

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

Finance Committee Meeting Minutes May 17, 2017

A meeting of the Finance Committee of the Board of Directors of New Hampshire Health Plan was held on Thursday May 17, 2017 at 9:30 AM at the New London Hospital.

Attending the meeting were the following individuals:

Finance Committee Members

Bruce King, Chairman
David Sky – by teleconference

Other Parties

Michael Degnan – Helms & Co
John Hastings – Helms & Co
Andrew Luce – Mason & Rich
Leslie Walker – Mason & Rich
Mark McCue – HAS – by teleconference

Mr. King welcomed the Committee members, staff, Attorney McCue, and Andrew Luce and Leslie Walker, auditors. Mr. King noted that a quorum was present and asked Committee members if there were any changes proposed to minutes of May 5, 2016 Finance Committee meeting. There being none, *Mr. King declared the minutes were approved as written.*

Mr. King asked the auditors if they would report on the results of the 2016 audit. Mr. Luce reviewed the significant aspects of the audit:

- The financial statements received an “unqualified” opinion.
- No “Single Audit” was required because Federal grant proceeds were below the \$750,000 threshold.
- Mr. Luce continued, noting that there were no questioned costs identified in relation to federal awards program audit, and no required communications. Mr. Luce reviewed the significant transactions in 2016 which included the winding down activities of the Consumer Assistance Grants and the High Risk Pool programs.
- Mr. Luce noted that there were no internal control material weaknesses to be reported and the auditors found that procedures implemented as a result of prior year issues were put in place and no exceptions were found.

- Mr. Luce reviewed the Form 990 tax return with the Committee. *There was discussion concerning Part XII Financial Statements and Reporting which reflected a “NO” answer to the question regarding whether NHHP’s financial statements were audited. Mr. Luce agreed to get back to us with an explanation or corrected return.*
- Mr. Luce noted that the Form 990 tax return had been put on extension since it is due May 15th. It will be filed electronically by Mason & Rich following approval by the Board and signature on the electronic filing authority by Ms. Roberts.
- Finally, Mr. Luce reviewed plans for the 2017 audit which would focus on the activity of the Premium Assistance Assessment Collection business, and some FASB changes that will impact Calendar Year 2018.

The Finance Committee then went into executive session.

Following executive session, Mr. King made a motion to: *accept the audit report, the Management Letter, and the Form 990 (subject to the receipt of Mr. Luce’s recommended reporting of Form 990) and proposing that the Finance Committee recommend to the Board of Directors its approval of these reports and the Form 990 tax return. All were in favor.*

Mr. King also asked for a motion to allow him to sign the Representation Letter which was made, seconded and approved by all.

Mr. King excused Mr. Luce from the meeting and asked Mr. Hastings to briefly review the financial statements for April, 2017.

Mr. Hastings reminded the Committee members that the year-end December 31, 2016 reflected a payment in December of \$1.697million of cash surplus to the Department of Health and Human Services (DHHS) to begin funding the Premium Assistance Program. Mr. Hastings also noted that cash and cash equivalents were \$.86 million at April 30, principally set aside to fund NHHP budgeted expenses, and additionally \$.62 million received in April from First Quarter Assessments due no later than May 15, 2017. The assets reflected Assessments Receivable of \$1.848 million, the balance remaining to be collected of the total \$2.470 million recorded at March 31, 2017.

Mr. Hastings then pointed out the Advanced Assessment Payment Liability of \$3.666 million received in early April from four carriers to provide advanced funding to DHHS to meet their Premium Assistance Program funding requirements. These funds are to be repaid to the four carriers as credits against their final two and half quarterly assessments due in late 2018 and early 2019.

The Income Statement for the 4 mos. ending April 30, 2017 reflected a loss of \$1.27 million resulting from the expense of \$3.666 million in advanced assessment payments to DHHS offset in part by expected First Quarter assessments of \$2.47 million in recorded assessment income. Expenses were on budget.

There followed discussion regarding the activities of NHHP relating to the Premium Assistance Program and the difficulties funding the non-federal component of the program's cost shared by the hospitals, the insurance carriers, and the Insurance Premium Tax.

There being no further business, the meeting was adjourned at 11:00AM.

Respectfully submitted,
J. Michael Degnan