

Minutes
Board of Directors Meeting
February 19, 2015

A meeting of the Board of Directors of the New Hampshire Health Plan was held in person at the offices of Hinckley, Allen & Snyder in Concord, New Hampshire on February 19, 2015.

The following individuals attended the meeting, including by phone as indicated because of scheduling challenges resulting from the exigencies of the matters before the Board as well as weather conditions:

Directors:

Beth Roberts (*by phone*)
David Ellis
Bruce King (*by phone*)
David Sky
Martha McLeod (*by phone*)
Susan Dew (*by phone*)
Lisa Guertin (*by phone*)
Domenic Palmieri (*by phone*)
Brandy Millen (*by phone*)

Other Attendees:

J. Michael Degnan, Helms & Co.
John Hastings, Helms & Co.
Mark McCue, Esq., Hinckley Allen
Elizabeth Leif, Leif Associates (*by phone*)

Beth Roberts presided as Chair and called the meeting to order at 9:30 a.m. A quorum was present.

Ms. Roberts reviewed the meeting agenda and began by inquiring whether the Board had an opportunity to review the minutes of the last Board meeting as well as of the July, 2014 Wind Down and Transition Committee meeting. Upon a motion by Mr. King and seconded by Mr. Palmieri, the Board unanimously:

VOTED: *To approve the minutes of the meeting of the Board of Directors held on October 2, 2014 and of the meeting of the Wind Down and Transition Committee held on July 23, 2014, each in the form presented to the Board.*

Ms. Roberts then turned the meeting over to Helms & Company to provide a financial report. Mr. Hastings asked NHHP's actuarial consultant, Elizabeth Leif, to begin by reviewing the IBNR report. Ms. Leif noted that the projected Incurred But Not Yet Reported (IBNR) claims of NHHP's state high risk pool program at the end of December 31, 2014 was \$57,000. This projection is based on a six month claim run-out period during which most claims have been paid. Ms. Leif noted that this projection is further supported by the claims paid by NHHP in

January, 2015, totaling \$2,600. Therefore, Ms. Leif recommended an IBNR reserve of \$57,000, together with an additional \$25,000 Lag Adjustment Reserve to cover the per claim cost payable to the pool administrator. It was the consensus of the Board to adopt these recommendations.

Mr. Hastings then reviewed the NHHP state high risk pool balance sheet and profit and loss statements for the period ended December 31, 2014. He noted that the cash balance had been reduced according to budget, and that the charts show that claims have been reduced to almost nothing and that the cash balance was leveling off. Mr. Hastings stated that after the payment of budgeted expenses, he projected that the remaining cash balance upon the completion of state high risk pool activities will be approximately \$2.2 Million. He then reviewed the expenditures under the federal Consumer Assistance Grants, and concluded his report by noting that the federal PCIP program has been audited and closed, and that approximately \$1.829 Million in New Hampshire designated funds under the PCIP program were recaptured by the federal government. Mr. Hastings directed the Board to page 9 of the PCIP program financials for a summary of the PCIP wind down activity.

Mr. Degnan then presented the operational report. He began by providing an overview of the outreach and educational activities conducted under the second federal Consumer Assistance Grant, which covered the Marketplace enrollment period beginning December 15, 2014 and ending February 15, 2015 (except for those experiencing technical difficulties). Mr. Degnan reviewed the summary of the activities contained in the Board materials, including the advertisements, community events and web site activity. He noted that enrollment in the Marketplace as of last week was over 48,000, and he expected that final enrollment numbers would be between 50,000 and 55,000. Based on the federal analysis that approximately one-third of enrollees in the New Hampshire Marketplace during the first enrollment period previously were uninsured, Mr. Degnan projected that as many as 15,000 additional uninsured individuals were enrolled in the Marketplace during this second enrollment period. The Board complimented and congratulated these efforts and their results.

