

What: Board of Directors Meeting
 Date & Time: Thursday, November 03, 2022; 2:00-4:00 p.m. (PT)
 Call in Number: Zoom
 Location: Webinar/Teleconference
 Zoom Link: To register for the meeting, please review the Public Comment Protocol then email wvameetings@wavaccine.org at least two business days in advance of the meeting.

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/Anticipated Action	Presented by:
2:00-2:05 p.m.			1. Welcome & Introductions a. Notification of Recording	J. Zell
2:05-2:15 p.m.	Pg. 4-6 Pg. 7 Pg. 7	* * *	2. Consent Calendar Items a. Board Meeting Minutes (June 16, 2022) b. Vote to Reappoint Members c. Votes to Elect Officers / Committee Chairs	C. Murphy
2:15-2:25 p.m.	Pg. 8-24 Pg. 25-44	* *	3. Financial Update a. Current Financials b. Finance Committee Update i. Vote to Ratify 2021-22 Audited Financial Statements	P. Miller J. Zell / R. Parker
2:25-3:15 p.m.	Pg. 45-46 Pg. 47 Pg. 48-56 Pg. 48-56	* * * *	4. ED / AD Updates a. Vote to Approve/Publish 2021-22 Annual Report b. Payer Look Back Policy Discussion i. Vote to Approve Payer Look Back Policy c. Off Cycle Vaccine Additions i. Vote to Add New Vaccines to Assessment Grid d. COVID Plan Review and Discussion i. Vote to Adopt COVID Plan ii. Vote to Add New COVID Vaccines to Assessment Grid e. Stakeholder Liaison Update f. PEO Change Update	J. Zell / P. Miller
3:15-3:30 p.m.			5. Department of Health Updates a. Staffing Updates b. General Updates	M. Roberts / J. Sherls-Jones / J. Jorgenson
3:30-3:35 p.m.	Pg. 57	*	6. Public Comment (If time permits) a. 2023 Meeting Schedule	
3:35-4:00 p.m.			7. Executive Session (public excluded)	

**WVA Meeting of the Board of Directors
November 3, 2022
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 16, 2022 Board Meeting.
- [To approve the minutes of the June 16, 2022 Board Meeting with the changes suggested at the meeting.]*
- VOTED: To reappoint Dr. Harvey as a Board Member pursuant to RCW 70.290.030 (3)(f) whose term expires in 2025.
- VOTED: To reappoint Dr. Dunn as a Board Member pursuant to RCW 70.290.030 (3)(b) whose term expires in 2025.
- VOTED: To reappoint Mr. Farber as a WVA Board member pursuant to RCW 70.290.030 (3)(e) whose term expires in 2025.
- VOTED: To reappoint Mr. Parker as a WVA Board member pursuant to RCW 70.290.030 (3)(d) whose term expires in 2025.
- VOTED: To approve the 2023 WVA officer and committee chairs as presented to the Board at the meeting.
- [To approve the 2023 WVA officer and committee chairs 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 for calendar year 2023 as presented to the Board at the meeting.
- [To approve the individuals listed to serve on the WVA's Finance, Operations, and Vaccine Committee for calendar year 2023 with the changes suggested at the meeting.]*

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Items under Agenda Section 3:

VOTED: To ratify the action of the Finance Committee in adopting and authorizing publication of the 2021-22 Financial Statements and independent auditor's report.

[To ratify the action of the Finance Committee in adopting and authorizing publication of the 2021-22 Financial Statements and independent auditor's report with the changes suggested at the meeting.]

Items under Agenda Section 4:

VOTED: To approve the 2021-22 WVA Annual Report as presented to the Board.

[To approve the 2021-22 WVA Annual Report with the changes suggested at the meeting.]

VOTED: To approve the Payer Look Back Policy as written.

[To approve the Payer Look Back Policy with the changes suggested at the meeting.]

VOTED: To approve the addition of Priorix to the WVA Assessment Grid when it is added to the Washington Childhood Vaccination Program at 2% above the CDC contact price.

[To approve the addition of Priorix to the WVA Assessment Grid when it is added to the Washington Childhood Vaccination Program with the changes suggested at the meeting.]

VOTED: To approve the addition of Vaxneuvance to the WVA Assessment Grid when it is added to the Washington Childhood Vaccination Program at 2% above the CDC contact price.

To approve the addition of Vaxneuvance to the WVA Assessment Grid when it is added to the Washington Childhood Vaccination Program with the changes suggested at the meeting.]

VOTED: To approve the addition of any pediatric COVID vaccine added to the Washington Childhood Vaccination Program to the WVA Assessment Grid at a blended assessment amount, TBD.

[To approve the addition of any pediatric COVID vaccine added to the Washington Childhood Vaccination Program to the WVA Assessment Grid with the changes suggested at the meeting.]

Items under Agenda Section 6:

VOTED: To approve the Employee Handbook as presented.

[To approve the Employee Handbook with the changes suggested at the meeting.]

**Washington Vaccine Association
Board of Directors Meeting
June 16, 2022; 2:00-4:00 p.m. (PT)**

I. Attendance. Due to COVID-19, 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
Beth Harvey, MD, South Sound Pediatrics, *Vice Chair*
Ed Marcuse, MD, Emeritus Professor of
Pediatrics, University of Washington, *Secretary*
Randy Parker, Carpenters Trusts
John Sobeck, MD, Regence Blue Shield
Michele Roberts, Washington Department of Health
Lydia Bartholomew, MD, Aetna
John Dunn, MD, MPH, Kaiser Permanente
Cathy Falanga, Aetna (proxy)
Kara Manley, United

WVA

Julia G. Zell, MA., Esq., Executive Director
Helms & Company, Inc.
Patrick Miller, MPH, WVA, Administrative Director
Lisa White, MS, JD, Customer and Financial Support
Specialist
Leslie Walker, CPA, Mason+Rich, PA
Others
Anne Redman, Perkins Coie
Rick Hourigan, MD, Cigna
Janel Jorgenson, Washington Department of Health

II. Summary of Actions Taken and/or Recommended

Actions Taken (votes adopted)

- i. To approve the minutes of the April 14, 2022, Board meeting with edits to line 106.
- ii. Vote to confirm K. Manley as a Board Member
- iii. Vote to appoint J. Sobeck as Treasurer

III. Minutes

Welcome and Introductions

Mr. Murphy called the meeting to order at 2:01 p.m. Ms. Zell announced that the meeting would be recorded for the benefit of the minute taker, to be deleted once the minutes are approved. Ms. Zell introduced Ms. Manley to the Board. Mr. Murphy previewed the agenda.

Consent Calendar

Mr. Murphy asked for a motion to approve the minutes. Upon motion duly made and seconded, it was unanimously

VOTED: To approve the minutes of the April 14, 2022 Board Meeting with edits to line 106 regarding a Department of Health (DOH) report.

Mr. Murphy asked for a motion to confirm Ms. Manley as a board member. Upon motion duly made and seconded, it was unanimously

VOTED: To confirm Ms. Manley as a Board Member whose term expires in 2025 pursuant to RCW 70.290.030 (3)(a).

Mr. Murphy asked for a motion to appoint Dr. Sobeck as the WVA Board Treasurer. Upon motion duly made and seconded, it was unanimously

VOTED: To appoint Dr. Sobeck as the Board Treasurer.

IV. Financial Update

Financial Statements

Ms. Walker reported that the WVA is in a strong cash position with approximately \$12 million held in liquid cash and approximately \$44 million with investments. She reported that the WVA cash balance has not decreased as much as anticipated, with about a \$2 million dollar decreases reported to date in the current fiscal year.

Mr. Miller reported that the fund source split is expected to impact the WVA's overall fiscal position; however, the DOH will continue to review practice profiles and work with the CDC through the summer months so that any change should not take effect until much later in the year.

V. DOH Updates

Ms. Roberts and Ms. Jorgenson provided an update on the status of hiring a director for the Office of Immunization and Child Profile, which was a position Ms. Roberts held. Once the position is filled, Ms. Roberts will transition her board seat, but expects it will be closer to 2023 when she rotates off.

Ms. Roberts reported that the DOH is close to a rollout of COVID vaccines for children aged six months through age five. Guidance from the FDA is expected in the next week. Ms. Roberts reported that the DOH is expecting clarification from the FDA and CDC in the coming months regarding booster dose recommendations for the COVID vaccine in all ages.

Ms. Roberts provided an update on a report the DOH has produced with two years of data around routine childhood vaccinations and the impact the pandemic had on those rates. Ms. Roberts committed to sending the report by email to Ms. Zell.

Ms. Jorgenson provided an update on the Childhood Vaccine Program (CVP). She noted various efforts DOH has made to increase vaccination rates. She noted that DOH has been using Immunization Information System records to target parents. She described letters that the DOH distributed to parents of kindergarten age children, letting them know if they were past due for school entry required vaccinations and encouraging them to make an appointment to get their child vaccinated. Next, Ms. Jorgenson noted a new GSK MMR vaccine is expected to receive a recommended and will potentially be added to the state contract for inclusion in the universal program. The WVA will need to add this product to its Grid. Lastly, she stated that the CVP program is going through its standard audit, the results of which will be shared with the Board.

VI. ED/AD Updates

Provider Outreach

Ms. Zell provided an update on provider outreach work. She noted that she and Mr. Miller had been utilizing payer generated data to target the largest volume providers with apparent errors in their DBA processes. She described the various issues that they had identified. Simultaneously, Ms. Zell and Mr. Miller have been working on increasing overall compliance through their direct mailings of the statutory assessment grid and new provider-specific billing guide. She also noted that the WVA has been updating its contact lists to create an accurate database of two to three contacts at each facility. Mr. Miller reported that provider outreach calls have been successful in that there are recoveries in progress. Mr. Miller reminded the group that when a new practice comes on with the DOH, Ms. White reaches out directly to the office billing staff to provide an overview of the WVA process.

Direct Care Practices

Ms. Zell introduced the topic of direct care practices and raised a concern for discussion that these practices are an area of leakage because they do not bill insurance and therefore cannot complete the DBA process. dosage-based Ms. Roberts reported that the DOH has committed to having an internal discussion, with guidance from the WVA, about how to address this issue and will circle back with this group with an update in the next few months. Several Board members commented about the problems generated by direct care practices.

Quarterly Goals

Ms. Zell highlighted a few key quarterly goals not otherwise mentioned in the meeting. First, she reported that website improvements are underway which will improve accessibility. She also noted Board governance updates and the Board handbook, to be delivered to Ms. Manley as a new member. Lastly, she called upon Mr. Miller who reported that the annual mailing to providers has been completed with approximately 2,100 provider packets mailed out.

