

***[The following Minutes are in draft form,
and have not yet been reviewed and approved by the NHHP Board]***

**Minutes
Board of Directors Meeting
October 11, 2022**

A regular meeting of the Board of Directors of the New Hampshire Health Plan (NHHP) was held by videoconference and teleconference on October 11, 2022 because of the ongoing COVID-19 pandemic and the exigent need for Board action.

The following individuals attended the meeting:

Directors:

Christopher Kennedy
Bruce King (*departed 10:25 a.m.*)
Michelle Heaton
Bradley Long
Kathryn Skouteris
David Ellis
Martha McLeod (*joined 9:50 a.m.*)
David Trudo
Steven Phillips

Other Attendees:

J. Michael Degnan, Helms & Co.
John Hastings, Helms & Co.
Kevin Stone, Helms & Co.
Mark McCue, Esq., Hinckley Allen
Liz Leif, Leif Associates, Inc.
Nic Ramey, Leif Associates, Inc.
Clair Christofersen, Leif Associates, Inc.

Christopher Kennedy, Chair, presided and called the meeting to order at 9:35 a.m., a quorum being present.

Mr. Kennedy reviewed the meeting agenda and then asked the Board if everyone had the opportunity to review the minutes of the Board meeting held on June 9, 2022. Upon a motion by Mr. King and seconded by Steve Phillips, with Michelle Heaton abstaining, it was unanimously:

VOTED: *To approve the minutes of the meeting of the Board of Directors held on June 9, 2022, in the form presented to the Board.*

Mr. Kennedy then asked Helms & Company to provide a financial report. John Hastings began by reviewing the balance sheet as of June 30, 2022, which previously was reviewed by the Finance Committee. He noted that the cash balance of approximately \$19 Million included almost \$1.5 Million in investment income and reflected an approximately \$9 Million payment under the Reinsurance Program. Mr. Hastings concluded his financial report by remarking that expenses remained close to budget except for actuarial expenses in connection with the

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Reinsurance Program. Mr. Kennedy then asked Kevin Stone of Helms & Company to provide an update on the Reinsurance Program. Mr. Stone informed the Board that the report for the 2nd Quarter of 2022 Reinsurance Program operations had been filed with CMS, together with a summary of the annual public forum held on June 14, 2022. He then explained that the CMS filing also included a pass-through funding calculation performed by NHHP's actuaries, Leif Associates, Inc., based on the second lowest cost Silver Plan without taking into account the 1332 Waiver. Leif estimates that an increase in funds resulting from the American Relief Act will bring the total Reinsurance Program reimbursements for plan year 2023 to approximately \$40 Million. Mr. Stone noted that as a result of the statutorily mandated calculations, the assessment on NHHP members for 2023 will be \$2.15 per member per month, and that the assessment is expected to increase in 2024 to \$2.24. Upon a motion by Mr. King and seconded by David Trudo, it was unanimously:

VOTED: *To approve a Reinsurance Program assessment rate of \$2.15 per member per month for 2023.*

Mr. Stone then asked Mr. Hastings to continue the presentation by reviewing the proposed 2023 NHHP operating budgets. Mr. Hastings began by noting that he prepared separate budgets for each of the Reinsurance Program and Granite Advantage Health Care Program. He then reviewed key financial facts and assumptions for the Reinsurance Program, and explained the cash flow projections included in the meeting materials. Mr. Hastings concluded the Reinsurance Program budget presentation by noting that most 2023 budgeted expenses were close to 2022 expenses, with the exception of proposed increases in compensation to Helms & Company and Leif Associates, Inc.

Because later agenda items could affect the budgets, Mr. Kennedy postponed a vote on the Reinsurance Program budget until the end of the meeting and asked Mr. Stone to review the Reinsurance Program payments for the first year of its operations (2021). Mr. Stone reviewed the final payment calculation summary contained in the meeting materials, noting that the 2021 reinsurance claim payments totaled 84.67% of all 2021 Eligible Claims.

Mr. Kennedy then invited Mr. Stone to present the Reimbursement Program attachment point discussion. Mr. Stone began by reporting that one of the eligible carriers requested that a lower attachment point parameter be considered instead of the Program's current parameters. He then explained that the parameters for the first three years of the Reinsurance Program have been set, so that any future adjustments would affect only the final two years of the initial 5-year federal grant under the 1332 Waiver. In response to this request, NHHP management directed Leif Associates to analyze the potential impact of a lower attachment point and a summary of this analysis was presented to the Board. Liz Leif and Nic Ramey of Leif Associates reviewed the attachment point analysis contained in the materials and explained the impact of various lower attachment point scenarios. Ms. Leif and Mr. Ramey based the analysis on actual 2021 claims experience and evaluated the impact to each of the carriers by calculating a "percent of claims covered" under each attachment point scenario. They noted that the range of impact among the carriers across the different scenarios was just over 10% of claims covered, with one carrier experiencing a low of 15.3% covered and one carrier experiencing 25.5% covered around a total market average of 18.3%.

