

WASHINGTON VACCINE ASSOCIATION
AMENDED AND RESTATED PLAN OF OPERATION

WHEREAS, the Washington State Universal Childhood Vaccine Program operated by the Washington State Department of Health provides vaccines to children less than 19 years of age resident in Washington (the "Program");

WHEREAS, the Washington legislature has enacted SSHB 2551, Ch. 174, 61st Leg., 2010 Reg. Sess. (Wash. 2010) (the "Act"), now codified as Chapter 70.290 RCW, establishing a mechanism to assess insurers and third-party administrators for the costs of vaccines provided to certain children in Washington in support of the Program;

WHEREAS, the Act authorizes the formation of a not-for-profit corporation known as the Washington Vaccine Association (the "Association");

WHEREAS, the Association is governed by a Board of Directors (the "Board");

WHEREAS, as required by the Act, the Board has adopted an Amended and Restated Plan of Operation dated March 29, 2013 ("Plan") in form approved by the Secretary of the Department of Health (the "Secretary");

WHEREAS, the Association desires to amend and restate the Plan, subject to approval by the Secretary;

WHEREAS, the Association has members consisting of (i) all health carriers issuing or renewing health benefit plans in Washington state; and (ii) all third-party administrators ("TPAs") conducting business on behalf of residents of Washington state or Washington health care providers and facilities (collectively the "Members");

RESOLVED that the Board hereby adopts the following Plan as required by the Act.

ARTICLE I
Effective Date; Amendment

This amended and restated Plan and any amendments to same as may be approved from time to time by the Board shall become effective upon the approval of the Secretary. Amendments may include a retroactive effective date if such date is proposed in the amendments and approved by the Secretary. The completion of any blanks in the exhibits will not constitute an amendment to this Plan, but the change in the structure or substance of any exhibit will be considered an amendment requiring approval.

ARTICLE II
**Conformity to Act, Articles and Bylaws; Limitation of
Liability; Priority of Documents**

The Association shall perform its functions under this Plan and in accordance with the Act, which is hereby incorporated as part of this Plan. The provisions of the Articles of Incorporation and the Bylaws of the Association, as amended from time to time, are incorporated in this Plan of Operation by reference. The liability of the Association, its members, directors, officers, employees and agents, and of health care providers arising from the lawful performance of their duties or required activities under the Act shall be limited as provided in the Act,¹ and further limited as provided in the Articles of Incorporation and Bylaws of the Association, as amended from time to time. The Association is governed by the above referenced documents together with the Policies as described in Article IX. In the event of any conflict between these documents, the order of priority of authority shall be as follows: The Act, Articles of Incorporation, Bylaws, this Plan, and the Policies.

ARTICLE III
**Management of the Association and its
Assets**

The Association shall have no employees. Rather, the Board shall select one or more third parties to provide services needed to administer the Association and to implement the steps contemplated in the Plan. Included among such third parties, the Board may retain an administrator to serve as its executive director ("Executive Director") and manage the day-to-day affairs of the Association. Unless explicitly elected as such by the Directors, an individual serving as Executive Director shall be neither a Director nor a corporate officer of the Association.

ARTICLE IV
Public Awareness

The Board may establish and maintain public awareness of the Association through development of a website containing basic descriptive data and downloadable copies of the Association's Articles and Bylaws, together with this Plan and such other data as the Board or the Executive Director may determine to be helpful or necessary from time to time. If, in the judgment of the Board, additional efforts are required to establish and maintain public awareness of the Association, the Board shall be authorized to undertake such additional efforts. The Board shall include the estimated costs for its public awareness program in its annual budget.

ARTICLE V
Administrative Expenses; Accounting; Financial Reporting

A. Financial and Other Records. Monthly, quarterly and annual financial records shall be maintained and distributed by the Executive Director in accordance with the schedule set

¹ See, for example, Sec. 8 of the Act.

forth in **Exhibit A**. The quarterly report information shall include rolling forward-looking cash flow projections suitable to assist the Board in assuring adequacy of funds for future vaccine purchases and revising its assessment levels from time to time.

B. Annual Association Audit. The Association shall retain an independent CPA firm to conduct an annual audit of the financial statements of the Association. The audit shall be conducted in accordance with generally accepted auditing standards, and an opinion shall be rendered by the CPA firm as to whether the Association's financial statements are fairly stated in accordance with generally accepted accounting principles. In conjunction with the annual audit, the CPA firm shall produce a management letter for the benefit of the Board. The results of the annual audit, together with the management letter, shall be presented to the Board's audit committee and forwarded to the entire Board. The CPA firm selected by the Association must be authorized to do business in the State of Washington.