VII. Public Comments.

Dr. Hourigan, a member of the public and employee of Cigna, commented that in consideration of direct care groups, he would advise that the payers cover the costs of vaccines because it is more important to get children immunized.

VIII. Executive Session. Confidential.

IX. Closing.

With no further business before the Committee, Mr. Murphy closed the meeting at 4:01 PT.

**WVA Board of Directors, Board Terms,
Corporate Officers, and Committees
(Approved by the WVA Board November 3, 2022)**

The following individuals are voting members of WVA under RCW 70.290.010--090 (Wash. 2010) (the “Act”).
Their respective terms and committee assignments are set out below beginning January 1, 2023.

Name	Organization	Statutory Authority RCW 70.290.030	Year Term Ends	Officers	Executive Committee	Finance Committee	Operations Committee†	Vaccine Committee RCW 70.290.050
Murphy, Chad	Premiera BlueCross	Sec. (3)(a) Four Members	2023					X
Dunn, John	Kaiser Permanente	Sec. (3)(b) 1 Member	2025	Board Chair	C			X
Farber, Jason	Davis Wright Tremaine	Sec. (3)(c) 1 Member	2026			X		
Manley, Kara	UnitedHealthcare	Sec. (3)(a) Four Members	2025				X	
Harvey, Beth	South Sound Pediatrics	Sec. (3)(f) 2 Members Secretary Appointment	2025	Board Vice President	X			
Parker, Randy	Northwest Association of Administrators	Sec. (3)(d) 1 Member Secretary Appointment	2025			C		
Marcuse, Ed	University of Washington	Sec. (3)(f) 2 Members Secretary Appointment	2024	Board Secretary	X			C
Roberts, Michele	Department of Health	Sec. (3)(g) Secretary Designee	•					Jorgenson, Janel (alternate)
Sobeck, John	Regence BlueShield	Sec. (3)(a) Four Members	2025	Board Treasurer	X	X		
Bartholomew, Lydia	Aetna	Sec. (3)(a) Four Members	2024				X	
Chea, Helen	Molina	Sec. (3)(c) 1 Member	2023					X

Legend:

(“C”)=Chairperson

(“X”)=Member

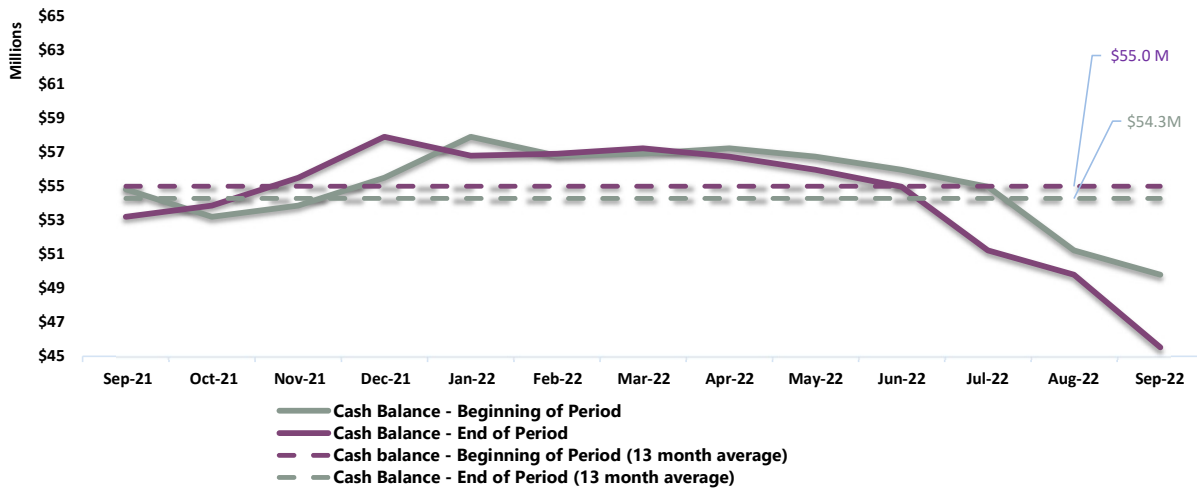
(“•”)=Serves until a successor is appointed by the Secretary

(“† “)=Chaired by Executive Director

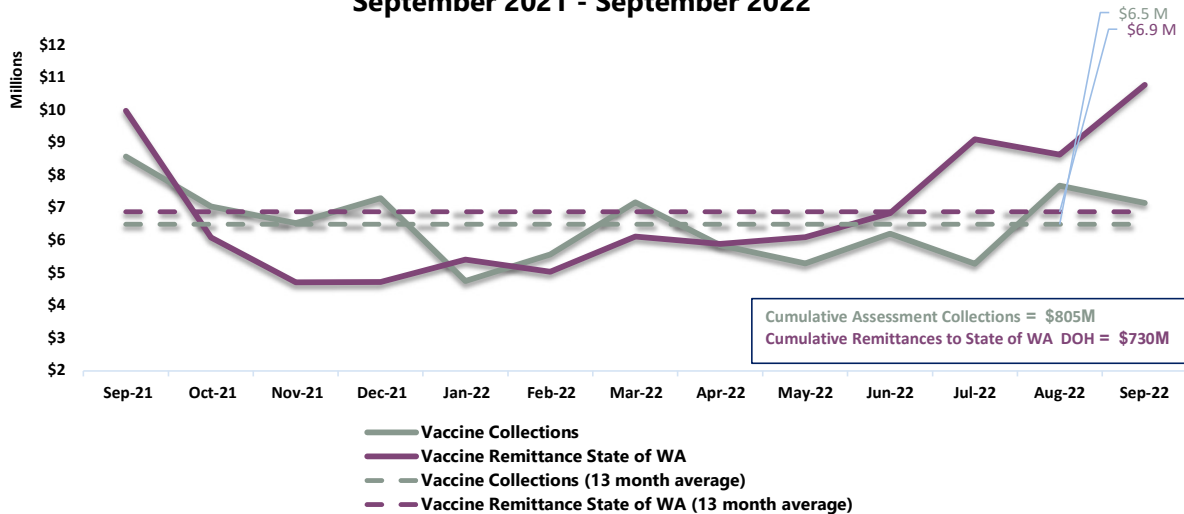
WASHINGTON VACCINE ASSOCIATION
UNAUDITED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
September 30, 2022
With Supplemental Informational Reporting

Prepared by
Helms & Company, Inc., Administrator

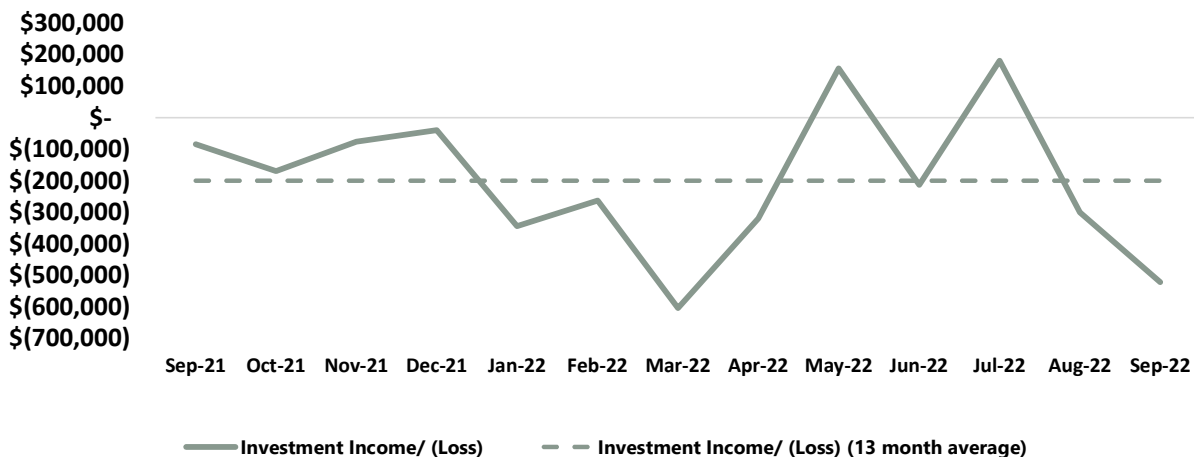
Cash Balances Beginning and End of Period September 2021 - September 2022



Total Vaccine Collections and Vaccine Remittances to State of WA September 2021 - September 2022



Investment Income / (Loss) September 2021 - September 2022



Washington Vaccine Association
Statement of Cash Flows
For the Periods Ended

	AD	AE	AF	AG	AH	AI	AJ	AK	AL	AM	AN	AO	AP	AQ
	Month 9/30/2021	Month 10/31/2021	Month 11/30/2021	Month 12/31/2021	Month 1/31/2022	Month 2/28/2022	Month 3/31/2022	Month 4/30/2022	Month 5/31/2022	Month 6/30/2022	Month 7/31/2022	Month 8/31/2022	Month 9/30/2022	13 Month Average
1 Cash balance - beginning	\$ 54,810,483	\$ 53,200,885	\$ 53,859,684	\$ 55,489,027	\$ 57,892,443	\$ 56,794,955	\$ 56,901,662	\$ 57,228,006	\$ 56,731,278	\$ 55,963,525	\$ 54,966,739	\$ 51,225,722	\$ 49,802,160	54,989,736.14
Inflows:														
2 Vaccine collections	8,574,576	7,041,909	6,526,672	7,292,657	4,758,484	5,567,703	7,165,492	5,855,575	5,295,645	6,203,839	5,293,104	7,684,870	7,154,302	6,493,448.22
3 Interest income - payers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Investment income/ (loss)	(83,457)	(168,946)	(75,953)	(39,134)	(343,834)	(263,415)	(603,741)	(319,989)	156,297	(213,108)	181,120	(300,938)	(522,104)	(199,784.77)
5 Total inflows	8,491,119	6,872,963	6,450,719	7,253,523	4,414,650	5,304,288	6,561,751	5,535,586	5,451,942	5,990,731	5,474,224	7,383,932	6,632,198	\$ 6,293,663
Outflows:														
Program														
6 Vaccine remittance State of WA	(9,970,890)	(6,094,402)	(4,713,678)	(4,724,632)	(5,409,431)	(5,037,313)	(6,117,841)	(5,891,576)	(6,102,649)	(6,839,636)	(9,100,501)	(8,625,865)	(10,771,706)	(6,876,932.26)
Administration														
7 Direct Processing Costs	(78,554)	(79,069)	(76,414)	(78,183)	(76,802)	(71,898)	(71,381)	(74,821)	(74,116)	(79,377)	(84,627)	(87,483)	(83,479)	(78,169.46)
8 Executive Director Costs and Support Fees	(19,093)	(18,113)	(19,564)	(20,100)	-	(70,227)	(23,646)	(20,142)	(22,606)	(22,335)	(21,938)	(22,007)	(24,988)	(23,442.98)
9 Provider and Payer Education and Outreach	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Administrative Costs	(26,931)	(17,330)	(6,470)	(21,942)	(20,656)	(12,893)	(10,489)	(32,125)	(11,475)	(15,318)	(4,575)	(63,139)	(29,166)	(20,962.16)
11 Other Discretionary Expenditures	(5,250)	(5,250)	(5,250)	(5,250)	(5,250)	(5,250)	(12,050)	(13,650)	(8,850)	(30,850)	(3,600)	(9,000)	(3,600)	(8,700.00)
12 Total Administration	(129,827)	(119,762)	(107,697)	(125,475)	(102,708)	(160,268)	(117,566)	(140,738)	(117,047)	(147,880)	(114,740)	(181,629)	(141,233)	(131,275)
13 Net all other outflows	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 Total outflows	(10,100,718)	(6,214,164)	(4,821,375)	(4,850,107)	(5,512,139)	(5,197,581)	(6,235,407)	(6,032,314)	(6,219,696)	(6,987,516)	(9,215,241)	(8,807,494)	(10,912,939)	(7,008,206.86)
15 Net Cash Incr (decr) for period	(1,609,599)	658,799	1,629,344	2,403,416	(1,097,489)	106,707	326,344	(496,728)	(767,754)	(996,785)	(3,741,017)	(1,423,562)	(4,280,741)	(714,543)
16 Cash balance - end of period	\$ 53,200,885	\$ 53,859,684	\$ 55,489,027	\$ 57,892,443	\$ 56,794,955	\$ 56,901,662	\$ 57,228,006	\$ 56,731,278	\$ 55,963,525	\$ 54,966,739	\$ 51,225,722	\$ 49,802,160	\$ 45,521,419	\$ 54,275,193

