IDAHO IMMUNIZATION ASSESSMENT BOARD
PLAN OF OPERATION

WHEREAS, the Legislature of the state of Idaho enacted Chapter 60, Title 41, Idaho Code (the "Act"), establishing a mechanism to assess carriers for the costs of vaccines provided to certain children in Idaho;

WHEREAS, the Act authorizes the creation of an Idaho Immunization Assessment Board (the "Board") as a governmental entity within the meaning of Chapter 9, Title 6, Idaho Code;

WHEREAS, the Act created the Idaho immunization dedicated vaccine fund (the "Fund");

WHEREAS, the Act requires the Board to develop a Plan of Operation (the "Plan");

THEREFORE, the Board has developed the following Plan as required by the Act:

Article 1 – Effective Date; Amendment

This Plan and any amendments to same may be recommended from time to time by the Board and shall become effective upon written approval of the Director of the Idaho Department of Insurance (the "Insurance Director"). The Board may propose amendments at any time. Amendments may include a retroactive effective date if such date is proposed in the amendments and approved in writing by the Insurance Director.

Article 2 – Board of Directors

The Board shall elect a chairperson and vice chairperson from its members and such other officers as it deems appropriate. The terms of these offices will be for one year. Upon election, the chairperson shall notify the Insurance Director of the Board's officers within thirty (30) days of said elections.

The Board shall hold meetings upon the request of the chairperson or two or more members of the Board at such times and with such frequency as it deems appropriate. These meetings may be held in person, or by telephone, provided at least one member of the Board shall be physically present at the location designated in the meeting notice per Idaho Code § 67-2342(5). Notice of such meeting and its purpose will be provided to the Board at least seven days prior to the meeting unless such notice is waived by unanimous consent of the members.

All Board meetings will be held and posting of meeting notices (at least 5-days for regular meetings) and agenda (at least 48-hours for regular meetings) will be made in accordance with Idaho's open public meeting laws, Idaho Code Title 67, Chapter 23.

The majority of the Board shall constitute a quorum for the transaction of business. The acts of the majority of the Board present at a meeting at which a quorum is present shall be the acts of the Board.

The votes of the Board will be on a one-person, one-vote basis. Proxy voting is not allowed.

Members of the Board are required to disclose any potential conflict of interest prior to voting on a particular issue. The chairperson will decide whether the member with the potential conflict may vote.

The Board will hold at least one annual meeting at the Insurance Director's office on the third Tuesday in April each year, unless the Board, upon at least a thirty (30) calendar day notice, designates some other date or place.

Annually the Board may:

1. Determine assessments necessary for the proper administration of the Fund;
2. Develop an annual expense budget;
3. Provide an annual report to the Insurance Director and the Director of the Department of Health and Welfare (DHW Director);
4. Review and give consideration to the performance of the Fund in support of the goals of the Act;
5. Determine whether any technical corrections or amendments to the Act shall be recommended to the Insurance Director;
6. Review this Plan and submit proposed amendments, if any, to the Insurance Director for approval;
7. Review reports, including audited financial reports, reports on outstanding contracts and obligations, and all other material matters;
8. Review reports of the committees established by the Board;
9. Review, consider and act on any matters deemed by the Board to be necessary and proper for the administration of the Fund.

The Board shall establish operation procedures for the Fund consistent with the Act and this Plan.

As required by Idaho Code § 67-2344, the Board shall provide for the taking of written minutes of all meetings including at least: (a) all Board members present; (b) all motions, resolutions, orders etc. proposed and their disposition; and (c) the results of all votes, and upon the request of a member, the vote of each member, by name. The minutes of each Board meeting shall be made and submitted to the Insurance Director within thirty (30) days of said meeting. The original of the record shall be retained by the Department.

Board members will review and act upon any other matters deemed necessary.

Article 3 – Conformity to Act; Immunity from Liability

The Board and committee members shall perform their functions under this Plan and have the powers and authority granted by the Act. Nothing in this Plan or the actual operation of the Board shall create any private rights of action against any member of the Board or any committee. All such persons shall at all times enjoy immunity from liability to the fullest extent afforded by any provision of any law.

