

**What:** Board of Directors Meeting  
**Date & Time:** Thursday, April 23, 2020; 2:00-3:00 p.m.  
**Location:** Teleconference  
**Zoom ID:** <https://zoom.us/j/177562890>  
**Phone:** Dial by your location  
           +1 312 626 6799 US (Chicago)                   +1 669 900 6833 US (San Jose)  
           +1 929 205 6099 US (New York)           +1 253 215 8782 US  
           +1 346 248 7799 US (Houston)           +1 301 715 8592 US  
**Meeting ID:** Meeting ID: 177 562 890

Please email [info@wavaccine.org](mailto:info@wavaccine.org) in advance of the meeting if you are a member of the public calling in for this meeting so that we can identify you for the meeting minutes given this is a virtual meeting.

### Agenda for Board of Directors Meeting

Approx. Time	Pg.	Topic/ <b>Anticipated Action</b>	Presented by:
2:00-2:05 p.m.		1. Welcome & Introductions a. Notification of Recording	J. Zell
2:05-2:10 p.m.	2-10	2. Calendar Consent Items (Proposed Form of Votes) <b>(VOTE)</b> b. Board Meeting Minutes (June 27, 2019) c. Board Meeting Minutes (November 7, 2019)	J. Sobeck
2:10-2:35 p.m.	11-46	3. Financial Update a. Q3 FY2020 Financial Statements b. FY2021 Preliminary Administrative Budget c. 2020-21 Vaccine Assessment Grid <b>(VOTE)</b> d. Vaccine Assessment Grid Communications Plan	L. Walker/P. Miller
2:35-2:45 p.m.	47-49	4. Executive Director Updates a. ED Report b. Implementation Update	J. Zell
2:45-3:00 p.m.		5. Executive Committee Meeting Summary a. Executive Committee Executive Session Minutes (July 12, 2019) (Confidential) b. Executive Committee Meeting Minutes (March 5, 2020) <b>This is an Executive Session closed to the public.</b>	A. Redman

## April 23, 2020 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 7, 2019 Board meeting.  
[To approve the minutes of the November 7, 2020 Board meeting with the changes suggested at the meeting.]
- VOTED: To approve the minutes of the June 27, 2019 Board meeting.  
[To approve the minutes of the June 27, 2019 Board meeting with the changes suggested at the meeting.]
- VOTED: To approve the minutes of the March 5, 2020 Executive Committee Meeting.  
[To approve the minutes of the March 5, 2020 Executive Committee Meeting with the changes suggested at the meeting.]

### Items under Agenda Section 3:

- VOTED: To authorize the Operations Committee to finalize the July 1, 2020 Assessment Grid in accordance with the Board's directions.  
[To authorize the Operations Committee to finalize the July 1, 2020 Assessment Grid in accordance with the changes suggested at the meeting.]

### Items under Agenda Section 5:

- VOTED: To approve the minutes of the Executive Committee, Executive Session of the July 12, 2019 meeting.  
[To approve the minutes of the Executive Committee, Executive Session of the July 12, 2019 meeting with the changes suggested at the meeting.]
- VOTED: To approve the minutes of the March 5, 2020 Executive Committee meeting.  
[To approve the minutes of the March 5, 2020 Executive Committee meeting with the changes suggested at the meeting.]

**Washington Vaccine Association  
Board of Directors' Meeting  
June 27, 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 (T)  
John Dunn, MD, MPH, Kaiser Permanente  
Cathy Falanga, Aetna (T)  
Jason Farber, Esq., Davis Wright Tremaine (T)  
Beth Harvey, MD, South Sound Pediatric (T)  
Associates  
Derek LeBrun, MBA, Centene-Iowa Total Care (T)  
Ed Marcuse, MD, Emeritus Professor of  
Pediatrics, University of Washington  
Chad Murphy, PharmD, Premera (T)  
Randy Parker, Carpenters Trusts of Western  
Washington

Directors Absent

Laura McKenna, CPhT, Regence  
Michele Roberts, MPH, MCHES,  
Washington Department of Health

WVA

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

KidsVax®

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

Others

Anne Redman, Esq., Perkins Coie  
Polly Sidwell, CIMA, CFP, Morgan Stanley  
David Keller, Morgan Stanley  
Holly Barrett, KeyBank  
Timothy Mansfield, KeyBank  
Breelyn Young, GlaxoSmithKline

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

A. Actions Taken (votes adopted)

1. To approve the minutes of the April 25, 2019 Board Meeting as presented.
2. To approve the minutes of the May 2, 2019 Operations Committee Meeting as presented.
3. To provisionally approve the minutes of the April 25, 2019 Vaccine Committee Meeting pending Vaccine Committee approval.
4. To authorize the ED to sign the Medical Revenue Managers' contract after outside counsel's review.
5. To approve the 2019-20 WVA Annual Operations Budget with the formatting changes noted.
6. To approve an initial budget of \$10,000 for two communication pieces and a welcome email template.
7. To abstain from collections enforcement for the August 2018 addition of FluMist through May 2019.
8. To approve Phases II and III of the Alternative Settlement Report Process/TPA Registration Update Special Project, with a total of \$95,000 project cap and monthly invoicing with other terms outlined in the KV project proposal as **outlined by KidsVax.**

B. Follow up Tasks/Action Items

1. Ms. Zell to purchase a new conference telephone for future meetings.
2. Ms. Zell to send Medical Revenue Managers contract to Attorney Redman for review.

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. Mr. Potter 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

Chairman Sobeck directed the Board's attention to the consent items submitted for approval, including the Board meeting minutes of April 25, 2019 and the Operations Committee Meeting minutes of May 2, 2019. Dr. Marcuse instructed that the Vaccine Committee Meeting minutes are draft minutes and need to be approved by the Vaccine Committee. Chairman Sobeck stated that the Board would preliminarily accept the Vaccine Committee minutes and if there are any changes, Dr. Marcuse will let the Board know. 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 April 25, 2019 Board Meeting as presented.  
To approve the minutes of the May 2, 2019 Operations Committee Meeting as presented.  
To provisionally approve the minutes of the April 25, 2019 Vaccine Committee Meeting pending Vaccine Committee approval. (see above comment and edit).

1 Financial Update

2 *Investment Report* – Representatives from Morgan Stanley (MS) and KeyBank (KB) were invited to join today’s meeting. Ms.  
3 Polly Sidwell reported that MS is managing the majority of the WVA reserve investment portfolio.

4  
5 Ms. Sidwell reported that the funds currently under management by MS are approximately \$45.5MM, with just under \$40MM  
6 in the cash reserves portfolio, which change in accordance with the WVA’s Investment Policy. There is a little over \$5.5MM  
7 held in the liquidity fund which would be available immediately for liquidity needs. Ms. Zell suggested the need for review of  
8 the Investment Policy Statement and perhaps increase the percentage of bonds; adding some flexibility. Attorney Redman  
9 responded that an annual review would be appropriate.

10  
11 Ms. Zell introduced Timothy Mansfield and Holly Barrett of KB who then presented an overview of the services provided to  
12 the WVA by KB on both the financial side and the WVA’s lockbox. Ms. Barrett presented a summary of the enterprise payment  
13 functions and balance trends.

14  
15 *Financial Reporting* – Mr. Potter presented the financial report, indicating that the assets are strong, and the organization is  
16 highly liquid.

17  
18 *Collections Report* – Ms. Zell indicated that another factor that is not included in the cash projections is the Alternative  
19 Settlement Report (ASR) proposal. Mr. Smith did not have an opportunity to model that change. Additional work is needed to  
20 refine the plan and implement it.

21  
22 *Audit Update* – Mr. Potter provided a brief update on the WVA audit. The Finance Committee will have the audit report in time  
23 for the WVA’s annual report obligations to the State. Ms. Zell reported that CliftonLarsonAllen will once again be preparing  
24 the audit.

25  
26 2019-2020 WVA Annual Operations Budget

27 *ED Report* – Ms. Zell reported that the Operations Budget has been reviewed with Dr. Sobeck and KV. The financial statements  
28 categories have been revised in consultation with the auditors. Chairman Sobeck previously noted a formatting error on line 27  
29 of the Statement of Activities reflecting a negative in column C which is what the WVA is taking in, so it should be a positive  
30 to the WVA. This correction in the formatting will be made.

31  
32 Mr. Potter stated that implicit in the budget are two policy decisions that KV thinks are substantive and would recommend. On  
33 line 10 there is an annual ED base salary increase and on line 28 there is a proposed increase in the Medical Revenue Managers’  
34 contract. These items are Board discretionary policies and they would be effective if the Board votes to approve this budget  
35 beginning July 1.

36  
37 After further discussion, Mr. Potter requested that Medical Revenue Managers’ increase be authorized effective July 1. Attorney  
38 Redman suggested sending them an updated contract letter. Ms. Zell will follow up with Attorney Redman on this matter.

39  
40 Ms. Zell noted that last year the Board authorized Chairman Sobeck to send letters to other state vaccine programs asking for  
41 contributions on the TRICARE expenses as the WVA bore the brunt of that financing alone. As noted in column E is \$100,000  
42 from Maine, bringing the TRICARE contribution total from other states to nearly \$300,000. These funds are directly to the  
43 WVA as far as compensation for its work. Chairman Sobeck pointed out that the WVA’s net interest income is essentially  
44 covering all the administrative expenses.

45  
46 Upon motion duly made and seconded, it was unanimously

47  
48 **VOTED:** To approve the 2019-20 WVA Annual Operations Budget with the formatting changes noted.

49  
50 Ms. Zell noted there is a brief financial summary and annual budget with detail of different categories that have been added,  
51 including a communications budget. Further discussion ensued. Ms. Zell stated that Ms. SheAnne Allen mentioned creating a  
52 welcome email when the Department of Health (DOH) has re-enrollment every year for providers. The DOH will begin the  
53 process. Ms. Zell requested an initial budget of \$10,000, which she believes is on the high end, for two brochure/communication  
54 pieces.

55  
56 Upon motion duly made and seconded, it was unanimously

57  
58 **VOTED:** To approve an initial budget of \$10,000 for two communication pieces and a welcome email template.

59  
60 Ms. Zell reviewed the summary of the Alternative Settlement Report (ASR) recommendation. The ASR project is an effort to  
61 ensure payer equity by assuring that all payers contribute to assessment collection shortfalls due to provider error. This plan  
62 involves having the major payers continue to pay assessments through the settlement reports and auto-generate a payment to the  
63 WVA when a provider only submits a vaccine administration claim. For payers that continue this practice, they will be allowed  
64 to offset the settlement payments by auto-adjudicating to a lower assessment amount, approximately 2.4% lower than the grid  
65 to compensate for the fact that they are sending the WVA checks for the Settlement Report amount to a fixed percentage below  
66 the grid for the next four years. Further discussion ensued.

1  
2 The TPA registration function of the WVA website is also due for an update. Ms. Zell strongly recommends that the Board  
3 authorize this project as it is closely aligned with the goal of improving the Association's operational capacity and processes.  
4

5 TRICARE Issues. Several weeks ago, Ms. Zell reported to the Executive Committee that there were some lingering TRICARE  
6 issues on the operational side regarding assessment compliance and the request for a DHA manual provision assuring payment  
7 of settlement reports. At a meeting earlier this month with the Senate Armed Services Committee (SASC) Ms. Zell requested  
8 aid. SASC requested that the WVA send specific requests to them directly via email, assuring that they would follow-up with  
9 TRICARE. There were several vaccine codes that were not being paid properly and one they weren't paying at all and the WVA  
10 was being underpaid. Ms. Zell reported that since then the WVA recently received its TRICARE manual provision. Beginning  
11 July 1, they agreed to pay 2.5%. So, the TRICARE manual was changed and says that TRICARE will pay the settlement report.  
12 The manual was posted just last week.  
13

14 *Operational Summary* – Ms. Zell provided a brief operational summary regarding issues with two payors. HMA recently  
15 remitted \$109,000 in payment for assessments erroneously paid to providers. They provided supporting information regarding  
16 the errors, which occurred for several years. There is also an issue with the Polyclinic. The WVA is collecting \$500,000 a year  
17 from settlement reports for noncompliance on the Polyclinic, for Polyclinic's failure to submit the dosage-based assessments,  
18 which means the WVA is missing out on approximately 20% that is not being collected through settlement reports. Ms. Zell  
19 has reached out to several other contactors.  
20

21 *WVA Notification Issues – FluMist.* The next business was consideration of abstaining from collection enforcement regarding  
22 the 2018 off-cycle grid change to include FluMist to the grid. Payers, in general, look for the annual assessment grid change in  
23 April for the July 1 implementation date. There were some complaints from the smaller payers that they would have to reprocess  
24 FluMist as they did not expect the change. Ms. Zell was led to believe there may have been a notification issue, however the  
25 general uptake remained low, and there was a high return and wastage rate on the vaccine, indicating that the total loss to the  
26 WVA was very small. Ms. Zell is asking that those payers that did not add FluMist to the grid not be asked to go back and  
27 process them. Discussion ensued.  
28

29 Upon motion duly made and seconded, it was unanimously

30  
31 **VOTED:** To abstain from collections enforcement for the August 2018 addition of FluMist through May 2019.  
32

33 *System Notification Issue.* KV handles all WA website and IT needs through its subcontractor, SolutionWorx (SW). Ms. Zell  
34 reported to the Board that there apparently was a WVA website notification system failure that may have begun in the fall of  
35 2018 but was not discovered until May 2019 by Ms. Zell. Notification via the website is the method used by the WVA to contact  
36 individuals registered in the broad-based TPA registration and anyone signed up to the email notification system. While  
37 providers receive notification from the DOH, payers and other stakeholders rely upon the website to send messages. The  
38 information was posted on the website correctly, but the notification did not go out to those email addresses.  
39

40 Mr. Potter reported in detail on measures taken by KidsVax to remedy notification issues. He made an in-person visit to SW and  
41 both system changes and management changes have been implemented to remedy the problems. Further discussion ensued. It  
42 was the sense of the Board that the system should be monitored closely for the next several cycles as a precaution. Several  
43 Board members noted that they had experienced issues with the notification system.  
44

45 *Settlement Report Process/TPA Registration Update* – Mr. Potter reported that everything done on the Settlement Report Process  
46 to date has been testing the alternative methods. Several potential problems were identified with what KV originally thought.  
47 The operations committee concurs in the recommendation that the WVA go with the two-tier DBA which requires zero system  
48 changes for payers. This would be a special project under the KidsVax contract. The KidsVax proposal identifies year one and  
49 year two caps. Ms. Zell asked what it would cost initially to run this and KV is estimating that the annual cap will go down to  
50 \$12,000 in year three. In Phase III, KV should be able to provide a firm estimate by the time it comes time to roll it into the  
51 contract. Phase I has already been completed, so the decision is on Phase II and Phase III.  
52

