

***[The following Minutes are in draft form, and have not yet been reviewed and approved by the NHHP Board]***

**Minutes  
Board of Directors Meeting  
March 25, 2021**

A meeting of the Board of Directors of the New Hampshire Health Plan (NHHP) was held by videoconference and teleconference on March 25, 2021, in compliance with the emergency orders of the Governor of New Hampshire.

The following individuals attended the meeting:

**Directors:**

David Ellis  
Dr. William Brewster  
David Sky  
Geraldine Vaughan  
Domenic Palmieri  
Bruce King  
Lisa Guertin  
David Trudo

**Other Attendees:**

J. Michael Degnan, Helms & Co.  
Kevin Stone, Helms & Co.  
John Hastings, Helms & Co.  
Mark McCue, Esq., Hinckley Allen  
Elizabeth Leif, Leif Associates, Inc.  
Nic Ramey, Leif Associates, Inc.  
Lisa Kaplan Howe, Public Consulting Group

Mr. 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 the opportunity to review the minutes of the meeting held on February 18, 2021. Upon a motion by Mr. King and seconded by Mr. Trudo, it was unanimously:

**VOTED:** *To approve the minutes of the meeting of the Board of Directors held on February 18, 2021, in the form presented to the Board.*

Mr. Ellis then asked Helms & Company to update the Board about the Reinsurance Program. Mr. Degnan began by describing the change in Section 1332 Waiver grantee status. Mr. Degnan explained that the New Hampshire Insurance Department and the U.S. Department of Health & Human Services and the U.S. Department of the Treasury (the “Departments”) agreed that New Hampshire Health Plan, as the Administrator of the Reinsurance Program, should be the direct recipient of federal grants monies under the State’s Section 1332 Waiver. He noted in the Board meeting materials the Supplemental Order of the New Hampshire Insurance Commissioner dated September 30, 2020, which requires NHHP to be the direct grantee of the 133 Waiver 1332 Waiver funding. Mr. Degnan reported that the

relinquishment of rights to the funding by the New Hampshire Insurance Department and the transfer of those rights to NHHP, and the acceptance by NHHP of those rights and obligations, has been completed and the documentation included in the Board meeting materials.

Mr. Degnan then updated the Board about the estimated federal share of reinsurance claims costs that was discussed at the previous Board meeting. He informed the Board that the preliminary estimate from the Departments of the federal share of the Reinsurance Program costs is \$22.7 Million. Mr. Degnan noted that Novarest originally estimated the federal share at \$32 Million, but that reductions in estimated State obligations somewhat offset the underestimation and the reinsurance rate for 2021 remains close to 74%. He concluded his update by noting that the Insurance Commissioners of thirteen states have requested that the Departments consider adding American Rescue Plan Act funding to the 1332 Waiver funding of reinsurance programs. Ms. Kaplan-Howe noted that the National Association of Insurance Commissioners also is lobbying the Departments, and that a decision is expected by early May.

Mr. Degnan then asked Ms. Leif of Leif Associates, NHHP's actuaries, to update her report from the last Board meeting and to review the proposed Reinsurance Program parameters for 2022. Ms. Leif began her presentation by updating the Board about matters that transpired after the February Board meeting. She confirmed that the Departments had reduced the federal share estimate and explained the basis for the reduction. Ms. Leif also quantified the potential impact of the American Rescue Plan Act. She then described her analysis of reinsurance claim estimates, project federal funding and recommended reinsurance claim attachment point of \$60,000 and maximum per claim cap of \$400,000, resulting in a reinsurance rate between 69.7% and 72.7% for 2022 depending upon the final PTC ratio. Ms. Leif's presentation was followed by questions from the Board and active discussion.

Upon a motion by Dr. Brewster and seconded by Geraldine Vaughan, it was unanimously:

**VOTED:** *Pursuant to its powers and duties under the Stabilization Plan and subject to the approval of the New Hampshire Insurance Commissioner, to establish the following parameters for the 2022 Benefit Year of the New Hampshire Reinsurance Program: (1) a specific attachment point of \$60,000 in Covered Claims per individual; (2) an annual maximum per claim cap of \$400,000 in Covered Claims per covered individual; and (3) a target reinsurance percentage of 70%.*

Following further discussion and upon a motion by Mr. Trudo and seconded by Dr. Brewster, it was unanimously:

**VOTED:** *To delegate to the Executive Director, in consultation with the NHHP Actuarial Work Group, the duty and authority to adjust the target reinsurance percentage for the New Hampshire Reinsurance Program 2022 Benefit Year if the Centers for Medicare and Medicaid Services (CMS) and the U.S Department of the Treasury agree to include the additional funds resulting*

*from the inclusion of the American Rescue Plan Act funds in the annual state allocation under New Hampshire's Section 1332 Waiver.*

Mr. Stone of Helms & Company concluded the Reinsurance Program discussion by noting that the three carriers submitting claims have prepared care management plans as required by the Plan of Operation and they will be submitted to the Insurance Commissioner by May 12, 2021.

Mr. Ellis thanked Helms & Company and Ms. Leif for their work on the Reinsurance Program. He then asked Mr. Hastings for a brief financial update. Mr. Hastings reported that the annual audit was in process and going well and will be presented at the June Board meeting. He also noted that the State's reimbursement of assessment monies for the previous Medicaid expansion program were being held in reserve to cover possible reductions in future assessable covered lives. Based on his current cash projections, Mr. Hasting reports that NHHP should have sufficient cash flow through the second quarter of 2022.

Mr. Degnan then asked Attorney Mark McCue to update the Board regarding NHHP's tax-exempt status. Attorney McCue reminded the Board that at the February meeting, he recommended filing for reinstatement of NHHP's tax-exempt status as of 2016 as a 501(c)(3) or 501(c)(4) entity. He explained that after further research and discussions with NHHP's accountants, Mason+Rich, he determined that the reinstatement process can be used only for organizations which already were recognized as exempt under those tax code sections. Attorney McCue explained that the proper course of action will be to file a new application for recognition as an exempt organization under 501(c)(4) effective as of August 1, 2020, which is the date by which all conditions to the establishment and operation of the Reinsurance Program were met. NHHP also will begin to file annual Form 990s as of August 1, 2020. Attorney McCue noted that he will work with Mason+Rich and Helms & Company to complete the necessary tax application before the next Board meeting.

Mr. Ellis then surveyed Board members about the need for an executive session, but no matters to be discussed in executive session were identified. The Board had no further business, and the meeting adjourned at 10:30 a.m.

Respectfully submitted,

J. Michael Degnan,  
Secretary *Pro Tem*