

**Washington Vaccine Association  
Board of Directors' Meeting  
April 25, 2019; 2:00-4:00 p.m. PDT**

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

II.

Directors

John Sobeck, MD, MBA, Chair, Cigna  
John Dunn, MD, MPH, Kaiser Permanente (T)  
Cathy Falanga, Aetna  
Jason Farber, Esq., Davis Wright Tremaine (T)  
Beth Harvey, MD, South Sound Pediatric  
Associates  
Derek LeBrun, MBA, Coordinated Care (T)  
Ed Marcuse, MD, Emeritus Professor of  
Pediatrics, University of Washington  
Randy Parker, Carpenters Trusts of Western  
Washington

Directors Absent

Laura McKenna, CPhT, Regence  
Chad Murphy, PharmD, Premera  
Michele Roberts, MPH, MCHES,  
Washington Department of Health

WVA

Julia G. Zell, Esq., Executive Director

KidsVax®

Fred Potter, MBA, Esq., Managing Member (T)  
Norman Roberge, Accountant (T)  
Claire Roberge, MBA, Controller (T)  
Peter Smith, MBA, Financial Analyst (T)  
Terry Mills, Executive Assistant (T)

Others

SheAnne Allen, MPH, MCHES,  
Washington Department of Health  
Anne Redman, Esq., Perkins Coie (T)  
Polly Sidwell, CIMA, CFP, Morgan Stanley

III. **Summary of Actions Taken and/or Recommended**

A. Actions Taken (votes adopted)

1. To approve the minutes of the November 8, 2018 Board Meeting.
2. To approve the minutes of the March 7, 2019 Executive Committee Meeting.
3. To authorize the Operations Committee to finalize the July 1, 2019 Assessment Grid at its May 2, 2019 meeting.

B. Follow up Tasks/Action Items

1. Ms. Zell will make recommendations to the Board at the November meeting regarding potential strategic options, including involvement with other vaccine activities.
2. A more detailed Settlement Report process plan for the Board's consideration will be presented at the June meeting.
3. Ms. Zell proposed, and it was agreed upon, to move the annual performance review to the November meeting.
4. Ms. Zell will send the provider guide to Dr. Marcuse for his review and suggestions for updating.
5. Communications topics to be discussed at the November Board meeting.

IV. **Minutes**

Welcome and Introductions

At 2:00 p.m., a quorum having been established, Chairman John Sobeck, MD, called the meeting to order. Introductions were made, and Ms. Zell announced that the meeting was being recorded for the benefit of the minute-taker and would be deleted following final approval of the minutes.

Consent Calendar Items

Chairman Sobeck directed the Board's attention to the consent items submitted for approval, including the Board meeting minutes of November 8, 2018 and the Executive Committee meeting minutes of March 7, 2019. There being no questions or comments, 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 8, 2018 Board Meeting.  
To approve the minutes of the March 7, 2019 Executive Committee Meeting.

#### Investment/Financial Update

Polly Sidwell from Morgan Stanley distributed a handout to the Directors and gave a brief overview of the status of Washington Vaccine Association's (WVA) investments to date. Approximately \$25 million flowed through in October 2018 and another \$11 million flowed through in mid-February 2019 for a combined total of \$36 million. Ms. Sidwell was pleased to announce that year-to-date there is \$311,000 in income earnings from the investment portfolio. Over the past six months the portfolio has earned almost \$448,000.

Ms. Zell gave an overview of the function of the liquidity fund opened with Morgan Stanley shortly after the November 2018 Board meeting when the Board decided how to allocate its cash reserves fund. The account is set up with two-way transfer capability of funds between Morgan Stanley and KeyBank as needed. Dr. Harvey inquired about any risk involved with the Board investing money that is for vaccines and if it is appropriate for WVA to hold and invest funds. Attorney Redman noted she had contacted the Department of Health (DOH) and with the Washington Attorney General that advises them, to confirm that WVA could maintain reserves and invest them. They spent some time thinking about it and determined these were not State funds and confirmed the appropriateness of the Association holding reserve funds.

Mr. Smith offered a brief overview of the current financial position before getting into the analysis of the rate changes from the CDC and a recommendation for changing the current assessment grid structure. The WVA's current cash position as of March 31 was \$6.8 million in cash-on-hand and \$41.5 million in reserve investments. There is an additional \$1 million as of today. On April 1<sup>st</sup> the CDC updated the Vaccine for Children (VFC) Program contract rates. Historically, the rates have increased an average of 3-4% each year. This year, the weighted average increase as of April 1<sup>st</sup> was 5.75%. This change has an annual effect of reducing the WVA's cash by \$3.5 million if the current assessment grid was carried forward through next year. There is also a contemplated increase in the indirect rate and administrative rate from the DOH of 2.8% which will reduce cash further by approximately \$1.9 million over one year. Mr. Smith recommended a 2% reduction in the current assessment grid on July 1<sup>st</sup> which is expected to reduce cash by an additional \$1.5 million on the next fiscal year. These adjustments equate to approximately a \$7 million reduction in WVA collections. Mr. Smith's draft assessment grid includes readjustments to reset the rates to absorb the CDC increases and burn-down the WVA's reserves. The WVA price is currently 12% above the CDC contract rates, but below market vaccine costs per WVA policy.

Ms. Zell indicated that some minor adjustments need to be made to the grid on the operational side and requested the Board authorize the Operations Committee to finalize the grid at their May 2<sup>nd</sup> meeting.

Upon motion duly made and seconded, it was unanimously

**VOTED:** To authorize the Operations Committee to finalize the assessment grid at its May 2, 2019 meeting.

#### ED/KV Updates

Ms. Zell reported there have been some organizational changes since the November meeting which were made in accordance with the Board's directives. Contractor system processes have been reviewed at every level to improve the routine processes, better understand the system and why it works, and to make it work better. Part of that is additional reporting from KidsVax (KV), utilizing the resources available to the WVA, and website improvements. KV committed to completing monthly systematic reporting improvements by June for the Board's review. The reports will mirror the audited financials to help with tracking expenses and operational costs, as well as managing special projects.

Work continues with respect to payer compliance. At Dr. Marcuse's request, Ms. Zell will make specific recommendations to the Board at the fall meeting stressing ways to specifically 1) improve provider communications, 2) make suggestions for the office managers to improve their interactions with WVA and to anticipate possible issues, 3) strengthen functioning of the operations in support of the foundation of the WVA, and 4) propose infrastructure investments that can be undertaken to reach these goals.

The settlement report process was reviewed, and an explanation of the project proposal was provided. A breakdown of costs and options were reviewed. Part of the cost involves updates to the website to create a more robust TPA registry for tracking payers down and making sure they are compliant. Phase I of the project involved a \$5,000/month cap, accepted by the Board and included in the KV Agreement through October 2019. The initial work has been completed, but it needs to be broken down more for the Board, with more detail as far as what the ongoing costs would be for this work, as well as what the website costs would be versus the ongoing man hours. A more detailed plan for the Board's consideration will be presented at the June meeting.

Ms. Zell has taken time to review all the contractual relationships. The review included everything from KeyBank to AMCC to the lockbox and the auditor to make sure the services WVA is getting are competitive and that WVA resources

are being allocated wisely. Ms. Zell also noted that she has worked with all contractors to create appropriate benchmarks and performance goals to assure that WVA contractors are carrying out duties as expected.

Payer compliance was a project undertaken to make sure that there were no major misses on the payers and providers, so what providers were submitting matched up with what payers were submitting. Some systematic issues were identified and addressed. Ms. Zell made the Board aware that one payer has been given a timeline to complete an internal study to correct missed payments; if they don't comply, then auditing or penalties will need to be discussed.

#### Department of Health Updates

Ms. Allen provided a brief update on public health issues. She reported that the measles outbreak in Clark County will be over this weekend. There will be two incubation periods, but this one was about 3-4 months long, cost approximately \$1.6 million, and had 71 cases; it was very resource intensive. There are several other areas DOH is watching; currently, there are two confirmed cases of HepA, one in King County and one in Snohomish County. Both of those cases are in the homeless, Meth-using population, which is the same as the San Diego and West Virginia outbreaks. There have also been a couple of mumps cases in Grant County contained to a specific area.

There are no limitations on vaccine supplies for MMR from the CDC. However, Hepatitis A vaccine is on allocation; the CDC retains the right to determine how many doses each month each state can obtain because it is being reserved for specific outbreaks. However, Hepatitis A and B combination vaccine is available with no constraints. Over 92% of the 670,000 doses of flu vaccine that was ordered this year have been distributed with under 50,000 doses remaining at the depot. Of the 20,000 doses of FluMist ordered this year, 9,000 never left the depot and were returned for credit towards next year's purchase. Orders continue to come in every day for flu vaccine, and it continues to be shipped. The flu vaccine order has been placed for next year and is similar to this year's order. DOH is trying a small pilot project with Flucelvax, which is the cell-based presentation. All the other presentations are egg-based. They will be gathering information to see how providers incorporate it into their practice. Approximately 5,000 doses were ordered. Dr. Marcuse explained that the process of growing the virus in eggs leads to a genetic modification in the virus that may cause problems.

Senate Bill 1638 regarding the MMR exemption change implementation process passed this week. DOH has a workgroup planning for that communication. From the day the Governor signs the bill, DOH has 90 days to implement the change.

#### Vaccine Committee Update

Dr. Marcuse reported on the Measles outbreak from the handout given to the Vaccine Committee. The national outbreak of Measles this year is extremely large. There will be more Measles this year than any year since 1990 or earlier. The chief reason is because of people opting out of the vaccine. The cost involved in controlling an outbreak is enormous because of the work the local health departments must undertake to identify and control its spread. The MenB vaccine and its use was discussed. Dr. Marcuse recommended that the providers discuss the vaccine with the family or patient. A handout was distributed outlining what the Vaccine Licensing Committee's guidance is to physicians. Dr. Marcuse noted the legislative initiative in Washington, which removed the philosophical exemption to MMR, is anticipated to make a meaningful difference in future Measles cases. Washington is the only state to have passed that kind of law. There are three states that allow no exemptions other than medical, but Washington is the first to say withdraw exemptions other than medical or religious for MMR. Vaccine hesitancy is a worldwide problem but is especially prevalent in Washington. The World Health Organization has cited the increase in opting out as being a major communicative disease threat.

#### Board Development

Ms. Zell briefly outlined the remaining topics on the agenda. She noted that while the Board typically reviews the performance of KV and/or the Executive Director in June she recommended and gained the agreement of the Executive Committee to defer the review until the Fall. As there has not been a full year under the new contract structure, Ms. Zell proposed, and it was agreed upon by the full Board to move the discussion to the November meeting as proposed. Performance metrics need to be updated to conform to the new contract structure. The outlined KV/ED Performance goals adopted in June 2018 still apply but Ms. Zell noted she would be working with Ms. Redman and the Executive Committee to develop a job performance card to accurately reflect work undertaken by both KV and Ms. Zell.

Ms. Zell stated that the KV/WVA relationship is working. The Settlement Report Process is being planned and actual implementation will go into effect in 2020. Ms. Zell touched on the outlined goals noting that originally, the goal was to support DOH's development of the Restitution Policy, which is now the Vaccine Storage, Handling, and Accountability workgroup. This was in direct response to the Board's concern about whether the vaccines are really being protected by provider processes. Ms. Allen stated the workgroup started about a year and half ago and met for a full year. Their final product was a Vaccine Loss Policy that focused on partnership with the providers, education, supporting them by empowering the providers to be part of the program, and treating the vaccines like they had paid for it. The policy was finalized by DOH and approved by the Board and the DOH Vaccine Advisory Committee. Messages were communicated

for two months to providers stating that during the annual enrollment in March/April, each provider would be asked to review the policy, sign it, and keep it in their file. There has been zero pushback. There were a few questions, but once it was talked through and explained, everyone has been supportive. Lastly, Ms. Zell committed to reviewing the provider billing guide and sending it to Dr. Marcuse for his review. Communications topics to be discussed at the November meeting are whether other avenues of communications like provider relations are appropriately being utilized. Ms. Falanga suggested having text in newsletters to providers with major payers. Further discussion ensued.