53 Upon motion duly made and seconded, it was unanimously

54  
55 **VOTED:** To approve Phases II and III of the Alternative Settlement Report Process/TPA Registration Update  
56 Special Project as outlined by KidsVax.  
57

58 *Executive Session Confidential* – At the conclusion of the Executive Session, there being no further business, the meeting was  
59 adjourned.  
60  
61

**Washington Vaccine Association  
Board of Directors' Meeting  
November 7, 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:

Directors

John Sobeck, MD, MBA, Chair, Cigna  
 Patricia Auerbach, MD, UnitedHealthcare  
 John Dunn, MD, MPH, Kaiser Permanente  
 Cathy Falanga, Aetna (T)  
 Beth Harvey, MD, South Sound Pediatric Associates  
 Steve Lam, PharmD, Regence  
 Ed Marcuse, MD, Emeritus Professor of Pediatrics, University of Washington  
 Chad Murphy, PharmD, Premera  
 Michele Roberts, MPH, MCHES, Washington Department of Health

WVA

Julia G. Zell, Esq., Executive Director

KidsVax®

Norman Roberge, Accountant (T)  
 Claire Roberge, MBA, Controller (T)  
 Terry Mills, Executive Assistant (T)

Others

Patrick Miller, Helms & Company  
 Anne Redman, Esq., Perkins Coie  
 Peter Smith, CPA (T)  
 SheAnne Allen, Department of Health  
 Hailey Oilgood, Department of Health  
 Polly Sidwell, CIMA, CFP, Morgan Stanley (T)  
 Derek LeBrun, MBA

Directors Absent

Jason Farber, Esq., Davis Wright Tremaine  
 Randy Parker, Carpenters Trusts of Western Washington

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

A. **Actions Taken (votes adopted)**

1. To approve the minutes of the September 19, 2019 Special Board Meeting as presented.
2. To confirm Dr. Auerbach as a Board Member whose term expires in 2022 pursuant to RCW 70.290.030 (3)(c).
3. To confirm Dr. Lam as a Board Member whose term expires in 2022 pursuant to RCW 70.290.030 (3)(c).
4. To ratify the action of the Finance Committee in adopting and authorizing publication of the 2018/19 Financial Statements and Independent Auditors' Report.
5. To approve the 2018-19 WVA Annual Report pending further edits as presented to the Board.
6. To approve the 2020 WVA officer and committee chairs as presented to the Board at the meeting.
7. To approve the individuals listed to serve on the WVA's Finance, Operations, and Vaccine Committees as presented to the Board at the meeting.

III. **Minutes**

Welcome and Introductions

At 2:00 p.m., a quorum having been established, Chairman John Sobeck, MD, called the meeting to order. Ms. Zell made the notice of recording.

Consent Calendar Items

Chairman Sobeck directed the Board's attention to the consent items submitted for approval, including the Special Board meeting minutes of September 19, 2019 and the Finance Committee Meeting minutes of September 19, 2019. Ms. Zell indicated that the Finance Committee minutes will be pulled from approval today pending outside counsel's review.

Upon motion duly made and seconded, it was unanimously

**VOTED:** To approve the minutes of the September 19, 2019 Special Board Meeting as presented.

Ms. Zell introduced the two new Board members: Steve Lam, PharmD with Regence and Patricia Auerbach, MD with UnitedHealthcare.

Upon motion duly made and seconded, it was unanimously

**VOTED:** To confirm Dr. Auerbach as a Board Member whose term expires in 2022 pursuant to RCW 70.290.030 (3)(c).



1 Upon motion duly made and seconded, it was unanimously  
2

3 **VOTED:** To confirm Dr. Lam as a Board Member whose term expires in 2022 pursuant to RCW  
4 70.290.030 (3)(c).  
5

6 Financial Update

7 Ms. Sidwell gave a brief update of the status of WVA's Morgan Stanley portfolio. The portfolios are extremely diversified  
8 which is why there is a full accounting that allows Ms. Sidwell and Mr. Keller to have a very good comprehensive picture every  
9 day of what is taking place. WVA has such a short-term portfolio that Ms. Sidwell cannot imagine a scenario that represents a  
10 significant risk to WVA or something that would be a need to change strategies.  
11

12 Ms. Zell requested that Mr. Smith give a brief financial overview from his perspective. He referred to the Savings Calculations  
13 found on page 12 of the packet which represent the calculations of the program costs versus the CDC market survey for the last  
14 fiscal year. The savings went from 26.87% last year to 30.01% this year, which is very positive. The current financials are in  
15 the packet, as well. Discussion ensued. Dr. Sobeck indicated that over the past year, WVA has completely recovered from the  
16 cash position it was in five years ago and has been accumulating cash. For that reason, there have been a couple of CDC rate  
17 increases that were not passed on in terms of the grid. This past year there was a 2% reduction in the assessment grid, but the  
18 prior year was only a 1% reduction. There was also 5.75% net inflation to the WVA this past year. There are going to be  
19 changes at the DOH level that may change the percentage of all vaccine purchases that WVA is responsible for covering based  
20 on the split between the private and government markets. Further discussion ensued.  
21

22 CliftonLarsonAllen concluded the 2018-19 audit. It was another clean audit. There will be a stub audit at the end of the year  
23 and there will be six months' worth of data from the current administrator and then six months under the new administrator for  
24 the 2019-20 audit. The Independent Auditors' Report was also included in the packet. There were no questions regarding the  
25 Auditors' Report.  
26

27 Upon motion duly made and seconded, it was unanimously  
28

29 **VOTED:** To ratify the action of the Finance Committee in adopting and authorizing publication of the 2018/19  
30 Financial Statements and independent auditors' report.  
31

32 Administrative Services Transition

33 Ms. Zell expressed her appreciation to the Board for their diligence during the past few months during the selection process.  
34 Ms. Zell turned the discussion over to Mr. Miller for his overview of upcoming changes. Mr. Miller reviewed his presentation  
35 handout with the Board in detail. Helms is trying to create a high-level of accountability, as well as important analytics so that  
36 they can monitor what is happening with the various stakeholders and eliminating as many manual processes as possible by  
37 automating those processes. Helms is working with Mason & Rich, PA to understand the existing WVA financial controls that  
38 are in place, test those controls, and see if there are opportunities for improvement. Lengthy discussion ensued with Mr. Miller  
39 answering various questions from the Board regarding the transition.  
40

41 ED/Committee Updates

42 Ms. Zell discussed the need for a provider liaison that understands the operations of a provider office. Dr. Harvey was nice  
43 enough to allow one of her office managers to work a few hours a week, one day a week, reaching out to some providers that  
44 have had problems processing dosage-based assessments.  
45

46 Ms. Zell also mentioned contractor consolidation. KidsVax has used a number of subcontractors to fill various functions, but  
47 once Helms understands what their whole function is, Ms. Zell is hopeful they will be able to take over those functions as well.  
48 The goal is to have everything running at full functionality on January 1, 2020 and make sure there is a clean transition, but then  
49 try to consolidate some of these other contractors if Helms can be utilized for some of these other services. Helms will have a  
50 full-time person working with the payers and providers on Pacific time hours. Lengthy discussion ensued.  
51

52 The Annual Report is still undergoing revisions by the DOH and others. There is going to be one change on the infographic, as  
53 well as switching some text on the back. Pending the changes mentioned, Ms. Zell requested it be approved by the Board.  
54

55 Upon motion duly made and seconded, it was unanimously  
56

57 **VOTED:** To approve the 2018-19 WVA Annual Report pending further edits as presented to the Board.  
58

59 Dr. Marcuse gave a brief summary from the Vaccine Committee meeting, noting that the Committee has been repopulated with  
60 new members, principally some primary care physicians around the State. The question had to do with the ordering of vaccines.  
61 A letter was recently received from GSK asking for a discussion regarding pre-filled syringes versus multi-dose or single-dose  
62 vials. All of the vaccines on the CDC contract have been available for providers to order. However, not all presentations of  
63 each vaccine are available. The State has worked hard to make sure that all brand types of all brands are available. The letter  
64 requested that single-dose vials and pre-filled syringes be made available to healthcare providers on the vaccine order set. Dr.  
65 Marcuse indicated that an informal survey of a handful of providers demonstrated that demand for pre-filled syringes versus  
66 vials is not clear. Different people had varying rationales. The Committee had a long discussion on the matter at its meeting

1 earlier today. Ms. Roberts and Ms. Allen are going to undertake a year-long process now to try to understand how other states  
2 have dealt with the brand versus presentation and order usage to ascertain provider preferences and make a recommendation on  
3 how to do what is best for providers without creating overwhelming complexity for the provider offices on order sets. Further  
4 discussion ensued.

5  
6 Department of Health Updates

7 Ms. Roberts reported that a state audit was performed on the childhood vaccination program. She is happy to report that it was  
8 a clean audit, thanks in large part to the tremendous amount of the work done by Hailey Oilgood, one of the key staff members  
9 on Ms. Allen's team. One informal recommendation made was made: to ensure that the DOH has follow-up documentation on  
10 the frozen vaccines which are shipped via a different tracking system. The DOH will adopt this recommendation and implement  
11 it. Ms. Roberts noted the audit was just on the state's funding, but any program that gets over a certain level of federal funding  
12 automatically receives a state audit of the federal funds.

13  
14 Ms. Roberts gave a status update on the flu season vaccine utilization stating that DOH purchased 650,000 doses of flu vaccine  
15 and as Ms. Allen mentioned previously, there are approximately 200,000 doses remaining to be ordered. There are no further  
16 measles outbreaks in the U.S. at all at this point, but it came right up to the edge of losing reasonable elimination status  
17 Unfortunately, there has been an outbreak of Hepatitis A in Washington, mostly in the adult population. There are over 100  
18 cases in Washington and fairly consistently approximately 50% of those cases are being hospitalized. Most cases are in the  
19 Spokane area, but there have been a few cases in other areas as well.

20  
21 A lot of DOH's work this year has been on immunization policies, starting with the measles outbreak that started in Clark  
22 County. The state passed legislation to remove the personal belief exemption for schools and child cares for the core vaccines.  
23 More changes are coming concerning the rules for vaccines for the next school year. Further discussion followed.

24  
25 Board Development

26 Ms. Zell reported that a treasurer is needed to have a full officer's slate. Dr. Harvey has agreed to continue serving as Vice-  
27 Chair with Dr. Sobeck as Chair and Dr. Marcuse as Secretary. The Finance Committee currently consists of Dr. Sobeck, Mr.  
28 Farber, with Mr. Parker joining. Dr. Marcuse has agreed to continue as the chair of the Vaccine Committee, Ms. Zell chairs the  
29 Operations Committee, and the Executive Committee consists of WVA officers.

30 Upon motion duly made and seconded, it was unanimously

31  
32 **VOTED:** To approve the 2020 WVA officer and committee chairs as presented to the Board at the meeting.

33  
34 Upon motion duly made and seconded, it was unanimously

35  
36 **VOTED:** To approve the individuals listed to serve on the WVA's Finance, Operations, and Vaccine Committee  
37 as presented to the Board at the meeting.

38  
39 Ms. Zell reported that the 2020 meeting schedule is similar to this year. The meetings are typically scheduled on the same days  
40 and times as before and try to keep to three Board meetings per year. Ms. Zell and Dr. Sobeck have discussed having a Board  
41 retreat next year, but this has not been scheduled yet. Ms. Zell would like to wait and see how the transition goes before  
42 committing to that. There has been discussion of having an extended Vaccine Committee and an extended Annual Board  
43 meeting to give plenty of time for discussion following up on the transition. It will be scheduled at a later date.

44  
45 Ms. Zell indicated that during the recent search for a new administrator, it became apparent that the Board does not have the  
46 ability to move quickly. Some of these decisions took a lot of work and burdened the Chair and the, the Executive Committee.  
47 There was some discussion about "lessons learned" from this experience and, if there is, what kind of committee or task force  
48 the Board may want to form next year. Further discussion ensued. Ms. Zell indicated that she would like to see the Board move  
49 from conference line only to Zoom Conferencing. In the future, Helms has agreed to run the meeting using Zoom.

50  
51 The public meeting concluded at 3:44 p.m. and was followed by an Executive Session of the Board.  
52



**Meeting Minutes**  
**Executive Committee**  
**March 5, 2020; 2:30-4:00 p.m. (PST)**  
**Webinar/Teleconference**

**Attendance.** Participating in all or part of the meeting by teleconference were the following individuals:

**Directors**

Beth Harvey, MD  
Ed Marcuse, MD  
Patricia Auerbach, MD  
Chad Murphy, PharmD

**Others**

John Sobeck, MBA, MD, Officer  
Julia Zell, MA, Esq., Executive Director  
Anne Redman, Esq., Perkins Coie, LLP  
Patrick Miller, Helms & Company, Inc.  
Leslie Walker, CPA, Mason+Rich, PA

No other parties from the public identified themselves on the call.

1. Introductions & Purpose of Meeting. Ms. Zell opened the meeting at 2:32pm and a notice of recording was given. Ms. Zell reviewed the agenda and asked if there were any other items to add. Hearing none, the meeting proceeded.
2. Financial Update. Ms. Walker reviewed the unaudited financials ending January 31, 2020. While they are in the same format as the Board has been used to receiving, she noted some changes intended to provide greater clarity. To this end, additional lines were added on Statements of Activities and Changes in Net Assets.

Ms. Walker and Mr. Miller stated that the 3% denial rate previously used for the financial statement, is incorrect. The data they are seeing in the digitized paper provider remittance advices and the electronic remittance advices is approximately 9-11% depending on the specific payer. This is an area in quarter two that will be investigated further. Dr. Auerbach asked about the purpose of line 9, the DOH Cost Recovery Admin Charge. Ms. Zell stated that this was a charge added by the Washington Department of Health in the fall of 2019 to pay for enhanced program operations. Attorney Redman stated that the Plan of Operation does not address the DOH Cost Recovery Admin Charge..Ms. Walker noted that page 5 has a simplification of the personnel expenses on lines 22-24. The Helms fees have been added on lines 27-28. The Medical Review Managers expenses on line 34 will cease after March 2020 as the vendor relationship has been terminated. Ms. Walker reviewed the Statement of Cash Flows on page 6. It shows that between 12/31/2018 and 1/31/2020, the organization has accrued \$16M given that receipts are greater than vaccine purchases.

There was group discussion regarding reducing this accrual number through changes in the upcoming vaccine grid assessment adjustments which will be effective July 1, 2020. Page 7 will be redesigned in the FY2021 budget to reflect a monthly and quarterly view. Page 9 will be redesigned in April to provide a set of longitudinal metrics – a “dashboard” – to show trends. Further discussion ensued. The Committee noted the importance of using available payment data to create a stable assessment grid that also allows for the slow burn-down of

capital reserves. Ms. Zell assured the group that every effort was being made to refine that process and a recommendation would be brought to the Board in April after consultation with the Department of Health.

