



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

Finance Committee Meeting Minutes February 15, 2024

The Finance Committee of the New Hampshire Health Plan Board of Directors was held on Thursday, February 15, 2024, at 9:31 AM via Zoom videoconference.

Meeting attendees were:

Finance Committee Members

Bruce King, Chairman
Dave Ellis
Chris Kennedy, guest
Michelle Heaton

Other Parties

Michael Degnan – Helms & Co.
Kevin Stone – Helms & Co.
Andrew Luce – 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 20, 2023 Finance Committee meeting minutes. No questions or comments. *Mr. King noted the minutes approved as written.*

Mr. King then asked Mr. Luce to review the financial statements for the 12-month period ended December 31, 2023. Mr. Luce reviewed the Balance Sheet noting the following:

- Total cash and investments were relatively flat year over year.
- There has been a shift in money from the BNH investments to the money market account.
- Discussion ensued re differences in rates between money market and investments. Mr. Luce noted rates were comparable. More liquidity in the money market, which was the deciding factor to move funds to the money market. Mr. Degnan and Mr. Luce to continue monitoring rates with BNH.
- Prepaid expenses for Granite Advantage were down approximately \$1M. The prepaid balance is the amount that reconciles with DHHS. Next time we update the balance will be June 2024 which is the State of NH's fiscal year end.
- Unearned premiums of (Tufts/United) continue to be reduced quarterly by assessments. The original balance was approximately \$1.6M. We may need to make a payment to Tufts in Aug of 2024 per our agreement with them.

Mr. Luce reviewed the profit and loss statement vs. budget noting the following:

- Actual covered lives through Q4 are 5,850,108 for the year (average 487,509) vs. a budget 480,000. As a result, assessment revenue is slightly ahead of budget

- Investment income is more favorable compared to budget – interest rates higher than those anticipated in the budget.
- Accounting costs are coming in higher than budget as a result in changes to audit firm BD.
- Operating expenses mostly in-line with budget.

Mr. King asked Committee members for any questions regarding the December 2023 financial statements. *The December 2023 financial statements were approved as presented.*

Mr. King then asked staff to review the NHHP payments over \$5,000 paid by ACH payment. 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. Heaton. All were in favor.*

Mr. Degnan reviewed the Granite Advantage program dashboard report.

- Projected monthly assessable lives expected to be 485,000 and assessable rate is \$3.70 which is part of the approved budget.
- Mr. Degnan was pleased to report that actual Q4 lives (not presented) came in just above 491,000.
- Mr. Degnan also noted the change in 404-G was effective January 1 which includes assessing TPAs. Information about the change was posted on the website and there will be a mailing going out next week to the carriers.
- Discussion ensued re: potential legislation impacting the Granite Advantage Program – some legislation noted but nothing that DHHS felt would pass.

Mr. Luce reviewed the Granite Advantage program projected cash flow report

- Cash at December 2023 currently showing \$2.129M – cash balances excluding reserves and investments.
- Projected cash balances were based on the approved budget, no concerns noted.
- Granite Advantage program payments to DHHS near the bottom of the cash flow were reviewed and approved by Henry Lipman and Athena Gagnon from DHHS.

Mr. Degnan reviewed the sufficient funds letter regarding the Granite Advantage Health Care Trust Fund.

Mr. Degnan reviewed the Reinsurance program dashboard report.

- Projected monthly assessable lives expected to be 485,000 and assessable rate is \$2.24 which is part of the approved budget.
- The 2025 assessable rate will also be \$2.24.

Mr. Luce reviewed the Reinsurance program projected cash flow report:

- The cash high and low points were highlighted. Cash highs and lows are consistently Q2 and Q3, respectively.
- Cash at December 2023 currently showing \$8.031M – cash balances excluding reserves and investments.
- Projected cash balances were based on the approved budget, no concerns noted.

Mr. Degnan and Mr. Stone presented the Q3 CMS report, and a general Reinsurance program update was provided:

- Mr. Stone noted we are finalizing numbers for the 2023 grant dollars which will be paid out in 2024. Projected payout is running higher than the original target of 58%
- Mr. Stone noted the 2024 grant dollars to be paid out in 2025 is on the horizon. The target payout was established at 49%. More details to come in March.
- Mr. Stone noted the parameters are being developed for 2025. The parameters will be finalized at the Actuarial Work Group meeting in March and presented to the BOD for approval on March 21, 2024.
- Mr. Stone noted there is potentially a new entrant to the reinsurance program but too early in the process to know if/when this would actually occur.
- Mr. Stone reminded the group that 2025 is the fifth and final year of the program. Mr. Degnan sent a letter to CMS on December 18, 2023 notifying them of our intent to apply for a renewal of the reinsurance program. CMS acknowledged receipt on January 17, 2024 (copies of the letters are enclosed in finance committee package). To our knowledge, all States that have submitted renewal applications thus far have been approved.

Mr. Degnan noted the CMS Letter of Award was included in the packet. This had been presented previously and included in the packet as a reminder.

Mr. Degnan reviewed the NH Reinsurance Program payment (actual and estimated) report.

- Mr. Stone noted we are generally tracking ahead of budget primarily due to additional interest and investment income that was not part of the original budget.
- The estimated state funds also include the \$200,000 reserve that was approved at the October, 2023 board meeting.

Other business –

- Mr. Luce provided a brief update on the audit noting it was going well. The auditors had made it through their initial requests and were expected to resume work again on February 19, 2024.
- Mr. Stone noted Liz Lief (Lief Associates) will be providing analysis on using different attachment points and cap for the Reinsurance Program. Given the growth in covered lives in the program the actuary committee felt it was a good time to review this data.
- Mr. Degnan noted there is a public forum on June 13, 2024. We are planning to also present the renewal application at this forum.

There being no further discussion the meeting was adjourned at 10:16 PM.