The Board then engaged in an active discussion about the analysis and whether to change the Reinsurance Program parameters. In response to a question, Ms. Heaton informed the Board that, unless the NHHP Board felt strongly to the contrary, the New Hampshire Insurance Commissioner prefers to postpone any changes to the Reinsurance Program parameters until after the initial grant and 1332 Waiver are renewed. Mr. Kennedy noted that it was a good exercise to review the actual experience under the Program to determine whether its goals were being met. He expressed concern that a significant variance in carrier impact of the determined attachment point could harm price consistency. Mr. Phillips expressed concern about extrapolating too much from one year's data, and suggested revisiting the analysis when NHHP has more years of experience. Kathryn Skouteris concurred and suggested that the Board needs more years of claims data before making programmatic changes. No motion to change the Reinsurance Program parameters was made.

Mr. Kennedy thanked the Board for its input and asked Mr. Hastings to review the proposed Granite Advantage Health Care Program 2023 operating budget. Mr. Hastings again reviewed key financial facts and assumptions. He noted that there was significant uncertainty regarding the end of the public health emergency in January 2023, that the United Healthcare refund would need to be paid, and that management was assuming the worst-case scenario described in the NH Department of Health and Human Services remainder letters. He also noted that investment earnings were projected to increase. Mr. Hastings concluded by informing the Board that the 2023 budget for the Granite Advantage Health Care Program reflects a 1.8% increase from last year's expenses, with expenses constituting approximately 1.2% of total Program receipts. He also noted that management, with the concurrence of the Finance Committee, was proposing a Granite Advantage Health Care Program assessment rate of \$3.75 per member per month for 2023. Upon a motion by Mr. Ellis and seconded by Mr. Trudo, it was unanimously:

VOTED: *To approve a Granite Advantage Health Care Program assessment rate of \$3.75 per member per month for 2023.*

Mr. Kennedy then asked Michael Degan of Helms & Company to present the refund claim of UnitedHealthcare. Mr. Degan explained the due diligence that Helms and Hinckley Allen performed, and the conclusion that the refund claim is valid and should be paid. Upon a motion by Mr. Ellis and seconded by Mr. Trudo, with Ms. Skouteris abstaining from the vote, it was unanimously:

VOTED: *To approve the refund claim of UnitedHealthcare and to authorize the Executive Director to negotiate the repayment terms.*

Mr. Kennedy then asked Mr. Hastings to explain additional changes to NHHP's Investment Policy. Mr. Hastings noted that the Board had approved a revised Investment Policy in June, but that he was recommending additional changes to: (i) increase the amount of assets covered by the policy and modify the description of assets held for immediate liquidity; (ii) authorize the establishment of separate accounts to segregate the cash and investments of the Granite Advantage Program from the cash and investments of the Reinsurance Program; and (iii) update the reference to FDIC insurance limits of bank deposits and change the maturity duration of

investments under the policy to no more than 48 months. Upon a motion by Mr. Trudo and seconded by Mr. Ellis, it was unanimously:

VOTED: *To approve the further revisions to the NHHP Investment Policy in the form presented to the Board to: (i) increase the amount of assets covered by the policy and modify the description of assets held for immediate liquidity; (ii) authorize the establishment of separate accounts to segregate the cash and investments of the Granite Advantage program from the cash and investments of the Reinsurance Program; and (iii) update the reference to FDIC insurance limits of bank deposits and change the maturity duration of investments under the policy to no more than 48 months.*

Mr. Kennedy then invited Mr. Degnan to present his proposed changes to the Administrative Support Services Agreement between NHHP and Helms & Company. Mr. Degnan explained that because the nature and extent of services required to operate the Reinsurance Program were uncertain when the Program was being established, Helms agreed to hold its initial management fee through December 31, 2022, at which time the parties agreed to negotiate a renewal of the contract and the fee payable to Helms. Mr. Degnan proposed a fee increase of 5.5% for 2023, and a 3% cost of living increase for each of 2024 and 2025. Helms also proposed that the contract for its Reinsurance Program services be extended through December 31, 2025, the date on which the initial waiver and grant are subject to renewal.

Mr. Degnan noted that the services required to operate the Reinsurance Program were greater than anticipated, but that Helms is willing to perform them. The Reinsurance Program requires more coordination with CMS, a single purpose audit and more actuarial work than originally expected. Mr. Degnan noted that Helms management services for the Reinsurance Program include: quarterly and annual reporting to CMS; fraud prevention; CCIO data submission; a review of Program parameters; support of the Actuarial Committee; EDGE reporting; conducting annual public forums; processing carrier claims and payments; periodic updates to the Plan of Operations; and coordination with other plans regarding the Section 1332 Waiver program.

Upon a motion by Mr. Trudo and seconded by McLeod, it was unanimously:

VOTED: *To accept Helms & Company's proposal to extend the Administrative Support Services Agreement through December 31, 2025, to establish a fixed fee for Reimbursement Program services of \$18,462.50 in 2023, with three percent (3%) increases in each of 2024 and 2025; and to authorize the NHHP Board Chair, Christopher Kennedy, to execute and deliver an amendment to the Administrative Support Services Agreement on behalf of NHHP.*

Mr. Kennedy then reminded the Board that it needed to vote upon the proposed 2023 operating budgets for the Reinsurance Program and the Granite Advantage Health Care Program. Upon a motion by Mr. Trudo and seconded by Ms. McLeod, it was unanimously:

VOTED: *To approve the 2023 operating budgets for NHHP's Reinsurance Program and Granite Advantage Health Care Program, respectively, in the form presented to the Board..*

The Board had no further business, and the meeting was adjourned at 11:30 a.m.

Respectfully submitted,

J. Michael Degnan,
Secretary *Pro Tem*

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