Note: Cash balance includes amounts in KeyBank and Morgan Stanley

Washington Vaccine Association
Statement of Financial Position
As of September 30, 2022

ASSETS

1	Current Assets		
2	Cash and Cash Equivalents	\$	1,857,060
3	Accounts Receivable		-
4	Investments		43,664,359
5	Members Estimated Collectible Assessments		5,283,153
6	Prepaid Vaccine		9,732,438
7	Prepaid Administrative Services		-
8	Total Current Assets		<u>60,537,010</u>
9	Total Assets	\$	<u><u>60,537,010</u></u>

LIABILITIES AND NET ASSETS

10	Current Liabilities		
11	Accounts Payable	\$	88,201
12	Other Accruals		88,494
13	Total Current Liabilities		<u>176,695</u>
14	Assessments Collected in Excess of Vaccine Funding and Administrative Activities		<u>60,360,315</u>
15	Total Liabilities		<u>60,537,010</u>
16	Total Liabilities and Net Assets	\$	<u><u>60,537,010</u></u>

Washington Vaccine Association
Statement of Activities and Changes in Net Assets

	A	B	C	D	E	F
	Month Ended September 30, 2022			Month Ended September 30, 2021		
	Administrative	Vaccine	Total	Administrative	Vaccine	Total
	Revenues / Vaccine Expenses					
1 Assessment Activity:						
2 Assessments	\$ (761,410)	\$ 7,952,248	\$ 7,190,838	\$ (563,021)	\$ 9,088,734	\$ 8,525,713
3 Recoveries	-	-	-	92,394	-	92,394
4 Estimated Over (Under) Collections	-	-	-	-	-	-
5 Refunds	(24,853)	-	(24,853)	(16,280)	-	(16,280)
6 Estimated 2% Waste	(95,463)	-	(95,463)	(149,311)	-	(149,311)
7 Estimated Price Variance and 3% Denial	(11,684)	-	(11,684)	(25,863)	-	(25,863)
8 DOH Replenishment	-	(8,515,253)	(8,515,253)	-	(8,540,919)	(8,540,919)
9 Adjustment to Correct Inventory	-	-	-	-	-	-
10 DOH Cost Recovery Admin Charge	(85,788)	-	(85,788)	(64,168)	-	(64,168)
11 Interest Income on Assessments	-	-	-	-	-	-
12 Net Assessment Activity	(979,197)	(563,005)	(1,542,202)	(726,249)	547,815	(178,434)
13 Investment Activity:						
14 Interest and Dividend Income - Morgan Stanley	94,913	-	94,913	104,310	-	104,310
15 Realized Gain/(Loss) on Investments - Morgan Stanley	(2,919)	-	(2,919)	(1,418)	-	(1,418)
16 Unrealized Gain/(Loss) on Investments - Morgan Stanley	(619,175)	-	(619,175)	(174,227)	-	(174,227)
17 Investment Management Expenses	(10,384)	-	(10,384)	(12,263)	-	(12,263)
18 Interest Income - KeyBank	15,460	-	15,460	141	-	141
19 Net Investment Activity	(522,104)	-	(522,104)	(83,457)	-	(83,457)
20 Net Revenues	(1,501,301)	(563,005)	(2,064,306)	(809,705)	547,815	(261,890)

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

	A	B	C	D	E	F
	Month Ended September 30, 2022			Month Ended September 30, 2021		
	Administrative	Vaccine Other Expenses	Total	Administrative	Vaccine	Total
21 Administrative Expenses:						
22 Direct Processing Costs						
23 Administrator (Helms & Company, Inc.)	65,432	-	65,432	69,182	-	69,182
24 EDI /ACH Clearinghouse Maintenance (Helms & Company, Inc.)	3,754	-	3,754	4,676	-	4,676
25 Clearinghouse Intake Processing (Availity, Zelis, Etc.)	6,226	-	6,226	2,740	-	2,740
26 Lockbox and Bank Fees	3,766	-	3,766	3,710	-	3,710
27 Recovery and Compliance (Helms & Company, Inc.)	5,250	-	5,250	5,250	-	5,250
28 Lockbox Intake (OrboGraph)	3,750	-	3,750	-	-	-
29 Total Direct Processing Costs	88,178	-	88,178	85,559	-	85,559
30 Executive Director Costs and Related Support Fees						
31 Executive Director Salary	18,810	-	18,810	17,510	-	17,510
32 Payroll Taxes	438	-	438	408	-	408
33 Leased Employee per Check Fee	195	-	195	195	-	195
34 Executive Director Travel and Lodging, Education, and Other	6,158	-	6,158	-	-	-
35 Technology Support (Desktop and Telephony)	335	-	335	335	-	335
36 Total Executive Director Costs and Related Support Fees	25,937	-	25,937	18,448	-	18,448
37 Provider and Payer Education and Outreach						
38 Provider Education Materials, Development and Printing	-	-	-	-	-	-
39 Postage	-	-	-	-	-	-
40 Website and Information Technology	-	-	-	1,620	-	1,620
41 Technical Consultants	-	-	-	-	-	-
42 Provider Office Training Sessions	-	-	-	-	-	-
43 Advertising and Sponsorships	-	-	-	-	-	-
44 Hospitality	-	-	-	-	-	-
45 Provider Services Rep	-	-	-	-	-	-
46 Leased Employee per Check Fee	-	-	-	-	-	-
47 Total Provider and Payer Education and Outreach	-	-	-	1,620	-	1,620
48 Administrative Costs						
49 Legal Counsel	-	-	-	15,716	-	15,716
50 Audit Fees	17,640	-	17,640	7,455	-	7,455
51 Government Relations, Including Travel, Meals, and Consultants	-	-	-	-	-	-
52 Registered Agent Fee	-	-	-	-	-	-
53 Bank Fees	-	-	-	-	-	-
54 Office Supplies and Equipment	126	-	126	-	-	-
55 Rent, ELM and Storage Facility	-	-	-	-	-	-
56 Other Admin Support Provided by Lessor	-	-	-	-	-	-
57 Board Retreat and Meetings	-	-	-	-	-	-
58 Insurance						
59 Cyber Liability	-	-	-	-	-	-

Washington Vaccine Association
Statement of Activities and Changes in Net Assets

		A	B	C	D	E	F
		Month Ended September 30, 2022			Month Ended September 30, 2021		
		Administrative	Vaccine	Total	Administrative	Vaccine	Total
60	Directors and Officers	-	-	-	-	-	-
61	General Liability	1,534	-	1,534	-	-	-
62	Insurance - Other	-	-	-	-	-	-
63	Legal - Special Projects and L	-	-	-	-	-	-
64	Total Administrative Costs	19,300	-	19,300	23,171	-	23,171
65	Other Discretionary Expenditures						
66	Executive Director and Other Contractor Bonus	-	-	-	-	-	-
67	Human Resources and Governance	3,600	-	3,600	-	-	-
68	Total Other Discretionary Expenditures	3,600	-	3,600	-	-	-
69	Total Administrative Expenses	137,015	-	137,015	128,797	-	128,797
70	Total Change in Unrestricted Net Assets	\$ (1,638,316)	\$ (563,005)	\$ (2,201,321)	\$ (938,503)	\$ 547,815	\$ (390,688)

Washington Vaccine Association
Statement of Activities and Changes in Net Assets

		A	B	C	D	E	F
		For Three Months Ended September 30, 2022			For Three Months Ended September 30, 2021		
		Administrative	Vaccine	Total	Administrative	Vaccine	Total
		Revenues / Vaccine Expenses					
1	Assessment Activity:						
2	Assessments	\$ (2,141,168)	\$ 22,357,331	\$ 20,216,163	\$ (3,004,339)	\$ 23,951,775	\$ 20,947,436
3	Recoveries	-	-	-	92,394	-	92,394
4	Estimated Over (Under) Collections	-	-	-	-	-	-
5	Refunds	(67,596)	-	(67,596)	(77,249)	-	(77,249)
6	Estimated 2% Waste	(234,174)	-	(234,174)	(432,993)	-	(432,993)
7	Estimated Price Variance and 3% Denial	(32,342)	-	(32,342)	(69,740)	-	(69,740)
8	DOH Replenishment	-	(24,018,041)	(24,018,041)	-	(19,933,365)	(19,933,365)
9	Adjustment to Correct Inventory	-	-	-	-	-	-
10	DOH Cost Recovery Admin Charge	(246,145)	-	(246,145)	(189,851)	-	(189,851)
11	Interest Income on Assessments	-	-	-	-	-	-
12	Net Assessment Activity	(2,721,425)	(1,660,710)	(4,382,135)	(3,681,777)	4,018,410	336,633
13	Investment Activity:						
14	Interest and Dividend Income - Morgan Stanley	221,890	-	221,890	272,590	-	272,590
15	Realized Gain/(Loss) on Investments - Morgan Stanley	(2,919)	-	(2,919)	11,516	-	11,516
16	Unrealized Gain/(Loss) on Investments - Morgan Stanley	(867,732)	-	(867,732)	(266,640)	-	(266,640)
17	Investment Management Expenses	(32,076)	-	(32,076)	(37,034)	-	(37,034)
18	Interest Income - KeyBank	38,914	-	38,914	377	-	377
19	Net Investment Activity	(641,923)	-	(641,923)	(19,192)	-	(19,192)
20	Net Revenues	(3,363,347)	(1,660,710)	(5,024,058)	(3,700,970)	4,018,410	317,441

