

**Washington Vaccine Association
Board of Director's Meeting
June 29, 2017; 2:00-4:00 p.m. (PST)**

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

Officers

John Pierce, Esq., Premera - *Chair*
John Sobeck, MD, MBA, Cigna - *Vice Chair & Treasurer*
Ed Marcuse, University of Washington -
Secretary – Absent

Others

Anne Redman, Esq., Perkins Coie
SheAnne Allen, MPH, MCHES, Dept. of Health
Haley Olligus, Dept. of Health
Jared Skretvedt, Intern, Cigna
Jim Flood, Outside Govt. Affairs Consultant (T)

Members

Beth Harvey, MD, S. Sound Ped. Assoc. (T)
Cathy Falanga, Aetna (T)
Derek LeBrun, MBA, Coordinated Care
Jason Farber, Esq., Davis Wright Tremaine (T)
Michele Roberts, MPH, MCHES, Dept. of Health
Pat Kulpa, MD, MBA, Regence

KidsVax® (KV)

Fred Potter, MBA, Esq., Managing Member
Julia Walter Zell, MA, Esq., Executive Director
Claire Roberge, MBA, Controller (T)
Heather Rautio, Executive Assistant
Norman Roberge, Accountant (T)

Absent

David Efroymsen, GroupHealth

II. Summary of Actions Taken and/or Recommended

A. Actions Taken (votes adopted)

1. To approve the minutes of the April 6, 2017 Board Meeting.
2. To approve the minutes of the April 6, 2017 Vaccine Committee Meeting.
3. To approve the minutes of the June 15, 2017 Audit Committee Meeting.
4. To affirm Derek LeBrun as an Audit Committee member.
5. To approve the 2017-2018 WVA Operations Budget.
6. To approve, by unanimous vote, the edits to the Plan of Operation with the changes suggested at the meeting.
7. To accept the 17/18 Performance Goals with the changes suggested at the meeting.
8. To set the Board-designated performance award to KidsVax® for the 16/17 operating year and to authorize payment at this time.
9. To approve Julia Walter Zell's continued service as the WVA Executive Director, notwithstanding her relocation to another Pacific Northwest state.

B. Follow up Tasks/Action Items

1. Create a summary of the Payer Compliance Special Project Funding Report for review at the September 7, 2017 Audit Committee Meeting.
2. Develop a plan of action for updating the WVA Communications Plan.
3. Board Members are requested to ponder the WVA SWOT Analysis completed in April 2017 with the intent to develop WVA strategic goals.
4. Coordinate a WVA Strategic Goals Workshop.
5. Develop an analytical report outlining DBA Alternate Methodologies for the November 2, 2017 Board Meeting.
6. Quantify current TRICARE interest and penalties owed to the WVA.

1 **III. Minutes**

2 Welcome and Introductions

3 At 2:05 p.m., a quorum having been established, Chairman John Pierce called the meeting to order. Introductions were made, and
4 Julia Walter Zell announced that the meeting was being recorded for the benefit of the minute-taker and will be deleted following
5 final approval of the minutes.

7 Consent Calendar Items

8 Chairman Pierce asked if there were any comments regarding the consent calendar items. There being none, the following items
9 were put to a vote:

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

13 **VOTED:** To approve the minutes of the April 6, 2017 Board Meeting.
14 To approve the minutes of the April 6, 2017 Vaccine Committee Meeting.
15 To approve the minutes of the June 15, 2017 Audit Committee Meeting.
16 To affirm Derek LeBrun as an Audit Committee Member.

18 Financial Report

19 Ms. Zell reported that financials were reviewed at the June 15, 2017 Audit Committee meeting. Finances are tracking with budget
20 projections and cash reserves are steadily building at approximately \$1-1.2 million per month. The 2017-2018 Assessment Rate
21 goes into effect July 1, 2017. It is anticipated that a review of WVA's cash flow and revenue will be reviewed in the September 7,
22 2017 Audit Committee meeting and the committee will then make a recommendation to the Board that will also address
23 continuation of the WVA's \$5 million line of credit (LOC).

25 Ms. Zell reported that the 2016-2017 Audit is scheduled, with no anticipated obstacles. It is expected to be completed in August in
26 time for the Audit Committee meeting September 7, 2017. Mr. Pierce asked if the WVA has had the same auditors since inception.
27 He posited the theory of rotating auditors periodically. Ms. Zell and Mr. Potter explained that while CliftonLarsonAllen (CLA) has
28 been the auditing firm since inception, they believe the WVA is still receiving some of the benefits of the periodic rotation without
29 the expense of going through the proposal & bid process on a periodic basis. CLA management and auditors have changed a few
30 times since WVA's inception. In the interest of due diligence, the WVA compared CLA pricing with other auditing firms and found
31 it was comparable.

33 Mr. Roberge completed the financial update by noting that \$13,000 of the May legal fees included outside counsel and bank fees
34 for re-authorization of the LOC.

36 Audit Committee Update

37 **2017-2018 Operations Budget**

38 Audit Committee Chairman, Dr. John Sobeck, informed the Board that the Committee reviewed and voted to recommend the 2017-
39 2018 Operations Budget to the Board during the June 15th Audit Committee meeting. The budget includes an increase for inflation
40 and changes in volume. There is no longer a budget line item for third-party communications support. The function has been
41 brought in-house by KidsVax (KV). He noted that the budget reflects an anticipated decrease in Key Bank Lock Box processing
42 fees. The WVA continues work on TRICARE collections which is paying off.

44 With regard to finances, Ms. Zell reported the WVA has collected \$1.1 million from TRICARE to date, due to the hard work and
45 support of Department of Health (DOH) staff. An estimated 20% of assessments are still being denied by TRICARE due to lack of
46 National Drug Codes in the submission. The WVA has pressed TRICARE for a work-around, which will be discussed in more
47 detail later.

49 Dr. Sobeck plans to review the need for a future LOC, based on cash flow analysis and discussion. The most recent LOC renewal
50 was due to cash flow uncertainty. LOC fees include both a one-time documentation fee as well as an annual fee to keep capital
51 available.

53 **Upon motion duly made and seconded, it was unanimously**

55 **VOTED:** To approve the 2017-2018 WVA Operations Budget.

57 Department of Health Updates

58 **Potential State Shutdown**

Ms. Roberts reported that while a state budget was recently passed, DOH has been preparing for a potential shutdown, and will continue to proceed as if there will be one until the budget document is signed. She assured the WVA Board that all vaccine funding and ordering would continue without interruptions.

Ms. Roberts then asked Ms. Allen, DOH Vaccine Management Section Manager, to proceed with the vaccine updates.

Vaccine Updates

Ms. Allen referred the Board to the “Vaccine Management Update” presentation and highlighted items of note within it. She also discussed vaccine supply and DOH efforts to reduce waste. Also, her team is working on improving communications to providers and the public with the end goal of increasing vaccine usage and decreasing the number of expired doses.

Ms. Allen then addressed this year’s new vaccine. The “2017-2018 Flu Pre-Book” information was presented to the Vaccine Committee. After reviewing remaining doses for the current year, Ms. Allen is confident in the pre-booked numbers.

At the last Vaccine Committee Meeting Dr. Marcuse asked Ms. Allen to review wastage. Ms. Allen compiled a summary of wastage from 2012-2016, based on available data. The data covers all funding sources, including Vaccines for Children (VFC) program funds. Ms. Allen plans to investigate wastage variations in more detail. She and her team’s initial theory is that wastage is the result of spoilage and expired vaccines. Mr. Pierce asked if she had a reference point to compare the data to or bench mark numbers for a well-managed program. Ms. Allen stated, based on discussions with other states, Washington’s wastage rates are very low, but accountability is very high. Ms. Zell backed up the assertion saying Washington’s rate is one of the lowest among state vaccine programs administered by KV. Ms. Roberts noted total vaccines ordered is around \$150 million, so the wastage rate is under 3%. The wastage in other states is approximately 5-10%. Mr. Potter noted the CDC trigger for special review is 5%, which Washington is well below.

