245
23.	MA		12,355	15,444	n/a	2012	2012	9,183,002	6,500,091	1,469,257	1,039,998
29.	subtotals		42,236								
91.	Totals		179,640					49,208,370	34,831,626	13,353,939	9,452,445

Notes:

^a From 12/05/2012 FOIA response from TRICARE. Detailed State of Washington research revealed these numbers to be materially low. Accordingly, the calculated covered lives have been adjusted upward by the following percent: 25.00%

Some children may receive 100% of their vaccines in on-base facilities. This number is expected to be low for a number of reasons. Hence, KidsVax® recommends the calculated assessments be reduced by the actual cost of vaccines for TRICARE beneficiaries supplied by TRICARE as on-base immunizations. This methodology assumes that the same number of child beneficiaries were in each state each year. If TRICARE desires more precision, the arrearage can be calculated on actual average annual child covered lives each year from TRICARE database extracts with agreed adjustment for those serviced on base.

^b Washington arrearage for TriWest administration is agreed # by KV & TRICARE analysts. Remaining WA arrearage is estimated based upon the same methodology.

^c The New Hampshire program was amended to include TPAs for self-funded plans starting in 2013.

^e These numbers are only for the period of KV administration (starting in 2014). There may be liability for prior periods. Those periods are estimated using the same rate as for other non-managed states in 2016.

^g Prior to 2013 CDC allowed \$317 funds to be used to cover ID costs for TRICARE beneficiaries.

Governor Otter's January 2, 2014 to the US Dept. of Defense estimated ongoing costs of \$600K/year.

^h Rhode Island has a new statute effective 1/1/2016. KV started administration then. Rates are expected to fall.

TRICARE is one of a number of entities initially exempted from the law. That may change in the near future.

^l Adult covered lives are computed based upon the same ratio from child to adult covered lives used in each state's 2016 assessment rate determination.

^m If the WA claim proceeds to litigation the total amount claimed likely will exceed \$30 million.

ⁿ If statutory interest and penalties were added, the total would be substantially larger.

^o Annualized amount based upon latest assessment rate determination. Does not include adult assessments or adjust for any on-base immunizations.

^p Used weighted (by population) average assessment rate for states where information is not assessment based or not known to KidsVax.

Assessment rate per covered child per month: \$9.91

^q For cost savings, this spreadsheet uses the percentage savings calculated by TRICARE's crack analyst Greg Woskow who reviewed actual State of Washington data. Other states, with lower program costs from per capita methodologies, may have higher savings.

WVA dba costs: \$ 4,110,984

Savings: \$ 2,909,917 Savings factor: 70.78%

Estimated annual costs & savings are expected to grow at approximately 3.5% per year (based upon past vaccine manufacturer price increases).

*** * All estimates are made in good faith, but remain subject to material revision up or down. * ***

Child Monthly Assessment Rate History

	A	B	C	D	E	F	G	H	I	K	L
			TRICARE liability								Total per Life ^b
Line	State	Program start year ^a	start year	2010	2011	2012	2013	2014	2015	2016	
KidsVax® clients											
01.	WA ^c	2010	2010								
02.	NH	2002	2013				26.60	12.96	0.14	9.95	595.8
03.	ME ^d	2011	2011			6.98	8.16	8.16	8.16	9.19	487.8
04.	VT	2012	2014			9.91	9.91	12.49	11.61	10.73	655.8
05.	AK	2015	2015						6.85	6.77	163.44
06.	ID ^e	2010	2013								n/a
07.	RI	2016	2017?								\$0
08.	subtotals										
Other Universal or universal select states (KidsVax®'s current best estimate)											
21.	CT ^f	2014	2014					9.91	9.91	9.91	356.76
22.	NM ^f	2015	2015						9.91	9.91	237.84
23.	MA ^f	2012	2012			9.91	9.91	9.91	9.91	9.91	594.6

Notes:

^a For this estimate, the approximation assumes the rate was in effect as of the first of the year for the entire year.

^b The sum of the rates shown is multiplied by 12 (months per year) to give total per life arrearage.

