

Washington Vaccine Association - Board of Directors Meeting

June 17, 2010, 2:00 - 4:00 PM

Location: Law Office of Ellis, Li & McKinstry

- I. **Attendance** The following individuals participated in all or part of the meeting. Participants attended in person unless telephone participation is indicated by (T).

Directors:

Brian Ancell
Dr. Joe Gifford
Phil Haas
Dr. Beth Harvey
Dr. Ed Marcuse
Laura McMillan (T)
Dr. Mary Kay O'Neill
Dorothy Teeter

Others:

Dan Asterino (GlaxoSmithKline)
Janna Bardi (DOH)
Tom Cartwright (KeyBank)
Erik Conroy
John Goddard (GlaxoSmithKline)
Michael Gordon (KeyBank)
Larry McNutt (representing D. Kirkpatrick)
James Mertucci (Merck)
Loy Suderman (Premera)

Vaccine Association:

Margaret Lane
Fred Potter
Heidi Prillwitz
Anne Redman (counsel)
Claire Roberge (T)

II. **Summary of Actions Taken and / or Recommended****A. Actions Taken (votes adopted)**

1. Voted to approve WVA Board meeting minutes from the June 3, 2010 meeting.
2. Voted to approve four WVA policies including Conflict of Interest, Whistleblower, Records Retention and Joint Venture with additional specifications in the Conflict of Interest policy and a correction in Records Retention.

B. Actions Recommended

1. For board members with Tri-West contacts to reach out and help with operational compliance issues. Margaret Lane will do follow-up.
2. Communications team should send out monthly or semi-monthly updates to constituents to report on progress and thank them for their participation.

III. **Minutes**

At 2:05, a quorum having been established, Brian Ancell, Chairman of the Vaccine Association, convened the meeting of the Board of Directors of the Washington Vaccine Association.

Brian Ancell announced the appointment of Tom Dubensky, by Secretary Selecky, to the Vaccine Committee. Allene Mares, RN, MPH, Director of Public Health Systems Development, will be joining the WVA Board of Directors beginning July 1, 2010.

Review of Minutes of Prior Meetings

Upon motions duly made and seconded, it was unanimously

VOTED:

To adopt the WVA Board meeting minutes from the June 3, 2010 meeting.

Executive Report

Fred Potter outlined the new pre-meeting materials for the Board meeting, highlighting the Board book and the distribution of materials prior to the meeting date. The option to receive only e-copies was offered.

Financial Report

Fred Potter reported that because assessments were set at an amount to overtake the leakage there will always be a positive net worth. All officers have rights to view and transfer the funds that are coming in as assessments. Claire Roberge is able to view accounts and transfer funds to the State only. This supports the "Just-in-time" method that the state has graciously allowed us to use to capture the float. The goal is to get to the point where the administration costs are covered by the float. Assessments through May were \$64,530.25, which came in thirty-four checks.

KeyBank

Checks are sent to the lockbox at KeyBank, scanned and deposited into the WVA collections account. Checks deposited are those with the correct information. All checks without the correct information are sent to Heidi Prillwitz to research the error. Checks are not deposited or put in the books until it is positive to be a WVA asset.

Fred Potter introduced Michael Gordon and Tom Cartwright of KeyBank to the Board. Michael and Tom will be working with the WVA to form a liquidity facility of \$4 million. Key Bank will provide a proposal and analysis at the July meeting for the Board to consider.

Provider DBA Compliance

Loy Suderman of Premera reported on the progress made since the last Board update on June 3, 2010. Loy reported that the actual state is better than the report printed after review of tracking log and recognizing a number of providers who had not been captured in the report. Kaiser is now following the same procedure that Group Health follows. Other providers who use the Epic system will be connected with these providers to help them be in compliance. MultiCare, Polyclinic and Vancouver Clinic are working through a system issue.

We have approximately \$1 million more in the yes category than what is shown on the outreach status chart after an audit of the next forty providers. Providers which are in compliance are now at 67%, which puts compliance past the two thirds mark. Loy also found eighteen providers which were not listed on the Department of Health tracking from 2009, but are complying with the program.

Health Plan Settlement Payments

CIGNA, as reported by Mary Kay O'Neill, is undergoing resource change and is currently working on getting the settlement payment.