Washington Vaccine Association
Statement of Activities and Changes in Net Assets

	A	B	C	D	E	F
	For Three Months Ended September 30, 2022			For Three Months Ended September 30, 2021		
	Administrative	Vaccine Other Expenses	Total	Administrative	Vaccine	Total
21 Administrative Expenses:						
22 Direct Processing Costs						
23 Administrator (Helms & Company, Inc.)	203,796	-	203,796	207,546	-	207,546
24 EDI /ACH Clearinghouse Maintenance (Helms & Con	12,917	-	12,917	16,017	-	16,017
25 Clearinghouse Intake Processing (Avality, Zelis, Etc.)	15,213	-	15,213	7,535	-	7,535
26 Lockbox and Bank Fees	10,876	-	10,876	10,862	-	10,862
27 Recovery and Compliance (Helms & Company, Inc.)	15,750	-	15,750	15,750	-	15,750
28 Lockbox Intake (OrboGraph)	3,750	-	3,750	-	-	-
29 Total Direct Processing Costs	262,302	-	262,302	257,709	-	257,709
30 Executive Director Costs and Related Support Fees						
31 Executive Director Salary	55,231	-	55,231	52,778	-	52,778
32 Payroll Taxes	1,933	-	1,933	2,315	-	2,315
33 Leased Employee per Check Fee	585	-	585	585	-	585
34 Executive Director Travel and Lodging, Education, an	10,482	-	10,482	-	-	-
35 Technology Support (Desktop and Telephony)	1,005	-	1,005	1,005	-	1,005
36 Total Executive Director Costs and Related Support Fees	69,236	-	69,236	56,683	-	56,683
37 Provider and Payer Education and Outreach						
38 Provider Education Materials, Development and Print	-	-	-	3,999	-	3,999
39 Postage	-	-	-	40	-	40
40 Website and Information Technology	-	-	-	1,620	-	1,620
41 Technical Consultants	-	-	-	-	-	-
42 Provider Office Training Sessions	-	-	-	715	-	715
43 Advertising and Sponsorships	-	-	-	-	-	-
44 Hospitality	-	-	-	300	-	300
45 Provider Services Rep	-	-	-	-	-	-
46 Leased Employee per Check Fee	-	-	-	-	-	-
47 Total Provider and Payer Education and Outreach	-	-	-	6,674	-	6,674
49 Administrative Costs						
50 Legal Counsel	8,128	-	8,128	24,873	-	24,873
51 Audit Fees	20,475	-	20,475	15,540	-	15,540
52 Government Relations, Including Travel, Meals, and	-	-	-	-	-	-
52 Registered Agent Fee	-	-	-	-	-	-
53 Bank Fees	-	-	-	-	-	-
54 Office Supplies and Equipment	4,819	-	4,819	368	-	368
55 Rent, ELM and Storage Facility	-	-	-	-	-	-
56 Other Admin Support Provided by Lessor	-	-	-	-	-	-

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

Meeting Packet Page 16

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Washington Vaccine Association
Statement of Activities and Changes in Net Assets

		A	B	C	D	E	F
		For Three Months Ended September 30, 2022			For Three Months Ended September 30, 2021		
		Administrative	Vaccine	Total	Administrative	Vaccine	Total
57	Board Retreat and Meetings	-	-	-	-	-	-
58	Insurance						
59	Cyber Liability	-	-	-	-	-	-
60	Directors and Officers	22,244	-	22,244	47,785	-	47,785
61	General Liability	31,348	-	31,348	1,390	-	1,390
62	Insurance - Other	-	-	-	-	-	-
63	Legal - Special Projects and L	-	-	-	-	-	-
64	Total Administrative Costs	87,014	-	87,014	89,956	-	89,956
65	Other Discretionary Expenditures						
66	Executive Director and Other Contractor Bonus	-	-	-	-	-	-
67	Human Resources and Governance	16,200	-	16,200	-	-	-
68	Total Other Discretionary Expenditures	16,200	-	16,200	-	-	-
69	Total Administrative Expenses	434,752	-	434,752	411,022	-	411,022
70	Total Change in Unrestricted Net Assets	\$ (3,798,100)	\$ (1,660,710)	\$ (5,458,810)	\$ (4,111,992)	\$ 4,018,410	\$ (93,582)

Washington Vaccine Association
Statement of Activities and Changes in Net Assets

		Month Ended September 30, 2022			For Three Months Ended September 30, 2022		
		A	B	C	D	E	F
		Administrative	Vaccine	Total	Administrative	Vaccine	Total
		Revenues / Vaccine Expenses					
1	Assessment Activity:						
2	Assessments	\$ (761,410)	\$ 7,952,248	\$ 7,190,838	\$ (2,141,168)	\$ 22,357,331	\$ 20,216,163
3	Recoveries	-	-	-	-	-	-
4	Estimated Over (Under) Collections	-	-	-	-	-	-
5	Refunds	(24,853)	-	(24,853)	(67,596)	-	(67,596)
6	Estimated 2% Waste	(95,463)	-	(95,463)	(234,174)	-	(234,174)
7	Estimated Price Variance and 3% Denial	(11,684)	-	(11,684)	(32,342)	-	(32,342)
8	DOH Replenishment	-	(8,515,253)	(8,515,253)	-	(24,018,041)	(24,018,041)
9	Adjustment to Correct Inventory	-	-	-	-	-	-
10	DOH Cost Recovery Admin Charge	(85,788)	-	(85,788)	(246,145)	-	(246,145)
11	Interest Income on Assessments	-	-	-	-	-	-
12	Net Assessment Activity	(979,197)	(563,005)	(1,542,202)	(2,721,425)	(1,660,710)	(4,382,135)
13	Investment Activity:						
14	Interest and Dividend Income - Morgan Stanley	94,913	-	94,913	221,890	-	221,890
15	Realized Gain/(Loss) on Investments - Morgan Stanley	(2,919)	-	(2,919)	(2,919)	-	(2,919)
16	Unrealized Gain/(Loss) on Investments - Morgan Stanley	(619,175)	-	(619,175)	(867,732)	-	(867,732)
17	Investment Management Expenses	(10,384)	-	(10,384)	(32,076)	-	(32,076)
18	Interest Income - KeyBank	15,460	-	15,460	38,914	-	38,914
19	Net Investment Activity	(522,104)	-	(522,104)	(641,923)	-	(641,923)
20	Net Revenues	(1,501,301)	(563,005)	(2,064,306)	(3,363,347)	(1,660,710)	(5,024,058)

Washington Vaccine Association
Statement of Activities and Changes in Net Assets

	A	B	C	D	E	F
	Month Ended September 30, 2022			For Three Months Ended September 30, 2022		
	Administrative	Vaccine	Total	Administrative	Vaccine	Total
	Other Expenses					
21 Administrative Expenses:						
22 Direct Processing Costs						
23 Administrator (Helms & Company, Inc.)	65,432	-	65,432	203,796	-	203,796
24 EDI /ACH Clearinghouse Maintenance (Helms & Company, Inc.)	3,750	-	3,750	12,917	-	12,917
25 Clearinghouse Intake Processing (Avality, Zelis, Etc.)	6,226	-	6,226	15,213	-	15,213
26 Lockbox and Bank Fees	3,766	-	3,766	10,876	-	10,876
27 Recovery and Compliance (Helms & Company, Inc.)	5,250	-	5,250	15,750	-	15,750
28 Lockbox Intake (OrboGraph)	3,754	-	3,754	3,750	-	3,750
29 Total Direct Processing Costs	88,178	-	88,178	262,302	-	262,302
30 Executive Director Costs and Related Support Fees						
31 Executive Director Salary	18,810	-	18,810	55,231	-	55,231
32 Payroll Taxes	438	-	438	1,933	-	1,933
33 Leased Employee per Check Fee	195	-	195	585	-	585
34 Executive Director Travel and Lodging, Education, and Other	6,158	-	6,158	10,482	-	10,482
35 Technology Support (Desktop and Telephony)	335	-	335	1,005	-	1,005
36 Total Executive Director Costs and Related Support Fees	25,937	-	25,937	69,236	-	69,236
37 Provider and Payer Education and Outreach						
38 Provider Education Materials, Development and Printing	-	-	-	-	-	-
39 Postage	-	-	-	-	-	-
40 Website and Information Technology	-	-	-	-	-	-
41 Technical Consultants	-	-	-	-	-	-
42 Provider Office Training Sessions	-	-	-	-	-	-
43 Advertising and Sponsorships	-	-	-	-	-	-
44 Hospitality	-	-	-	-	-	-
45 Provider Services Rep	-	-	-	-	-	-
46 Leased Employee per Check Fee	-	-	-	-	-	-
47 Total Provider and Payer Education and Outreach	-	-	-	-	-	-
48 Administrative Costs						
49 Legal Counsel	-	-	-	8,128	-	8,128
50 Audit Fees	17,640	-	17,640	20,475	-	20,475
51 Government Relations, Including Travel, Meals, and Consultants	-	-	-	-	-	-
52 Registered Agent Fee	-	-	-	-	-	-
53 Bank Fees	-	-	-	-	-	-
54 Office Supplies and Equipment	126	-	126	4,819	-	4,819
55 Rent, ELM and Storage Facility	-	-	-	-	-	-
56 Other Admin Support Provided by Lessor	-	-	-	-	-	-
57 Board Retreat and Meetings	-	-	-	-	-	-
58 Insurance						
59 Cyber Liability	-	-	-	-	-	-
60 Directors and Officers	-	-	-	22,244	-	22,244
61 General Liability	1,534	-	1,534	31,348	-	31,348
62 Insurance - Other	-	-	-	-	-	-