(Years prior to the effective date of the program just come in at \$0.)

^c The Washington Vaccine Association assesses by vaccine so has no covered life rate.

^d ME had an interim rate of \$6.81 prior to transition to calendar year assessment rates.

^e The Idaho arrearage is based upon the amount contributed by the state legislature with respect to TRICARE beneficiaries.

^f For states not KV clients, the average of all state assessments from KV clients is used as a surrogate.

That number is: 9.91

*** * All estimates are made in good faith, but remain subject to material revision up or down. * ***

Adult Monthly Assessment Rate History

	A	B	C	D	E	F	G	H	I	K	L	M
			TRICARE								Total	Adult to
		Program	liability								per	Child
Line	State	start year ^a	start year	2010	2011	2012	2013	2014	2015	2016	Life ^b	Ratio ^d
KidsVax® clients												
01.	WA ^c	2010	2010								\$0	
02.	NH	2002	2013								\$0	
03.	ME ^c	2011	2011								\$0	
04.	VT ^e	2012	2014					0.79	0.84	0.58	26.52	6.22
05.	AK ^f	2015	2015						0.98	0.76	20.88	3.58
06.	ID ^c	2010	2013								\$0	
07.	RI	2016	2017?								\$0	5.29
08.	subtotals											
Other Universal or universal select states (KidsVax®'s current best estimate)												
21.	CT ^c	2014	2014								\$0	
22.	NM ^c	2015	2015								\$0	
23.	MA ^c	2012	2012								\$0	

Notes:

^a For this estimate, the approximation assumes the rate was in effect as of the first of the year for the entire year.

^b The sum of the rates shown is multiplied by 12 (months per year) to give total per life arrearage.

(Years prior to the effective date of the program just come in at \$0.)

^c This state has no adult program, so the adult arrearage is \$0.

^d Ratio of adults to children in most recent assessment setting workbook for each state with adult assessments due.

^e VT excludes adults over age 64.

^f AK has a number of unique features including provider opt-in for adult uninsureds and significant AK native populations.

* * All estimates are made in good faith, but remain subject to material revision up or down. * *

MEMORANDUM

TO: WVA Board
FROM: Julia G. Walter, Executive Director
DATE: March 20, 2017
RE: Proposed Special Project: Supplemental Compliance & DBA Provider/Payer Cross-Check

Overview: This memo requests authorization to proceed with ongoing work to refine the Washington Vaccine Association's (WVA) payer and provider compliance efforts by addressing the two-fold problem of providers submitting incorrectly-priced dosage-based assessments and payers failing to correctly pay at the relevant grid rates. This issue was first identified as a problem following the implementation of the July 1, 2016 assessment grid after outside accountant Norm Roberge provided a detailed claims analysis in which he reviewed DBAs submitted by providers and the corresponding payments made by payers. He concluded that 1) around 55% of all provider groups routinely submitted DBAs at the July 1, 2016 level; 2) around 80% of payers routinely submitted payments in accordance with the relevant Grid rates. While direct contact with major carriers and TPAs has been sufficient to mostly rectify the problem with the top tier of payers, it is anticipated that further analysis will allow the WVA to collect funds for assessment that are submitted at levels lower than the assessment grid.

Due to the intense labor costs involved in obtaining and comparing DBA submissions with assessments paid, KidsVax® (KV) requests that this ongoing work be considered a special project commencing May 1. Since initiating these efforts in November, KV has recovered approximately \$126,000 from WA payers discovered to have been downward pricing assessments or failing to upward price for providers that submitted DBAs at a rate lower than the current Grid level.

Actions Taken:

- 1) KV has continued to review DBAs for submission and payment accuracy.
- 2) Issue has been addressed at the Operations Committee and the project has received the Committee's recommendation.
- 3) All major insurers and TPAs have been contacted, been made aware of the problem, and asked to ensure assessments are submitted at the correct Grid level.
- 4) KV has confirmed that the top carriers cannot or deem it too labor intensive to provide the WVA with information regarding providers that fail to submit claims on behalf of the WVA.
- 5) KV has requested payers utilize their provider relations networks to facilitate information regarding the WVA and the importance of timely implementing Grid changes.
- 6) The WVA's notice procedures for Grid implementations have been fortified.



