

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

48  
49 Ms. Zell noted there is a brief financial summary and annual budget with detail of different categories that have been added,  
50 including a communications budget. Further discussion ensued. Ms. Zell stated that Ms. SheAnne Allen mentioned creating a  
51 welcome email when the Department of Health (DOH) has re-enrollment every year for providers. The DOH will begin the  
52 process. Ms. Zell requested an initial budget of \$10,000, which she believes is on the high end, for two brochure/communication  
53 pieces.

54  
55 Upon motion duly made and seconded, it was unanimously

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

57  
58 Ms. Zell reviewed the summary of the Alternative Settlement Report (ASR) recommendation. The ASR project is an effort to  
59 ensure payer equity by assuring that all payers contribute to assessment collection shortfalls due to provider error. This plan  
60 involves having the major payers continue to pay assessments through the settlement reports and auto-generate a payment to the  
61 WVA when a provider only submits a vaccine administration claim. For payers that continue this practice, they will be allowed  
62 to offset the settlement payments by auto-adjudicating to a lower assessment amount, approximately 2.4% lower than the grid  
63 to compensate for the fact that they are sending the WVA checks for the Settlement Report amount to a fixed percentage below  
64 the grid for the next four years. Further discussion ensued.  
65  
66

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