

1 **Washington Vaccine Association**
2 **Finance Committee Meeting**
3 **February 18, 2021; 3:00-4:00 p.m. (PST)**
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5 **Attendance.** This meeting was conducted solely by webinar. Participating in all or part of the meeting were the
6 following individuals:
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8
9 Directors

10 Patricia Auerbach, MD, MBA, FACP, Chair,
11 UnitedHealthcare
12 Jason Farber, Esq., Davis Wright Tremaine LLP¹
13 Randy Parker, Carpenters Trusts of Western
14 Washington

18 Helms & Company, Inc.

19 Patrick Miller, MPH, WVA, Administrative Director
20 Leslie Walker, CPA, Mason+Rich, PA
21 Alyssa McKeon, Project Support Leader

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23 Others

24 Anne Redman, Esq., Perkins Coie, LLP
25

16 WVA

17 Julia G. Zell, MA., Esq., Executive Director
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27 **I. Summary of Actions Taken and/or Recommended**
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29 Actions Taken

- 30 i. To recommend the changes to the WVA's Investment Policy Statement with the "not permitted" language
31 regarding investments in the healthcare sector.
32

33 Follow up Tasks/Action Items

- 34 - Ms. Zell and Ms. Redman will collaborate with make appropriate changes to the WVA's interest provisions
35 in the Plan of Operation for the Board of Directors to review at its April 2021 meeting.
36 - Helms will incorporate the Committee's comments regarding the FY2022 vaccine assessment grid into the
37 financial modeling process.
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39 **II. Welcome and Introductions**
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41 Welcome and Introductions

42 Ms. Zell called the meeting to order at 3:03pm. Ms. Zell announced that the meeting would be recorded for the
43 benefit of the minute taker, to be deleted once the minutes are approved.
44

45 **III. Financial Overview**
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47 Status Update

48 Mr. Miller reviewed the WVA financial statements for the seven months ended January 31, 2021. He noted that total
49 vaccine collections fell below the vaccine remittances to the State of WA in January 2021 in alignment with
50 projections. He noted that overall the WVA's administrative expenses are ahead of budget, but detailed line items
51 exceeding budgeted amounts.
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53 Plan of Operation Interest and Late Assessment Provision Discussion
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55 After introducing the topic at the January Board meeting, the Board referred the interest and late assessment provision
56 in the Plan of Operation to the Finance Committee for discussion. The current provision requires clarification as to
57 when it may be levied on assessments and the Committee needs to discuss the appropriateness of the existing high
58 interest rate. The Finance Committee discussed approaches that provide clarity for payers while ensuring there is no
59 undue administrative burden on the WVA. After a discussion of various options, the Committee determined that a rate
60 of 12% interest for late payments, which would be reviewed periodically, would be appropriate. The Committee
61 requested that the Plan language describing the interest rate triggering event be clear and simple. Ms. Zell and Ms.
62 Redman will take the feedback from the Committee under advisement and make appropriate changes to the Plan of
63 Operation for the Board's review in April 2021.
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¹ Mr. Farber departed at 3:31 pm

65 **Assessment/Budget Process Discussion**

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67 Mr. Miller reviewed the WVA’s cash position, the FY2022 budget, and vaccine grid development meeting materials.
68 Committee members discussed with Mr. Miller and Ms. Zell the previously planned trajectory for decreasing cash
69 reserves. The Committee recommended that the WVA continue the same trajectory and work to keep the FY2022
70 Vaccine Grid at the same level as FY2021 without reducing assessments below the CDC contract price. Given the
71 unpredictability of future Covid-19 vaccine funding, the Committee agreed that having a higher than perviously
72 planned reserve was prudent. Mr. Miller will bring the next version of the model to the March 2021 Executive
73 Committee for review and comment.

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75 **IV. Investment Policy Statement Review**

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77 Ms. Zell reviewed the proposed changes to the Investment Policy Statement. She noted that there are three main
78 changes; they are as follows: 1) to adjust the restriction on the overall maturity of the Portfolio from 20% to 40%;
79 2) to require liquidation of a security if the credit rating falls to either BAA1 or BBB+; and 3) to either prohibit or
80 strongly discourage the WVA’s investment in the healthcare or pharmaceutical sector. The Committee discussed the
81 potential conflicts of intrest if the WVA had holdings in healthcare or pharmaceutical companies; it and came to the
82 recommendation that such investments should be prohibited. Dr. Auerbach requested a review of Morgan Stanley’s
83 management fees and performance of the WVA’s investment portfolio over the last two years as wel as the current
84 fee structure. Ms. Zell agreed to follow-up with the Chair following the meeting.

85

86 Dr. Auerbach asked for a motion to recommend the changes to the WVA’s Investment Policy Statement as discussed.
87 Upon motion duly made and seconded, it was unanimously

88

89 **VOTED:** To recommend to the Board the proposed changes to the WVA’s Investment Policy Statement with
90 the “not permitted” language in the investment restrictions section.

91

92 **V. Closing**

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94 With no further business before the Committee, Dr. Auerbach closed the meeting at 4:01pm.

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