Proposed Actions:

- 1) Strengthen the language in the WVA's Plan of Operation that requires payers to submit assessments at the applicable Grid rates.
- 2) Approve a Supplemental monitoring / follow up project on a six-month basis with a \$25,000 cap¹.
- 3) This project would automatically renew every six months, subject to review and discontinuation by the board in advance of any renewal.
- 4) Julia Walter would provide a brief written project results summary annually and at any other time upon request of the board.

It is anticipated that Mr. Roberge will undertake most of the detailed supplemental review of WVA records to identify non-compliant providers and payers. Then he and other KV personnel, including Julia Walter, Ashley Kittrell, Emily McKenna, and Matthew Miller would follow up as needed with enforcement contacts to non-compliant payers or providers. The goal will be to strengthen and refine overall compliance efforts.

All aspects of this project would be overseen by Julia Walter. Any information regarding non-compliant payers would be used to strengthen current grid enforcement efforts and obtain additional monies owed to the WVA by payers that have been underpaying assessments or failing to file settlements reports.

¹ . The intended project would be classified as a Special Project (like the TRICARE task force work) under paragraph 5.2 of the WVA-KV Administrative Services Agreement.

Washington Vaccine Association
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	C	D	E	F	G	H	I	J	K	L	M	N	
Percentage of FY 06/30/16 Payments	Payer	Key Bank Date	Ref Only Check Amount	Total Claims	Number Using Grid July 2016 by Provider	Number Using Grid July 2015 by Provider	Number Using Grid Other by Provider	Number No Adjustment Payer	Number Adjusted Down by Payer	Number Adjusted Up by Payer	Number Paid at Grid July 2016 by Payer	Number Paid at Grid July 2015 by Payer	Number Paid at Other by Payer	
1	Section A:													
2	Payers correcting all claims (up or down) to the July 2016 grid													
3	34.60%	PAYER 1	October 2016	Summary	50	26	22	2	27	5	18	49	1	-
4	24.55%	PAYER 2	October 2016	Summary	55	30	22	3	31	3	21	52	2	1
5	7.56%	PAYER 3	October 2016	Summary	50	31	9	11	30	10	9	50	-	-
6	3.17%	PAYER 4	October 2016	Summary	50	30	12	8	30	4	16	50	-	-
7	1.14%	PAYER 5	October 2016	Summary	20	7	6	7	7	2	11	20	-	-
8	1.13%	PAYER 6	October 2016	Summary	20	13	4	3	13	2	5	20	-	-
9	Sub Total				245	137 75 34		138 26 80			241 3 1			
10	72.15%				100%	55.92%	30.61%	13.88%	56.33%	10.61%	32.65%	98.37%	1.22%	0.41%
11	Section B:													
12	Payers paying the claim at the submitted charge with no upward													
13	corrections. Downward corrections if 2016 grid is less than 2015 grid													
14	3.71%	PAYER 7	October 2016	Summary	63	31	28	4	48	15	-	43	19	1
15	1.06%	PAYER 8	October 2016	Summary	30	20	6	4	22	8	-	22	6	2
16	Sub Total				93	51 34 8		70 23 -			65 25 3			
17	4.77%				100%	54.84%	36.56%	8.60%	75.27%	24.73%	0.00%	69.89%	26.88%	3.23%
18	Section C:													
19	Payers paying all claims at 2015 grid													
20	7.23%	PAYER 9	October 2016	Summary	50	26	21	3	21	27	2	-	50	-
21	1.82%	PAYER 10	October 2016	Summary	20	11	8	1	9	11	-	-	19	1
22	Sub Total				70	37 29 4		30 38 2			- 69 1			
23	9.05%				100%	52.86%	41.43%	5.71%	42.86%	54.29%	2.86%	0.00%	98.57%	1.43%
24														
25	Grand Total				408	225	138	46	238	87	82	306	97	5
26	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.