Mr. Degnan then described the weekly oversight of the Marketplace Assistants (MPAs) by Public Consulting Group and Helms, and noted that their activities would be re-directed under the third Consumer Assistance Grant, which runs for a period commencing December 17, 2014 and ending December 16, 2015 (Phase III). He described that the number of MPA full-time equivalents would be cut almost in half from 32 FTEs in Phase II to 17.9 FTEs budgeted for Phase III. In response to a question from Ms. Roberts, Mr. Degnan explained that an additional investment was made in the Covering NH web site during Phase II to provide more information about broker assistance, which has reduced the number of broker concerns compared to those raised during Phase I. A more concerted effort to engage the insurance brokers will be made during Phase III, particularly with respect to the SHOP component of the Marketplace.

Mr. Degnan then explained the proposed Consumer Assistance Grant strategy for Phase III, which will be directed at the estimated 85,000 to 90,000 uninsured individuals residing in New Hampshire. JSI will be re-engaged, possibly in conjunction with HNH Foundation, to update its initial analysis of the demographics of the uninsured in New Hampshire,

particularly after the completion of two Marketplace enrollment periods. The MPAs will focus on training the trainers so that enrollment efforts can be sustained following the grant periods. Mr. Degnan then reviewed the Phase III timeline in the Board materials, which sets forth the following strategic goals: (1) improvement in broker relations; (2) recruitment and engagement of volunteer certified application counselors (CACs); (3) engagement of hospital CACs; (4) sponsorship of regional health roundtables; and (5) establishment of a state agency trainer program.

In connection with the grant activity, Mr. Degnan noted that NHHP has developed some significant non-cash assets, such as the web site, Covering New Hampshire trade mark, market studies and information, and know-how in effective consumer education about enrolling in the Marketplace. He then asked the Board to consider whether these assets could be used by another organization upon the dissolution of NHHP to continue efforts to enroll the uninsured in the Marketplace. Mr. Degnan stated that he had very preliminary discussions with the Endowment for Health, HNH Foundation and New Hampshire Voices for Health, and solicited other ideas from the Board. Mr. Ellis inquired whether a state agency would be interested in continuing the enrollment outreach and education efforts, and Mr. Sky agreed to make this inquiry. Ms. Guertin asked whether there were other states that were grappling with the same issue but, as Mr. Degnan noted, the Consumer Grant Activities in most other states were conducted by governmental agencies. Ms. Roberts instructed Mr. Degnan to prepare a description of these non-cash assets and then deferred further discussion to the May Board meeting.

To complete the financial and operational reporting, Mr. Hastings noted that the Board previously had instructed Helms to extend the line of credit with Bank of New Hampshire. The extension fee of \$2,000 was paid but the Bank failed to provide necessary documentation despite repeated requests from Helms. Given the claims run-out period and the IBNR projection, Mr. Hastings recently contacted the Bank and requested that it return the \$2,000 and terminate any efforts to extend the line of credit because it no longer is needed. The bank agreed and issued the refund. Mr. Hastings also reported that he had reviewed other investment vehicles in the hope of achieving a higher return, but none was appropriate given the short-term time period remaining until NHHP's dissolution.

Ms. Roberts then asked Mr. McCue to provide the legal report. Mr. McCue explained that the Board had instructed him to prepare an amendment to the Plan of Termination in connection with the additional Consumer Assistance Grants it had authorized last year. He reviewed the proposed Second Amendment to the Plan of Termination in the Board materials and explained its provisions. Upon a motion by Mr. King and seconded by Ms. McLeod, the Board unanimously:

VOTED: *To approve the Second Amendment to the Plan of Termination as presented.*

Mr. McCue then referred the Board to the Wind-Down Work Plan, and noted that the dates had been adjusted to account for the third grant, and that the expected NHHP dissolution date had been extended by six months. In response to Ms. Roberts' inquiry, Mr. McCue

confirmed that the Helms contract was amended to cover the wind down activities in 2015. He also explained that the Hinckley Allen engagement letter would make his legal services available to NHHP through its dissolution.

Mr. Degnan informed the Board that the date of the October board meeting and the May Finance Committee meeting will be changed. Ms. Roberts then called an executive session of the Board, during which there was discussion but no formal action.

There being no further business, the meeting adjourned at 10:30 a.m.

Respectfully submitted,

J. Michael Degnan,
Secretary *Pro Tem*