#### **Executive Session**

In executive session with board members, Julia Zell, Fred Potter and counsel present, Julia briefed board members on the most recent discussions with TRICARE which concern the TRICARE manual provisions for payment of the dosage-based assessment. TRICARE has agreed and is currently paying an additional 1.8% to cover the leakage involved in the DBA assessment process and is entertaining agreement to pay 2.5% during the next three years. This higher add-on payment would not be retroactive, taking effect when agreement is reached. TRICARE acknowledges that there is a higher level of leakage (failure to pay) as compared to other payors. Julia and the Department of Health have discussed having a joint press release when a resolution is achieved with DHA.

Fred Potter reported concerning KidsVax's ongoing efforts with other universal vaccine states to reach agreements with TRICARE. He reported that several states have considered litigation against TRICARE for arrearages and have found counsel specializing in federal claims court actions. He also reported issues with vaccine shortages.

In the final discussion, Ed Marcuse proposed that WVA consider whether it should and can use its resources to engage in vaccine education initiatives to broaden an understanding of the benefits of vaccines and risks of vaccine hesitancy. The recent measles outbreak is reason for concern. He described an innovative program for middle-schoolers in Vancouver British Columbia. In discussion, the board asked Julia Zell, with the advice of counsel, to look in to what kinds of initiatives might be undertake by WVA.

**What:** Board of Directors Meeting  
**Date & Time:** Thursday, April 25, 2019; 2:00-4:00 p.m.  
**Location:** Ellis, Li & McKinstry, Market Place Tower; 2025 First Ave, PH-A, Seattle, WA 98121  
**Conference Line:** (267) 930-4000; *Conference ID: 103063718#*

### Agenda for Board of Directors Meeting

Approx. Time	Pg.	Topic/Anticipated Action	Presented by:
2:00-2:05 p.m.		1. Welcome & Introductions a. Notification of Recording	J. Sobeck
2:05-2:10 p.m.	3* 9*	2. Calendar Consent Items (Proposed Form of Votes-Handout) a. Board Meeting Minutes (November 8, 2018) b. Executive Committee Meeting (March 7, 2019)	J. Sobeck
2:10-2:25 p.m.	13* 18*	3. Financial Update a. Financial Reports b. 2019 Assessment Grid i. Vote on 2019 Assessment Grid c. Investments Update	P. Smith  P. Sidwell
2:25-2:40 p.m.	25*  27*	4. ED/KV Updates a. ED Report b. WVA Contractor Review c. Operations Update i. Payer Compliance ii. Statutory Notice iii. Monthly Reporting d. Settlement Report Process	J. Zell  F. Potter
2:40-2:55 p.m.		5. Department of Health/Vaccine Updates a. WA Outbreaks b. Flu Presentation c. Measles Update d. Legislation Updates	M. Roberts/ S. Allen
2:55-3:05 p.m.		6. Vaccine Committee Report	E. Marcuse
3:05-3:25 p.m.	29*	7. Board Development a. Annual Review Process b. KV/ED Goal Tracking	J. Zell
3:25-3:55 p.m.		8. Executive Session [Board Members, KV, and counsel only] a. TRICARE Update b. Other Universal Vaccine Program Initiatives	J. Zell F. Potter
3:55-4:00 p.m.		9. Closing	J. Sobeck
		10. Reference Documents [See separate packet] a. Governing Statute b. Schedule of Upcoming Meetings c. Contact List d. Directions to Ellis, Li & McKinstry	

**April 25, 2019 WVA Meeting of the Board of Directors  
Proposed Form of Votes**

The following are suggested forms of votes only. They are intended to be an aid to facilitate work by individual directors. All Board policy and the final form of votes is exclusively the province of the Board acting collectively as the Board of Directors.

**Items under Agenda Section 2:**

VOTED: To approve the minutes of the November 8, 2018 Board Meeting.

[To approve the minutes of the November 8, 2018 Board Meeting with the changes suggested at the meeting.]

VOTED: To approve the minutes of the March 7, 2019 Executive Committee Meeting.

[To approve the minutes of the March 7, 2019 Executive Committee Meeting with the changes suggested at the meeting.]

**Items under Agenda Section 3:**

VOTED: To authorize the Operations Committee to finalize the 2019 Assessment Grid in accordance with the Board's directions.

[To authorize the Operations Committee to finalize the 2019 Assessment Grid in accordance with the changes suggested at the meeting.]

**Washington Vaccine Association  
Board of Directors' Meeting  
November 8, 2018; 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:

II.	27	
<u>Directors</u>	28	<u>KidsVax®</u>
John Sobeck, MD, MBA, Chair, Cigna (T)	29	Fred Potter, MBA, Esq., Managing Member
John Dunn, MD, MPH, Kaiser Permanente	30	Norman Roberge, Accountant (T)
Cathy Falanga, Aetna	31	Claire Roberge, MBA, Controller (T)
Jason Farber, Esq., Davis Wright Tremaine (T)	32	Peter Smith, MBA, Financial Analyst (T)
Beth Harvey, MD, South Sound Pediatric Associates	33	Terry Mills, Executive Assistant (T)
	34	
Derek LeBrun, MBA, Coordinated Care	35	<u>Others</u>
Ed Marcuse, MD, Emeritus Professor of Pediatrics, University of Washington	36	SheAnne Allen, MPH, MCHES,
Laura McKenna, CPhT, Regence (T)	37	Washington Department of Health
Chad Murphy, PharmD, Premera	38	Anne Redman, Esq., Perkins Coie
Randy Parker, Carpenters Trusts of Western Washington (T)	39	Polly Sidwell, CIMA, CFP, Morgan Stanley
	40	David Keller, CPM, CFP, CIMA, Morgan Stanley
Michele Roberts, MPH, MCHES,	41	Breelyn Young, GlaxoSmithKline
Washington Department of Health	42	Julie Bertuleit, GlaxoSmithKline
	43	

WVA

Julia G. Zell, MA, Esq., Executive Director

III. **Summary of Actions Taken and/or Recommended**

A. Actions Taken (votes adopted)

1. To approve the minutes of the June 28, 2018 Board Meeting.
2. To approve the minutes of the September 18, 2018 Finance Committee Meeting.
3. To approve WVA Officers as additional signatories on WVA Morgan Stanley accounts.
4. To adopt the recommended alternate settlement report plan with the changes suggested at the meeting.
5. To authorize the formation of a workgroup to engage KidsVax® (KV) in a 12-month special project to perform requested work to develop and implement an alternative settlement report process, with a monthly cap not to exceed \$5,000.
6. To authorize the Executive Director (ED) to renew, approve, and authorize all routine WVA financial transactions including but not limited to refund checks, imprest account transactions, board-authorized contractor invoices, and insurance premiums.
7. To authorize the ED to renew and keep current all WVA insurance policies in consultation with general counsel.
8. To ratify the action of the Finance Committee in authorizing publication of the 2017/2018 Financial Statements and independent auditor's report.
9. To authorize KidsVax® to proceed with publication of the 2017/2018 WVA Annual Report with the changes suggested directly following the meeting.
10. To have the Board authorize the approval of the annual operations budget at the Executive Committee level to conform the ED and administrator agreements.
11. To affirm the slate of officers for the WVA Board of Directors, the WVA Committee chairs, and the renewal terms of the WVA Board members as presented at the meeting.
12. To authorize payment of the Chair's travel-related expenses incurred to travel to Washington D.C. with Julia Zell for TRICARE work.
13. To authorize payment of the fee of \$50,000 due to Ellis, Li, and McKinstry (ELM) following receipt of the settlement amount from DHA accepted by the Board in this meeting.
14. To re-elect Ms. Zell to the position of the Executive Director of the WVA.
15. To authorize the Chair in consultation with the Executive Committee to complete negotiation of the Employment Agreement for Ms. Zell as Executive Director of the Association on the terms described at this meeting, and for the Chair to execute the same on behalf of the Association.
16. To cause an amendment to the Amended and Restated Plan of Operation to be prepared under the direction of the Chair in consultation with the Executive Committee to permit employment of an Executive Director, and other persons as may be approved by the Board; to submit such

amendment to the Secretary of the Department of Health for approval and execution; and to execute the amendment approved by the Secretary of the Department of Health.

17. To authorize the Chair in consultation with the Executive Committee to complete negotiation of an Administrative Services Agreement for KV on the terms described at this meeting and to execute the same on behalf of the Association.
18. To authorize the Association to enter into an agreement with ELM for the occasional use of their offices in Seattle for board and committee meetings and use by the Executive Director and KV staff who may be in Seattle on WVA work and to provide a mailing address for WVA for the amount of \$5,000 per year.

**B. Follow up Tasks/Action Items**

1. Ms. Zell will discuss the special project concerning an alternate Settlement Report Process (SRP) with Mr. Roberge and an alternative plan will be brought back to the Board for review and feedback at the April 2019 meeting.
2. Ms. Zell will contact TRICARE general counsel's office with respect to being mentioned in the WVA letter on page one of the Annual Report.
3. Ms. Zell will ensure the Conflict of Interest and Code of Ethics Forms are sent to Board Members, Committee Members, and contractors.
4. Ms. Zell will have official thank yous and a resolution prepared and sent to Senator Murray's office, Senator Cantwell's office, and the WA representatives.

**IV. Minutes**

Welcome and Introductions

At 2:00 p.m., a quorum having been established, Vice-Chair Beth Harvey, MD, stepped in for Chairman John Sobek for the beginning of the meeting. Dr. Harvey called the meeting to order. Introductions were made, and Ms. Zell announced that the meeting was being recorded for the benefit of the minute-taker and would be deleted following final approval of the minutes.

Consent Calendar Items

Vice-Chairman Harvey directed the Board's attention to the consent items submitted for approval, including the Board meeting minutes of June 28, 2018 and the Finance Committee meeting minutes of September 18, 2018. There being no questions or comments, the following items were put to a vote:

Upon motion duly made and seconded, it was unanimously

- VOTED:** To approve the minutes of the June 28, 2018 Board Meeting.  
To approve the minutes of the September 18, 2018 Finance Committee Meeting.

Financial Report

KV financial analyst, Peter Smith, began the financial update by reviewing the Statement of Financial Position as of September 30, 2018. There is currently \$12.6MM in cash in the bank, which is an updated number. Additionally, there is \$25MM, plus interest, accruing in the Morgan Stanley (MS) operational reserve investment accounts. The Statement of Activities shows the changes in net assets and provides more detail of the Association's expenses. Mr. Smith referred to notes on page 13 of the audited financials to explain the \$25MM that was transferred to the Morgan Stanley investment account and the \$20,000 received from New Hampshire Vaccine Association to aid in TRICARE expenses. The 13-month cash flow was presented in a simplified format. It shows where the cash balances are tracking on assessments collected and payments to the Department of Health (DOH). Mr. Smith briefly outlined the cash flow projection model which is updated monthly. Mr. Smith reminded the Board that the model is used to project WVA collections and balance those against funds transfers to the DOH for vaccine purchases. Additionally, the model also helps measure where the WVA is in relation to its reserve requirements. With this information, Mr. Smith explained he is able to analyze how changes in the assessment grid would affect the cash balance.

Ms. Zell noted that following the Finance Committee's September meeting, she was asked to make a recommendation to the Board regarding a possible off-schedule grid change to lower WVA's operating capital. Mr. Smith prepared the cashflow model providing three scenarios. Ms. Zell briefly reviewed them for the Board as follows: 1) Having no change and waiting until next year; 2) Having an off-cycle grid change January 1, 2019 at 1%, and 3) Reducing the grid further January 1, 2019 by 2%. Page 18 of the Board packet shows the three options suggested by Mr. Smith depending on the direction the Board wants to go with possibly reducing the overall cash balance. Mr. Smith suggested not making off-schedule changes because waiting until April 1<sup>st</sup> when the CDC posts new pediatric rates helps to lock in the cash flow model and it takes 60 to 90 days to implement a grid change. Any large changes in the grid on the short-term lead to unpredictable collections models. Ms. Zell concurred, noting that the Operations Committee also expressed a desire that

the grid changes remain as minimal as possible at the scheduled July 1 date. After a brief discussion, it was the sense of the Board that there should not be an off-cycle grid change.

