

**Minutes**  
**Board of Directors Meeting**  
**October 7, 2021**

A meeting of the Board of Directors of the New Hampshire Health Plan (NHHP) was held by Zoom videoconference and teleconference on October 7, 2021 because of the exigent need for Board action.

The following individuals attended the meeting:

**Directors:**

David Ellis  
Lisa Guertin  
David Sky  
Christopher Kennedy (joined at 10:00 a.m.)  
David Trudo  
Martha McLeod  
Bradley Long  
Bruce King

**Other Attendees:**

J. Michael Degnan, Helms & Co.  
Kevin Stone, Helms & Co.  
John Hastings, Helms & Co.

David Ellis, Chair, presided and called the meeting to order at 9:30 a.m., a quorum being present.

Mr. Ellis welcomed Brad Long to the Board, noting that he represents Tokio Marine HCC. Mr. Ellis reviewed the meeting agenda and then asked the Board if everyone had the opportunity to review the minutes of the meeting held on June 10, 2021. Upon a motion by Bruce King and seconded by Lisa Guertin, it was unanimously:

**VOTED:** *To approve the minutes of the meeting of the Board of Directors held on June 10, 2021, in the form presented to the Board.*

Mr. Ellis then turned the meeting over to John Hastings of Helms & Company to present the financial report for the six months ending June 30, 2021. Mr. Hastings began by reviewing the balance sheet, and the various accounts related to NHHP's programs. He noted that the cash primarily reflects the first quarter's assessments for the Reinsurance Program, and the receivables reflect an estimate of assessments expected to be paid for the second quarter. Mr. Hastings explained the deferred assessment accounts, which are the equivalent of net asset accounts for each NHHP program. He then turned to the profit and loss statements, and described the net receipts and expenses, noting that the only expense over budget were legal fees related to the analysis and filing of the 501(c)(4) exempt application with the IRS. Mr. Hastings then fielded questions and recommended changes from David Sky, which changes will be incorporated into the profit and loss statement format.

Mr. Ellis thanked Mr. Hastings for his report and requested Kevin Stone to update the Board on the Reinsurance Program. Mr. Stone reminded the Board that it was unclear at the time when the 2022 reinsurance parameters were established for the Reinsurance Program whether federal funds from the American Rescue Plan would be available for the Program. He then informed the Board that the federal government notified the State about two weeks ago that the federal pass-through funding for the Reinsurance Program would be approximately \$31.5 Million. Mr. Stone noted that this is higher than the estimate used by NHHP's actuaries in establishing the Reinsurance Program's parameters and may increase the reimbursement rate under the Program depending upon actual claims incurred. In response to an inquiry from Mr. King, Mr. Stone noted that the federal government has not clearly informed NHHP of the assumptions and factors which resulted in an increase in federal pass-through funding.

Mr. Stone then briefly reviewed the required Reinsurance Program report submitted by NHHP to CMS in September. He then explained how the assessment rates are calculated under the Reinsurance Program Plan of Operation, and noted that the Reinsurance Program assessment rates will decrease to \$2.22 per covered life per month in 2022. Mr. Stone concluded by informing the Board that at the next Actuarial Committee meeting in December, the Committee will develop a supplemental report for carriers to use to file their final claim under the Reimbursement Program (which will not rely exclusively on EDGE server reports) and will begin to review the 2023 reinsurance parameters for the Program.

Mr. Ellis then gave the Board an opportunity to ask questions of Mr. Stone and noted that the 2022 assessment rate needed to be voted upon by the Board. Upon a motion by Ms. Guertin and seconded by Mr. King, it was unanimously:

**VOTED:** *To establish the New Hampshire Reinsurance Program assessment rate payable by NHHP Members for calendar year 2022 at \$2.22 per covered life per month.*

Mr. Hastings then reviewed the Reinsurance Program dashboards contained in the Board materials, included results and estimates of the Program's assessable lives, assessment rates and assessment collections. In response to an inquiry, Mr. Degnan explained Helms' conservative approach to estimating future assessable lives. Mr. Hastings then reviewed the cash flow projections for the Reinsurance Program and noted that Helms is seeking better interest rates on invested monies. He concluded by reviewing the Helms updated estimate of the Reinsurance Program results and its recommendation to establish a contingency reserve of \$400,000 for wind-down costs at the conclusion of the Program if it ends in 2025, which costs presently are not funded. Mr. King explained that the Finance Committee had robust discussion and supported the establishment of this reserve, subject to legal review to determine whether the Program funds could be used for this purpose. The consensus of the Board was to explore with legal counsel its ability to establish such a reserve.

