

**What:** Board of Directors Meeting  
**Date & Time:** Thursday, November 5, 2020; 2:00-4:00 p.m. (PST)  
**Location:** ZOOM Meeting:  
Please email [info@wavaccine.org](mailto:info@wavaccine.org) to request registration information.

Notice: The meeting may be recorded for the benefit of the minute-taker. The WVA intends to delete the recording after the minutes are approved.

### Agenda for Board of Directors Meeting

Approx. Time	Pg.		Topic/ <b>Anticipated Action</b>	Presented by:
2:00-2:05 p.m.			<b>1. Welcome &amp; Introductions</b> a. Notification of Recording	J. Zell
2:05-2:15 p.m.	2 - 13	* * * * *	<b>2. Consent Calendar Items</b> a. <b>Board Meeting Minutes (June 25, 2020)</b> b. <b>Finance Committee Meeting Minutes (September 17, 2020)</b> c. <b>Vote to Approve Dr. Helen Chea as a Board Member</b> d. <b>Votes to Elect Officers / Committee Chairs</b> e. <b>Vote to Reappoint Members</b>	C. Murphy
2:15-2:25 p.m.	14 - 48	* *	<b>3. Financial Update</b> a. Status Update b. Finance Committee Update i. <b>Vote to Ratify and Publish 2019-20 Audit &amp; Report</b>	P. Miller / P. Auerbach
2:25-2:55 p.m.	49-70	* * * *	<b>4. ED Updates</b> a. ED/AD Report b. <b>Vote to Approve and Publish 2019-20 Annual Report</b> c. Communications Update d. 2021 Meeting Schedule e. Conflict of Interest and Code of Ethics Forms	J. Zell / P. Miller J. Zell
2:55-3:05 p.m.			<b>5. Vaccine Committee Update</b>	E. Marcuse
3:05-3:15 p.m.	Handout	*	<b>6. PAL Program</b> a. Healthcare Authority Presentation	M. Fliss
3:15-3:25 p.m.			<b>7. Department of Health Updates</b>	M. Roberts
3:25-3:55 p.m.	71- 74	* *	<b>8. Executive Session (Board Members and GC only)</b> a. <b>Vote to Approve WVA Expense Policy</b> b. <b>Vote to Authorize EC to Approve new CPEO contract</b> c. Fund-Source Overview d. Cost Recovery	A. Redman / J. Zell M. Roberts
3:55-4:00 p.m.			<b>9. Closing</b> a. Next Meeting: February 2021	C. Murphy

**November 5, 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 June 25, 2020 Board Meeting.
- [To approve the minutes of the June 25, 2020 Board Meeting with the changes suggested at the meeting.]
- VOTED: To approve the minutes of the September 17, 2020 Finance Committee Meeting.
- [To approve the minutes of the September 17, 2020 Finance Committee Meeting with the changes suggested at the meeting.]
- VOTED: To confirm Dr. Chea as a Board Member whose term expires in 2022 pursuant to RCW 70.290.030 (3)(c).
- VOTED: To approve the 2020 WVA officer and committee chairs listed as presented to the Board at the meeting.
- [To approve the 2020 WVA officer and committee chairs listed as presented to the Board, with the changes suggested at the meeting.]
- VOTED: To approve the individuals listed to serve on the WVA's Finance, Operations, and Vaccine Committee as presented to the Board at the meeting.
- [To approve the individuals listed to serve on the WVA's Finance, Operations, and Vaccine Committee as presented to the Board with the changes suggested at the meeting.]
- VOTED: To reappoint Chad Murphy and a WVA Board member pursuant to RCW 70.290.030 (3)(a) whose term expires in 2023.

**Items under Agenda Section 3:**

- VOTED: To ratify the action of the Finance Committee in adopting and authorizing publication of the 2019/20 Financial Statements and independent auditor's report.
- [To ratify the action of the Finance Committee in adopting and authorizing publication of the 2019/20 Financial Statements and independent auditor's report with the changes suggested at the meeting.]

**Items under Agenda Section 4:**

VOTED: To approve the 2019-20 WVA Annual Report as presented to the Board.

[To approve the 2019-20 WVA Annual Report with the changes suggested at the meeting.]

**Items under Agenda Section 8 [Executive Session]:**

VOTED: To approve the WVA Expense Policy as written and presented to the Board by outside counsel.

[To approve the WVA Expense Policy as written and presented to the Board by outside counsel, with the changes suggested at the meeting.]

VOTED: To approve the Executive Committee to engage a new Certified Payroll Employment Organization after consultation with outside counsel.

[To approve the Executive Committee to engage a new Certified Payroll Employment Organization after consultation with outside counsel with the changes suggested at the meeting.]

**Washington Vaccine Association  
Board of Directors' Meeting  
June 25, 2020; 2:00-4:00 p.m. (PST)**

**I. Attendance.** Due to Covid-19 and the Governor's Emergency Order, this meeting was conducted solely by webinar. Participating in all or part of the meeting were the following individuals:

Directors

Chad Murphy, PharmD, Chair, Premera  
Patricia Auerbach, MD, MBA, FACP, Treasurer,  
UnitedHealthcare  
John Dunn, MD, MPH, Kaiser Permanente  
Cathy Falanga, Aetna Life Insurance Company  
Jason Farber, Esq., Davis Wright Tremaine LLP?  
Beth Harvey, MD, Sound Pediatrics  
Steve Lam, PharmD, Regence BlueShield Washington  
Ed Marcuse, MD, Emeritus Professor of  
Pediatrics, University of Washington  
Randy Parker, Carpenters Trusts of Western  
Washington  
Michele Roberts, MPH, MCHES,  
Washington Department of Health

WVA

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

Helms & Company, Inc.

Patrick Miller, MPH, WVA Administrative Director  
Lisa White, JD, WVA Customer and Financial Support  
Specialist

Others

Anne Redman, Esq., Perkins Coie  
SheAnne Allen, Washington Department of Health  
Breelyn Young, GSK (public)

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

Actions Taken (votes adopted)

1. To approve the Board Meeting Minutes (April 23, 2020).
2. To Vote to Adopt the 6/25/2020 Financial Controls Procedures Changes Resolution.
3. To Vote to Approve 2020-21 WVA Annual Operations Budget.
4. To Vote to Adopt a Board Resolution honoring Dr. John Sobeck for his service to the WVA.
5. To Vote to Adopt the 2020 Executive Director performance goals with changes suggested in the Executive Session.
6. Follow up Tasks/Action Items  
None.

**III. Minutes**

Welcome and Introductions

The meeting was called to order at 2 pm, and Ms. Zell stated that the meeting was being recorded for the purposes of minutes taking; a roll call was taken.

Consent Calendar

Upon motion duly made and seconded, it was unanimously

**VOTED:** To approve the Board Meeting Minutes (April 23, 2020).

60 Financial Update

- 61
- 62 a. Investment Report. Ms. Zell provided an overview of the current Morgan Stanley account balances. She
- 63 indicated that there is \$4.6M in liquid funds that can be transferred to KeyBank withing 24 hours if required.
- 64 b. Unaudited Financial Statements as of May 31, 2020. Mr. Miller stated the financial statements have been
- 65 reviewed with the Executive and Finance Committees previously, and there are no changes or additions.
- 66 While Department of Health (DOH) requests currently exceed remittances, there is adequate cash on hand to
- 67 meet vaccine funding and operational obligations. He described changes to the financial statements that will
- 68 occur with the July 2020 statements, including a monthly budget-to-actual format. The existing general ledger
- 69 accounts have been mapped to the new account format. There were no comments.
- 70 c. 2020-21 Annual Operations Budget. Ms. Zell and Mr. Miller reviewed the 2020-21 operation budget and
- 71 accompanying memorandum. The budget format is very similar to the one presented at the prior Board
- 72 meeting when the cash management model was presented. The budget consists of five, broad categories,
- 73 shows each line item by month for the current year, and shows projections for the next two years. Ms. Zell
- 74 detailed the investments made in the Provider and Payer Education line of the budget. These investments are
- 75 designed to address operational issues with provider and payer participation in the dosage-based assessment
- 76 system. Mr. Miller described the audit fees, cyber insurance fees, and the vendor replacement for MRM given
- 77 denial rates in excess of eleven percent versus three percent as previously reported by the prior Administrator.
- 78 There was additional discussion regarding the line item related to working with the DOH to ensure provider
- 79 compliance. Chairman Murphy thanked the Finance Committee for their work. A question was asked about
- 80 the additional expense budgeted for consultant M. Lane and an additional past-time provider/payer liaison.
- 81 Zell explained the intended purpose and need for each before asking for a vote.

82

83 Upon motion duly made and seconded, it was unanimously

84

85 **VOTED:** To Adopt 2020-21 Annual Operations Budget.

86

- 87 d. Recommended Changes to Financial Procedures. Mr. Miller reviewed the recommended changes to
- 88 financial procedures. These have been developed in response to the requirement for greater financial controls
- 89 and transparency as outlined earlier this year by Helms and outside CPA, Leslie Walker. These controls
- 90 provide an electronic audit trail and a defined separation of duties. The Administrator will now initiate ACH
- 91 and wire transactions and either the WVA's employed Executive Director or a Board member will approve
- 92 them. The procedures also outline transfers between KeyBank and Morgan Stanley and Executive Director
- 93 expense report payments.

94

95 Upon motion duly made and seconded, it was unanimously

96

97 **VOTED:** To Adopt Recommended Financial Procedures with recommended change to item five

98 per A. Redman.

99

100 DOH Updates

101 Michelle Roberts described the DOH's role as lead agency for the COVID response and investigation, and the day to

102 day operational challenges for the DOH during the pandemic. Ms. Roberts is stepping into a new leadership role for

103 several months and will continue to be involved in COVID vaccine planning. The DOH has seen the number of vaccine

104 administrations drop off by about 40% in March and April across all ages and is concerned about preventing diseases

105 and is working to correct and reverse the trend. The health care community is starting to open back up and is reaching

106 out to patients to initiate routine immunization appointments. There will be changes to the grace period for school

107 immunizations and tightening up of school medical records documentation to align to new rules. DOH will focus

108 additional efforts on the upcoming flu season to avoid COVID-19 co-infections; the CDC has purchased additional

109 flu vaccine material for states. The DOH would like to do an educational session for the Board regarding any upcoming

110 COVID-19 vaccination. Dr. Marcuse cited both the importance of flu vaccinations for children as well as a recent talk

111 regarding vaccine development which he will ask Ms. Zell to share with the Board and Vaccine Committee.

112

113 Executive Director Updates

114

- 115 a. Operational Summary. Ms. Zell reviewed portions of the April/May Executive Director/Administrative  
116 Director report. Mr. Miller commented that Helms and Ms. Zell will be examining further the decrease in  
117 assessment revenue not just on a cash basis but also by dates of service. Ms. Zell described the progress of  
118 the automation efforts.
- 119 b. Partnership Access Line (PAL) Program. Ms. Zell provided an overview of progress with the Health Care  
120 Authority. It is expected that the Authority will be requesting data of the WVA this summer from our payer  
121 database. Attorney Redman indicated that the WVA is not obligated to provide anything beyond what we  
122 have in our files.
- 123 c. Communication Plan. Ms. Zell described plans for additional communications work beyond the new payer  
124 and provider guide.
- 125 d. Former Chair Resolution. Ms. Zell asked the Board for a vote on the resolution commending Dr. Sobeck for  
126 his work as a Board member and Board Chair.

127  
128 Upon motion duly made and seconded, it was unanimously

129  
130 VOTED: To Adopt a Board Resolution honoring Dr. John Sobeck for his service to the  
131 WVA.

132  
133 Public Comment

134 Ms. Young identified herself from GSK and had no comments.

135  
136 Adjournment to Executive Session

137 The meeting adjourned to Executive Session at 3:26pm to discuss the following:

- 138  
139 a. WVA Liabilities  
140 b. Compliance Actions  
141 c. Annual ED 2020 Goals  
142 i. Vote to Adopt ED 2020 Goals  
143 d. Outside Counsel Matter (ED/AD excluded)

144  
145 Executive Session

146 Confidential.

147  
148 # # #

**Washington Vaccine Association  
Finance Committee Meeting  
September 17, 2020, 3:00-4:00 p.m. (PT)**

- I. Attendance.** The meeting was held by remote webinar only due to Covid-19. The following individuals participated:

Directors

Patricia Auerbach, MD, Chair,  
UnitedHealthcare  
Jason Farber, Esq., Davis Wright  
Tremaine, LLC  
Randy Parker, Carpenters Trusts of Western  
Washington

Helms & Company, Inc.

Patrick Miller, Administrative Director  
Lisa White, Customer and Financial Support  
Specialist  
Tony Mendez, Senior Consultant  
Leslie Walker, CPA, Mason+Rich

WVA Executive Director

Julia Zell, Esq.

Others

Derek LeBrun, Sound Physicians  
Polly Sidwell, Morgan Stanley

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

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

1. To approve the meeting minutes of the May 21, 2020, Finance Committee meeting.
2. To recommend to the WVA Board of Directors the adoption and publication of the 2019-2020 audited financial statements and governance letter.

**III. Welcome & Introductions**

At 3:01 p.m., a quorum having been established, Chairperson Auerbach called the meeting to order. Ms. Zell announced that the meeting was being recorded for the benefit of the minute-taker and would be deleted following the final approval of the minutes. Mr. Miller took attendance.

**IV. Calendar Consent Items**

Meeting Minutes

Chairperson Auerbach asked the Committee to review the Consent Calendar and for a motion to accept the meeting minutes of May 21, 2020.

Upon motion duly made and seconded, it was unanimously

**VOTED:** To approve the meeting minutes of the May 21, 2020, Finance Committee meeting.

Helms will post these minutes as approved to the public website.

**V. Overview of Draft 2019-2020 Audited Financials**

Chairperson Auerbach welcomed Allen Gilbert to the meeting and invited him to begin his presentation. Mr. Gilbert began with the balance sheet and stated that total assets of \$74,544, 864 have increased since last year. The increase in receivables is likely due to a change in methodology and the organization now has a more accurate number. He noted the increase in investments and its contribution to the balance sheet. There were two adjustments made which resulted in accounts payable of \$326,045. These were made as a result of the Department of Health (DOH) cost recovery charge and amounts accrued to Apple Health payers and payers involved in the MRM re-billing project.

Mr. Gilbert reviewed the Statement of Activities and stated that it was more informative now in the new format which mimics the new, monthly financial statements. He noted the increase in investment income. Mr. Parker asked how much did investments increase, and Mr. Gilbert replied they increased \$1.65M compared to last year. Mr. Gilbert noted the increase in administrative expenses due to the Administrator switch and further stated that they were reasonable given the benefits of the transition. Mr. Gilbert reviewed the Statements of Cash Flow and pointed out a decrease in cash and cash equivalents of \$228,303. page on (13), stating there is a \$228,000 reduction in available cash compared to last year.

Mr. Gilbert asked if there were any questions and there were none. Ms. Walker stated that the auditor's draft letter did not identify any issues regarding internal controls, indicating a successful transition in the Administrator. Ms. Walker let the Board know that an Executive Session with the Board is an opportunity to discuss any questions directly with the auditor. Mr. Gilbert was asked to remain present for the remainder of the meeting so that he could participate in an Executive Session if desired.

Chairperson Auerbach asked the Committee to review the Consent Calendar and for a motion to accept the 2019-2020 audited financial statements and governance letter as drafted.

Upon motion duly made and seconded, it was unanimously

**VOTED:** To recommend to the WVA Board of Directors the adoption and publication of the 2019-2020 audited financial statements and governance letter.

Helms will post the document is the public website and email a copy of the document to the full Board.

## **VI. Financial Status Report**

### Monthly Unaudited Financials

Mr. Miller reviewed the unaudited financial statements as of August 31, 2020. Beginning on page 2, he stated that the total vaccine remittances to the State of Washington exceed the collections. Some of this was expected given the reductions in the July 1, 2020 vaccine assessment grid and some is related to the reduction in receipts as the Department of Health has kept orders in line with the prior year during the COVID-19 pandemic. This will be discussed further with regards to the reserve target and the memorandum attached to the meeting packet.