3. Other Matters from Committee Members. No Committee Members had additional matters and it was announced that the Board was going to move to Executive Session to discuss the Administrator's interim findings and the PAL Legislation HB2728 before adjourning.

### **Executive Session**

The Committee and officers reconvened with outside counsel, the Administrative Director, and the Executive Director.

Mr. Miller led an in-depth discussion regarding his interim findings report, a document that summarizes WVA enterprise and risk management, financial, and operational issues discovered by Helms and the corrective measures that have been or are recommended to be deployed to rectify them. Ms. Zell interjected to give some historical content and to elaborate on the long-term corrective steps she would be presenting to the Board in upcoming meetings. After entertaining several questions, Ms. Zell and Mr. Miller agreed to provide a summary of the report to the Board. Ms. Zell committed to following up with Dr. Marcuse at a later date to discuss communication with Board members.

Ms. Zell then provided an update on the Physician Access Line (PAL) legislation (House Bill 2728), which may require the WVA to provide available data on Third-Party Administrators to the Washington Healthcare Authority.

Lastly, Mr. Miller led the group in a discussion about the termination of the Medical Revenue Managers contract and steps to notify payers of re-billed amounts. Ms. Zell and Mr. Miller will consider the matter further in consultation with Anne Redman.

The meeting concluded at 4:08 pm.

WASHINGTON VACCINE ASSOCIATION  
UNAUDITED FINANCIAL STATEMENTS  
FOR THE MONTH AND NINE (9) MONTHS ENDED  
March 31, 2020  
With Supplemental Information Reporting

Prepared by Helms & Company, Inc.

**Washington Vaccine Association  
Statement of Financial Position  
As of March 31, 2020**

1		<b>ASSETS</b>	
2	<b>Current Assets</b>		
3	Cash and Cash Equivalents	\$	7,090,732
4	Investments		52,398,298
5	Members Estimated Collectible Assessments		5,189,674
6	Prepaid Vaccine		6,543,378
7	Prepaid Administrative Services		-
8			
9	<b>Total Current Assets</b>		<u>71,222,081</u>
10			
11	<b>Total Assets</b>	<b>\$</b>	<u><u>71,222,081</u></u>
12			
13		<b>LIABILITIES AND NET ASSETS</b>	
14	<b>Current Liabilities</b>		
15	Accounts Payable	\$	65,621.00
16	Other Accruals		131,559.05
17			
18	<b>Total Current Liabilities</b>		<u>197,180.05</u>
19			
20	Assessments Collected in Excess of Vaccine Funding		
21	and Administrative Activities		<u>71,024,901</u>
22			
23	<b>Total Liabilities</b>		71,222,081
24			
25	<b>Net Assets - Unrestricted</b>		<u>-</u>
26			
27	<b>Total Liabilities and Net Assets</b>	<b>\$</b>	<u><u>71,222,081</u></u>

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

	Month Ended March 31, 2020			For 9 Months Ended March 31, 2020		
	A	B	C	D	E	F
	Administrative	Vaccine	Total	Administrative	Vaccine	Total
<b>1 CHANGE IN UNRESTRICTED NET ASSETS</b>						
	<b>Revenues / Vaccine Expenses</b>					
<b>2 Assessment Activity:</b>						
<b>3 Assessments</b>	\$ 579,844	\$ 6,092,325	\$ 6,672,169	\$ 6,029,864	\$ 56,949,576	\$ 62,979,439
<b>4 Estimated Over (Under) Collections</b>	-	-	-	364,472	2,230,634	2,595,106
<b>5 Refunds</b>	(151,906)	-	(151,906)	(302,993)	-	(302,993)
<b>6 Estimated 2% Waste</b>	(95,249)	-	(95,249)	(1,166,109)	-	(1,166,109)
<b>7 Estimated Price Variance and 3% Denial</b>	(985,577)	-	(985,577)	(2,918,037)	-	(2,918,037)
<b>8 DOH Replenishment</b>	-	(5,057,211)	(5,057,211)	-	(51,811,771)	(51,811,771)
<b>9 DOH Cost Recovery Admin Charge</b>	(91,989)	-	(91,989)	(187,615)	-	(187,615)
<b>10 Interest Income on Assessments</b>	-	-	-	-	-	-
<b>11 Net Assessment Activity</b>	<u>(744,878)</u>	<u>1,035,114</u>	<u>290,236</u>	<u>1,819,583</u>	<u>7,368,439</u>	<u>9,188,021</u>
<b>12 Investment Activity:</b>						
<b>13 Interest and Dividend Income - Morgan Stanley</b>	90,954	-	90,954	1,032,583	-	1,032,583
<b>14 Realized Gain/(Loss) on Investments - Morgan Stanley</b>	(10,129)	-	(10,129)	35,506	-	35,506
<b>15 Unrealized Gain/(Loss) on Investments - Morgan Stanley</b>	(172,569)	-	(172,569)	(131,584)	-	(131,584)
<b>16 Investment Management Expenses</b>	(11,838)	-	(11,838)	(95,416)	-	(95,416)
<b>17 Interest Income - KeyBank</b>	4,273	-	4,273	79,703	-	79,703
<b>18 Net Investment Activity</b>	<u>(99,309)</u>	<u>-</u>	<u>(99,309)</u>	<u>920,791</u>	<u>-</u>	<u>920,791</u>
<b>19 Net Revenues</b>	<u>(844,187)</u>	<u>1,035,114</u>	<u>190,927</u>	<u>2,740,373</u>	<u>7,368,439</u>	<u>10,108,812</u>

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

	A	B	C	D	E	F
	Month Ended March 31, 2020			For 9 Months Ended March 31, 2020		
	Administrative	Vaccine Other Expenses	Total	Administrative	Vaccine	Total
20 Administrative Expenses:						
21 General Administrative Services:						
22 Personnel and Related Costs:						
23 ED - Base Salary	18,392	-	18,392	155,437	-	155,437
24 ED - Other Expenses		-	-	53,251	-	53,251
25 Administrative Services:						
26 KidsVax, LLC - Fixed Contract	-	-	-	223,117	-	223,117
Helms & Company - Fixed Contract	65,432	-	65,432	192,722	-	192,722
27 Helms & Company - Transition	-	-	-	430,000	-	430,000
28 Helms & Company - Pass Through Expense	22,292	-	22,292	69,044	-	69,044
29 Total General Administrative Services	<u>106,116</u>	<u>-</u>	<u>106,116</u>	<u>1,123,571</u>	<u>-</u>	<u>1,123,571</u>
30 Special Projects Services:						
31 TRICARE - Administrative Services	-	-	-	2,722	-	2,722
32 TRICARE - Legislative Services	-	-	-	24,007	-	24,007
33 TRICARE - Exp. Offset from Other SVPs	-	-	-	(100,000)	-	(100,000)
34 Medical Revenue Managers - Denied Claims Recove	3,000	-	3,000	24,000	-	24,000
35 Total Special Projects Services	<u>3,000</u>	<u>-</u>	<u>3,000</u>	<u>(49,271)</u>	<u>-</u>	<u>(49,271)</u>
36 Legal and Accounting:						
37 Outside Legal Counsel	19,147	-	19,147	86,945	-	86,945
38 Audit	-	-	-	14,700	-	14,700
39 Total Legal and Accounting	<u>19,147</u>	<u>-</u>	<u>19,147</u>	<u>101,645</u>	<u>-</u>	<u>101,645</u>
40 Other:						
41 Bank Fees - Other	-	-	-	7,508	-	7,508
42 Bank Fees - Lockbox	5,622	-	5,622	44,390	-	44,390
43 Communications	-	-	-	16,724	-	16,724
44 Insurance	-	-	-	42,581	-	42,581
45 Website and Information Technology	-	-	-	37,425	-	37,425
46 Office Supplies and Services	1,505	-	1,505	20,517	-	20,517
47 Office Rentals (ELM, Storage)	-	-	-	453	-	453
48 Hospitality	-	-	-	1,858	-	1,858
49 Board Meetings	-	-	-	-	-	-
50 Total Other	<u>7,128</u>	<u>-</u>	<u>7,128</u>	<u>171,455</u>	<u>-</u>	<u>171,455</u>
51						
52 Total Administrative Expenses	<u>135,390</u>	<u>-</u>	<u>135,390</u>	<u>1,347,400</u>	<u>-</u>	<u>1,347,400</u>
53						
54 Total Change in Unrestricted Net Assets	<u>\$ (979,577)</u>	<u>\$ 1,035,114</u>	<u>\$ 55,537</u>	<u>\$ 1,392,974</u>	<u>\$ 7,368,439</u>	<u>\$ 8,761,412</u>



**Washington Vaccine Association  
Administrative Budget Status  
For 9 Months Ended March 31, 2020**

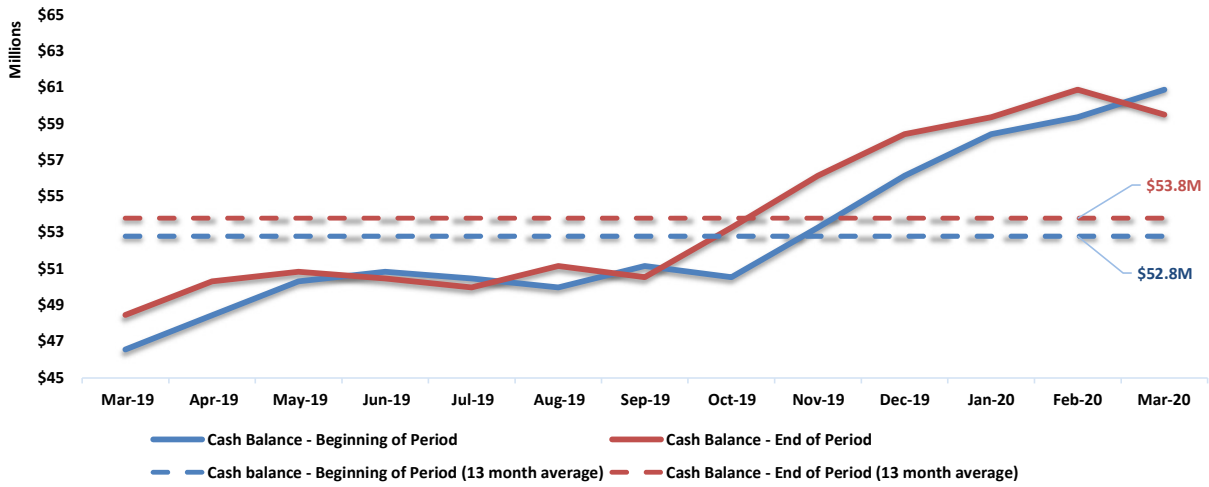
	A Approved Annual Budget	B Actual For 9 Months Ended March 31, 2020	C Remaining Budget
1 Investment Income	\$ 1,243,000	\$ 1,016,207	\$ 226,793
2 Less: Investment fees	(112,000)	(95,416)	(16,584)
3 Net Investment Income	<u>1,131,000</u>	<u>920,791</u>	<u>210,209</u>
<b>Expenses:</b>			
4 KidsVax, LLC - Fixed Contract	437,808	223,117	214,691
5 Helms & Company - Fixed Contract	-	192,722	(192,722)
6 Helms & Company - Transition	-	430,000	(430,000)
7 Helms & Company - Pass Through Expenses	-	69,044	(69,044)
8 Executive Director - compensation	207,000	155,437	51,563
9 Executive Director - Other Costs	101,492	53,251	48,241
10 Admin services / ED spot awards / Board discretionary	100,000	-	100,000
11 Administrative services - TRICARE	5,000	2,722	2,278
12 Admin services - TRICARE (Crowell & Moring)	24,000	24,007	(7)
13 TRICARE - Expense Offset Rcv From Other SVPs	(100,000)	(100,000)	-
14 Legal fees	48,000	86,945	(38,945)
15 Audit	12,000	14,700	(2,700)
16 Special projects:			-
17 Denied claims recovery (Medical Revenue Managers)	36,000	24,000	12,000
18 Settlement reports	95,000	-	95,000
19 Communications - outside graphics, etc.	15,000	16,724	(1,724)
20 ELM (meetings / mail forwarding / parking / services)	7,000	-	7,000
21 Insurance	45,000	42,581	2,419
22 Website development	38,235	37,425	810
23 Bank fees	18,000	7,508	10,492
24 Bank fees - lockbox	55,000	44,390	10,610
25 Travel	10,000	-	10,000
26 Hospitality	2,000	1,858	142
27 Board meetings	5,000	-	5,000
28 Other administration expenses	2,000	20,969	(18,969)
29 Total administrative expenses	<u>1,163,535</u>	<u>1,347,400</u>	<u>(183,865)</u>
30 Total expenses net of investment income	<u>\$ 32,535</u>	<u>\$ 426,609</u>	<u>\$ (394,074)</u>