C. Budgeting. The Executive Director shall draft an annual expense budget for review, modification as deemed necessary or appropriate, and approval by the Board prior to the commencement of each fiscal year. The Board shall assure that adequate internal control policies and procedures with respect to the handling of Association assets and liabilities by the Executive Director including but not limited to, cash, cash receipts, cash disbursements, assessments, investments, accounts payable, and administrative expenses, are in place, and may, in its discretion, at any time, engage the CPA firm to review such policies and procedures.

D. Bank Accounts. Money and marketable securities shall be kept in bank accounts and investment accounts as approved by the Board. The Association shall deposit receipts and make disbursements from these accounts. All bank accounts/checking accounts shall be established in the name of the Association, and shall be approved by the Board members. Authorized check signers shall be approved by the Board. Two signatures shall be required on all checks in excess of \$2,500.00.

E. Examination and Annual Report. The Association shall be subject to examination by the Secretary. In fulfillment of the requirements for an annual financial report to the Secretary, the Board shall submit audited financial statements of the Association to the Secretary not later than 120 days after the end of the Association's fiscal year.

ARTICLE VI

Member Assessments

A. Dosage-Based Assessment. Because the Act contemplates an assessment methodology based on actual usage of vaccines for the pediatric covered lives of each Member respectively (see RCW 70.290.040(3)), the Association has adopted a dosage-based assessment methodology ("DBA Process") further described on **Exhibit B**. Each Member shall timely pay the Association in accordance with the DBA Process the correct assessment amounts in accordance with the Assessment Grid (described in Section C. of this Article) in effect at the time of administration of the vaccine, unless the Association has agreed in advance with a Member to an Alternative Payment Method as set forth in Section B of this Article. The DBA Process is not payment of a medical claim nor does the DBA Process reflect payment for or purchase of a

vaccine. Payment in the DBA Process within the timeframe applicable under Washington State law to a medical claim will be deemed timely payment.

B. Alternative Payment Method. Where the special circumstances of a Member, in the reasonable determination of the Association, warrant adoption of an alternative payment method ("Alternative Payment Method") in order for the Member to meet its obligations to pay timely the Assessment Grid amounts for vaccines used for its pediatric covered lives, the Association and the Member must agree in writing on the Alternative Payment Method. Except as expressly permitted by the Alternative Payment Method, this Alternative Payment Method must include at least the date of service; patient name; vaccine received; and applicable health plan eligibility.

C. Assessment Grid. The Association has posted to its public website a grid of assessment amounts ("Assessment Grid"), by vaccine, to be applied to transactions under the DBA Process. From time to time, the Association will update the Assessment Grid as needed to assure that adequate funds, in aggregate, are available each month for transfer to the State's universal payment vaccination account for timely payment by the State for the vaccines for which the Association is charged to provide funding under the Act. The Association will provide notice to its known Members of any revision to the assessment amounts and such assessment revisions will be posted to the Association's website at least sixty (60) days prior to the effective date of the revisions.

ARTICLE VII

Member Audits; Interest and Late Assessments; Calculation of Penalty; Collection

A. Member Audits. Audit of a Member's compliance with obligations under the Act requires majority vote of the Board or request of the Secretary. The Association may audit compliance when a Member (i) fails to respond fully to any written request authorized by the Board for information concerning such Member's compliance with its assessment obligations; a response is timely if made within forty-five (45) days after the date the request is mailed, postage pre-paid; or (ii) refuses to comply with the DBA Process or, with an Alternative Payment Method approved in writing by the Board. Any Member so audited shall reimburse the costs of such audit as required by the Act within forty-five (45) days of the Board mailing, postage pre-paid, the Member notice that the Board has certified the audit costs. Upon failure of any such Member that has been audited to reimburse the costs of such audit, the Association shall provide notification to the Secretary of the unpaid costs due.

B. Interest and Late Assessments. The Association establishes the interest charge for late payment of assessments equal to the product of (i) the number of days past due times (ii) 0.000493 times (iii) the amount past due. Interest accruals shall commence ninety (90) days following the annual notice of assessment in the case of a delinquent payment pursuant to RCW 70.290.030. In the case of failure to pay amounts due pursuant to the DBA Process, the Association shall send a notice of late payment or payments, and the payments shall be deemed due, and late, and interest shall accrue commencing thirty (30) days following the date the notice of late assessment is mailed, postage pre-paid, to the Member. The interest charge for late payment shall be added to amounts due for any assessment payment received after the applicable

interest accrual commencement date. Upon failure of a Member to make payment within ninety (90) days of the date such payment is due, upon a majority vote of Board, the Association shall provide notification to the Secretary of the total unpaid assessment amounts, due dates thereof, and accruing interest.