Mr. Miller stated that in October there will be a write down of some of the Members Estimated Collectible Assessments given there is inventory we do not expect to receive remittances for. He outlined the three different comparative timeframes in the Statement of Activities and Changes in Net Assets. He then turned to the Administrative Budget Status reports. There are three different comparative timeframes included and Mr. Miller focused on the two months ended August 31, 2020 report.

Overall, the organization is about \$70,000 under budget for the first two months of the fiscal year. We have moved more quickly than expected in terms of data being processed electronically, and that has reduced costs greater than expected by nearly \$20,000. Additionally, travel has been less, but Ms. Zell is starting to make routine trips to WA again. Ms. Zell stated that while printing and postage are currently under budget, upcoming printing needs and mailings will begin to spend down these funds. The largest item that is overbudget in the past two months is legal by \$24,000.

Mr. Miller asks if there are any questions about financial statements from August and there were none.

### Reserve Target

Mr. Miller reviewed the cash projections memorandum dated September 10<sup>th</sup>. He began by saying that we are burning down cash at a greater rate than as to what was expected in the spring. Figure 1 shows the expected cash position as of June 30, 2020, 2021, 2022, and 2023 that was approved by the Board in the spring. June 30, 2020 ended \$3.6M below target at \$56.9M due to the COVID-19 impact. The DOH has kept their monthly request



amounts level despite a decrease in our remittance receipts. Mr. Miller stated that the very last line on page one should read “2021” instead of “2020”.

Mr. Miller stated that there is still ample cash on hand and funds from Morgan Stanley have been used to offset receipts. We can also make another price grid adjustment for next July 1 depending on how the rest of the year looks. Ms. Zell stated that there will be no adjustment to the fund split situation with the DOH for a year, this is being monitored.

The figures on page 2 represent two different cash burn down scenarios. The first assumes that beginning in September receipts will equal the spring projections and the second assumes we will lost \$1M per month more than the spring projections. The first results in having \$42.M as of June 30, 2021 while the second results in having \$32.1M on the same date. Mr. Miller stated that the reality will likely be somewhere between these figures and we are tracking this monthly. Mr. Parker thanked Mr. Miller for putting the information together and there are no questions.

Ms. Zell indicated that the reserve target will be reviewed going forward and that in the spring we set aside \$10 Million for a potential COVID-19 vaccine purchase that would occur sometime in 2021. Mr. Miller stated than in the first few months of FY2021 that the DOH’s request has been slightly less than the April 2020 projections they supplied.

Mr. Lebrun added that it appears the WVA has approximately five months of reserves set aside for available cash as needed. He observed that it is a fluid situation and updates or deviations to the grid planned pricing might be indicated down the road. Chairwoman Auerbach asked how the 2% vaccine material wastage amount changes with decreased visits due to COVID-19. Ms. Zell stated that the DOH considers anything above 3% waste (excluding flu vaccine) to be a cause for concern. Ms. Walker stated that the DOH provides an estimate of waste each month in their remittance request. Ms. Zell stated that the last fund split review driven by KidsVax amounted to a larger percentage being designated to the WVA. Discussion ensued regarding how the overall visits during COVID-19 have declined and that the fund split needs to continue to be reviewed.

Mr. Miller stated that we would ultimately like to receive trended IIS ordering system data and vaccine registry system data as additional data points to use alongside the monthly remittances and the monthly DOH requests. Ms. Zell stated she has made these requests to the DOH.

#### Morgan Stanley Investment Report

Chairwoman Auerbach invited Ms. Sidwell from Morgan Stanley to provide a financial update/overview and review of the performance report she provided in advance. Ms. Sidwell stated that the overall portfolio value is at \$44 million and is comprised of corporate bonds and bonds insured by the government and the FDIC. There has been significant income production in the past year due to moving funds from cash to investment funds. Controls are in place to ensure that the WVA’s investment policies are being adhered to. With regard to interest rates, the Federal Reserve has stated that interest rates are going to stay low for a very long time, perhaps up to five years for the shorter-term bonds and investments utilized by the WVA.

No questions were presented to Ms. Sidwell. Chairwoman Auerbach thanked her for her participation.

## **VII. Closing**

Chairwoman Auerbach asked if there were any other matters. Being none, the meeting adjourned at 4:07 PST and transitioned to an Executive Session with Mr. Gilbert.

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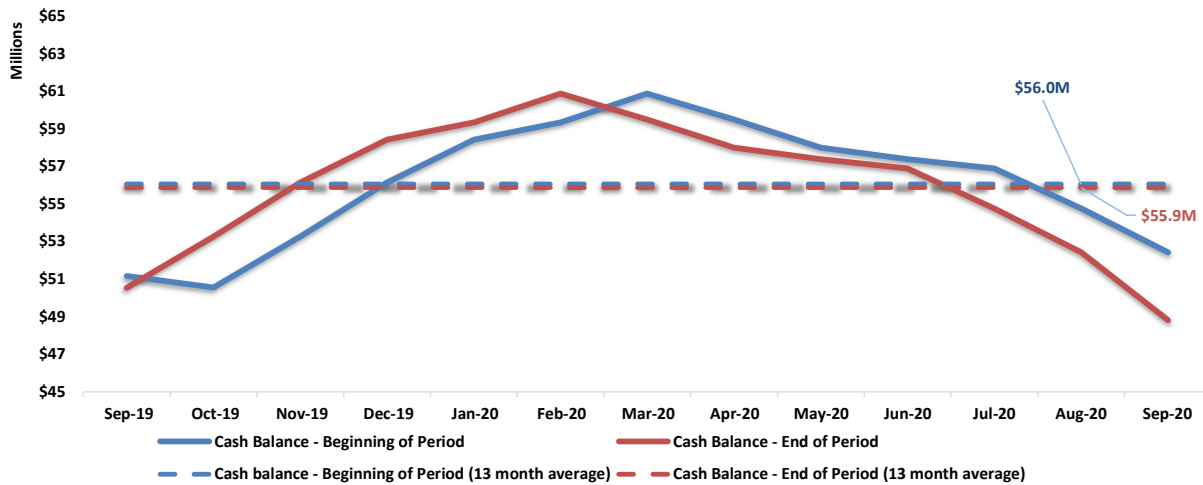
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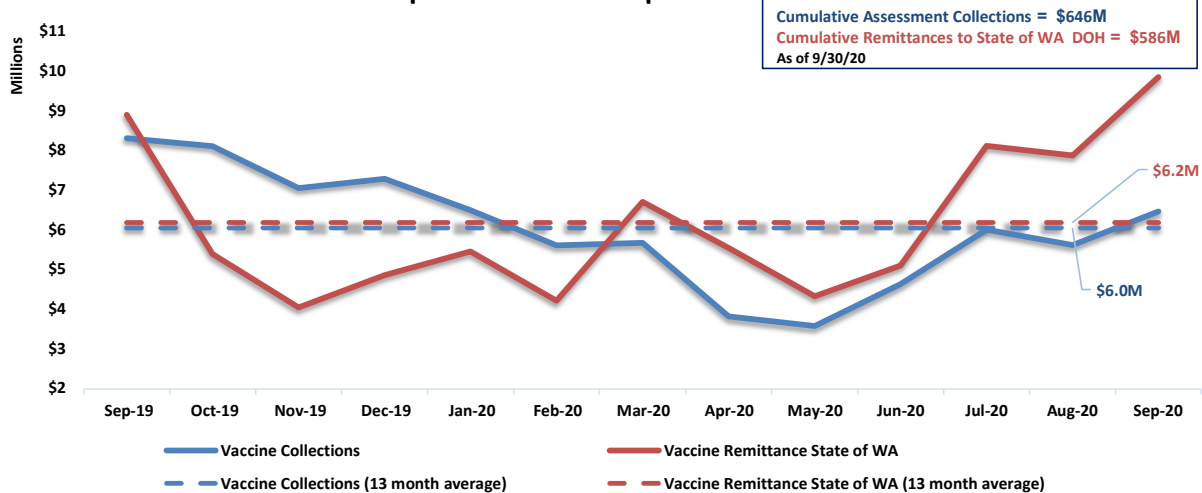
WASHINGTON VACCINE ASSOCIATION  
UNAUDITED FINANCIAL STATEMENTS  
FOR THE MONTH ENDED  
September 30, 2020  
With Supplemental Informational Reporting

Prepared by  
Helms & Company, Inc., Administrator

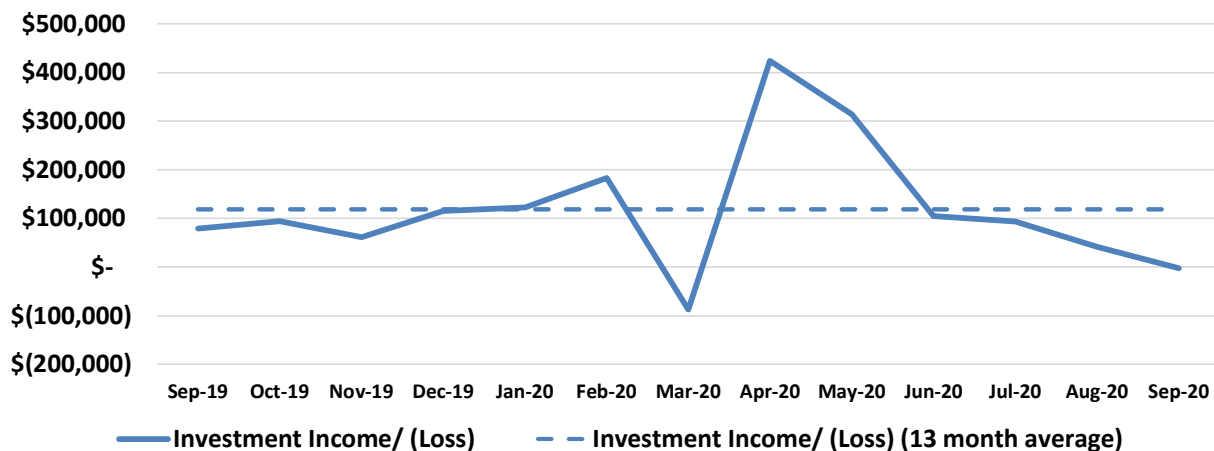
### Cash Balances Beginning and End of Period September 2019 - September 2020



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



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



Washington Vaccine Association  
Statement of Cash Flows  
For the Periods Ended

	F	G	H	I	J	K	L	M	M	O	P	Q	Q	Q
	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	Month 4/30/2020	Month 5/31/2020	Month 6/30/2020	Month 7/31/2020	Month 8/31/2020	Month 9/30/2020	13 Month Average
1 Cash balance - beginning	\$ 51,155,207	\$ 50,542,716	\$ 53,255,278	\$ 56,133,802	\$ 58,400,151	\$ 59,339,593	\$ 60,865,088	\$ 59,489,029	\$ 57,990,368	\$ 57,377,494	\$ 56,887,146	\$ 54,756,134	\$ 52,414,390	\$ 56,046,645.80
Inflows:														
2 Vaccine collections	8,302,457	8,094,118	7,047,496	7,273,642	6,491,637	5,610,679	5,666,245	3,825,663	3,577,333	4,633,406	6,002,328	5,612,609	6,458,449	6,045,851.01
3 Interest income - payers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Investment income/ (loss)	79,333	94,279	61,431	115,537	122,871	183,013	(87,471)	423,706	313,654	104,782	93,280	41,498	(2,857)	118,697
5 Total inflows	8,381,790	8,188,397	7,108,928	7,389,179	6,614,508	5,793,692	5,578,774	4,249,370	3,890,987	4,738,188	6,095,608	5,654,107	6,455,592	6,164,548
Outflows:														
Program														
6 Vaccine remittance State of WA	(8,884,882)	(5,382,263)	(4,043,758)	(4,858,333)	(5,457,734)	(4,210,312)	(6,700,296)	(5,545,185)	(4,329,177)	(5,101,201)	(8,109,512)	(7,860,758)	(9,829,901)	(6,177,947)
Administration														
7 Direct Processing Costs	(63,305)	(56,186)	(165,102)	(207,483)	(66,363)	(28,499)	(60,213)	(65,432)	(65,432)	(66,479)	(7,015)	(65,432)	(134,939)	(80,914)
8 Executive Director Costs and Support Fees						(19,783)	(18,392)	(28,841)	(43,093)	(20,417)	(18,673)	(21,723)	(17,762)	(14,514)
9 Provider and Payer Education and Outreach												(5,125)		-
10 Administrative Costs	(32,900)	(34,386)	(13,794)	(54,014)	(37,558)	(6,603)		(16,673)	(63,160)	(40,438)	(91,421)	(42,812)	(70,742)	(38,808)
11 Other Discretionary Expenditures	(3,000)	(3,000)	(3,000)	(3,000)	(113,411)	(3,000)	(175,932)	(91,900)	(3,000)					(30,711)
12 Total Administration	(99,205)	(93,572)	(181,896)	(264,497)	(217,332)	(57,885)	(254,537)	(202,846)	(174,684)	(127,335)	(117,109)	(135,092)	(223,444)	(164,947)
13 Net all other outflows	(10,193)	-	(4,750)	-	-	-	-	-	-	-	-	-	-	(1,149)
14 Total outflows	(8,994,280)	(5,475,835)	(4,230,403)	(5,122,830)	(5,675,066)	(4,268,197)	(6,954,833)	(5,748,031)	(4,503,861)	(5,228,536)	(8,226,621)	(7,995,850)	(10,053,345)	(6,344,043)
15 Net Cash Incr (decr) for period	(612,490)	2,712,562	2,878,524	2,266,349	939,442	1,525,495	(1,376,059)	(1,498,661)	(612,874)	(490,348)	(2,131,013)	(2,341,743)	(3,597,753)	(179,496)
16 Cash balance - end of period	\$ 50,542,716	\$ 53,255,278	\$ 56,133,802	\$ 58,400,151	\$ 59,339,593	\$ 60,865,088	\$ 59,489,029	\$ 57,990,368	\$ 57,377,494	\$ 56,887,146	\$ 54,756,134	\$ 52,414,390	\$ 48,816,638	\$ 55,867,150

Note: Cash balance includes amounts in KeyBank and Morgan Stanley



**Washington Vaccine Association**  
**Statement of Financial Position**  
**As of September 30, 2020**

**ASSETS**

1	Current Assets		
2	Cash and Cash Equivalents	\$	2,505,767
3	Accounts Receivable		-
4	Investments		46,310,871
5	Members Estimated Collectible Assessments		16,198,779
6	Prepaid Vaccine		9,807,021
7	Prepaid Administrative Services		-
8	Total Current Assets		<u>74,822,439</u>
9	Total Assets	\$	<u><u>74,822,439</u></u>

**LIABILITIES AND NET ASSETS**

10	Current Liabilities		
11	Accounts Payable	\$	15
12	Other Accruals		249,770
13	Total Current Liabilities		<u>249,785</u>
14	Assessments Collected in Excess of Vaccine Funding and Administrative Activities		<u>62,263,488</u>
15	Total Liabilities		62,513,273
16	Net Assets - Unrestricted		<u>12,309,166</u>
17	Total Liabilities and Net Assets	\$	<u><u>74,822,439</u></u>