Washington Vaccine Association
Statement of Activities and Changes in Net Assets

		A	B	C	D	E	F
		Month Ended September 30, 2022			For Three Months Ended September 30, 2022		
		Administrative	Vaccine	Total	Administrative	Vaccine	Total
63	Legal - Special Projects and L	-	-	-	-	-	-
64	Total Administrative Costs	19,300	-	19,300	87,014	-	87,014
65	Other Discretionary Expenditures						
66	Executive Director and Other Contractor Bonus	-	-	-	-	-	-
67	Human Resources and Governance	3,600	-	3,600	16,200	-	16,200
68	Total Other Discretionary Expenditures	3,600	-	3,600	16,200	-	16,200
69	Total Administrative Expenses	137,015	-	137,015	434,752	-	434,752
70	Total Change in Unrestricted Net Assets	\$ (1,638,315)	\$ (563,005)	\$ (2,201,320)	\$ (3,798,100)	\$ (1,660,710)	\$ (5,458,810)

**Washington Vaccine Association
Administrative Budget Status
For Month of September 2022**

	A Approved Budget	B Actual September 30, 2022	C Budget Variance
1 Direct Processing Costs			
2 Administrator (Helms & Company, Inc.)	65,432	65,432	-
3 EDI /ACH Clearinghouse Maintenance (Helms & Company, Inc.)	3,750	3,750	-
4 Clearinghouse Intake Processing (Avality, Zelis, Etc.)	3,000	6,226	(3,226)
5 Lockbox and Bank Fees	4,000	3,766	234
6 Recovery and Compliance (Helms & Company, Inc.)	5,250	5,250	-
7 Lockbox Intake (OrboGraph)	6,920	3,754	3,166
8 Total Direct Processing Costs	88,352	88,178	174
9 Executive Director Costs and Related Support Fees			
10 Executive Director Salary	18,210	18,810	(600)
11 Payroll Taxes	419	438	(19)
12 Leased Employee per Check Fee	195	195	-
13 Executive Director Travel and Lodging, Education, and Other	5,417	6,158	(741)
14 Technology Support (Desktop and Telephony)	335	335	-
15 Total Executive Director Costs and Related Support Fees	24,576	25,937	(1,361)
16 Provider and Payer Education and Outreach			
17 Provider Education Materials, Development and Printing	6,250	-	6,250
18 Postage	1,250	-	1,250
19 Website and Information Technology	1,250	-	1,250
20 Technical Consultants	500	-	500
21 Provider Office Training Sessions	1,000	-	1,000
22 Advertising and Sponsorships	167	-	167
23 Hospitality	300	-	300
24 Provider Services Rep	6,728	-	6,728
25 Leased Employee per Check Fee	-	-	-
26 Total Provider and Payer Education and Outreach	17,445	-	17,445
27 Administrative Costs			
28 Legal - General Counsel and Governance	3,333	-	3,333
29 Audit Fees	22,500	17,640	4,860
30 Government Relations Consultants	417	-	417
31 Registered Agent Fee	-	-	-
32 Investment Management Fees	12,000	10,384	1,616
33 Office Supplies and Equipment	3,950	126	3,824
34 Rent	150	-	150
35 Other Admin Support Provided by Lessor	42	-	42
36 Board Retreat and Meetings	1,000	-	1,000
37 Insurance	-	-	-
38 Cyber Liability	-	-	-
39 Directors and Officers	52,564	-	52,564
40 General Liability	-	1,534	(1,534)
41 Legal - Special Projects and Litigation	7,500	-	7,500
42 Total Administrative Costs	103,456	29,683	73,773
43 Other Discretionary Expenditures			
44 Executive Director Bonus Pool	-	-	-
45 Human Resources and Governance	4,350	3,600	750
46 Total Other Discretionary Expenditures	4,350	3,600	750
47 Total Budget	\$ 238,179	\$ 147,398	\$ 90,781

**Washington Vaccine Association
Administrative Budget Status
For the Quarter Ending September 30, 2022**

	A Approved Budget	B Actual September 30, 2022	C Budget Variance
1 Direct Processing Costs			
2 Administrator (Helms & Company, Inc.)	196,296	196,296	-
3 EDI /ACH Clearinghouse Maintenance (Helms & Company, Inc.)	11,250	11,250	-
4 Clearinghouse Intake Processing (Avality, Zelis, Etc.)	9,000	15,213	(6,213)
5 Lockbox and Bank Fees	12,000	10,876	1,124
6 Recovery and Compliance (Helms & Company, Inc.)	15,750	15,750	-
7 Lockbox Intake (OrboGraph)	20,760	12,921	7,839
8 Total Direct Processing Costs	265,056	262,306	2,750
9 Executive Director Costs and Related Support Fees			
10 Executive Director Salary	54,630	55,231	(601)
11 Payroll Taxes	2,231	1,933	298
12 Leased Employee per Check Fee	585	585	-
13 Executive Director Travel and Lodging, Education, and Other	16,251	10,482	5,769
14 Technology Support (Desktop and Telephony)	1,005	1,005	-
15 Total Executive Director Costs and Related Support Fees	74,702	69,236	5,466
16 Provider and Payer Education and Outreach			
17 Provider Education Materials, Development and Printing	18,750	-	18,750
18 Postage	3,750	-	3,750
19 Website and Information Technology	3,750	-	3,750
20 Technical Consultants	1,500	-	1,500
21 Provider Office Training Sessions	3,000	-	3,000
22 Advertising and Sponsorships	501	-	501
23 Hospitality	900	-	900
24 Provider Services Rep	6,728	-	6,728
25 Leased Employee per Check Fee	-	-	-
26 Total Provider and Payer Education and Outreach	38,879	-	38,879
27 Administrative Costs			
28 Legal - General Counsel and Governance	9,999	8,128	1,871
29 Audit Fees	22,500	20,475	2,025
30 Government Relations Consultants	1,251	-	1,251
31 Registered Agent Fee	150	-	150
32 Investment Management Fees	36,000	32,076	3,924
33 Office Supplies and Equipment	8,350	4,819	3,531
34 Rent	450	-	450
35 Other Admin Support Provided by Lessor	126	-	126
36 Board Retreat and Meetings	3,000	-	3,000
37 Insurance	-	-	-
38 Cyber Liability	-	-	-
39 Directors and Officers	52,564	52,058	506
40 General Liability	1,500	1,534	(34)
41 Legal - Special Projects and Litigation	22,500	-	22,500
42 Total Administrative Costs	158,390	119,090	39,300
43 Other Discretionary Expenditures			
44 Executive Director Bonus Pool	-	-	-
45 Human Resources and Governance	13,050	16,200	(3,150)
46 Total Other Discretionary Expenditures	13,050	16,200	(3,150)
47 Total Budget	\$ 550,077	\$ 466,833	\$ 83,244

Washington Vaccine Association

Notes to Financial Statements

For the Three Months Ended September 30, 2022

Balance Sheet

Lines 2 and 4. Cash decreased in September by approximately \$4,281,000. Total cash and investments at month end are approximately \$45 million as compared to the budgeted cash position of \$46 million. The time-lag between the date of service and the receipt of payment has been considered when projecting cash reserves for FY2023.

Line 6. The Prepaid Vaccine amount includes the amount requested by the Washington Department of Health (DOH) for the September 2022 replenishment of vaccines. The amount includes the administrative fee of 1.4% which equaled \$147,537 included in the request.

Line 5. Members Estimated Collectible Assessments reflects the value of vaccine funding provided to the DOH for the purchase of vaccines for which the Association expects to receive an assessment payment.

Profit and Loss

Line 2. The amount reported as Assessments includes all assessments received in the month of July. The assessments are tracked in the accounting system using the procedure code and date of service supplied by the provider's remittance advice. While it is assumed that the provider utilized a vaccine that was purchased by the Department of Health in either the corresponding month or a prior month(s), there are too many variables in the purchasing process, the supply chain, and the utilization driving the remittance to provide certainty.

Line 6. The amount reported as 2% Waste is an estimate that 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 that 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 continue to be used for the foreseeable future.

Line 7. 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 8. The DOH replenishment is the actual "cost" of the vaccines that are associated with the Assessments received in September.

Line 10. The amount reported as DOH Cost Recovery Admin Charge is the amount requested by the DOH for administrative expenses incurred in August. It was paid with the October 2022 replenishment of vaccines.

Other

Based upon a review of detailed assessment remittance data, the Association at times receives both over- and under-payments for remittances. Overpayments are repaid through the refunds process, through balance forward remittances, or through a separate, specific analysis. 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. The Association's compliance efforts involve work with payers to resolve these discrepancies and may result in additional assessment revenue or payer/provider refunds attributable to the current fiscal year but related to a prior fiscal year.



Board of Directors
Washington Vaccine Association
Seattle, Washington

We have audited the financial statements of Washington Vaccine Association as of and for the year ended June 30, 2022, and have issued our report thereon dated September 22, 2022. 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 in our engagement letter dated March 16, 2022. 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.

No new accounting policies were adopted during fiscal year 2022.

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 DOH. We evaluated the key factors and assumptions used in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the fair value of investments is based on values reported on the investment statements. We evaluated the key factors and assumptions used to develop the investment value 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 determined that the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The following summarizes uncorrected misstatements of the financial statements:

An \$80,300 difference between investment value reported by Morgan Stanley and an independent appraisal service has not been reflected in the financial statements.

Uncorrected misstatements or the matters underlying uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if management has concluded that the uncorrected misstatements are immaterial to the financial statements under audit.

Corrected misstatements

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

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 22, 2022.

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.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Bellevue, Washington
September 22, 2022

**WASHINGTON VACCINE ASSOCIATION
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2022 AND 2021**



CPAs | CONSULTANTS | WEALTH ADVISORS

**WASHINGTON VACCINE ASSOCIATION
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YEARS ENDED JUNE 30, 2022 AND 2021**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Washington Vaccine Association
Seattle, Washington

Opinion

We have audited the accompanying financial statements of Washington Vaccine Association (the Association), a Washington nonprofit organization, which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Washington Vaccine Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Washington Vaccine Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Washington Vaccine Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



CliftonLarsonAllen LLP

Bellevue, Washington
September 22, 2022

**WASHINGTON VACCINE ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 11,101,243	\$ 3,797,938
Estimated Collectible Assessments	4,112,039	5,011,329
Prepaid Vaccines to Washington Department of Health	<u>6,845,103</u>	<u>6,049,825</u>
Total Current Assets	22,058,385	14,859,092
INVESTMENTS	<u>43,865,196</u>	<u>54,767,977</u>
Total Assets	<u><u>\$ 65,923,581</u></u>	<u><u>\$ 69,627,069</u></u>
LIABILITIES AND NET ASSETS WITHOUT RESTRICTIONS		
CURRENT LIABILITIES		
Accounts Payable	\$ 163,490	\$ 171,233
ASSESSMENTS COLLECTED IN EXCESS OF VACCINE FUNDING AND ADMINISTRATIVE ACTIVITIES	<u>65,760,091</u>	<u>69,455,836</u>
Total Liabilities	65,923,581	69,627,069
NET ASSETS WITHOUT RESTRICTIONS	<u>-</u>	<u>-</u>
Total Liabilities and Net Assets Without Restrictions	<u><u>\$ 65,923,581</u></u>	<u><u>\$ 69,627,069</u></u>

See accompanying Notes to Financial Statements.