Washington Vaccine Association  
Statement of Cash Flows  
For the Periods Ended

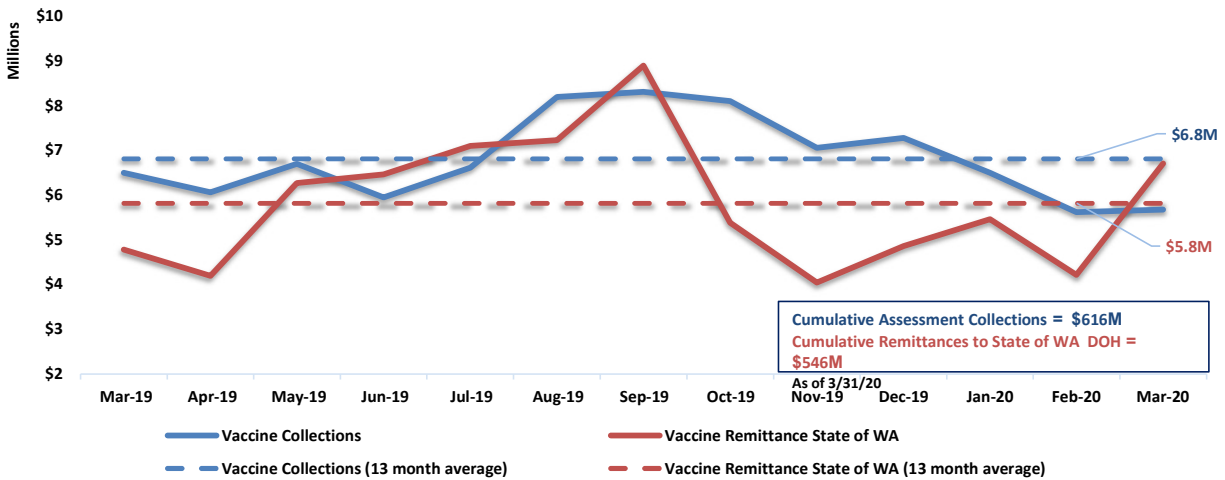
	A	B	C	D	E	F	G	H	I	J	K	L	M	P
	Month 3/31/2019	Month 4/30/2019	Month 5/31/2019	Month 6/30/2019	Month 7/31/2019	Month 8/31/2019	Month 9/30/2019	Month 10/31/2019	Month 11/30/2019	Month 12/31/2019	Month 1/31/2020	Month 2/29/2020	Month 3/31/2020	13 Month Average
1 Cash balance - beginning	\$ 46,564,200	\$ 48,455,299	\$ 50,316,645	\$ 50,836,486	\$ 50,477,971	\$ 49,980,637	\$ 51,155,207	\$ 50,542,717	\$ 53,255,279	\$ 56,133,803	\$ 58,400,151	\$ 59,339,593	\$ 60,865,089	\$ 52,794,082.74
<b>Inflows:</b>														
2 Vaccine collections	6,490,515	6,055,530	6,692,508	5,945,345	6,606,830	8,184,440	8,302,457	8,094,118	7,047,496	7,273,642	6,491,637	5,610,679	5,666,245	6,804,726
3 Interest income - payers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Investment income/ (loss)	199,600	112,494	176,102	243,748	71,604	249,557	79,333	94,279	61,431	115,537	122,871	183,013	(87,471)	124,777
5 Total inflows	6,690,116	6,168,024	6,868,610	6,189,093	6,678,434	8,433,997	8,381,790	8,188,397	7,108,928	7,389,179	6,614,508	5,793,692	5,578,774	6,929,503
<b>Outflows:</b>														
<b>Program</b>														
6 Vaccine remittance State of WA	(4,782,115)	(4,190,976)	(6,259,643)	(6,462,245)	(7,092,489)	(7,219,840)	(8,884,882)	(5,382,263)	(4,043,758)	(4,858,333)	(5,457,734)	(4,210,312)	(6,700,296)	(5,811,145)
<b>Administration</b>														
7 Administrative services	(5,154)	(79,532)	(79,008)	(78,091)	(71,104)	(98,368)	(63,305)	(56,186)	(165,102)	(207,483)	(198,462)	(48,808)	(214,932)	(105,041)
8 Denied claims recovery	(2,800)	(2,800)	(2,800)	(2,800)	(2,800)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(2,692)
9 Legal fees	-	(2,111)	(2,352)	-	(3,377)	100,000	(4,161)	(3,131)	(7,349)	(53,351)	-	-	(19,147)	386
10 Audit fees	-	-	-	-	-	(2,600)	(11,300)	(800)	-	-	-	-	-	(1,131)
11 Bank / Investment Fees	(6,204)	(31,261)	(4,755)	(4,473)	(4,217)	(4,699)	(4,852)	(5,480)	(6,444)	(663)	(7,128)	(6,077)	(17,458)	(7,978)
12 Insurance	-	-	-	-	-	(30,702)	(112)	(25)	-	-	(11,742)	-	-	(3,275)
13 Website development	-	-	-	-	-	-	(12,475)	(24,950)	-	-	-	-	-	(2,879)
14 Board expenses	(2,743)	-	-	-	-	-	-	-	-	-	-	-	-	(211)
15 Total Administration	(16,901)	(115,703)	(88,915)	(85,364)	(81,498)	(39,369)	(99,205)	(93,572)	(181,896)	(264,497)	(217,332)	(57,885)	(254,537)	(122,821)
16 Net all other outflows	-	-	(210)	-	(1,781)	(218)	(10,193)	-	(4,750)	-	-	-	-	(1,319)
17 Total outflows	(4,799,016)	(4,306,678)	(6,348,768)	(6,547,609)	(7,175,768)	(7,259,427)	(8,994,280)	(5,475,835)	(4,230,403)	(5,122,830)	(5,675,066)	(4,268,197)	(6,954,833)	(5,935,285)
18 Net Cash Incr (decr) for period	1,891,100	1,861,345	519,842	(358,516)	(497,334)	1,174,571	(612,490)	2,712,562	2,878,524	2,266,349	939,442	1,525,495	(1,376,059)	994,218
19 Cash balance - end of period	\$ 48,455,299	\$ 50,316,645	\$ 50,836,486	\$ 50,477,971	\$ 49,980,637	\$ 51,155,207	\$ 50,542,717	\$ 53,255,279	\$ 56,133,803	\$ 58,400,151	\$ 59,339,593	\$ 60,865,089	\$ 59,489,030	\$ 53,788,300

Note: Cash balance includes amounts in KeyBank and Morgan Stanley

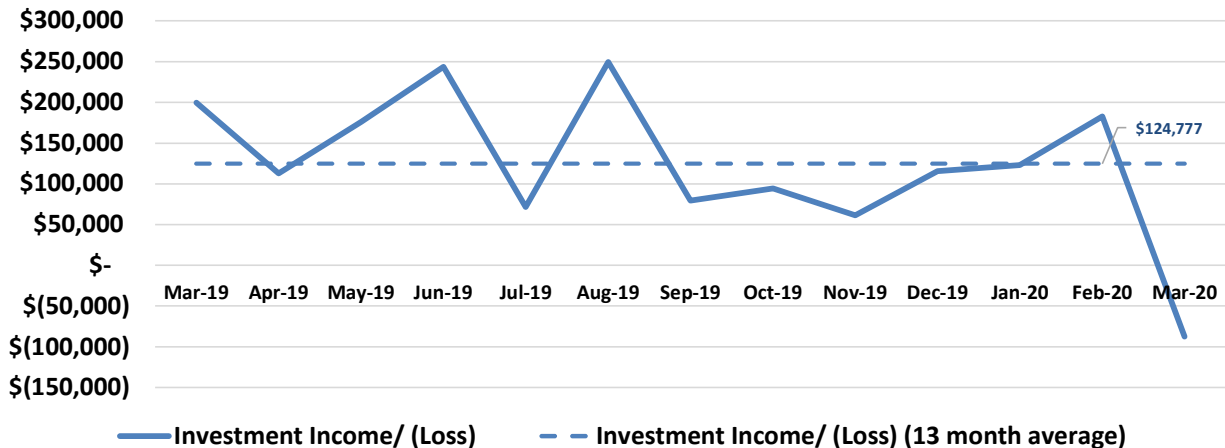
### Cash Balances Beginning and End of Period March 2019 - March 2020



### Total Vaccine Collections and Vaccine Remittances to State of WA March 2019 - March 2020



### Investment Income/ (Loss) March 2019 - March 2020



Washington Vaccine Association

Notes to Financial Statements

For the Nine (9) Months Ended March 31, 2020

Balance Sheet

Line 5. Based upon the date of service associated with payments received in March, we estimate that there are remaining Member Estimated Collectible Assessments related to January 2020 of approximately \$1.4 million, February 2020 of \$1.8 million and March of \$2.9 million. The remaining estimated amounts related to January, February and March 2020 were determined using individual lockbox and ACH transaction detail when available.

Line 6. The Prepaid Vaccine amount includes the amount requested by the Washington Department of Health for the April replenishment of vaccines. The amount also includes the administrative fee of 1.4%. The DOH cost recovery charge included with this request was \$91,988.73 and is associated with February.

Profit and Loss

Line 6. The amount reported as 2% Waste is an estimate which was recorded through a journal entry. This estimate will be refined as we continue to process and track the amount of Collectible Assessments remaining from each DOH Funding request. The amount remaining would likely represent vaccines which were not administered and would be considered waste. This will take several months of data before we are able to provide a more accurate estimate and therefore the 2% estimate will be used for the next several months.

Line 7. The amount reported as Price Variance and 3% Denials in the month of March is the actual total of variances and denials identified through the lockbox transactions processed through OrboGraph. We plan to refine this data so that we can begin researching these revenue reductions in greater detail.

Line 8. The DOH replenishment is the actual "cost" of the vaccines which are associated with the Assessments received in March. This differs from prior reporting. In prior months, this number reflected the amount remitted to the DOH in the current month for the subsequent month's vaccines. It had no relationship to the Assessments collected in a given month. As a result there was no way to calculate the difference between the vaccine grid price assessment revenue and the DOH funding. By reporting the actual funding in relation to the assessment received, we will be able to measure and monitor the impact of changes to the assessment grid as we move into the next fiscal year.

# FY2021 Budget, Price Grid and Cash Flow Model

Presented to the Washington Vaccine  
Association Board of Directors

**April 23, 2020**

Leslie Walker, CPA

Patrick Miller, MPH

Tony Mendez, MBA

# Presentation Overview

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- The Vision
- Historical Charts
- Cash Flow Model
- Administrative Budget
- Vaccine Pricing Grid
- Discussion

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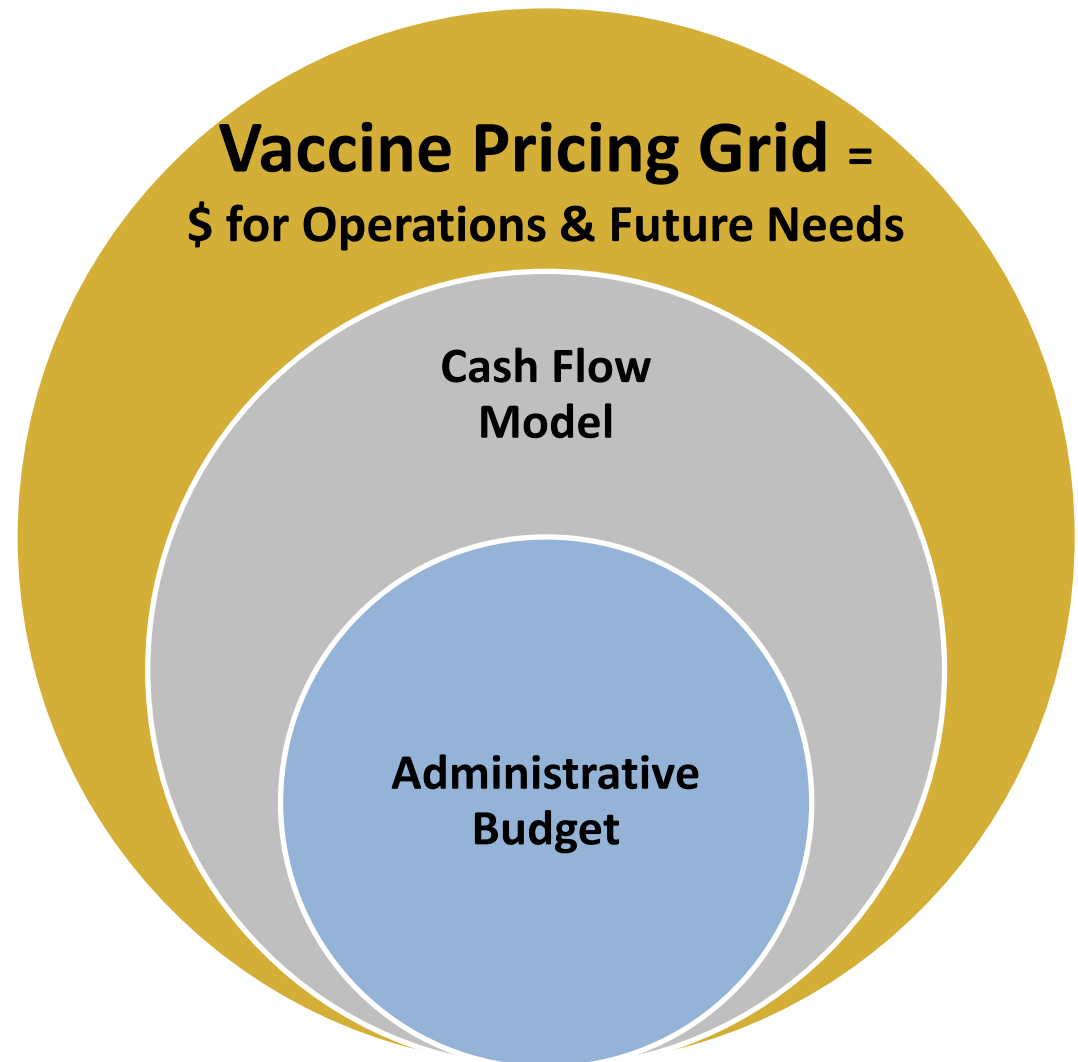




# The Vision

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1. Providing grid stability across years to minimize year-to-year fluctuation
2. Reducing cash on hand to a Board-approved level
3. Allowing for reasonable reserves



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# Historical Charts

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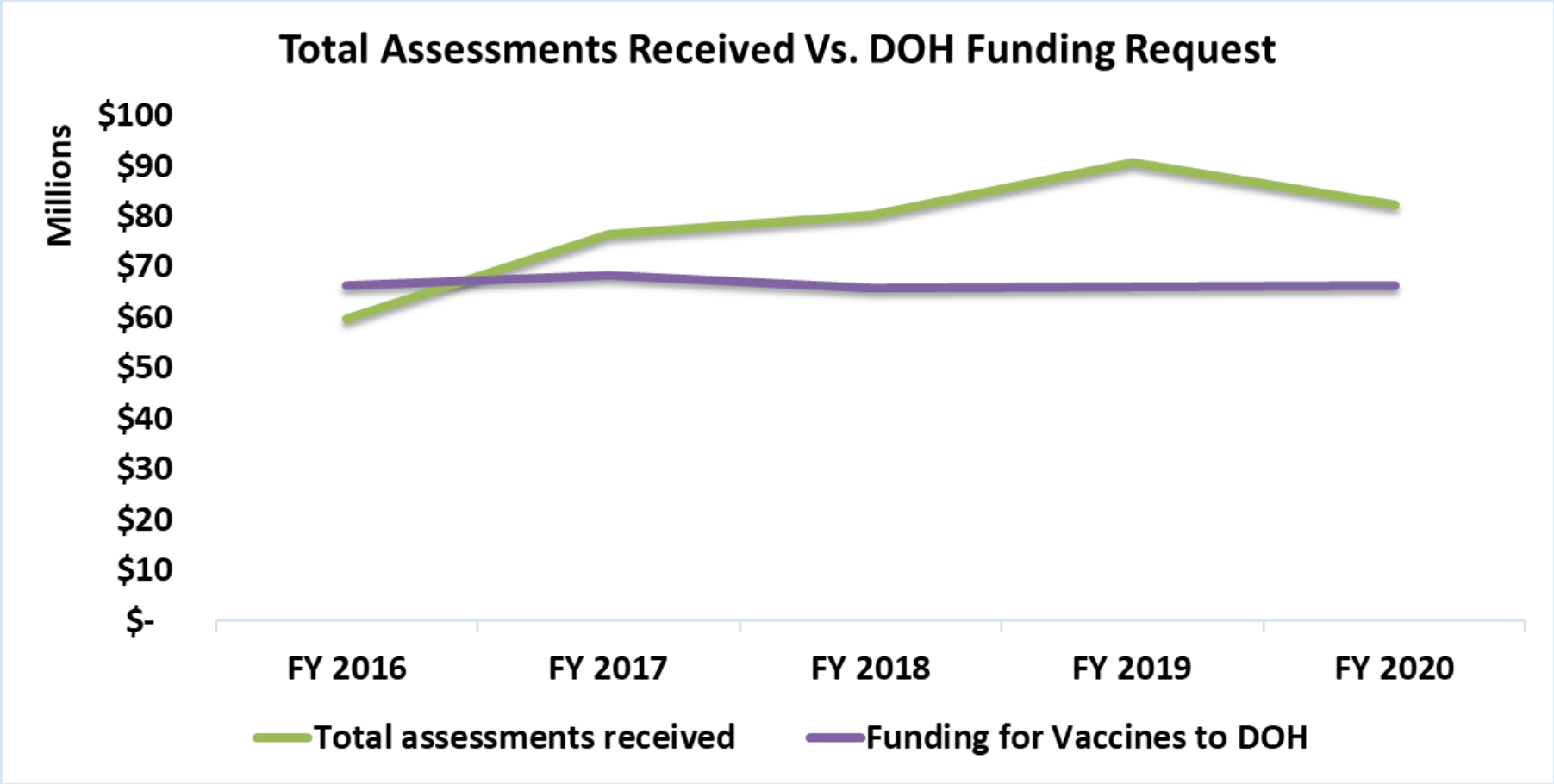


