



# ANNUAL REPORT | 2012-2013



# Dear Friends and Colleagues:

The Washington Vaccine Association heads into its fourth full year of operation as a mature and stable organization. As always, we continue to focus on collecting dosage-based assessment (DBA) funds from health plans, insurers, and third-party administrators for the purchase of childhood vaccines. Thanks to the payers, as well as to the state's health care providers and our partner team at the Washington State Department of Health, these assessments enable the state to continue universal purchase of vaccines for all the state's children, even the privately insured. Highlights of the year include:



**Provider Simplicity:** Health care providers who administer childhood vaccines continue to benefit from universal purchase in significant ways:

- Providers receive vaccines at no charge from the state Department of Health, affording their patients easy access to critical vaccinations.
- Providers don't have to independently manage supplies for new vaccines or vaccine shortages – all vaccines are available from the state in a timely fashion.
- No cash outlay or additional staff are necessary to acquire vaccines. Providers use the state's online immunization information system to choose their vaccine brand preferences from the full list of childhood vaccines.

**Compliance:** Since the WVA opened its doors in May 2010, compliance has increased every year. By June 2013, more than 99 percent of payers were making their assessment payments as a matter of course. In addition, providers who administer over 95 percent of vaccines (through the state's Childhood Vaccine Program) now follow the DBA process. This year marks the first time provider compliance topped the 95 percent mark, and it happened despite administrative and economic challenges faced by providers on other fronts. The remaining 1 percent consists mostly of practices that collectively see a very small percentage of the state's children; many of these providers have few, if any, IT resources to help them adapt to change.

**Immunization Rates:** In 2012, Washington's child immunization rates improved due to many factors, including the stabilization of vaccine funding through the WVA. According to the latest National Immunization Survey, which collects data on six recommended vaccines for toddlers, 75 percent of children received the primary series of these vaccines in 2011,<sup>1</sup> up from 71 percent in 2010. Indeed, the state now ranks 18th in the country for childhood immunization, moving up from 29th in 2010 and a remarkable improvement over its 45th position in 2005.<sup>2</sup>

**Finances:** This past year saw our first increase in vaccine assessment rates, designed to bring our unusually low dosage-based assessments in line with expenses. The more normal (and still favorable) assessment levels should ensure that incoming assessment funds continue to support the state's purchase of vaccines for all the state's children.

**Operations:** Administratively, the WVA continues to run smoothly and efficiently. One significant news item on the administrative front is the updated process for licensing third-party administrators (TPAs). Initially, the Washington State Department of Licensing registered TPAs through its business licensing process. This past year, the responsibility was transferred to the WVA – a logical shift, since the only purpose of registration is to identify TPAs for equitable allocation of WVA assessments.

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1. Centers for Disease Control and Prevention, "The National Immunization Survey 2012" (the 2013 survey is published in September 2013). The survey measures children ages 19 to 35 months who receive the following vaccinations: 4 or more doses of DTaP (diphtheria, tetanus, pertussis), 3 or more doses of polio, 1 or more dose of MMR (measles, mumps, rubella), 3 or more doses of Hep B, 1 or more dose of varicella, and 4 or more doses of PCV (pneumococcal conjugate vaccine).





Throughout the year, staff and board members also worked to complete a major update of the WVA Plan of Operation. The initial plan was drafted during the formation of the WVA, well before anyone had evidence-based experience to determine best practices and policies. Among the revisions is a new regulatory model designed by the Department of Health that lays the groundwork for compliance enforcement. Simply stated, WVA now has the first level of responsibility to encourage voluntary compliance before the WVA board votes to refer a noncompliant party to the Department of Health. As always, the WVA prefers to resolve any compliance issues one-on-one to avoid escalation.

**Transitions:** One of the last acts of Washington State Secretary of Health Mary Selecky, who retired in April 2013 (see Selecky profile), was to sign the amended WVA Plan of Operation. Selecky was a devoted supporter of the WVA, and all of us were sorry to see her go. Thanks to her leadership and the efforts of her staff, in March the Department of Health became one of the first two state health agencies in the country to earn accreditation from the national Public Health Accreditation Board. Accreditation requires that the department meet a stringent set of national standards for public health services and commit itself to continuous improvement.