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

	A	B	C	D	E	F
	Month Ended September 30, 2020			Month Ended September 30, 2019		
	Administrative	Vaccine	Total	Administrative	Vaccine	Total
	Revenues / Vaccine Expenses					
1 <b>Assessment Activity:</b>						
2 <b>Assessments</b>	\$ (7,370)	\$ 6,528,488	\$ 6,521,118	\$ 777,822	\$ 7,219,840	\$ 7,997,662
3 <b>Estimated Over (Under) Collections</b>	-	-	-	(17,361)	(174,473)	(191,834)
4 <b>Refunds</b>	(30,290)	-	(30,290)	(14,953)	-	(14,953)
5 <b>Estimated 2% Waste</b>	(115,435)	-	(115,435)	-	-	-
6 <b>Estimated Price Variance and Denial</b>	(31,111)	-	(31,111)	-	-	-
7 <b>DOH Replenishment</b>	-	(6,437,169)	(6,437,169)	-	(7,219,840)	(7,219,840)
8 <b>DOH Cost Recovery Admin Charge</b>	(97,462)	-	(97,462)	-	-	-
9 <b>Interest Income on Assessments</b>	-	-	-	-	-	-
10 <b>Net Assessment Activity</b>	(281,668)	91,319	(190,349)	745,508	(174,473)	571,035
11 <b>Investment Activity:</b>						
12 <b>Interest and Dividend Income - Morgan Stanley</b>	87,642	-	87,642	94,904	-	94,904
13 <b>Realized Gain/(Loss) on Investments - Morgan Stanley</b>	93,867	-	93,867	1,368	-	1,368
14 <b>Unrealized Gain/(Loss) on Investments - Morgan Stanley</b>	(184,419)	-	(184,419)	(30,531)	-	(30,531)
15 <b>Investment Management Expenses</b>	(10,627)	-	(10,627)	-	-	-
16 <b>Interest Income - KeyBank</b>	53	-	53	13,676	-	13,676
17 <b>Net Investment Activity</b>	(13,484)	-	(13,484)	79,417	-	79,417
18 <b>Net Revenues</b>	(295,152)	91,319	(203,833)	824,925	(174,473)	650,452

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

	A	B	C	D	E	F
	Month Ended September 30, 2020			Month Ended September 30, 2019		
	Administrative	Vaccine	Total	Administrative	Vaccine	Total
	Other Expenses					
19 Administrative Expenses:						
20 Direct Processing Costs						
21 Helms & Company (Previously KidsVax)	65,432	-	65,432	36,484	-	36,484
22 Lockbox Image Conversion and Clearinghouse Intake (OrboGraph)	4,961	-	4,961	-	-	-
23 Clearinghouse Intake Processing (Avality, Zelis)	742	-	742	-	-	-
24 Lockbox Fees	3,551	-	3,551	3,685	-	3,685
25 CollaborateMD	-	-	-	-	-	-
26 Total Direct Processing Costs	74,686	-	74,686	40,169	-	40,169
27						
28 Executive Director Costs and Related Support Fees						
29 Executive Director Salary	17,167	-	17,167	17,250	-	17,250
30 Payroll Taxes	400	-	400	-	-	-
31 Leased Employee per Check Fee	195	-	195	-	-	-
32 Executive Director Travel and Lodging, Education, and Other	-	-	-	7,678	-	7,678
33 Technology Support (Desktop and Telephony)	-	-	-	-	-	-
34 Total Executive Director Costs and Related Support Fees	17,762	-	17,762	24,928	-	24,928
35						
36 Provider and Payer Education and Outreach						
37 Provider Education Materials, Development and Printing	-	-	-	-	-	-
38 Postage	-	-	-	-	-	-
39 Website and Information Technology	335	-	335	12,475	-	12,475
40 Technical Consultant - Margaret Lane	-	-	-	-	-	-
41 Conferences and Education Sessions, Including Travel and Meals	-	-	-	-	-	-
42 Provider Office Training Sessions, Including Travel and Meals	-	-	-	-	-	-
43 Advertising and Sponsorships	-	-	-	10,193	-	10,193
44 Hospitality	-	-	-	-	-	-
45 Subcontractor Assistance	-	-	-	-	-	-
46 Total Provider and Payer Education and Outreach	335	-	335	22,668	-	22,668
47						
48 Administrative Costs						
49 Legal Counsel	-	-	-	3,131	-	3,131
50 Audit Fees	-	-	-	800	-	800
51 Government Relations, Including Travel, Meals, and Consultants	-	-	-	-	-	-
52 Registered Agent Fee	-	-	-	-	-	-
53 Bank Fees	-	-	-	1,251	-	1,251
54 Investment Management Fees	-	-	-	-	-	-
55 Office Supplies and Equipment	-	-	-	1,768	-	1,768
56 Rent, ELM and Storage Facility	-	-	-	-	-	-
57 Other Admin Support Provided by Lessor	-	-	-	-	-	-
58 Board Retreat and Meetings	-	-	-	-	-	-
59 Insurance	-	-	-	-	-	-
60 Cyber Liability	-	-	-	-	-	-
61 Directors and Officers	38,608	-	38,608	-	-	-
62 General Liability	-	-	-	-	-	-
63 Total Administrative Costs	38,608	-	38,608	6,950	-	6,950
64						
65 Other Discretionary Expenditures						
66 Conversion/Implementation Cost	-	-	-	-	-	-
67 Tricare Legislative & Administrative Services	-	-	-	126	-	126
68 Executive Director and Other Contractor Bonus	-	-	-	-	-	-
69 Denied Claims Recovery Expenses	-	-	-	3,000	-	3,000
70 Direct Healthcare Practices Operations	-	-	-	-	-	-
71 Total Other Discretionary Expenditures	-	-	-	3,126	-	3,126
72 Total Administrative Expenses	131,391	-	131,391	97,841	-	97,841

Unaudited - For Management Purposes - See Attached Notes  
Prepared by Helms And Company, Inc.

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

	A	B	C	D	E	F
	Month Ended September 30, 2020			Month Ended September 30, 2019		
	Administrative	Vaccine	Total	Administrative	Vaccine	Total
73 Total Change in Unrestricted Net Assets	\$ (426,543)	\$ 91,319	\$ (335,224)	\$ 727,084	\$ (174,473)	\$ 552,611

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

	A For Three Months Ended September 30, 2020			D For Three Months Ended September 30, 2019		
	Administrative	Vaccine	Total	Administrative	Vaccine	Total
<b>1 CHANGE IN UNRESTRICTED NET ASSETS</b>						
	Revenues / Vaccine Expenses					
<b>2 Assessment Activity:</b>						
<b>3 Assessments</b>	\$ 324,023	\$ 17,877,705	\$ 18,201,728	\$ 2,176,755	\$ 20,774,574	\$ 22,951,329
<b>4 Estimated Over (Under) Collections</b>	-	-	-	105,302	172,306	277,608
<b>5 Refunds</b>	(119,734)	-	(119,734)	(55,145)	-	(55,145)
<b>6 Estimated 2% Waste</b>	(375,830)	-	(375,830)	-	-	-
<b>7 Estimated Price Variance and 3% Denial</b>	(96,447)	-	(96,447)	-	-	-
<b>8 DOH Replenishment</b>	-	(16,708,068)	(16,708,068)	-	(20,774,574)	(20,774,574)
<b>9 DOH Cost Recovery Admin Charge</b>	(278,553)	-	(278,553)	-	-	-
<b>10 Interest Income on Assessments</b>	-	-	-	-	-	-
<b>11 Net Assessment Activity</b>	<u>(546,541)</u>	<u>1,169,637</u>	<u>623,096</u>	<u>2,226,912</u>	<u>172,306</u>	<u>2,399,218</u>
<b>12 Investment Activity:</b>						
<b>13 Interest and Dividend Income - Morgan Stanley</b>	293,100	-	293,100	314,319	-	314,319
<b>14 Realized Gain/(Loss) on Investments - Morgan Stanley</b>	91,263	-	91,263	3,057	-	3,057
<b>15 Unrealized Gain/(Loss) on Investments - Morgan Stanley</b>	(252,606)	-	(252,606)	78,511	-	78,511
<b>16 Investment Management Expenses</b>	(34,341)	-	(34,341)	(30,131)	-	(30,131)
<b>17 Interest Income - KeyBank</b>	165	-	165	34,990	-	34,990
<b>18 Net Investment Activity</b>	<u>97,581</u>	<u>-</u>	<u>97,581</u>	<u>400,746</u>	<u>-</u>	<u>400,746</u>
<b>19 Net Revenues</b>	<u>(448,960)</u>	<u>1,169,637</u>	<u>720,677</u>	<u>2,627,658</u>	<u>172,306</u>	<u>2,799,964</u>

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

	A	B	C	D	E	F
	For Three Months Ended September 30, 2020			For Three Months Ended September 30, 2019		
	Administrative	Vaccine Other Expenses	Total	Administrative	Vaccine	Total
20 Administrative Expenses:						
21 Direct Processing Costs						
22 Helms & Company (Previously KidsVax)	196,296	-	196,296	113,665	-	113,665
23 Lockbox Image Conversion and Clearinghouse Intak	18,006	-	18,006	-	-	-
24 Clearinghouse Intake Processing (Avality, Zelis)	2,032	-	2,032	-	-	-
25 Lockbox Fees	10,875	-	10,875	10,340	-	10,340
26 CollaborateMD	378	-	378	-	-	-
27 Total Direct Processing Costs	227,587	-	227,587	124,005	-	124,005
28						
29 Executive Director Costs and Related Support Fees						
30 Executive Director Salary	51,110	-	51,110	53,790	-	53,790
31 Payroll Taxes	2,502	-	2,502	-	-	-
32 Leased Employee per Check Fee	585	-	585	-	-	-
33 Executive Director Travel and Lodging, Education, a	3,962	-	3,962	14,850	-	14,850
34 Technology Support (Desktop and Telephony)	1,410	-	1,410	-	-	-
35 Total Executive Director Costs and Related Support Fe	59,569	-	59,569	68,640	-	68,640
36						
37 Provider and Payer Education and Outreach						
38 Provider Education Materials, Development and Prin	5,954	-	5,954	-	-	-
39 Postage	23	-	23	-	-	-
40 Website and Information Technology	335	-	335	24,950	-	24,950
41 Technical Consultant - Margaret Lane	-	-	-	-	-	-
42 Conferences and Education Sessions, Including Tra	-	-	-	-	-	-
43 Provider Office Training Sessions, Including Travel &	-	-	-	-	-	-
44 Advertising and Sponsorships	-	-	-	11,974	-	11,974
45 Hospitality	-	-	-	-	-	-
46 Subcontractor Assistance	-	-	-	-	-	-
47 Total Provider and Payer Education and Outreach	6,312	-	6,312	36,924	-	36,924
48						
49 Administrative Costs						
50 Legal Counsel	34,042	-	34,042	7,098	-	7,098
51 Audit Fees	-	-	-	14,700	-	14,700
52 Government Relations, Including Travel, Meals, and	-	-	-	-	-	-
53 Registered Agent Fee	-	-	-	-	-	-
54 Bank Fees	-	-	-	3,678	-	3,678
55 Investment Management Fees	-	-	-	-	-	-
56 Office Supplies and Equipment	-	-	-	7,407	-	7,407
57 Rent, ELM and Storage Facility	-	-	-	218	-	218
58 Other Admin Support Provided by Lessor	-	-	-	-	-	-
59 Board Retreat and Meetings	-	-	-	-	-	-
60 Insurance	-	-	-	30,814	-	30,814
61 Cyber Liability	-	-	-	-	-	-
62 Directors and Officers	38,753	-	38,753	-	-	-
63 General Liability	-	-	-	-	-	-
64 Total Administrative Costs	72,795	-	72,795	63,915	-	63,915
65						
66 Other Discretionary Expenditures						
67 Conversion/Implementation Cost	-	-	-	-	-	-
68 Tricare Legislative & Administrative Services	-	-	-	(73,271)	-	(73,271)
69 Executive Director and Other Contractor Bonus	-	-	-	-	-	-
70 Denied Claims Recovery Expenses	-	-	-	9,000	-	9,000
71 Direct Healthcare Practices Operations	-	-	-	-	-	-
72 Total Other Discretionary Expenditures	-	-	-	(64,271)	-	(64,271)

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

	A	B	C	D	E	F
	For Three Months Ended September 30, 2020			For Three Months Ended September 30, 2019		
	Administrative	Vaccine	Total	Administrative	Vaccine	Total
72 Total Administrative Expenses	366,263	-	366,263	229,213	-	229,213
73 Total Change in Unrestricted Net Assets	\$ (815,223)	\$ 1,169,637	\$ 354,414	\$ 2,398,445	\$ 172,306	\$ 2,570,751

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

		A	B	C	D	E	F
		Month Ended September 30, 2020			For 3 Months Ended September 30, 2020		
		Administrative	Vaccine	Total	Administrative	Vaccine	Total
		Revenues / Vaccine Expenses					
1	Assessment Activity:						
2	Assessments	\$ (7,370)	\$ 6,528,488	\$ 6,521,118	\$ 324,023	\$ 17,877,705	\$ 18,201,728
3	Estimated Over (Under) Collections	-	-	-	-	-	-
4	Refunds	(30,290)	-	(30,290)	(119,734)	-	(119,734)
5	Estimated 2% Waste	(115,435)	-	(115,435)	(375,830)	-	(375,830)
6	Estimated Price Variance and 3% Denial	(31,111)	-	(31,111)	(96,447)	-	(96,447)
7	DOH Replenishment	-	(6,437,169)	(6,437,169)	-	(16,708,068)	(16,708,068)
8	DOH Cost Recovery Admin Charge	(97,462)	-	(97,462)	(278,553)	-	(278,553)
9	Interest Income on Assessments	-	-	-	-	-	-
10	Net Assessment Activity	(281,668)	91,319	(190,349)	(546,541)	1,169,637	623,096
11	Investment Activity:						
12	Interest and Dividend Income - Morgan Stanley	87,642	-	87,642	293,100	-	293,100
13	Realized Gain/(Loss) on Investments - Morgan Stanley	93,867	-	93,867	91,263	-	91,263
14	Unrealized Gain/(Loss) on Investments - Morgan Stanley	(184,419)	-	(184,419)	(252,606)	-	(252,606)
15	Investment Management Expenses	(10,627)	-	(10,627)	(34,341)	-	(34,341)
16	Interest Income - KeyBank	53	-	53	165	-	165
17	Net Investment Activity	(13,484)	-	(13,484)	97,581	-	97,581
18	Net Revenues	(295,152)	91,319	(203,833)	(448,960)	1,169,637	720,677



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

	A	B	C	D	E	F
	Month Ended September 30, 2020			For 3 Months Ended September 30, 2020		
	Administrative	Vaccine	Total	Administrative	Vaccine	Total
	Other Expenses					
19 Administrative Expenses:						
20 Direct Processing Costs						
21 Helms & Company (Previously KidsVax)	65,432	-	65,432	196,296	-	196,296
22 Lockbox Image Conversion and Clearinghouse Intake (OrboGraph)	4,961	-	4,961	18,006	-	18,006
23 Clearinghouse Intake Processing (Avality, Zelis)	742	-	742	2,032	-	2,032
24 Lockbox Fees	3,551	-	3,551	10,875	-	10,875
25 CollaborateMD	-	-	-	378	-	378
26 Total Direct Processing Costs	74,686	-	74,686	227,587	-	227,587
27						
28 Executive Director Costs and Related Support Fees						
29 Executive Director Salary	17,167	-	17,167	51,110	-	51,110
30 Payroll Taxes	400	-	400	2,502	-	2,502
31 Leased Employee per Check Fee	195	-	195	585	-	585
32 Executive Director Travel and Lodging, Education, and Other	-	-	-	3,962	-	3,962
33 Technology Support (Desktop and Telephony)	-	-	-	1,410	-	1,410
34 Total Executive Director Costs and Related Support Fees	17,762	-	17,762	59,569	-	59,569
35						
36 Provider and Payer Education and Outreach						
37 Provider Education Materials, Development and Printing	-	-	-	5,954	-	5,954
38 Postage	-	-	-	23	-	23
39 Website and Information Technology	335	-	335	335	-	335
40 Technical Consultant - Margaret Lane	-	-	-	-	-	-
41 Conferences and Education Sessions, Including Travel and Meals	-	-	-	-	-	-
42 Provider Office Training Sessions, Including Travel and Meals	-	-	-	-	-	-
43 Advertising and Sponsorships	-	-	-	-	-	-
44 Hospitality	-	-	-	-	-	-
45 Subcontractor Assistance	-	-	-	-	-	-
46 Total Provider and Payer Education and Outreach	335	-	335	6,312	-	6,312
47						
48 Administrative Costs						
49 Legal Counsel	-	-	-	34,042	-	34,042
50 Audit Fees	-	-	-	-	-	-
51 Government Relations, Including Travel, Meals, and Consultants	-	-	-	-	-	-
52 Registered Agent Fee	-	-	-	-	-	-
53 Bank Fees	-	-	-	-	-	-
54 Investment Management Fees	-	-	-	-	-	-
55 Office Supplies and Equipment	-	-	-	-	-	-
56 Rent, ELM and Storage Facility	-	-	-	-	-	-
57 Other Admin Support Provided by Lessor	-	-	-	-	-	-
58 Board Retreat and Meetings	-	-	-	-	-	-
59 Insurance	-	-	-	-	-	-
60 Cyber Liability	-	-	-	-	-	-
61 Directors and Officers	38,608	-	38,608	38,753	-	38,753
62 General Liability	-	-	-	-	-	-
63 Total Administrative Costs	38,608	-	38,608	72,795	-	72,795
64						
65 Other Discretionary Expenditures						
66 Conversion/Implementation Cost	-	-	-	-	-	-
67 Tricare Legislative & Administrative Services	-	-	-	-	-	-
68 Executive Director and Other Contractor Bonus	-	-	-	-	-	-
69 Denied Claims Recovery Expenses	-	-	-	-	-	-
70 Direct Healthcare Practices Operations	-	-	-	-	-	-
Total Other Discretionary Expenditures	-	-	-	-	-	-

