



Finance Committee Meeting Minutes May 10, 2018

A meeting of the Finance Committee of the Board of Directors of New Hampshire Health Plan was held on Thursday May 10, 2018 at 9:30 AM at the New London Hospital.

Attending the meeting were the following individuals:

Finance Committee Members

Bruce King, Chairman
Dave Ellis
David Sky (*by phone*)

Other Parties

Michael Degnan – Helms & Company, Inc.
John Hastings – Helms & Company, Inc.
Andrew Luce – Mason+Rich
Mark McCue – Hinckley Allen (*by phone*)

Mr. King welcomed the Committee members, staff, and Andrew Luce, Mason+Rich auditor. Mr. King noted that a quorum was present and asked Committee members if there were any changes proposed to minutes of May 17, 2017 Finance Committee meeting. There being none, *Mr. King declared the minutes were approved as written.*

Mr. King asked Mr. Luce if he would report on the results of the 2017 audit. Mr. Luce reviewed the significant aspects of the audit:

- The financial statements received an “unqualified” opinion.
- The statements are in single year format rather than two-year comparative format because of the closing of all the other business segments in the prior year.
- 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 2017 which included the advance payment from 3 carriers as disclosed on page 8 of the report.
- Mr. Luce noted that prepaid expenses included \$1,597,334 at December 31, 2017 that represented 50% of the remainder amount to be used as credits to reduce the amount owed to the New Hampshire Health Protection Trust Fund in 2018.
- Mr. Luce reminded the Committee that no Form 990 tax return would be required to be filed for 2017.
- Finally, Mr. Luce noted that 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, and the Management Letter and to propose that the Finance Committee recommend to the Board of Directors its approval of these reports which was approved by all.*

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

Mr. King excused Mr. Luce from the meeting and asked Mr. Hastings to briefly review the financial statements for March, 2018.

Mr. Hastings noted that cash and cash equivalents were \$.88 million at March 31, principally set aside to fund NHHP budgeted expenses, and for a reserve to help fund the repayment of the advanced assessments owed of \$3.447 million with Q4-18 projected assessments.

The Income Statement for the 3 mos. ending March 31, 2018 reflected a profit of \$0.921million resulting primarily from the assessments revenue to be collected of \$3.371million for Q1-18 at \$2.25/per member month and offset by assessment payments expense to DHHS of \$2.4 million collected at \$1.67 /per member month and paid in Q1-18. Other administrative expenses were on budget.

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

Respectfully submitted,

J. Michael Degnan