Ms. Allen continued with the “2018 Thermometer Requirements” slide of the presentation to help answer a question from Mr. Pierce regarding accountability. CDC is mandating new thermometer requirements, which will be a requirement for all providers purchasing vaccines through the WVA program. Mr. Pierce had questioned what increased accountability might look like and deferred to the CDC after being informed of their new requirement. Dr. Sobeck asked whether DOH tracked excursions, mishandling of vaccines, to determine whether it was an isolated incident or a systemic problem with the provider. Ms. Allen assured her listeners that excursions are tracked and multiple episodes are followed up on by her office staff. Her office offers training and on-site visits to work through the issue.

Ms. Allen asked the Board whether information such as the 2018 thermometer requirement would be of interest to the Board members’ health systems, in addition to DOH’s list of providers. Ms. Kulpa, an insurance representative, agreed that national requirements could be forwarded for possible inclusion in insurance newsletters.

Plan of Operation

Ms. Zell prefaced the Plan of Operation (“Plan”) revisions by providing background information. The conversation to revise the Plan began last year to clarify assessment language. Ms. Zell stated that internal meetings regarding Plan changes were conducted amongst KV staff, WVA Outside Counsel, DOH, the Washington Attorney General’s office, and the TRICARE litigation counsel. Anne Redman, WVA Outside Counsel, then proceeded to summarize the substantive changes as outlined in the “Executive Summary of Proposed Changes to Amended and Restated Plan of Operation” memorandum.

Mr. Farber requested that “shall” be replaced with “must” prior to “agree in writing” (Article VI, Section B, fifth line). Ms. Redman concurred and continued summarizing the changes.

Dr. Sobeck wanted clarification on whether the members (payers) are clear on what their payment obligation is. Ms. Redman and Ms. Zell asserted the assessment obligation is clearly established through the dosage-based assessment (DBA) process. There should be no obligation ambiguity for the payer.

Ms. Redman asked if there were further questions or comments regarding the Plan, beyond the edit request in Article VI, Section B. There were no further questions or discussion.

Upon motion duly made and seconded, it was super-unanimously

VOTED: To approve the edits to the Plan of Operation with the changes suggested at the meeting.

KidsVax Updates

Executive Director Report

Ms. Zell stated the WVA cumulative assessments collected as of May 31, 2017 total more than \$380 million. The WVA's cash balance is \$8 million and an LOC is still available if needed. The detailed financial status was reviewed earlier in the meeting, therefore; Ms. Zell moved on to other topics. She introduced Heather Rautio, a new KV Seattle employee.

Ms. Zell reminded the Board that the 2017-2018 Assessment Grid will be going into effect July 1, 2017. WVA processes have been updated to mitigate communication challenges observed last year after posting the new Assessment Grid. DOH is now providing email notification in lieu of a fax. Also, part of the Payer Compliance Special Project, authorized in the last Board Meeting, is to compare DBA filed by the provider with payments received from the payer. The WVA then works with providers to help resolve DBA filing errors to decrease filing denials and subsequent non-payment. The focus is limited because there are over 1,000 provider offices throughout the state, and it is still an open system. WVA obligation and enforcement power is through the payer, therefore effectiveness may be limited working with providers. Despite challenges, efforts are still on-going to improve communications with and training of providers.

Dr. Soback inquired as to whether the WVA had updated payer contacts for the top payers. Ms. Zell replied yes and not that she was rebuilding a current list of POCs through the project.

TRICARE

Jim Flood, the WVA's outside government affairs consultant, provided the following update. The Senate Appropriations Committee staff have favored language provisions in the Fiscal Year (FY) 2018 National Defense Authorization Act (NDAA) which addresses TRICARE arrearages. Overall, Mr. Flood is optimistic of a favorable congressional resolution.

Ms. Zell reintroduced the topic of challenges related to TRICARE's requirement of NDCs. Efforts are on-going with TRICARE to reduce the number of denials due to missing NDC and other factors.

Retreat Follow-Up – SWOT Analysis

Ms. Zell explained that the Executive Committee would like to build on the "Strength, Weaknesses, Opportunities, and Threats (SWOT) Analysis" from the Board Retreat in April to develop strategic goals for the WVA. Reviewing the effectiveness and efficiency of the DBA methodology along with possible alternatives is of special interest to several Board Members and DOH. She noted that KV has initiated research of another system that fits the Washington statute.

Per Chairman Pierce, the question for the Board is how do we build on the SWOT analysis of the WVA completed at the retreat. The Executive Committee believes it would be of value for the Board to discuss themes or key ideas with the intent of defining an additional performance goal or two for KV as well as developing strategic goals for the Association. He requested that members think about the analysis and bring key ideas forward for the Board to address.

Derek LeBrun asked for clarification on the next steps in regards to a review of the DBA methodology. Ms. Zell directed the Board's attention to goal #4 in the draft 2017-2018 Performance Goals for KV, which addresses initial next steps for the review. Chairman Pierce stated he wished to discuss the 2017-2018 Performance Goals, next on the agenda, but postpone voting for the Executive Session.

2017/18 Performance Goals

Ms. Zell began the performance goals discussion by explaining that "Goal #1: Maintain Core Service Metrics" was a standard performance goal related to WVA responsiveness to ad-hoc inquiries and standard reporting requirements.

"Goal #2: Improve WVA Communications" was also a goal last year, however the intent this year is to build on the 2010 "WVA Communications Plan" and further define strategic communications to encompass WVA partners, contributors, and support. Of particular interest, is maintaining materials for providers and payers in order to mitigate the impact of personnel turnovers. Dr. Soback distinguished between KV and Board communication responsibilities and the need for both. Ms. Roberts expounded on the concept by describing the active WVA Communications Working Group efforts directly after legislature was initially passed to form the WVA. She believes each member/group's role in successful WVA communications will be clarified as the "Communications Plan" is updated. Chairman Pierce highlighted the need for the Board to focus on provider communications.

KV's role in "Goal #3: Support Development of 3-5 Year WVA Strategic Plan" would be limited to developing support material and facilitating the discussion, if the goal were to be approved. Development of WVA strategic goals is the purview of the Board.

Similarly, KV's role in "Goal #4: Complete Assessment of Dosage-based Methodology" would be limited to preparing an analytical report and identifying alternative collection methodologies. KV is open to Board recommendations on what to include in the analysis. At a minimum, a SWOT analysis of the current and possible alternate system would be included.

1 If the Board would like to develop strategic goals for the Association, then Ms. Zell recommends an off-site, extended meeting
2 similar to the Board Retreat. A “WVA Strategic Goals” document would then be published for the benefit of our partners.
3

4 For both goals #3 and #4, initial thoughts for the analytical report include compiling data from the DOH and historic information.
5 Ms. Zell requested Board input as to the level of detail desired and presentation format. KV will provide an outline to the Board
6 for review prior to the next meeting.
7

8 Chairman Pierce recommended adding verbs in front of Goals 4.a. and 4.b. He also asked for KV to refine Goal 4.b. to include
9 development of pros and cons for each alternative (as well as for the current methodology). Providing a recommendation on the
10 future methodology to be maintained or adopted was considered as part of the goals, however, Chairman Pierce and Ms. Zell
11 both agreed decision authority is at the sole discretion of the Board.
12

13 Chairman Pierce asked if there were any further thoughts on or additions to the 2017-2018 Performance Goals to ensure the right
14 goals are agreed on for the year. Derek LeBrun questioned whether it would be possible and worthwhile to add a more detailed
15 goal regarding the collection of approximately 20% of outstanding TRICARE assessments. The intent was to add an operational
16 improvement goal. Ms. Zell asked to defer commenting fully until after the Payer Compliance Special Project update. An open
17 system, such as the WVA DBA system, includes inherent tracking challenges.
18