C. Calculation of Civil Penalties. Upon receipt of notification from the Association pursuant to this Article, the Secretary shall calculate the civil penalty amount and assess a civil penalty against any Member as required by RCW 70.290.060.

D. Collection. The Association may separately pursue collection of amounts past due as may be authorized by the Board.

ARTICLE VIII

Remittance to Universal Vaccine Purchase Account

The Association shall remit its assessment receipts, less the Association's administrative costs and any reserves set by the Board or the Executive Director from time to time, to the credit of the universal vaccine purchase account ("UVPA") established pursuant to RCW 43.70.720. Funds transferred to the UVPA shall be delivered on a "just-in-time" basis, in order to support the assessment collection process and to enable the Association to gain as much interest income as reasonably possible through its collection process to help offset its costs of administration. The Secretary's or the Secretary's designee shall have access privileges to be able to directly observe the balances in the Association's accounts, and the Association shall promptly respond to any inquiry of the Secretary concerning the availability and timely transfer of funds, enabling the Secretary to make payment of the Association's share under the Act for vaccine purchases made by the State of Washington.

ARTICLE IX

Disputes

A. Member Appeal of Disputes to Board. Members may request permission to appear before the Board at any time in connection with any dispute with the Association relating to an assessment or assessment reconciliation. No request or appeal relating to assessments shall be heard until the protesting party has paid the assessment in full. Any assessment amount paid under protest and not based on Member error, Member negligence, or Member misconduct shall be held in an interest bearing account with principal and interest to be paid to the prevailing party upon final resolution of the protest.

B. Arbitration. Any disputes and differences that cannot be agreed upon by the Association and a Member, may, with the express approval of both parties, be decided by arbitration. The arbitrator(s) will have the authority to interpret this Plan and, in doing so, shall consider the customs and practices of the insurance industry. The arbitration shall be conducted under the auspices of the American Arbitration Association in accordance with its commercial arbitration rules. Such arbitration shall be held in Seattle, Washington. This agreement to arbitrate shall be enforceable and judgment upon any award may be entered in any court having jurisdiction, which the parties hereby stipulate and agree, will include any court of appropriate subject matter jurisdiction located within the state of Washington. Reasonable costs of

arbitration shall be borne equally by the parties and each party shall pay the cost of its own personnel and counsel involved in such proceedings.

ARTICLE X Board Policies

The Board may from time to time adopt and post to the Association website one or more policies ("Policies"). Such Policies shall govern the operation of the Association from and after the date of such posting, subject to further amendment by the Board from time to time.

ARTICLE XI Health Information

A. Authority of WVA. The Association, including its authorized subcontractors, will receive and use certain health information of individuals to whom a vaccine is administered and for which an assessment is collected by the Association as provided by the Act and this Plan of Operation. The Association receives and collects such information pursuant to the grant of authority and direction of the Act as part of the public health activities constituting the Program and solely for such purpose. For clarity, no personal or health information of individuals (including "protected health information" as defined by the HIPAA administrative simplification rules) is or shall be obtained from or disclosed to the Department of Health in connection with the activities of the Association and operation of the Program.

B. Compliance with Health Information Privacy and Security Laws. As required by applicable federal and state law, including the Act, the Association will preserve and protect the privacy and security of individual health information that the Association receives and uses in the course of carrying out its statutory purpose, including without limitation maintaining appropriate privacy and security policies and procedures, and agreements with the Association's contractors, subcontractors and associates to preserve the privacy and security of the health information of individuals.

ARTICLE XII Agreements with Other States

Subject to approvals of the Secretary and the Board, the Association may from time to time (a) enter into one or more agreements with states other than Washington or vaccine funding organizations in such other states to address the needs of Washington resident children who receive vaccines in such other states and/or (b) make payments for vaccines for such children as requested by the Secretary. Such agreements may also address assessment equity and seek to minimize the risk of duplicate assessments for childhood vaccines. Payments under this Article or pursuant to agreements it authorizes shall be considered as vaccine costs in determining the assessments needed by the Association.

