



Minutes
Annual Board of Directors Meeting
June 10, 2020

The annual meeting of the Board of Directors of the New Hampshire Health Plan (NHHP) was held by videoconference and teleconference on June 10, 2020, in compliance with the emergency orders of the Governor of New Hampshire.

The following individuals attended the meeting:

Directors:

David Ellis
Dr. William Brewster
David Sky
Geraldine Vaughan
Lisa Guertin
Bruce King
Martha McLeod
David Trudo
Domenic Palmieri

Other Attendees:

J. Michael Degnan, Helms & Co.
Kevin Stone, Helms & Co.
John Hastings, Helms & Co.
Mark McCue, Esq., Hinckley Allen
Steven Phillips, Anthem

David Ellis, Chair, presided and called the meeting to order at 10:00 a.m., a quorum being present.

Mr. Ellis reviewed the meeting agenda and then asked the Board if everyone had the opportunity to review the minutes of last year's Annual Board Meeting held on June 13, 2019. Upon a motion by Bruce King and seconded Bill Brewster, it was unanimously:

VOTED: *To approve the minutes of the Board of Directors Annual Meeting of June 13, 2019 in the form presented to the Board.*

Mr. Ellis 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 Mr. King and seconded by Martha McLeod, it was unanimously,

VOTED: *To approve the following slate of officers for 2020-2021:*

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

Michael Degnan then reviewed the proposed Board Committee assignments and the Board approved them by consensus.

Mr. Ellis then asked the Board if everyone had the opportunity to review the minutes of the Board meeting held on March 11, 2020. Upon a motion by Dr. Brewster and seconded Mr. King, it was unanimously:

OTED: *To approve the minutes of the meeting of the Board of Directors held on March 11, 2020, in the form presented to the Board.*

Mr. Ellis then asked Helms & Company to provide a financial report. John Hastings began by reviewing the audited financial statements 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, 2019. 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 that no deficiencies or material weaknesses existed. Mr. Hastings also explained that NHHP contributed approximately \$3.1 Million in assessments for the prior New Hampshire Health Protection Program that the Commissioner of the New Hampshire Department of Health and Human Services ("NHDHHS") determined was not necessary to fund the remainder amount. NHDHHS has agreed to refund the excess to NHHP. Mr. Hastings concluded his presentation of the audited financials by informing the Board that a description of the new zero balance accounting standards is contained in the notes to the audited financial statements.

Mr. King, as Chair of the Finance Committee, informed the Board that the Finance Committee reviewed the audited financial statements in depth with NHHP's auditors and legal counsel, and recommends its approval by the Board. Upon a motion by Mr. King and seconded by Dr. Brewster, the Board unanimously:

VOTED: *To approve the 2019 audited annual financial statements of NHHP in the form presented to the Board.*

Mr. Hastings then continued the financial report by reviewing the balance sheet as of April 30, 2020, which reflected total cash of approximately \$2.7 Million. He noted that NHHP expenses remain within budget. Mr. Hastings concluded his review by reminding the Board that the presentation will change beginning in June when the FASB zero balance accounting standards become effective.

Mr. Hastings proceeded with an update of the assessments for the New Hampshire Granite Advantage Health Care Program, and the anticipated effect of the pandemic emergency measures and shutdown on NHHP's cash flow. He noted that the covered lives for the first quarter were 502,000, which exceed the budgeted lives of 490,000. To reflect the estimated impact of the coronavirus pandemic, however, NHHP is projecting a 25% reduction in covered lives. Mr. Hastings directed the Board to the assessment and cash flow projections in the meeting materials which demonstrate how a lowering of covered lives could impact future assessment rates. If the

covered lives drop by 25%, NHHP still is projected to have a cash balance of \$452,000 as of March 31, 2021.

Mr. Ellis then asked Mr. Degnan for an update on the Reinsurance Program. Mr. Degnan informed the Board that the U.S. Departments of Treasury and Health and Human Services have deemed the State's Section 1332 Waiver application to be complete, and the federal comment period will end on June 15, 2020. The 1332 Waiver is expected to be granted thereafter with standard terms and conditions. Mr. Degnan briefly explained the potential impact of a drop in covered lives on the parameters of the Reinsurance Program and noted that NHHP will re-engage Liz Leif to provide actuarial services for the Reinsurance Program. Ms. Leif currently advises the Alaska reinsurance program and previously assisted NHHP with its high-risk pool.

Mr. Ellis then asked Attorney Mark McCue if there were any legal updates. Attorney McCue noted that if the Section 1332 Waiver is approved as expected, then he will review the NHHP governance documents to identify any necessary revisions and will consider its impact on the tax status of NHHP.

The Board had no further business, and the meeting adjourned at 11:05 a.m.

Respectfully submitted,

J. Michael Degnan,
Secretary *Pro Tem*