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**Minutes**  
**Board of Directors Meeting**  
**July 18, 2017**

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 Concord, New Hampshire on July 18, 2017.

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:**

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

**Other Attendees:**

J. Michael Degnan, Helms & Co.  
John Hastings, Helms & Co.  
Kevin Stone, Helms & Co.  
Mark McCue, Esq., Hinckley Allen  
Roger Sevigny, Insurance Commissioner  
Alex Feldvebel, Deputy Insurance Commissioner  
Jennifer Patterson, NHID Health Policy Legal Counsel  
Michael Wilke, NHID  
Danielle Barrick, NHID  
Thomas D. Policelli, CEO Minuteman Health  
Matthew Veno, Harvard Pilgrim  
Sarkis Daghlian, Harvard Pilgrim

David Ellis presided as Chair and called the meeting to order at 10:30 a.m. A quorum was present.

Mr. Ellis welcomed the representatives of the New Hampshire Insurance Department (the "Department") and turned the meeting over to them for a presentation on their proposed initiative to stabilize the individual health insurance market in New Hampshire. David Sky led the presentation for the Department.

Mr. Sky began the presentation by identifying the Department's primary concerns with the individual health insurance market: issuer participation in the market; escalating premiums; and the uncertainty of the future of the Premium Assistance Program (the "PAP"). He then stated that the Department would be proposing a reinsurance mechanism to be administered by New Hampshire Health Plan ("NHHP") under the amendments to its enabling statute

imposed by House Bill 469. The proposal initially will be limited to calendar year 2018 operations.

Mr. Sky then explained the funding sources for the reinsurance mechanism. The proposal assumes a \$5.25 per member per month assessment on all NHHP members, which assessment is expected to generate \$32 Million in revenue and reduce premiums by approximately five percent (5%). The Department also proposes to file a Section 1332 Waiver with the Centers for Medicare and Medicaid Services (“CMS”). The waiver is expected to generate \$8.7 Million in Advance Premium Tax Credits, which could increase to a federal contribution of \$13.2 Million if the reduced subsidies resulting from lower premiums in the PAP are reinvested by the federal government in the PAP. Mr. Sky noted that this \$45 Million in funding also could be increased by a possible increase in the Federal Medical Assistance Percentage (“FMAP”) under the Medicaid program which, if reinvested, could result in a total federal contribution to the reinsurance mechanism of approximately \$66 Million. He cautioned, however, that the availability of FMAP contributions was not certain at this time, and the Department’s proposal is based on assumed funding of \$40 Million to \$45 Million (depending upon federal reinvestment).

Mr. Sky concluded his portion of the Department presentation by noting that the 1332 Waiver application will assume a reinsurance risk corridor between \$45,000 and \$250,000 in claims, with a sliding percentage of coinsurance requirements. He also stated that the Gorman actuarial study upon which the application is based is being finalized, and will be made available when completed.

Attorney Jennifer Patterson then described the 1332 Waiver process and timing. Under House Bill 469, the Department must obtain the approval of the Joint Health Reform Oversight Committee and the Governor. The Committee is scheduled to meet on July 26, 2017. Both state and federal law also require public notice and hearings, which are scheduled for August 2 and 3, 2017. The NHHP Board then would meet on August 14<sup>th</sup> to review and approve a plan of operation implementing the reinsurance mechanism, and the CMS Qualified Health Plan transfer date must be met by the Department on August 16, 2017. Following the closure of the public comment period, and assuming the receipt of all approvals, the Department expects to file the 1332 Waiver application with CMS on August 25, 2017.

The Department concluded its presentation by requesting that issuers submit two contingent rates: one set assuming the adoption of the proposed reinsurance mechanism and the other set with no mechanism. For purposes of the first set of rates, the Department instructed the carriers to assume only an \$8.7 Million federal contribution in addition to the \$32.5 Million to be raised by assessments on NHHP members. The Department will need to approve these rates by August 16<sup>th</sup>, the QHP transfer date.

Mr. Ellis then invited questions and comments from the NHHP Board, and discussion ensued. Minuteman Health representatives suggested that the risk adjustment obligations under the Affordable Care Act be considered in conjunction with the reinsurance mechanism,

and that a reduction of those obligations could further reduce premiums and increase the geometric series reinvestment funding from the federal government. Other Board members sought clarification of the Department's goals, expressed concerns about the tight timeline, and indicated uncertainty as to whether the reinsurance mechanism would achieve the premium reductions and market stability sought by the Department. Despite its reservations about the proposed mechanism, the NHHP Board applauded the Department's efforts to take steps to stabilize New Hampshire's individual health insurance market.

Mr. Ellis thanked the Department for their presentation, and the Department representatives left the meeting.

Mr. Ellis then reviewed the remainder of the meeting agenda and inquired whether the Board had an opportunity to review the minutes of the June 8, 2017 Board meeting. Upon a motion by Dr. Brewster and seconded by Ms. Rogers, the Board unanimously:

**VOTED:** *To approve the minutes of the annual meeting of the Board of Directors held on June 8, 2017 in the form presented to the Board.*

Mr. Ellis then turned the meeting over to Helms & Company to provide a financial report. John Hastings referred the Board to the meeting materials and noted that all activities of NHHP other than the collection of assessments for the PAP were closed on September 30, 2016. The current budget thus commenced on October 1, 2016, and Mr. Hastings reviewed the costs to-date versus the budget. Mr. Hastings noted that the actual assessments collected for the 1<sup>st</sup> Quarter 2017 were favorable to the NH Department of Health and Human Services latest projections and if continued will have a favorable impact on the Remainder Amount, which is required to be updated by the NH DHHS by August 15, 2017.

Michael Degnan of Helms & Company then noted that the NHHP Board is scheduled to meet on August 14, 2017 at 12:00 pm to discuss the reinsurance mechanism and its related plan of operations. The Board also scheduled a follow-up meeting for September 28, 2017 at 1:00 p.m. Mr. Degnan concluded by describing the work performed by Helms & Company in connection with House Bill 469 and the proposed reinsurance mechanism, and directed the Board's attention to his proposal to amend the administrative services contract between NHHP and Helms & Company (the "Helms Contract") to compensate Helms for these unanticipated services.

Mr. Ellis then called for an executive session of the Board to discuss the Helms Contract amendment. Bruce King described the two alternative proposals by Helms and he and Mr. Ellis expressed their preference to accept the fixed fee proposal. Following further discussion by the Board, and upon a motion by Mr. King and seconded by Dr. Brewster, the Board unanimously:

**VOTED:** *To accept the fixed fee proposal by Helms & Company and to authorize each of Mr. Ellis and Mr. King, with the assistance of legal counsel, to finalize, execute and deliver an amendment to the Helms Contract incorporating the terms of the fixed fee proposal.*

The Board had no further business, and the meeting adjourned at 12:10 p.m.

Respectfully submitted,

J. Michael Degnan,  
Secretary *Pro Tem*