



Finance Committee Meeting Minutes July 23, 2020

The Finance Committee of the New Hampshire Health Plan Board of Directors was held on Thursday, July 23, 2020 at 9:30 AM via Zoom videoconference.

Meeting attendees were:

Finance Committee Members

Bruce King, Chairman
Dave Ellis
Gerri Vaughan
David Sky

Other Parties

Michael Degnan – Helms & Co
Kevin Stone – Helms & Co
John Hastings – Helms & Co
Mark McCue – Hinckley Allen

Mr. King welcomed the Committee members, staff, and Attorney McCue. Mr. King noted that a quorum was present and asked Committee members for any changes to the proposed May 13, 2020 Finance Committee meeting minutes. There being none, *Mr. King declared the minutes approved as written.*

Mr. King asked Mr. Hastings to review the June 30, 2020 financial statements. Mr. Hastings noted that the financials were presented in the updated format consistent with the FASB ASU No. 2018-08 adopted as of January 1, 2019 and presented with the audited financials as of December 31, 2019. Essentially, net assets were adjusted to \$0.00 as of December 31, 2019 and instead, Deferred Assessments were recorded. Deferred Assessments at December 31, 2019 were \$10,344,024 and were adjusted to \$10,552,653 at June 30, 2020.

There was considerable discussion about the June 30, 2020 Accounts Receivable which could be \$4.458M (502,000 lives) based on an estimated for Q2-2020 assessment collections equal to Q1-2020 but staff continued to project the “worst case” due to Covid realities which would result in collections of only \$3.419M (385,000 lives) for Q2-2020 assessments collectible by August 15, 2020. Mr. Hastings referred to the Dashboard reflecting worst case assessment lives through Q3 and Q4 as well resulting in cash payments to DHHS exceeding assessment collections by \$700,000 per quarter. The Cash Flow projection showed that Assessment cash reserves were currently at \$956,000 would be preserved through Q4-2020 collections in February provided DHHS reimburses NHHP approximately \$2.6M in September this year. The DHHS funds are excess funds related to the termination of the NH Health Protection Program winding down since December 31, 2018 and presently carried as Prepaid Expenses.

Finally, Mr. Hastings reminded the Committee that NHHP's maximum liability for CY2020 was estimated to be \$18.0M or \$1.5M greater than cash projected, which excess would require DHHS applying an additional \$2.0M it holds for the Granite Advantage Program to meet this Maximum liability.

Mr. Hastings added that expenses and other cash reserves were in line with expectations. Mr. Degnan reminded the Committee that DHHS would be issuing a required Remainder Amount Letter on August 15 and staff are expected to have a conversation with DHHS a few days before the formal release.

Mr. Degnan discussed the status of the Waiver Filings. Ms. Kaplan-Howe reviewed timing of other state filings not yet approved and noted a CMS meeting placeholder was on the calendar for August 4, 2020, which would be a good time to push for status information. *[Note: On July 29, 2020 NHHP received draft Specific Terms and Conditions (STC's) from CMS for quick review and approval as well as favorable but informal information received by Ms. Kaplan-Howe regarding waiver approval.]* Mr. Stone then briefly reviewed the Draft Timeline for Pre-Waiver deliverables prepared by PCG noting that deadlines were approaching and were generally contingent on approval. Mr. Stone elaborated on specific suggestions and tentative commitments:

- State is to send to CMS the 2021 rate information by September 15 – Mr. Sky agreed State would reach out to carriers to compile data necessary for timely filing.
- CMS is expecting NHHP to publish estimated reinsurance parameters and premium savings for Year 2 (2022) by February 1, 2021 and there was general agreement this was too soon and to request perhaps [May?].
- CMS is expecting to provide Edge Server data to NHHP for Year 1 (2021) beginning in the fall, and there was general agreement this was too late and to request perhaps [April or May?].

There being no further business, Mr. King adjourned the meeting at 10:50 AM.

Respectfully submitted,
J. Michael Degnan