# Purpose

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- Charts are intended to provide the Board with a set of historical key indicators
- These indicators are reference points for the upcoming presentation sections
- These indicators will be added to future financial reporting packages

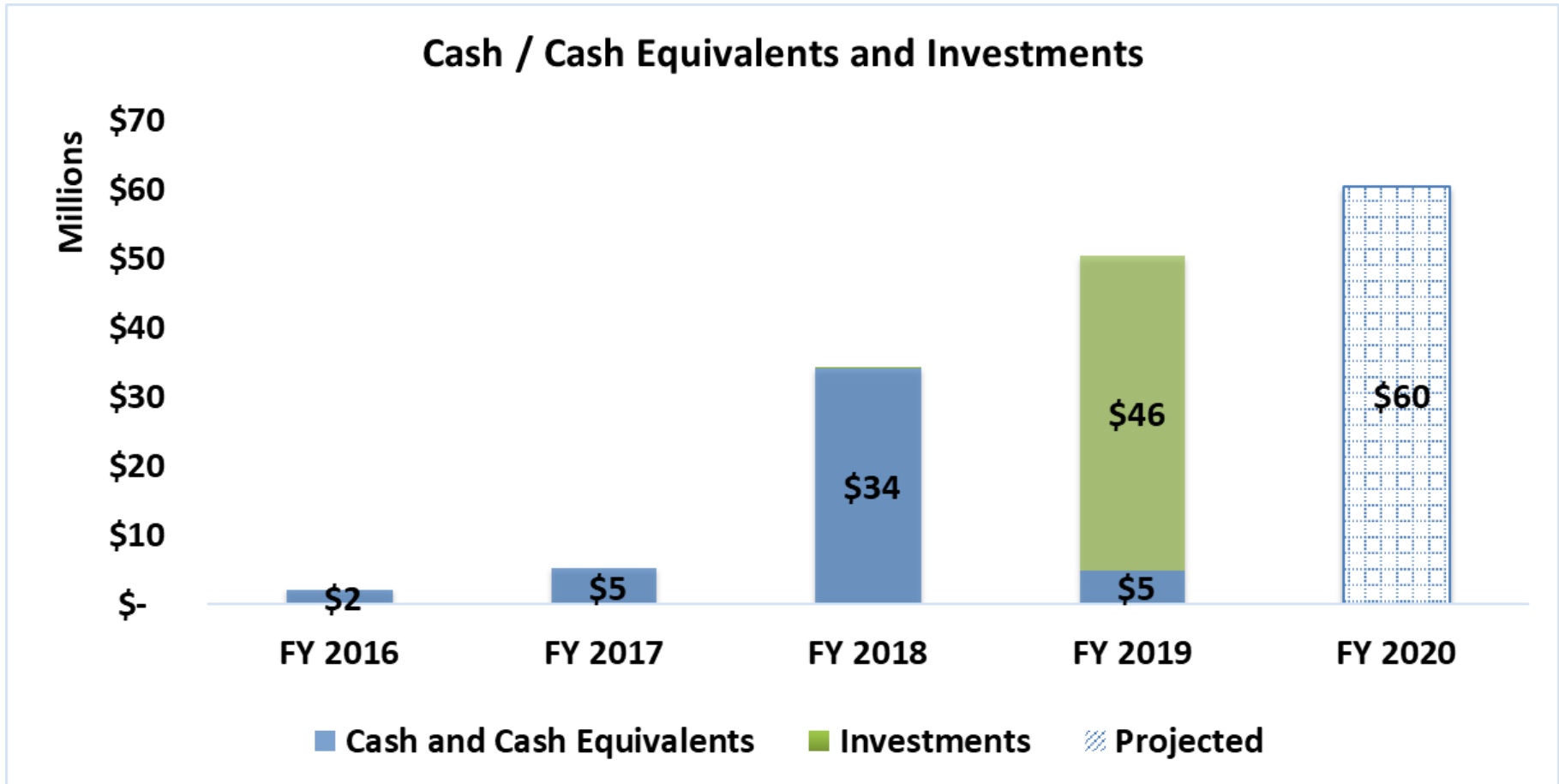
# Total Inflows, Outflows, and Net Cash Reserves as of June 30 (\$M) - FY2016-20



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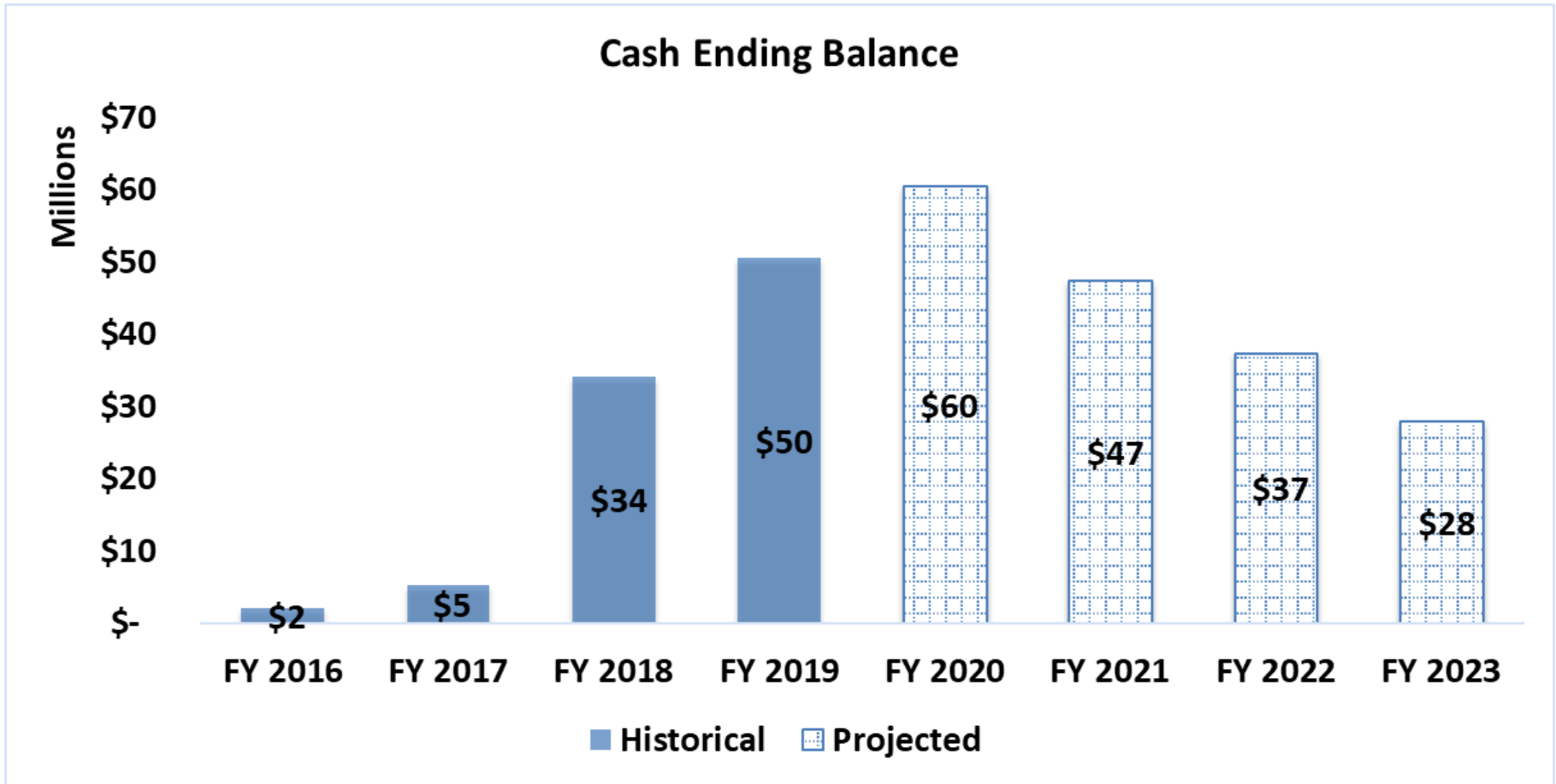


# Cash and Cash Equivalents and Investments (\$M) - FY2016-20



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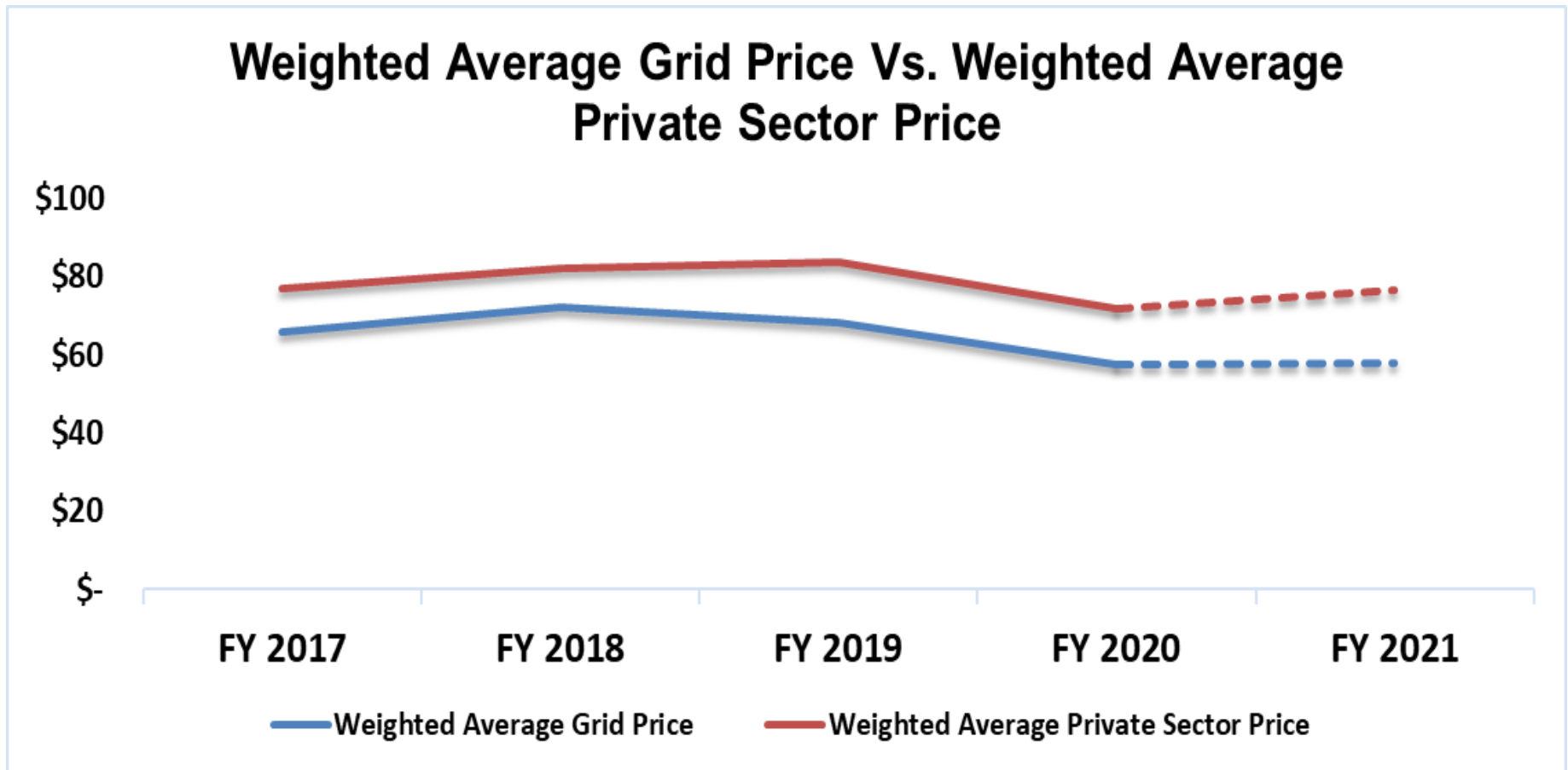
# Historical and Projected End of FY Cash Balance - FY2016-23



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# Weighted Average Grid Price Vs. Weighted Average Private Sector Price - FY2017-21



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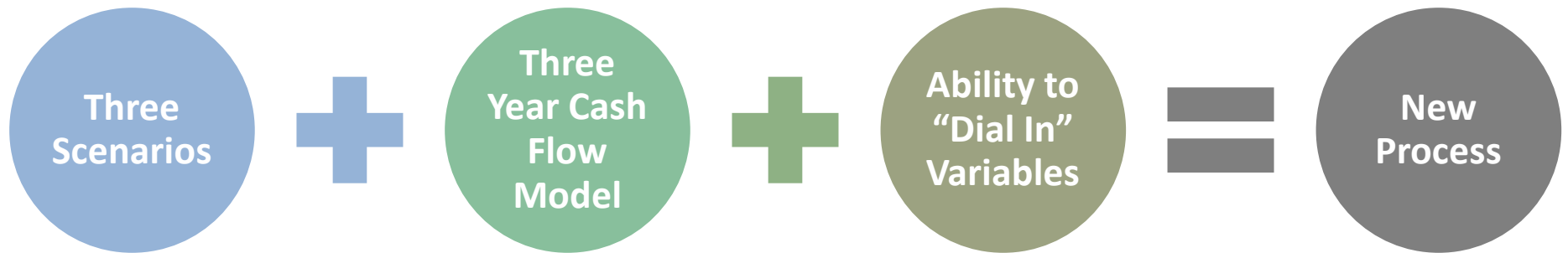
# Cash Flow Model