**WASHINGTON VACCINE ASSOCIATION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

	Administrative Activities	Vaccine Funding Activities	Total
CHANGE IN NET ASSETS WITHOUT RESTRICTIONS			
Assessment Activity:			
Assessments	\$ (6,493,823)	\$ 83,643,996	\$ 77,150,173
Refunds	(446,262)	-	(446,262)
Waste	(908,883)	-	(908,883)
Denials and Price Variances	(185,601)	-	(185,601)
Cost Recovery Charge	(846,903)	-	(846,903)
Vaccine Replenishments	-	(74,989,143)	(74,989,143)
Net Assessment Activity	(8,881,472)	8,654,853	(226,619)
Investment Income:			
Interest and Dividends	1,084,916	-	1,084,916
Realized Gain on Investments	5,440	-	5,440
Unrealized Depreciation of Fair Value	(2,844,817)	-	(2,844,817)
Total Investment Income	(1,754,461)	-	(1,754,461)
Less: Investment Expenses	(135,679)	-	(135,679)
Net Investment Income	(1,890,140)	-	(1,890,140)
Expenses:			
Administrative:			
Third-Party Administrative Services	976,167	-	976,167
Executive Director Costs and Related Support	250,980	-	250,980
Provider and Payor Education and Outreach	63,897	-	63,897
Administrative Costs	164,204	-	164,204
Other Discretionary Expenditures	123,738	-	123,738
Total Expenses	1,578,986	-	1,578,986
Total Change in Net Assets Without Restrictions	(12,350,598)	8,654,853	(3,695,745)
VACCINE FUNDING AND ADMINISTRATIVE ACTIVITIES IN EXCESS OF ASSESSMENTS COLLECTED	12,350,598	(8,654,853)	3,695,745
CHANGES IN NET ASSETS WITHOUT RESTRICTIONS	-	-	-
Net Assets Without Restrictions - Beginning of Year	-	-	-
NET ASSETS WITHOUT RESTRICTIONS - END OF YEAR	\$ -	\$ -	\$ -

See accompanying Notes to Financial Statements.

**WASHINGTON VACCINE ASSOCIATION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

	Administrative Activities	Vaccine Funding Activities	Total
CHANGE IN NET ASSETS WITHOUT RESTRICTIONS			
Assessment Activity:			
Assessments	\$ (2,092,497)	\$ 81,366,326	\$ 79,273,829
Refunds	(370,160)	-	(370,160)
Waste	(1,338,320)	-	(1,338,320)
Denials and Price Variances	(285,713)	-	(285,713)
Cost Recovery Charge	(1,049,104)	-	(1,049,104)
Vaccine Replenishments	-	(79,487,962)	(79,487,962)
Net Assessment Activity	(5,135,794)	1,878,364	(3,257,430)
Investment Income:			
Interest and Dividends	1,152,683	-	1,152,683
Realized Gain on Investments	177,456	-	177,456
Unrealized Appreciation of Fair Value	(1,144,871)	-	(1,144,871)
Total Investment Income	185,268	-	185,268
Less: Investment Expenses	(130,053)	-	(130,053)
Net Investment Income	55,215	-	55,215
Expenses:			
Administrative:			
Third-Party Administrative Services	989,049	-	989,049
Executive Director Costs and Related Support	240,767	-	240,767
Provider and Payor Education and Outreach	52,044	-	52,044
Administrative Costs	183,292	-	183,292
Other Discretionary Expenditures	95,616	-	95,616
Total Expenses	1,560,768	-	1,560,768
Total Change in Net Assets Without Restrictions	(6,641,347)	1,878,364	(4,762,983)
VACCINE FUNDING AND ADMINISTRATIVE ACTIVITIES IN EXCESS OF ASSESSMENTS COLLECTED	6,641,347	(1,878,364)	4,762,983
CHANGES IN NET ASSETS WITHOUT RESTRICTIONS	-	-	-
Net Assets Without Restrictions - Beginning of Year	-	-	-
NET ASSETS WITHOUT RESTRICTIONS - END OF YEAR	\$ -	\$ -	\$ -

See accompanying Notes to Financial Statements.

**WASHINGTON VACCINE ASSOCIATION
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2022 AND 2021**

	2022		
	Program Services	Management and General	Total
Vaccine Replenishments	\$ 75,836,046	\$ -	\$ 75,836,046
Payroll	-	250,980	250,980
Third-Party Administrative Services	-	976,167	976,167
Special Projects Services	-	63,897	63,897
Legal and Accounting	-	164,204	164,204
Office	-	123,738	123,738
Total	75,836,046	1,578,986	77,415,032
Less Expenses Netted Against Revenues on the Statement of Activities:			
Vaccine Replenishments	(75,836,046)	-	(75,836,046)
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ -</u>	<u>\$ 1,578,986</u>	<u>\$ 1,578,986</u>
	2021		
	Program Services	Management and General	Total
Vaccine Replenishments	\$ 80,537,066	\$ -	\$ 80,537,066
Payroll	-	240,767	240,767
Third-Party Administrative Services	-	989,049	989,049
Special Projects Services	-	52,044	52,044
Legal and Accounting	-	183,292	183,292
Office	-	95,616	95,616
Total	80,537,066	1,560,768	82,097,834
Less Expenses Netted Against Revenues on the Statement of Activities:			
Vaccine Replenishments	(80,537,066)	-	(80,537,066)
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ -</u>	<u>\$ 1,560,768</u>	<u>\$ 1,560,768</u>

See accompanying Notes to Financial Statements.

**WASHINGTON VACCINE ASSOCIATION
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Assessments Collected	\$ 75,661,814	\$ 83,775,158
Cash Remittances to Washington Department of Health for Vaccines	(75,784,421)	(80,436,026)
Administrative Expenses Paid	(1,586,729)	(1,715,580)
Cash Received from Interest and Dividend Income	1,084,916	1,152,683
Cash Paid for Investment Expenses	(135,679)	(130,053)
Net Cash Provided (Used) by Operating Activities	<u>(760,099)</u>	<u>2,646,182</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Purchases	(20,886,813)	(88,207,924)
Proceeds from Investment Sales	28,950,217	84,665,988
Net Cash Provided (Used) by Investing Activities	<u>8,063,404</u>	<u>(3,541,936)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	7,303,305	(895,754)
Cash and Cash Equivalents - Beginning of Year	<u>3,797,938</u>	<u>4,693,692</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 11,101,243</u></u>	<u><u>\$ 3,797,938</u></u>
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 (Used) Provided by Operating Activities:		
Realized Gain on Investments	(5,440)	(177,456)
Unrealized Depreciation of Fair Value	2,844,817	1,144,871
(Increase) Decrease in:		
Estimated Collectible Assessments	899,290	7,544,626
Prepaid Vaccines to Washington Department of Health	(795,278)	(948,064)
Increase (Decrease) in:		
Accounts Payable	(7,743)	(154,812)
Assessments Collected in Excess of Vaccine Funding and Administrative Activities	<u>(3,695,745)</u>	<u>(4,762,983)</u>
Net Cash (Used) Provided by Operating Activities	<u><u>\$ (760,099)</u></u>	<u><u>\$ 2,646,182</u></u>

See accompanying Notes to Financial Statements.

**WASHINGTON VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

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 health care 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.

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 Vaccine Purchase 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, 2022 AND 2021**

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, 2022 and 2021.

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, 2022 and 2021.

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.

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.

**WASHINGTON VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Dosage Based Assessments

Funds collected from health insurers and third-party administrators (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 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 Vaccine 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 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.

Revenue Recognition

Revenue from Exchange Transactions: The Association recognizes revenue in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Update (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 statements of activities for the years ended June 30, 2022 and 2021:

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.

**WASHINGTON VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2022 and 2021, assessments collected in excess of vaccine funding and administrative activities totaled \$65,760,091 and \$69,455,836, respectively.

Income Taxes

The Association follows FASB Accounting Standards Codification (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.

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 22, 2022, the date the financial statements were available to be issued.

**WASHINGTON VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

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.

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.

**WASHINGTON VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

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, 2022:

	Level 1	Level 2	Level 3	Total
Money Market Funds	\$ 1,259,137	\$ -	\$ -	\$ 1,259,137
Corporate Bonds	14,704,825	3,070,824	-	17,775,649
U.S. Treasuries	2,774,229	-	-	2,774,229
U.S. Federal Agencies	10,066,917	2,280,768	-	12,347,685
Certificates of Deposit	-	9,708,496	-	9,708,496
Total Schedule of Investments	<u>\$ 28,805,108</u>	<u>\$ 15,060,088</u>	<u>\$ -</u>	<u>\$ 43,865,196</u>

The following table sets forth by level, within the fair value hierarchy, the Association's assets at fair value as of June 30, 2021:

	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 8,033,999	\$ -	\$ -	\$ 8,033,999
Corporate Bonds	19,519,519	2,563,219	-	22,082,738
U.S. Treasuries	1,824,105	-	-	1,824,105
U.S. Federal Agencies	1,760,885	8,409,257	-	10,170,142
Certificates of Deposit	-	12,656,993	-	12,656,993
Total Schedule of Investments	<u>\$ 31,138,508</u>	<u>\$ 23,629,469</u>	<u>\$ -</u>	<u>\$ 54,767,977</u>

NOTE 4 REMITTANCE TO THE STATE OF WASHINGTON

Pursuant to the Association's statutory purposes, a transfer of \$75,836,046 and \$80,537,066 was made by the Association to the UVPA during the years ended June 30, 2022 and 2021, respectively. The transfers include a cost recovery administrative charge assessed by the DOH.

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.

**WASHINGTON VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 5 INFORMATION REGARDING LIQUIDITY AND AVAILABILITY (CONTINUED)

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 UVPA.

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

	2022	2021
Cash and Cash Equivalents	\$ 11,101,243	\$ 3,797,938
Estimated Collectible Assessments	4,112,039	5,011,329
Investments	43,865,196	54,767,977
Total Financial Assets Available to Meet Cash		
Needs for General Expenditures Within One Year	<u>\$ 59,078,478</u>	<u>\$ 63,577,244</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.