19 **Payer Compliance Special Project Update**

20 Ms. Zell explained that the Payer Compliance Special Project was authorized in the April Board Meeting to address non-compliance
21 issues. Ms. Redman asked what percentage of assessments are received through an alternate payment method. Ms. Zell and Mr.
22 Potter explained there was a DBA variant process and a couple of alternatives to the DBA process adopted shortly after WVA
23 inception. A DBA variant, also referred to as a “settlement report,” is automatically generated by a payer (typically all major payers)
24 when a provider submits a medical vaccine administration claim but does not submit an accompanying DBA. The Board approved
25 the process of automatically generating a DBA variant shortly after inception to allow time for training of providers. At that time
26 the Board also approved an alternative payment method or exemptions for payers who provide their own vaccines, on a case-by-
27 case basis. Ms. Zell stated that alternatives to the DBA method, excluding the DBA variant process, make up a small percentage
28 of total assessment received.
29

30 Ms. Zell committed to compiling a Payer Compliance Special Project Report for the November 2, 2017 Board Meeting. The report,
31 at Mr. Farber’s request, will provide input into a Board decision whether there is value in continuing the project, including the
32 function in the base contract, or determining it was a short-term project only.
33

34 Chairman Pierce announced they were ready to go into the Executive Session. Ms. Zell was asked to remain briefly to provide
35 more information on her possible relocation. Mr. Potter asked permission to remain briefly so that he might expound on the
36 TRICARE arrearage issue. Chairman Pierce concurred. All other staff and guests were excused and the Board went into Executive
37 Session.
38

39 Executive Session

40 The Board meeting continued in a confidential executive session, with WVA’s outside counsel included. Voting results are listed
41 below.
42

43 **Upon motion duly made and seconded, it was unanimously**

44
45 **VOTED:** To accept the 17/18 Performance Goals with the changes suggested at the Meeting.
46

47 **Upon motion duly made and seconded, it was unanimously**

48
49 **VOTED:** To set the Board-designated performance award to KidsVax® for the 16/17 operating year and to
50 authorize payment at this time.
51

52 **Upon motion duly made and seconded, it was unanimously**

53
54 **VOTED:** To approve Julia Walter Zell’s continued service as the WVA Executive Director, notwithstanding
55 her relocation to another Pacific Northwest state.
56

57 Closing

There being no further business, the meeting was adjourned at 4:30 p.m. PST.

What: Board of Directors Meeting
Date & Time: Thursday, June 29, 2017; 2:00-4:00 p.m.
Location: Alki Conference Room. 2025 1st Ave., PH-A, Seattle, WA 98121
Conference Line: (267) 930-4000; Conference ID: 103063718#

Notice: The meeting may be recorded for the benefit of the minute-taker. 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:
2:00-2:05 p.m.	1. Welcome & Introductions a. Notification of Recording	J. Pierce
2:05-2:10 p.m.	2. Consent Calendar Items * a. Board Meeting Minutes (April 6, 2017) * b. Vaccine Committee Meeting Minutes (April 6, 2017) * c. Audit Committee Meeting Minutes (June 15, 2017) d. Vote to Affirm D. LeBrun as Audit Committee Member	J. Pierce
2:10-2:25 p.m.	3. Financial Report * a. Financials – as of May 31, 2017 b. July 1, 2017 Assessment Grid c. Line of Credit and Reserve Targets	P. Smith
2:25-2:35 p.m.	4. Audit Committee Update * a. 2017-2018 WVA Operations Budget i. Vote to Approve 2017-2018 WVA Operations Budget	J. Sobeck
2:35-2:45 p.m.	5. DOH Updates a. Potential State Shutdown and Impact on Vaccine Program b. Vaccine Updates	M. Roberts
2:45-3:00 p.m.	* 6. Plan of Operation – Review of edits a. Vote to Approve edits to Plan of Operation	J. Zell / A. Redman
3:00-3:25 p.m.	7. KidsVax Updates * a. Status Report * b. TRICARE Report * c. Retreat Follow-Up – SWOT Analysis * d. 17/18 Performance Goal Setting i. Vote to Accept 17/18 Performance Goals d. Payer Compliance Special Project Update	J. Zell J. Flood N. Roberge
3:25-3:55 p.m.	8. Executive Session (all staff, KV, guests excluded; outside counsel included) a. TRICARE Discussion b. KV Performance Goals * i. 16/17 Performance Goals Review c. Board Only i. Finalize KV Evaluation ii. Vote to Set 16/17 Board-designated Performance Award to KV * d. Executive Director Relocation i. Vote to Approve Executive Director's Relocation	J. Pierce
3:55-4:00 p.m.	9. Closing	
	10. Reference Documents * a. Contact List * b. Governing Statute * c. Schedule of Upcoming Meetings * d. Proposed Form of Votes * e. Directions to Ellis, Li & McKinstry	J. Pierce

**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

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

3 4 **Vaccine**

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

10
11 Chairman Pierce thanked the committee chairmen and members for their work and asked Ms. Roberts to
12 proceed with the DOH Updates.

13 14 DOH Updates

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

20
21 Continuing with updates, Ms. Roberts informed the Board of two potential changes in federal funding in
22 Washington. She briefly noted that changes to the Affordable Care Act (ACA) will affect health insurance
23 in general as well as potentially affect access to vaccines, although there are no definite changes yet. Second,
24 Ms. Roberts stated that because a large part of Washington's immunization program is federally funded,
25 there could be several impacts if funding is decreased. She noted that approximately fifty percent of federal
26 funding is discretionary and the other fifty percent funds the Vaccines for Children program and a portion
27 of the immunization program's operating costs. If there are changes to the Prevention and Public Health
28 Fund, which is part of the ACA, it could possibly affect the DOH in areas such as lab capacity grants,
29 chronic disease, and other public health initiatives. Ms. Roberts noted that the President's current budget
30 does not include discretionary immunization funding, and the DOH is working closely with the Washington
31 congressional delegation. Chairman Pierce asked what the WVA should be aware of as the budget and
32 health care debate continues to evolve. Ms. Roberts responded that there could be changes in discretionary
33 funding, which helps support work with provider offices and promote immunization rates.

34 35 KidsVax Updates

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

42 43 **2016/17 Performance Goals Status**

44 Ms. Walter informed the Board that all of the 2016/17 Performance Goals are on schedule for completion
45 or have been met except for gaining TRICARE's ongoing compliance which is a stretch goal. She noted
46 that several communications, including the Provider Reference Guide, have been sent to providers
47 throughout Washington, and the WVA website has also been updated. Second, the director handbook has
48 been updated and supplemental reference materials have been created for new board members. Third, three
49 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]

1 Closing

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

DRAFT

**Washington Vaccine Association
Vaccine Committee Meeting
April 6, 2017; 10:30-11:30 a.m. PST**

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

Members

Ed Marcuse, MD, Chairman
Michele Roberts, MPH, MCHES, Department of Health
Cathy Falanga, Aetna
Lisa Johnson, MD (T)
Jeffrey Gombosky (T)
Rachel Wood, MD (T)

Absent

Jeffrey Duchin, MD
John Dunn, MD, Kaiser Permanente
Chad Murphy, Premera

KidsVax®

Fred Potter, MBA, Esq., Managing Member
Julia Walter, MA, Esq., Executive Director
Ashley Kittrell, Communications Coordinator

Others

Sheanne Allen, MPH, MCHES, Department of Health
Mary Kay O'Neill, MD, Mercer
Natasha DeSouza

II. Follow up Tasks/Action Items

1. Sheanne Allen will prepare a vaccine wastage data report for the Committee's review.
2. A list of Vaccine Committee members will be included in future meeting packets.

III. Minutes

Welcome and Introductions

At 10:30 a.m., a quorum having been established, Chairman Ed Marcuse 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.

In opening, Chairman Marcuse announced that Committee member Dr. John Dunn was recently appointed to the National Vaccine Advisory Committee, which will prove beneficial to the Vaccine Committee's work in the future. After asking if there were any other topics of discussion for the meeting, Chairman Marcuse asked Michele Roberts to proceed with the Department of Health (DOH) updates.