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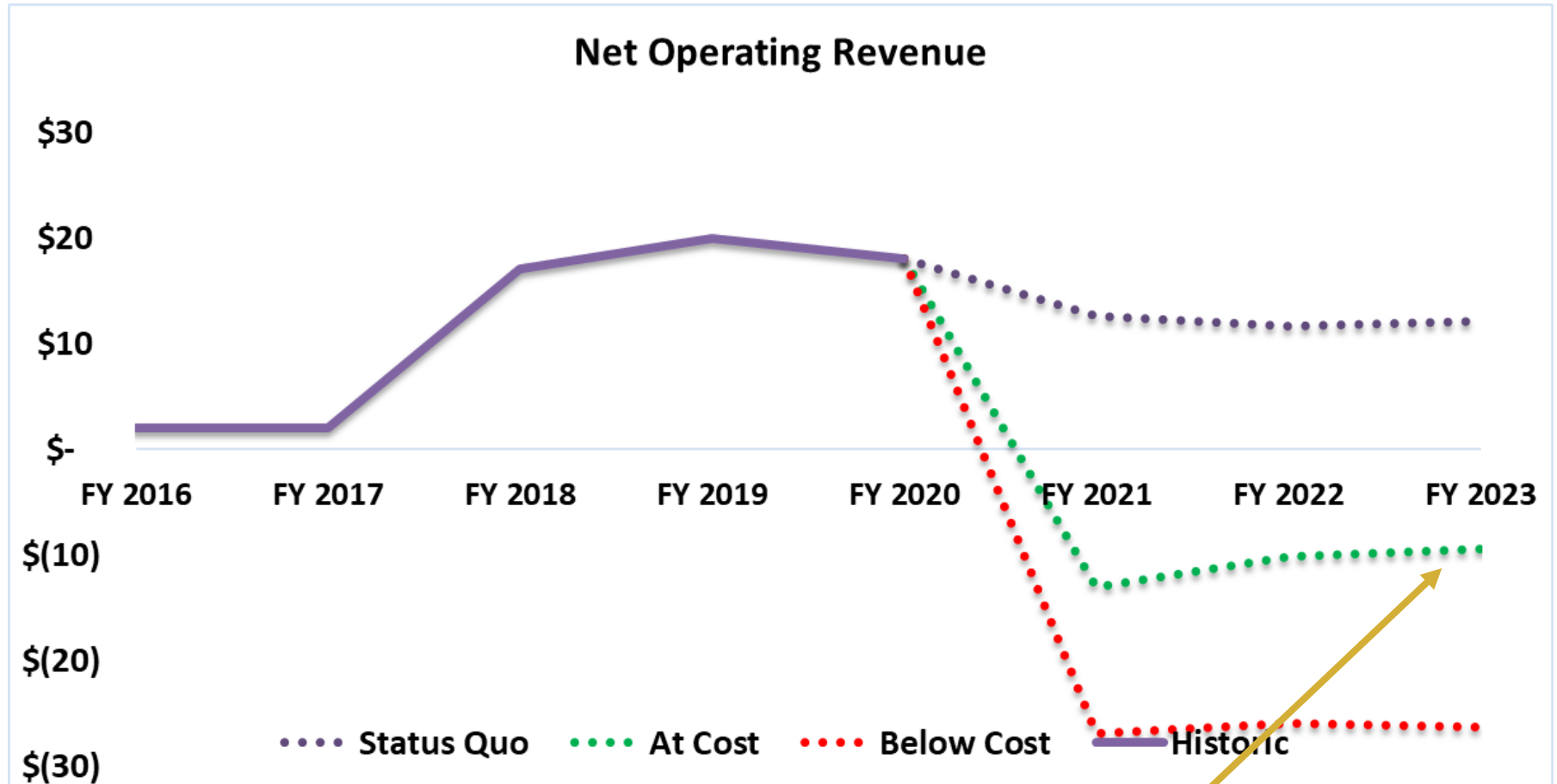
# A New Process - Flexibility and Control for the Board

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Confidential and Proprietary – For Internal WVA Purposes / Use Only

# Cash Flow Model Scenarios



Confidential and Proprietary – For Internal WVA Purposes / Use Only

WVA Financial Model	Historical		Projected	Forecast Period - At Cost		
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<b>Assumptions</b>						
Assessment Grid Markup				1	1	1
Indirect				1.4%	1.4%	1.4%
DOH Cost Recovery Fee				3.0%	2.6%	2.6%
Vaccine Wastage				3.0%	2.0%	2.0%
Denials				10.5%	8.0%	6.0%
Denial Recoveries				3.5%	3.0%	2.0%
% of Investments on Ending Cash Balance				90%	90%	90%
<b>Inflows/Outflows</b>						
<b>Assessment Revenue</b>	84,137,375	87,262,137	<b>81,113,594</b>	75,986,031	72,978,626	74,573,823
Vaccine Replenishment	65,835,583	65,491,991	<b>63,139,509</b>	75,986,031	72,978,626	74,573,823
Investment Income	-	51,903	<b>1,158,897</b>	-	-	-
TRICARE Expense Offset	-	-	<b>191,858</b>	-	-	-
<b>Gross Revenue</b>	<b>18,301,792</b>	<b>21,822,049</b>	<b>19,324,840</b>	-	-	-
<b>Administrative Cost</b>						
Indirect	-	-	-	(1,063,804)	(1,021,701)	(1,044,034)
DOH Cost Recovery Fee	-	-	-	(2,279,581)	(1,897,444)	(1,938,919)
Vaccine Wastage	-	-	-	(2,279,581)	(1,459,573)	(1,491,476)
Denials	-	-	-	(7,978,533)	(5,838,290)	(4,474,429)
Denial Recoveries	-	-	-	2,659,511	2,189,359	1,491,476
Administrative Budget	(1,189,899)	(1,821,862)	<b>(1,310,555)</b>	(2,127,633)	(2,101,521)	(1,919,676)
<b>Total Administrative Cost</b>	<b>(1,189,899)</b>	<b>(1,821,862)</b>	<b>(1,310,555)</b>	<b>(13,069,622)</b>	<b>(10,129,170)</b>	<b>(9,377,058)</b>
<b>Revenue in Excess of Expenditures</b>	<b>17,111,893</b>	<b>20,000,187</b>	<b>18,014,285</b>	<b>(13,069,622)</b>	<b>(10,129,170)</b>	<b>(9,377,058)</b>
<b>Effect on Cash Reserves</b>						
Cash Reserves Beginning Balance	9,582,053	34,130,094	<b>50,477,971</b>	60,494,195	47,424,573	37,295,403
Cash Generated/ (Used)	24,538,923	(29,198,981)	<b>(29,198,981)</b>	(13,069,622)	(10,129,170)	(9,377,058)
<b>Cash Reserves Ending Balance</b>	<b>34,130,094</b>	<b>50,477,971</b>	<b>60,494,195</b>	<b>47,424,573</b>	<b>37,295,403</b>	<b>27,918,345</b>
Investments	9,118	45,555,976	54,444,775	42,682,116	33,565,863	25,126,510
Cash and Cash Equivalents	34,120,976	4,921,995	6,049,419	4,742,457	3,729,540	2,791,834



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# Cash Flow Model “Dials” and “At Cost” Scenario Assumptions Summary

Adjustment Variable	Assumptions for “At Cost” Scenario		
	FY2021	FY2022	FY2023
Assessment Grid Markup	1	1	1
Indirect	1.4%	1.4%	1.4%
DOH Cost Recovery Fee	3.0%	2.6%	2.6%
Vaccine Wastage	3.0%	2.0%	2.0%
Denials	10.5%	8.0%	6.0%
Denial Recoveries	3.5%	3.0%	2.0%
Percentage of Investments on Ending Cash Balance	90%	90%	90%
Cash “Burn Down” Amount	\$13.1M	\$10.1M	\$9.4M
Administrative Budget	\$2.1M	\$2.1M	\$1.9M
CDC Price Increase	3.0%	3.0%	3.0%

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# Contingency Funds Discussion

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- Reasons for contingency funds:
  - COVID-19 administrative resources needed
  - COVID-19 vaccine developed
  - Vaxelis 2021 will be released
  - Periodic changes in VFC fund split
  - Current capacity to fund



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# Administrative Budget

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# Administrative Budget Categories

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- Direct Processing Costs
  - Helms, OrbogGraph, Clearinghouses, Lockbox, CollaborateMD
- ED Costs and Related Support Fees
  - Salary, Payroll Taxes, Payroll Processing, Travel, Technology Support
- Provider and Payer Education and Outreach
  - Education Materials, Postage, Website, Technical Consultant, Conferences, Advertising, Hospitality, Subcontracted Educator
- Administrative Costs
  - Legal, Audit, Investment Management Fees, Registered Agent Fee, Rent, Board Meetings, Insurance
- Other Discretionary Expenditures
  - Administrator Conversion, ED and Contractor Bonus, Denied Claims Recovery, Direct Healthcare Practices Operations

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# Administrative Budget Summary

WVA Budget Summary	Historical		Forecast		
	Budgeted	Projected Actual	Budgeted Total	Budgeted Total	Budgeted Total
	FY 2020	FY 2020	FY 2021	FY 2022	FY 2023
<b>Direct Processing Costs</b>					
	503,867	688,543	1,064,981	1,049,851	1,046,805
<b>Executive Director Costs and Related Support Fees</b>					
	308,492	345,598	345,252	350,981	356,852
<b>Provider and Payer Education and Outreach</b> ★					
	64,959	61,125	189,000	154,000	154,000
<b>Administrative Costs</b>					
	239,410	306,040	262,400	214,690	196,019
<b>Other Discretionary Expenditures</b>					
	100,000	616,000	266,000	332,000	166,000
<b>Total Budget</b>	<b>1,216,728</b>	<b>2,017,305</b>	<b>2,127,633</b>	<b>2,101,521</b>	<b>1,919,676</b>
Other Uncategorized Expenses	46,807				
<b>Total PY Budget</b>	<b>1,263,535</b>				

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WVA Budget Summary	Historical		Forecast		
	Budgeted	Projected Actual	Budgeted Total	Budgeted Total	Budgeted Total
	FY 2020	FY 2020	FY 2021	FY 2022	FY 2023
<b>Direct Processing Costs</b>					
Helms & Company (Previously KidsVax)	430,867	502,598	785,184	785,184	785,184
Lockbox Image Conversion (OrboGraph)	-	111,915	195,054	195,054	195,054
ERA/835 Processing (Availity)	-	4,050	16,200	17,820	19,602
Bank Fees	18,000	11,262	18,000	18,000	18,000
LockBox Fees	55,000	58,151	48,275	33,793	28,965
CollaborateMD	-	567	2,268	-	-
	503,867	688,543	1,064,981	1,049,851	1,046,805
<b>Executive Director Costs and Related Support Fees</b>					
Executive Director Salary	207,000	207,000	211,140	216,419	221,829
Payroll Taxes	20,992	20,992	18,000	18,450	18,911
Leased Employee per Check Fee	-	4,092	4,092	4,092	4,092
Executive Director Travel and Lodging, Education, and Other	80,500	108,000	108,000	108,000	108,000
Technology Support					
Desktop and Telephony Applications	-	642	420	420	420
Telephonic Support	-	4,872	3,600	3,600	3,600
	308,492	345,598	345,252	350,981	356,852
<b>Provider and Payer Education and Outreach</b>					
Provider Education Materials, Development and Printing	16,724	15,000	75,000	45,000	45,000
Postage	-	2,500	20,000	15,000	15,000
Website and Information Technology	38,235	37,425	15,000	15,000	15,000
Technical Consultant - Margaret Lane	-	-	12,000	12,000	12,000
Conferences and Education Sessions, Including Travel and Meals	6,000	6,000	11,000	11,000	11,000
Advertising and Sponsorships	2,000	-	2,000	2,000	2,000
Hospitality	2,000	200	2,000	2,000	2,000
Subcontractor Assistance	-	-	52,000	52,000	52,000
	64,959	61,125	189,000	154,000	154,000
<b>Administrative Costs</b>					
Legal Counsel	48,000	116,250	60,000	40,000	40,000
Audit Fees	12,000	14,700	18,000	16,000	16,000
Registered Agent Fee	-	140	150	150	150
Investment Management Fees	112,000	125,369	112,000	100,000	80,000
Office Supplies and Equipment	10,410	-	1,200	1,200	1,200
Rent	5,000	5,000	5,000	5,000	5,000
Other Admin Support Provided by Lessor	2,000	2,000	2,400	2,400	2,400
Board Retreat and Meetings	5,000	-	20,000	5,000	5,000
Insurance					
Cyber Liability	15,000	11,742	12,000	12,360	12,731
Board	30,000	30,839	31,000	31,930	32,888
General Liability	-	-	650	650	650
	239,410	306,040	262,400	214,690	196,019
<b>Other Discretionary Expenditures</b>					
Conversion/Implementation Cost	-	480,000	-	-	-
Executive Director and Other Contractor Bonus	100,000	100,000	100,000	100,000	100,000
Denied Claims Recovery Expenses	-	36,000	42,000	42,000	42,000
Direct Healthcare Practices Operations	-	-	24,000	24,000	24,000
	100,000	616,000	266,000	332,000	166,000
<b>Total Budget</b>	<b>1,216,728</b>	<b>2,017,305</b>	<b>2,127,633</b>	<b>2,101,521</b>	<b>1,919,676</b>
Other Uncategorized Expenses	46,807				
<b>Total PY Budget</b>	<b>1,263,535</b>				

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# Vaccine Pricing Grid

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**MEMORANDUM**

**TO:** Julia Zell, Executive Director & WVA Board of Directors  
**FROM:** Leslie Walker, CPA (Mason+Rich PA), Patrick Miller, MPH (Helms), and Tony Mendez, MBA (Helms)  
**SUBJECT:** 2020-21 WVA Vaccine Assessment Grid Recommendation  
**DATE:** April 13, 2020

**Introduction**

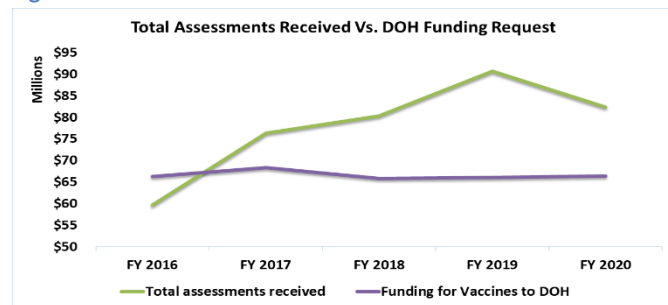
The purpose of this memorandum is to provide the Washington Vaccine Association’s Board of Directors with Helms & Company’s recommendations for the 2020-21 Vaccine Assessment Grid (“Grid”) and a description of the underlying assumptions. The development of the 2020-21 Grid included several changes from prior years. The administrative budget, cash flow projections based upon Board targets, and the Grid are now integrated into a unified model. The purpose of which is to allow the Board of Directors flexibility in setting a series of overall adjustment factors to produce different scenarios over a three-year time horizon. These scenarios drive the required burn down of cash and subsequently the amount of money the Grid needs to “raise” to meet the organization’s obligations.

