

**FIRST AMENDMENT  
To  
AMENDED AND RESTATED PLAN OF OPERATION AND TERMINATION  
Of  
NEW HAMPSHIRE HEALTH PLAN**

**(To Implement NH Senate Bill 313 – 2018 Session)**

This FIRST AMENDMENT TO AMENDED AND RESTATED PLAN OF OPERATION AND TERMINATION (the "*First Amendment*") is adopted by the Board of Directors (the "*Board*") of the **New Hampshire Individual Health Plan Benefit Association, doing business as "New Hampshire Health Plan,"** ("NHHP") and is being submitted to the New Hampshire Insurance Commissioner (the "*Insurance Commissioner*") and the New Hampshire Department of Health and Human Services Commissioner (the "*DHHS Commissioner*") for approval.

*Factual Background:*

A. In October, 2016, the NHHP Board adopted an Amended and Restated Plan of Operation and Termination which was approved by the Insurance Commissioner and the DHHS Commissioner (the "*Restated Plan*"). The Restated Plan was adopted to incorporate the provisions of House Bill 1696 of the 2016 Session of the New Hampshire General Court, which amended portions of New Hampshire RSA 404-G, NHHP's enabling statute (the "*Statute*"), and continued NHHP's existence for the limited purpose of collecting assessments on behalf of the State of New Hampshire in support of the New Hampshire Marketplace Premium Assistance Program established under New Hampshire RSA 126-A:5(XXV).

B. In its 2018 Session, the New Hampshire General Court passed Senate Bill 313 which was signed into law by the Governor and further amends the Statute effective December 31, 2018 (the "*2018 Statutory Amendments*"). The 2018 Statutory Amendments modify NHHP's limited purpose to collecting assessments in support of the New Hampshire Granite Advantage Health Care Program established under New Hampshire RSA 126-AA to provide coverage for the newly eligible Medicaid population (the "*Program*").

C. The Board has approved this First Amendment to the Restated Plan to reflect the 2018 Statutory Amendments and the changes in its operations required to support the Program as contemplated by the 2018 Statutory Amendments.

*Terms of First Amendment:*

Subject to the approval of the Insurance Commissioner and the DHHS Commissioner, NHHP adopts the following First Amendment to its Restated Plan:

1. Defined Terms. Any capitalized terms used but not defined in this First Amendment will have the meaning ascribed to them by the Restated Plan or the Statute, as applicable. From and after the effective date of this First Amendment, the term "Restated Plan" will mean the Restated Plan as amended by this First Amendment.

2. Incorporation of the 2018 Statutory Amendments. To reflect the operational changes required by the 2018 Statutory Amendments, Section II of the Restated Plan entitled "New Hampshire Marketplace Premium Assistance Program" is amended by deleting the section in its entirety and replacing it with the new Section II set forth in the attached Appendix A.

3. Additional Technical Amendments. The following conforming amendments are made to the Preamble and Section IV (entitled "Regulatory, Legal and Administrative Matters") of the Restated Plan:

(a) The term "2016 Statutory Amendments" is replaced by the term "2018 Statutory Amendments."

(b) The term "Program" refers to the New Hampshire Granite Advantage Health Care Program established under New Hampshire RSA 126-AA.

(c) The term "Trust Fund" refers to the New Hampshire Granite Advantage Health Care Trust Fund established under New Hampshire RSA 126-AA:3

(d) The phrase "*, which is currently projected to occur between June and September of 2019*" in the penultimate sentence of Section IV(C)(1) of the Restated Plan is replaced with the phrase: "*, which is currently projected to occur no earlier than June, 2025 unless the Program is terminated prematurely as provided in New Hampshire RSA 126-AA:3(VI) or otherwise.*"

4. Reaffirmation of Remaining Terms of Restated Plan. The remaining terms of the Restated Plan which are not affected by this First Amendment remain in full force and effect.

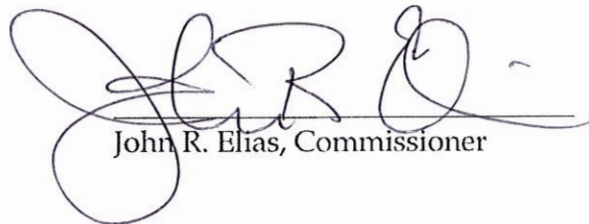
5. Effective Date. Subject to the approval of the Insurance Commissioner and the DHHS Commissioner, this First Amendment will become effective as of the close of business on December 31, 2018 (the "Effective Date").

