

Minutes
Annual Board of Directors Meeting
June 9, 2016

The annual 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 Concord, New Hampshire on June 9, 2016.

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

Directors:

Beth Roberts
David Ellis
Bruce King (*by phone*)
David Sky
Martha McLeod (*by phone*)
Brandy Millen (*by phone*)
David Trudo (*by phone*)
Domenic Palmieri (*by phone*)

Other Attendees:

J. Michael Degnan, Helms & Co.
John Hastings, Helms & Co.
Mark McCue, Esq., Hinckley Allen
Paula Rodgers, Anthem (*by phone at 9:55*)
Jason Margus, Anthem (*by phone at 9:55*)

Beth Roberts presided as Chair and called the meeting to order at 9:40 a.m. following the annual meeting of the members. A quorum was present.

Ms. Roberts reviewed the meeting agenda and then identified the slate of officers nominated for election for the upcoming year as specified in Article VI, Section 2 of the Bylaws. Upon a motion by Bruce King and seconded by David Sky, it was unanimously,

VOTED: *To approve the following slate of officers for 2016-2017:*

<i>Chair:</i>	<i>Beth Roberts</i>
<i>Vice-Chair:</i>	<i>David Ellis</i>
<i>Treasurer:</i>	<i>Bruce King</i>
<i>Secretary:</i>	<i>Martha McLeod</i>
<i>Assistant Secretary:</i>	<i>Mark McCue</i>

Attorney Mark McCue then noted the requirements of Article V, Section E of the Plan of Operation, and concluded that the annual review would be now be limited to the Plan of Termination provisions to be discussed later in the meeting.

The proposed Board Committee assignments were reviewed and it was noted that only the Executive and Finance/Audit Committees remain active because of the reduced scope of NHHP's activities and responsibilities. After a brief discussion, the Board accepted the committee assignments as presented.

Ms. Roberts then inquired whether the Board had an opportunity to review the minutes of the last Board meeting. Upon a motion by Ms. Roberts and seconded by David Ellis, the Board unanimously:

VOTED: *To approve the minutes of the meeting of the Board of Directors held on February 18, 2016 in the form presented to the Board.*

Ms. Roberts then turned the meeting over to Helms & Company to provide a financial report. John Hastings began by reviewing the audited financials of NHHP. He noted that NHHP's auditors, Mason & Rich, issued an unqualified opinion concluding that the statements present fairly, in all material respects, the financial position of NHHP as of December 31, 2015. He also reviewed some of the material notes to the audited financials, and explained that the auditors determined that all internal controls were in place and no deficiencies existed.

Mr. Hastings then reviewed the single audit reports required with respect to the Consumer Assistance Grants, and noted that the auditors again issued an unqualified opinion as to NHHP's compliance with internal controls required by the federal government with respect to such grants.

Mr. Hastings then reviewed the material provisions of the NHHP Form 990 for 2015, which had been previously distributed to the Board. He also provided the Board with an opportunity to ask questions and seek clarifications. Mr. King, as Chair of the Finance Committee, informed the Board that the Finance Committee reviewed the audited financial statements, the single audit reports and the 2015 Form 990 in depth, and recommends their approval by the Board.

Upon a motion by Mr. King and seconded by Mr. Ellis, the Board unanimously:

VOTED: *To approve the 2015 audited annual financial statements ,the 2015 single audit reports, and the 2015 Form 990 in the form presented to the Board.*

Mr. Hastings then reviewed the financial report by reviewing the balance sheets as of April 30, 2016 and the forecast of approximately \$2.775 Million in remaining assets at the anticipated conclusion of operations on June 30, 2016. He explained that the forecast had increased from prior projections because of the receipt of federal bonus grant funding and a refund from a provider of a claims overpayment. Mr. Hastings noted that the last Consumer Assistance Grant (CAG) was expiring on June 16, 2016, and that approximately \$35,000 in unspent funds likely would remain and be returned to the federal government.

Mr. Sky then noted for the Board a recommendation of the Finance Committee contained in the minutes of the Committee's May 5, 2016 meeting. The subsidy mechanism has a deficit of approximately \$614,000, with no further subsidy activity anticipated. Attorney McCue explained that in lieu of a special assessment to cover the deficit, the NHHP Board could

approve a transfer of a portion of the high risk pool operational surplus because of the commonality in the assessment base, and NHHP's long-standing practice of assessing carriers, and collecting assessments, for the subsidy mechanisms and high risk pool on a joint basis. The Finance Committee recommended that the Board authorize such a transfer. Upon a motion by Ms. Roberts and seconded by Domenic Palmieri, the Board unanimously:

VOTED: *To approve a transfer of high risk pool surplus funds to the subsidy mechanisms in the amount of the current deficit, so that the balance of the subsidy mechanisms will be zero.*

Mr. Hastings, with additional input from Mr. Degnan, concluded his report by noting the vendor evaluations in the Board materials for Louis Karno & Co. and Public Consulting Group in connection with their services under the Consumer Assistance Grants. Helms & Company explained that the performance of both companies was very valuable and in conformance with their contractual obligations, and recommended to the Board that the contractual holdbacks be released. Upon motion by Mr. King and seconded by Mr. Palmieri, the Board unanimously:

VOTED: *To approve and authorize the release in full of the performance holdbacks in the contracts between NHHP and Louis Karno & Co. and Public Consulting Group, respectively.*

Mr. Degnan then presented the operational report. He noted that the remaining CAG will expire on June 16, 2016 and that Helms recently conducted its exit interview with the federal grant overseers. Mr. Degnan described that while the grant activities will cease, NHHP will need to perform additional audit and legal tasks to conclude the final reporting of the CAG activities as required by federal regulation and good governance practices. The Board directed Helms & Company, as its Executive Director, to complete these obligations and to contract with NHHP's auditor and legal counsel for any assistance Helms' requires in this regard, the costs of which are to be paid before the expiration of the 90-day liquidation period under the third CAG.

Mr. Degnan concluded his operational report by leading a discussion about the implications of the passage of House Bill 1696, and its amendments to RSA 404-G. Paula Rodgers and Jason Margus of Anthem joined the meeting for this discussion. Mr. Degnan noted that the assessments for the New Hampshire marketplace premium assistance program will begin in 2017, with the first assessment being due from Association members by May 15, 2017. The first payment to the New Hampshire Department of Health and Human Services (NHDHHS) will be due June 30, 2017. Mr. Degnan informed the Board that he met with Deb Fournier of NHDHHS to confirm his understanding of the assessment and payment process, and Ms. Fournier requested that Helms establish the specific details of the amendment to NHHP's Plan of Termination. Mr. Degnan explained his desire to notify carriers (using a current list provided by the New Hampshire Insurance Department) in July about the new law, and request that they provide NHHP with a covered lives count as of June 30, 2016 so that the NHHP budgeting process will be better informed given the significant time that has lapsed since the last covered lives reporting in 2013. For now, Helms will assume that all carrier members that were assessable for the costs of the NHHP high risk pool will be assessable for purposes of the marketplace premium

assistance program. Mr. Degnan stated that the draft amendment to the Plan of Termination will be the primary focus of the Board's meeting in September.

Attorney McCue then explained the change in the organization's tax exempt status from Section 501(c)(26) of the Internal Revenue Code to Section 115 as a result of the amendments to NHHP's enabling statute. This change in status will eliminate the need to file a Form 990 following completion of the high risk pool accounting and audit. Mr. McCue then distributed the Conflict of Interest Policy and Form for all Board members and executive director staff to complete, sign and return.

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

Respectfully submitted,

J. Michael Degnan,
Secretary *Pro Tem*