We would also like to acknowledge four WVA board member transitions. Dr. Mary Kay O'Neill, formerly our board representative from CIGNA, joined Regence BlueShield in May as executive medical director for

Washington state. As such, Dr. O'Neill is now our board representative from Regence. She replaces Chris Bandoli, who earlier in the year took over the seat vacated by founding WVA board member Dr. Joseph Gifford, who left to pursue other professional opportunities. In addition, the board representative from Group Health, Laura McMillan, passed the baton to Suzanne Daly, Group Health's Vice President of Network Services & Provider Relations. We are grateful to Laura, Chris, and Joe for their dedication to the WVA.

In the coming year, we expect to push ahead for full compliance, while continuing to support the flow of vaccines to all the state's children within the effective, efficient, and financially sound infrastructure that has become the WVA.

Fred L. Potter  
Executive Director  
Washington Vaccine Association

Brian Ancell  
President, WVA Board of Directors  
Executive Vice President, Health Care Services  
and Strategic Development, Premera Blue Cross

2. In 2005, the gold standard for immunizing children ages 19 to 35 was slightly different than the current standard delineated in footnote 1. In 2005, the survey covered toddlers who received DTaP, polio, MMR, Hep B, varicella, and Hib (Haemophilus influenzae type B), instead of the newer vaccine PCV.

# WVA Financial Summary

## Statement of Financial Position | June 30, 2013

### ASSETS

#### Current Assets

Cash and Cash Equivalents	\$ 2,253,811
Investments	8,736,666
Member Assessments Receivable	2,411,945
<b>Current and Total Assets</b>	<b>\$ 13,402,422</b>

### LIABILITIES AND NET ASSETS

#### Current Liabilities

Accounts Payable	\$ 78,465
Vaccines Fees Payable to Washington Department of Health	3,355,054
Total Current Liabilities	3,433,519
<b>Assessments Collected in Excess of Vaccine Funding and Administrative Activities<sup>1</sup></b>	<b>9,968,903</b>
<b>Net Assets – Unrestricted</b>	<b>0</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 13,402,422</b>

## Statement of Activities | For the year ended June 30, 2013

	Administrative Activities	Vaccine Funding Activities	Total
<b>Changes in Unrestricted Net Assets</b>			
<b>Revenue:</b>			
Assessments Collected	\$(25,137,728)	\$ 55,906,382	\$ 30,768,654
Interest Income	93,743	0	93,743
Unrealized Gain on Investments	13,270	0	13,270
Total Revenue	(25,030,715)	55,906,382	30,875,667
<b>Expenses:</b>			
Public Information	3,261	0	3,261
Administrative	428,163	0	428,163
Office	102,719	0	102,719
Other	21,469	0	21,469
Total Expenses	555,612	0	555,612
<b>Vaccine Replenishments</b>	0	45,575,125	45,575,125
	(25,586,327)	10,331,257	(15,255,070)
<b>Assessments Collected in Excess of Vaccine Funding and Administrative Activities<sup>1</sup></b>	<b>25,586,327</b>	<b>(10,331,257)</b>	<b>15,255,070</b>
Decrease in Unrestricted Net Assets and Net Assets			
Net Assets, Beginning of Year	0	0	0
<b>Net Assets, End of Year</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

1. The Association is a limited purpose entity whose funds are dedicated solely to specific statutory purposes. The Board intends to apply any excess assessment collections to (i) future vaccine funding obligations of the Association, (ii) reasonable and necessary operating costs of the Association, (iii) reduction of future assessments, and (iv), to the extent of any residual excess at the end of Association operations, refunds to members.

For the complete WVA audited financials, please visit the Reference section of our web site: [www.wavaccine.org](http://www.wavaccine.org).

**February 5, 2013,** was a noteworthy day for WVA staff and board members, not to mention the state Department of Health team that works closely with the WVA. That particular Tuesday was the day Mary Selecky announced her retirement as the longest-serving secretary of health in Washington state history.