TPAs and Other Payers

Tri-West had an initial positive response but now is experiencing operational issues and has stated they will need to issue denials. Regence and Dr. Beth Harvey, who have contacts at Tri-West, were asked to assist Tri-West in compliance.

Uniform Medical Plan is now paying DBAs. Providence, an Oregon-based health plan, is not yet in compliance and may be trying to stay “under the radar”. Follow-up was suggested.

Long-term Solution Task Force

With compliance now over 60%, it was asked as to whether or not this was still a problem. Brett Vandenberg, CFO of Pediatrics Northwest, believes that it is still a problem. Because of the additional minutes involved with the DBA reporting system, small office in Washington estimated that it will cost about \$5,000 per year to continue this system. Task Force will put together a packet of different solutions to propose to the board.

Vaccine Committee Formation Task Force

Dr. Ed Marcuse reported on the Vaccine Committee Formation Task Force. He reported that the task force would develop a charge to the future Vaccine Committee and define the selection criteria for membership. This task force will develop a conflict of interest process and outline the work to be done in the first six months and clarify the relationship of the future Vaccine Committee to the state’s Vaccine Advisory Committee.

Cash Flow

Frank Swart from Premera presented a Cash Flow projection for the Washington Vaccine Association. The projections made are conservative and in order to offset funds we must beat every one of the projects in the chart. The intake of funds is coming down to a timing issue which is currently ahead of the projections.

The state has recalibrated the June order and Fred reported that the vaccine order through June will be \$900,000 less than what is on the cash flow projection. The state most often estimates high for “worst-case scenario”. The over projection never becomes profit, but goes to lower the assessment and go to prepayment recovery. The advance, on-demand facility of \$4 million, which has been requested of KeyBank, is a cushion and it is believed WVA will not need it.

Assumption fields in the model will be updated on a regular basis.

Board Development

Anne Redman, WVA counsel, walked through the four standard policies developed for the board. It was recommended to pass the Conflict of Interest policy by June 30, but Anne will review the policy and propose different language. It was also discussed that the statute protects the board and the committees due to the mandated roles on the board. When filling out the Conflict of Interest Policy, it was suggested to write out fully and disclose all areas where there may be a conflict of interest.

One change for the Record Retention policy was discovered; on page two, under section “d”, it should read “retain during the term of the agreement for the six years after the termination...” and not three years.

Upon motions duly made and seconded, it was unanimously

VOTED:

To approve four WVA policies including Conflict of Interest, Whistleblower, Records Retention and Joint Venture with additional specifications in the Conflict of Interest policy and a correction in Records Retention.

Additional Comments

Dr. Ed Marcuse presented a concern about communication to the providers and payers. It was suggested that an update about where the WVA is, that the organization will make it and further updates about the Dosage Based Assessments should go out every one to two months. Chairman Ancell asked that the Communications team put something together to communicate these points to the constituents as well as a message of gratitude. The deadline of July fourth was established.

Janna Bardi reported that the Immunization Director of Idaho requested to establish a coordinated approach between Washington and Idaho for insured children seeking services. Janna will connect with this contact and Margaret to begin conversations.

Public Comment

Dan Asterino of GSK asked for the vaccine industry to have the opportunity to present to the Vaccine Committee the clinical, fiscal and administrative rationale for choice or limited choice. Dr. Ed Marcuse reported that he anticipated this to occur, but not until September or October after the Vaccine Committee is formed.

Executive Session

The board met in executive session to consider terms for renewal of the contract with CML Administrators, thereby retaining the continuing services of Fred Potter and Claire Roberge. The board approved the extension of the engagement of CML Administrators, LLC on terms set forth in a letter dated June 17, 2010 presented to the meeting. The board also approved retention of Point B, Inc. as consultants on terms set forth in letter dated June 15, 2010 presented to the meeting. Legal counsel was present during the executive session. Mr. Potter was not present during the discussion and vote regarding CML Administrators, LLC but was present for the remainder of the executive session.

Update on July 1, 2010, WVA Board Meeting Conference Call

The Board conference call scheduled for July 1, 2010 has been cancelled. The Board will convene at the in person meeting scheduled for July 15, 2010.

There being no further business, the meeting was adjourned at 4:00 pm.