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Annual Report

Dear Friends and Colleagues,

As I reflect upon the Washington Vaccine Association's (WVA) twelfth full year in operation, I am pleased with our internal growth and the stability in vaccine funding that we have achieved with the help of our many stakeholders, including the Washington State Department of Health (DOH), health insurers, third-party administrators, and enrolled providers.

The WVA's purpose and instrumental role in supporting the state's universal purchase of childhood vaccines ensures that all children have equal access to vaccines, regardless of their insurance status. Washington's unique childhood vaccination program will be even more critical as the federal government discontinues its purchase of COVID-19 vaccines – and the WVA will be ready to address the issues posed in partnership with our community and key stakeholders.

I am proud to announce that once again the WVA has had a successful year. The Board voted again to hold vaccine assessment costs the same year over year, allowing for fewer provider changes and greater price stability for payers, saving on total healthcare costs. The WVA's careful fiscal planning and well-honed financial forecasting has enabled the WVA to absorb vaccine price increases and hold the vaccine assessment costs the same for three years in a row.

Furthermore, the WVA continues to build upon existing resources this past year:

- we revised and republished payer billing and provider compliance guides with the goal of reducing common dosage-based assessment errors;
- we coordinated efforts with the WA DOH to host provider training webinars and established new ways to support the onboarding of new provider practices; and
- in June 2022, the WVA Board approved the hiring of a WVA stakeholder relations liaison to aid the WVA in provider education, provider training, and support of other key stakeholders.

We are confident that these measures will improve the effectiveness of our communications and multiply our outreach efforts so that additional challenges posed by off-cycle assessment grid changes, new provider enrollment, and the future expected commercialization of COVID-19 vaccines will be well managed.

Join me in thanking our hard-working volunteer board members, WVA staff, support administrators, and the WA DOH teams who dedicate their time and resources to guide the Association.


Chad Murphy, BS, PharmD
Board Chair

Twelve Years of Stable Vaccine Funding for Washington State Children

The Washington Vaccine Association (WVA) is excited once again to share the important benefits of our state's unique 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 provide significant cost savings versus private market costs.
- **Stable Vaccine Supply.** Providers can focus on patient needs and have the full complement of recommended vaccines on hand to immunize children.
- **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.

BY THE NUMBERS

WVA HAS FUNDED
 **1.54**
MILLION
DOSES OF
VACCINE

 **\$29.7**
MILLION

**SAVED BY WVA
IN VACCINE COSTS**
30% below private
sector costs

VACCINE PURCHASED
USING WVA FUNDS
 **\$78.48** MILLION

 **985**
PROVIDERS ENROLLED IN 2021



570

Total number of attendees at our new
Childhood Vaccine Program training series
for provider staff Nov 2021-June 2022.

Description	Tradename	WVA Assessment Amount per dose from 07/01/2021 to 06/30/2022	For Reference: CDC Private Sector Cost/Dose 04/01/2022	WVA Assessment Amount per dose as from 07/01/2022 to 06/30/2023	Percent Change 07/01/2021 to 07/01/2022
1), 2 dose schedule, live, for oral use	Rotarix®	\$97.88	\$130.82	\$97.88	0.0%
us vaccine and inactivated administered to children 4 through 6	Kinrix®	\$41.93	\$57.22	\$41.93	0.0%
	Quadracel™		\$58.36		



WVA BOARD OF DIRECTORS

Chad Murphy, BS, PharmD, Chair
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Premera Blue Cross

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South Sound Pediatrics

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Secretary**
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Randy Parker
Salaried Administrator,
Northwest Carpenters Trusts

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

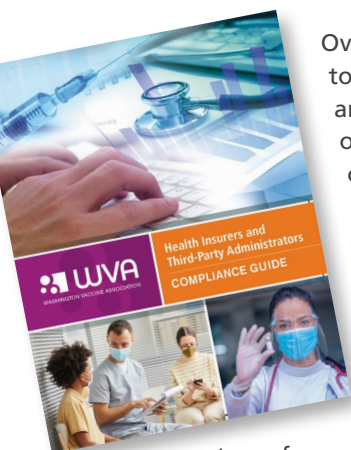
WVA STAFF

Julia Walter, MA, Esq.
Executive Director

HELMES & COMPANY, INC. STAFF
Patrick B. Miller, MPH
Administrative Director

P 888.928.2224 | F 888.928.2242
info@wavaccine.org | wavaccine.org

Building Our Infrastructure to Improve Our Outreach



Over the past fiscal year, the WVA has invested in creating resources to address common stakeholder issues – further improvements are on the way! During late 2021, the WVA completed top-payer, one-on-one operational check-ins and used “lessons-learned” to create a new payer compliance check-list to aid in assessment compliance efforts. This check-list, along with a redesigned payer billing guide, was sent to all payer contacts along with the WVA’s assessment grid at the beginning of the assessment cycle.

In early 2022, the WVA expanded its focus to devote more resources to provider relations to support accurate dosage-based assessment (DBA) submissions. After partnering with and reviewing the billing practices of enrolled providers, the WVA

team formulated a strategy to address common errors causing downstream problems for payers, patients, and ultimately, the WVA. Our strategy has centered upon greater involvement in educating providers about the WVA and ensuring proper DBA training. We have also utilized payer data to identify and correct provider’s errors.

Efforts have included:

- **Developing** a provider specific compliance guide and bulletins; co-presenting with the Department of Health’s (DOH) education webinars;
- **Reinforcing** WA Childhood Vaccine Program enrollment language and patient eligibility guidelines in the DOH’s provider enrollment agreement; and
- **Billing education** to new provider enrollees.

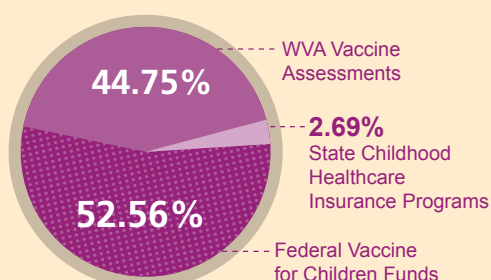
The WVA is excited about these efforts and the resulting successes. Finally, the WVA Board recently approved the hiring of a new stakeholder relations liaison who will assist the WVA in managing provider and payer concerns. These steps are critical to improving our operational capacity and essential to supporting payers and providers alike, ensuring that our unique universal vaccine system continues to be efficient and effective.

FINANCIALS

July 1, 2021 - June 30, 2022

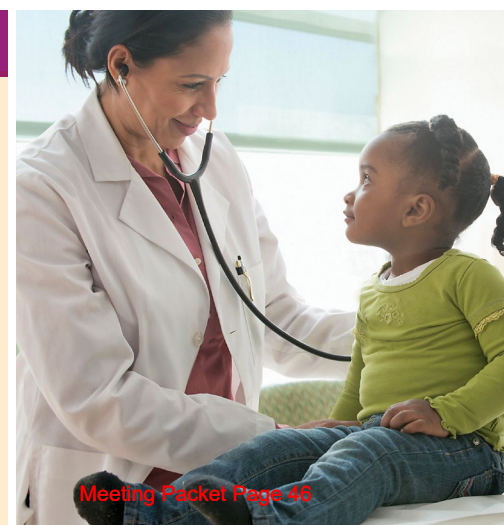
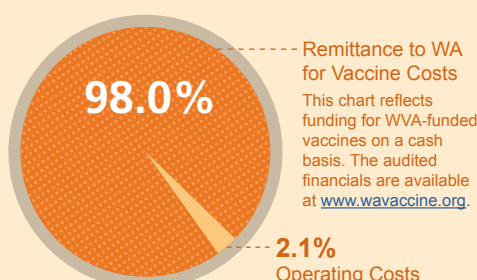
Childhood Vaccine Funding Sources

Estimated Total: \$175,356,933



WVA Program Expenditures

Total: \$75,784,421



Meeting Packet Page 46

DISCUSSION DRAFT
10/21/2022

WVA Policy
Collection of Member DBA Arrearage

Collection of past due dosage-based assessments (DBAs) from WVA Members involves questions of payer (Member) equity and collection expenses among other issues. In view of these factors, the following policies are followed by WVA. The policies below are intended to guide collection function of the WVA and are subject to exception or further modification in the discretion of WVA.

(i) Where provider error in the submission of DBA forms to Members is the cause for the Member nonpayment, incorrect, or delayed payment of DBAs, the WVA will generally limit the look-back period for collection of DBAs to one (1) year from the date of service. Since DBAs are paid through the medical claims adjudication process, this limitation aligns with Member claims processing edits which generally pay medical claims submitted within one year of the date of service.

(ii) Where Member error in the submission of DBAs to the WVA is the cause for Member nonpayment, incorrect, or delayed payment, the WVA will generally limit the look-back period for collection of DBAs to five (5) years from the date of service. This limitation reflects practical difficulties and expenses that would be incurred in collecting for a longer look-back period.

Note: Under the current Plan of Operation, assessments are due and deemed late if not paid by the Member within 180 days of the date of service. WVA may charge interest on past due DBAs upon giving notice to the Member; Members have extra time if the Member has not received the past due DBA and notifies the WVA.



