

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

**Minutes
Board of Directors Meeting
March 21, 2024**

A regular meeting of the Board of Directors of the New Hampshire Health Plan (NHHP) was held by videoconference and teleconference on March 21, 2024, with each participant being heard by, and able to hear, all participants.

The following individuals attended the meeting:

Directors:

Christopher Kennedy
Steven Phillips
Michelle Heaton
Kathryn Skouteris
David Trudo
Michelle C. Heaton
Bruce King
Bradley T. Long
Gregg Daly
David Ellis
Elaine Koskela

Other Attendees:

J. Michael Degnan, Helms & Co.
Kevin Stone, Helms & Co.
Andrew Luce, Mason+Rich
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 9:32 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 12, 2023. Upon a motion by Bruce King and seconded by David Trudo, it was unanimously:

VOTED: *To approve the minutes of the meeting of the Board of Directors held on October 12, 2023, in the form presented to the Board.*

Mr. Kennedy noted that David Ellis is retiring from Cigna Healthcare and attending his last NHHP Board meeting. Mr. Kennedy explained that, pursuant to the NHHP bylaws, Cigna Healthcare has nominated Elaine Koskela to fill the Board vacancy caused by Mr. Ellis' retirement. Mr. Kennedy invited Ms. Koskela to introduce herself, after which he asked the

Board for a vote to elect Ms. Koskela to the Board to replace Mr. Ellis. Upon a motion by David Ellis and seconded by Kate Skouteris, it was unanimously:

VOTED: *To elect Elaine Koskela of Cigna Healthcare to the New Hampshire Health Plan Board of Directors to fill the seat being vacated by David Ellis and to serve the remainder of Mr. Ellis' term.*

Mr. Kennedy congratulated Ms. Koskela on her election and welcomed her to the NHHP Board.

Mr. Kennedy then asked Helms & Company to provide the financial report. Andrew Luce of Mason+Rich, contracted by NHHP to provide financial services, began by reviewing the balance sheet as of December 31, 2023. He noted that the cash balances of the Granite Advantage Program and the Reinsurance Program remain consistent year over year and totaled over \$12 Million at year end. Mr. Luce explained that NHHP's cash previously was invested in Treasury Notes and Treasury Bills that have matured, and the cash is now invested in money market funds at comparable rates but with better liquidity.

Mr. Luce then reviewed the profit and loss statement and discussed the separate lines of business in comparison to budget for calendar year 2023. He noted that assessable lives were above budget by approximately 90,000, and that the investments were performing well. Mr. Luce then reviewed the year's expenses, noting that expenses for both programs in 2023 were within budget.

Mr. Luce concluded his financial report with an update on the annual audit being performed by Berry Dunn. The auditors, which are new to NHHP, only had one minor adjustment to an internal report. They will be meeting with Mr. Luce and Mr. Degnan next week to review their findings and the draft auditors' report. The Form 990 is in process and an extension will be filed given its due date of May 15, 2024. Berry Dunn is scheduled to present the draft audited financial statements and Form 990 to the NHHP Finance Committee on May 23, 2024.

Mr. Kennedy then asked Helms & Company to present the next agenda item: the Reinsurance Program review and 2025 Reinsurance Parameters. Mr. Luce began by reviewing the Reinsurance Program dashboards. He noted that covered lives in Q4 of 2023 increased to 491,563 but that the Program will continue its more conservative estimate of 485,000 in the 2024 Reinsurance Program budget. He concluded by reviewing the summary of actual and projected assessment rates and collections for the Program.

Mr. Luce then yielded the floor to Kevin Stone of Helms & Company to discuss Reinsurance Program operations. Mr. Stone noted that the Reinsurance Program completed its third year of operations at the end of 2023, and that he was in the process of completing the report to CMS. Mr. Degnan recommended to the Board that it review the draft report in the meeting materials as an excellent summary of the Reinsurance Program operations. Mr. Stone informed the Board that NHHP formally notified CMS that the State of New Hampshire will be seeking a renewal of its Section 1332 Waiver and noted that the notification letter and CMS acknowledgement were in the Board meeting materials. Mr. Stone expects the application to

be submitted by the summer and hopes for a response from CMS before year-end. A public forum on the application will be held simultaneously with the mandatory annual public forum on June 13, 2024. A new actuarial study will be required for the application, and Helms estimates that the cost of the application process will not exceed \$200,000. The costs will be paid from current Reinsurance Program revenues because its investment income alone is sufficient to cover the application costs. Both Mr. Degnan and Mr. Stone concluded this portion of the presentation by noting that the federal Section 1332 waiver program itself will be subject to renewal by the federal government in 2025.

Mr. Degnan then introduced Liz Leif, Nic Ramey and Clair Christofersen of Leif Associates, NHHP's actuaries, to present the proposed 2025 Reinsurance Program parameters. Ms. Leif began by referring the Board to the meeting materials and noted that the presentation previously was made to 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. She explained that the increase in enrollment in the individual marketplace in 2023 was unusually high because of the termination of the COVID-19 pandemic emergency measures that had resulted in more expansive Medicaid coverage while the measures remained in effect. 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 \$30.2 Million. She then added the expected State funding to estimate total funding available for the Reinsurance Program in 2025 of \$42.8 Million. Ms. Leif explained that the mechanics of the Reinsurance Program result in the following recommended parameters for the Reinsurance Program in 2025: **(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 \$42.8 Million.** Upon a motion by Steven Phillips and seconded by Ms. Skouteris, it was unanimously:

VOTED: *To approve the 2025 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 2024 Reinsurance Program funding estimates, noting that the increase in enrollment in the individual marketplace was lower than projected, as were carrier rates and eligible claims, resulting in lower savings than projected. Therefore, Leif Associates currently projects that the Reimbursement Percent for 2024 will be 42.3% instead of the initial projection of 49%. Mr. Stone noted that the federal funding portion likely will be announced in late April, at which time the federal portion of funding available in 2024 for the payment of Reinsurance Program eligible claims will be fixed. As a member of the Actuarial Work Group, Mr. Phillips noted that the consensus of the Group was to avoid making adjustments and rollovers across Program years in an effort to smooth out the reimbursement percent year-to-year, and instead to allow each Program year to stand independently.

