

Minutes
Board of Directors Meeting
October 5, 2017

A meeting of the Board of Directors of the New Hampshire Health Plan (NHHP) was held in person at the offices of Helms & Company in Concord, New Hampshire on October 5, 2017.

The following individuals attended the meeting, including by phone as indicated because of scheduling challenges faced by Board members resulting from the exigencies of other business:

Directors:

David Ellis
David Sky (*by phone*)
Bruce King (*by phone*)
David Trudo (*by phone*)
Paula Rogers (*for Anthem*) (*by phone*)
Susan E. Brown (*by phone*)
Dr. William Brewster (*by phone*)
Christopher Kennedy (*by phone*)
Martha McLeod (*by phone*)

Other Attendees:

J. Michael Degnan, Helms & Co.
John Hastings, Helms & Co.
Mark McCue, Esq., Hinckley Allen

David Ellis presided as Chair and called the meeting to order at 1:00 p.m. A quorum was present.

Mr. Ellis noted that a quorum was not present at the September 28, 2017 Board meeting so the Board was unable to take formal action at that time, although minutes of the reports and discussion at that meeting subsequently were distributed to the Board for its information. He thanked the Board members for attending today's meeting and reviewed the meeting agenda. Mr. Ellis inquired whether the Board had an opportunity to review the minutes of the August 14, 2017 and September 28, 2017 Board meetings. Upon a motion by Bruce King and seconded by Dr. William Brewster, the Board unanimously:

VOTED: *To approve the minutes of the meetings of the Board of Directors held on August 14, 2017 and September 28, 2017, respectively, in the form presented to the Board.*

Mr. Ellis then turned the meeting over to Helms & Company, instructing them to provide an overview of all of the items reported on at the September 28, 2017 before the Board was asked to take any votes. John Hastings referenced the description of the financial report he provided to the Board on September 28, 2017 as reflected in the meeting minutes. He briefly reviewed the material items and noted that the efforts to establish a proposed reinsurance pool resulted in a balance of approximately \$80,000 of unbudgeted expenses after the application of uncommitted funds that were received by NHHP and related to its high risk pool operation. Mr. Hastings noted that some of these expenses will be paid from the contingency fund designed to support the Premium Assistance Program. The Board did not have any questions regarding the balance sheet or profit and loss statement.

Mr. Hastings then highlighted the proposed changes to the NHHP operating budget for the period beginning October 1, 2017 based on actual experience during that last 12-month period and unanticipated circumstances. He explained the recommendations that \$21,000 in operating surplus be transferred to the Budget Reserve and that the unused 2017 Contingency Fund of \$100,000 be carried into 2018 and increased to \$200,000. Mr. Hastings noted that if these recommendations are accepted, then the proposed 2018 budget totals \$423,200.

Mr. Hastings and Michael Degnan then reviewed the proposed Covered Life assessment of \$2.25 per member per month for calendar year 2018. Mr. Hastings referred the Board to the revised 2018 Assessment Rate Calculation that was distributed prior to the meeting, and explained its components as outlined in the September 28, 2017 minutes. Attorney McCue reviewed with the Board the basis for his conclusion that the Board's fiduciary duty of due diligence obligated it to consider the Insurance Department's premium tax amount in determining the remainder amount on which NHHP 2018 assessments will be based. Mr. Degnan noted that the New Hampshire Medicaid Director represented that the DHHS Commissioner will revise his calculation of the Premium Assistance Program remainder amount based on the Insurance Department's premium tax calculation.

Mr. Hastings concluded his presentation by describing the liquidity issue raised by NHHP's obligation to issue assessment credits to the four carriers who previously pre-paid an approximate total of \$3.6 Million to address a cash shortfall in Premium Assistance Program funding. In order to avoid a liquidity problem in the Program which could trigger its premature termination, Mr. Hastings recommended that the carriers who pre-paid assessments be required to pay assessments through 2018, and then their pre-payment would be refunded from the proceeds of the fourth quarter assessments due in 2019. In order to have sufficient funds to repay these carriers, Helms is proposing that NHHP establish in its operating budget a repayment reserve of \$300,000 to be funded from assessments. Attorney McCue noted that this would change the current agreement with the four pre-paying carriers from a credit model to a refund model, and would require the consent of each of those carriers. The consensus of the Board was that Attorney McCue should begin these negotiations.

After an opportunity to raise questions and seek clarifications, and upon a motion by Mr. King and seconded by Dr. Brewster, the Board unanimously:

VOTED: *To adopt the modified operating budget of NHHP for the period commencing October 1, 2017, as presented to the Board.*

Upon a motion by Mr. King and seconded by Dr. Brewster, the Board then unanimously:

VOTED: *To establish an assessment rate on New Hampshire Individual Health Plan Benefit Association members of \$2.25 per Covered Life per month for calendar year 2018, and to authorize Helms & Company to notify the New Hampshire Insurance Commissioner before November 1, 2017 of such assessment rate.*

Mr. Degnan then reviewed with the Board the recent request from Minuteman Health to have its pre-payment credit applied to its assessments due for the third and fourth quarters of 2017. Mr. Hastings confirmed that the application of this pre-payment credit for Minuteman Health would not adversely affect the liquidity planning described earlier and reflected in the new repayment reserve in the modified NHHP budget. The consensus of the Board was that Helms should work with Minuteman Health to honor its request.

The Board had no further business, and the meeting adjourned at 1:20 p.m.

Respectfully submitted,

J. Michael Degnan,
Secretary *Pro Tem*