

**FIRST AMENDMENT
To The
PLAN OF TERMINATION**

This FIRST AMENDMENT To The PLAN OF TERMINATION (the "*First Amendment*") of the **New Hampshire Individual Health Plan Benefit Association**, doing business as "*New Hampshire Health Plan*" ("**NHHP**"), a nonprofit New Hampshire corporation created pursuant to New Hampshire RSA Chapter 404-G (the "*Statute*"), has been approved by the NHHP Board of Directors (the "*Board*") and submitted to the New Hampshire Insurance Commissioner (the "*Commissioner*") for his approval.

Factual Background:

A. On September 11, 2013, the Commissioner approved the Plan of Termination adopted by the NHHP Board as required by New Hampshire RSA 404-G:11 (the "*Original Plan of Termination*"). On November 22, 2013, the Commissioner issued an Order suspending the cessation of NHHP's state high risk pool coverage pursuant to his authority under RSA 404-G:12. On March 18, 2014, the Commissioner issued an Order (i) requiring the cessation of NHHP's state high risk pool coverage as of June 30, 2014, and (ii) permitting NHHP to extend all applicable deadlines pertaining to such coverage in the Original Plan of Termination by six (6) months without further approval by the Commissioner.

B. On April 30, 2014 the Commissioner issued a Supplemental Order (the "*Supplemental Order*"). The Supplemental Order states that it is intended to address the concern that, absent intervention, New Hampshire residents enrolled either in the federally-operated Pre-Existing Condition Insurance Program ("*PCIP*") or the high risk pool health plans provided by NHHP (the "*Health Plans*") and required by the Affordable Care Act to obtain replacement coverage upon the cessation of the PCIP and Health Plans will be required to satisfy two separate sets of medical deductibles in 2014. Therefore, the Supplemental Order requires (i) succeeding carriers to credit individuals for medical deductibles incurred under the PCIP (but only to the extent that NHHP procures federal funds to reimburse succeeding carriers for such credit) or the Health Plans in 2014, and (ii) NHHP to reimburse succeeding carriers for the medical deductible credits provided under the Supplemental Order to the extent of available NHHP funds.

C. The Supplemental Order also directs NHHP to identify procedures to implement the Supplemental Order in the form of an amendment to the Original Plan of Operation to be presented to the Commissioner for approval by June 14, 2014. In furtherance of the directive, NHHP conferred with succeeding carriers, NHHP's pool administrator (the "*Pool Administrator*"), and representatives of the New Hampshire

Insurance Department. As a result of these discussions, NHHP concluded that it would be extremely time-consuming and costly to implement the Supplemental Order as written because of the need of the Pool Administrator and succeeding carriers to review, report and amend voluminous claims data on a manual basis. NHHP and the Pool Administrator also raised concerns regarding the ability of the 2014 PCIP and Health Plan enrollees to take the necessary actions required by the Supplemental Order to obtain a credit for medical deductible expenses paid in 2014.

D. Therefore, in an effort to implement the Supplemental Order in a more expedient and cost-effective manner while still addressing the Commissioner's concern regarding the imposition of two separate sets of medical deductible requirements upon PCIP and Health Plan enrollees in 2014, NHHP recommends to the Commissioner the implementation plan described below. This plan has been approved unanimously by the NHHP Board of Directors.

E. Any capitalized terms used but not defined in this First Amendment will have the same meaning ascribed to them in the Original Plan of Termination.

Terms of First Amendment:

The Original Plan of Termination is amended as follows:

1. Extension of Health Plans Deadlines. Each of the deadlines set forth in Sections II, A (1) and (3) of the Original Plan of Termination is extended by six (6) months. Specifically, the amended deadlines are as follows:

(a) *Coverage Cessation Date:* All coverage provided by NHHP to enrollees and their covered dependents under the Health Plans will cease as of 11:59 p.m. EDT on June 30, 2014.

(b) *Health Claims Deadline:* Individuals covered under the Health Plans must submit claims for coverage no later than 5:00 p.m. EDT on June 30, 2015.