Ms. Zell requested Mr. Smith stay on the call for Ms. Polly Sidwell's investment update.

#### Investment Update

Ms. Sidwell of Morgan Stanley provided a summary about the marketplace, the overall WVA portfolio strategy, short term bond rates, how the funds are being invested. In September, the WVA transferred \$25MM to Morgan Stanley, which built a portfolio. Ms. Sidwell explained that the WVA could expect around a 3.5% return. David Keller, also from Morgan Stanley stated the portfolio is built and set to generate slightly over \$700,000 in terms of annual interest. Mr. Keller and Ms. Stanley went over in detail how the WVA's reserves conformed to the approved Investment Policy. After some questions and discussion, Ms. Zell thanked the pair and dismissed them from the meeting.

#### Additional Signatories

Ms. Zell requested the Board approve the WVA officers as additional signatories on the Morgan Stanley accounts to be certain there are enough signatories so that whoever becomes elected in the officer slate would also be added to those accounts. It was also requested that the Finance Committee be added to the authorization. Ms. Zell reported that Mr. Farber has requested that he not be added as a signatory. Mr. LeBrun and Dr. Sobeck would be approved along with Dr. Harvey and Dr. Marcuse who could be added as well in the event they are needed.

Upon motion duly made and seconded, it was unanimously

**VOTED:** To approve WVA Officers as additional signatories on WVA Morgan Stanley accounts.

#### ED Updates

Ms. Zell stated that a few years ago, the association struggled with payer and provider non-compliance and cash issues but is now in a great position as many of those issues have been resolved. WVA had a clean audit, as in prior years. The Annual Report is included in the packet for review. There is a new communications piece initiated by Dr. Marcuse, which is the cover letter included in the materials behind the Report. This piece gives more information about what is going on in the organization. Ms. Zell welcomed feedback from Board members.

Next, Ms. Zell went over the existing settlement report process (SRP) as well as the proposed alternative. The SRP was created during the WVA set-up and has been maintained by the major insurance carriers. They agreed to auto-generate a payment to the WVA at the correct assessment rate if a provider only submitted a vaccine administration claim. The current system of having some payers submit assessments through the SRP, but not others creates an assessment inequity. One suggested alternative is to have payers that either cannot or will not participate in the SRP pay a flat, annual assessment that equals the average of assessments collected by the payers that continue to submit the settlement reports. An exemption should be made for payers that remit less than \$10,000 annually in assessments to the WVA. WVA could send notification of the additional assessment with the annual, statutory assessment letters that are sent out in November. KV would handle collections and compliance work.

There are payers that complete the SRP voluntarily, but there are also payers that want to do it but need to have a policy in place. Ms. Zell suggested the Board authorize a workgroup to develop an alternate way to resolve the assessment inequity concerns over the next year. This would provide the time necessary to ensure that the system works and would be cleared with the state, and then come back to the Board with a recommendation. Further discussion ensued. Ms. Zell committed to developing a policy and implementation plan for the Board's review and approval at the April Board meeting. If KV is asked to do this work, it would be a special project. Further discussion ensued.

Upon motion duly made and seconded, it was unanimously

**VOTED:** To adopt the recommended alternate settlement report plan with the changes suggested at the meeting.

**VOTED:** To authorize the formation of a workgroup and to engage KidsVax® in a twelve-month special project to perform requested work to implement an alternative Settlement Report Process, with a monthly cap not to exceed \$5,000.

Ms. Zell then gave an update on the payer special compliance project. She stated that the provider special project was started approximately two years ago when a KV study revealed that providers and payers were using outdated grids. The WVA has been working with the DOH and KV to make sure providers are using the correct grid. The DOH sent out a survey to providers to gather information regarding their submissions to payers. Mr. Roberge is working with both payers and providers to sort through the inconsistencies that have been noted and to make corrections as needed.

After an annual review of WVA financial procedures and taking into consideration comments from various Board members, Ms. Zell suggested a change in routine transaction approval procedures. After speaking with the auditors and Attorney Redman about this, Ms. Zell asked the Board to authorize her to approve routine WVA transactions. Further discussion ensued.

Upon motion duly made and seconded, it was unanimously

**VOTED:** To authorize the ED to renew, approve, and authorize all routine WVA financial transactions including but not limited to refund checks, imprest account transactions, board-authorized contractor invoices, and insurance premiums.

Ms. Zell also requested the Board authorize her to renew and keep current the various WVA insurance policies if there is no material change in coverage. The premiums are paid through the WVA accounts. This will ensure that these policies do not lapse due to items waiting for an appropriate signatory.

Upon motion duly made and seconded, it was unanimously

**VOTED:** To authorize the ED to renew and keep current all WVA insurance policies in consultation with general counsel.

#### Finance Committee Update

Mr. LeBrun opened the discussion and gave a brief review of recent events. He reported that the recommendation from the Finance Committee is to approve the annual Audited Financial Statements and auditor's report and publish them. Ms. Zell supported Mr. LeBrun's comment and requested that the Board authorize publication of the Audited Financials and the cost savings memo, as has been done annually in the past.

Upon motion duly made and seconded, it was unanimously

**VOTED:** To ratify the action of the Audit Committee in authorizing publication of the 2017/2018 Financial Statements and independent auditor's report.

Ms. Zell provided a brief overview of the 2017/2018 Annual Report, and she expressed how proud the WVA is to be a strategic partner of the DOH. The Department has received many awards this year, but notably the Office of Immunization and Child was recognized at the National Immunization Conference for its outstanding progress toward Healthy People 2020 targets for adolescent immunization coverage. The Department was also awarded a Bull's-Eye Award at the Association of Immunization Managers' Conference for their strategies in outreach and the different ways they are using communication mediums to impact immunization rates. After Ms. Zell summarized the content of the Annual Report, she deferred to Ms. Allen to introduce the content on the back page. Ms. Allen then summarized the graphic that captures vaccination rates for certain key childhood immunizations given at 19 to 35 months. Further discussion ensued. Dr. Marcuse and Ms. Roberts stated they would provide a few non-substantive suggestions to Ms. Zell at the end of the meeting. Further discussion ensued. Ms. Zell agreed to contact TRICARE's general counsel with respect to being mentioned in the WVA letter on page one of the Annual Report.

Upon motion duly made and seconded, it was unanimously

**VOTED:** To authorize KidsVax® to proceed with publication of the 2017/2018 WVA Annual Report with the changes suggested directly following the meeting.

Ms. Zell provided a summary of the annual operations budget. The budget is usually adopted by the June meeting, but due to the recent restructuring, the Board decided to postpone this work until the ED and administrative contracts were finalized. Mr. Potter provided a brief overview of the budget. Following discussion, the Board agreed to allow the Executive Committee to finalize the budget.

Upon motion duly made and seconded, it was unanimously

**VOTED:** To authorize the approval of the annual operations budget at the Executive Committee level to conform the new ED and administrator agreements.

#### Department of Health Updates

Ms. Roberts introduced the idea of changing the administration charge that the DOH currently places on WVA funds transfers. A lot of the work that DOH performs on behalf of the WVA program is not covered by the charge. Some of the work involves making sure DOH is safeguarding the investment WVA has in vaccines, providing support to the

provider community, and following through on reducing vaccine waste. Ms. Roberts stated that many of the universal states charge anywhere from a 3-15% on the money they receive from vaccine assessments, and right now DOH has only a 1.2% indirect pass-through rate. The DOH will be revisiting this issue in the future.

Ms. Allen updated the Board on the work DOH is undertaking to reduce vaccine waste. A workgroup was developed last year that consists of members of the Board, local health jurisdictions, DOH, and tribal representatives. The workgroup is very close to having a final policy on best provider practices on vaccine storage and handling that focuses on education and training, empowering the providers and getting them to understand why certain safety precautions are necessary, and help them to avoid excursions and improve wastage rates. The policy is currently being reviewed by the workgroup with final edits due November 9. The policy will be shared with the Vaccine Advisory Committee and the Board and hopefully will be communicated beginning in early 2019. Depending on what the workgroup decides, it will most likely go into effect three to six months later.

Dr. Marcuse commented that vaccine wastage was discussed at length at the recent Vaccine Committee meeting. There is often great variation in vaccine storage practices, but this policy will provide an opportunity to save vaccines through an enhanced program. Dr. Marcuse is hopeful that the limited resources available to the Department can be enhanced to reduce waste. Dr. Harvey stated that the policy includes all the right educational points and helps support people in getting better provider transparency. Extensive discussion ensued.

#### Vaccine Committee Update

Dr. Marcuse reported that the Vaccine Committee reviewed public health initiatives, including the provider survey, which indicated the vast proportion of providers are very satisfied or satisfied with the DOH's processes and support. This year the flu vaccine, which has been a perpetual problem in the past, was available in mid-August. For the first time, the DOH has included in the ordering list the MenB vaccine and it is likely there will be an increased uptake of MenB for several reasons.

#### Board Development

Ms. Zell reported that the officer slate is the same as last year, consisting of Dr. Marcuse as Secretary, Dr. Harvey as Vice-Chair, Dr. Soback as Chair, and Mr. LeBrun as Treasurer. Emails regarding nominations were sent to each Board member prior to the meeting. She also asked that the Board affirmation of the continuation of Dr. Marcuse, Mr. Murphy, and Ms. Falanga as Board members. Affirmation is also needed to appoint/reappoint committee chairs; currently, Dr. Marcuse chairs the Vaccine Committee, Ms. Zell chairs the Operations Committee, and Mr. LeBrun will now chair the Finance Committee as their positions were uncontested. Ms. Zell suggested approving this slate of officers unless someone has other recommendations.

Upon motion duly made and seconded, it was unanimously

**VOTED:** To affirm the slate of officers for the WVA Board of Directors and WVA Committees as presented at the meeting.

**VOTED:** To affirm the re-appointment of Dr. Marcuse, Mr. Murphy, and Ms. Falanga as Board members. Ms. Zell will be emailing the Conflict of Interest and Code of Ethics Forms to the Board members. Ms. Zell requested that these forms be scanned and mailed or emailed back to her upon completion.

#### Executive Session

Executive Session with counsel Anne Redman present, the board acted upon several items of business. Ms. Zell and Mr. Potter were present for the agenda items "TRICARE Settlement; Chair Travel Expenses; Ellis Li Fee."

#### TRICARE Settlement; Chair Travel Expenses; Ellis Li Fee.

Ms. Zell described the proposed settlement offer received that morning from Defense Health Agency (DHA) on the arrearage for the period May 2010 through December 22, 2010 in the amount of \$935,261. The offer had been reviewed by Ms. Zell with analytic support from KidsVax. After discussion and upon motion duly made and seconded, it was unanimously voted:

**VOTED:** To accept DHA's November 8, 2018 settlement offer in the amount of \$935,261 for the period May 2010 through December 22, 2010 for assessments owed to WVA and to authorize execution of the TRICARE Payment Acceptance Form by either the Chairman or Vice Chairwoman.

The Board members thanked Dr. Sobeck for taking the time to travel to Washington D.C. with Ms. Zell for meetings with DHA and congressional staffers.

Upon motion duly made and seconded, it was unanimously

**VOTED:** To authorize payment of the Chair's travel-related expenses incurred to travel to Washington D.C. for TRICARE work.

Upon payment of the authorized settlement amount, Mr. Potter noted that the agreed fee of \$50,000 would be due pursuant to the contingent fee agreement between WVA and ELM.

Upon motion duly made and seconded, it was unanimously

**VOTED:** To authorize payment of the fee of \$50,000 due to ELM following receipt of the settlement amount from DHA accepted by the Board in this meeting.