Mr. Ellis then asked Mr. Degnan to report on the Granite Advantage Program. Mr. Degnan began by reviewing the State's remainder amount letter of August 2021, which establishes the remainder amount under the Granite Advantage Program to be funded by NHHP. He noted that the letter reports state fiscal years which must be converted to calendar years for NHHP's

purposes, which conversion results in a remainder amount in excess of \$19.5 Million for calendar year 2022 which must be funded by NHHP assessments. Mr. Degnan noted that the Granite Advantage Program is underfunded, and the State must tap into liquor funding. On September 30, 2021, the NH Department of Health and Human Services issued an updated letter informing the Governor that the Granite Advantage Program caseload has increased and will not decline when originally projected, and decreasing slightly the Granite Advantage Program remainder amount. Mr. Degnan displayed the letter for the Board and informed it that Helms used this updated remainder amount projection for its recommended 2022 assessment rate.

Mr. Hastings reviewed with the Board the financial projections and current available funds and contingency reserves underlying the proposed assessment rate, and Mr. King noted that these had been reviewed carefully by the Finance Committee. Mr. Degnan informed the Board that Helms was recommending a Granite Advantage Program assessment rate of \$3.15 per member per month for calendar year 2022. He also explained that management was conservative in its projections in order to avoid the need for a special assessment. The Board then engaged in active discussion about the analysis and recommendation, and expressed concerns about the State's remainder amount projections and the potential draw-down of NHHP's contingency reserves. Given the uncertainties of the Granite Advantage Program and projections, the consensus of the Board was to increase the proposed 2022 assessment rate to \$3.35 per member per month, which still is a reduction from the current \$3.60 rate.

Mr. Ellis then asked if there was a motion to approve a \$3.35 assessment rate for 2022. Upon a motion by Mr. King as Chair of the Finance Committee and seconded by Ms. Guertin, and after an opportunity for further discussion, it was unanimously:

**VOTED:** *To establish the New Hampshire Granite Advantage Program assessment rate payable by NHHP Members for calendar year 2022 at \$3.35 per member per month.*

Mr. Hastings then presented to the Board the annual budget for 2022. He explained the reason for the unanticipated legal expenses in 2021, and the projected costs for the 2022 budget. Mr. Hastings also discussed actuarial costs in detail. He concluded by noting that the total budgeted costs for 2022 total approximately \$601,000, a slight increase from the actual costs incurred in 2021 of approximately \$590,000.

Upon a motion by David Trudo and seconded by Mr. King, and after an opportunity for further discussion, it was unanimously:

**VOTED:** *To approve and adopt the annual operating budget for calendar year 2022 as presented to the Board of Directors.*

Mr. Ellis then asked if there was other business. Mr. Degnan informed the Board that he learned that Gerri Vaughan no longer is with United Healthcare; therefore, he is working with United to nominate another representative. He then informed the Board that Harvard Pilgrim Health Care of New England has nominated Kathryn Skouteris to complete Dr. William

Brewster's term on the Board. Following an opportunity for discussion, and upon a motion by Mr. Ellis and seconded by Mr. Trudo, it was unanimously:

**VOTED:** *To accept the Harvard Pilgrim Health Care of New England nomination and elect Kathryn Skouteris to the NHHP Board of Directors as an insurance carrier representative for the remainder of Dr. William Brewster's term.*

Mr. Ellis then informed the Board that the administrative services agreement with Helms for the Reinsurance Program ends December 31, 2021, and that Helms proposed extending the agreement through December 31, 2022 without an increase in fees. Mr. Ellis noted that he just signed an amendment to the Helms contract to evidence that extension.

The Board had no further business or a need for executive session, and the meeting adjourned at 11:10 a.m.

Respectfully submitted,

J. Michael Degnan,  
Secretary *Pro Tem*