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

	A	B	C	D	E	F
	Month Ended September 30, 2020			For 3 Months Ended September 30, 2020		
	Administrative	Vaccine	Total	Administrative	Vaccine	Total
71 Total Administrative Expenses	131,391	-	131,391	366,263	-	366,263
72 Total Change in Unrestricted Net Assets	\$ (426,543)	\$ 91,319	\$ (335,224)	\$ (815,223)	\$ 1,169,637	\$ 354,414

**Washington Vaccine Association  
Administrative Budget Status  
For Month of September 30, 2020**

	A Approved Budget	B Actual September 30, 2020	C Budget Variance
1 Direct Processing Costs			
2 Helms & Company	\$ 65,432	\$ 65,432	\$ -
3 Lockbox Image Conversion and Clearinghouse Intake (OrboGraph)	16,255	4,961	11,294
4 Clearinghouse Intake Processing (Availity, Zelis)	1,350	742	608
5 Lockbox Fees	3,300	3,551	(251)
6 CollaborateMD	189	-	189
7 Total Direct Processing Costs	86,526	74,686	11,840
8 Executive Director Costs and Related Support Fees			
9 Executive Director Salary	16,917	17,167	(250)
10 Payroll Taxes	1,716	400	1,316
11 Leased Employee per Check Fee	195	195	-
12 Executive Director Travel and Lodging, Education, and Other	3,000	-	3,000
13 Technology Support (Desktop and Telephony)	335	-	335
14 Total Executive Director Costs and Related Support Fees	22,162	17,762	4,400
15 Provider and Payer Education and Outreach			
16 Provider Education Materials, Development and Printing	6,250	-	6,250
17 Postage	1,000	-	1,000
18 Website and Information Technology	1,250	335	915
19 Technical Consultant - Margaret Lane	1,000	-	1,000
20 Conferences and Education Sessions, Including Travel and Meals	-	-	-
21 Provider Office Training Sessions, Including Travel and Meals	1,000	-	1,000
22 Advertising and Sponsorships	-	-	-
23 Hospitality	333	-	333
24 Subcontractor Assistance	-	-	-
25 Total Provider and Payer Education and Outreach	10,833	335	10,498
26 Administrative Costs			
27 Legal Counsel	5,000	-	5,000
28 Audit Fees	9,000	-	9,000
29 Government Relations, Including Travel, Meals, and Consultants	-	-	-
30 Registered Agent Fee	-	-	-
31 Bank Fees	1,500	-	1,500
32 Investment Management Fees	9,333	10,627	(1,294)
33 Office Supplies and Equipment	450	-	450
34 Rent, ELM and Storage Facility	150	-	150
35 Other Admin Support Provided by Lessor	100	-	100
36 Board Retreat and Meetings	-	-	-
37 Insurance			
38 Cyber Liability	-	-	-
39 Directors and Officers	-	38,608	(38,608)
40 General Liability	-	-	-
41 Total Administrative Costs	25,533	49,235	(23,702)
42 Other Discretionary Expenditures			
43 Conversion/Implementation Cost	-	-	-
44 Executive Director and Other Contractor Bonus	-	-	-
45 Denied Claims Recovery Expenses	3,500	-	3,500
46 Direct Healthcare Practices Operations	2,000	-	2,000
47 Total Other Discretionary Expenditures	5,500	-	5,500
48 Total Budget	150,554	142,018	8,536

**Washington Vaccine Association  
Administrative Budget Status  
For Three Months Ended September 30, 2020**

	A Approved Budget	B Actual September 30, 2020	C Budget Variance
1 Direct Processing Costs			
2 Helms & Company (Previously KidsVax)	\$ 196,296	\$ 196,296	\$ -
3 Lockbox Image Conversion and Clearinghouse Intake (OrboGraph)	48,764	18,006	30,758
4 Clearinghouse Intake Processing (Availity, Zelis)	4,050	2,032	2,018
5 Lockbox Fees	9,700	10,875	(1,175)
6 CollaborateMD	567	378	189
7 Total Direct Processing Costs	259,377	227,587	31,790
8 Executive Director Costs and Related Support Fees			
9 Executive Director Salary	50,751	51,110	(359)
10 Payroll Taxes	5,148	2,502	2,646
11 Leased Employee per Check Fee	585	585	-
12 Executive Director Travel and Lodging, Education, and Other	9,000	3,962	5,038
13 Technology Support (Desktop and Telephony)	1,005	1,410	(405)
14 Total Executive Director Costs and Related Support Fees	66,489	59,569	6,920
15 Provider and Payer Education and Outreach			
16 Provider Education Materials, Development and Printing	18,750	5,954	12,796
17 Postage	7,000	23	6,977
18 Website and Information Technology	3,750	335	3,415
19 Technical Consultant - Margaret Lane	3,000	-	3,000
20 Conferences and Education Sessions, Including Travel and Meals	-	-	-
21 Provider Office Training Sessions, Including Travel and Meals	3,000	-	3,000
22 Advertising and Sponsorships	-	-	-
23 Hospitality	999	-	999
24 Subcontractor Assistance	-	-	-
25 Total Provider and Payer Education and Outreach	36,499	6,312	30,187
26 Administrative Costs			
27 Legal Counsel	15,000	34,042	(19,042)
28 Audit Fees	18,000	-	18,000
29 Government Relations, Including Travel, Meals, and Consultants	-	-	-
30 Registered Agent Fee	150	-	150
31 Bank Fees	4,500	-	4,500
32 Investment Management Fees	28,003	34,341	(6,338)
33 Office Supplies and Equipment	1,350	-	1,350
34 Rent, ELM and Storage Facility	450	-	450
35 Other Admin Support Provided by Lessor	300	-	300
36 Board Retreat and Meetings	-	-	-
37 Insurance			
38 Cyber Liability	15,000	-	15,000
39 Directors and Officers	30,000	38,753	(8,753)
40 General Liability	650	-	650
41 Total Administrative Costs	113,403	107,136	6,267
42 Other Discretionary Expenditures			
43 Conversion/Implementation Cost	-	-	-
44 Executive Director and Other Contractor Bonus	-	-	-
45 Denied Claims Recovery Expenses	10,500	-	10,500
46 Direct Healthcare Practices Operations	6,000	-	6,000
47 Total Other Discretionary Expenditures	16,500	-	16,500
48 Total Budget	492,268	400,604	91,664

**Washington Vaccine Association  
Administrative Budget Status  
For the Quarter Ended September 30, 2020**

	A Approved Budget	B Actual September 30, 2020	C Budget Variance
1 Direct Processing Costs			
2 Helms & Company (Previously KidsVax)	\$ 196,296	\$ 196,296	\$ -
3 Lockbox Image Conversion and Clearinghouse Intake (OrboGraph)	48,764	18,006	30,758
4 Clearinghouse Intake Processing (Availity, Zelis)	4,050	2,032	2,018
5 Lockbox Fees	9,700	10,875	(1,175)
6 CollaborateMD	567	378	189
7 Total Direct Processing Costs	259,377	227,587	31,790
8 Executive Director Costs and Related Support Fees			
9 Executive Director Salary	50,751	51,110	(359)
10 Payroll Taxes	5,148	2,502	2,646
11 Leased Employee per Check Fee	585	585	-
12 Executive Director Travel and Lodging, Education, and Other	9,000	3,962	5,038
13 Technology Support (Desktop and Telephony)	1,005	1,410	(405)
14 Total Executive Director Costs and Related Support Fees	66,489	59,569	6,920
15 Provider and Payer Education and Outreach			
16 Provider Education Materials, Development and Printing	18,750	5,954	12,796
17 Postage	7,000	23	6,977
18 Website and Information Technology	3,750	335	3,415
19 Technical Consultant - Margaret Lane	3,000	-	3,000
20 Conferences and Education Sessions, Including Travel and Meals	-	-	-
21 Provider Office Training Sessions, Including Travel and Meals	3,000	-	3,000
22 Advertising and Sponsorships	-	-	-
23 Hospitality	999	-	999
24 Subcontractor Assistance	-	-	-
25 Total Provider and Payer Education and Outreach	36,499	6,312	30,187
26 Administrative Costs			
27 Legal Counsel	15,000	34,042	(19,042)
28 Audit Fees	18,000	-	18,000
29 Government Relations, Including Travel, Meals, and Consultants	-	-	-
30 Registered Agent Fee	150	-	150
31 Bank Fees	4,500	-	4,500
32 Investment Management Fees	28,003	34,341	(6,338)
33 Office Supplies and Equipment	1,350	-	1,350
34 Rent, ELM and Storage Facility	450	-	450
35 Other Admin Support Provided by Lessor	300	-	300
36 Board Retreat and Meetings	-	-	-
37 Insurance			
38 Cyber Liability	15,000	-	15,000
39 Directors and Officers	30,000	38,753	(8,753)
40 General Liability	650	-	650
41 Total Administrative Costs	113,403	107,136	6,267
42 Other Discretionary Expenditures			
43 Conversion/Implementation Cost	-	-	-
44 Executive Director and Other Contractor Bonus	-	-	-
45 Denied Claims Recovery Expenses	10,500	-	10,500
46 Direct Healthcare Practices Operations	6,000	-	6,000
47 Total Other Discretionary Expenditures	16,500	-	16,500
48 Total Budget	492,268	400,604	91,664

Washington Vaccine Association  
Notes to Financial Statements  
For the Month Ended September 30, 2020

Balance Sheet

Line 6. The Prepaid Vaccine amount includes the amount requested by the Washington Department of Health (DOH) for the October 2020 replenishment of vaccines. The amount includes the administrative fee of 1.4%. The DOH cost recovery charge included with this request was \$97,462 and is associated with August 2020.

Profit and Loss

Line 1. Assessment Activity continues to be below the revenue received during the same period in the prior year. This is a result of the response to COVID-19 and the reduction in routine vaccinations as well as the July 1, 2020 vaccine grid reductions. While the revenue has increased in recent months, we anticipate this overall trend of lowered revenues will continue and we are in communication with the DOH regarding their monthly funds transfer request.

Line 2. The amount reported as Assessments includes all assessments received in the month of September. The assessments are tracked in the accounting system using the date of service supplied by the provider's remittance advice. It is assumed that the provider utilized a vaccine which was purchased by the Department of Health in either the corresponding month or a prior month.

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% Waste estimate will be used for the next several months.

Line 6. The amount reported in September as Price Variance and Denials is the actual total of variances and denials identified through the lockbox transactions processed through OrboGraph.

Line 7. The DOH replenishment is the actual "cost" of the vaccines which are associated with the Assessments received in August.

### Other

Based upon a review of detailed assessment remittance data, it appears that the Association may have received some remittances in error. Research is ongoing to determine the reasons for these remittances, the timeline of receipt, and the total dollar amount. Additionally, a process to resolve these items, as well as prevent future remittance errors from occurring will be developed.

Utilizing the assessment remittance database, the Association has been able to identify several instances whereby a payer has been incorrectly denying or underpaying assessments for a variety of reasons. Efforts are underway to contact payers to resolve these discrepancies and may result in additional assessment revenue attributable to the current fiscal year.



Board of Directors  
Washington Vaccine Association  
Seattle, Washington

We have audited the financial statements of Washington Vaccine Association (the Association) as of and for the year ended June 30, 2020, and have issued our report thereon dated September 9, 2020. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant audit findings**

#### ***Qualitative aspects of accounting practices***

##### *Accounting policies*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Washington Vaccine Association are described in Note 2 to the financial statements.

As described in Note 2, the Association adopted the Financial Accounting Standards Board Accounting Standards Codification Topic 606, *Revenues from Contracts with Customers*. The financial statements have been presented in accordance with the adopted standards.

We noted no transactions entered into by the Association during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

##### *Accounting estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

- The allowance for vaccine waste is based on management's estimate that 2% of vaccines will not be utilized by providers. The percentage is based on historical discussions with the state of Washington Department of Health. We evaluated the key factors and assumptions used in determining that it is reasonable in relation to the financial statements taken as a whole.

##### *Financial statement disclosures*

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.



***Difficulties encountered in performing the audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

***Uncorrected misstatements***

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

***Corrected misstatements***

Management notified us of unrecorded liabilities discovered subsequent to the fiscal year end and an adjusting entry was recorded to accrue the liability.

***Disagreements with management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

***Management representations***

We have requested certain representations from management that are included in the management representation letter dated September 9, 2020.

***Management consultations with other independent accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

***Significant issues discussed with management prior to engagement***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

This communication is intended solely for the information and use of the board of directors and management of Washington Vaccine Association and is not intended to be, and should not be, used by anyone other than these specified parties.



**CliftonLarsonAllen LLP**

Bellevue, Washington  
September 9, 2020



Board of Directors and Management  
Washington Vaccine Association  
Seattle, Washington

In planning and performing our audit of the financial statements of Washington Vaccine Association as of and for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the entity's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, board of directors, and others within the entity, and is not intended to be, and should not be, used by anyone other than these specified parties.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Bellevue, Washington  
September 9, 2020

**WASHINGTON VACCINE ASSOCIATION**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**



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**WASHINGTON VACCINE ASSOCIATION  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2020**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF FINANCIAL POSITION</b>	<b>3</b>
<b>STATEMENT OF ACTIVITIES</b>	<b>4</b>
<b>STATEMENT OF CASH FLOWS</b>	<b>5</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>6</b>



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Washington Vaccine Association  
Seattle, Washington

We have audited the accompanying financial statements of Washington Vaccine Association (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Washington Vaccine Association as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Bellevue, Washington  
September 9, 2020

**WASHINGTON VACCINE ASSOCIATION  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2020**

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents	\$ 4,693,692
Estimated Collectible Assessments	12,555,955
Prepaid Vaccines to Washington Department of Health	<u>5,101,761</u>
Total Current Assets	22,351,408

**INVESTMENTS**

52,193,456

Total Assets

\$ 74,544,864

**LIABILITIES AND NET ASSETS WITHOUT RESTRICTIONS**

**CURRENT LIABILITIES**

Accounts Payable	\$ 326,045
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**ASSESSMENTS COLLECTED IN EXCESS OF VACCINE  
FUNDING AND ADMINISTRATIVE ACTIVITIES**

74,218,819

Total Liabilities

74,544,864

**NET ASSETS WITHOUT RESTRICTIONS**

-

Total Liabilities and Net Assets Without Restrictions

\$ 74,544,864

*See accompanying Notes to Financial Statements.*

**WASHINGTON VACCINE ASSOCIATION  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2020**

	Administrative Activities	Vaccine Funding Activities	Total
<b>CHANGE IN NET ASSETS WITHOUT RESTRICTION</b>			
Assessment Activity:			
Assessments	\$ 7,614,400	\$ 73,423,339	\$ 81,037,739
Refunds	(624,992)	-	(624,992)
Waste	(1,490,121)	-	(1,490,121)
Denials and Price Variances	(4,801,762)	-	(4,801,762)
Cost Recovery Charge	(462,339)	-	(462,339)
Vaccine Replenishments	-	(61,491,993)	(61,491,993)
Net Assessment Activity	235,186	11,931,346	12,166,532
Investment Income:			
Interest and Dividends	1,463,891	-	1,463,891
Realized Gain on Investments	41,528	-	41,528
Unrealized Appreciation of Fair Value	341,049	-	341,049
Total Investment Income	1,846,468	-	1,846,468
Less: Investment Expenses	(130,282)	-	(130,282)
Net Investment Income	1,716,186	-	1,716,186
Expenses:			
Administrative:			
Third-Party Administrative Services	1,289,939	-	1,289,939
Executive Director Costs and Related Support	311,979	-	311,979
Provider and Payer Education and Outreach	63,234	-	63,234
Administrative Costs	208,506	-	208,506
Other Discretionary Expenditures	53,730	-	53,730
Total Expenses	1,927,388	-	1,927,388
Total Change in Net Assets Without Restrictions	23,984	11,931,346	11,955,330
<b>VACCINE FUNDING AND ADMINISTRATIVE ACTIVITIES IN EXCESS OF ASSESSMENTS COLLECTED</b>	<u>(23,984)</u>	<u>(11,931,346)</u>	<u>(11,955,330)</u>
<b>CHANGE IN NET ASSETS WITHOUT RESTRICTIONS</b>	-	-	-
Net Assets Without Restrictions - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET ASSETS WITHOUT RESTRICTIONS - END OF YEAR</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.