Mr. Kennedy then asked Mr. Degnan to review the Granite Advantage Health Care Program. Mr. Degnan directed the Board to the Granite Advantage dashboard contained in the meeting materials. He noted that covered lives increased in Q4 of 2023, as noted in Mr. Luce's review

of the Reinsurance Program dashboards. Mr. Degnan 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 turned to other business. Mr. Degnan referenced the Second Amended and Restated Plan of Operation that had been compiled by Attorney Mark McCue based on the Board vote in October 2023. Attorney McCue reviewed the process by which he updated and compiled the Second Amended and Restated Plan of Operation and noted some of the material changes. After offering to answer any Board questions or concerns, Attorney McCue recommended that the Board vote to approve the restated plan despite its delegation of authority in October 2023.

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

VOTED: *To approve and adopt the Second Amended and Restated Plan of Operation in the form presented to the Board, subject to the approval of the New Hampshire Insurance Commissioner.*

Mr. Kennedy, joined by the Board, concluded the meeting by thanking Mr. Ellis for his years of service to NHHP and wishing him well in his retirement.

The Board had no further business, and the meeting was adjourned at 10:35 a.m.

Respectfully submitted,

J. Michael Degnan,
Secretary *Pro Tem*

ATTACHMENT A

***Amendments to Articles II, V, VI and IX of the Amended and Restated Articles of Agreement
of
New Hampshire Individual Health Plan Benefit Association***

ARTICLE II. ADDRESS

The Corporation’s principal place of business is located at One Pillsbury Street, Suite 200, Concord, New Hampshire 03301. The Corporation’s principal place of business may be changed from time to time by the Corporation’s Board of Directors, in its discretion.

ARTICLE V. PURPOSES AND POWERS

A. Purposes. Pursuant to (i) the Orders of the New Hampshire Insurance Commissioner (the “Commissioner” dated November 26, 1997 and February 25, 2020, as supplemented by a Supplemental Order dated September 30, 2020, respectively (collectively the “Orders”), and (ii) RSA 404-G, as enacted effective August 25, 1998 by 1998 N.H. Laws 340:6, and as amended through 2023 N.H. Laws 92:1 effective January 1, 2024, the Corporation is established for the following purposes:

- I. To protect the citizens of New Hampshire who participate in the individual health insurance market by providing a mechanism to equitably distribute the excessive risk sometimes associated with this market and to promote market stability.
- II. To promote the purposes and carry out the requirements of RSA 404-G, as it may be amended from time to time, under oversight by the Commissioner.
- III. To support the affordability and accessibility of health insurance in New Hampshire’s individual market.
- IV. To establish one or more individual health insurance market mandatory risk sharing plans as a mechanism to distribution the risks associated within the nongroup, individual market.
- V. To support the New Hampshire Granite Advantage Health Care Program established in RSA 126-AA or any successor program.
- VI. To establish an assessment mechanism to fund the Corporation’s programs as defined in RSA 404-G:2(IX) and the Corporation’s support of the New Hampshire Granite Advantage Health Care Program established in RSA 126-AA or any successor program.

As required by RSA 404-G:5, the Corporation will conduct each of its Programs pursuant to a Plan of Operation, which may be amended and restated from time to time (the “Plan of Operation”). Any reference to “Plans of Operation” in these Articles of Agreement means the Plan of Operation. All other capitalized terms used but not defined in these Articles of Agreement will have the meaning ascribed to them by RSA 404-G.

B. References to RSA 404-G. All references in these Articles of Agreement to RSA 404-G or portions thereof include the statute as it may be amended from time to time, unless the context clearly requires otherwise.

C. Corporate Powers. The Corporation, acting through its Board of Directors, will possess all powers and be entitled to take all actions of a nonprofit, voluntary corporation organized under RSA 292, any additional powers approved by the Commissioner under RSA 404-G:3(I), all powers set forth or referenced in RSA 404-G:3(II), and any further powers available under applicable law. Nothing in these Articles of Agreement will be deemed to authorize or permit the Corporation to carry on any business for profit, to exercise any power, or to do any act that a corporation formed under RSA 292 or any substitute statute may not lawfully carry on or do.

ARTICLE VI. MEMBERS

The Corporation will not have capital stock or membership certificates, but it has members who have those rights provided under RSA 292, RSA 404-G, these Articles of Agreement and under the Corporation’s Bylaws. Membership in the Corporation shall be comprised of all Assessable Entities as defined in RSA 404-G:2(I).

ARTICLE IX. BOARD OF DIRECTORS

The affairs of the Corporation will be governed by a Board of Directors, the composition of which will be as set forth in RSA 404-G:4(II). The procedures for electing the Board of Directors and its officers will be set forth in the Corporation’s Bylaws, and will conform to all applicable requirements of RSA 404-G:4.