Selecky has advocated for childhood immunization most of her professional life, perhaps inspired by an experience of her younger brother's. When he was 3, a case of measles developed into encephalitis, and Selecky, who was 13 at the time, witnessed his 24 hours of convulsions. Her brother survived, but, she says, "No child should have to go through that. A vaccine would have prevented it."

Fast forward to 2008, when the state budget was funding universal purchase of childhood vaccines, meaning that all the state's children, even the privately insured, received vaccines at no cost from birth up to age 19. That year the recession hit states with a vengeance. In Washington, where the lack of a state income tax made budget-cutting particularly onerous, Governor Gregoire brought teams of cabinet members together to collaborate on a realistic budget.

"I remember one moment well," Selecky says. "Vaccine funds were the single biggest item in the Department of Health's budget, and I knew in the pit of my stomach they would have to go." To mitigate the effects of the decision, she succeeded in having the cuts postponed for a year so that pediatricians, clinics, and other health care providers could prepare for purchasing vaccines on their own.

"As it happened, that extra time made everyone realize there was no magic money," Selecky says. This, in turn, impelled health care leaders and legislators into action. In September 2009, an impressive public-private partnership convened to find a way to retain the state's universal purchase program. By March 2010, legislation had passed authorizing the formation of the WVA.

## Farewell to a WVA Advocate



"I am very proud of what went on," she says, "but it took many persistent, relentless people. If the Department of Health had taken over, it would have felt like, 'The government is telling us what to do.' We may never have reached a solution."

That may be, but WVA Executive Director Fred Potter says that Selecky was invaluable to the process. "She put her A team, her best people, on the job," he says, "and was always helpful in getting the payers, providers, and public health officials to work together. She could fan a flicker of hope into a flame."

Janna Bardi, who, along with Allene Mares and Jan Hicks-Thomson, is a member of that "A team," thinks the WVA might not exist without Selecky: "Mary created the space and the leadership for her staff to engage in the work leading up to the legislation." For more than a year, for example, the majority of Bardi's time was spent supporting the discussions and eventual launch of the WVA.

These days, Selecky is happily ensconced in Colville, her primary home for nearly 40 years. While she clearly responds to the soul-soothing beauty of this mountain town, she has no intention of melting into the scenery. She is still working out her next act, but she expects to be a "louder advocate for prenatal issues and early childhood immunization." Paraphrasing Dennis Braddock, former secretary of the state's Department of Social and Health Services, she says, "If we can't provide immunization for children, then our health care system is broken."

Thanks in part to Selecky's leadership, Washington is helping to immunize all the state's children.



# Who's Who at the Washington Vaccine Association

## Key WVA Staff

**Fred L. Potter**  
Executive Director

**Margaret Lane**  
Deputy Executive Director

**Peter Smith**  
Financial Analyst

**Claire M. Roberge**  
Controller

**Terry Mills**  
Executive Assistant

## WVA Board of Directors

**Brian Ancell**  
Executive Vice President,  
Health Care Services and Strategic  
Development, Premera Blue Cross

**Suzanne Daly**  
Vice President, Network Services  
& Provider Relations, Group Health  
Cooperative

**Jason Farber**  
Partner, Davis Wright Tremaine LLP

**Beth Harvey, MD**  
Pediatric Associates

**Dennis Kirkpatrick**  
CEO, Welfare & Pension  
Administration Service, Inc.

**Edgar K. Marcuse, MD, MPH**  
Associate Medical Director,  
Seattle Children's

**Allene Mares, RN, MPH**  
Assistant Secretary, Prevention and  
Community Health Division, Washington  
State Department of Health

**Roger Muller, MD**  
Market Medical Director, Pacific  
Northwest Region, United Healthcare

**Mary Kay O'Neill, MD**  
Executive Medical Director,  
Washington, Regence BlueShield

**Norman Seabrooks**  
President, Northwest Market,  
Aetna Life Insurance Company

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