March 27, 2017

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

Analysis of Covered Lives Methodology

Dear Directors,

Below is an estimate of the assessment rate if it were calculated on a "covered lives" basis. Several assumptions were made (see below) to build this estimate and could vary significantly in an actual implementation of this methodology.

Number of Covered Children¹ (2015 Population): 925,700
Less estimated compliance and population variance 92,570 (10%)
a.) Net Covered Lives 833,130

Estimated 2017 Vaccine costs² \$71,451,197

Estimated 2017 Admin Costs³ \$954,960

Total Estimated 2017 Cost \$72,415,757

Plus buildup of cash reserves toward goal⁴ \$11,435,636

b.) Total 2017 Cash Requirement \$84,151,393

c.) Annual assessment per covered life \$101.01 (b/a above)

d.) Monthly assessment per covered life \$8.42 (c/12 above)

Comparisons (annualized):

Alaska \$103.44

New Hampshire \$92.70

Vermont \$118.08

Assumptions:

- A. That the population estimates referenced are accurate for this purpose.
- B. That the compliance and population variance reasonable (net 10% decrease in population).
- C. That other ongoing factors are mitigated (TRICARE, collections issues, general compliance, etc.).
- D. That there would be no lag or startup effect that would significantly impact the cash flows.
- E. Inventory, utilization of product, and administration would remain constant at current levels

Sources:

- 1. Covered Children: <http://kff.org/other/state-indicator/children-0-18/?currentTimeframe=0#notes>
- 2. Vaccine Costs: WVA annual cash flow projections with input from DOH
- 3. Admin Costs: WVA annual cash flow projections
- 4. Buildup of cash reserves: WVA annual cash flow projections

Sincerely,



Peter M. Smith
Financial & Internal Control Analyst

cc: Julia Walter, Executive Director



**April 6, 2017 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 November 3, 2016 Board Meeting.

[To approve the minutes of the November 3, 2016 Board Meeting with the changes suggested at the meeting.]

VOTED: To approve the minutes of the November 3, 2016 Vaccine Committee Meeting.

[To approve the minutes of the November 3, 2016 Vaccine Committee Meeting with the changes suggested at the meeting.]

VOTED: To approve the minutes of the December 12, 2016 Operations Committee Meeting.

[To approve the minutes of the December 12, 2016 Operations Committee Meeting with the changes suggested at the meeting.]

VOTED: To approve the minutes of the March 13, 2017 Audit Committee Meeting.

[To approve the minutes of the March 13, 2017 Audit Committee Meeting minutes with the changes suggested at the meeting.]

VOTED: To affirm Derek LeBrun as the member representing Coordinated Care, whose term renews in 2018 pursuant to RCW 70.290.030 (3)(c).

[To affirm Derek LeBrun as the member representing Coordinated Care, whose term renews in 2018 pursuant to RCW 70.290.30 (3)(c) with the changes suggested at the meeting.]

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

[To affirm John Sobeck as the Treasurer of the WVA Board of Directors for a one-year term with the changes suggested at the meeting.]

Items under Agenda Section 3:

VOTED: To maintain the current assessment grid.

[To maintain the current assessment grid with the changes suggested at the meeting.]

VOTED: To approve the edits to the Plan of Operation.

[To approve the edits to the Plan of Operation with the changes suggested at the meeting.]

Item under Agenda Section 6:

VOTED: To authorize the Payer Compliance Special Project for a six-month basis not to exceed \$25,000 monthly.

[To authorize the Payer Compliance Special Project for a six-month basis not to exceed \$25,000 monthly with the changes suggested at the meeting.]

WASHINGTON VACCINE ASSOCIATION
Governing Statutes under the Revised Code of Washington

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Title 70. Public health and safety

Chapter 290. Washington vaccine association

RCW 70.290.010. Definitions

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

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

chapter.

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

RCW 70.290.020. Washington vaccine association - Creation

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

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

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

board to represent all entities under common ownership or control.

