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## Minutes Annual Board of Directors Meeting June 8, 2023

The annual meeting of the Board of Directors of the New Hampshire Health Plan (NHHP) was held by videoconference and teleconference on June 8, 2023 to enable broader participation, with each participant being heard by, and able to hear, all other participants.

The following individuals attended the meeting:

**Directors:**

Christopher Kennedy  
Bruce King  
Steven Phillips  
Bradley Long  
Kathryn Skouteris  
David Ellis  
Martha McLeod  
David Trudo  
Michelle Heaton (*joined 9:45 a.m.*)

**Other Attendees:**

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

Christopher Kennedy, Chair, presided and called the meeting to order at 9:40 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 last year's Annual Board Meeting held on June 9, 2022. Upon a motion by Martha McLeod and seconded by Bruce King, it was unanimously:

**VOTED:** *To approve the minutes of the Board of Directors Annual Meeting of June 9, 2022 in the form presented to the Board.*

Mr. Kennedy 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 Ms. McLeod and seconded by David Trudo, it was unanimously:

**VOTED:** *To approve the following slate of officers for 2023-2024:*

<i>Chair:</i>	<i>Christopher Kennedy</i>
<i>Vice-Chair:</i>	<i>Kathryn Skouteris</i>
<i>Treasurer:</i>	<i>Bruce King</i>
<i>Secretary:</i>	<i>Martha McLeod</i>
<i>Assistant Secretary:</i>	<i>Mark McCue</i>

J. Michael Degnan of Helms & Company then noted that the Board Committee assignments remain unchanged from the previous year.

Mr. Kennedy then asked the Board if everyone had the opportunity to review the minutes of the Board meeting held on March 23, 2023. Upon a motion by Steven Phillips and seconded by Mr. Trudo, it was unanimously:

**VOTED:** *To approve the minutes of the meeting of the Board of Directors held on March 23, 2023, in the form presented to the Board.*

Mr. Kennedy asked Helms & Company to address the next agenda item, the review of the annual audit report, the single audit report, and Form 990. John Hastings began a review of the audited financial statements by confirming that 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, 2022. Mr. Hastings then reviewed the balance sheet, noting that the programs are combined and that investments are now reported as short-term or long-term under the new accounting standards. He turned to the income statement, noting that assessment revenues have increased because the Reinsurance Program became fully operational. Mr. Hastings then reviewed some of the material notes to the audited financials and requested Attorney Mark McCue to summarize the change in exempt status from 501(c)(3) to 501(c)(4) that he explained at last year's annual meeting. 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 then reviewed the single audit report, which concluded that all appropriate internal controls were in place and there were no deficiencies. He explained that this audit was necessary because of the federal grant money that NHHP receives in support of the Reinsurance Program. Mr. Hastings concluded his presentation by reviewing the material components of the NHHP's Form 990, which he noted was prepared by Mason+Rich with input from legal counsel. He then provided the Board with an opportunity to ask questions.

Mr. King, as Chair of the Finance Committee, informed the Board that the Finance Committee reviewed the audited financial statements, single audit report and Form 990 in depth with NHHP's auditors and legal counsel, including an executive session, and recommends their approval by the Board. Upon a motion by Mr. King and seconded by Kathryn Skouteris, the Board unanimously:

**VOTED:** *To approve the 2022 audited annual financial statements of NHHP and the 2022 single auditor's report on internal controls, and to approve for filing with the IRS the Form 990 of NHHP for calendar year 2022, each in the form presented to the Board.*

Following the financial report, Mr. Degnan informed the Board that Mr. Hastings is retiring at the end of the month. He noted that Andrew Luce of Mason+Rich has been engaged to succeed Mr. Hastings, and that Mr. Hastings will be available on an as-needed basis for a six-month period. Mr. Degnan informed the Board that the Finance Committee will conduct a request for proposals (RFP) for a new auditing firm in July to avoid any conflicts of interest.

Mr. Hastings then continued the financial report by reviewing the balance sheet as of March 31, 2023 and the profit and loss statement. He noted that \$5.5M in Granite Advantage Program assessments will be transferred to the New Hampshire Department of Health and Human Services on June 30, 2023. Mr. Hastings also explained that NHHP earned 4% on its funds invested in U.S. Treasuries and now is earning 4.5% in the Bank of New Hampshire Promontory account, and he assured the Board that the funds are readily available. He also noted that expenses remained close to budget except for actuarial expenses in connection with the Reinsurance Program.

Mr. Hastings then turned to an update of the Granite Advantage Program and directed the Board's attention to the cash flow bullet points in the Board meeting materials. He identified a slight cash flow shortage resulting from a drop in covered lives, most likely from enrollment in the individual health insurance exchange. Mr. Hastings assured that this was just a timing issue, that the increase in the assessment rate is making up the shortage, and that any temporary shortfall is covered by NHHP's operating reserves. At the conclusion of Mr. Hastings' report, Mr. Kennedy informed the Board that as a result of budget negotiations, the State legislature likely will extend the Granite Advantage Program to 2030 rather than make it permanent. Mr. Degan also directed the Board's attention to the quarterly letter from the New Hampshire Department of Health and Human Services confirming that sufficient non-federal funding is projected for the Granite Advantage Program.

Mr. Hastings then began the Reinsurance Program update by referring the Board to the cash flow bullet points in the meeting materials and noting the slight drag on revenues resulting from a drop in covered lives and reduction in the assessment rate. He then asked Kevin Stone of Helms & Company to complete the update on the Reinsurance Program. Mr. Stone informed the Board that the results of the second year of operations of the Reinsurance Program have been reconciled and all three participating carriers have accepted the payment amount on their claims based on Edge reporting. The payments represent approximately 70.9% of claims and will be paid in July. Mr. Stone informed the Board that Helms was filing the 2022 and 2023 Reinsurance Program reports. He then explained that the federal government conducted a broad Medicaid reconsideration and confirmed that its grant payment for the 2023 operations of the Reinsurance Program will be \$32M, which is lower than the \$35M grant payment assumed by Leif Associates when the assessment rate was established. Mr. Stone explained that he was trying to get actual enrollment data from carriers but was not likely to have sufficient data before the deadline to alter Program parameters for 2024. In response to a question, he confirmed that the \$32M grant amount is firm and there will be no reconciliation. Mr. Stone also reminded the Board that payments on Reinsurance Program claims are limited to Program funds available to NHHP. He concluded his report by noting that annual public forum required by the 1332 Waiver will be held on June 15, 2023, and will be conducted in person because NHHP's request for a remote session was denied.

Mr. Kennedy then asked if there was additional business. Mr. Degan noted a Finance Committee scheduling change and Attorney McCue informed the Board that NHHP's enabling statute, RSA 404-G, had been amended and would be reviewed at the next Board meeting.

Mr. Kennedy, joined by Mr. Degnan and all of the Directors, thanked Mr. Hastings for his years of service to NHHP and his financial stewardship and guidance to the Board over the years, and wished him well in his retirement.

The Board had no further business, and the meeting was adjourned at 10:55 a.m.

Respectfully submitted,

J. Michael Degnan,  
Secretary *Pro Tem*