Retention of Executive Director: KidsVax Administrative Services Agreement

The Chair summarized the work of the Executive Committee and himself since the Board's approval at its June 2018 meeting to engage its current executive director by contract directly and renegotiating terms for continuing to purchase less comprehensive services from KidsVax. A transition summary was included in the meeting materials. The Chair reported that Ms. Zell had been retained as executive director under an interim arrangement beginning September 1, 2018. KidsVax compensation was reduced effective October 1, 2018 to reflect the cessation of executive director services and notice of termination of the KidsVax contract was also given in view of the contingency of negotiations. It was noted that the Plan of Operation would need to be amended to clarify that WVA can have employees.

The Chair asked counsel to summarize the terms of proposed agreements for Ms. Zell and KidsVax. Counsel distributed a written summary of a proposed employment agreement for Ms. Zell as Executive Director and an accompanying agreement with Avitus, a professional employment organization (PEO) to provide payroll, tax filings and other services, and a revised administrative services agreement for KidsVax. The board discussed proposed terms and asked questions.

Upon motions duly made and seconded, it was

**VOTED:** To re-elect Ms. Zell as the Executive Director of the WVA.

**VOTED:** To authorize the Chair in consultation with the Executive Committee to complete negotiation of the Employment Agreement for Ms. Zell as Executive Director of the Association on the terms described at this meeting, and for the Chair to execute the same on behalf of the Association.

**VOTED:** To cause an amendment to the Amended and Restated Plan of Operation to be prepared under the direction of the Chair in consultation with the Executive Committee to permit employment of an Executive Director, and other persons as may be approved by the Board; to submit such amendment to the Secretary of the Department of Health for approval and execution; and to execute the amendment approved by the Secretary of the Department of Health.

**VOTED:** To authorize the Chair in consultation with the Executive Committee to complete negotiation of an Administrative Services Agreement for KidsVax LLC on the terms described at this meeting and to execute the same on behalf of the Association.

**VOTED:** To authorize the Association to enter into an agreement with Ellis Li for the occasional use of their offices in Seattle for board and committee meetings and use by the Executive Director and KidsVax staff who may be in Seattle on WVA work and to provide a mailing address for WVA for the amount of \$5,000 per year.



### **WVA Executive Committee Action March 7, 2019**

Mindful of the Board's clear intent expressed in connection with actions on reactivating the Morgan Stanley asset investment program last year, the Executive Director requests that the Executive Committee provide administrative authority helpful to improve return on WVA's cash reserves while maintaining WVA's primary focus on (1) timely assuring funding of all Dept. of Health vaccine order funding requests, and (2) preserving WVA's principal.

After discussing the below, the Executive Committee adopted the below:

- Vote: To adopt the attached March 1, 2019 Statement on Cash Management.
- Vote: To authorize WVA to open an interest-bearing account on behalf of the WVA with KeyBank.
- Vote: To authorize the WVA administrator to open a liquidity investment fund for short-term investments with Morgan Stanley or KeyBank.
- Vote: To authorize the WVA Executive Director, WVA Chairman, WVA Secretary, or anyone acting alone, to certify as adopted by WVA such standard form banking or investment company resolutions as either KeyBank, or Morgan Stanley may request and to take any additional action any such person deems helpful or necessary to open the accounts contemplated with KeyBank or Morgan Stanley and to name signing officers for WVA with the same limits and authority as are presently applicable for WVA's primary deposit account at KeyBank.
- Vote: To authorize the WVA administrator to act in accordance with the WVA Statement on Cash Management.
- Vote: To ratify all actions taken by WVA's Executive Director or Board Chair from January 30, 2019 through March 1, 2019 which had been intended to advance the objectives in the WVA Statement on Cash Management.



**Washington Vaccine Association (WVA) Statement on Cash Management  
March 1, 2019**

The WVA seeks to improve the return on its reserves and cash balances through careful management of its funds. Long-term investments shall be governed by the WVA's written investment policy as adopted June 28, 2018 and as may be updated from time to time (Investment Policy). WVA recognizes that its business cycle may involve short-term accumulation of funds above its reserve targets and will involve management of short-term liquidity surrounding its regular collection and Department of Health vaccine purchase funding business cycles.

WVA's administrator, in consultation with WVA's Executive Director is authorized to transfer funds between Board-authorized WVA bank and investment accounts in order to advance the above objectives. At all times, WVA's primary consideration shall remain timely funding of reasonably-anticipated vaccine purchase funding requests from the Department of Health. With respect to medium to long-term reserves, WVA's administrator will be guided primarily by the Investment Policy. At no point will any investment prohibited by the Investment Policy be allowed.

Short-term liquidity management shall give consideration to administrative convenience and operating costs while seeking to maintain reasonable short-term returns consistent with the primary objectives of (1) preserving principal and (2) having adequate funds available at all times to meet vaccine purchase funding requests.

WASHINGTON VACCINE ASSOCIATION  
UNAUDITED FINANCIAL STATEMENTS  
FOR THE QUARTER AND NINE (9) MONTHS ENDING  
MARCH 31, 2019

Prepared by KidsVax, LLC

**Washington Vaccine Association  
Statement of Financial Position  
As of March 31, 2019**

**A****ASSETS**

<b>Current assets</b>		
1	Cash and cash equivalents	\$ 6,868,879.20
2	Investments	41,586,420.07
3	Members Estimated Collectible Assessments	1,889,808.00
4	Prepaid Vaccine	4,804,397.15
5	Prepaid Administrative Services	-
6	<b>Total current assets</b>	<b>55,149,504.42</b>
7	<b>Total assets</b>	<b>\$ 55,149,504.42</b>

**LIABILITIES AND NET ASSETS**

<b>Current liabilities</b>		
8	Accounts payable	\$ 4,367.80
9	Key Bank - Line of Credit	-
10	Payable to Washington Department of Health	-
11	Other accruals	-
12	<b>Total current liabilities</b>	<b>4,367.80</b>
<b>Net assets</b>		
13	Excess Assessments - Vaccines	29,897,833.14
14	Excess Assessments - Administrative Activities	25,247,303.48
15	<b>Total net assets</b>	<b>55,145,136.62</b>
16	<b>Total liabilities and net assets</b>	<b>\$ 55,149,504.42</b>

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

	A			B			C			D			E			F		
	Quarter Ending March 31, 2019			Quarter Ending March 31, 2019			Quarter Ending March 31, 2019			For 9 Months Ending March 31, 2019			For 9 Months Ending March 31, 2019					
	Administrative	Vaccine	Total	Administrative	Vaccine	Total	Administrative	Vaccine	Total	Administrative	Vaccine	Total	Administrative	Vaccine	Total			
Revenues:																		
1 Assessments	\$ 2,354,701.85	\$ 13,652,239.00	\$ 16,006,940.85															
2 Less: Vaccine expense	-	(12,062,283.22)	(12,062,283.22)															
3 Net Assessment margins	2,354,701.85	1,589,955.78	3,944,657.63															
4 Investment income -Morgan Stanley	406,201.45	-	406,201.45															
5 Investment income - Key Bank	28,435.38	-	28,435.38															
6 Other income	-	-	-															
7 Net revenues	2,789,338.68	1,589,955.78	4,379,294.46															
Expenses:																		
8 Administrative services	183,208.13	-	183,208.13															
9 Administrative services - Tricare	10,000.00	-	10,000.00															
10 Tricare - Legislative Services	36,000.00	-	36,000.00															
11 Tricare - Expense Offset Rcv From Other SVPs	(71,858.00)	-	(71,858.00)															
12 Legal fees	6,263.65	-	6,263.65															
13 Audit	-	-	-															
14 Annual report / special communications	-	-	-															
Special projects:																		
15 DOH vaccine order system	-	-	-															
16 Denied claims recovery	8,400.00	-	8,400.00															
17 All other special projects	-	-	-															
18 Insurance	11,492.00	-	11,492.00															
19 Bank fees	22,440.71	-	22,440.71															
20 Investment advisor / manager	22,675.42	-	22,675.42															
21 Other administration expenses	2,743.09	-	2,743.09															
22 Total administrative expenses	231,365.00	-	231,365.00															
23 Line of credit - financing costs	-	-	-															
24 Total expenses	231,365.00	-	231,365.00															
25 Increase (decrease) in net assets	\$ 2,557,973.68	\$ 1,589,955.78	\$ 4,147,929.46															
26 Excess assessments, beginning of year																		
27 Excess assessments, end of period																		

Washington Vaccine Association  
Statement of Cash Flows  
For the Quarters Ending

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		A	B	C	D
		Inception Through 9/30/2018	Quarter 12/31/2018	Quarter 3/31/2019	Inception Through 3/31/2019
1	Cash balance - beginning of period	\$ -	\$ 32,998,223.28	\$ 42,762,193.07	\$ -
	<b>Inflows:</b>				
2	Principal prepayments	7,800,001.00	-	-	7,800,001.00
3	Vaccine collections	499,144,178.02	23,190,403.24	17,990,263.88	540,324,845.14
4	Interest income	105,246.37	21,762.46	-	127,008.83
5	Investment income/ (loss)	162,998.77	199,298.72	413,846.92	776,144.41
6	Key Bank - LOC advances	-	-	-	-
7	<b>Total inflows</b>	<b>507,212,424.16</b>	<b>23,411,464.42</b>	<b>18,404,110.80</b>	<b>549,027,999.38</b>
	<b>Outflows:</b>				
8	Principal repayments	(7,799,908.85)	-	-	(7,799,908.85)
	<b>Program</b>				
9	Vaccine remittance State of WA	(457,495,119.28)	(13,319,333.74)	(12,499,057.36)	(483,313,510.38)
10	Vaccine Selection Development	(79,950.00)	-	-	(79,950.00)
11	Public information	(147,626.81)	-	-	(147,626.81)
12	<b>Total program disbursements</b>	<b>(457,722,696.09)</b>	<b>(13,319,333.74)</b>	<b>(12,499,057.36)</b>	<b>(483,541,087.19)</b>
	<b>Administration</b>				
13	Administrative services	(5,278,466.50)	(246,242.50)	(162,246.48)	(5,686,955.48)
14	Project management fees	(419,878.90)	-	-	(419,878.90)
15	Denied claims recovery	(152,133.44)	(8,400.00)	(8,400.00)	(168,933.44)
16	Design and advertising	(31,031.38)	-	-	(31,031.38)
17	Claims system development	(26,000.00)	-	-	(26,000.00)
18	Legal fees	(566,433.95)	(25,902.75)	(891.10)	(593,227.80)
19	Audit fees	(101,855.00)	(4,100.00)	-	(105,955.00)
20	Website and information techno	(113,993.32)	-	-	(113,993.32)
21	Travel	(1,829.68)	-	-	(1,829.68)
22	<b>Total administration</b>	<b>(6,691,622.17)</b>	<b>(284,645.25)</b>	<b>(171,537.58)</b>	<b>(7,147,805.00)</b>
	<b>Office</b>				
23	Bank Fees / Investment Mgmt. F	(552,877.43)	(41,631.43)	(24,326.22)	(618,835.08)
24	Office supplies	883.92	-	-	883.92
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	<b>Total office</b>	<b>(612,079.61)</b>	<b>(41,631.43)</b>	<b>(24,326.22)</b>	<b>(678,037.26)</b>
	<b>Other</b>				
30	Insurance	(248,471.95)	(717.00)	(11,492.00)	(260,680.95)
31	Interest Line of Credit	(1,136,610.90)	-	-	(1,136,610.90)
32	Board expenses	(2,811.31)	(1,167.21)	(4,591.44)	(8,569.96)
33	<b>Total Other</b>	<b>(1,387,894.16)</b>	<b>(1,884.21)</b>	<b>(16,083.44)</b>	<b>(1,405,861.81)</b>
34	<b>Total outflows</b>	<b>(474,214,200.88)</b>	<b>(13,647,494.63)</b>	<b>(12,711,004.60)</b>	<b>(500,572,700.11)</b>
35	<b>Cash balance - end of period</b>	<b>\$ 32,998,223.28</b>	<b>\$ 42,762,193.07</b>	<b>\$ 48,455,299.27</b>	<b>\$ 48,455,299.27</b>

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

Washington Vaccine Association  
Notes to Financial Statements  
For the Quarter Ending March 31, 2019

Items of interest in the financial Statements for the quarter ending March 31, 2019.