**WASHINGTON VACCINE ASSOCIATION  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2020**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Assessments Collected	\$ 66,448,551
Cash Remittances to Washington Department of Health for Vaccines	(60,131,509)
Administrative Expenses Paid	(1,624,051)
Cash Received from Interest and Dividend Income	1,463,891
Cash Paid for Investment Expenses	<u>(130,282)</u>
Net Cash Provided by Operating Activities	6,026,600

**CASH FLOWS FROM INVESTING ACTIVITIES**

Investment Purchases	(70,938,632)
Proceeds from Investment Sales	<u>64,683,729</u>
Net Cash Used by Investing Activities	<u>(6,254,903)</u>

**NET DECREASE IN CASH AND CASH EQUIVALENTS** (228,303)

Cash and Cash Equivalents - Beginning of Year 4,921,995

**CASH AND CASH EQUIVALENTS - END OF YEAR** \$ 4,693,692

**RECONCILIATION OF CHANGE IN NET ASSETS TO NET**

**CASH PROVIDED BY OPERATING ACTIVITIES**

Change in Net Assets	\$ -
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Realized Gain on Investments	(41,528)
Unrealized Appreciation of Fair Value	(341,049)
(Increase) Decrease in:	
Estimated Collectible Assessments	(7,209,974)
Prepaid Vaccines to Washington Department of Health	1,360,484
Increase (Decrease) in:	
Accounts Payable	303,337
Assessments Collected in Excess of Vaccine Funding and Administrative Activities	<u>11,955,330</u>
Net Cash Provided by Operating Activities	<u><u>\$ 6,026,600</u></u>

See accompanying Notes to Financial Statements.

**WASHINGTON VACCINE ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1 NATURE OF ORGANIZATION**

**Organization and Operations**

Since 1990, Washington State has maintained a Universal Childhood Vaccine Program, providing vaccines to all children under age 19. Together with state and federal funding, Washington's program has advanced the widely recognized benefits of universal childhood vaccination. Faced with a scheduled end to state funding in 2010, the Washington State legislature established the Washington Vaccine Association (the Association) and mandated the creation of a universal vaccine purchase account to be able to continue providing state-supplied vaccines to privately-insured children. This legislation was adopted after a year of study by and with broad support from the Washington healthcare community.

The Association is a special purpose nonprofit corporation formed on April 1, 2010, to support the state government in developing and administering a new method for collecting funds to support the Universal Childhood Vaccine Program. The Washington legislature created the Association through the Washington Vaccine Association Act, now codified in RCW 70.290.010 – .900.

The Association's members are comprised of all health insurance carriers issuing or renewing health benefit plans in Washington State, and all third-party administrators (TPAs) conducting business on behalf of residents of Washington State or Washington health care plans.

The Association's primary purpose is to collect funds through mandatory assessments paid by its members. Fund transfers are made to the state of Washington Department of Health (DOH) on a just-in-time basis for the on-going pre-purchase of vaccines. The vaccines are to be administered to children in the state of Washington who are under the age of 19 and who are not eligible for federal or state funded vaccines through existing programs.

The Association is operated under a Plan of Operation adopted by the board of directors as required by RCW 70.920.030 (5)(b). The Association's governance documents are available at the Association's website: [www.wavaccine.org](http://www.wavaccine.org).

**Termination of the Association**

The Association's board may vote to recommend termination of the Association if it finds that the original intent of its formation and operation has not been achieved. The Association's board must provide notice of the recommendation to the relevant policy and fiscal committees of the Washington State legislature within 30 days of the vote being taken by the Association's board. If the legislature has not acted by the last day of legislative session to reject the board's recommendation, the board may vote to permanently dissolve the Association.

In the event of a voluntary or involuntary dissolution of the Association, funds remaining in the Universal Purchase Vaccine Account (UVPA) created in RCW 43.70.720 must be returned to members in proportion to their previous year's contribution, from any balance remaining.

**WASHINGTON VACCINE ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The financial statements of the Association have been prepared in accordance with the provisions of accounting standards generally accepted in the United States of America. Under those standards, net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. The Association's net assets do not contain restrictions as of June 30, 2020.

**Accounting Pronouncements Adopted**

As of July 1, 2019, the Association early adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. Results for reporting the year end June 30, 2020 (if chosen) are presented under FASB Accounting Standards Codification (ASC) Topic 606.

**Concentration of Risk**

Financial instruments that subject the Association to concentrations of credit risk consist of cash deposits. The Association places its cash deposits with high quality financial institutions. Deposits exceed federally insured limits as of June 30, 2020.

**Estimates and Assumptions**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

For the purposes of the statements of cash flows, all highly liquid investments available for use with an initial maturity of three months or less are considered to be cash equivalents.

**Investments**

Investments in marketable equity securities, U.S. Treasury securities, U.S. federal agencies, corporate bonds, and certificates of deposit with original maturities greater than 90 days are reported at fair value. Realized and unrealized gains and losses are reflected in the statement of activities as changes in net assets without restrictions unless their use is restricted by a donor or by law.

**WASHINGTON VACCINE ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Estimated Collectible Assessments**

Estimated collectible assessments represents the running total of replenishment requests to date minus amounts collected to date through the end of the year, and is the amount the Association expects to collect from members. The Association has determined that an allowance for uncollectible amounts is not necessary due to the method used to calculate the balance.

The Association charges interest on late payment of assessments at a monthly rate of 1.5%. Interest is added to the assessment for payments received after the due date of the assessment.

**Dosage Based Assessments**

Funds collected from health insurers and TPAs of health plans in the state of Washington, (including administrative revenue and reserve portion discussed below), are determined using a Dosage Based Assessment methodology. At each vaccine administration of a child in the state of Washington, not otherwise eligible for state or federally-funded vaccine programs, the provider's office charges for and generates a claim for administrative services and also generates an item, resembling a claim form, on which the per-vaccine assessment is reported to the respective payor. The per-vaccine assessment amounts are established periodically by the Association. The payor pays the provider for the administration claim, and also pays the assessment amount to the Association, in a manner similar to payment of a claim for the cost of vaccines. The Association collects these assessments and remits payments to the state of Washington DOH to pay its allocated share of vaccine costs each time a vaccine replenishment order for the State's Universal Childhood Vaccine Program is due. The cost for each vaccine is negotiated by the Center for Communicable Diseases.

**Remittance to Universal Purchase Account**

The Plan of Operation requires the Association to periodically remit its assessment receipts, less the Association's administrative costs and any reserves set by the board or its finance committee, to the credit of the universal vaccine purchase account (UVPA) established pursuant to RCW 43.70.720. Funds transferred to the UVPA are to be delivered on a just-in-time basis, in order to support the assessment collection process. The DOH or its designee has access privileges to be able to directly observe the balances in the Association's accounts, and the Association is required to promptly respond to any inquiry of the DOH concerning the availability and timely transfer of funds, enabling the DOH to make payment of the Association's share under the statute for vaccine purchases made by the state of Washington.

**WASHINGTON VACCINE ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition**

*Revenue from Exchange Transactions:* The Association recognizes revenue in accordance with FASB ASU 2014-09, *Revenue from Contracts with Customers*, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. The Association records the following exchange transaction revenue in its statement of activities for the year ending June 30, 2020:

The Association collects member assessments that are remitted to the DOH for purchase of vaccines. In addition, the Plan of Operation allows the Association to retain sufficient funds to cover its administrative costs, net of investment income. Expense is recognized for the administrative costs of operating the Association. The replenishment of vaccines and collection of vaccine assessments are similar to agency transactions. Although these transactions are not considered revenue or expenses of the Association, they are included in the statement of activities as vaccine replenishments to reflect the gross amount of collections and replenishments.

**Assessments Collected in Excess of Vaccine Funding and Administrative Costs**

The Association has collected assessments in excess of amounts required to be paid to the DOH through the end of the accounting period for childhood vaccine funding and administrative costs. The Association is a limited purpose entity whose funds are dedicated solely to the specific purposes discussed above. These excess assessment collections, which may accumulate from time to time, will be applied to (i) future vaccine funding obligations of the Association, and (ii) reasonable and necessary operating costs of the Association. The Association maintains a level of excess collections (reserves) to be able to meet DOH needs for vaccine purchases and ensure adequate funds for operations. As of June 30, 2020, assessments collected in excess of vaccine funding and administrative activities totaled \$74,218,819.

**Income Taxes**

The Association follows FASB ASC *Topic 740, Income Taxes (Topic 740)*. Topic 740 clarifies the accounting for uncertainty in income taxes.

The Association operates as a tax-exempt organization created by Washington State statute and as an affiliate of a governmental unit. In order to obtain 501(c)(3) status and to determine whether filing of an annual federal information return (Form 990) is required, the Association prepared and submitted Form 1023 to the Internal Revenue Service (IRS) in June 2012. On May 14, 2013, the IRS granted 501(c)(3) tax-exempt status and determined that the filing of Form 990 is not required in prior or future years.

Management evaluated the Association's tax positions and concluded that the Association had taken no uncertain tax positions that require adjustments to the financial statements. Based upon its evaluation, the Association has concluded that it is operating in compliance within its tax-exempt status and that there are no matters that would create taxable income.

**WASHINGTON VACCINE ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Vaccine replenishments are considered to be program expenses and all other expenses are administrative.

**Subsequent Events**

The board of directors and management have evaluated subsequent events through September 9, 2020, the date the financial statements were available to be issued.

**NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENTS**

FASB established a framework for measuring fair value and disclosing fair value measurements to financial statement users. Fair value is the price that would be received to sell an asset or paid to transfer a liability (referred to as the exit price) in an orderly transaction between market participants in the principal market, or if none exists, the most advantageous market, for specific assets or liabilities at the measurement dates. The fair value should be based on assumptions that market participants would use, including consideration of nonperformance risk.

In determining fair value, the Association uses various valuation approaches. FASB established a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Association. Unobservable inputs are inputs that reflect the Association's assumptions that market participants would use in pricing the assets or liabilities developed based on the best information available in the circumstances.

The hierarchy is broken down into three levels based on the observability of inputs as follows:

*Level 1* – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets to which the Association has access.

*Level 2* – Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in inactive markets; inputs other than quoted market prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

*Level 3* – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

**WASHINGTON VACCINE ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)**

The availability of observable inputs can vary and is affected by a wide variety of factors, including, for example, the type of asset or liability, the liquidity of markets, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Association in determining fair value is greatest for instruments categorized in Level 3.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Fair value is a market-based measure considered from the perspective of a market participant rather than an organization-specific measure. Therefore, even when market assumptions are not readily available, the Association's own assumptions are set to reflect those that the Association believes market participants would use in pricing the asset or liability at the measurement date.

The following table sets forth by level, within the fair value hierarchy, the Association's assets at fair value as of June 30, 2020:

	Level 1	Level 2	Level 3	Total
Money Market Funds	\$ 17	\$ -	\$ -	\$ 17
Mutual Funds	6,890,819	-	-	6,890,819
Corporate Bonds	-	23,910,989	-	23,910,989
U.S. Treasuries	-	1,044,020	-	1,044,020
U.S. Federal Agencies	-	7,313,045	-	7,313,045
Certificates of Deposit	-	13,034,566	-	13,034,566
Total Schedule of Investments	<u>\$ 6,890,836</u>	<u>\$ 45,302,620</u>	<u>\$ -</u>	<u>\$ 52,193,456</u>

**NOTE 4 REMITTANCE TO THE STATE OF WASHINGTON**

Pursuant to the Association's statutory purposes, a transfer of \$61,954,332 was made by the Association to the state of Washington's UVPA during the year ended June 30, 2020. The transfers include a cost recovery administrative charge assessed by the State of Washington DOH.



**WASHINGTON VACCINE ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 5 INFORMATION REGARDING LIQUIDITY AND AVAILABILITY**

The Association is substantially supported by assessment income. As part of the Association's liquidity management, it has a policy to structure its financial assets to be available for its general expenditures, liabilities, and other obligations come due. Financial assets in excess of near-term cash requirements are invested in various marketable securities.

The Board of Directors of the Association (the Board) has determined that to carry out its statutory and charitable purpose, the Association should maintain minimum reserves in amounts projected by the Board to cover several months of vaccines costs plus the next flu season vaccines to provide liquidity to fund the costs of such vaccines through timely (just in time) deposits to the state's universal vaccine purchase account.

The following table reflects the Association's financial assets available within one year to meet cash needs for general expenditures as of June 30:

Cash and Cash Equivalents	\$ 4,693,692
Estimated Collectible Assessments	12,555,955
Investments	<u>52,193,456</u>
Total Financial Assets Available to Meet Cash	
Needs for General Expenditures Within One Year	<u><u>\$ 69,443,103</u></u>

**NOTE 6 CONTINGENCIES**

There is an inherent risk that a certain portion of the vaccines purchased by the DOH will not be administered to children, resulting in vaccine shrinkage. If member assessments are insufficient for reimbursement to the DOH for purchases of vaccines, the Association would be liable to the DOH to cover the shortfall through reserves. The Association's reserves are intended to meet any such contingency.



**September 2020****WVA Status Report****Patrick Miller, Administrative Director & Julia Zell, Executive Director****UPDATES**

As the WVA's annual meeting approaches, scheduled for November 5<sup>th</sup> from 2:00-4:00 pm, we are preparing a full agenda. We intend to brief the Board more fully on several of the items below, as well as address on-going initiatives such as payer compliance, development of a comprehensive communications plan, and provider outreach. The Board will be asked to vote to accept the 2019-20 Annual Report, which is moving to completion. The meeting will have an outside speaker from the Healthcare Authority to discuss the Physician Access Line, which is statutorily linked to the WVA per a requirement for the WVA provide TPA information to support the program. Lastly, we will be approving our Officer slate as well as welcoming a new Board member, Dr. Helen Chea, from Molina. If anyone has any interest in serving as an Officer, please email [jzell@wavaccine.org](mailto:jzell@wavaccine.org) by October 29<sup>th</sup>.