Department of Health

Ms. Roberts began by introducing Ms. Allen as the new Vaccine Management Section Manager and gave a brief background of her work in the 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 work closely with the Washington Vaccine Association (WVA) in her role. Continuing with updates, Ms. Allen gave an overview of flu vaccine supply, the 2017/18 flu vaccine pre-book, provider choice, Meningococcal B, HPV, and Mumps.

2016/17 Flu Vaccine Supply

The breakdown and presentations for the 2016/17 flu vaccine supply were available for the Committee's review. Ms. Allen stated that there are currently 106,000 doses of flu vaccine available for the 2016/17 flu season. She noted that Fluzone is late coming to distribution and is why there is currently a larger amount in supply than normal; however, the current amount of flu vaccine supply is average for the year and the DOH continues to receive daily orders for it.

Provider Vaccine Preference Survey

183 responses were received for the provider vaccine preference survey that was sent in late January. Ms. Allen commented that there was a 17% survey response rate, and the DOH will take steps to encourage a higher response rate for future surveys. The results showed that providers prefer pre-filled syringe due to ease of use; however, lack of storage is an issue. The survey also found that there is currently no demand for cell-free flu vaccine, and neuropath offices prefer preservative-free vaccine.

2017/18 Flu Pre-book

This year's flu pre-book offers four presentations as opposed to five based on provider preferences. The requested dosage amount increased slightly by 4,000 for a total of 690,000 doses. Chairman Marcuse inquired how any doses are typically left over and if the cost is absorbed. Ms. Allen replied that approximately 50-60 thousand doses are left over on average. Regarding the cost absorption, the actual vaccine cost cannot be recovered but is distributed among the various funding sources and an excise tax is returned on all unused vaccine. The Committee expressed interest in the trend data for vaccine wastage. Ms. Allen stated that she can conduct a report and send to the Committee with the data. Ms. Allen concluded the Pre-book overview by noting that the number of FluLaval doses was reduced by 24%. Dr. Rachel Wood asked if Flumist would be offered in 2017/18. Ms. Allen replied that it was not. Ms. Roberts added that research and data is still being gathered to determine the cause of its inefficacy and the Advisory Committee on Immunization Practices will receive an update at its next meeting.

Vaccine Choice

Vaccine choice will be open from April 17-30. Ms. Allen noted that there are a few additions including Quadricel and Kinrix. GSK no longer offers vials of Engerix-B (Hep B) due to a greater yield in prefilled syringe. Ms. Allen also noted that MenHibrix is no longer offered due to minimum utilization and there is no replacement for it.

Meningococcal B

Ms. Allen asked the Committee if they prefer to continue tracking the data for Meningococcal B. Chairman Marcuse stated his preference to continue receiving updates because the vaccine will continue to evolve. He also asked if it was possible if the presentation could specify what areas of the state and physicians are utilizing it for high-risk children. Ms. Allen responded that it could and noted that there was a slight decrease in January for Meningococcal B, but it seemed characteristic of ordering patterns.

HPV

Continuing with updates, Ms. Allen asked Committee members if they would like to continue receiving updates on HPV. Chairman Marcuse asked that the chart indicate when HPV changed from a three to two dose series for the 9-15 year-old age range.

Mumps

Ms. Allen gave a brief update on the Mumps outbreak, noting that there are 719 reported cases in fourteen counties as of April 3, 2017. The DOH is utilizing some limited federal funding by the CDC to provide vaccine, and 3,160 doses have been provided thus far. The DOH has also developed a website with useful information for parents and providers. Dr. Wood asked if there have been any requests for a third dose. Ms. Roberts responded that the Seattle and King County Public Health recommended a third dose in conjunction with the DOH and University of Washington; however, there is no substantial data that shows a third dose is effective.

Federal Funding Update

Ms. Roberts informed the Committee that the potential repeal of the Affordable Care Act (ACA) could affect federal funding in two ways. First, access to insurance could be affected, and Washington's funding. Ms. Roberts explained that fifty percent of federal funding comes from the Prevention and Public Health Fund for public health immunization work and is part of the ACA. Important to show the benefits and usefulness of the funding with congressional delegates. The President's current budget does not include cuts to the funding, but there are potential changes from the CDC. Dr. Wood inquired if the Medicaid waiver program would be affected by federal budget cuts. Ms. Roberts replied that the budget cuts do not apply to VFC funding and the State is not looking to utilize Medicaid waiver funds to supplement other funding. Ms. Roberts clarified that the Prevention and Public Health funding applies to immunization promotion activities. Further discussion ensued regarding potential Medicaid and funding access issues. Following the discussion, the meeting proceeded to KidsVax® (KV) updates.

KidsVax Updates

Ms. Walter announced that an updated assessment grid has been prepared by outside Financial Analyst, Peter Smith, for the Committee's review based on the CDC contract prices, which were published on April 1st. She explained that a 3.5% increase is budgeted annually, and there is a 2.88% increase, which is lower than projected. Based on the financial stability of the WVA, KV recommends that the current assessment grid be maintained. Ms. Walter noted that maintaining the Grid will also give payers more stability.

Closing

In closing, Chairman Marcuse asked if there were any other questions or comments. Cathy Falanga asked if the Vaccine Committee member roster can be included in future meeting packets. Ms. Kittrell replied that it would and it is also maintained on www.wavaccine.org. Chairman Marcuse asked the DOH if the average age of children receiving HPV vaccine can be determined. Ms. Allen replied that it could be found using IIS data and would be happy to discuss it further at the next Vaccine Committee meeting.

There being no further business, the meeting was adjourned at 11:30 a.m. PST.

Washington Vaccine Association Audit Committee Meeting
June 15, 2017; 3:00-4:00 p.m. (PST)

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

Members:

John Sobeck, M.D., Chairman – Market Medical Executive, Cigna
Jason Farber, Esq. – Davis Wright Tremaine, LLP
Derek LeBrun – Director, Finance & Risk Adjustment, Coordinated Care

Department of Health (DOH):

Sheanne Allen, MPH, MCHES – Vaccine Management Section Manager

Others:

Kayla Campbell – Senior Administrative Assistant, Cigna
Public – Representatives from Northwest Administrators, Inc.

KidsVax®:

Julia Walter Zell, M.A., Esq. – Executive Director
Heather Rautio – Executive Assistant
Claire Roberge, MBA – Controller
Norman Roberge – Accountant
Peter Smith, MBA – Financial Analyst

II. Summary of Actions Taken and/or Recommended

A. Actions Taken (votes adopted)

- i. To recommend the 2017-2018 Operation Budget to the Board as presented.

B. Follow up Tasks / Action Items

- i. KidsVax to compile a historical summary chart comparing financial position in relation to key milestones and actions taken.
- ii. Norman Roberge will compile a financial impact estimate of assessment denials by a top-tier payer.

III. Meeting Minutes

At 3:00 p.m., a quorum having been established, Chairman John Sobeck called the meeting to order. Introductions were made and Julia Walter Zell 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. Ms. Zell also noted that Derek Lebrun's affirmation as an Audit Committee member is on the agenda for the WVA Board Meeting on June 29, 2017.

Financial Update

Line of Credit & Financials

Peter Smith reported provided highlights of the financial reports, period ending May 31, 2017, contained in the meeting packet. Overall, the WVA financials are tracking fairly well with projections.

Mr. Smith also reminded the committee that the July 1, 2017 Assessment Grid rates will be in effect within a couple of weeks.

Dr. Sobeck noted the financial history of the WVA is a success story worth highlighting. He suggested compiling a historical comparison chart of the Association's financial position in relation to key milestones noting remediation steps taken, starting with the 2015 cash crunch and continuing through the present time. A discussion ensued regarding possible formats and desired components of the proposed chart. Ms. Zell noted the importance of highlighting the cost savings to payers which have been realized through the WVA's efforts, despite other financial challenges. KidsVax committed to apprising the Board Chair, John Pierce, of this suggestion, and agreed to follow up with Dr. Sobeck at a future Audit meeting.