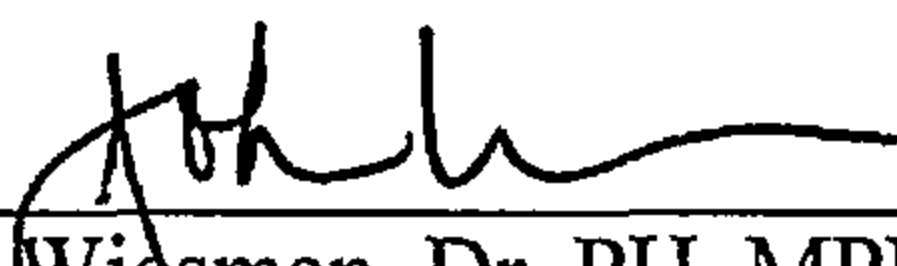
ARTICLE XIII
TPA Registration

Each TPA Member shall provide the data elements identified in Exhibit C to the Association by making an initial filing using such web-based tools as shall be offered by the Association and, thereafter, review and update any information so filed with the Association (i) upon the reasonable request of the Association, which shall not, without a two-thirds vote of the Board shall occur more frequently than annually, or (ii) upon the Member's own initiative within ninety (90) days of the date of any change in the contents of any such data previously supplied by the Member to the Association. The Association shall undertake reasonable efforts to make available, generally 24/7 apart from periodic maintenance and backup, a web-based tool which enables TPAs to check and update their Exhibit C information on file with the Association.

In accordance with the Act, the foregoing Plan of Operation, as amended and restated, is approved by the Secretary.

By:

Dated:



John Wiesman, Dr. PH, MPH, Secretary
Washington Department of Health

8/22/17

Exhibit A
Schedule of Financial Statements

Financial Statements will be released on the following schedule:

1. Monthly Statements: To the Treasurer and the Chairman of the Board fifteen (15) business days after the close of each month.
2. Quarterly Statements: To the full Board twenty-five (25) business days after the close of each quarter.
3. Annual Statements: Management's statements will be ready for internal review sixty (60) business days after the close of the year; full statements will be released to the public as soon as the audit is completed and the audit report accepted by the Board.

Exhibit B

Washington Vaccine Association Dosage Based Assessment Methodology

Pursuant to Chapter 70.290 RCW, the Association collects and remits funds from health carriers and third-party administrators (collectively, the “Members”) for the cost of vaccines provided to the Members’ respective covered children in Washington state. The Association has developed a dosage based assessment methodology (“DBA Process”) that uses a process similar to medical claims submissions to assess Members for vaccines administered by providers to children who are Covered Lives of the Members. “Covered lives” has the meaning defined in RCW 70.290.010. Providers administering vaccines to Covered Lives are required to submit a claim to the applicable Member for administration of the vaccine and to submit separately a form (in claims format) complete with the billing code(s) for the vaccine(s) administered, the current vaccine assessment amount as set forth in the Assessment Grid, the Association’s federal tax identifier and NPI (national provider identification) number, and other typical claim form information (date, patient, payer and provider information, etc.).

The provider is paid by the applicable Member for the claim for vaccine administration.

Each such form sent by providers generates payment by the applicable Member to the Association in the amount specified in the Assessment Grid. Per-vaccine assessment amounts are established from time to time by the Association as provided in the Association’s Plan of Operation, Article VI, Section C. These amounts are published to the Association’s website as the Assessment Grid, which lists the assessment amount for each vaccine.

As set forth in Article VI, B., where the special circumstances or character of the Member cannot accommodate the DBA Process, WVA and the Member must enter into an Alternative Payment Method that permits the Association to collect assessments as required by Washington law.

Exhibit C
TPA Data Elements
for

Web-based TPA Registration with the Washington Vaccine Association

Pursuant to the Plan of Operation (“Plan”) of the Washington Vaccine Association (“WVA”), third party administrators (“TPAs”), as such entities are defined in the Plan, are required to maintain current information with the WVA on the following data elements:

A. TPA name and address

(to identify the entity and provide basic corporate or other business contact information)

1. TPA legal name.
2. Alternative or d/b/a name(s), if any.
3. Mailing Address:
 - a. Address line 1
 - b. Address line 2
 - c. City
 - d. State
 - e. Zip
4. NAIC and Group #s, if any.
5. Federal Tax ID number.
6. State or jurisdiction of legal formation/ incorporation.

B. Administrative Contact

(contact information for individual primarily responsible for day-to-day WVA compliance)

1. First Name
2. Last Name
3. Position
4. Phone
5. Fax
6. Email

C. Executive Contact

(contact information for executive primarily responsible for overall WVA compliance and/or policy communications)

1. First Name
2. Last Name
3. Position
4. Phone
5. Fax
6. Email
7. Mailing Address
 - a. Address line 1
 - b. Address line 2
 - c. City
 - d. State
 - e. Zip