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**APPROVAL OF NEW HAMPSHIRE INSURANCE COMMISSIONER**

The foregoing First Amendment to the Amended and Restated Plan of Operation and Termination adopted by the Board of Directors of the New Hampshire Individual Health Plan Benefit Association is hereby approved.

DATE: October 3, 2018



John R. Elias, Commissioner

**APPROVAL OF NEW HAMPSHIRE HEALTH AND HUMAN SERVICES  
COMMISSIONER**

The foregoing First Amendment to the Amended and Restated Plan of Operation and Termination adopted by the Board of Directors of the New Hampshire Individual Health Plan Benefit Association is hereby approved.

DATE: October 14   , 2018



Jeffrey A. Meyers, Commissioner



## APPENDIX A

### II. NEW HAMPSHIRE GRANITE ADVANTAGE HEALTH CARE PROGRAM

The following new provisions set forth the operational details for NHHP's implementation of the 2018 Statutory Amendments in support of the New Hampshire Granite Advantage Health Care Program established under New Hampshire RSA 126-AA (the "*Program*");

#### A. AMENDED CORPORATE PURPOSE

NHHP acknowledges that under the 2018 Statutory Amendments its sole corporate purpose will be limited to imposing, collecting and applying assessments from its Members in support of the Program and to fund NHHP's administrative expenses and reserves, including those relating to its eventual winding down and dissolution as required by the Statute. The following provisions detail the operational processes by which NHHP will determine, assess and remit such assessments.

#### B. WINDING DOWN OF SUPPORT OF NEW HAMPSHIRE MARKETPLACE PREMIUM ASSISTANCE PROGRAM.

1. Budget Revision. On or before October 1, 2018, the NHHP Board will review the operating budget it adopted for the period from October 1, 2016 to June 30, 2019 and will make such adjustments as it deems necessary or appropriate to reflect the anticipated expenses (including reserves) of supporting the New Hampshire Marketplace Premium Assistance Program (the "*MPA Program*") through its expiration on December 31, 2018 (the "*Revised MPA Program Expenses*"). At that time, the Board also will determine whether to increase the budget for the anticipated expense of winding down and dissolving NHHP as required by the Statute given the lengthy postponement of such dissolution by the 2018 Statutory Amendments (the "*Revised Dissolution Expenses*").

2. Modification to MPA Program Remittance Schedule. The DHHS Commissioner has determined that the assessments monies paid by NHHP to the New Hampshire Health Protection Trust Fund established under New Hampshire RSA 126-A:5-b (the "*MPA Program Trust Fund*") through September 30, 2018 likely will exceed 50% of the Remainder Amount for the MPA Program for 2018. Therefore, although NHHP will continue its collection of scheduled assessments due on November 15, 2018

and February 15, 2019, it will not be required to remit any of such monies to the MPA Program Trust Fund as previously scheduled except as may be required upon completion of the true-up process described in Paragraph 4 below.

3. Satisfaction of Outstanding Obligations. NHHP first will utilize the assessments it collects through February 15, 2019 to pay the Revised MPA Program Expenses and to satisfy its contractual obligations to repay on or before February 15, 2019 those Members who voluntarily made a pre-payment of assessments (the "*Pre-Paying Members*") with respect to the MPA Program (the "*Assessment Pre-Payments*"). The Assessment Pre-Payments may be repaid by NHHP either by crediting assessments owed by such Pre-Paying Members on or before February 15, 2019 or by repaying the Assessment Pre-Payments, or by a combination of both methods as determined by the Board. The remaining collected assessments then will be used to the extent necessary to satisfy any remaining obligation to remit to the MPA Program Trust Fund the Health Carriers' Program Share following the true-up process described in Paragraph 4 below.

4. Final MPA Program True-Up. On or before January 15, 2019 as required by New Hampshire RSA 126-A:5-c(V), the DHHS Commissioner will determine and report to NHHP the difference, if any, between the MPA Program Remainder Amount for calendar year 2018 projected pursuant to New Hampshire RSA 126-A:5-c(IV) and the actual MPA Program Remainder Amount.

(a) *Underpayment.* If the actual MPA Remainder Amount for 2018 is greater than the projection used for the 2018 assessments, then NHHP will calculate a special assessment rate to collect fifty percent (50%) of such difference from Members based on the Covered Lives reported for the fourth quarter of calendar 2018 (i.e. the last-reported Covered Lives) and taking into account any projected balance in the Budgeted Expense Reserve Fund established by NHHP in connection with the MPA Program, and will submit such rate to the Insurance Commissioner for approval. Upon receipt of such approval, NHHP will notify Members of the special assessment and require payment within forty-five (45) days of such notice.