**IN THE NEWS**

Two of our WVA Board members were recently in the press:

Ed Marcuse, MD had an op-ed: <https://www.cnn.com/2020/09/24/opinions/covid-vaccine-confidence-opinion-marcuse/index.html>

and

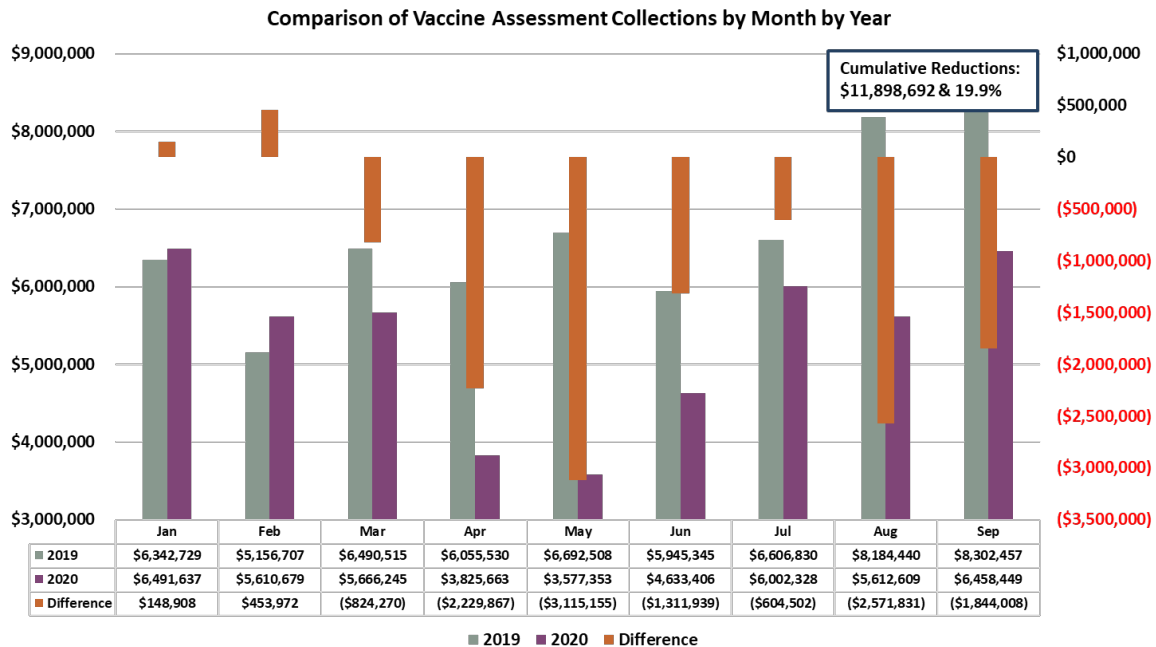
John Dunn, MD was quoted: <https://www.aappublications.org/news/2020/09/23/nvac092320>.

**FINANCE**

1. **Financial Statements and Investments.** Overall, the WVA is still in a strong fiscal position with adequate reserves to support vaccine funding requests with lower vaccine assessment remittances. As expected, collections continue to be below CY2019 levels due to the COVID-19 outbreak (See **Figure 1**).

**Figure 1** provides a comparison between 2019 and 2020 assessment collections and the drop in 2020 due to COVID-19. April and May were the lowest months, and while June and July saw improvements, the delta in August increased and then improved in September. Part of the decrease relates to the vaccine assessment grid price reductions as of July 1, 2020.

Figure 1: Comparison of 2019 and 2020 Vaccine Assessment Collections



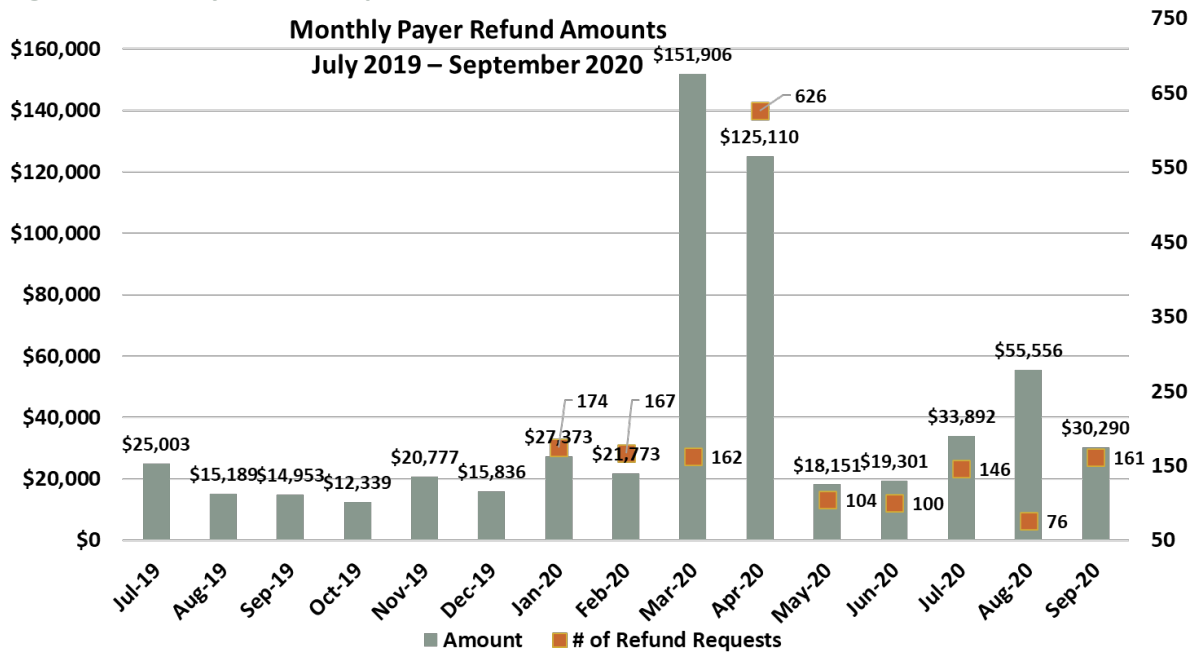
On four occasions this calendar year, funds were transferred from Morgan Stanley to KeyBank to ensure available funds for the June, July, August, and September 2020 DOH vaccine purchases. The amounts and dates are:

- \$1M, May 15, 2020;
- \$1M, July 20, 2020;
- \$5M, August 6, 2020; and
- \$2M, September 15, 2020 and subsequently returned September 28, 2020.

As of this report date, no funds are expected to be transferred for the October DOH purchase.

- Assessments Recovery Activity.** We are working actively with a number of payers to recover payments owed the WVA. The process can take several months due to back-and-forth sharing of data and time for the payer to research. We will track recovered funds in the Key Indicators report that will be generated and sent to the Board periodically.
- Monthly Refunds.** Figure 2 shows the monthly refund request counts and corresponding refund amounts. The March and April 2020 numbers are higher than normal due to several large, payer re-processing efforts, including one of the largest payers.

Figure 2: Monthly Refund Request Counts and Amounts



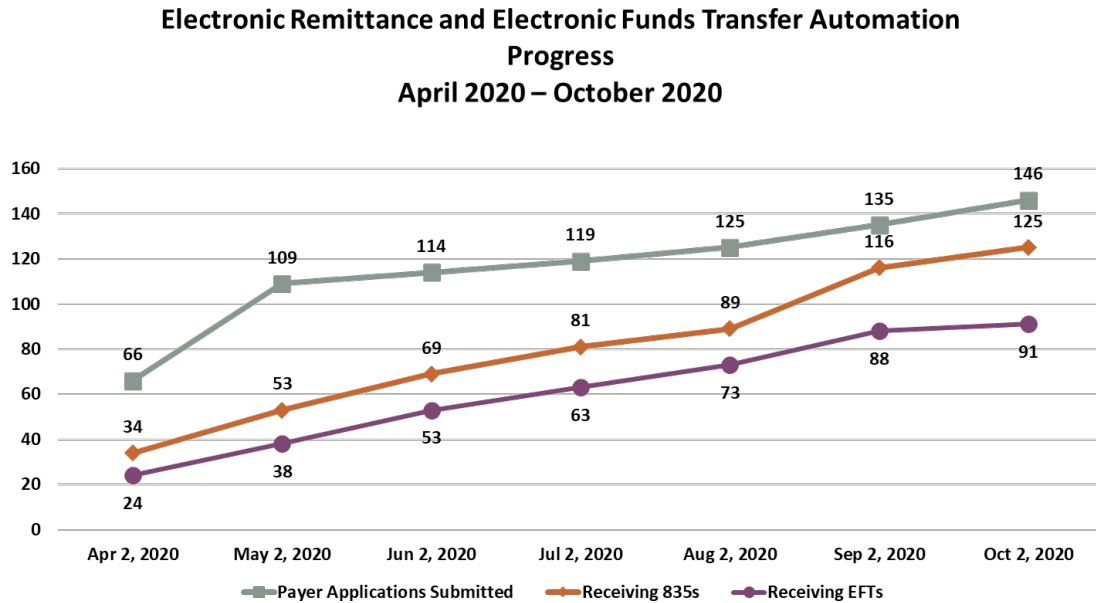
We continue to work with payers to adjust their operations to eliminate “take backs” and to instead submit refund requests. This is in effect now with three of the largest carriers and is helping us to better understand the true refund rate.

## TECHNOLOGY AND OPERATIONS

- Automation Activities.** Excellent progress continues in terms of the continued effort to migrate payers from paper to electronic remittances, (835 transactions), and from paper checks to electronic funds deposits, (EFT transactions). This migration is a fundamental part of the implementation strategy to be able to use payer-generated data to evaluate and monitor the open-DBA system.

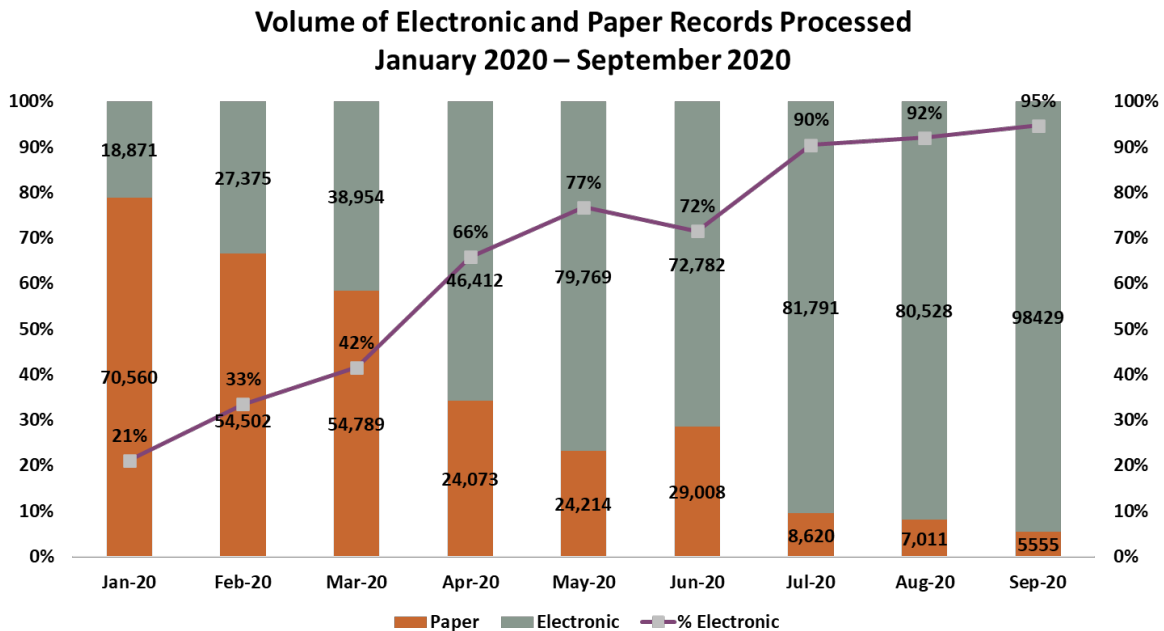
**Figure 3** shows a breakdown of the 146 payer applications submitted to date to generate electronic remittances and electronic deposits. The number of payers submitting 835s more than tripled between April 2 and October 2, 2020 from 34 to 125 as did the number of payers remitting electronically (EFT) from 24 to 91 payers. Each payer application takes between two weeks and three months depending on their process. These 146 payers, while only a subset of the 400+ payers that have remitted to WVA, are estimated to account for more than 80% of WVA’s volume.

**Figure 3: Monthly EFT Transaction Volume and Remittance Amounts**



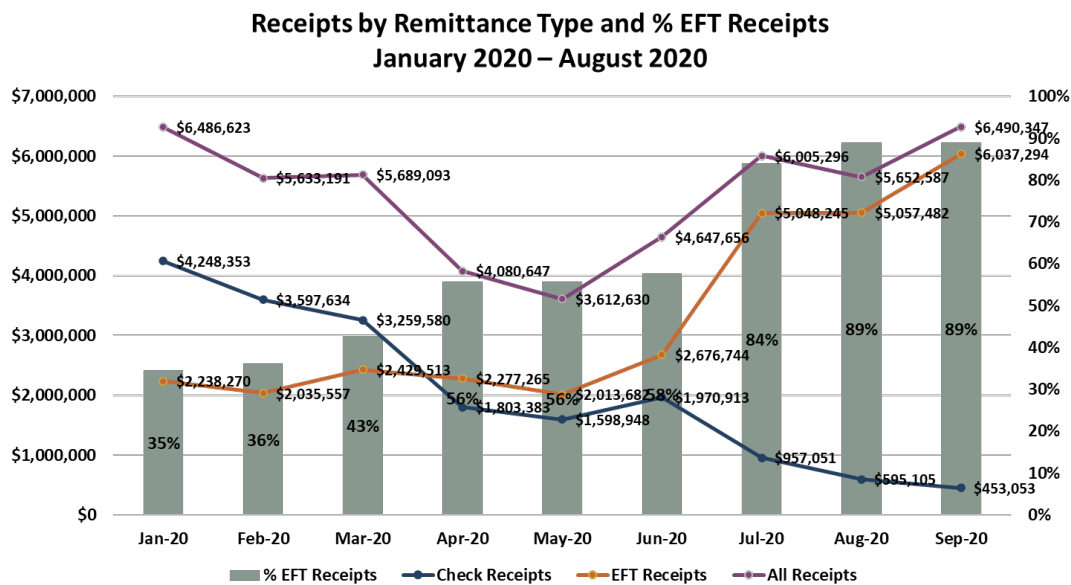
**Figure 4** shows the number of paper (EOB) versus electronic (EDI) remittances received. Currently, paper remittances are received in the lockbox and converted to an electronic document by Helms' vendor, OrboGraph. In September 2020 the vast majority (95%) of remittances were electronic.

**Figure 4: Monthly Paper and Electronic Remittance Volume Receipts**



**Figure 5** details the monthly remittance amounts by type (check receipts and EFT receipts) and the percent of total remittances that were EFT; operational costs are reduced with EFT transactions. The decline in total remittances between March and June 2020, are reflective of the COVID-19 decline in services (purple line). The percent of total remittances that were EFT grew to 89% in August and remained steady in September (gray bar).

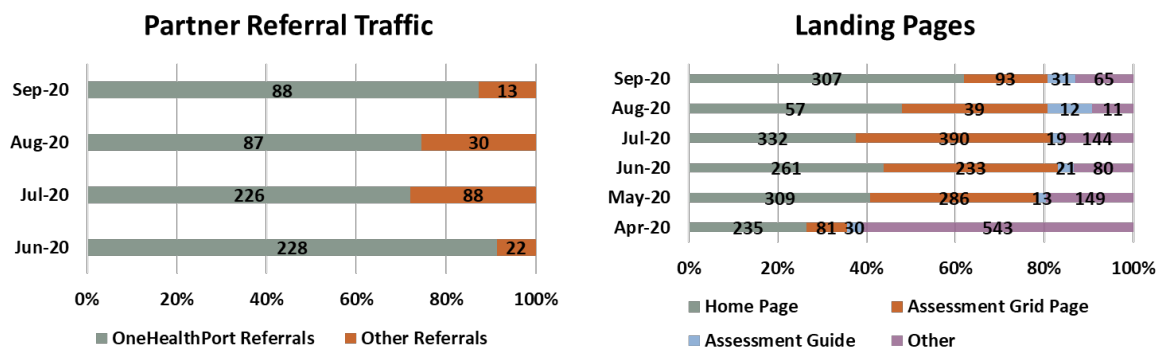
**Figure 5: Monthly EFT Remittances, Total Remittances & % Total EFT**



## EDUCATION AND STAKEHOLDER SERVICING

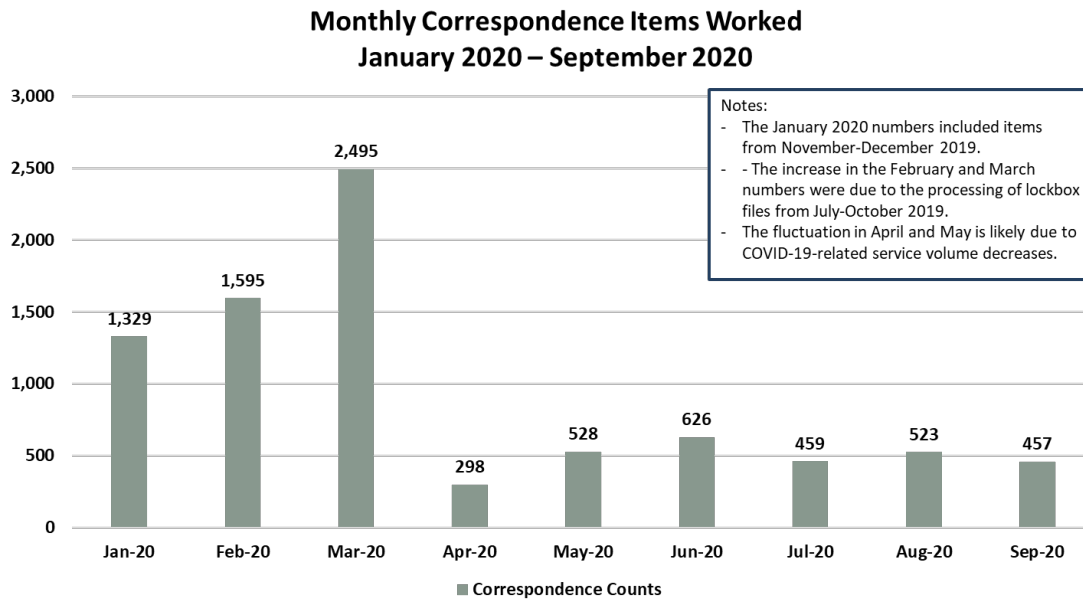
- WVA Education Materials.** Total web traffic was down in August and September from June and July 2020. **Figure 6** shows two different website statistics – the first highlights a referral partnership created with OneHealthPort in June. The second highlights where visitors land when they enter our website.

