

Meeting Minutes
Finance Committee Meeting
February 18, 2020; 12:00 - 1:00 p.m. PST
Teleconference/Webinar Meeting

Attendees: Patricia Auerbach, MD, John Sobek, MD, Jason Farber, Derek Lebrun, Randy Parker, Julia Zell, Patrick Miller, Leslie Walker, Lisa White

1. **Welcome and Introductions**

Mr. Miller notified the attendees that the meeting was being recorded for the purposes of creating meeting notes. Ms. Zell welcomed the meeting participants and thanked Dr. Auerbach for agreeing to Chair the Finance Committee. Mr. Miller introduced Ms. Walker and Ms. White.

2. **Financial Status Report**

Ms. Zell stated that she had met previously with Ms. Walker and Mr. Miller to review suggested changes to the financial reporting package. Ms. Walker stated that today's review of the monthly unaudited financials for the month and seven months ending January 31, 2020, would look very similar to prior packages presented to the board.

On p.2 of the financial package, Ms. Walker stated that the investments of \$52,325,754 are all held with Morgan Stanley. The prepaid vaccine amount is \$5,383,769. Ms. Walker explained that the calculation of the members estimated collectible assessments (\$4,028,592) is being calculated with more precision than previously. Previously, this was estimated by month. Now, we are able to use the DBA data from the paper and electronic remittance advices (ERAs) to pull the actual date of service by vaccine by payer. For those payers without a remittance advice of any kind, Ms. Walker has an estimation methodology in place. Mr. Miller reminded the Committee that the transition of vendors is enabling the organization to have much more detail on each DBA processed as we are now converting all of the paper remittance advices to an electronic format, and we are beginning to take ERAs from payers. The ultimate goal is to fully have all paper and ERAs which will form the data platform for all of our financial and operational analysis. There were no questions about the balance sheet.

On p.3, Ms. Walker has broken out: refunds, % vaccine waste, % denials, and the DOH cost recovery administration charge. Mr. Miller stated that the refunds number for CY2020 will be about twice the amount reported previously given that automated refunds were previously taken by Calypso on behalf of several payers. Mr. Miller stated that the 3% denial rate is closer to 9% based upon data received since January 1 from the payers; there will be more analysis on denials presented at a future meeting. Ms. Walker stated that the DOH cost recovery administration cost was added last year to the monthly DOH request and can be up to 2.6% of the vaccine cost. There is already a 1.4% DOH agency indirect rate applied. There was discussion regarding the cost recovery administration cost.

On p.4, Ms. Walker has rolled up the various ED line items into one line item. The Helms transition and OrboGraph pass thru costs have their own line items. On p.5, Ms. Walker stated that the WVA has seen its cash increase from \$42.76M at the end of December 2018 to \$59.4M at the end of January 2019. The group discussed the need to create a cash balance of between \$25-35M going forward, and to use the upcoming vaccine grid re-pricing as a way to "burn off" cash. This was supposed to have been done last year, but the desired result was not achieved. Ms. Walker, Ms. Zell and Mr. Miller will be working on the FY2021 vaccine grid re-pricing and the FY2021 administrative budget in the coming weeks. The FY2021 vaccine grid is effective July 1 with notification required by April 1.

On p.6, Ms. Walker stated that we will create a seasonalized, monthly budget for FY2021. This should provide more value to the Committee. On p. 8, Ms. Walker reviewed the notes to the financial statements. Moving forward, Ms. Walker will modify the financial package to include a key indicators section which will graphically demonstrate performance trends. This will replace the "green sheet" on p.7. The Committee agreed to the formatting changes proposed by Helms.

3. **AUP Report**

Ms. Walker stated that the agreed-upon procedures (AUP) report was developed in accordance with the Helms contract in order to be able to document the financial procedures in place by the previous administrator. Each of the twelve procedures are identified and a summary of findings presented. There is a nearly 700 page set of exhibits that are available separately to Committee members if required. Given the length of agenda item number two, there was not

59 discussion of the AUP report by the Committee. Both Mr. Miller and Ms. Walker asked the Committee members to
60 reach out to them with any questions.

61

62 4. **Committee Development / Next Steps**

63 Ms. Zell stated that the FY2021 vaccine grid re-pricing and the FY2021 administrative budget development will be
64 starting in the next few weeks. The next Finance Committee meeting is scheduled for May 21. It is possible that a
65 meeting before that date will be called in order to keep the Committee abreast of progress.

66

67 5. **Meeting Adjourned**

68 The meeting adjourned at 1:03pm PST.