(b) *Overpayment.* If the actual MPA Program Remainder Amount for calendar year 2018 is less than the projected MPA Program Remainder Amount, then NHHP hereby authorizes and directs DHHS to transfer on NHHP's behalf fifty percent (50%) of such difference to the New Hampshire Granite Advantage



Health Care Trust Fund established under New Hampshire RSA 126-AA:3 (the "*Trust Fund*") to the credit of NHHP with respect to its obligations to support the Program as described below.

5. Use of Remaining Funds to Support Program. Any NHHP funds remaining after the MPA Program final true-up described in Paragraph 4 above (including funds remaining in the Budgeted Expense Reserve Account) will be retained by NHHP and used for its costs (including reserves) and/or obligations in support of the Program. NHHP will retain the Budgeted Expense Reserve Account and use it for NHHP's budgeted administrative costs in supporting the Program and it may, in its discretion, establish a new Program Reserve Fund as a reserve against contingencies which may affect the remainder amount under the Program (as defined in RSA 126-AA:1(V)) (the "*Program Reserve Fund*"). It is acknowledged that the Program Reserve Fund previously established by NHHP was remitted in full to the MPA Program Trust Fund in December, 2016 at the direction of the DHHS Commissioner and no longer exists.

#### C. NHHP ANNUAL BUDGET

1. Annual Budget. On or before October 1<sup>st</sup> of each calendar year, the NHHP Board will review its actual expenses and determine its anticipated expenses (including reserves) of supporting the Program for the subsequent calendar year (the "*Annual Budgeted Operating Expenses*") and adopt an annual operating budget (the "*Annual Budget*"). The Annual Budget also may include increases, if any, to a reserve for the Revised Dissolution Expenses. The Annual Budgeted Operating Expenses and the Revised Dissolution Expenses are referred to collectively as the "*Budgeted Expenses*."

2. Funding and Use of Budgeted Expense Reserve Account. Prior to any payments to the New Hampshire Granite Advantage Health Care Trust Fund established under New Hampshire RSA 126-AA:3 (the "*Trust Fund*"), NHHP will deposit into the Budgeted Expense Reserve Account that portion of (i) the remaining funds (if any) described in Section II(B)(5) above and (ii) assessments (regular or special) collected in support of the Program, which portion is intended to cover the Budgeted Expenses. NHHP then will use the Budgeted Expense Reserve Account to pay the Annual Budgeted Operating Expenses (including reserves) of administering NHHP and supporting the Program. Upon termination of the Program, NHHP will use

the remainder of the Budgeted Expense Reserve Account to wind down and dissolve NHHP.

D. DETERMINATION OF ASSESSMENT RATE

1. Calculation of Assessment. Prior to November 1<sup>st</sup> of each year of the Program, the NHHP Board will: (a) estimate the number of Covered Lives to be reported by its Members for the subsequent calendar year; and (b) determine and submit to the Insurance Commissioner for approval an assessment rate which, when multiplied by the estimated number of Covered Lives and subject to the considerations described in Paragraph 2 below, is calculated to raise from NHHP Members the sum of:

(i) the Annual Budgeted Operating Expenses for the subsequent calendar year;

(ii) the amount described in revised Section 5-a(IV)(d) of the Statute (the "*NHHP Program Share*") for the subsequent State fiscal year (i.e. July 1 of the subsequent calendar year to June 30 of the second subsequent calendar year); and

(iii) any increase in the estimated NHHP Program Share for the remainder of the current State fiscal year (i.e. January 1 to June 30 of the subsequent calendar year).

Upon approval by the Insurance Commissioner, NHHP will notify Members of the assessment rate and will post on the NHHP web site its calculation of such assessment rate in accordance with this Paragraph 1.

