



Minutes
Annual Board of Directors Meeting
June 10, 2021

The annual meeting of the Board of Directors of the New Hampshire Health Plan (NHHP) was held by videoconference and teleconference on June 10, 2021 because of the ongoing emergency health conditions and office closures resulting from the COVID-19 pandemic.

The following individuals attended the meeting:

Directors:

David Ellis
Dr. William Brewster
David Sky
Geraldine Vaughan
Lisa Guertin
Bruce King
Martha McLeod
David Trudo
Brad Long
Christopher Kennedy

Other Attendees:

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

David Ellis, Chair, presided and called the meeting to order at 9:45 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 10, 2020. Upon a motion by Martha McLeod and seconded Bruce King, it was unanimously:

VOTED: *To approve the minutes of the Board of Directors Annual Meeting of June 10, 2020 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 William Brewster and seconded by David Trudo, it was unanimously,

VOTED: *To approve the following slate of officers for 2021-2022:*

<i>Chair:</i>	<i>David Ellis</i>
<i>Vice Chair:</i>	<i>Lisa Guertin</i>
<i>Treasurer:</i>	<i>Bruce King</i>

Secretary: Martha McLeod
Assistant Secretary: Mark McCue

Michael Degnan noted that there were no changes in the 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 25, 2021. Upon a motion by Dr. Brewster and seconded Mr. King, it was unanimously:

VOTED: *To approve the minutes of the meeting of the Board of Directors held on March 25, 2021, in the form presented to the Board.*

Mr. Ellis then asked Helms & Company to provide a financial report. John Hastings began by reviewing the draft 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, 2020. He also reviewed some of the material notes to the audited financials, including the description of the Reinsurance Program in Note A. Mr. Hastings then referenced the management letter and noted that the auditors determined that all internal controls were in place and that no deficiencies or material weaknesses existed. Mr. Hastings also explained that the NHHP balance sheet reflects approximately \$3.5 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 and refunded to NHHP. Mr. Hastings concluded his presentation of the audited financials by reminding the Board that the new zero balance accounting standards have gone into effect and are reflected in 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 2020 audited annual financial statements of NHHP in the form presented to the Board.*

Before reviewing the Form 990 in the Board materials, Mr. Hastings asked Mark McCue to provide an update on the tax-exempt status of NHHP. Attorney McCue reminded the Board of his presentation at the March 25, 2021 Board meeting and his conclusion that NHHP should file a new application for recognition (Form 1024-A) as an exempt organization under 501(c)(4) of the Internal Revenue Code effective as of August 1, 2020, which is the date by which all conditions to the establishment and operation of the Reinsurance Program were met. He noted that the Form 1024-A was almost complete and will be filed with the IRS before the end of the month. Attorney McCue also explained that even though the Form 1024-A application has not yet been filed, NHHP has an obligation to report its activities for the period

August 1, 2020 through December 31, 2020. Therefore, a Form 990 for this period has been prepared and included in the meeting materials for review and approval by the Board.

Mr. Hastings thanked Attorney McCue for the update and then reviewed the Form 990 for NHHP's activities from August 1, 2020 through December 31, 2020, and provided the Board with an opportunity to ask questions and seek clarifications. He noted that the Form 990 had received considerable input from Mason & Rich and Attorney McCue, and had been reviewed by the Finance Committee. Mr. King, as Chair of the Finance Committee, informed the Board that the Finance Committee reviewed the Form 990 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 Mr. Trudo, the Board unanimously:

VOTED: *To approve for filing with the IRS the Form 990 of NHHP for the period from August 1, 2020 through December 31, 2020, in the form presented to the Board.*

Mr. Hastings then continued the financial report by reviewing the balance sheet as of March 31, 2021. He noted that the format had been revised slightly to segregate the activities of NHHP's two programs, so that the profit and loss statement could reflect results against the respective budget for each program and then on a combined basis. Mr. Hastings explained that the covered lives were higher than estimated, and that legal fees exceeded budget because of the extensive work required to evaluate and maintain NHHP's exemption from federal income tax. He concluded his report by reviewing with the Board the cash flow and assessment collection charts contained in the meeting materials.

J. Michael Degnan of Helms & Company then updated the Board about covered lives. He noted that covered lives in the previous quarter were approximately 492,000 versus a budgeted amount of 480,000, and that this current quarter revealed covered lives totaling approximately 502,000. Mr. Degnan informed that Board that Helms would continue to monitor covered lives and any related trends closely. He concluded his report on covered lives by noting that he had received and responded to one carrier inquiry seeking clarification about the scope of the Reinsurance Program assessments.

Mr. Degnan proceeded with an update of the assessments for the New Hampshire Granite Advantage Health Care Program. He referred the Board to the March 31, 2021 letter from NHDHHS Commissioner Shibinette to the Governor informing him that additional funding was needed for the Program as a result of the impact of the COVID-19 pandemic, and noting that NHDHHS was seeking the additional funding from the State Liquor Commission. Mr. Degnan stated that Henry Lipman, the State's Medicaid Director, expects Medicaid enrollees to peak in May or June, and then decrease in subsequent quarters.

Mr. Ellis then asked Kevin Stone of Helms & Company to provide an update on the Reinsurance Program. Mr. Stone informed the Board that CMS still is processing its approval of the New Hampshire Insurance Department ("NHID")'s nomination of NHHP as the grantee of the 1332 Waiver for the New Hampshire Reinsurance Program; therefore, the NHID filed the first quarterly report due under the grant. He also informed the Board that the annual

public forum required under the Waiver will be held on June 17, 2021 and that CMS will allow the forum to be conducted by video conference. Mr. Stone then directed the Board's attention to the funding letter in the meeting materials and noted that CMS has determined that the federal pass-through funding of the Reinsurance Program for calendar 2021 is \$22,723,855. This results in a final reinsurance percentage of 70% versus an estimated percentage of 74%. Mr. Stone concluded his report by noting that the federal government has not yet determined whether funds from the American Rescue Plan can be used to support the Reinsurance Program.

Mr. Ellis then asked Mr. Degnan to review the meeting schedule for the remainder of the year, and asked the Board members if anyone had additional agenda items. The Board had no further business, and the meeting adjourned at 10:55 a.m.

Respectfully submitted,

J. Michael Degnan,
Secretary *Pro Tem*