Article 4 – Committees of the Board

The Board may appoint its members and others to the following committee and any other appropriate committee as necessary to provide technical assistance in the operation of the Plan and the Fund or other functions within the authority of the Board. A written record of each committee meeting must be kept by a secretary appointed from the membership of the committee.

Finance Committee. The mission of the Finance Committee is to assist the Board in any financial-related matters deemed necessary, including:

1. Determine the carrier assessment methodology and assessment for the Fund, including but not limited to:

a. Appropriation of funds for vaccine purchase by the state of Idaho; and
b. Implementation of all supporting Fund programs.

2. Recommend to the Board the information to be included in any financial reports and the frequency of those reports.

Article 5 – Administration of the Act and the Plan

To the extent allowed by Idaho code, the Board may contract with one or more third parties to provide administrative services needed to implement the requirements of the Act and the Plan. The Board shall select any such administrator in accordance with the procedures established and administered by the State of Idaho Division of Purchasing as may be required. The administrator may be responsible, along with the Board, for the fair, equitable and reasonable administration of the Act and the Plan.

The administrator may perform the following functions as directed by the Board:

1. Prepare and submit monthly reports, meeting minutes and an annual report to the Board.
2. Establish procedures and install the systems needed to properly administer the operations of the Fund in accordance with the Idaho Insurance Code and this Plan.
3. Keep all accounting, administrative and financial records of the Fund in accordance with this Plan.
4. Serve as a communications resource for carriers in reviewing their operations under the Act and the Fund.
5. Calculate the assessment, in accordance with the methodology specifics in this Plan, notify carriers of amounts due and reconcile collection of appropriate amounts due with the DOI.
6. Prepare an annual estimate of operating costs for the administration of Fund operations.
7. Perform other functions as agreed to by the Board and the administrator.

The administrator shall maintain all financial records for each fiscal year for a period of three years following the end of such fiscal year, plus the current fiscal year.

The administrator shall be reimbursed for its reasonable costs of administration in accordance with a written agreement approved by the Board.

The administrator will subcontract for services only with the prior approval of the Board.

The administrator shall retain the confidentiality of all information pertaining to persons insured and the carriers in accordance with all applicable statutes, regulations and principles of common law pertaining to confidentiality and trade secrets. Such information shall be used only for the purposes necessary for the operation of the Fund and shall be strictly segregated from other records, data or operations of the administrator. Unless specifically required hereunder or by the Act, no information shall be retained or used by the administrator or disclosed to any third party which information identifies a specific insured or carrier.

Article 6 – Examination; Fiscal Year

The Fund shall be subject to examination by the Insurance Director and the DHW Director.

The fiscal year shall be the 12 months ending June 30.

Article 7 – Assessment Collections

Assessments shall be billed in accordance with the schedule in *Exhibit A*. Financial reports shall be compiled as scheduled in *Exhibit B*. The Board may allow assessment payments in installments in accordance with *Exhibit A*.

Covered lives determinations shall be made each year by March 31 based upon numbers reported by carriers to the Idaho Department of Insurance on or before February 28 each year.

Assessment payments will be due as stated in the notices mailed to the carriers. Interest payments or other penalties may be imposed as allowed by the Act for late or nonpayment of assessments by a carrier. Any late or nonpayment of assessments will be addressed in accordance with the protocol in *Exhibit C*.

Article 8 – Penalties; Adjustments; Dispute Resolution

A. Penalties; Adjustments:

1. **Background.** Given numerous factual determinations and tasks to be performed by carriers relative to their calculations of covered lives as required, it is expected all carriers will exercise the highest degree of good faith and due diligence in all aspects of their relationship with the Board and its administrator. Errors may occur, however, and it is appropriate that the sanctions applicable to such errors be detailed.

2. **Errors Related to Assessments.** All carrier errors related to assessments shall require the immediate payment of additional amounts due plus interest calculated from the date such sum should have been paid and any other penalties per Idaho Code 41-6006(3).
3. **Violations.** If the Board determines that a particular carrier has violated Title 41 Idaho Code, the Board shall refer its findings to the Insurance Director for appropriate action.