During the quarter WVA received \$71,858 from New Hampshire Vaccine Association to aid in the TRICARE expenses. This payment is reflected on line 11 of the Statement of Activities as a reduction of expenses.

**MEMORANDUM**

**TO:** Julia Zell, Executive Director & WVA Board  
**FROM:** Peter Smith, Financial Analyst  
**SUBJECT:** WVA Grid Update Recommendation and Cash Flow Projection  
**DATE:** April 10, 2019

**Grid Recommendation Summary**

On April 1<sup>st</sup> the CDC updated its VFC contract rates. I have analyzed the changes in relation to the projected WVA reimbursements for the coming year. Historically the rates have increased an average of 3-4% each year. This year, the weighted average increase at April 1<sup>st</sup> was 5.75% which has an annual effect of reducing cash by \$3.5 million. The increase in the indirect rate of 2.8% has an effect of reducing cash by \$1.9 million over one year. I suggest a 2% reduction to the current grid on July 1<sup>st</sup> which will further reduce cash by \$1.5 million. In total these adjustments should reduce cash by between \$6.5 million and \$7 million within one year.

**Analysis of Changes**

I have drafted the attached draft grid update. While most rates are reduced, some are increased to match the relative CDC contract rate. The aggregate of these individual rates times the corresponding estimated doses per brand equals a 2% reduction in total assessment dollars received by WVA. If a payer remitted \$100,000 last year and their basket of doses represented a normal distribution of the total population of payers, then their remittance this year would be \$98,000. This is a reduction in cash from reduced inflows. These total approximately \$1.5MM reduction in cash.

The 5.75 percent weighted increase in CDC contract is realized in the DOH reimbursements as is the change in the indirect rate change from 1.2% to 4%. These are a reduction in cash through increased outflows. These total approximately \$5.5 million reduction in cash.

Together, these adjustments are estimated to reduce cash by \$7 million within one year.

**Cash Flow Projection Update**

Cash balances as of March 31, 2019 are \$6.9 million in WVA operating accounts and \$41.5 million in investment accounts. With the above changes included, I anticipate balances on operating cash of \$5.7 million and \$35.6 million in investment accounts at June 30, 2020.

Projection models are updated and monitored monthly for variations. The above scenarios are estimates and include various assumptions including the consistency of the overall system, consistency of the public health (lack of an unexpected epidemic or crisis, etc.), consistency of assessment collections, program reimbursement methodology, and consistency of CDC contract rates and increases. Any variance in these factors can result in variations to the WVA cashflow.

# Washington Vaccine Association Assessment Grid

FOR ALL CLAIMS WITH A DATE OF SERVICE ON OR AFTER JULY 1, 2019.

Please note that this WVA Assessment Grid, effective July 1, 2019, replaces the grid last updated on July 1, 2018. The grid lists vaccines and their corresponding CPT codes that are part of the dosage-based assessment (DBA) process for providers, health insurance carriers, and third party administrators. There are other childhood vaccines (and corresponding CPT codes) that are not included in the DBA process and, therefore, no assessment is needed. The availability of specific vaccine brands are determined by the manufacturer and not all brands of flu vaccine are offered through the Childhood Vaccine Program (CVP).

CPT Code	NDC Code	CPT Code Description	Tradename	WVA Assessment Amount per dose as of 7/1/2018	CDC Private Sector Cost/Dose 4/1/19	WVA Assessment Amount per dose as of 7/1/2019	Percent change	Notes
90620	58160-0976-20 (10 pack)	Meningococcal recombinant protein and outer membrane vesicle vaccine, Serogroup B, 2 dose schedule, for intramuscular use	Bexsero	\$159.13	\$165.75	\$151.07	-5.1%	
	58160-0976-06 (single pack)							
90621	00005-0100-10	Meningococcal recombinant lipoprotein vaccine, Serogroup B, 2 or 3 dose schedule, for intramuscular use	Trumenba	\$114.58	\$133.62	\$121.49	6.0%	
90633	58160-0825-11 (10 pack, 1 dose vial)	Hepatitis A vaccine, pediatric/adolescent dosage (2-dose schedule), for intramuscular use (Code Price is per dose = 0.5 mL)	Havrix	\$24.73	\$32.89	\$22.88	-7.5%	
	58160-0825-52 (10 pack, 1 dose syringe)							
	00006-4831-41		Vaqta		\$32.89			
90636	58160-0815-52	Hepatitis A & Hepatitis B vaccine (HepA-HepB) adult dosage, for intramuscular use (Code Price is per 1 mL).	Twinrix	\$76.58	\$104.00	\$67.29	-12.1%	Age 18 Only.
90647	00006-4897-00	Haemophilus influenzae type b vaccine (Hib), PRP-OMP conjugate, 3 dose schedule, for intramuscular use (Code price is per dose = 0.5 mL)	PedvaxHIB	\$17.27	\$26.23	\$14.73	-14.7%	
90648	49281-0545-03	Haemophilus influenzae type b vaccine (Hib), PRP-T conjugate, 4 dose schedule, for intramuscular use (Code price is per dose = 0.5 mL)	ActHIB	\$13.22	\$16.51	\$10.55	-20.2%	
	58160-0818-11		Hiberix		\$10.85			
90651	00006-4119-03	Human Papillomavirus vaccine types 6, 11, 16, 18, 31, 33, 45, 52, 58, nonavalent (9vHPV), 2 or 3 dose schedule, for intramuscular use (Code Price is per dose = 0.5 mL)	Gardasil 9	\$175.91	\$217.11	\$198.64	12.9%	
	00006-4121-02							

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CPT Code	NDC Code	CPT Code Description	Tradename	WVA Assessment Amount per dose as of 7/1/2018	CDC Private Sector Cost/Dose 4/1/19	WVA Assessment Amount per dose as of 7/1/2019	Percent change	Notes
90670	00005-1971-02	Pneumococcal conjugate vaccine, 13 valent, for intramuscular use (Prevnam 13 was FDA approved on 2/24/10)	Prevnam 13	\$157.97	\$180.05	\$152.78	-3.3%	
90680	00006-4047-41 (10 pack, 1 dose tube)	Rotavirus vaccine, pentavalent, 3 dose schedule, live, for oral use (Code Price is per dose = 2 mL)	RotaTeq	\$77.39	\$82.89	\$78.60	1.6%	
	00006-4047-20 (25 pack, 1 dose tube)							
90681	58160-0854-52	Rotavirus vaccine, human, attenuated, 2 dose schedule, live, for oral use (Code Price is per 1 mL = 1 dose)	Rotarix	\$108.62	\$120.95	\$105.59	-2.8%	
90696	58160-0812-11 (10 pack, 1 dose vial)	Diphtheria, tetanus toxoids, acellular pertussis vaccine and poliovirus vaccine, inactivated (DTaP-IPV), when administered to children 4 years through 6 years of age, for intramuscular use (Code Price is per one dose = 0.5 mL)	Kinrix	\$48.10	\$52.12	\$46.06	-4.2%	
	58160-0812-52 (10 pack, 1 dose syringe)							
	49281-0562-10		Quadracel		\$53.13			
90698	49281-0510-05	Diphtheria, tetanus toxoids, acellular pertussis vaccine, haemophilus influenza Type B, and poliovirus vaccine, inactivated (DTaP - Hib - IPV), for intramuscular use (Code Price is per one dose = 0.5 mL)	Pentacel	\$78.73	\$96.14	\$66.26	-15.8%	
90700	49281-0286-10	Diphtheria, tetanus toxoids, and acellular pertussis vaccine (DTaP), when administered to individuals younger than seven years, for intramuscular use (Code price is per 0.5 mL dose)	Daptacel	\$23.15	\$30.84	\$20.82	-10.1%	
	58160-0810-11 (10 pack, 1 dose vial)							
	58160-0810-52 (10 pack, 1 dose syringe)		Infanrix		\$24.71			
90707	00006-4681-00	Measles, mumps and rubella virus vaccine (MMR), live, for subcutaneous use (Code Price is per 0.5 mL)	M-M-R II	\$27.82	\$75.04	\$23.66	-15.0%	
90710	00006-4171-00	Measles, mumps, rubella, and varicella vaccine (MMRV), live, for subcutaneous use (Code Price is per one dose = 0.5 mL)	ProQuad	\$158.06	\$214.37	\$146.52	-7.3%	
90713	49281-0860-10	Poliovirus vaccine, inactivated, (IPV), for subcutaneous or intramuscular use (Code Price is per 0.5 mL dose)	IPOL	\$17.60	\$33.53	\$15.11	-14.2%	

CPT Code	NDC Code	CPT Code Description	Tradename	WVA Assessment Amount per dose as of 7/1/2018	CDC Private Sector Cost/Dose 4/1/19	WVA Assessment Amount per dose as of 7/1/2019	Percent change	Notes
90714	49281-0215-15 (10 pack, 1 dose syringe)	Tetanus and diphtheria toxoids (Td) adsorbed, preservative free, when administered to individuals 7 years or older, for intramuscular use (Code Price is per 0.5 mL)	Tenivac	\$25.34	\$33.83	\$22.98	-9.3%	
	Td Vaccine		\$25.12					
	90715	13533-0131-01	Tetanus and diphtheria toxoids (Td) adsorbed when administered to individuals 7 years or older, for intramuscular use					
58160-0842-11 (10 pack, 1 dose vial)		Tetanus, diphtheria toxoids and acellular pertussis vaccine (Tdap), when administered to individuals 7 years or older, for intramuscular use (Code Price is per dose = 0.5 mL)	Boostrix	\$42.98	\$41.19	\$35.95	-16.3%	
58160-0842-52 (10 pack, 1 dose syringe)			Adacel		\$45.50			
49281-0400-10 (10 pack, 1 dose vial)								
90716	49281-0400-15 (10 pack, 1 dose syringe)	Varicella virus vaccine, live, for subcutaneous use (Code Price is per 0.5 mL)	Varivax	\$106.58	\$129.30	\$116.07	8.9%	
90723	58160-0811-52	Diphtheria, tetanus toxoids, acellular pertussis vaccine, Hepatitis B and poliovirus vaccine, inactivated (DtaP-HepB-IPV), for intramuscular use (Code price is per 0.5 mL)	Pediarix	\$71.99	\$79.15	\$65.85	-8.5%	
90732	00006-4943-00	Pneumococcal polysaccharide vaccine, 23-valent (PPSV23), adult or immunosuppressed patient dosage, when administered to individuals 2 years or older, for subcutaneous or intramuscular use (Code price is per 0.5 mL dose)	Pneumovax 23	\$64.19	\$100.19	\$62.78	-2.2%	VVA Board Meeting 2019-04-25 Pg. 21
90734	49281-0589-05	Meningococcal conjugate vaccine, serogroups A, C, Y and W-135 (tetraivalent), for intramuscular use (Code Price is per dose = 0.5 mL)	Menactra	\$115.52	\$122.31	\$105.76	-8.4%	
	Menveo		\$130.75					
90744	00006-4981-00	Hepatitis B vaccine (HepB), pediatric/adolescent dosage, 3 dose schedule, for intramuscular use (Code price is per dose)	Recombivax HB	\$17.02	\$23.95	\$13.72	-19.4%	
	Engerix B		\$16.05	\$23.72	\$17.86	11.3%		

CPT Code	NDC Code	CPT Code Description	Tradename	WVA Assessment Amount per dose as of 7/1/2018	CDC Private Sector Cost/Dose 4/1/19	WVA Assessment Amount per dose as of 7/1/2019	Percent change	Notes
<b>Pediatric Influenza Vaccine Assessments</b>								
90685	49281-0518-25 (10 pack - 1 dose syringe)	Influenza virus vaccine, quadrivalent, split virus, preservative free, when administered to children 6 - 35 months of age, for intramuscular use (Code Price is per 0.25 mL dose)	Fluzone Pediatric Preservative Free (PF)	\$18.53	\$18.31	\$15.34	-17.2%	
90686	19515-0909-52 (10 pack, 1 dose syringe)	Influenza virus vaccine, quadrivalent (IIV4), split virus, preservative free, 0.5 mL dosage, for intramuscular use	FluLaval	\$15.13	\$16.82	\$15.05	-0.5%	
90688	49281-0629-15 (10 dose vial)	Influenza virus vaccine, quadrivalent (IIV4), split virus, 0.5 mL dosage, for intramuscular use	Fluzone	\$16.62	\$18.31	\$15.34	-7.7%	
90672	66019-0305-10 (10 doses / Box)	Influenza virus vaccine, quadrivalent, live, for intranasal use	FluMist	\$21.33	\$23.70	\$21.05	-1.3%	



**WVA Cash Flow Projection Model**  
As of March 31, 2019

Amounts in **BOLD** are actuals.