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

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

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

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

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

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

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

RCW 70.290.047. Registration of third-party administrators

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

RCW 70.290.050. Selection of vaccines to be purchased - Committee

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

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

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

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

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

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

RCW 70.290.070. Board shall submit financial report to the secretary

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

RCW 70.290.080. Limitation of liability

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

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

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

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

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

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

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

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

RCW 70.290.900. Effective date — 2010 c 174

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

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

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

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

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

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

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

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

Date	Board (Generally Thursdays 2-4 PM)	Executive Committee (Scheduled if needed)	Vaccine Committee	Operations Committee	Audit Committee
January					
February					
March					X (March 23)
April	X (April 6)		X (April 6)		
May				X (May 4)	
June	X (June 29)				X (June 15)
July					
August					
September					X (September 7)
October				X (October 12)	
November	X (November 2)		X (November 2)		

*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.

WVA Board of Directors, Board Terms, Corporate Officers, and Committees

The following individuals are voting members of WVA under RCW 70.290.010--090 (Wash. 2010) (the "Act").
Their respective terms and /committee assignments are set out below.

Name	Organization	Statutory Authority RCW 70.290.030	Year Term Ends	Officers	Executive Committee	Audit Committee	Vaccine Committee RCW 70.290.050
Pierce, John	Premiera BlueCross	Sec. (3)(a)	2017	Board Chair & President	C		
David Efroymson	Group Health	Sec. (3)(b)	2018				
Farber, Jason	Davis Wright Tremaine	Sec. (3)(e)	2019			X	
LeBrun, Derek	Coordinated Care (AWHP election)	Sec. (3)(c)	2018				X
Harvey, Beth	South Sound Pediatric Associates	Sec. (3)(f)	2019		X		
	Northwest Association of Administrators	Sec. (3)(d)	2017				
Marcuse, Ed	University of Washington	Sec. (3)(f)	2018	Board Secretary			C
Roberts, Michele	Department of Health	Sec.(3)(g)	•		X		X
Kulpa, Pat	Regence BlueShield	Sec. (3)(a)	2019				
Falanga, Cathy	Aetna	Sec. (3)(a)	2019		X		X
Sobeck, John	Cigna	Sec. (3)(a)	2017	Treasurer		X	

Legend:

("C") = Chairperson

("X") = Member

(•) = Serves until a successor is appointed by the Secretary

Vaccine Committee:

- In addition to the above board members, the following individuals have been named to serve on the Vaccine Committee:
 - Appointed by the Secretary RCW 70.290.050 (1): Jeff Gombosky (non-voting)
 - Appointed by the Board and non-voting: Sheanne Allen
(Note: Not required by statute) Mary Kay O'Neill
- As of November 2017, an open position exists on the Vaccine Committee.

Audit Committee:

- As of March 2017, an open position exists on the Audit Committee.

**2017 Washington Vaccine Association Directory
As of 2/28/2017
Board of Directors**

Payer Representatives

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Medical Director, Washington
The Regence Group-Healthcare Services
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David Efroymsen
Executive Director, Supply Chain
Group Health Cooperative
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Coordinated Care

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Catherine Falanga
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Aetna Life Insurance Co.

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Self-Funded Employer Representative

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Physician Representatives

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Board Governance Roles & Committees

Executive Committee

Chair & President: John Pierce
 Vice-Chair & Treasurer: John Sobeck
 Secretary: Ed Marcuse
 Beth Harvey, MD
 Michele Roberts

Audit Committee

Chair: John Sobeck, MD
 Jason Farber
 (Open Position)

Vaccine Committee

Chair: Ed Marcuse, MD
 (Open Position)
 Cathy Falanga
 Michele Roberts
 Mary Kay O'Neill, MD (public member)
 Sheanne Allen, Ex-Officio (without vote)
 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
 Rachel Wood, MD

Operations Committee

Chair: Julia Walter
 Cathy Falanga
 Jeri Trice
 Stephanie Crook
 Brandon Jensen
 Laura McKenna
 Walter Kuiee
 Angela Wilson
 Chad Murphy
 Kim Barringer
 Marcia Joy
 Maureen Brooks
 Patricia Perge
 Tom Messick
 Susan Comer

Hilton Parking Information & Directions

From the South:

I-5 N toward Seattle. Take the Seneca St. exit 165 from the left-hand lane. Turn right at the light onto 6th Avenue. Proceed one block in the left lane. Hilton Seattle is located on your left at the corner of 6th Avenue and University Street. The garage entrance is on the left side of the street just a few feet away (the garage is not affiliated with the hotel, but rather owned and operated by LAZ Parking).