B. Time Considerations with Respect to Assessment Payment Adjustments.

Once assessment rates are set by the Board in any year, any adjustment for carrier over-reporting of covered lives or overpayments may be considered first by the Board in connection with the assessment determination for the current or following year and may, depending on the cash flow needs of the Fund, be spread over multiple years. No request for reconsideration of any assessment or refund of payment made shall be considered by the Board with respect to any request that is not filed with the Board in writing on or before the date that is six (6) months after the first due date for the corresponding assessment year.

C. Carrier Appeal of Disputes to Board.

Carriers may request permission to appear before the Board at any time in connection with any disputes with the Board or its administrator after which the Board may make any recommendations or referral to the Director.

Article 9 – Termination.

The Fund shall continue in existence subject to termination in accordance with the Act, other laws of the state of Idaho or the United States of America. The Fund shall terminate and conclude its affairs in a manner to be determined by the Board with approval of the Insurance Director.

In accordance with Chapter 60, Title 41, Idaho Code, the foregoing Plan of Operation has been approved following consultation with the Director of the Idaho Department of Health and Welfare.

Idaho Department of Insurance

By: William Deal

William W. Deal, Director

Date: 11/15/10

EXHIBIT A
ASSESSMENTS

Carriers providing and/or administering health insurance or health benefit coverage in Idaho are required to report numbers of all covered individuals for the purpose of evaluating the number of program-eligible children in Idaho. A carrier administering health insurance or health benefit coverage for another entity, such as a self-funded plan, may omit reporting numbers of individuals covered by that entity ONLY if the carrier reports the name and current, complete contact information for the entity for which it is not reporting numbers of covered lives.

For this purpose, health insurance or health benefit coverage includes all health coverage except for the following limited coverage:

- coverage limited to a specific disease
- hospital confinement indemnity
- accident only
- credit
- dental
- vision
- Medicare supplement
- long term care
- disability income insurance
- student health benefits only coverage issued as a supplement to liability insurance
- worker's compensation
- automobile medical payment insurance
- nonrenewable short term coverage issued for a period of twelve (12) months or less

Entities are required to report covered lives as specified below. Entities are encouraged to further specify the numbers of these identified subscribers and dependents having and not having coverage for childhood vaccines. Assessments will be based on identified subscribers and dependents having coverage for childhood vaccines if that number is provided. If an entity does not provide the numbers having coverage for childhood vaccines, that entity will be assessed on all covered lives as specified below.

For 2010. Entities are required to report their "Covered Idaho Children," defined as the number of all subscribers and dependents:

- Who have health coverage (whether primary or non-primary) as of February 28, 2010, AND
- With the subscriber having a mailing address within the state of Idaho (the subscriber's mailing address applies to the subscriber and all of his or her dependents), AND
- With a date of birth after (less than) December 31, 1991.

As noted above, entities are encouraged to further specify the numbers of these identified subscribers and dependents having and not having coverage for childhood vaccines. "Covered Idaho Children" who have benefits for childhood vaccines are "Program-eligible Children."

For 2011 and subsequent years. Entities are required to report in an annual assessment survey their "Covered Idaho Children," defined as the number of all subscribers and dependents:

- Who have health coverage (whether primary or non-primary) as of January 31 of the same year the survey is sent, AND
- With the subscriber having a mailing address within the state of Idaho (the subscriber's mailing address applies to the subscriber and all of his or her dependents), AND
- Who are under nineteen (19) years of age. Individuals who have a date of birth on or after January 1 of the year 19 years prior to the assessment year are considered to be under nineteen (19) years of age. Examples:
  - Birth year of 1992 for assessment year 2011 Birth year of 1993 for assessment year 2012
  - Birth year of 1994 for assessment year 2013

As noted above, entities are encouraged to further specify the numbers of these identified subscribers and dependents having and not having coverage for childhood vaccines. "Covered Idaho Children" who have benefits for childhood vaccines are "Program-eligible Children."