**Figure 6: WVA Public Website Statistics**



6. **Stakeholder Servicing.** The WVA has a dedicated Helms staff member, Lisa White, who manages payer and provider customer service interactions, as well as processes payer refunds and other operational tasks. **Figure 7** details the number of pieces of correspondence items worked within OrboGraph's imaging workflow system (HPAC).

Figure 7: Monthly Correspondence Items Worked



7. **Project Initiatives.** The number of project initiatives has steadily increased. These projects are focused on using data from the information systems to help identify payer-specific processing issues. These projects are being undertaken for a variety of reasons including reducing incorrect provider billing, reducing incorrect payer remittances, relieve WVA of liabilities, funds recovery, fostering partnerships, system equity, and general education. They are in addition to some of the aforementioned efforts in the report regarding systems development, ERAs, and EFTs. A summary of these projects can be found in **Table 1**.

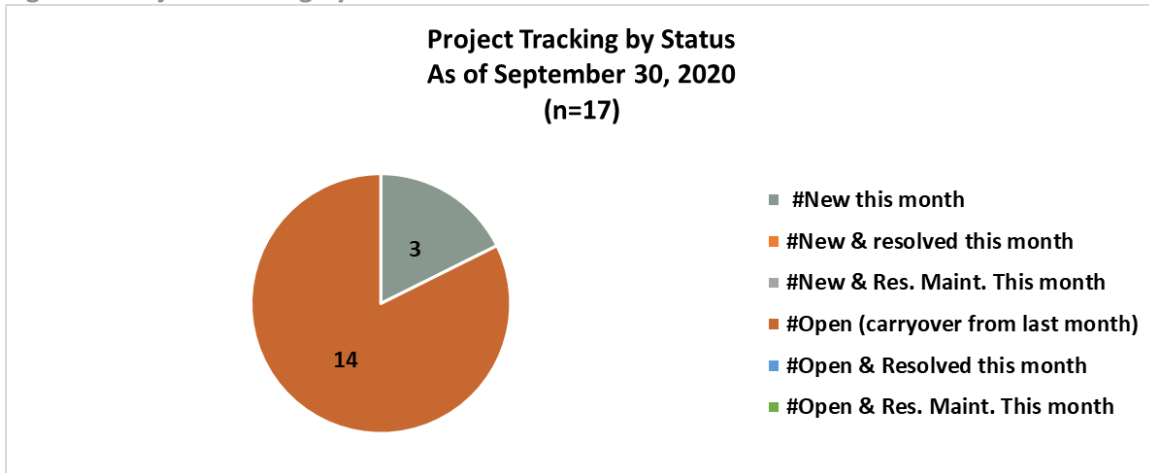
Table 1: Project Initiatives

Project Name	Status	Notes
Apple Health Payer Liability	Ongoing	Liability established; repayments in process
MRM Re-Billings Liability	Ongoing	Liability established; request for repayment due by 6/30/2021
Providence / Premera Repricing Effort	Ongoing	Initial analysis delivered; Providence is working with Premera to determine final scope and timeline

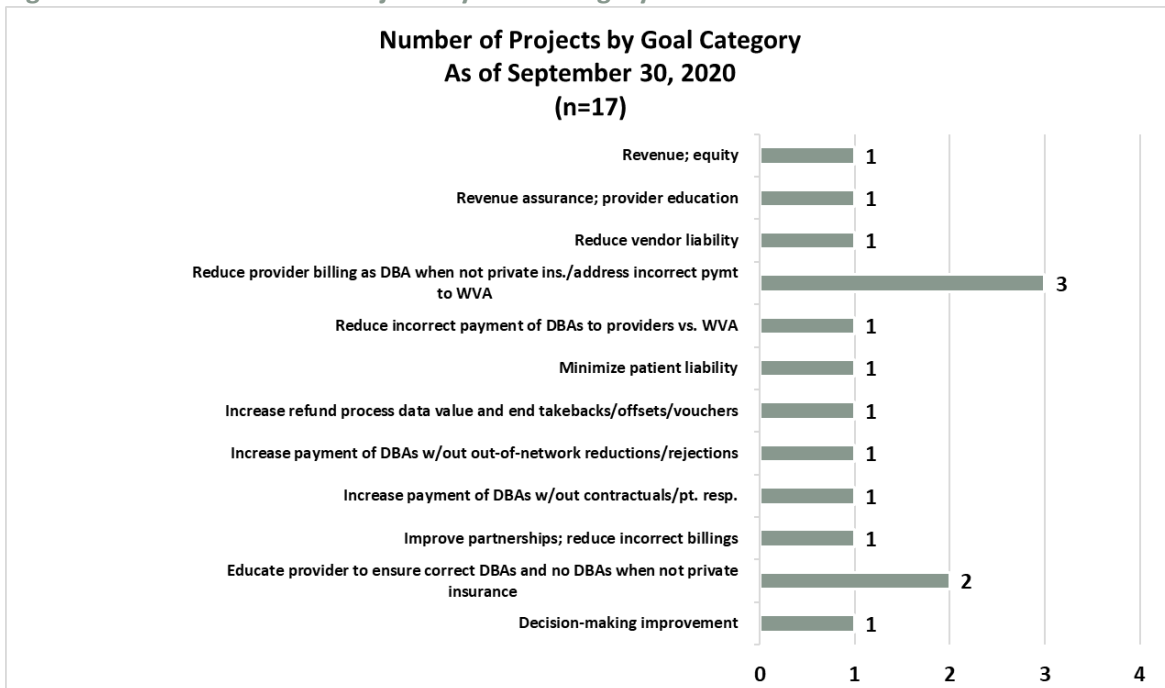
Project Name	Status	Notes
Health Shares Liability	Ongoing	Working with 11 payers to determine liability and any required payment schedule
UHC Patient Responsibility	Ongoing	UHC's internal analysis is complete and system changes are in progress with completion expected in November
FY2021 Payer Grid Adherence	Ongoing	Initial set of 86 payers identified; file delivery is in process; FY2020 data will be subsequently examined; created a compliance contact database to add to the PayerDB
Direct Care Practices	To be Prioritized	DOH generated an initial analysis in September to help scope the project and its priority; WVA delivered OIC list to DOH for further analysis
Payer Settlement Reports	Ongoing	Have identified four payer reports to date; will be working to identify the top practices for provider outreach
Optum Pay's non-WVA NPIs	Open	UHC has determined these are a provider billing issue; outreach is being conducted; monthly process has been put in place; will close in October
Multiple Provider Research and Outreach Efforts	Ongoing	Currently assisting four large practices with solutions for systemic DBA issues involving multiple payers
Communications Plan Development	Ongoing	Consultant began work in late September; initial priority is development of core messages by constituent
Shasta TPA	Open	WVA was notified that Tribal payers can establish their own fee schedules based upon Medicare rates; plan in October to meet with them re: options

**Figures 8 and 9** depict the number of active projects by status and the number of projects by goal category, respectively. They are graphical formats of the information in **Table 1**.

**Figure 8: Project Tracking by Status**



**Figure 9: Number of Active Projects by Goal Category**



# # #



## WVA Quarterly Goal Summary – Updated October 28, 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%; <b>72% actual</b>)</li> <li>✓ EFT Intake (goal 40%; <b>58% actual</b>)</li> <li>✓ ACH File from KeyBank to OrboGraph</li> <li>✓ OrboGraph to QB File</li> </ul>	<ul style="list-style-type: none"> <li>✓ ERA Intake (goal 70%; <b>current 95%</b>)</li> <li>✓ EFT Intake (goal 50%; <b>current 89%</b>)</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 (Q2)</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 (Q2)</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 (Q2)</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



# Annual Report

**WVA** WASHINGTON  
VACCINE  
ASSOCIATION

## Dear Friends and Colleagues,

It is an honor to be celebrating the Washington Vaccine Association's (WVA) 10th anniversary of the public-private partnership with the Washington State Department of Health (DOH). The WVA has been and will continue to be instrumental in supporting the State's universal purchase of pediatric vaccines, which directly benefits patients, providers, payers, and successful public health outcomes for our greater community. As we weather the COVID-19 pandemic, the WVA's role in providing a stable vaccine funding source is even more critical than ever before, and we are proud to support the State's efforts to ensure all children have equal access to vaccines.

Over the past year, we have focused upon improving our operational excellence through promoting accountability and transparency. Many of our efforts have centered upon transitioning to online and electronic remittance and payment processes, using increased data and systems information to reduce errors, and expanding our communication materials and platforms to help improve vaccination rates. We expect that our efforts will aid us in strengthening partnerships, create further trust in our systems, and ensure equitable participation of payers and providers in our program.

As my first year as the WVA's Board Chair, I would like to thank the many volunteers over the last decade that have helped guide and direct the WVA. I especially thank those individuals who have previously served and those who are currently serving on the Board of Directors that have given their time and talents.

I am excited about the opportunities we have in the coming year, and with the changes we are making I look forward to our continued efforts to ensure the WVA operates efficiently to achieve the best health outcomes for Washington residents and communities.

Chad Murphy, BS, PharmD  
Board Chair

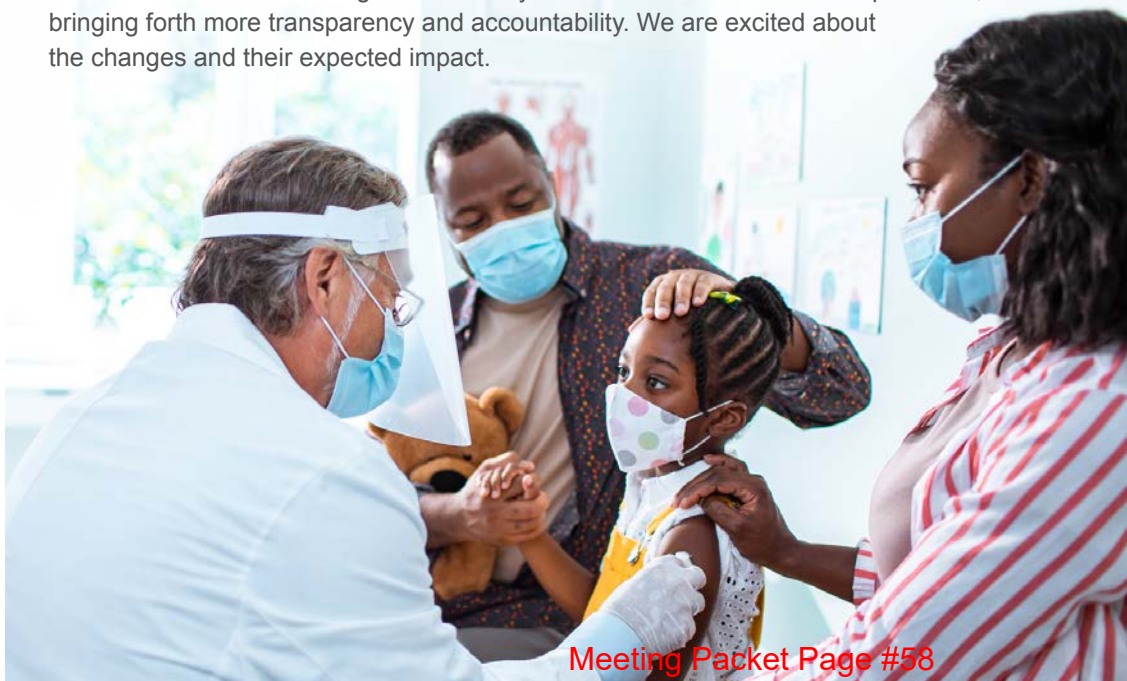
## A Decade of Funding Pediatric Vaccines

As the Washington Vaccine Association (WVA) turns ten, we are excited to once again share the important benefits of our state's universal Childhood Vaccination Program (CVP).

- **Healthcare Savings.** The DOH's bulk purchases of all pediatric vaccines from the Centers for Disease Control and Prevention's (CDC) manufacturer contracts provides significant cost savings versus private market costs.
- **Stable Vaccine Supply.** Providers can focus on patient needs and have the full compliment of recommended vaccines on hand to immunize kids.
- **Consolidated Storage and Ordering.** Provider staff can avoid both navigating complex ordering systems and keeping separate storage inventories for vaccines based on insurance status. This allows for a blended stock of vaccines and a streamlined ordering process, supported by the CVP.
- **No Provider Financing Costs.** Instead of fronting significant dollars to keep vaccines on hand, providers receive and administer pediatric vaccines procured by the DOH and use their existing billing system to trigger the WVA's collection of funds from health plans for privately-insured children.

## Welcoming a New Administrator

In January 2020, the WVA retained Helms & Company, Inc. (Helms), a New Hampshire-based company with experience in running state vaccine programs, to administer the Association. Working with the Board and Executive Director, Helms has brought new ideas and perspective to our Association, and implemented a myriad of changes to automate processes, develop analytics, fine-tune assessment collection procedures, and refine forecast modeling. These efforts are expected to allow the Board and the Association's members greater visibility into the WVA's finances and operations, bringing forth more transparency and accountability. We are excited about the changes and their expected impact.





## WVA BOARD OF DIRECTORS

**Chad Murphy, BS, PharmD, Chair**  
SVP, Chief Clinical Officer, Premera Blue Cross

**Beth Harvey, MD, Vice Chair**  
Sound Pediatrics

**Patricia Auerbach, MD, MBA, FACP, Treasurer**  
Chief Medical Officer, Pacific Northwest States,  
Employer and Individual, UnitedHealthcare

**Edgar Marcuse, MD, MPH, FPIDS, Secretary**  
Emeritus Professor of Pediatrics,  
University of Washington

**Steve Lam, PharmD**  
Clinical Pharmacist Client Manager,  
Regence BlueShield Washington

**Catherine Falanga**  
Director of Provider Relations,  
Aetna Life Insurance Company

**John B. Dunn, MD, MPH**  
Medical Director for Preventative Care,  
Kaiser Permanente

**Michele Roberts, MPH, MCHES**  
Acting Assistant Secretary, Prevention and  
Community Health Division, Washington  
State Department of Health

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

**Randy Parker**  
Administrator, Carpenters Trusts  
of Western Washington

## WVA STAFF

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

## HELMS & COMPANY, INC. STAFF

**Patrick B. Miller, MPH**  
Administrative Director

**Lisa M. White, MS, JD**  
Customer and Financial Support Specialist

P 888.928.2224 | F 888.928.2242  
[info@wavaccine.org](mailto:info@wavaccine.org) | [wavaccine.org](http://wavaccine.org)

## MAINTAINING STABILITY DURING A PUBLIC HEALTH CRISIS

This year our strategic partner, the Washington State Department of Health (DOH), undertook extraordinary efforts to guarantee that the Childhood Vaccination Program (CVP) was minimally impacted by the COVID-19 outbreak that caused closures of provider offices and school-based clinics, government furloughs, and limited department resources.

