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## Finance Committee Meeting Minutes February 16, 2023

The Finance Committee of the New Hampshire Health Plan Board of Directors was held on Thursday, February 16, 2023, at 9:30AM via Zoom videoconference.

Meeting attendees were:

**Finance Committee Members**

Bruce King, Chairman  
Dave Ellis  
Chris Kennedy, guest  
Heather Silverstein (DOI)

**Other Parties**

Michael Degnan – Helms & Co  
Kevin Stone – Helms & Co.  
John Hastings – Helms & Co.  
Mark McCue – Hinckley Allen

Mr. King welcomed the Committee members and staff and asked Committee members for any changes to the proposed September 21, 2022 Finance Committee meeting minutes. Mr. Ellis moved and Ms. Silverstein seconded. *All in favor, and Mr. King declared the minutes approved as written.*

Mr. King then asked Mr. Hastings to review the draft financial statements for the year ended December 31, 2022. Mr. Hastings reviewed the Balance Sheet, noting that \$5.0M cash held by the Reinsurance program has been invested in US Treasury bills and \$1.3M cash held by the Granite Advantage program has also been invested in US Treasury bills and these investments are reflected as a separate Investment account. Granite Advantage assessment cash was slightly lower than the 2021 yearend balance as reported lives were lower, the assessment rate was lower in 2022, and payments to DHHS were slightly higher. Similarly, Reinsurance assessment cash was slightly lower than 2021 (adjusted for the cash invested in US Treasury bills) due to lower reported lives and a drop in the assessment rate from \$2.32 to \$2.15. The balance sheet also reflects the new liability to Tufts/United of \$1.6M for the remaining balance of repayment to Tufts/United for their overpayments during 2019 – 2021.

Mr. Hastings also briefly reviewed the Profit and Loss Statement for 2022. Total Receipts were \$18M for Granite Advantage and \$45M for Reinsurance, including \$31M from the Federal Grant for 2021 drawn in 2022. \$20.7M was paid to the Granite Advantage program (DHHS) while \$45M was paid to the Reinsurance Program recipients. Total expenses incurred by the Granite Advantage Program were \$244k slightly favorable to the Budget of \$258k. Total Expenses incurred by the Reinsurance Program were \$319K, slightly favorable to the Budget of \$343K. Actuarial Expenses of \$59k exceeded Budget of \$50k because of changes in the Federal program requiring unforeseen Actuarial time. Legal and Accounting expenses were favorable to Budget.



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Mr. Hastings also briefly outlined the US Treasury investments which ended the year with \$6.5M in investments maturing between 6/15/23 and 5/31/24 with interest rates between 2.58% and 4.42%. The total Principal value of all investments at 12/31/22 was \$6.32M while the Market Value of these investments at 12/31/22 was lower by \$31k.

Mr. Hastings then reviewed the cash flow outlook through Calendar 2024. The Granite Advantage program is expected to show Assessment cash balances decreasing somewhat in 2023 and early 2024 as payments to DHHS in SFY 24 will exceed Assessment receipts, and credits issued to Tufts/United to repay the overpayments will continue until mid-2024 bringing cash balances to the \$2.0M range before increasing to approximately \$5.0M by December 2024 including Treasury investments. Mr. Hastings also reviewed the Reinsurance Program cash flow which shows a low point on July 31, 2023 when 2022 Reinsurance payments are distributed. We are assuming our Treasury investment of Reinsurance funds will be returned upon maturity and by the end of 2024 the funds will reach nearly \$8M.

Mr. King then asked staff to review the NHHP payments over \$5,000 paid by ACH payment. Mr. Hastings reviewed the detail listing included in the Committee package. Mr. King called for a motion to accept the report. *A motion to accept and approve the payments was made by Mr. Ellis and seconded by Ms. Silverstein. All were in favor.*

There being no further discussion the meeting was adjourned at 10:32AM.