**FY2020 Grid Summary**

In FY2020, a two percent reduction adjustment was made in the Grid prices in order to “reduce cash by between \$6.5 million and \$7M within one year” and to “anticipate balances on operating cash of \$5.7 million and \$35.6 million in investment accounts at June 30, 2020.”<sup>1</sup> As

shown in Figure 1, what happened instead was that while the two percent reduction adjustment had some reduction on cash, cash still grew from \$50,477,971 on July 1, 2019 to \$58,400,151 on December 31, 2019 and to \$59,489,301 on March 31, 2020 – increases of \$7,922,181 and \$9,011,059, respectively during these two time periods. The reason for this growth in cash is that the FY2020 Grid was priced nearly 12% above the vaccine remittances to the State of Washington. The two percent reduction adjustment was inadequate to achieve the desired goal.

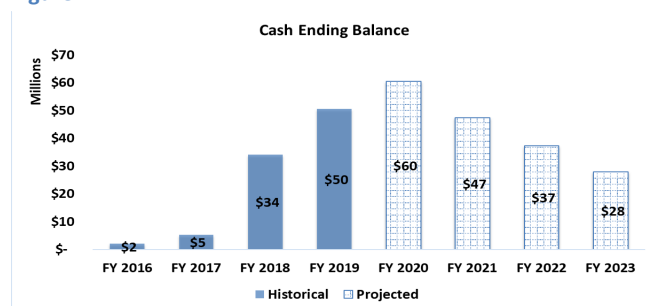
**Figure 1**



**Setting FY2021-FY2023 Cash Targets**

The Finance Committee has set a goal of reducing cash and setting targets for reduction. The model created for the upcoming FY assumes cash decreasing over the next three years with end of year cash balances of \$47.4M, \$37.3M, and \$27.9M at the end of each of the next three fiscal years, respectively (Figure 2). For each of the three years, the model targets reductions of \$13.1M, \$10.1M, and \$9.4M over the next three fiscal years, respectively. This allows the grid price to remain fairly constant over a three-year period while bringing cash reserves down.

**Figure 2**



<sup>1</sup> Memorandum dated April 10, 2019, from Peter Smith, KidsVax, to the WVA Board of Directors

### FY2021-2023 Grid Assumptions

The following assumptions were made in the new financial model with respect to setting the 2020-21 Grid prices:

1. The Department of Health’s November 2019 projections of vaccine utilization form the underpinnings of the model. These projections were affirmed in April 2020, and include 1,238,255 total doses.
2. The Assessment Grid Markup will be zero, meaning that the proposed Grid price will effectively equal the CDC contract price. The final grid price will be calculated as the weighted average CDC contract price for vaccines paid for between July 1, 2020 and April 30, 2021 on the April 1, 2020 CDC price list and the contract price for vaccines paid for between May 1, 2021 and June 30, 2021 on the April 1, 2020 CDC price list.
3. The Department of Health’s Indirect Rate will be held steady at 1.4% for the next three fiscal years.
4. The Department of Health’s Cost Recovery Fee will be 3% for the upcoming fiscal year and 2.6% for the following two fiscal years. The estimated .4% increase in the upcoming fiscal year will be used for additional DOH Covid-19 and provider education costs.
5. Based upon provider remittance data, the current DBA denial rate is currently in excess of 10.5%, versus the 3% number used in prior modeling. We expect this to drop to 8% and 6% in the latter two fiscal years based upon planned denial recovery activities.
6. The denial recovery rate is expected to be 3.5% in FY2021 and 3% and 2% in the latter two fiscal years.
7. The percentage of assets held in investments is estimated to be 90%.
8. On April 1, 2020, the Centers for Disease Control (“CDC”) updated its Vaccine Price List<sup>2</sup> for the CDC cost per dose and the private sector cost per dose. The cost per dose increased 3% over the prior year.

### Analysis of Changes

The attached 2020-21 Grid update has been reviewed with the Department of Health. The total projected assessments in FY 2021 are \$75,986,031. The prior year’s Grid prices are shown in gray and the FY2021 Grid prices are in green to make it easier to read. The 2020-21 Grid prices are significantly lower than the CDC private sector prices, resulting in a projected \$19,887,361 difference for the year.

# # #

<sup>2</sup> <https://www.cdc.gov/vaccines/programs/vfc/awardees/vaccine-management/price-list/index.html>



**Washington Vaccine Association Assessment Grid**  
**FOR ALL CLAIMS WITH A DATE OF SERVICE ON OR AFTER JULY 1, 2020.**

Please note that this WVA Assessment Grid, effective July 1, 2020, replaces the grid last updated on July 1, 2019. 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). **The green column is the assessment amount per dose as of 7/1/2020.**

CPT Code	NDC Code / Packaging	CPT Code Description	Tradename	WVA Assessment Amount per dose as of 7/1/2019	CDC Private Sector Cost/Dose 4/1/20	WVA Assessment Amount per dose as of 7/1/2020	Percent change 7/1/2019 to 7/1/2020
90620	58160-0976-20 (10 pack – 1 dose syringe)	Meningococcal recombinant protein and outer membrane vesicle vaccine, serogroup B (MenB-4C), 2 dose schedule, for intramuscular use	Bexsero®	\$151.07	\$170.75	\$140.16	-7.2%
	58160-0976-06 (1 pack – 1 dose syringe)						
90621	00005-0100-10 (10 pack – 1 dose syringe)	Meningococcal recombinant lipoprotein vaccine, serogroup B (MenB-FHbp), 2 or 3 dose schedule, for intramuscular use	Trumenba®	\$121.49	\$149.89	\$112.72	-7.2%
90633	58160-0825-11 (10 pack – 1 dose vial)	Hepatitis A vaccine (HepA), pediatric/adolescent dosage-2 dose schedule, for intramuscular use	Havrix®	\$22.88	\$32.89	\$20.34	-11.1%
	58160-0825-52 (10 pack – 1 dose syringe)		Vaqta®		\$33.30		
	00006-4095-02 (10 pack – 1 dose syringe)						
90647	00006-4897-00 (10 pack – 1 dose vial)	Haemophilus influenzae type b vaccine (Hib), PRP-OMP conjugate, 3 dose schedule, for intramuscular use	PedvaxHIB®	\$14.73	\$26.23	\$13.67	-7.2%
90648	49281-0545-03 (5 pack – 1 dose vial)	Haemophilus influenzae type b vaccine (Hib), PRP-T conjugate, 4 dose schedule, for intramuscular use	ActHIB®	\$10.55	\$17.14	\$9.79	-7.2%
	58160-0818-11 (10 pack – 1 dose vial)		Hiberix®		\$10.85		
90651	00006-4119-03 (10 pack – 1 dose vial)	Human Papillomavirus vaccine types 6, 11, 16, 18, 31, 33, 45, 52, 58, nonavalent (9vHPV), 2 or 3 dose schedule, for intramuscular use	Gardasil®9	\$198.64	\$227.93	\$184.30	-7.2%
	00006-4121-02 (10 pack – 1 dose syringe)						
90670	00005-1971-02 (10 pack – 1 dose syringe)	Pneumococcal conjugate vaccine, 13 valent (PCV13), for intramuscular use	Prevnar 13 TM	\$152.78	\$202.00	\$141.74	-7.2%
90680	00006-4047-41 (10 pack – 1 dose tube)	Rotavirus vaccine, pentavalent (RV5), 3 dose schedule, live, for oral use	RotaTeq®	\$78.60	\$84.53	\$72.93	-7.2%
	00006-4047-20 (25 pack – 1 dose tube)						

CPT Code	NDC Code / Packaging	CPT Code Description	Tradename	WVA Assessment Amount per dose as of 7/1/2019	CDC Private Sector Cost/Dose 4/1/20	WVA Assessment Amount per dose as of 7/1/2020	Percent change 7/1/2019 to 7/1/2020
90681	58160-0854-52 (10 pack – 1 dose vial)	Rotavirus vaccine, human, attenuated (RV1), 2 dose schedule, live, for oral use	Rotarix®	\$105.59	\$120.95	\$97.96	-7.2%
90696	58160-0812-11 (10 pack – 1 dose vial)	Diphtheria, tetanus toxoids, acellular pertussis vaccine and inactivated poliovirus vaccine (DTaP-IPV), when administered to children 4 through 6 years of age, for intramuscular use	Kinrix®	\$46.06	\$52.14	\$42.07	-8.7%
	58160-0812-52 (10 pack – 1 dose syringe)		Quadracel™		\$54.63		
	49281-0562-10 (10 pack – 1 dose vial)						
90698	49281-0510-05 (5 pack – 1 dose vial)	Diphtheria, tetanus toxoids, acellular pertussis vaccine, Haemophilus influenzae type b, and inactivated poliovirus vaccine, (DTaP-IPV/Hib), for intramuscular use	Pentacel®	\$66.26	\$99.83	\$61.48	-7.2%
90700	49281-0286-10 (10 pack – 1 dose vial)	Diphtheria, tetanus toxoids, and acellular pertussis vaccine (DTaP), when administered to individuals younger than seven years, for intramuscular use	Daptacel®	\$20.82	\$31.70	\$18.70	-10.2%
	58160-0810-11 (10 pack – 1 dose vial)		Infanrix®		\$24.71		
	58160-0810-52 (10 pack – 1 dose syringe)						
90702	49281-0225-10 (10 pack – 1 dose vial)	Diphtheria and tetanus toxoids adsorbed (DT) when administered to individuals younger than 7 years, for intramuscular use	DT (pediatric)	\$59.59	n/a	\$59.59	0.0%
90707	00006-4681-00 (10 pack – 1 dose vial)	Measles, mumps and rubella virus vaccine (MMR), live, for subcutaneous use	M-M-R®II	\$23.66	\$78.68	\$21.95	-7.2%
90710	00006-4171-00 (10 pack – 1 dose vial)	Measles, mumps, rubella, and varicella vaccine (MMRV), live, for subcutaneous use	ProQuad®	\$146.52	\$224.94	\$135.94	-7.2%
90713	49281-0860-10 (10 dose vial)	Poliovirus vaccine, inactivated (IPV), for subcutaneous or intramuscular use	IPOL®	\$15.11	\$35.17	\$14.02	-7.2%
90714	49281-0215-15 (10 pack – 1 dose syringe)	Tetanus and diphtheria toxoids adsorbed (Td), preservative free, when administered to individuals 7 years or older, for intramuscular use	Tenivac®	\$22.98	\$34.80	\$16.58	-27.8%
	49281-0215-10 (10 pack – 1 dose vial)		TDVAX™				
	13533-0131-01 (10 pack – 1 dose vial)	Tetanus and diphtheria toxoids (Td) adsorbed when administered to individuals 7 years or older, for intramuscular use					

CPT Code	NDC Code / Packaging	CPT Code Description	Tradename	WVA Assessment Amount per dose as of 7/1/2019	CDC Private Sector Cost/Dose 4/1/20	WVA Assessment Amount per dose as of 7/1/2020	Percent change 7/1/2019 to 7/1/2020
90715	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	Boostrix®	\$35.95	\$41.19	\$32.85	-8.6%
	58160-0842-52 (10 pack – 1 dose syringe)		Adacel®		\$46.80		
	49281-0400-10 (10 pack – 1 dose vial)						
	49281-0400-20 (5 pack – 1 dose syringe)						
90716	00006-4827-00 (10 pack – 1 dose vial)	Varicella virus vaccine (VAR), live, for subcutaneous use	Varivax®	\$116.07	\$135.73	\$107.69	-7.2%
90723	58160-0811-52 (10 pack – 1 dose syringe)	Diphtheria, tetanus toxoids, acellular pertussis vaccine, hepatitis B, and inactivated poliovirus vaccine (DTaP-HepB-IPV), for intramuscular use	Pediarix®	\$65.85	\$79.15	\$61.09	-7.2%
90732	00006-4837-03 (10 pack – 1 dose syringe)	Pneumococcal polysaccharide vaccine, 23-valent (PPSV23), adult or immunosuppressed patient dosage, when administered to individuals 2 years or older, for subcutaneous or intramuscular use	Pneumovax®23	\$62.78	\$105.19	\$58.25	-7.2%
	00006-4943-00 (10 pack – 1 dose vial)						
90734	49281-0589-05 (5 pack – 1 dose vial)	Meningococcal conjugate vaccine, serogroups A, C, Y and W-135, quadrivalent (MCV4 or MenACWY), for intramuscular use	Menactra®	\$105.76	\$128.38	\$96.68	-8.6%
	58160-0955-09 (5 pack – 1 dose vial)		Menveo®		\$130.75		
90744	00006-4981-00 (10 pack – 1 dose vial)	Hepatitis B vaccine (HepB), pediatric/adolescent dosage, 3 dose schedule, for intramuscular use	Recombivax HB®	\$17.37	\$23.95	\$12.73	46.5%
	00006-4093-02 (10 pack – 1 dose syringe)		Recombivax HB®		\$23.95		
	58160-0820-52 (10 pack – 1 dose syringe)		Enderix B®		\$23.72		

**2020-2021 Pediatric Influenza Vaccine Assessments**

90686	19515-0816-52 (10 pack – 1 dose syringe)	Influenza virus vaccine, quadrivalent (IIV4), split virus, preservative free, 0.5 mL dosage, for intramuscular use	FluLaval® Quadrivalent	\$15.13	\$17.30	\$13.57	-10.3%
	49281-0420-50 (10 pack – 1 dose syringe)	Influenza virus vaccine, quadrivalent (IIV4), split virus, preservative free, 0.5 mL dosage, for intramuscular use	Fluzone® Quadrivalent SYR		\$18.14		
90688	49281-0633-15 (10 dose vial)	Influenza virus vaccine, quadrivalent (IIV4), split virus, 0.5 mL dosage, for intramuscular use	Fluzone® Quadrivalent MDV	\$15.34	\$16.94	\$13.80	-10.0%
90672	66019-0307-10 (10 pack- 1 dose sprayer (Intranasal))	Influenza virus vaccine, quadrivalent, live (LAIV4), for intranasal use	FluMist® Quadrivalent	\$21.05	\$23.70	\$18.88	-10.3%
90674	70461-0320-03 (10 pack – 1 dose syringe)	Influenza virus vaccine, quadrivalent (cIIIV4), derived from cell cultures, subunit, preservative and antibiotic free, 0.5 mL dosage, for intramuscular use	Flucelvax® Quadrivalent	\$17.42	\$32.47	\$16.02	-8.0%