From the North:

Take I-5 S toward Seattle. Take the Union St. exit 165B in the right-hand lane. Turn left on 5th Avenue and left on University Street. Proceed one block in the left lane. Hilton Seattle will be located on the corner of University Street and 6th Avenue. Proceed left past our front entrance into the garage just a few feet away (the garage is not affiliated with the hotel, but rather owned and operated by LAZ Parking).

Derek LeBrun

email: lebrun_derek@yahoo.com | phone: 503-516-6738 | location: Seattle/Tacoma, WA

SUMMARY

- Fortune 100 director overseeing both financial and operational departments.
- Financial analysis, reporting, operational health care strategy, risk adjustment, and management principles.
- Collaboration with and reporting to senior executives.
- Mentoring and development of managers and analysts.
- Experience building business units from the ground up.

EMPLOYMENT

Centene Corporation – Coordinated Care Health Plan

2014 – Present

Director, Finance & Risk Adjustment

- Provide direction and guidance to RA Manager to ensure all operational and financial targets are met.
- Oversee multiple business lines including both Medicaid and Commercial Exchange programs.
- Lead rate negotiations with the health care authority and state actuaries – developed model that helped lead to 4.5% base rate increase in the Medicaid Expansion product.
- Formulated, implemented, and now run the membership re-enrollment program.
- Mentor senior FA IV to take on greater responsibilities allowing me more time to spend on risk adjustment and the overall financial strategy for the company.
- Retain all of the Finance duties listed below.

Sr. Manager, Finance & Risk Adjustment

- Re-built risk adjustment team based on proven models to maximize revenue lift.
- Developed productivity measures & benchmarks to track & monitor both project and employee performance.
- Implemented/run outbound call campaign, coordinate in-home assessments, integration with case management department, develop provider education presentations, and oversee the chart chase projects.

Manager of Finance

- Direct a team of analysts who oversee the health plan accounting and finance functions.
- Coordinate the quarterly forecasts and year-end annual operating plan. Work cross-functionally with departments to achieve a strategic budget. Lead team in the redevelopment of our forecasting models.
- Drive the month end close cycle. Prepare and present the month end packet to senior leadership.
- Formulate & implement revenue generation and expense reduction initiatives.
- Ad-hoc reporting and presentations. Oversee the creation of dashboards and dynamic tools.

Oregon Health & Science University

2011 – 2014

Sr. Financial Analyst

- Responsible for all rates and pricing of a \$2.6B organization with over 50k individual products and services.
- Worked with senior departmental leaders and budget managers to forecast volume and adjust revenue.
- Worked on an implementation of a large scale EPM system.

Legacy Health

2007 – 2011

Reimbursement Analyst

- Prepared monthly and yearly financial statements to present to management and senior executives.
- Prepared the Medicare and Medicaid Cost Reports.

EDUCATION

University of Portland

2011 – 2013

Master of Business Administration

- Inducted into Beta Gamma Sigma – International Business School Honor Society

Portland State University

2005 – 2009

Bachelor of Science, Finance

Derek LeBrun

email: lebrun_derek@yahoo.com | phone: 503-516-6738 | location: **Seattle/Tacoma, WA**

ADDITIONAL QUALIFICATIONS

- Advanced proficiency with Office Suite.
- Advanced financial modeling experience in Excel and executive level PowerPoint presentations.
- Query writing ability in both SQL and VBA. Knowledge of relational databases and data mining.
- Experience with Hyperion, Essbase, Microstrategy, PeopleSoft, PL/SQL, Teradata, Impact Intelligence, Axiom EPM, Business Objects, Cognos, Craneware, Crystal Reports, EPIC, Lawson Accounting, MedAssets, Oracle FM Web, Oracle 11g, SMS, and TruCare.