The Board shall determine the estimated total annual program expense for each year. The Board shall further calculate the estimated total statewide number of "Program-eligible Children." This estimate shall be made by adding the numbers of "Program-eligible Children" reported by all entities reporting "Program-eligible Children" plus the numbers of "Covered Idaho Children" reported by all entities NOT reporting "Program-eligible Children." The "Assessment per Child" shall be the estimated total annual program expense for the year divided by the estimated total statewide number of "Program-eligible Children."

For an entity reporting "Program-eligible Children," the entity's assessment shall be calculated by multiplying the "Assessment per Child" by that entity's number of "Program-eligible Children." For an entity NOT reporting "Program-eligible Children," the entity's assessment shall be calculated by multiplying the "Assessment per Child" by that entity's number of "Covered Idaho Children."

Per 41-6006 (4) assessments are due 60 days after notice of the annual assessment. The Board will bill all assessments at or above a $50,000 annual threshold in quarterly installments, if requested by the carrier.

Assessment reporting and billing schedule:

	Date
Immunization Assessment Survey	Sent Early January
Immunization Assessment Survey	Due February 28
Annual Assessment Notice	Sent March 31
Annual Assessment or First Quarterly Installment	Due May 31
Second Quarterly Installment	Due August 31
Third Quarterly Installment	Due November 30
Fourth Quarterly Installment	Due February 28

It is expected that each assessment year's first due date will be May 31 and that, consequently, any request for reconsideration or refund must be filed within six months of May 31. Any underpayment due to late payments or underreporting of covered lives shall be made by the carrier at the earliest possible date with interest and administrative charge as set forth in Article 8.

Notes:

- Specification of numbers of subscribers and dependents both with and without childhood vaccine coverage is requested in order to provide more accurate numbers of children who are insured, but do not have vaccine coverage. Insured children without vaccine coverage are NOT "program-eligible" children, but are eligible for federally-funded VFC vaccines. Accurate reporting of these children is necessary to support the extent of need for VFC federal funds in Idaho.
- A single annual "snapshot" of the number of members covered rather than a historical average is used because it provides a more accurate picture of a carrier's current and future population of program-eligible children. An average, such as a 12-month rolling average, would be a historical perspective that would not necessarily project an accurate picture of future program-eligible children, and potentially would require more reporting than a snapshot.
- After 2010, the initial "start up" year, reporting membership as of January 31 of the same year as the survey year will allow coordination with existing annual reporting due each March 31 required for the high risk pool.
- The 2010 reporting cycle will be prolonged due to implementation of the new law signed by the governor on March 4, 2010. Initial 2010 assessments will need to be based on estimates with subsequent adjustments to reflect actual 2010 reporting.

In billing 2010 assessments, it will be practically difficult to have the initial assessment notices sent by April 30, but they should be sent as soon as possible. First and second installment assessment notices for the largest carriers will be combined and sent earlier than July 31 to obtain sufficient initial funds for the program. Although all assessed entities will not be identified until after April 30, each assessed entity will be billed for its full 2010 assessment. After the entire pool of assessed entities is accounted for, adjustments to the initial 2010 assessments will be necessary.

EXHIBIT B
SCHEDULE OF FINANCIAL STATEMENTS

Financial statements will be released on the following schedule:

1. Reconciliation of amounts due and collections during the month with the DOI before the close of the state fiscal month, generally three days after calendar month end.
2. **Monthly Statements:** To the Board within 15 business days after the close of each month

3. Annual Statements: Management statements will be ready for internal review within 60 days after the close of the fiscal year.

EXHIBIT C
FOLLOW-UP FOR PAST DUE ASSESSMENTS

Follow up protocol:

1. Make a phone call three business days after due date
2. Send a fax reminder seven business days after due date
3. Send a letter reminder five business days after the fax reminder with a copy to the Board

In addition to the above, report to the Insurance Director any late or nonpayment of assessments by a carrier in accordance with §41-6006, Idaho Code. The Board may recommend collection or follow-up activity for any remaining delinquencies to the Insurance Director. It is contemplated that any collection follow-up after 6 months of notification would be handled by the Insurance Director pursuant to § 41-6006.