Collections Report

Ms. Zell highlighted a couple payer compliance issues brought to her attention by Mr. Roberge. A top-tier payer is still not paying at the correct Assessment Grid rate after the WVA addressed the issue with them last year. They are also denying claims that do not have National Drug Codes (NDC). NDCs are not a requirement of WVA dosage assessments as of last month. Mr. Roberge is developing a ballpark estimate of the financial impact of the denials.

Payer Compliance Special Project Update

The "Payer Compliance Special Project" is progressing as expected. Mr. Roberge has distributed an explanatory letter and survey to several Washington providers and made initial contact with billing supervisors to reconcile data from each. The emphasis is on identifying issues that are causing claim denials and therefore delayed payments, such as incorrect dosage assessment grid rate usage and incorrect WVA mailing address for payments. A discussion ensued regarding specifics of the progress and initial findings. DHSS plans to distribute the letter and survey and/or highlight the project in their newsletter to providers with the goal of raising awareness.

Sheanne Allen reported that DOH notified providers about the WVA's questionnaire and will continue to remind them periodically.

The WVA Board will review progress of the project after six-months and determine whether the project should continue or be rolled in into the base contract. Dr. Sobeck recommended highlighting systemic issues found, if any, not just one time occurrences.

2017-2018 WVA Operations Budget

1 Ms. Zell and Mr. Roberge walked the committee through the 2017-2018 WVA Operations Budget.
2 Generally, the budget is based on standard contract fees and adjusted for inflation, changes in
3 volume, and supplier changes. A decrease in the Key Bank lock-box processing fees is anticipated
4 as fewer claims are denied and processed only once. The investment to work with TRICARE is
5 paying off in the form of claims recovered and their willingness to reprocess previously denied
6 claims.

7
8 **Upon motion duly made and seconded, it was unanimously**

9
10 **VOTED:** To recommend the 2017-2018 Operation Budget to the Board as presented.

11
12 2016/17 Audit

13 Ms. Zell reported that delivery of the 2016/17 Audit Report is expected to be on time, in August
14 2017, per the WVA's engagement letter with CliftonLarsonAllen LLP. It will be presented to the
15 Board in time for findings of note to be included in the 2017 WVA Annual Report. The audit report
16 will be distributed and reviewed prior to the Board meeting.

17
18 Other Matters from Committee Members

19 There were no other matters from Committee members.

20
21 Executive Session

22 There were no matters for discussion.

23
24 Closing

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

Washington Vaccine Association

Statement of Financial Position

As of May 31, 2017

A

ASSETS

Current assets		
1	Cash and cash equivalents	\$ 8,389,345.06
2	Investments	9,655.42
3	Members Estimated Collectible Assessments	11,469,246.00
4	Prepaid Vaccine	5,251,427.79
5	Prepaid Administrative Services	-
6	Total current assets	25,119,674.27
7	Total assets	\$ 25,119,674.27

LIABILITIES AND NET ASSETS

Current liabilities		
8	Accounts payable	\$ 25,392.52
9	Key Bank - Line of Credit	-
10	Payable to Washington Department of Health	-
11	Other accruals	-
12	Total current liabilities	25,392.52
Net assets		
13	Excess Assessments - Vaccines	20,708,841.46
14	Excess Assesments - Administrative Activities	4,385,440.29
15	Total net assets	25,094,281.75
16	Total liabilities and net assets	\$ 25,119,674.27

Washington Vaccine Association
Statement of Activities and Changes in Net Assets

	A		B		C		D		E		F	
	Month Ending May 31, 2017		Vaccine		Total		Administrative		Vaccine		Total	
	Administrative	Activities	Administrative	Activities	Administrative	Activities	Administrative	Activities	Administrative	Activities	Administrative	Activities
Revenues:												
1 Assessments	\$ 1,205,225.03	\$	5,240,566.00	\$	6,445,791.03	\$	17,852,192.16	\$	61,746,745.00	\$	79,598,937.16	
2 Less: Vaccine expense	-	(5,374,602.21)	(5,374,602.21)		(5,374,602.21)		-	(60,584,154.79)		(60,584,154.79)		
3 Net Assessment margins	1,205,225.03		(134,036.21)		1,071,188.82		17,852,192.16		1,162,590.21		19,014,782.37	
4 Investment income	-	-	-	-	-	-	-	-	-	-	-	-
5 Other income	-	-	-	-	-	-	-	-	-	-	-	-
6 Net revenues	1,205,225.03		(134,036.21)		1,071,188.82		17,852,192.16		1,162,590.21		19,014,782.37	
Expenses:												
7 Administrative services - fixed contract	38,188.83	-	-	-	38,188.83	-	405,077.17	-	-	-	405,077.17	-
8 Adm services - variable compensation	-	-	-	-	-	-	-	-	-	-	-	-
9 Administrative services - Tricare	20,000.00	-	-	-	20,000.00	-	221,639.54	-	-	-	221,639.54	-
10 Tricare - Legislative Services	12,048.98	-	-	-	12,048.98	-	74,008.00	-	-	-	74,008.00	-
11 Legal fees	15,543.54	-	-	-	15,543.54	-	44,205.85	-	-	-	44,205.85	-
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	-	30,800.00	-	-	-	30,800.00	-
16 All other special projects	3,897.81	-	-	-	3,897.81	-	43,605.74	-	-	-	43,605.74	-
17 Insurance	-	-	-	-	-	-	45,579.37	-	-	-	45,579.37	-
18 Bank fees	3,063.75	-	-	-	3,063.75	-	48,831.29	-	-	-	48,831.29	-
19 Investment advisor / manager	-	-	-	-	-	-	-	-	-	-	-	-
20 Other administration expenses	-	-	-	-	-	-	-	-	-	-	-	-
21 Total administrative expenses	95,542.91	-	-	-	95,542.91	-	6,644.30	-	-	-	6,644.30	-
							943,166.01	-	-	-	943,166.01	-
22 Line of credit - financing costs	-	-	-	-	-	-	114,460.41	-	-	-	114,460.41	-
23 Total expenses	95,542.91	-	-	-	95,542.91	-	1,057,626.42	-	-	-	1,057,626.42	-
24 Increase (decrease) in net assets	\$ 1,109,682.12	\$	(134,036.21)	\$	975,645.91	\$	16,794,565.74	\$	1,162,590.21	\$	17,957,155.95	
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							4,385,440.29		20,708,841.46		25,094,281.75	

Washington Vaccine Association
Statement of Cash Flows
For the Periods Ending

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	A	B	C	D
	Inception Through 3/31/2017	Month 4/30/2017	Month 5/31/2017	Inception Through 5/31/2017
1 Cash balance - beginning of period	\$ -	\$ 8,077,870.76	\$ 7,946,590.57	\$ -
Inflows:				
2 Principal prepayments	7,800,001.00	-	-	7,800,001.00
3 Vaccine collections	368,950,937.77	5,261,907.98	5,811,993.55	380,024,839.30
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	376,954,135.11	5,261,907.98	5,811,993.55	388,028,036.64
Outflows:				
8 Principal repayments	(7,799,908.85)	-	-	(7,799,908.85)
Program				
9 Vaccine remittance State of WA	(354,511,838.87)	(5,334,157.58)	(5,286,633.25)	(365,132,629.70)
10 Vaccine Selection Development	(79,950.00)	-	-	(79,950.00)
11 Public information	(147,626.81)	-	-	(147,626.81)
12 Total program disbursements	(354,739,415.68)	(5,334,157.58)	(5,286,633.25)	(365,360,206.51)
Administration				
13 Administrative services	(3,362,568.72)	(50,248.30)	(62,086.64)	(3,474,903.66)
14 Project management fees	(419,878.90)	-	-	(419,878.90)
15 Denied claims recovery	(104,533.44)	(2,800.00)	(2,800.00)	(110,133.44)
16 Design and advertising	(31,031.38)	-	-	(31,031.38)
17 Claims system development	(26,000.00)	-	-	(26,000.00)
18 Legal fees	(292,804.32)	(1,904.42)	(5,000.00)	(299,708.74)
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	(4,437,194.76)	(54,952.72)	(69,886.64)	(4,562,034.12)
Office				
23 Bank Fees	(500,402.53)	(4,077.87)	(3,063.75)	(507,544.15)
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	(559,529.71)	(4,077.87)	(3,063.75)	(566,671.33)
Other				
30 Insurance	(202,082.44)	-	-	(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	(1,340,215.35)	-	-	(1,340,215.35)
34 Total outflows	(368,876,264.35)	(5,393,188.17)	(5,359,583.64)	(379,629,036.16)
35 Cash balance - end of period	\$ 8,077,870.76	\$ 7,946,590.57	\$ 8,399,000.48	\$ 8,399,000.48