2. Factors to be Considered in Establishing Assessment. The following will be considered by the NHHP Board in determining the assessment rate each year:

(a) *Credited Funds from MPA Program.* For the assessment rate to be imposed in calendar 2019, the Board in its discretion may reduce the total assessment amount by any excess funds remaining under Section II(B)(4) above which have not been retained in the Budgeted Expense Reserve Account or the Program Reserve Fund;

(b) *Estimated Remainder Amount.* NHHP will rely conclusively on the estimates of the remainder amount defined in New Hampshire RSA 126-AA:1(V)



(the "*Remainder Amount*") and the NHHP Program Share as reported to NHHP by the DHHS Commissioner on or before August 15<sup>th</sup> of each year pursuant to New Hampshire RSA 126-AA:3(IV);

(c) *Extended Projection Period.* Notwithstanding the foregoing, NHHP may establish an increase in the Program Reserve Fund for unforeseen contingencies to reflect the fact that the State fiscal year runs from July 1 to June 30, so the DHHS Commissioner's estimate of the Remainder Amount is for a period which ends almost two (2) years from the date of such estimate and his/her estimate of the projected final Remainder Amount is not due until thirteen and one-half (13 ½) months after the end of each State fiscal year;

(d) *Final Program Share Projection.* NHHP will rely conclusively on the DHHS Commissioner's projection of the final Remainder Amount and final NHHP Program Share and determination of the limit imposed on the NHHP Program Share under Section 5-a(IV)(d) of the Statute (the "*NHHP Program Share Limit*") for the prior State fiscal year, as reported to NHHP by the DHHS Commissioner on or before August 15<sup>th</sup> of each year pursuant to New Hampshire RSA 126-AA:3(V); and

(e) *Proration for First and Last Years of Program.* NHHP will adjust the assessment rate as necessary for the first and last six months of the Program which reflect only half of the State fiscal year.

3. Final Program True-Up. The Program is scheduled to expire on December 31, 2023, unless the Program is continued beyond that date by the New Hampshire General Court (as it may be extended, the "*Program Termination Date*"). On or before February 15<sup>th</sup> of the second subsequent calendar year following the Program Termination Date<sup>1</sup>, as required by New Hampshire RSA 126-AA:3(V), the DHHS Commissioner will determine and report to NHHP the difference, if any, between the estimated NHHP Program Share for the State fiscal year in which the Program Terminate Date occurs pursuant to New Hampshire RSA 126-AA:3(IV) and the projected final NHHP Program Share for such state fiscal year reported pursuant to New Hampshire RSA 126-AA:3(V) (the "*Final True-Up Differential*").

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<sup>1</sup> By way of example, if the Program terminates on December 31, 2023, the final true-up will be due by February 15, 2025.



(a) *Underpayment.* If the Final True-Up Differential is a positive number (meaning the projected final NHHP Program Share exceeds the estimated NHHP Program Share paid by NHHP to the Trust Fund), then NHHP will calculate a special assessment rate to collect the Final True-Up Differential from Members based on the Covered Lives reported for the third quarter of the calendar year in which the Program Termination Date occurs (i.e. the last-reported Covered Lives) to the extent needed after taking into account any projected balance in the Program Reserve Fund or the Budgeted Expense Reserve Fund. If a special assessment is necessary, NHHP will submit such rate to the Insurance Commissioner for approval. Upon receipt of such approval, NHHP will notify Members of the special assessment and require payment within forty-five (45) days of such notice.

(b) *Overpayment.* If the Final True-Up Differential is a negative number (meaning the estimated NHHP Program Share paid by NHHP to the Trust Fund exceeds the projected final NHHP Program Share), then such difference will be refunded from the Trust Fund to NHHP within forty-five (45) days of the calculation of the Final True-Up Differential and will become available for distribution in accordance with Section III below.

#### E. ASSESSMENTS: REPORTING AND COLLECTIONS

1. Member Quarterly Reporting of Covered Lives and Assessment Payment. NHHP will make available on its web site an automated tool for Members to report Covered Lives as defined in the Statute (each an "Assessment Report"). On or before the 15<sup>th</sup> day of the second month following the end of each calendar quarter during the term of the Program, each Member must submit electronically to NHHP an Assessment Report which details the Member's Covered Lives for each month of the quarter just ended and shows the calculation of that Member's assessment amount using the assessment rate established under Section II(D) above. The Member will remit to NHHP simultaneously with its Assessment Report payment of the assessment amount shown in such Report. Any assessment not paid by the due dates for each calendar quarter shown below will be subject to interest, calculated as provided in the NHHP reporting tool, accruing from the date the assessment amount was due. The following is the calendar of assessments in support of the Program:

Reporting Period	Report and Payment Deadline
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January 1 – March 31	May 15
April 1 – June 30	August 15
July 1 – September 30	November 15
October 1 – December 31	February 15