**NOTE: The WVA reserves the right to modify the Assessment Grid in effect at any time with Board approval and appropriate notification of payers.**

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**DISCONTINUED PEDIATRIC INFLUENZA NDC CODES AS OF JUNE 30, 2020**

CPT Code	NDC Code / Packaging	CPT Code Description	Tradename
90686	19515-0906-52 (10 pack – 1 dose syringe)	Influenza virus vaccine, quadrivalent (IIV4), split virus, preservative free, 0.5 mL dosage, for intramuscular use	FluLaval® Quadrivalent
90686	49281-0419-50 (10 pack – 1 dose syringe)	Influenza virus vaccine, quadrivalent (IIV4), split virus, preservative free, 0.5 mL dosage, for intramuscular use	Fluzone® Quadrivalent SYR
90672	66019-0306-10 (10 pack- 1 dose sprayer (Intranasal))	Influenza virus vaccine, quadrivalent, live (LAIV4), for intranasal use	FluMist® Quadrivalent
90688	49281-0631-15 (10 dose vial)	Influenza virus vaccine, quadrivalent (IIV4), split virus, 0.5 mL dosage, for intramuscular use	Fluzone® Quadrivalent MDV
90674	70461-0319-03 (10 pack - 1 dose syringe)	Influenza virus vaccine, quadrivalent (ccIIV4), derived from cell cultures, subunit, preservative and antibiotic free, 0.5 mL dosage, for intramuscular use	Flucelvax® Quadrivalent

**DISCONTINUED CPT CODES FROM JULY 1, 2019 ASSESSMENT GRID**

CPT Code	NDC Code / Packaging	July 1, 2019 Grid		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 7/1/2018 to 7/1/2019
		CPT Code Description	Tradename				
90636	58160-0815-52 (10 pack – 1 dose syringe)	Hepatitis A and hepatitis B vaccine (HepA-HepB), adult dosage, for intramuscular use.  (Age 18 only for CVP)	Twinrix®	\$76.58	\$104.00	\$67.29	-12.1%

**DISCONTINUED CPT CODES FROM JULY 1, 2018 ASSESSMENT GRID**

CPT Code	NDC Code / Packaging	July 1, 2018 Grid		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 7/1/2018 to 7/1/2019
		CPT Code Description	Tradename				
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)	\$23.16	\$19.26	\$18.53	-20.0%

**DISCONTINUED CPT CODES FROM JULY 1, 2017 ASSESSMENT GRID**

CPT Code	NDC Code	July 1, 2017 Grid		WVA Assessment Amount per dose as of 7/1/2016	CDC Market Survey	WVA Assessment Amount per dose as of 7/1/2017	Percent change 7/1/2016 to 7/1/2017
		CPT Code Description	Trade Name(s)				
90644	58160-0801-11	Meningococcal conjugate vaccine, serogroups C & Y and Hemophilus influenza B vaccine (Hb-MenCY), 4 dose schedule, when administered to high risk children 2 - 15 months of age, for intramuscular use	MenHibrix	\$14.72	\$24.71	\$14.72	0.0%

CPT Code	NDC Code	July 1, 2017 Grid CPT Code Description	Trade Name(s)	WVA Assessment Amount per dose as of 7/1/2016	CDC Market Survey	WVA Assessment Amount per dose as of 7/1/2017	Percent change 7/1/2016 to 7/1/2017
90649	00006-4045-41	Human Papilloma Virus (HPV) vaccine, types 6, 11, 16, 18 (quadrivalent), 3 dose schedule, for intramuscular use (Code Price is per dose = 0.5 mL)	<b>Gardasil</b>	n/a	n/a	n/a	n/a
90650	58160-0830-52	Human Papilloma virus (HPV) vaccine, types 16, 18, bivalent, 3 dose schedule, for intramuscular use (Code Price is per dose = 0.5 mL)	<b>Cervarix</b>	n/a	n/a	n/a	n/a
90743	00006-4981-00	Hepatitis B vaccine, adolescent dosage (2-dose schedule), for intramuscular use (Code price is per dose) (Recombivax HB 10mcg = one dose)	<b>Recombivax HB</b>	\$17.19	\$23.20	\$17.19	0.0%
90685	49281-0517-25	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)	<b>Fluzone Pediatric Preservative Free (PF)</b>	\$23.16	\$18.72	\$23.16	0.0%
90687	49281-0517-25	Influenza virus vaccine, quadrivalent, split virus, when administered to children 6-35 months of age, for intramuscular use	<b>Fluzone</b>	\$18.47	\$18.72	\$18.47	0.0%



[www.wavaccine.org](http://www.wavaccine.org)

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### April 23, 2020 Executive Director Report

Unfortunately, the beginning of 2020 has not turned out to be as stable or as prosperous as many of us could have hoped. If anything, the current pandemic makes the continued success of the WVA even more critical. Despite current conditions, the WVA's first quarter proved to be extremely productive as the administrative transition to Helms & Co. (Helms) was successfully completed and automation efforts began in earnest. Because of the outbreak, it seemed prudent to shorten the April board meeting to an hour to free-up Board members' time, many of whom are over-extended. I respectfully request that you pay careful attention to meeting materials, especially the Financial Updates and Assessment Grid packet and the Interim Finding's Report Summary as we will not have sufficient meeting time to cover each topic in depth.

The financial materials included in the meeting packet have undergone several changes from previous presentations. They will now include charts and graphs that depict trends and display analytical markers that will allow the Board to easily gauge the status and health of the WVA's finances and operational functionality. Over the past quarter, I have worked closely with Helms and their CPA consultant, Ms. Leslie Walker, while they developed a cash model that projects out over several years versus the former, limited 18-month model that failed to take into account several critical factors. I am confident that the newly developed model will aid the Board in making decisions regarding assessment grid rates, the annual budget, and appropriate reserve levels. As the annual operations budget closely relates to expected assessment collections, we will be providing a brief overview of expected operations costs but will provide a final version of this document for the Board's approval in June.

The WVA's financial position continues to be strong with sufficient reserves to allow for further reductions in the assessment grid along with an absorption of the approximately 3% overall increase in the CDC vaccine prices. Over the past few years, several members of both the Board and Operations Committee have expressed the unambiguous desire to have stable grid rates rather than implementing year-to-year fluctuations necessitated by WVA financial needs. While the WVA's cash reserves are now sufficient to cushion anticipated cash-outlays and unforeseen vaccine purchases, it is apparent after last year's 2% grid reduction and no inflationary increase that previous models failed to properly account for all variables as the expected end of year cash reductions turned into further cash accumulations of over \$15 million beyond funds needed for assessment purchases. After reviewing previous calculations and forecasts, Helms has redesigned assessment collections estimates. Presented in the packet for the Board's consideration are three different cash modeling options to burn off-WVA reserves and stabilize rates over the next three years. Given the potential for new vaccines to gain ACIP recommendations following the current outbreak and additional implementation and automation costs needed to reinvigorate the dosage-based system, I am recommending that the Board adopt the model target reduction of \$13.1 million, \$10.1 million, and \$9.4 million respectively over the next three fiscal years. Of course, the Finance Committee or the Board will have the opportunity to adjust the fiscal goals and policy each year as reserve targets may change to meet shifts in the healthcare market or additional funding needs.

Apart from the substantive content of the grid, I am also pleased to report that Helms and I have created a new Grid Communications Protocol. As the Board may recall, the WVA has suffered some difficulty in the past ensuring that announcements regarding grid changes reached all interested parties. This year, not only will notice of the grid change be posted on the WVA website and sent to subscribers, it will be emailed to the newly verified TPA e-mail distribution list and all registered insurance companies, distributed through the DOH communication channels, and also mailed out via USPS to carriers. We will also be sending a message to various associations such as the Washington State AAP, the Association of Washington Health Plans, and the Northwest Administrators Association. I am confident that our efforts in concert with the Department of Health's will aid us in our compliance efforts.

I would urge the Board to read the WVA's monthly report that will be sent at the beginning of each month and will contain information regarding the previous month's activities. In March, Patrick Miller of Helms and I summarized key activities related to the contractor change, automation advances, problems that have been both identified and those that were solved and described overall operational achievements. Rather than detailing those updates in this report, I would ask that you look for updates in the April report as well as consult the document titled "WVA Quarterly Goal Summary" found on the next page. I will be including the Goal Summary every quarter as a "quick-glance" guide to the status of planned work.

Lastly, thank you; thank you to John Sobeck, MD who spent countless hours over the past few years wearing multiple hats as Finance Committee Chair, Board Chair, and Treasurer; his guidance has seen the WVA weather a financial crisis, a challenge to and subsequent success over TRICARE, and drastic administrative and organizational changes. He is undoubtedly leaving the Association in a much healthier position than when he first joined. Next, I am deeply appreciative of both Patricia Auerbach, MD and Chad Murphy, PharmD for stepping into officer positions; I am confident that Patricia will help guide our fiscal aims as both Finance Chair and Treasurer and Chad will bring new thoughts and knowledge in his leadership as Chairman. I also acknowledge the willingness of other members for stepping onto committees and those who have continually served in additional positions over the years. I know I have repeatedly promised that WVA matters will take on some normalcy, but I am hopeful I will finally be able to deliver on those assertions in the upcoming months.

It is a privilege to serve alongside, (even remotely), each of you. Stay safe and healthy!

Respectfully submitted,



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



### WVA Quarterly Goal Summary – Updated March 13, 2020

Workstream	Q1 CY2020 - PAST	Q2 CY2020 - CURRENT	Q3 CY2020 - FUTURE	Q4 CY2020 - FUTURE
<b>Governance</b>	<ul style="list-style-type: none"> <li>✓ Board Chair Selection</li> <li>✓ Finance Chair Selection</li> <li>✓ MRM Review Scope</li> <li>✓ Controls Recommendations</li> </ul>	<ul style="list-style-type: none"> <li>• MRM Closure</li> <li>• Controls Adoption</li> <li>• Plan of Operation Review</li> </ul>	<ul style="list-style-type: none"> <li>• Board Policies Review</li> <li>• Board Committee Charters Review</li> <li>• Governance Survey</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic Retreat Preparation</li> </ul>
<b>Automation and Data Build</b> (accelerated schedule)	<ul style="list-style-type: none"> <li>✓ ERA Intake Begins</li> <li>✓ EFT Increases Begin</li> <li>✓ QB File</li> <li>✓ Payer DB</li> <li>✓ KB-&gt;OG Lockbox Interface</li> <li>✓ Jul-Oct 2019 KB-&gt;OG Lockbox Data Transfer</li> </ul>	<ul style="list-style-type: none"> <li>• ERA Intake (Goal 50%)</li> <li>• EFT Intake (goal 40%)</li> <li>• ACH File from KeyBank to OrboGraph</li> <li>• Update OrboGraph to QB File</li> </ul>	<ul style="list-style-type: none"> <li>• ERA Intake (goal 70%)</li> <li>• EFT Intake (goal 50%)</li> </ul>	<ul style="list-style-type: none"> <li>• ERAs Intake (goal 80%)</li> <li>• EFT Intake (goal 60%)</li> </ul>
<b>Analytics and Recoupment</b>	<ul style="list-style-type: none"> <li>✓ Initial Denial/Underpayment Analysis</li> <li>• Define the Process (Legal)</li> </ul>	<ul style="list-style-type: none"> <li>• DOH Data Use Agreement</li> <li>• Patient Payments Strategy Developed</li> <li>• Denial/Underpayment Strategy Developed</li> <li>• Reclamation Tested with Two Payers</li> </ul>	<ul style="list-style-type: none"> <li>• OrboGraph Database Export Strategy Options Developed</li> <li>• Recoupment Status Updates</li> </ul>	<ul style="list-style-type: none"> <li>• OrboGraph Database Export Strategy Options Decisioned</li> <li>• Recoupment Status Updates</li> </ul>
<b>Communications - Payer</b>	<ul style="list-style-type: none"> <li>✓ Develop Strategy with DOH</li> <li>✓ Analyze Payers' Provider Manuals for WVA Language</li> </ul>	<ul style="list-style-type: none"> <li>• Denials Analysis</li> <li>• Corrective Letters</li> <li>• Payer Provider Manual Language Distribution</li> </ul>	<ul style="list-style-type: none"> <li>• Denials Analysis</li> <li>• Vaccine Grid Analysis</li> <li>• Corrective Letters</li> </ul>	<ul style="list-style-type: none"> <li>• Denials Analysis</li> <li>• Vaccine Grid Analysis</li> <li>• Corrective Letters</li> </ul>
<b>Communications - Provider</b>	<ul style="list-style-type: none"> <li>• Redesign Provider Onboarding Materials</li> </ul>	<ul style="list-style-type: none"> <li>• DOH Newsletter</li> <li>• Vaccine Grid Notice</li> </ul>	<ul style="list-style-type: none"> <li>• Provider Webinars</li> <li>• DOH Newsletter</li> </ul>	<ul style="list-style-type: none"> <li>• Provider Webinars</li> <li>• DOH Newsletter</li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>✓ Call Center Go-Live; Provider and Payer Support (phone, email, fax)</li> <li>✓ Payer Database Maintenance</li> <li>✓ Analyze Payer Provider Manuals</li> <li>✓ Policy and Procedure Manual</li> </ul>	<ul style="list-style-type: none"> <li>• Develop Payer Provider Manual Model Language</li> <li>• 2020-21 Vaccine Grid Modeling</li> <li>• Payer Database Re-Design</li> </ul>	<ul style="list-style-type: none"> <li>• 2021 Vaccine Grid Changes in Effect</li> <li>• Payer Database Live</li> </ul>	<ul style="list-style-type: none"> <li>• Revise Policies and Procedures</li> </ul>
<b>Finance</b>	<ul style="list-style-type: none"> <li>✓ Financial Processes Go-Live</li> <li>✓ Cash Management Strategy Development</li> <li>✓ Daily Activities Automation</li> <li>✓ Policy and Procedure Manual</li> </ul>	<ul style="list-style-type: none"> <li>• FY2021 Budgeting</li> <li>• Implement Cash Management Strategy</li> <li>• Document Payer Settlement Report Process</li> </ul>	<ul style="list-style-type: none"> <li>• FY2021 Budget in Effect</li> <li>• Review and Revise Cash Management Strategy</li> <li>• Re-Design Payer Settlement Report Process</li> </ul>	<ul style="list-style-type: none"> <li>• Payer Statutory Letters Created</li> <li>• Review and Revise Cash Management Strategy</li> <li>• Implement Payer Settlement Report Process</li> </ul>

Legend: Blue = Complete; Green = In Progress; Orange = On Hold; Red = Behind Schedule