Month	Projected Net Cash Receipts	Projected DOH Reimb	Flu / CDC Advance	Admin Exp / Other	Interest income / expense	To/from Interest Bearing	Net Cash Change	Cash Balance (a)	LOC / Interest Bearing (b)	Net Liquidity (a + b)	Notes
Nov-15	7,027,691	(4,244,926)	-	(74,693)	(38,750)		2,669,322	4,454,955	(15,000,000)	(10,545,045)	
Dec-15	7,426,578	(4,198,198)	-	(77,905)	(37,500)	(1,000,000)	2,112,975	6,567,930	(14,000,000)	(7,432,070)	
Jan-16	4,834,017	(5,432,469)	-	(115,986)	(38,454)		(752,891)	5,815,038	(14,000,000)	(8,184,962)	
Feb-16	5,893,278	(4,813,588)	-	(81,431)	(38,368)	(2,000,000)	(1,040,109)	4,774,930	(12,000,000)	(7,225,070)	
Mar-16	6,879,529	(4,498,451)	-	(72,223)	(33,646)		2,275,209	7,050,138	(12,000,000)	(4,949,862)	
Apr-16	5,359,159	(5,357,383)	-	(71,266)	(33,485)		(102,975)	6,947,163	(12,000,000)	(5,052,837)	
May-16	5,346,077	(5,041,930)	-	(70,267)	(32,005)	(1,000,000)	(798,125)	6,149,039	(11,000,000)	(4,850,961)	
Jun-16	6,318,973	(6,210,703)	-	(65,812)	(32,336)	(1,000,000)	(989,877)	5,159,161	(10,000,000)	(4,840,839)	
Jul-16	5,626,346	(4,444,198)	(1,263,808)	(123,581)	(29,350)	-	(234,592)	4,924,570	(10,000,000)	(5,075,430)	< Adjust Rates as of 7/1 to 130% of current C
Aug-16	7,739,005	(5,615,932)	-	(77,425)	(27,986)	(1,000,000)	1,017,663	5,942,233	(9,000,000)	(3,057,767)	
Sep-16	9,041,533	(5,546,402)	(2,507,129)	(113,138)	(28,064)	(2,000,000)	(1,153,201)	4,789,032	(7,000,000)	(2,210,968)	
Oct-16	7,482,696	(4,748,545)	-	(79,988)	(24,742)	(2,000,000)	629,420	5,418,452	(5,000,000)	418,452	
Nov-16	8,855,104	(4,457,024)	-	(91,560)	(19,783)	(2,500,000)	1,786,737	7,205,189	(2,500,000)	4,705,189	< LOC Paid off by 12/31
Dec-16	6,135,734	(5,450,704)	-	(66,989)	(8,982)	(2,500,000)	(1,890,941)	5,314,248	-	5,314,248	
Jan-17	5,339,947	(5,318,030)	-	(90,691)	-		(68,774)	5,245,474	-	5,245,474	
Feb-17	5,824,066	(4,226,052)	-	(97,429)	-		1,500,584	6,746,058	-	6,746,058	
Mar-17	6,844,922	(5,433,956)	-	(80,760)	-		1,330,207	8,076,265	-	8,076,265	
Apr-17	5,261,908	(5,334,158)	-	(57,425)	-		(129,674)	7,946,590	-	7,946,590	
May-17	5,811,994	(5,286,633)	-	(72,018)	-		453,342	8,399,932	-	8,399,932	
Jun-17	6,302,549	(5,014,254)	-	(105,930)	-		1,182,365	9,582,298	-	9,582,298	
Jul-17	5,608,570	(7,562,171)	-	(113,526)	-		(2,067,127)	7,515,171	-	7,515,171	
Aug-17	7,828,758	(7,225,017)		(93,327)	-		510,414	8,025,584	-	8,025,584	
Sep-17	8,086,399	(5,249,429)	(3,638,937)	(78,530)	-		(880,497)	7,145,088	-	7,145,088	
Oct-17	7,116,156	(5,437,731)		(71,765)	-		1,606,659	8,751,747	-	8,751,747	
Nov-17	8,215,489	(4,210,946)		(71,156)	-		3,933,387	12,685,134	-	12,685,134	
Dec-17	6,422,096	(4,118,584)		(205,290)	-		2,098,222	14,783,356	-	14,783,356	
Jan-18	5,886,214	(4,236,192)		(127,046)	-		1,522,975	16,306,331	-	16,306,331	
Feb-18	6,033,821	(3,432,432)		(95,751)	-		2,505,638	18,811,969	-	18,811,969	
Mar-18	18,263,903	(4,301,740)		(650,899)	-		13,311,264	32,123,233	-	32,123,233	< Includes TRICARE payment
Apr-18	5,411,000	(5,057,707)		(39,140)	-		314,154	32,437,387	-	32,437,387	
May-18	6,186,270	(6,006,860)		(63,806)	-		115,604	32,552,991	-	32,552,991	
Jun-18	5,588,325	(3,861,593)		(149,629)	-		1,577,103	34,130,094	-	34,130,094	
Jul-18	6,839,965	(6,247,878)		(141,226)	-		450,861	34,580,954	-	34,580,954	< Grid Rates reduced by 1% on July 1
Aug-18	7,848,181	(7,834,032)		(111,925)	-		(97,776)	34,483,178	-	34,483,178	
Sep-18	7,527,848	(5,206,974)	(3,720,022)	(99,018)	13,211	(25,000,000)	(26,484,955)	7,998,223	25,000,000	32,998,223	
Oct-18	7,638,131	(4,685,595)		(99,350)	(4,155)	-	2,849,030	10,847,253	25,000,000	35,847,253	
Nov-18	8,546,543	(4,529,870)		(94,069)	64,673	(64,673)	3,922,605	14,769,858	25,064,673	39,834,531	
Dec-18	7,005,729	(4,103,869)		(108,485)	134,286	(134,286)	2,793,376	17,563,233	25,198,959	42,762,193	

WVA Cashflow Analysis 4-1-2019.xlsx

Cash Flow Projection

WVA Cash Flow Projection Model  
As of March 31, 2019

Amounts in **BOLD** are actuals.

Month	Projected Net Cash Receipts	Projected DOH Reimb	Flu / CDC Advance	Admin Exp / Other	Interest income / expense	To/from Interest Bearing	Net Cash Change	Cash Balance (a)	LOC / Interest Bearing (b)	Net Liquidity (a + b)
Jan-19	6,342,631	(4,716,256)		(119,502)	153,971	(16,398,889)	(14,738,045)	2,825,189	41,597,848	44,423,037
Feb-19	5,156,707	(3,000,686)		(75,133)	60,275		2,141,163	4,966,352	41,597,848	46,564,200
Mar-19	6,490,515	(4,782,115)		(16,901)	199,600		1,891,100	6,857,451	41,597,848	48,455,300
Apr-19	4,829,452	(4,705,166)		(80,380)	107,461		151,367	7,008,819	41,597,848	48,606,667
May-19	4,880,400	(6,010,894)		(80,380)	107,461	1,000,000	(103,412)	6,905,406	40,597,848	47,503,255
Jun-19	5,364,583	(4,170,520)		(80,380)	104,878	(1,000,000)	218,560	7,123,967	41,597,848	48,721,815
Jul-19	4,399,478	(6,747,708)		(80,380)	107,461	1,000,000	(1,321,149)	5,802,818	40,597,848	46,400,666
Aug-19	6,223,744	(8,460,754)		(80,380)	104,878	2,000,000	(212,513)	5,590,305	38,597,848	44,188,153
Sep-19	7,420,710	(5,623,532)	(3,950,664)	(80,380)	99,711	2,000,000	(134,155)	5,456,150	36,597,848	42,053,999
Oct-19	5,502,280	(5,060,443)		(80,380)	94,544		456,002	5,912,152	36,597,848	42,510,000
Nov-19	4,921,529	(4,892,259)		(80,380)	94,544		43,434	5,955,586	36,597,848	42,553,435
Dec-19	4,706,812	(4,432,178)		(80,380)	94,544	(1,000,000)	(711,202)	5,244,385	37,597,848	42,842,233
Jan-20	4,417,870	(5,093,556)		(80,380)	97,128	1,000,000	341,061	5,585,446	36,597,848	42,183,294
Feb-20	4,687,837	(3,240,741)		(80,380)	94,544		1,461,260	7,046,706	36,597,848	43,644,554
Mar-20	3,578,535	(5,164,684)		(80,380)	94,544		(1,571,985)	5,474,721	36,597,848	42,072,569
Apr-20	4,798,287	(5,081,579)		(80,380)	94,544		(269,128)	5,205,593	36,597,848	41,803,441
May-20	4,838,648	(6,491,765)		(80,380)	94,544	2,000,000	361,047	5,566,640	34,597,848	40,164,488
Jun-20	5,640,207	(4,504,162)		(80,380)	89,378	(1,000,000)	145,043	5,711,683	35,597,848	41,309,531

Notes

< DOH Increases Indirect rate to 4%

< Includes 5.75% CDC rate increase

< Grid Rates reduced by 2% on July 1

< Includes estimated 4% CDC rate increase



*Ensuring Funds for Childhood Vaccines*

## **April 25, 2019 Executive Director Report**

Assessment Collections as of 3/31/2019:	\$540+ Million
Remittances to State of WA Since Inception:	\$483+ Million
Members Estimated Collectible Assessments:	\$4.8+ Million
Prepaid Vaccine Purchases:	\$1.8+ Million
Cash Balance:	\$6.8+ Million
Morgan Stanley:	\$41.5+ Million

As many of you likely anticipated, 2019 began as a year of structural and operational change for the Washington Vaccine Association (WVA). I am pleased to report that the Board's decision to bifurcate the Executive Director position and the administrative services contract—and to have the Executive/Finance Committees take a more active role in WVA management—has enabled the candid review of the Association's systems processing leading to greater internal controls, increased cash reserves utilization, and better reporting on all aspects of the Association's work. While these recent changes have necessitated greater Board member involvement over the last year, the added oversight has supported increased attention to the WVA's contractors' performance, provider relations, and payer equity. I am excited to share these improvements with the Board which include another meaningful reduction in assessment rates.

First, I would like to highlight the WVA's robust financial position, which is both unprecedented and unparalleled in the Association's history. After consultation with the Board last November, and with careful consideration by both the Finance and Executive Committees, the Association has deployed cash reserves in both Morgan Stanley and KeyBank. Operating within the Board-authorized Reserves Investment Policy and with additional authority granted by the Executive Committee this past March, the WVA has two separate liquidity accounts and a fully-funded laddered bond portfolio. The WVA's reserves are allocated in such a way to ensure minimal risk, but to improve the return rate while guaranteeing adequate cash on hand to meet the Department of Health's vaccine funding requests. This balance between longer-term investments and liquidity is managed by both KV and myself; reports are sent to both the Treasurer and Board Chairman so that adequate review processes are in place. I am encouraged by these fiscal advancements and believe investment income will continue to significantly off-set the WVA's operational costs and guarantee that the Association has an adequate buffer to cushion unexpected cash-outlays and increases in vaccine costs.

On the monthly and quarterly financial reporting side, I am pleased to announce that KV is in the process of revamping routine, unaudited financial statements and budget tracking so that the categories and information presented is more in alignment with the Association's annual audited financial statement. These revisions should also aid the Finance Committee in their review of project costs and in tracking the WVA's operational expenses against budgetary projections. The result should be a more streamlined financial packet that is easier to read and one that provides more pertinent information. The revised financial documents are anticipated to be available for the Board's review at the June meeting in time for the annual operations budget setting process. Thank you to Claire Roberge, Norm Roberge, and Fred Potter for spending several hours with me discussing how to improve these documents.