### We are pleased to report that:

- The DOH saw roughly the same number of doses wasted due to expiration and spoilage from July 2019 - June 2020 compared to the previous year. In FY 2020, the DOH saw an overall dosage wastage rate of 2.4% due to expiration and spoilage. This is well below the CDC requirement of 5% and in line with prior years.
- The DOH completed 92% of site visits on time despite challenges faced surrounding in-person contact during the pandemic.
- Provider enrollment in the CVP remained relatively stable with 1,012 provider clinics enrolled at the end of June 2019 compared to 1,016 enrolled at the end of June 2020.

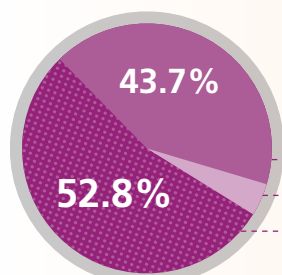


**971,758**

Number of Washington children  
0-18 yrs who had one vaccine in 2019

## FINANCIALS

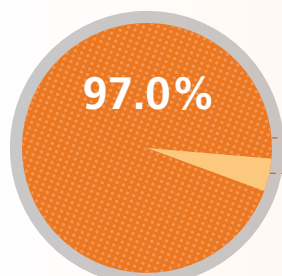
July 1, 2019 - June 30, 2020



### Childhood Vaccine Funding Sources

Estimated Total: \$156,595,734

- WVA Vaccine Assessments
- 3.5% | State Childhood Healthcare Insurance Programs
- Federal Vaccine for Children Funds



### WVA Program Expenditures

Total: \$68,422,457

- Remittance to WA for Vaccine Costs\*
- 3.0% | Operating Costs

\*This chart reflects funding for WVA-funded vaccines on a cash basis. The audited financials are available at [www.wavaccine.org](http://www.wavaccine.org).





**DRAFT**

**2021 WVA Corporate Governance  
Calendar**  
(Board Meeting and Committee Meeting  
Schedules)

Month	Board Meeting 2-4 PM	Executive Committee 2:30-3:30 PM	Finance Committee 3-4 PM	Vaccine Committee 12:00-1:00 PM	Operations Committee 12:30-1:30 PM
January		January 21			
February	February 4		February 18		
March		March 18			
April	April 22		April 8	April 8	April 29 Grid Approval
May					
June	June 17	June 10			
July					
August					
September		September 9	September 16		
October					October 28
November	November 4 Annual Meeting			November 4	
December					

**\*All times are Pacific Standard Time**

- In-person WVA Board meetings are from 2:00 – 4:00 PM at the offices of Ellis, Li & McKinstry, on Thursdays.
- A written annual report may serve in lieu of an annual meeting of members. (Bylaws section 4.2)
- Officers are elected for 1-year terms at the annual meeting of the Board (Bylaws section 6.1)
- Committees may adjust their scheduled meeting dates or times for the convenience of their members

Updated: 10/28/2020 (To be approved 2020-11-05)



## **Conflict of Interest Policy**

**Policy:** Washington Vaccine Association (the “Association”) has been established by act of the Washington Legislature for the purpose of collecting and remitting adequate funds from health carriers and third-party administrators for the cost of vaccines provided to certain children in the state of Washington. The Association will comply fully with all laws that relate to the conduct of its activities, including all tax law.

**Purpose:** The purpose of this policy is to protect the Association’s interests when it is contemplating entering into a transaction or arrangement, or making a decision, that might benefit the private interest of an officer or board member of the Association or member of a committee with board delegated powers or might result in a possible excess benefit transaction as defined by the Internal Revenue Code. The Association intends to conduct its affairs consistent with the requirements of tax-exempt status under the Internal Revenue Code.

### **Definitions:**

**Interested Person:** Any board member, principal officer, or member of a committee with board delegated powers, who has a direct or indirect financial interest, as defined below, or a duality of interest, as defined below, is an interested person.

**Financial Interest:** A person has a financial interest in a transaction or arrangement or decision if the person has, directly or indirectly, through business, investment or family: (a) an ownership or investment interest in any entity with which the Association has a transaction or arrangement; or (b) a compensation arrangement with the Association or with any entity or individual with which the Association has a transaction or arrangement; or (c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Association is negotiating a transaction or arrangement or which will be affected by a decision of the Association. A “family member” includes a spouse, siblings (half or whole), children, grandchildren, and in-laws. “Business” includes those businesses which the person owns or controls at least 35%, or disregarded entities.

**Duality of Interest:** An interested person has a duality of interest with regard to a decision or action where in addition to the obligations of the interested person to the Association, the interested person has an obligation with regard to another organization or enterprise involved or implicated in the action of the Association. For instance, an interested person may serve as a board member of the Association and also as a board member of an organization engaging in a transaction with the Association. A duality of interest will be dealt with in the manner of a conflict of interest.

**Conflict of Interest:** A conflict of interest exists where an interested person has a financial interest or a duality of interest, in a proposed transaction or arrangement with the Association or decision by the Association. Examples of conflicts of interest include the following:

- a. Where an interested person makes a decision or does an act or is required to make a decision or perform an act that also involves an entity with which the person has a financial relationship and that benefits financially from the sale, marketing, re- selling, or distribution of vaccines; examples of such relationships include direct employment or an investment interest, a consultancy or other contractor relationship, serving on a speakers bureau, receiving honoraria, research and/or travel support;
- b. Where an interested person personally contracts with the Association or where he/she is a board member of another organization which is contracting with this Association;
- c. Where an interested person has any direct or indirect interest in, or a relationship with, any individual or organization that proposes to enter, or has entered, into any transaction or arrangement with the Association involving the sale, re-sale, purchase, marketing, or distribution of any goods or services (including vaccines) or involving the investment or deposit of any funds of the Association;
- d. Where an interested person in his or her capacity with the Association learns of an opportunity for profit or benefit which may be valuable to him/her personally or to another organization of which he/she is a member, or to other persons known to the interested person;
- e. Where an interested person will receive compensation, directly or indirectly, from the Association for services; and,
- f. Where a family or business relationship exists between the interested person and another interested person, consultants, or with staff of the Association.

(This is not an exhaustive list.)

## **Procedures:**

1. **Duty to Disclose:** An interested person will disclose any conflict of interest, be it real, potential, or apparent, which is not immediately obvious with regard to any matter being discussed in the person's presence during a meeting.

- a. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the interest and be given the opportunity to disclose all material facts to the board members or members of committees with board delegated powers considering the proposed transaction or arrangement or decision.
- b. Disclosure involving board members should be made to the board chair, who shall bring these matters, if material, to the board.
- c. Disclosure in the Association should be made to the chief executive (or if she or he is the one with the conflict, then to the board chair), who shall determine whether a conflict exists and is material, and if the matters are material, bring them to the attention of the board chair.

- d. The Washington law establishing the Association provides that board membership of the Association includes members selected from health carriers, third-party administrators, health plans, physicians, and a delegate of the Secretary of the Department of Health. A potential conflict of interest arises between the obligations of a board member of the Association and the board members' obligations to the organization or profession or position represented by the board member. The representative capacities and experience of board members are valuable to the Association board of directors. Under these circumstances, board members are not required to specifically disclose their represented relationships in each instance so long as such relationships are obvious in the situation. The board member should annually disclose any such financial interest on the disclosure form required by this policy.

## 2. **Determining Whether a Conflict of Interest Exists**

After disclosure of the interest and all material facts, and after any discussion with the interested person, he/she shall leave the board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The board shall determine whether a conflict exists and is material, and in the presence of an existing material conflict, whether the contemplated transaction may be authorized as just, fair, and reasonable to the Association. The decision of the board on these matters will rest in their sole discretion, and their concern must be the welfare of the Association and the advancement of its purpose and will be documented in the minutes.

## 3. **Procedures for Addressing the Conflict of Interest**

- a. An interested person may make a presentation at the board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement or decision involving the possible conflict of interest.
- b. The chair of the board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement or make the proposed decision.
- c. After exercising due diligence, the board or committee shall determine whether the Association can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the board or committee shall determine by a majority vote of the disinterested board members whether the transaction or arrangement is in the Association's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

#### **4. Violations of the Conflicts of Interest Policy**

- a. If the board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, or duality of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the board member's response and after making further investigation as warranted by the circumstances, the board or committee determines the member has failed to disclose an actual or possible conflict of interest, or duality of interest, it shall take or not take such disciplinary and/or corrective action as it, in its sole discretion, determines to be appropriate.

#### **5. Records of Proceedings**

The minutes of the board and all committees with board delegated powers shall contain:

- i. The names of the persons who disclosed or otherwise were found to have a financial interest or duality of interest, the nature of the financial interest or duality of interest, any action taken to determine whether a conflict of interest or duality of interest was present, and the board's or committee's decision as to whether a conflict of interest in fact existed.
- ii. The names of the persons who were present for discussions and votes relating to the transaction or arrangement or decision, a brief summary of the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

#### **6. Annual Statements**

Each board member and member of a committee with board delegated powers shall annually sign a statement which affirms such person:

- i. Has received a copy of the conflicts of interest policy;
- ii. Has read and understands the policy;
- iii. Has agreed to comply with the policy; and,
- iv. Understands the Association is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

#### **7. Periodic Reviews**

To ensure the Association operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- i. Whether compensation arrangements and benefits are



reasonable, based on competent survey information and the result of arm's-length bargaining.

- ii. Whether partnerships, joint ventures, and arrangements with management of the Association conform to the Association's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

#### 8. **Use of Outside Experts**

When conducting the periodic reviews, the Association may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the board of its responsibility for ensuring periodic reviews are conducted.

## **Conflict of Interest Disclosure Statement**

The Washington Vaccine Association (the "Association") has adopted a conflict of interest policy to protect the Association's interest when it is contemplating entering into a transaction or arrangement or making a decision that might benefit the private interests of an officer or director or committee member of the Association. The existence of a conflict does not imply wrongdoing on anyone's part. But when conflicts do arise, they must be recognized and disclosed. Some relationships may create an appearance of conflict; those too, are important to manage so that the Association may maintain public confidence in the integrity of the Association's activities and to maintain federal tax-exempt status.

Thank you for your cooperation.

Please complete the following information, date and sign this statement below.

A. Name and position (e.g. director, officer, member of a committee with board delegated powers): \_\_\_\_\_

B. Occupation: \_\_\_\_\_

C. Current employer, if any: \_\_\_\_\_

D. Affirmation:

(1) I have received a copy of the Policy; ☐

(2) I have read and understand the Policy; ☐

(3) I agree to comply with the Policy; and ☐

(4) I understand that the Washington Vaccine Association (the "Association") is a tax-exempt organization (or intends to apply for tax-exempt status) and that in order to maintain the federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes. ☐

E. Financial Interests:

The Policy requires that if you have a financial interest in a proposed transaction or arrangement with the Association, you must disclose the existence and nature of your financial interest to the board or board committee with board delegated powers considering the proposed transaction or arrangement. Please identify any such financial interest which you have disclosed in the past 12 months. If there is a financial interest you believe you should have disclosed, please describe any such interest here as well.

A person has a financial interest in a transaction or arrangement if the person has, directly or indirectly, through business, investment, or family<sup>1</sup>: (a) an ownership or investment interest in any entity with which the Association has a transaction or arrangement, or (b) a compensation arrangement with the Association or with any entity or individual with which the Association has a transaction or arrangement, or (c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Association is negotiating a transaction or arrangement.

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The Policy also requires you to report family or business relationships you may have with other members on the board, or with officers, with consultants, or with staff of the Association. The reportable relationships include: (a) whether you are employed by, or you employ, a board member, an officer, a consultant, or staff; (b) a business in which you and any one of the above-listed persons holds a key position or an aggregate of 10% ownership in the assets or income; (c) transactions between you and any of the above-listed persons individually, or through their 35% owned business, which exceeds \$10,000 in aggregate during the reporting year; and (d) family relationships with any of the above-listed persons. Describe any such relationship in detail below.

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I affirm the accuracy and completeness of the information provided above.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

<sup>1</sup> Family members include spouse, siblings (half or whole), ancestors, children, grandchildren, and in-laws. Businesses include those in which you own or control at least 35%, or disregarded entities.

# Code of Ethics

## I. Integrity

All directors, officers, employees, if any, of the Washington Vaccine Association (WVA) and its key contractors, including Helms & Company, Inc. or any successor organization or individuals providing Executive Director and administrative services to WVA, shall act with honesty, integrity, and openness in all of their dealings as representatives of WVA. WVA shall maintain a working environment that values integrity, fairness, and respect.

## II. Mission and Vision

Our mission is established by State of Washington law and primarily is to assure that adequate funds are available to the State of Washington to purchase childhood vaccines for beneficiaries of WVA's members and to assist in the selection of vaccines to be made available under the State of Washington's universal childhood vaccination program. We pursue our mission by:

- administering a dosage-based assessment (DBA) system whereby the costs of childhood vaccines are shared equitably among all entities responsible for paying for vaccines for State of Washington resident children who are not eligible for vaccines under the federal Vaccines for Children program,
- refining this system based on what payers and providers tell us to assure that the DBA system operates effectively and efficiently,
- staying abreast of and helping to shape current best practices and paradigms in the childhood vaccine funding arena.

## III. Compliance with Laws and Ethical Standards

WVA shall comply with all applicable federal, state, and local laws and regulations and shall seek the advice of counsel when necessary or appropriate. WVA shall also adhere to the highest ethical standards. Decisions and actions taken by the Board of Directors shall: (1) comply with applicable law, and (2) reflect the highest ethical standards as determined by the Board of Directors.

**IV. Diversity**

WVA shall, within the limits of its statutory authority, promote diversity and inclusiveness in its Board of Directors, management team or staff employed from time to time, if any, and contractors.

**V. Evaluation**

WVA shall develop and implement an evaluation procedure whereby the performance of the Board of Directors as a whole, and the Executive Director and administrative staff are evaluated periodically.

**VI. Transparency**

WVA shall provide comprehensive and timely information to the public, the media, and all stakeholders and shall be responsive in a timely manner to reasonable requests for information. All information about WVA shall fully and honestly reflect the policies and practices of WVA. All financial and program reports shall be complete and accurate in all material aspects. The following governance documents, as amended from time to time, shall be posted on WVA's website: Articles of Incorporation of Washington Vaccine Association, Bylaws of Washington Vaccine Association, Plan of Operation, Conflict of Interest Policy, Code of Ethics, Information Release Policy, Whistleblower Policy, Joint Venture Policy, Anti-Trust Compliance Policy, and Record Retention Policy, along with audited financial statements for the most recent three years.

**VII. Confidentiality**

All directors, officers, employees, and contractors have a duty to safeguard information that is proprietary to WVA. Information about WVA that is confidential or proprietary and obtained by a director, officer, employee or volunteer as a consequence of such person's association with WVA may not be disclosed to third parties unless expressly authorized by WVA.

**VIII. Annual Affirmation Statement**

WVA shall provide a copy of this Code of Ethics to every director, officer, employee, and contractor and request that each sign an affirmation statement upon taking office or providing services. Each year the Annual Affirmation Statement, attached, shall be signed by each director, officer, and employee, affirming that such person has received a copy of this Code of Ethics, has read and understands it, and agrees to comply with it. All Annual Affirmation Statements shall be submitted to the Board President or the Board Secretary and then filed with the minutes of the first meeting of the Board of Directors held each year after January 31.

### **WVA ANNUAL AFFIRMATION STATEMENT**

The Code of Ethics of WVA requires an annual affirmation that you have received, read, understand, and agree to comply with the Code of Ethics.

Please sign this Annual Affirmation Statement indicating your affirmation as described above.

Please return this Statement to the Executive Director of WVA each year by January 31.

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Name

Date

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