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

Washington Vaccine Association
Statement of Activities and Changes in Net Assets

	A		B		C		D
	For 11 Months Ending May 31, 2017		Vaccine		Actuals for 11 months		for 12 months ending
	Administrative	Activities	Activities	Activities	ending May 2017	ending May 2017	30-Jun-17
							(Projected)
Revenues:							
1 Assessments	\$ 17,852,192.16	\$ 61,746,745.00	\$ 79,598,937.16	\$ 85,998,937.16			
2 Less: Vaccine Expense	-	(60,584,154.79)	(60,584,154.79)	(65,835,581.79)			
3 Net Assessment Margins	17,852,192.16	1,162,590.21	19,014,782.37	20,743,398.95			
4 Investment Income	-	-	-	-			
5 Other Income	-	-	-	-			
6 Net Revenue	17,852,192.16	1,162,590.21	19,014,782.37	20,743,398.95			
Expenses:							
7 Administrative services - Fixed Contract	405,077.17	-	405,077.17	443,266.00			
8 Admin services -variable compensation	-	-	-	42,827.00			
9 Admin services - TRICARE	221,639.54	-	221,639.54	241,639.54			
10 Admin services - TRICARE legislative Initiative	74,008.00	-	74,008.00	86,008.00			
11 Legal fees	44,205.85	-	44,205.85	48,224.56			
12 Audit	9,900.00	-	9,900.00	9,900.00			
13 Annual Report / Special Communications	12,874.75	-	12,874.75	14,045.18			
Special Projects:							
14 Denied Claims Recovery	30,800.00	-	30,800.00	33,600.00			
15 Assessment Review	-	-	-	-			
16 All Other	43,605.74	-	43,605.74	48,605.74			
17 Insurance	45,579.37	-	45,579.37	45,579.37			
18 Bank Fees	48,831.29	-	48,831.29	53,270.50			
19 Other	6,644.30	-	6,644.30	6,644.30			
20 Total administrative Expenses	943,166.01	-	943,166.01	1,028,908.37			
Line of Credit - Financing Costs	114,460.41	-	114,460.41	146,796.35			
21							
22 Total expenses	1,057,626.42	-	1,057,626.42	1,153,774.28			
23 Increase (decrease) in net assets	16,794,565.74	\$ 1,162,590.21	\$ 17,957,155.95	\$ 19,589,624.67			
24 Unrestricted net assets, beginning of year	(12,409,125.45)	19,546,251.25	7,137,125.80	7,137,125.80			
25 Unrestricted net assets, end of year	4,385,440.29	\$ 20,708,841.46	\$ 25,094,251.75	\$ 26,726,750.47			

Budget worksheet

	E	F
	2016/17 Expense Budget	2017/18 Expense Budget
	Approved June 2016	Recommended June 2017
428,265	474,305	
42,827 ^a	47,430 ^a	
180,000	180,000	
60,000	150,000	
35,000 ^b	35,000 ^b	
11,000	11,000 ^c	
35,000 ^d	0 ^d	
33,600	33,600 ^e	
0	25,000	
10,000	10,000	
45,000	47,000	
75,000	60,000	
955,692	1,073,335	

Notes:

^a This is full contractual target. The board retains full discretion as to actual final amount.

Some nominal legal expenses should be anticipated as a baseline. Additionally, the Treasurer has requested Anne Redmann to attend every meeting. Finally, although the TRICARE claim is expected to be handled by outside counsel under a contingent-fee arrangement, WVA itself should anticipate some related legal/audit expenses.

^c

^d Desautel Hege communications contract -- estimated costs.

^e AMCC claims recovery services for 12 months. No increase from previous year. Estimated claims reprocessed \$270,000

⁷ Suggested WVA data security audit, internal & external (see ED report)

Assessment Collections as of 5/31/2017:	\$380 + Million
Remittances to State of WA since inception:	\$365+ Million
Prepaid Vaccine Purchases:	\$5 + Million
Cash Balance as of 5/31/2017:	\$8 Million
Available Line of Credit	\$5 Million

June 29, 2017 Executive Director Overview

Good news! I am delighted to report that as the WVA closes out its 2016/17 fiscal year, all performance goals have been met, and for the first time, the stretch goal—to gain TRICARE’s on-going participation in the dosage-based system—has also been accomplished, thanks to the efforts of a large group of WVA partners. I’d like to specifically thank the Washington Department of Health (DOH) and Senator Murray, who worked tirelessly to ensure the corrective statutory language was included in last year’s National Defense Authorization Act and who has continued to prioritize TRICARE’s payment of the \$10 Million owed to the WVA as a matter of first importance in the congressional appropriations process. Though there is still significant work remaining to secure the outstanding funds, the WVA is now collecting approximately 80% of on-going assessments from TRICARE totaling over \$240,000 in the past month and a half. I am confident that with our partners and Board’s support the WVA will soon gain resolution of this long-standing matter.

Since the last Board meeting in April, KidsVax®, working with the DOH has identified key goals for 17/18, and is eager to continue facilitating the Board’s discussion regarding strategic planning. While recent and on-going changes in the healthcare industry have presented the WVA with new challenges, the Association is well-positioned to share in its partners’ improvements. For the first time this year, the WVA was able to utilize e-mail instead of fax to communicate the July 1, 2017 Grid update to provider offices. Changes like these should ensure greater provider compliance and lower provider noncompliance.

I am also pleased to note that the WVA has regained its financial health, and cash flows are tracking as projected. Additional internal, financial checks and routine reviews have enabled KV to identify noncompliant payers and issues with the DBA swifter, and to pursue redress on an expedited basis. To highlight the WVA’s recent success in overcoming financial challenges, KV will be preparing a historical summary paired with financial data for the Board’s review during the annual meeting. It is indisputable that the Board’s guidance and wisdom along with the DOH’s flexibility enabled the WVA to continue to fulfill its mission during the cash flow crisis.

With regard to other operational and routine matters, both the 16/17 Annual Report and the 16/17 Audit are underway. The Report is currently in the drafting phase, and KV will be contacting select Board members and the DOH for topics for inclusion. We look forward to a smoother process for Report completion this year as all component parts will be handled by KV

staff and contractors. The final draft will be presented for the Board's approval at the annual meeting. Also, the 16/17 audit is also in the beginning stages. CliftonLarsonAllen (CLA) representative Allen Gilbert reported at the June Audit Committee meeting that everything is on schedule and is expected to be finished by early September.

Finally, I would like to welcome Heather Rautio to the KV team. She will be handling administrative support for the WVA in place of Ashley Kittrell.

As always, it is a privilege to serve alongside each of you. Thank you for your commitment to this important public health initiative.