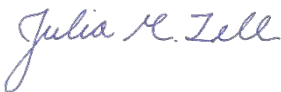
Included in the meeting materials is a working draft of the July 1, 2019 Assessment Grid. After consultation with KV and in alignment with Peter Smith's recommendation, I propose a 2% weighted decrease over the current 2018 grid. This is a significant decrease as it includes the WVA's absorption of the approximate 5.75% increase in vaccine costs based upon the CDC's April 1, 2019 contract prices. While there is a benefit in minimizing grid changes year-over-year to avoid steep collection decreases and injecting a higher degree of unpredictability in cash projection modeling, this decrease would enable the WVA to burn down cash reserves by approximately \$7 million by the end of the WVA's next fiscal year and should allow for future assumption of inflationary vaccine prices without upward adjustments in the assessment grid. The approach is meant to balance the interest of payers to not overly fund the Association's reserves and the need of the Association to maintain adequate capital for exigent circumstances.

Following the November 2018 Board meeting, KV and I began work in earnest on the development of firm plans to create an alternate settlement report process, which has resulted in two viable options for the Board's consideration at this meeting. The first option was first advanced last fall and would require all payers to either submit settlement reports to compensate for providers' infrequent failure to submit or refile the dosage-based assessment along with their medical claim for vaccine administration. Payers that are unwilling or unable to auto-generate a payment to the WVA for missing vaccine assessments would pay a fixed percentage of their annual vaccine assessment amount comparable to the amount the WVA receives through settlement reports. The second option, which has yet to be introduced, is to keep the WVA assessment grid standard for all payers but allow those payers that are submitting settlement reports to auto-adjudicate their assessments to a level that is lower than the standard assessment grid to off-set the cost of continuing to submit the report. Along with these options, KV recommends that the WVA take several steps to increase payer involvement by requiring an hour per month of payer support along with making the TPA registration system more robust. The current KV monthly cap for this project is \$5,000 and is scheduled to run through this October. I will be providing the Board with details regarding project costs during the June meeting.

Lastly, thank you to Chairman Sobeck who has accompanied me to Washington, DC to support our efforts to resolve the last remaining issue with TRICARE. The WVA has been pressing TRICARE to finalize a provision in its operations manual to ensure that the WVA is fully reimbursed for vaccines. TRICARE's benefits manager has agreed upon the changes orally though it will take several months for the changes to go through review and be published. As always, the Washington congressional delegation has been strongly in support of these efforts and has committed to tracking TRICARE's progress in implementing this last piece.

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

Respectfully submitted,



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

## WASHINGTON VACCINE ASSOCIATION (WVA) / KIDSVAX, LLC (KV) PROJECT PROPOSAL

### Project:

Settlement Report Process Implementation and Dosage-based Assessment (DBA) Monitoring Strengthening.

### Background:

In connection with 2018 contract updates, WVA Executive Director, Julia Zell (ED), recommended that a special project to address WVA's Settlement Report process, with a \$5,000 per month cap structured in the same way as the past TRICARE project, be included in the KV Agreement. The Board accepted that recommendation. Phase I of that project has been completed and the ED requested this project proposal for the balance of the work.

### Project Summary to Date:

Work on the special project commenced in December. That included substantial research around three primary alternative Settlement Report methodologies developed by KV and included selective data extracts and background research to validate the anticipated efficacy of the alternatives, as well as their respective challenges and operational costs.

KV and the ED conferred intermittently and, at the ED's request, KV prepared two primary and one summary report with table concerning the two project design finalists. The ED also has conferred preliminarily with WVA Board members and Operation Committee members prior to confirming this recommendation.

Implementation of this project is necessary for WVA to continue to collect the incremental assessment negotiated initially by KV with TRICARE at 1.8% of regular WVA assessments and subsequently negotiated upward to 2.5% , upon implementation of this special project, by the ED. As the project definition continued, KV developed additional concepts which would (a) strengthen DBA monitoring overall, (b) hold payer regular reporting burdens to a minimum, (c) improve payer compliance tracking, and (d) minimize both operating costs and potential payer challenges in the ongoing settlement report process.

### Recommendations:

The ED and KV jointly recommend that WVA move forward as follows:

1. Implementation. Select and implement the two-tiered DBA approach. This would involve (a) publishing a +2.5% assessment grid as "normal," to incorporate allowance for leakage from provider DBA errors, and (b) offering a discounted grid (minus that 2.5%) for payers who file Settlement Reports and make the corresponding auto-generated DBA payments.

The Settlement Reports themselves would be streamlined and standardized. Participation election will be available to all payers but required of major payers (the cutoff level to be established by Board policy). The regular Settlement Report process would be "operationally light" in terms of payer burden, but all payers would be required to maintain simple contact registration information in an updated TPA registration system. Additionally, those receiving Settlement Report participation discounts would make available up to one hour monthly of

DBA error research support for KV to be coordinated through the primary contact maintained in the DBA database.

Additionally, KV would (i) update its DBA monitoring protocols, (ii) tie in an annual data triangulation process using 1099 information, (iii) rewrite and grant a non-exclusive perpetual license to WVA for its use of the new registration system, (iv) maintain servicing contact notes linked to the new payer registration system using a commercially-available contact management tool, and (v) update financial reporting and auditing protocols as necessitated by these DBA system updates. KV would also update (vi) WVA's cash flow projection, and (vii) assessment setting tools to reflect the new two-tier assessment system.

Target implementation date: July 1, 2020.

2. Projected DBA Collection Increases. Based upon calendar year 2018 data they are estimated at \$445,167 annually. Additionally, implementation of the system will preserve something around \$75,000 annually in increments from TRICARE. Hence the ROI for this project is very strong.
3. Project Phases and Budgets.

Phase I – Research and methodology recommendation (completed). Budget: \$20,000. Actual costs: \$12,092.50.

Phase II – Design completion, operational update recommendations, DBA system updates, registration system rebuild. Budget: Not to exceed \$95,000.

This will include all the technological and operational work to be ready for implementation. The work would be slipstreamed into WVA's existing governance schedule over the next year and coordinated with the ED. KV will prepare initial operational drafts of all documents (e.g., Plan of Operation updates, payer communications, updated assessment setting, cash flow projection changes, and so on). Major milestones would include delivery of Plan of Operation proposal prior to WVA's November Board Meeting and presentation of the 2020 assessment rate setting materials next April for Board action using the two-tier methodology. The updated payer registration system would be targeted for delivery no later than May 1, 2020 and KV would work under this phase to seek to have existing payer data converted and not less than 60% of payers (including all major payers) updated by June 30, 2020.

Phase III – Initial year implementation and system updates. Budget: Not to exceed \$36,000. KV will work during the first operational year (WVA's 2020-2021 fiscal year) to improve the system, work out any operational or technology problems, and bring payer compliance with registration above the 95% level. During this phase, KV will also develop a reasonable cost estimate concerning fair compensation for ongoing operation of the strengthened WVA DBA system, including the new Settlement Report and Payer Registration processes.

Phase IV – Currently estimated at \$1,000 monthly. This is KV's current best estimate of a reasonable fixed increment for ongoing administration if this Settlement Report and DBA Strengthening Project is undertaken. Should WVA not want to adjust the base compensation for this incremental work during Phase IV, KV would be willing to continue to operate the system improvements on an hourly billed special project basis with a not-to-exceed annual \$25,000 budget.



### **2018/19 Performance Goals – ED & KV**

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 1<sup>st</sup> 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:** Develop an Alternative Settlement Report Process Proposal and present to the Board at the 2018 Annual meeting.
3. **Goal:** Facilitate WVA's work supporting DOH's development of a WA Restitution Policy.
4. **Goal:** Create and Develop Materials to support new Board Member On-Boarding by June 15, 2019.

**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.

## 2019 WVA Corporate Governance Calendar

(Board Meeting and Committee Meeting Schedules)

Month	Board Meeting 2-4 PM	Executive Committee 9:15-10:15 AM	Finance Committee 3-4 PM	Vaccine Committee 12:00-1:00 PM	Operations Committee 12:30-1:30 PM
January					
February					
March		X March 7			
April	X April 25			X April 25	
May			X May 23		X May 2
June	X June 27	X June 13			
July					
August		X August 19 (10:00-11:00 AM)			
September			X September 19		
October					X October 30
November	X November 7			X November 7	
December					

**\*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, generally on Thursdays.
- 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.

## 2019 Washington Vaccine Association Directory

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Cigna

**TBD**

Kaiser Permanente

**TBD**

Premera

**TBD**

Providence

**TBD**

Regence BlueShield

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## Board Governance Roles & Committees

### **Executive Committee**

Chair & President: John Sobeck, MD  
 Vice-Chair: Beth Harvey, MD  
 Treasurer: Derek LeBrun  
 Secretary: Ed Marcuse, MD

### **Finance Committee**

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

### **Vaccine Committee**

Chair: Ed Marcuse, MD  
 Members: John Dunn, MD  
 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)*

### **Vaccine Committee Consultants**

Chad Murphy, PharmD	<a href="mailto:chad.murphy@premera.com">chad.murphy@premera.com</a>
Jeffrey Duchin	<a href="mailto:jeff.duchin@kingcounty.gov">jeff.duchin@kingcounty.gov</a>
John Dunn, MD	<a href="mailto:dunn.jb@ghc.org">dunn.jb@ghc.org</a>
Lisa Johnson, MD	<a href="mailto:lisa.johnson@providence.org">lisa.johnson@providence.org</a>
Rachel Wood, MD	<a href="mailto:Rachel.Wood@lewiscountywa.gov">Rachel.Wood@lewiscountywa.gov</a> ; <a href="mailto:woodr@co.thurston.wa.us">woodr@co.thurston.wa.us</a>

### **Operations Committee**

Chair:	Julia Walter Zell	
Members:	<i>DOH</i> – Michele Roberts <i>DOH</i> – Sheanne Allen <i>Aetna</i> – Catherine “Cathy” Falanga <i>Aetna</i> – Susan Comer <i>Cigna</i> – Joshua Walker <i>Kaiser Permanente</i> – Maureen Brooks <i>Kaiser Permanente</i> – Tammy Blair <i>Premera</i> – Chad Murphy <i>Premera</i> – Tom Messick	<i>Providence</i> – Angela Wilson <i>Providence</i> – Bill Wong <i>Providence</i> – Lisa Johnson <i>Regence</i> – Walter Kuiee <i>United Healthcare</i> – Stephanie Crook <i>United Healthcare</i> – Kristi Adamson <i>Zenith Administrators</i> – Jeri Trice

**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 1<sup>st</sup> Ave
- Continue north on 1<sup>st</sup> 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 1<sup>st</sup> Ave
- Continue north on 1<sup>st</sup> 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 7<sup>th</sup> Avenue
- Turn LEFT onto Madison Street (at light)
- Continue straight, down the hill, for approximately 6 blocks
- Turn RIGHT onto 1<sup>st</sup> Ave
- Continue north on 1<sup>st</sup> 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 1<sup>st</sup> Ave
- Go north on 1<sup>st</sup> 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 MEASLES OUTBREAK**

WA DOH Vaccine Advisory Committee meeting  
April 18, 2019

## Measles



- Caused by virus
- Symptoms: cough, coryza (runny nose), conjunctivitis (red eyes), fever, rash
- Incubation period: 7–21 days
- Contagious period: 4 days before to 4 days after onset of rash
- Airborne spread/highly contagious
- Complications:
  - 1 pneumonia per 20 cases
  - 1–2 deaths per 1000 cases

## Immediate Disease Investigation

- Confirm the diagnosis
- Isolate the case-patient
- Identify potential source
- Identify exposed contacts
- Determine their immune status
- Manage contacts
- Enhance surveillance

**HEALTH  
ALERT**  
Jan. 4, 2019

**Confirmed measles case in Clark County**



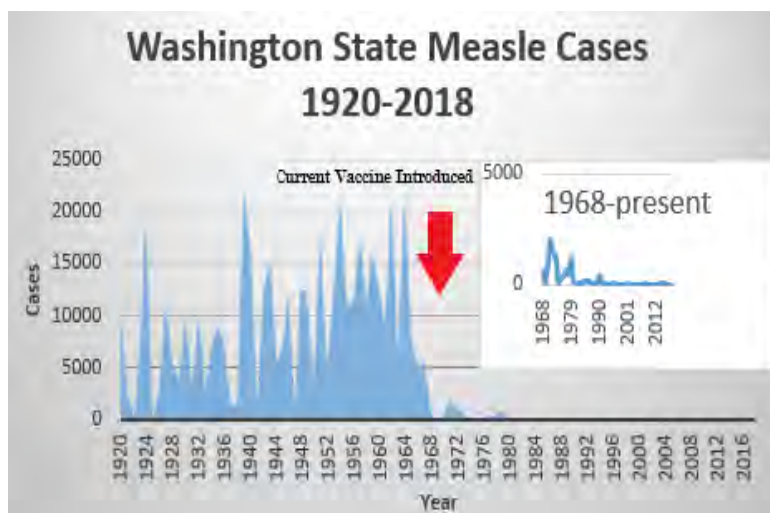
**Summary**

Clark County Public Health is investigating a confirmed case of measles in a child. The child, whose immunization status is unverified, traveled to Clark County from outside of the country in late December.