2. Special Assessments. Assessments under this Section II(E), the Program Reserve Fund and any projected excess in the Budgeted Expense Reserve Fund will be NHHP's sole sources of revenue to make the remittances to the Trust Fund in support of the Program as required by the 2018 Statutory Amendments, subject to the NHHP Program Share Limit. Although NHHP will endeavor to avoid special assessments, the Board may establish one or more special assessment rates as is necessary or desirable to meet NHHP's obligation to pay the NHHP Trust Program Share to the Trust Fund and/or to wind up the affairs of NHHP and to satisfy all of its debts and liabilities. The Board will use its reasonable efforts to manage expenses within the Budgeted Expenses, and to wind down and conclude the affairs of NHHP as soon as is reasonably possible after its obligations to support the Program end. To the extent necessary to maintain cash flow as determined by the NHHP Board, NHHP may obtain a line of credit upon commercially reasonable terms, the costs of which will be recovered from the Budgeted Expense Reserve Fund and, if necessary, Program Assessments (defined below).

#### F. PAYMENTS TO TRUST FUND

1. Remittance of Collected Assessments. NHHP will remit to the Trust Fund (a) the aggregate quarterly assessments it collects under Section II(E)(1) above, and (b) any special assessments it collects under Section II(E)(2) above, less the amount of deposits into the Budgeted Expense Reserve Fund as described in Section II(C)(2) above (collectively the "*Program Assessments*"). The total Program Assessments remitted by NHHP to the Trust Fund will not exceed the estimated NHHP Program Share Limit as reported by the DHHS Commissioner pursuant to New Hampshire RSA 126-AA:3(IV), and as may be adjusted upon the projection of the final Remainder Amount as described in New Hampshire RSA 126-AA:3(V). Each remittance to the Trust Fund will be made no later than forty-five (45) days from the due date for each Program Assessment. The remittance of regular quarterly Program Assessments will be made in accordance with the following schedule:

Reporting Period	Assessment Due Date	Remittance to Trust Fund Deadline
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January 1 – March 31	May 15	June 30
April 1 – June 30	August 15	September 30
July 1 – September 30	November 15	December 31
October 1 – December 31	February 15	March 31

NHHP will remit to the Trust Fund any Program Assessments received after the applicable due date within ten (10) days of their receipt. As demonstrated by the above schedule and the schedule set forth in Section II(E)(1) above, NHHP regular assessments are based on a calendar year while the Program is operated on the State fiscal year (July 1 to June 30). Therefore, the first quarterly Program Assessment of the new assessment year (due to NHHP on May 15) is the only payment which is available for application to the then current fiscal year of the Program. The remaining three quarterly Program Assessments (due to NHHP on August 15, November 15, and February 15 of the subsequent calendar year) will be applied to the subsequent fiscal year of the Program.

2. Use of Program Reserve Fund. NHHP will establish the Program Reserve Fund to include the following uses at the discretion of the NHHP Board:

- (i) as a contingency against the projected final NHHP Program Share in any fiscal year of the Program exceeding the estimated NHHP Program Share;
- (ii) to address any other cash flow or unanticipated financial issues that arise in connection with the Program;
- (iii) to address unanticipated reductions in the number of Covered Lives;
- and
- (iv) to assist in implementing the transition from the MPA Program and the eventual termination of the Program following the Program Termination Date.

The establishment of the Program Reserve Fund does not modify or eliminate the NHHP Program Share Limit set forth in the Statute.

#### G. TERMINATION OF PROGRAM

1. Scheduled Termination of NHHP. The final remittance to the Trust Fund under Section II(F)(1) above is scheduled to be made on March 31 following the Program Termination Date, subject to the final true-up as described in Section II(D)(3)

above (the "*Final Remittance Date*"). Upon completion of such true-up, NHHP will begin winding down its affairs as described in Section III below.

2. Early Termination Due to Insufficient Funding. If the DHHS Commissioner determines that there is not sufficient funding in the Trust Fund to cover the projected Program costs for the non-federal share for the subsequent six month period, and terminates the Program under New Hampshire RSA 126-AA:3(VI), then he or she will give to NHHP prompt notice of such termination and the federally-approved terms of such termination (the "*Program Termination Notice*"). Upon receipt of a Program Termination Notice, NHHP will issue a notice to its Members informing them of the Program termination, and establishing a revised Program Assessment schedule under Section II(E)(1) above to reflect the terms of the Program Termination Notice and any remaining NHHP Program Share (subject to the NHHP Program Share Limit). For purposes of this Restated Plan, the term "*Final Remittance Date*" will mean the date of any final remittance to the Trust Fund due from NHHP under the revised schedule described in this Paragraph 2.