Respectfully submitted,

Julia G. Zell, M.A., Esq.
Executive Director



April 6, 2017 WVA SWOT 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



2017/18 Performance Goals

1. **Goal:** Maintain Core Service Metrics
 - a. Responsiveness
 - i. Telephone (85% within 1 business day | 100% within 2)
 - ii. Emails (85% acknowledged w/ delivery time in 3 days | 100% in 5 days)
 - b. Financial Reporting (from period end)
 - i. Monthly financials w/in 15 business days (except 1st month of year)
 - ii. Annual within 40 business days
 - iii. Quarterly 12-month liquidity forecasts w/in 25 business days
 - c. State funding
 - i. 100% funding on or before due date
 - ii. Annual regulatory reports on or before due date
2. **Goal:** Improve WVA Communications
 - a. Update WVA 2010 Communications Plan
3. **Goal:** Support Development of 3-5 Year WVA Strategic Plan
 - a. Present 3-4 options, with pros and cons, centered around risks identified in the assessment (SWOT Analysis).
 - b. Facilitate strategic planning meeting.
 - c. Compile and publish WVA Strategic Goals.
4. **Goal:** Complete Assessment of Dosage-based Methodology
 - a. Analytical report
 - b. Alternate collection methodologies
5. **Stretch Goal:** Recover TRICARE Arrearage by 6/30/18.

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

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

Contradictory Term and the terms of this Addendum. The terms of this Addendum to the extent they are unclear shall be construed to allow for compliance by WVA and Subcontractor with HIPAA and the HITECH Act.

7.2 Survival. Sections 5.2, 5.3, 7.1, 7.2, and 7.3 shall survive the expiration or termination for any reason of the Services Agreement and/or of this Addendum.

7.3 No Third Party Beneficiaries. Nothing in this Addendum shall confer upon any person other than the Parties and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.

7.4 Independent Contractor. Subcontractor and WVA are and shall remain independent contractors throughout the term. Nothing in this Addendum shall be construed to constitute Subcontractor and WVA as partners, joint venturers, agents or anything other than independent contractors.

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2017 Washington Vaccine Association Directory

As of 6/20/2017

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

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Board Governance Roles & Committees

Executive Committee

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

Audit Committee

Chair: John Sobeck, MD
Members: Derek LeBrun
Jason Farber

Vaccine Committee

Chair: Ed Marcuse, MD
Members: *(Open Position)*
Catherine "Cathy" Falanga
Michele Roberts
Volunteer Member: Mary Kay O'Neill, MD *(public member)*
Non-Voting Members: Sheanne Allen, Ex-Officio
Jeff Gombosky, *representative to Committee under HB 2551 sec. 5(1)*

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Lisa Johnson, MD lisa.johnson@providence.org
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WASHINGTON VACCINE ASSOCIATION
Governing Statutes under the Revised Code of Washington

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Title 70. Public health and safety

Chapter 290. Washington vaccine association

RCW 70.290.010. Definitions

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

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

chapter.

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

RCW 70.290.020. Washington vaccine association - Creation

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

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

- (1) The association is comprised of all health carriers issuing or renewing health benefit plans in Washington state and all third-party administrators conducting business on behalf of residents of Washington state or Washington health care providers and facilities. Third-party administrators are subject to registration under RCW 70.290.075.
- (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 70.290.050. 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 70.290.075. Third-party administrators—Registration and reporting

(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 70.290.080. 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 (12:45-1:45PM)	Operations (3-4 PM)	Audit (3-4:30 PM)
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.

**June 29, 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 April 6, 2017 Board Meeting.

[To approve the minutes of the April 6, 2017 Board Meeting with the changes suggested at the meeting.]

VOTED: To approve the minutes of the April 6, 2017 Vaccine Committee Meeting.

[To approve the minutes of the April 6, 2017 Vaccine Committee Meeting with the changes suggested at the meeting.]

VOTED: To approve the minutes of the June 15, 2017 Audit Committee Meeting.

[To approve the minutes of the June 15, 2017 Audit Committee Meeting with the changes suggested at the meeting.]

VOTED: To affirm Derek LeBrun as an Audit Committee member.

[To affirm Derek LeBrun as Audit Committee member with the changes suggested at the meeting.]

Item under Agenda Section 4:

VOTED: To approve the 2017-2018 WVA Operations Budget.

[To approve the 2017-2018 WVA Operations Budget with the changes suggested at the meeting.]

Item under Agenda Section 6:

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.]

Items under Agenda Section 7:

VOTED: To accept the 17/18 Performance Goals.

[To accept the 17/18 Performance Goals with the changes suggested at the meeting.]

Items under Agenda Section 8:

VOTED: To set Board-designated performance award to KidsVax® for the 16/17 operating year at \$_____ and to authorize payment at this time.

[To set Board-designated performance award to KidsVax® for the 16/17 operating year at \$_____ and to authorize payment at this time with the changes suggested at the meeting.]

VOTED: To approve Julia Walter Zell's continued service as the WVA Executive Director, notwithstanding her relocation to another Pacific Northwest state.

[To approve Julia Walter Zell's continued service as the WVA Executive Director, notwithstanding her relocation to another Pacific Northwest state with the changes suggested at the meeting.]

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

Traveling South on I-5:

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

Traveling North on I-5:

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

Traveling West on I-90:

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

Traveling West on Hwy 520:

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

To the Penthouse from Parking Garage:

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

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 ~~an~~ Amended and Restated Plan of Operation dated March 29, 2013 (“Plan”) ~~dated May 10, 2010~~, in form approved by the Secretary of the Department of Health (the “Secretary”);

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

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

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

ARTICLE I
Effective Date; Amendment

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

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

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

ARTICLE III

Management of the Association and its Assets

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

ARTICLE IV

Public Awareness

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

ARTICLE V

Administrative Expenses; Accounting; Financial Reporting

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

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

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

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

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

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

ARTICLE VI

~~Assessment Plan~~

Member Assessments

A. Dosage-Based Assessment. Because the Act contemplates an assessment methodology based on ~~each Payer's~~ actual usage of vaccines ~~(for the pediatric covered lives of each Member respectively (see RCW 70.290.040(3)) and a payment plan (RCW 70.290.030(5)(n)),~~ the Association has adopted a dosage-based assessment methodology ("DBA Process") further described on **Exhibit B**. ~~Following Board vote of approval of DBA amounts as described in Section B of this Article, all Payers~~ Each Member shall timely pay the Association ~~all such assessments~~ in accordance with the DBA Process the correct assessment amounts in accordance with the ~~DBA amounts in effect~~ Assessment Grid (described in Section C. of this Article) in effect at the time of administration of the vaccine, unless the Association has ~~specifically~~ agreed in advance with a ~~Payer to an alternative payment method~~ Member to an Alternative Payment Method as set forth in Section B of this Article. The DBA Process is not

payment of a medical claim nor does the DBA Process reflect payment for or purchase of a vaccine. Payment ~~of any~~in the DBA Process 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 Member, in the reasonable determination of the Association, warrant adoption of an alternative payment method ("Alternative Payment Method") in order for the Member to meet its obligations to pay timely the Assessment Grid amounts for vaccines used for its pediatric covered lives, the Association and the Member shall agree in writing on the Alternative Payment Method. Except as expressly permitted by the Alternative Payment Method, this Alternative Payment Method must include at least the date of service; patient name; vaccine received; and applicable health plan eligibility.

BC. 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 Process. 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~~by the State's ~~purchase of~~ for the vaccines for which the Association is charged to provide funding under the Act. The Association will provide notice to its known Members of any revision to the assessment amounts and such assessment revisions will be posted to the Association's website at least sixty (60) days prior to the effective date of the revisions.

ARTICLE VII

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

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

B. Interest and Late Assessments. The Association establishes the interest charge for late payment of assessments equal to the product of (i) the number of days past due times (ii) 0.000493 times (iii) the amount past due. Interest accruals shall commence ninety (90) days following the annual notice of assessment in the case of a delinquent payment pursuant to RCW 70.290.030. In the case of failure to pay ~~one or more DBA~~amounts due pursuant to the DBA Process, the Association shall send a notice of late ~~DBA~~ payment or payments, and the payments shall be deemed due, and late, and interest shall accrue

commencing thirty (30) days following the date the notice of late assessment is mailed, postage pre-paid, to the Member. The interest charge for late payment shall be added to amounts due for any assessment payment received after the applicable interest accrual commencement date. Upon failure of a Member to make payment within ninety (90) days of the date such payment is due, upon a majority vote of Board, the Association shall provide notification to the Secretary of the total unpaid assessment amounts, due dates thereof, and accruing interest.