Ensuring Funds for Childhood Vaccines

Off-Cycle Vaccine and COVID Implementation Plan Overview

Board of Directors Meeting
November 3, 2022

Confidential and Proprietary © 2022



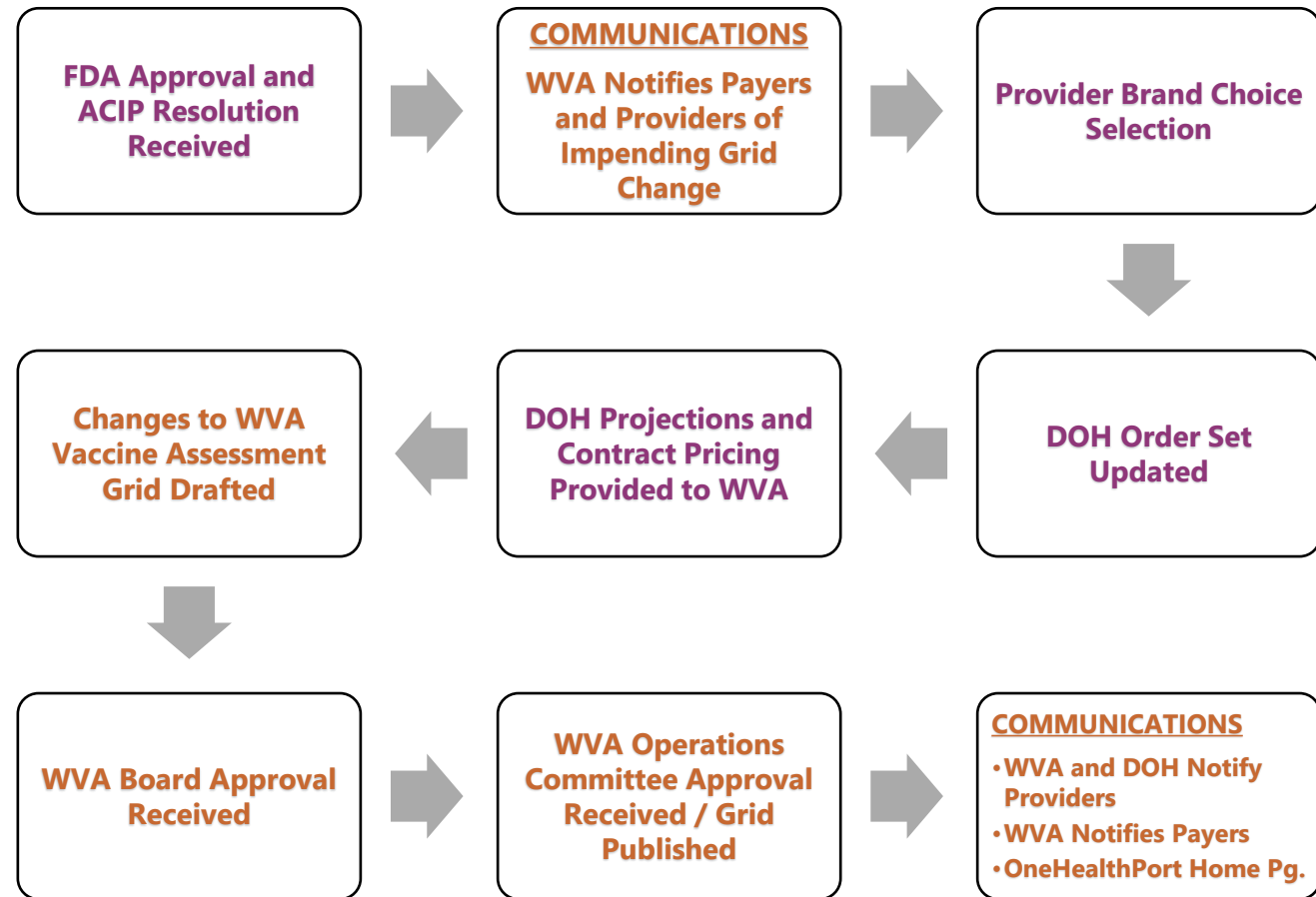
Model for Off-Cycle Vaccine Additions

Summary: Model for Off-Cycle Vaccine Additions to WVA Vaccine Assessment Grid

- Two new vaccines – Priorix and Vaxneuvance – are expected to receive federal approval and will be added to CDC contract by the end of 2022
- These will be rolled out off-cycle (e.g., not July 1)
- 60-day notice from the date the Operations Committee and Board of Directors approve the Grid changes
- A communications plan to payers and providers has been developed in conjunction with the WA DOH
- New vaccines are expected in coming years that will be off-cycle

Off Cycle Vaccine Additions Process

- The flow chart depicts the process to add off-cycle vaccines (e.g., not July 1)
- There is some flexibility for certain steps to occur before or after one another
- Priorix and Vaxneuvance are both expected to be added to the CDC contract in November 2022 and to be available for providers to order in early 2023



Legend: Purple = WA DOH Tasks; Orange = WVA Tasks

Provider and Payer Communication Plan

- Physical and electronic messaging developed
- Tailored to each audience
- Leveraging DOH's email list and platform for providers
- Sending both an initial ("save the date") and follow up notification to payers



PAYER BULLETIN

WASHINGTON VACCINE ASSOCIATION

Month Day, 2022

Dear Washington Vaccine Association Health Insurers and Third-Party Administrators:

Effective December 1, 2022, Priorix™ and Vaxneuvance™ vaccines have been added to the WVA's Vaccine Assessment Grid. See sample grid below. These new vaccines are found on pages X and Y in the WVA Vaccine Assessment Grid. Starting December 1, 2022, these vaccines will be billed by providers to payers using the WVA's dosage-based assessment (DBA) process for patients under the age of 19 covered by commercial insurance payers.

Effective December 1, 2022, the following vaccines have been added to the WVA's Vaccine Assessment Grid:

NAME	PURPOSE	CPT CODE	NDC CODE	WVA ASSESSMENT AMOUNT
Priorix™	MMR	XXXXX	XXXXX-XXXX-XX	\$XXXX.XX
Vaxneuvance™	PCVX	XXXXX	XXXXX-XXXX-XX	\$XXX.XX

For more information reach out to compliance@wavaccine.org or go to www.wavaccine.org.


Thank you for your continued support of the WVA.

Best regards,

Julia Zell, Esq.
Executive Director
Cc: Patrick Miller, MPH, Administrator

Assessment Grid Updates!

WASHINGTON VACCINE ASSOCIATION



PROVIDER BULLETIN

WASHINGTON VACCINE ASSOCIATION

Month Day, 2022

Dear Childhood Vaccine Program Participating Provider:

Effective December 1, 2022, Priorix™ and Vaxneuvance™ vaccines have been added to the WVA's Vaccine Assessment Grid. See sample grid below. These new vaccines are found on pages X and Y in the WVA Vaccine Assessment Grid. These vaccines are part of the Washington Department of Health's order set. Starting December 1, 2022, these vaccines should be billed to payers using the WVA's dosage-based assessment (DBA) process for patients under the age of 19 covered by commercial insurance payers. **Please update your billing systems to include these vaccines when submitting DBAs.**

Effective December 1, 2022, the following vaccines have been added to the WVA's Vaccine Assessment Grid:

NAME	PURPOSE	CPT CODE	NDC CODE	WVA ASSESSMENT AMOUNT
Priorix™	MMR	XXXXX	XXXXX-XXXX-XX	\$XXXX.XX
Vaxneuvance™	PCVX	XXXXX	XXXXX-XXXX-XX	\$XXX.XX

For more information regarding the DBA process for providers, please see the WVA Provider Billing Guide or go to www.wavaccine.org.

Thank you for your continued support of the WVA.

Best regards,

Julia Zell, Esq.
Executive Director

Update your billing system!

WASHINGTON VACCINE ASSOCIATION

COVID Plan Goals

Communications

- Providing adequate stakeholder notice
- Utilizing multiple communication vehicles
- Co-branding with WA DOH

Governance

- Fulfill statutory notice requirements by obtaining advance authorizations from Operations Committee and Board of Directors with not-to-exceed Grid amounts

Successful COVID
Implementation

Operations

- Providing stability to the assessment process
- Developing a blended COVID Grid amount
- Offering a grace period


Finance

- Achieving financial stability via assessments and use of existing reserves

COVID Vaccine Additions Plan - Summary

Summary: COVID Vaccine Additions to WVA Vaccine Assessment Grid

- WVA has drafted an implementation plan in coordination with WA DOH to ensure we meet the four goals
 - Example below: "save the date" card
 - Payer and Provider letters / emails
- CDC will have a plan in place during Q1 2023, and WA DOH expects that as early as Q2 2023, the private sector will pay for COVID vaccines



SAVE THE DATE!


COVID VACCINES



WVA
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On Month 15, 2022 COVID vaccines will be privatized. This means it will be time to bill them like all other vaccines.

Same DBA process. New COVID-specific Assessment Grid (coming soon).

Need help? Go to wavaccine.org/COVID.



PHASE 1	PHASE 2	PHASE 3
GET READY NOW	IT'S GO TIME Month 15, 2022	MANDATORY Month 15, 2023
Make sure your billing systems are COVID-ready! Same DBA process. New Assessment Grid for COVID vaccines is coming your way soon.	Your billing systems for COVID vaccines should be in place by Month, 15. XXXXXXXXXX XXXXX XXX XXXXXXXXXXXX XXXXX XXX XXXXXXXX XXXXXXX XXXXXXX	Compliance is mandatory by Month 15, 2023. XXXXXXXX XXXXXXX XXXX XXXXXXXXXXXX XXXXX XXX XXXXXXXX XXXXXXX XXXXXXX XXXXXXXX XXXXXXXXXX
		

SAVE THE DATE
NOV. 15
2022

QUESTIONS?
Visit us online at wavaccine.org/COVID.
info@wavaccine.org
Ph 888-928-2224
Fx 888-928-2242

WVA
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COVID Planning Efforts

Knowns

- ACIP voted on 10/19/2022 to add COVID vaccines to the VFC program
- CDC directive to add COVID vaccines to the VFC contracts
- As early as Q2 2023, the federal government will no longer pay for COVID vaccines
- Board and Operations Committee resolutions required
- Sufficient cash reserves
- Significant communications efforts required

Unknowns

- Firm dates:
 - CDC contract price release to develop blended assessment amount
 - Vaccine Grid effective date
 - Inventory transition dates by vaccine
- What the provider network will look like / pharmacy role
- Uptake rates given vaccine approval status, existing coverage, and hesitancy
- How existing, Federal vaccine inventory will be handled
- How waste will be accounted for
- How many providers will administer COVID vaccines that are not in the current WA DOH provider network

COVID Planning Efforts (Cont.)

Plan Details: Operations and Finance

- I. Obtain WA DOH projections (quantity and \$ amounts)
- II. Establish *WVA Vaccine Grid* amounts based upon CDC contract; model a single assessment amount for all COVID vaccines
- III. Update the financial model based upon projections
- IV. Develop a standalone *COVID Assessment Grid*
- V. Develop post-implementation compliance plan
- VI. Update code sets in IT platforms

COVID Planning Efforts (Cont.)

Plan Details: Communications

- I. Develop core messaging / unified lexicon
- II. Stakeholder support
 - I. compliance@wavaccine.org payer inquiries
 - II. covid@wavaccine.org for provider inquiries
 - III. Dedicated web page on www.wavaccine.org/covid
- III. Payer physical and electronic mailings
- IV. Coordinated rollout with WA DOH on provider physical and electronic mailings
- V. Add to OneHealthPort's home page (existing partnership)

**2023 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 11-12 AM	Vaccine Committee 12:00-1:00 PM	Operations Committee 12:30-1:30 PM
January					
February	February 23	February 16			
March		March 23	March 2		
April	April 13		April 6	April 27	April 25 Grid Approval
May					
June	June 15	June 8			
July					
August		August 17			
September			September 21		
October		October 12			October 26
November	November 2 Annual Meeting			November 2	
December					

***All times are Pacific Time**

- 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

Approved 2022-11-03