



**Finance Committee Meeting
Minutes
May 23, 2024
and Subsequent Consent Votes Emailed on May 29, 2024**

A meeting of the Finance Committee of the New Hampshire Health Plan Board of Directors was held on Thursday, May 23, 2024, commencing at 09:35AM via Zoom videoconference with each participant being heard by, and able to hear, all participants.

Meeting attendees were:

Finance Committee Members

Bruce King, Chairman
Elaine Koskela

Other Parties

Michael Degnan – Helms & Co.
Kevin Stone – Helms & Co.
Andrew Luce – Helms & Co.
Jeff Walla – BerryDunn, Principal
Chris Mouradian – BerryDunn, Senior Manager
Joseph Byrne – BerryDunn, Senior Tax Manager

Mr. King reviewed attendees noting we did not have a quorum. As a result, the attendees agreed to continue the meeting, however, no votes would be cast. The attendees also agreed that any proposed votes would be circulated and committee members would be asked to vote via email, in lieu of a meeting.

Mr. King welcomed the Committee members and staff and asked Committee members for any changes to the proposed February 15, 2024 Finance Committee meeting minutes. No questions or comments. *Mr. King noted a vote would be cast via email for official approval.*

Mr. Degnan welcomed the team from BerryDunn (BD) and asked them to review the draft Audit Reports and tax Form 990 for the Year Ended December 31, 2023. Mr. Walla and Mr. Mouradian noted the transition in audit firms from Mason+Rich to BD went very well and overall they were pleased with the transition. Mr. Mouradian provided the following highlights re the financial statement audit:

- Clean opinion – there was clear guidance/standards in the way NHHP reports numbers and the organization follows guidance appropriately
- BD reviewed Internal Control (IC) in relation to planning the audit. They did not provide an opinion on IC but noted no issues
- No new accounting policies adopted in 2023

- All significant transactions were posted in the proper period
- They did not have any significant adjustments

Mr. Mouradian then provided the following highlights re the yellow book audit:

- Tests of compliance of laws/regs were performed on the Reinsurance Program
- No instances of non-compliance were noted
- The audit was performed using Government Audit Standards, as a result, there was also a focus on non-compliance direct and material to the financial statements. No opinion is provided on compliance in relation to the financial statements but there were no items of non-compliance to note.

Mr. Byrne then provided the following highlights re the 990:

- The 990 primary focuses on the questions and less to do with the numbers
- Although numbers reconcile between the 990 and financial statement audit
- IRS considered it good governance to receive and review the 990 prior to filing
- Mr. Byrne reviewed the 990 in detail

Mr. King asked the staff to leave the room so the Committee could speak to the auditors in private, which was done. Following a few minutes of private discussion, Mr. King called the staff back into the room and BD was excused from the zoom meeting. *Mr. King noted a vote would be cast via email for finance committee approval of the audit/990.*

Mr. King then asked Mr. Luce to review the financial statements for the 3-month period ended March 31, 2024. Mr. Luce reviewed the Balance Sheet noting the following:

- GAP cash and investments +\$138K
- Reinsurance cash and investments +\$3.160M
- Unearned premium -\$165K – decrease the result of Tufts working off balance of unearned premiums through reported assessed lives. NHHP owes Tuft a payment of \$190K in August.
- Deferred Assessments +\$3.541M – mostly the result of accumulated cash/investments from reinsurance program.

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

- Actual covered lives Q1 = 494K vs. a budget 485K
- Investment income +\$78K compared to budget
- Operating expenses more favorable compared to budget by \$8700

Mr. Luce reviewed the cash flow showing historical information from Q3 2022 thru Q1 2024 and projected cash flow beginning Q2 2024 thru Q4 2025 for the **Granite Advantage Program**

- Historical high = \$3,894,796 in Q3 2023 and historical low = \$1,994,741 in Q2 2023
- Projected high = \$2,183,450 in Q1 2024 and Projected low = \$1,528,803
- Regarding unearned premium = the premium is expected to run off through Q2 2025, however, we are projected to make a \$190,237 payment in Q3 2024 and a \$146,200 payment in Q2 of 2025 to United Health

- Overall it was noted projected cash balances are lower than historical figures but that was not cause for concern – cash balances are certainly adequate. Also, the BOD will have the ability to influence cash balance the next time assessment rates are set.