Public Health has identified one public exposure location:

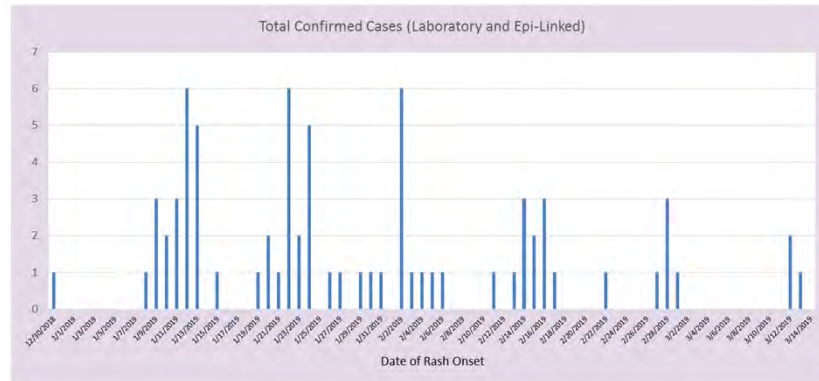
- Clinic and waiting area at PeaceHealth Urgent Care - Memorial, 3400 Main St., Vancouver, from noon to 5:30 pm Monday, Dec. 31.

All possible contacts are being advised to watch for symptoms of measles and seek health care for diagnosis by calling ahead in order to avoid exposing others in waiting rooms and lobbies. Those who were exposed may develop symptoms between Jan. 7 and Jan. 21.



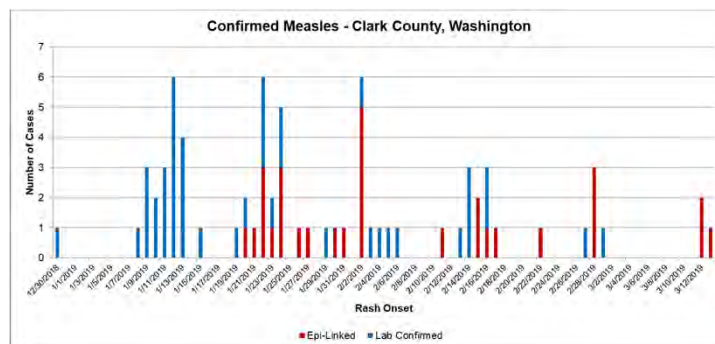
## WA State Measles Outbreak

Rash onsets 12/30/2018 – 3/13/2019 N=74



## Clark County Measles Outbreak 2019

Lab Confirmed and Epi-Linked Cases  
Rash onsets December 30, 2018 through March 13, 2019



# Washington State Measles Outbreak 2019

Case Attributes As of 3/18/2019 N=74

Age	Confirmed Cases
1-10 years	53
11-18 years	15
19-29 years	1
30-39 years	4
40-59 years	1
Immunization Status	Confirmed Cases
Unimmunized	63
1 MMR	3
Unverified	7
Hospitalization Status	Confirmed Cases
Hospitalized	2
Not Hospitalized	72
Confirmation Type	Confirmed Cases
Lab Confirmed	43
Epi-linked	30

## 2019 Measles Outbreak Timeline

January	4	Clark County Public Health (CCPH) announced one confirmed measles case in an unvaccinated child in Clark County
	14	Clark County Public Health activates emergency response to coordinate the local response
	15	Department of Health (DOH) activates the Incident Management Team to coordinate the statewide response
	18	Clark County declared a public health emergency for the measles outbreak
	25	Governor Inslee declared a state of emergency in response to the measles outbreak
	31	Washington DOH requested support from other states through the Emergency Management Assistance Compact (EMAC)
February	4	DOH registers its first state-level healthcare volunteer under the Emergency Volunteer Healthcare Practitioners Act, to support the measles response
	6	DOH formally requests a Tribal Liaison from AIHC to support the state Incident Management Team throughout the measles response

## Intervention

- Department of Health (DOH) instituted department-wide Incident Management Structure
- DOH roles included:
  - Assistance with disease investigations
    - DOH led Epidemiology Strike Team deployed to Clark County
    - Public health nurses from Public Health – Seattle & King County and Pierce County Medical Reserve Corps provided surge capacity
  - Laboratory testing
  - Vaccine management
  - Risk communications
  - Policy engagement
  - Other efforts to protect communities

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Governor Inslee visits emergency coordination center for measles outbreak

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WA State Measles Investigation  
Last Update: 03/04/2019 1500

	Clark County	Rest of WA State	TOTAL
<b>Total Investigated Cases</b>	<b>148</b>	<b>119</b>	<b>267</b>
<i>Confirmed cases</i>	70	1	71
<i>Current suspect cases</i>	1	6	7
<i>Cases ruled out prior to contact investigation initiated</i>	73	118	191

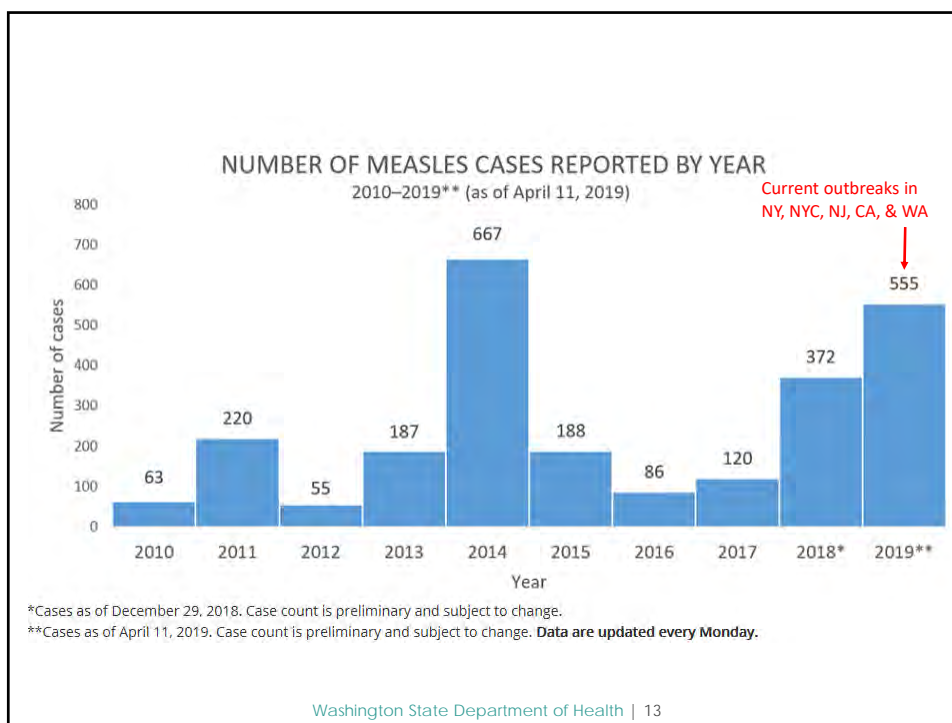
<b>Total Contacts Identified</b>	<b>4514</b>
<i>Reached for initial interview, via phone</i>	4030
<i>Unable to contact*</i>	484
<i>Transferred to outside jurisdiction</i>	211

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## Cost

- The state lab has tested at least 204 samples for measles and Oregon's lab has tested 28 samples from Washington residents.
- Nearly 89 Clark County Public Health staff and 170 Department of Health staff have worked more than 7,500 hours to control this preventable outbreak.
- Combined costs exceed \$1,600,000.

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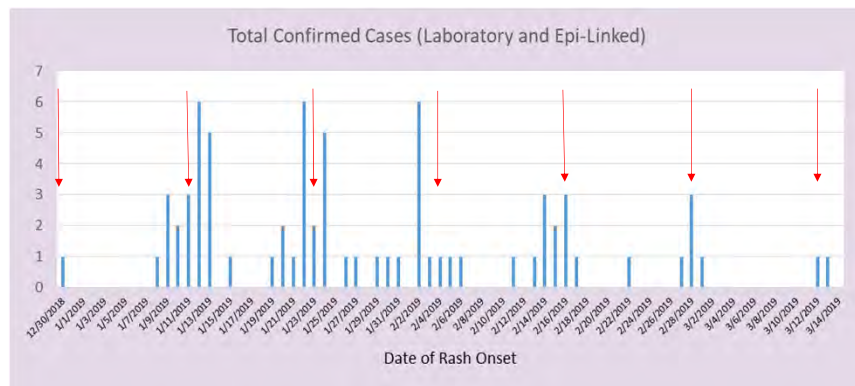
## Low Vaccination Rates, Global Outbreaks

- Disease outbreaks do not respect jurisdictional borders.
- People infected with measles in WA went to locations in Georgia, Hawaii, and Oregon.
- Measles virus from WA outbreak genetically matched to a wild strain of measles virus from Eastern Europe.
- There have been recent flare ups of measles in Eastern Europe and Israel.



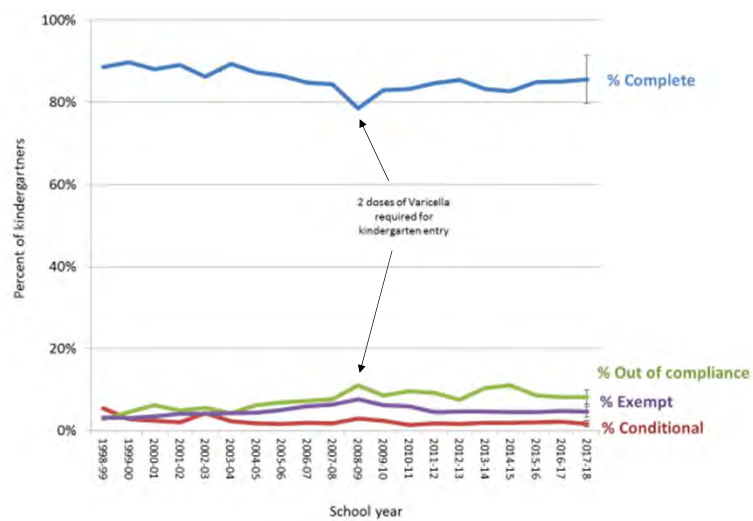
## Serial Transmission Intervals WA State Measles Outbreak 2019

Assuming Serial Transmission Interval of 12 days, next peak was due ~ 3/24:



Outbreak can be declared over when 2 full incubation periods (42 days) has passed since the date of rash onset in last known case: **April 25<sup>th</sup>** if no additional cases.

## Immunization Status of Kindergartners in WA



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Questions?



Washington State Department of Health is committed to providing customers with forms and publications in appropriate alternate formats. Requests can be made by calling 800-525-0127 or by email at [civil.rights@doh.wa.gov](mailto:civil.rights@doh.wa.gov). TTY users dial 711.