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

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

ARTICLE VIII

Remittance to Universal Vaccine Purchase Account

The Association shall remit its assessment receipts, less the Association's administrative costs and any reserves set by the Board or the Executive Director from time to time, to the credit of the universal vaccine purchase account ("UVPA") established pursuant to RCW 43.70.720. Funds transferred to the UVPA shall be delivered on a "just-in-time" basis, in order to support the assessment collection process and to enable the Association to gain as much interest income as reasonably possible through its collection process to help offset its costs of administration. The Secretary's or the Secretary's designee shall have access privileges to be able to directly observe the balances in the Association's accounts, and the Association shall promptly respond to any inquiry of the Secretary concerning the availability and timely transfer of funds, enabling the Secretary to make payment of the Association's share under the Act for vaccine purchases made by the State of Washington.

ARTICLE IX

Disputes

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

B. Arbitration. ~~All~~Any disputes and differences that cannot be agreed upon by the ~~parties will~~Association and a Member, may, with the express approval of both parties, be decided by arbitration. The arbitrator(s) will have the authority to interpret this Plan and, in doing so, shall consider the customs and practices of the insurance industry. The arbitration shall be conducted under the auspices of the American Arbitration Association in accordance with its commercial arbitration rules. Such arbitration shall be held in Seattle, Washington. This agreement to arbitrate shall be enforceable and judgment upon any award may be entered

in any court having jurisdiction, which the parties hereby stipulate and agree, will include any court of appropriate subject matter jurisdiction located within the state of Washington. Reasonable costs of arbitration shall be borne equally by the parties and each party shall pay the cost of its own personnel and counsel involved in such proceedings.

ARTICLE X

Board Policies

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

ARTICLE XI

Health Information

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

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

ARTICLE XII

Agreements with Other States

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

ARTICLE XIII TPA Registration

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

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

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

By:

Dated:

~~Mary Selecky~~ John Wiesman, Dr. PH, MPH, Secretary
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 ~~“PayersMembers”~~) for the cost of vaccines provided to the Members’ respective covered children in Washington state. The Association has developed a dosage based assessment methodology (“DBA Process”) ~~method~~ that uses a process similar to medical claims submissions to assess ~~PayersMembers~~ for vaccines administered by providers to children who are Covered Lives of the ~~PayersMembers~~. “Covered lives” has the meaning defined in ~~Chapter 70.290.010~~ RCW ~~70.290.010~~. Providers administering vaccines to Covered Lives are required to submit a claim to the applicable ~~PayerMember~~ 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 as set forth in the Assessment Grid, the Association’s federal tax identifier ~~&and~~ 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 ~~PayerMember~~ for the claim for vaccine administration.

Each ~~DBA~~ such form sent by providers generates payment by the applicable ~~PayerMember~~ to the Association in the amount ~~of specified in the DBA-assessment~~ Assessment Grid. Per-vaccine ~~DBA~~-assessment amounts are established from time to time by the Association as provided in the Association’s Plan of Operation, Article VI, Section C. These amounts are published to the Association’s website ~~in as the form of an assessment grid~~ Assessment Grid, which lists the assessment amount for each vaccine.

As set forth in Article VI, B., where the special circumstances or character of the Member cannot accommodate the DBA Process, WVA and the Member shall enter into an Alternative Payment Method that permits the Association to collect assessments as required by Washington law.

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

Document comparison by Workshare Professional on Tuesday, June 27, 2017
9:59:46 AM

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Description	Plan of Operations. 2017 Revisions - Version 1
Document 2 ID	C:/Users/HANNC/Desktop/Plan of Operations. 2017 Revisions - 3rd.docx
Description	C:/Users/HANNC/Desktop/Plan of Operations. 2017 Revisions - 3rd.docx
Rendering set	Perkins

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

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	Count
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Deletions	56
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	113



Vaccine Management Update

Washington Vaccine Association

June 28, 2017

SheAnne Allen, Vaccine Management Section Manager

PUBLIC HEALTH
ALWAYS WORKING FOR A SAFER AND
HEALTHIER COMMUNITY



Vaccine Management Update

- Flu Vaccine Update 2016-2017
- Flu Vaccine Pre-book 2017-2018
- Wastage
- Vaccine Choice
- 2018 Thermometer Requirements

2016-2017 Flu Vaccine Supply

Brand	NDC Description	Total Allocated Doses	Total Ordered Doses	Total Available Doses	
FLUARIX	FLU; SYR; 10-pack (QUAD)	6,000	3,830	2,170	0.5ml pregnant adolescents
FLULAVAL	FLU; MDV10; 1- pack (QUAD)	57,500	57,500	0	
FLUZONE	FLU; SYR; 10-pack (QUAD)	172,500	76,850	95,00	0.5ml
FLUZONE	FLU; MDV10; 1- pack (QUAD)	250,000	249,950	50	
FLUZONE	FLU; SYR; 10-pack (QUAD)	200,000	193,210	6,500	0.25ml
			Total remaining 4/19/17	103,720	

2017-2018 Flu Pre-book

Brand	Manufacturer	NDC Description	Total Allocated Doses	
Fluarix	GSK	0.5mL single dose syringe, 10 pack (QUAD)	6,000	36 months+, P-Free,
FluLaval	GSK	0.5mL single dose syringe, 10 pack (QUAD)	239,610	6 months+, P-Free
Fluzone	Sanofi	5mL multi-dose vial One 10-dose vial (QUAD)	313,000	6 months+
Fluzone	Sanofi	0.25mL single dose syringe, 10 pack (QUAD)	131,390	6-35 months, P-Free
		TOTAL	690,000	

Wastage 2012-2016

2012	
Total Wastage by Dose	Total Wastage by Dollar
67,230	\$ 1,337,735.37

2013	
Total Wastage by Dose	Total Wastage by Dollar
136,060.5	\$ 2,906,690.36

2014	
Total Wastage by Dose	Total Wastage by Dollar
94,593	\$ 2,398,833.84
Non Flu Wastage by Dose	Non Flu Wastage - Cost
44,021	\$ 1,771,814.33
Flu Wastage by Dose	Flu Wastage - Cost
50,572	\$ 627,019.51

2015	
Total Wastage by Dose	Total Wastage by Dollar
91,993.50	\$ 4,720,747.10
Non Flu Wastage by Dose	Non Flu Wastage - Cost
50,441	\$ 2,204,242.71
Flu Wastage by Dose	Flu Wastage - Cost
41,552.5	\$ 2,516,504.39

2016	
Total Wastage by Dose	Total Wastage by Dollar
113,571.50	\$ 3,861,684.60
Non Flu Wastage by Dose	Non Flu Wastage - Cost
59,670	\$ 2,993,316.03
Flu Wastage by Dose	Flu Wastage - Cost
53,901.5	\$ 868,368.57

Vaccine Choice

- Took place April/May
- 135 Providers requested changes to their order set
- 1 New vaccine product was available and included (DTap-IPV, Quadracel)
 - 10 providers changed their DTaP product.
 - 10 providers changed their Hep A product.
 - 14 providers changed their Hep B product.
 - 19 providers changed their Hib product.
 - 53 providers changed their DTaP-IPV product.
 - 37 providers changed their MCV4 product.
 - 53 providers changed their Rotavirus product.
 - 26 providers changed their Td product.
 - 42 providers changed their Tdap product.

2018 Thermometer Requirements

- All providers enrolled in the Childhood Vaccine Program must use a digital data logger or temperature monitoring system with continuous monitoring and recording capabilities.
- Ongoing communication to providers about new requirements. Ex newsletters, site visits, phone calls

Questions

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Vaccine Management Section Manager

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