2. Medical Deductibles: Supplemental Order Implementation Process. The following new Paragraph C is added to Section III of the Plan of Termination to implement the Supplemental Order in a manner designed to avoid unnecessary administrative costs and burdens to NHHP, the enrollees in the PCIP and Health Plans, and the succeeding carriers:

C. MEDICAL DEDUCTIBLE REFUNDS UNDER THE SUPPLEMENTAL ORDER.

The following provisions are designed to implement the Supplemental Order issued by the Commissioner on April 30, 2014 (the "Supplemental Order") in a manner designed to avoid unnecessary administrative costs and burdens to NHHP, the enrollees in the PCIP and Health Plans, and the succeeding carriers.

1. Identification of Medical Deductibles Paid by NHHP Health Plan Enrollees in 2014. NHHP will instruct the Pool Administrator to determine, based on its explanation of benefit (EOB) or similar records, the amount of medical deductibles actually incurred by each enrollee and any covered dependents in the Health Plans during 2014 (the "2014 Medical Deductibles"). This determination will be conducted in two tranches: (i) the first will include only those individuals who were enrolled in an NHHP Health Plan in 2014 but terminated such coverage on or before March 31, 2014 ("Tranche I"); and (ii) the second will include only those individuals who remained enrolled in an NHHP Health Plan on or after April 1, 2014 ("Tranche II").

2. Refund of 2014 Medical Deductibles. NHHP will refund to each individual enrollee in Tranche I the amount of his or her 2014 Medical Deductibles by July 1, 2014. NHHP will refund to each individual enrollee in Tranche II the amount of his or her 2014 Medical Deductibles by October 1, 2014. The Pool Administrator will include with each refund a summary of the EOBs or other documentation supporting the amount of the 2014 Medical Deductibles being refunded.

3. Source of Funds. The refund payments described in paragraph 2 above will be paid in the form of a check from the general funds of NHHP, provided that: (i) NHHP will not authorize a special assessment to cover the costs of the medical deductibles refunds; and (ii) NHHP will use its best efforts to seek approval to use federal grant monies to cover the costs of the medical deductible refunds, in whole or in part, and if approved, it first will use all available grant funds to make the refund payments.

4. Notice to Enrollees. NHHP, through its Plan Administrator, on or before June 6, 2014 will notify all individuals enrolled in the Health Plans at any time during 2014 of NHHP's plan to implement the Supplemental Order through the refund of 2014 Medical Deductibles. Such notice will include the following information:

(a) A brief description of the purpose of the Supplemental Order and NHHP's implementation plan, and the timing of the refunds;

(b) A statement that refunds will be made in the form of checks mailed to the enrollee's last known address, and inclusion of contact information if an enrollee wishes to change his or her address before the mailing;

(c) Contact information for NHHP through its Pool Administrator if an enrollee wants to contest the amount of his or her 2014 Medical Deductibles refund; and

(d) For those individuals enrolled in an NHHP high-deductible Health Plan during 2014, a recommendation that the individual consult with a tax advisor to determine any impact on, and any additional steps that should be taken regarding, the tax advantages of any related health savings account.

5. PCIP. If NHHP is successful in procuring federal funds related to the PCIP to cover its full costs, then the process described above will be implemented for New Hampshire residents enrolled in the PCIP during 2014, except that 2014 Medical Deductibles will be considered in a single tranche. If no or insufficient federal funds are committed to cover the cost of refunding 2014 PCIP medical deductibles, then NHHP will have no further obligations under the Supplemental Order regarding the 2014 PCIP enrollees.

6. Recommended Revision to Supplemental Order. To avoid confusion, NHHP recommends to the Commissioner that the Supplemental Order be modified as necessary to embody the implementation plan set forth in this Plan of Termination.

3. Re-affirmation of Remaining Provisions. The remaining terms of the Original Plan of Termination which are not affected by this First Amendment will remain in full force and effect. The term "Plan of Termination" will refer to the Original Plan of Termination as modified by this First Amendment.

4. Effective Date. This First Amendment will become effective (the "Effective Date") on the later of May 30, 2014 or the date on which the Commissioner approves the First Amendment.

APPROVAL OF INSURANCE COMMISSIONER

The foregoing First Amendment to the Plan of Termination adopted by the Board of Directors of the New Hampshire Individual Health Plan Benefit Association is hereby approved.

DATE: June 3, 2014



Roger A. Sevigny, Commissioner