Mr. Luce reviewed the cash flow showing historical information from Q3 2022 thru Q1 2024 and projected cash flow beginning Q2 2024 thru Q4 2025 for the **Reinsurance Program**

- Historical high = \$15,095,969 in Q1 2023 and historical low = \$4,916,843 in Q2 2023
- Projected high = \$14,997,498 in Q1 2025 and Projected low = \$5,220,831 in Q2 2024
- Overall it was noted projected figures are in-line with historical balances. Also, it was noted that the State’s portion of the reinsurance payouts is typically around \$12M so want to build about \$3M+ in cash per quarter to fund the State portion of the Reinsurance Payments that are due in July

Mr. King asked Committee members for any questions regarding the March 2024 financial statements. *There were no further questions.*

Mr. Degnan reviewed the Granite Advantage program sufficient funds letter for the next six month period.

- Meetings occur monthly with Mr. Degnan, Mr. Luce, Henry Lipman (Director Division of Medicaid Services) and Athena Gagnon (NH DHHS Finance Director) to assess program cost.
- During the May 22, 2024 meeting Mr. Lipman and Ms. Gagnon both noted that costs likely to remain flat or slightly lower.
- Current quarterly payment to DHHS for the Granite Advantage Program is \$5.317M. The next payment is due in June 2024.

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

- Mr. Stone noted the payment target of \$44,618,413 for the 2023 Federal award.
- Payment to occur in June or July 2024.
- Payment amount in-line with previous reports to the board and finance committee.

Mr. Stone presented the Note regarding the Annual Post-Award Forum and Waiver Extension Hearing for the Reinsurance Program:

- Thursday, June 13th meeting to occur at the Walker Building, Room 100

Mr. King then asked members to review the NHHP payments over \$5,000 paid by ACH payment. There were no questions. *No motion was made, votes will be cast via email.*

Mr. Degnan reviewed SB 407 regarding ground ambulance cost reporting program and related study.

- NHHP was named in SB 407. Mr. Degnan was not actively seeking this project, however, the State identified NHHP as an entity that could facilitate this project
- NHHP was named to merely facilitate (1) raising funds through a special assessment, (2) coordinating RFPs for an actuary and accountant to perform the study, and (3) with the commissioner’s approval, selecting an actuary and accountant to perform the study.

There being no further discussion the meeting was adjourned at 10:26 PM.

Subsequent to the meeting M. Degnan distributed an email to all members on May 29, 2024 at 4:50 PM requesting committee members vote on the following topics:

VOTED: That the following actions be taken in lieu of a meeting of the Finance Committee of the New Hampshire Health Plan Board of Directors, and constitute a waiver of notice for such meeting.

All were in favor.

FURTHER VOTED: To approve the minutes of the February 15, 2024 meeting of the Finance Committee, in the form submitted to the Committee.

All were in favor.

FURTHER VOTED: To authorize the following ACH payments, each of which exceeds \$5,000:

All were in favor.

9:00 AM
05/15/24

**NH Health Plan
Transaction List by Vendor
February 7 through May 15, 2024**

	<u>Type</u>	<u>Date</u>	<u>AMT</u>
BerryDunn	ACH	04/18/2024	583563
Center for Medicare & Medicaid Services	Wire	04/04/2024	wire
Granite Technologies NE, LLC	ACH	03/07/2024	574374
HINCKLEY, ALLEN, SNYDER	ACH	02/28/2024	572489
Leif Associates	ACH	03/07/2024	574375
	ACH	04/04/2024	580461

FURTHER VOTED: To accept the proposed audit report prepared by Berry Dunn of NHHP's financial statements for the fiscal year ended December 31, 2023, and to recommend its acceptance and approval by the NHHP Board of Directors at the June annual meeting.

All were in favor.