



Minutes Board of Directors Meeting October 10, 2019

A meeting of the Board of Directors of the New Hampshire Health Plan (NHHP) was held in person at the offices of Hinckley, Allen & Snyder in Manchester, New Hampshire on October 10, 2019.

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
Dr. William Brewster
Geraldine Vaughan (*by phone*)
Lisa Guertin (*by phone*)
Bruce King (*by phone*)
Domenic Palmieri (*by phone*)
David Trudo (*by phone*)
Christopher Kennedy (*by phone*)
David Sky (*by phone*)

Other Attendees:

J. Michael Degnan, Helms & Company, Inc.
John Hastings, Helms & Company, Inc.
Kevin Stone, Helms & Company, Inc. (*by phone*)
Mark McCue, Esq., Hinckley Allen
Alexander Feldvebel, NH Deputy Insurance Commissioner

David Ellis, Chair, presided and called the meeting to order at 9:30 a.m., a quorum being present.

Mr. Ellis reviewed the meeting agenda and then asked the Board if everyone had a chance to review the minutes of the annual Board meeting held on June 13, 2019. Upon a motion by Bruce King and seconded by Lisa Guertin, it was unanimously:

VOTED: *To approve the minutes of the annual Board of Directors meeting held on June 13, 2019 in the form presented to the Board.*

Mr. Ellis then asked Michael Degnan and John Hastings of Helms & Company to provide the financial review. Mr. Hastings reviewed with the Board the balance sheet for the period ended August 31, 2019. He noted that the collected assessment balance as of August 31, 2019 was \$5.524 Million, of which \$3,290,000 subsequently was remitted to the NH Department of Health and Human Services under the Granite Advantage Health Care Program. He explained that the budgeted expense reserve included the projected costs of the eventual wind-down of NHHP and noted the Program reserve of \$510,589. Mr. Hastings concluded by reviewing the income statement and financial dashboards, noting that expenses were favorable to budget, and that approximately \$2.6 Million in additional assessment have been received thus far this quarter.

Mr. Hastings then led a discussion of NHHP's proposed operating budget for calendar year 2020. As chairman of the Finance Committee, Mr. King noted that the Finance Committee had reviewed the proposed budget in detail with Helms & Company and recommends its adoption by the Board. Mr. Hastings then provided an overview of the proposed budget contained in the meeting materials, noting any assumptions and increases required by contractual terms. Following an opportunity for questions and discussion, and upon a motion by Mr. King and seconded by William Brewster, it was unanimously:

VOTED: *To approve and adopt the NHHP operating budget for the period ending December 31, 2020, as presented to the Board.*

Mr. Degnan then led the discussion regarding the assessment rate for 2020. He referred the Board to the August 15, 2018 and August 15, 2019 letters in the meeting materials from New Hampshire Health and Human Services (DHHS) Commissioner Jeffrey Meyers regarding the so-called "remainder amount" under the Granite Advantage Health Care Program. Mr. Degnan explained that DHHS informed him that the most recent remainder letter was being reviewed and that a subsequent correction may be made. Mr. Degnan described NHHP's maximum liability under the Program based on the August 15, 2019 remainder amount letter and noted that it is the basis for the 2020 assessment analysis and recommendation being presented to the Board. He then guided the Board through the assessment analysis and highlighted each element. Mr. Degnan explained that Helms had provided three assessment scenarios ranging in conservatism and recommended that the most conservative assessment rate – \$2.96 – be adopted by the Board. Discussion then followed about the remainder amount letter, its components and any potential modifications, as well as the Board's legal duties under the Program. Upon a motion by Dr. Brewster and seconded by David Trudo, it was unanimously:

VOTED: *To approve and adopt an annual per member per month assessment rate of \$2.96 for calendar year 2020, unless such amount is amended by a subsequent NHHP Board of Director vote before November 1, 2019.*

Mr. Ellis then welcomed New Hampshire Deputy Insurance Commissioner Alexander Feldvebel to the meeting and invited him to update the Board regarding the current status of the reinsurance program discussed with the Board in June. Deputy Commissioner Feldvebel informed the Board that although Senate Bill 228 did not pass, most of its provisions were included in House Bill 4 which recently passed with the State budget compromise. He noted that the actuarial review of a reinsurance program had been completed, and it is estimated that the program would require approximately \$16 Million in state-mandated funding and the balance of approximately \$44 Million from federal funding pursuant to a waiver under Section 1332 of the Affordable Care Act. Deputy Commissioner Feldvebel informed the Board that the proposed program would be similar to the federal reinsurance program under the Affordable Care Act, would be five years in duration, and would commence operations on January 1, 2021. He also noted that Section 1332 waivers have been approved by the Centers for Medicare and Medicaid Services (CMS) for similar programs in the last several months. Following discussion with the Board, Deputy Commissioner Feldvebel confirmed that he was directing the NHHP Board pursuant to amended RSA 404-G:12 to prepare a proposal and plan of operation for a reinsurance program and the Section 1332 waiver application, using the actuarial study for which the New Hampshire Insurance Department has contracted. By affirmation, the Board confirmed its June 2019 vote to proceed with the Section 1332 waiver application at a cost to NHHP not to exceed \$250,000.00.

Mr. Ellis then called for an executive session, at which he informed the Board that he would discuss with Helms & Company the staffing and administrative services necessary to support the reinsurance program if the Section 1332 waiver is granted by CMS. No other directors had any issues to be discussed in executive session.

The Board had no further business, and the meeting adjourned at 11:00 a.m.

Respectfully submitted,

J. Michael Degnan,
Secretary *Pro Tem*