



Minutes Board of Directors Meeting March 23, 2023

A regular meeting of the Board of Directors of the New Hampshire Health Plan (NHHP) was held by videoconference and teleconference on March 23, 2023, with each participant being heard by, and able to hear, all participants.

The following individuals attended the meeting:

Directors:

Christopher Kennedy
Steven Phillips
Jason Dexter (*for NHID*)
Bradley Long
David Trudo
David Ellis
Martha McLeod
Kathryn Skouteris (*joined 10:20 am*)

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.

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 October 11, 2022. Upon a motion by David Trudo and seconded by David Ellis, with Jason Dexter abstaining, it was unanimously:

VOTED: *To approve the minutes of the meeting of the Board of Directors held on October 11, 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 December 31, 2022. He noted the cash balance of approximately \$15.2M and explained that the receivables were estimates based on third quarter assessments, and that prepaid expenses reflect the New Hampshire Department of Health and Human Services estimate of NHHP's overpayment of its share of the projected remainder amount. Mr. Hastings

then reviewed the profit and loss statement, noting the \$31M in federal grant monies under the 1332 Waiver for the Reinsurance Program. He then directed the Board's attention to the Reinsurance Program dashboard, noting that the number of covered lives have dropped and the

Program's income has been reduced by the refund to UnitedHealth. Mr. Hastings noted that the cash flow projection showed a shortage of approximately \$494,000 at its lowest point, but he reassured the Board that this was just a timing issue and that NHHP has sufficient other funds to cover this deficit. He concluded his financial report by noting that the annual audit by Mason and Rich was proceeding smoothly.

Mr. Hastings then yielded the floor to Kevin Stone of Helms & Company to discuss the Reinsurance Program payout forecast for 2022 and the proposed amendment to the Program's Plan of Operation. Mr. Stone noted that almost all of the final claims for 2022 have been received, and that the estimated payout under the Reinsurance Program currently is 67% of eligible claims, but that is likely to increase to 70% when claims are finalized in May. He directed the Board's attention to the payment summary in the meeting materials.

Mr. Stone then discussed the proposed amendment to the Reinsurance Program Plan of Operations. He explained that the Reinsurance Program claims submission process currently provides for a second, supplemental submission. After the Program makes initial payments based on Edge reports, eligible carriers may submit to NHHP supplemental filings which potentially could alter the proportional share of the Program claims payments made to each carrier. These supplemental filings to-date have resulted in very insignificant alterations to the original proportions based on the Edge reports and are time-consuming to prepare. Because of the administrative burden of the supplemental claims filing process and its insignificant impact on payments based on the Edge reports, the Reinsurance Program committee (which includes carrier representatives) recommends that NHHP eliminate the supplemental reporting. Attorney Mark McCue then reviewed with the Board the proposed Fourth Amendment to Amended and Restated Plan of Operation and Termination of New Hampshire Health Plan contained in the meeting materials. Upon a motion by Steven Phillips and seconded by Mr. Trudo, it was unanimously:

VOTED: *To approve the Fourth Amendment to Amended and Restated Plan of Operation and Termination of New Hampshire Health Plan, as presented to the Board, to become effective upon its approval by the New Hampshire Insurance Commissioner.*

Mr. Stone concluded his report by noting that the Reinsurance Program annual report will be prepared by the end of March and includes the Program parameters for the upcoming year (2024). He then introduced Liz Leif and Nic Ramey of Leif Associates to review the Reinsurance Program parameters for 2024. Ms. Leif began by referring the Board to the meeting materials and noted that the presentation previously was received by the NHHP Actuarial Work Group. She then reviewed the summary of assumptions used to establish the Reinsurance

Program parameters, and discussed claim and enrollment patterns. Ms. Leif described the expected impact of the Advance Premium Tax Credit (APTC), various federal true-ups and the exchange fee costs to arrive at an expected net federal funding amount of \$39.7M. She then added the expected State funding to estimate total funding available for the Reinsurance Program in 2024 of \$52.4M. Ms. Leif explained how the mechanics of the Reinsurance

Program, accompanied by sensitivity testing, result in the following recommended parameters for the Reinsurance Program in 2024: **(i) Attachment Point of \$60,000; (ii) Upper Limit of \$400,000; (iii) Estimated Reinsurance Percentage of 49%; and (iv) Estimated Combined State and Federal Funding of \$52.4 Million.** Upon a motion by Mr. Ellis and seconded by Ms. McLeod, it was unanimously:

VOTED: To approve the 2024 Reinsurance Program Parameters presented to the Board by Leif Associates and recommended by the NHHP Actuarial Work Group.

Ms. Leif concluded her report by reviewing the revised 2023 Reinsurance Program funding estimates, noting that the increase in federal funding essentially was offset by the influx of covered lives and reinsurance claims.

Mr. Kennedy then asked Mr. Hastings to review the Granite Advantage Health Care Program. Mr. Hastings directed the Board to the Granite Advantage dashboard contained in the meeting materials. He noted that cash flow generally was favorable, and that overpayments to the State in support of the Granite Advantage Program will be credited against future NHHP payments. Mr. Hastings also explained that the UnitedHealth/Tufts refund was paid in part, and that the remainder will be paid through assessment credits to limit the cash flow burden on NHHP. Mr. Degan concluded the report on the Granite Advantage Program by noting the quarterly letter from the New Hampshire Department of Health and Human Services concluding that funding of the Program currently is sufficient.

Mr. Kennedy then asked Mr. Degan to inform the Board of NHHP's recent testimony in connection with two bills currently being considered by the New Hampshire legislature. Mr. Degan explained that Senate Bill 263 not only proposes to make Medicaid expansion permanent, but it also alters the payment mechanism for the Granite Advantage Program. Attorney McCue explained that an amendment to the bill restored the limitations on NHHP's obligations, but altered the source of funding that is provided by the New Hampshire Liquor Commission. Mr. Degan, with assistance from Jason Dexter of NHID, then explained House Bill 613, which is a technical bill proposed by the Insurance Department that updates RSA 404-G, NHHP's enabling statute. Mr. Kennedy then thanked the Insurance Department for its diligence and efforts in connection with these two bills.

Mr. Kennedy asked if the Board had other business, and Mr. Hastings briefly described the status of Granite Advantage Program investments, which consist primarily of laddered treasury notes.

Mr. Degan then informed the Board that John Hastings is retiring in June, and that Mason & Rich will assume financial officer duties following Mr. Hastings' retirement. As a consequence, NHHP will begin the process of engaging a new audit firm.

On behalf of the Board, Mr. Kennedy thanked Mr. Hastings for his many years of dedicated service to NHHP. Other Board members readily agreed and thanked Mr. Hastings for his excellent work and wished him well in his retirement.

The Board had no further business, and the meeting was adjourned at 10:45 a.m.

Respectfully submitted,

J. Michael Degnan,
Secretary *Pro Tem*