



Finance Committee Meeting Minutes September 18, 2024 and Subsequent Consent Votes Emailed on September 25, 2024

A meeting of the Finance Committee of the New Hampshire Health Plan Board of Directors was held on Thursday, September 18, 2024, commencing at 09:38 AM via Zoom videoconference with each participant being heard by, and able to hear, all participants.

Meeting attendees were:

Finance Committee

Bruce King, Chairman
Michelle Heaton

Members Other Parties

Michael Degnan – Helms & Co.
Kevin Stone – Helms & Co.
Andrew Luce – Helms & Co.
Mark McCue – Hinckley Allen (joined at 10:36)

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 May 23, 2024, Finance Committee meeting minutes. No questions or comments. *Mr. King noted a vote would be cast via email for official approval.*

Mr. King then asked Mr. Luce to review the financial statements for the 6-month period ended June 30, 2024. Mr. Luce reviewed the Balance Sheet noting the following:

- GAP cash +\$210K
- Reinsurance cash and investments +\$6.486M
- Estimated assessment receivables for both programs +350K – more assessed lives
- Accounts payable +53K – due to timing
- Unearned premium -\$319K – decrease the result of Tufts working off balance of unearned premiums through reported assessed lives. NHHP to pay Tufts \$190K in August.
- Deferred Assessments +\$7.288M – mostly the result of accumulated cash/investments from reinsurance program.

Mr. Luce reviewed the profit and loss statement for the period ending June 30, 2024. Vs. budget nothing the following:

- Actual covered lives Q1 + Q2 = 495K/month vs. a budget 485K
- Investment income +\$188K compared to budget
- Operating expenses mostly in-line with budget. Over budget by \$5,100
- Ms. Heaton acknowledged the increase in covered lives and noted she had 2 people within the NH Department of Insurance reviewing list to ensure insurance carriers are appropriately reporting covered lives.

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

Mr. Luce presented a cash flow analysis for the **Granite Advantage Program**, covering year-to-date (YTD) cash through Q2 2024 and projections through Q2 2026:

- The projected cash flow was derived from budget figures presented later in the meeting
- Overall cash flow is expected to remain stable, but a decrease is anticipated in Q3 and Q4 2024 due to higher-than-expected costs associated with DHHS payments:
 - Expected payment: \$5.317 million
 - Actual payment: \$5.905 million
 - Increase: \$558,000
- Projected 2025 cash balances:
 - Low point: \$2,692,651 in Q1 2025
 - High point: \$2.869 million in Q4 2025
- Regarding unearned premiums, the runoff is expected to complete by Q1 2025. This includes a payment of \$190,237, split between Granite Advantage Program (GAP) and Reinsurance Program (RI) program cash flows of \$118,000 and \$72,000, respectively.
- Payments for the Ground Ambulance Study are scheduled for the second half of 2024, with plans to collect a special assessment to cover 100% of the costs. The special assessment will not be collected until 2025, resulting in cash being approximately \$220,000 lower than the figures presented until the assessment is received.
- Despite projected cash balances being lower than historical levels, this is not a cause for concern. Current cash balances are adequate, and we will propose increasing the assessments to address higher costs related to DHHS payments.

Mr. Luce presented a cash flow analysis for the **Reinsurance Program**, covering year-to-date (YTD) cash through Q2 2024 and projections through Q2 2026:

- The projected cash flow was derived from budget figures presented later in the meeting
- Cash balances are expected to grow by approximately \$3.25 million per quarter to fund the State's portion of the Reinsurance Program funding, estimated at \$13 million annually. The State payment is typically made in Q3.
- The projected low point for 2025 cash balances is \$7,060,064 in Q3 2025.
- The projected high point for 2025 cash balances is \$17,271,670 in Q2 2025.
- Overall, both historical and projected cash balances align with expectations and are consistent with program requirements.

Mr. King asked Committee members for any questions regarding the projected cash flow figures. *There were no further questions.*

Mr. Luce presented the budget for the **Granite Advantage Program**, covering year-to-date (YTD) June 30, 2024 and projections through Q2 2026:

- 2025 Budgeted assessments based on 495,000 covered lives per month
- 2025 Budgeted operating expenses are expected to be \$273,355 – in-line with 2024 expenses
- 2025 Budgeted DHHS payments are expected to be \$5,905,525 based on the DHHS remainder amount detailed in the September 5, 2024 letter from DHHS.
- The proposed 2025 assessment rate is \$4.03 which was determined based on needs to cover program expenses.

Mr. King noted a vote would be cast via email for official approval of the budget and assessment.

Mr. Luce presented the budget for the **Reinsurance Program**, covering year-to-date (YTD) June 30, 2024 and projections through Q2 2026:

- 2025 Budgeted assessments based on 495,000 covered lives per month
- 2025 Budgeted operating expenses are expected to be \$370,686 – in-line with 2024 expenses less the cost associated with the reinsurance application renewal
- 2025 Budgeted reinsurance payments are expected to be \$41,573,799 which includes the use of the \$200,000 reserve that was set in 2024.
- The proposed 2025 assessment rate is \$2.24 which is 60 basis points (0.6%) of the prior plan year second lowest cost sliver plan premium.

Mr. King noted a vote would be cast via email for official approval of the budget and assessment.

Mr. Degnan reviewed the Granite Advantage program sufficient funds letter, dated August 26, 2024 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.
- DHHS payment based on the 09/05/2024 letter will be \$5,905,525 for the annual period ending June 30, 2025
- DHHS payment was \$5.317M for the annual period ending June 30, 2024

Mr. Degnan and Mr. Luce discussed NHHP's banking relationship, as outlined in the presentation. Management noted the importance of evaluating interest rates to ensure the highest possible return on cash balances. Given the number of accounts involved, transitioning to a new bank would be a time-intensive process. As such, any decision to switch banks would require a significant difference in interest rates to justify the effort. Management plans to contact various banks to assess current market rates and will provide an update to the committee at a later date.

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

- Mr. Stone noted the payment of \$44,618,413 was made on July 10, 2024, for the 2023 award period.
- Mr. Stone noted the payment target of \$41,573,799 for the 2024 Federal award year is scheduled to be paid in July of 2025.

Mr. Stone provided an update on matters related to the participating carriers for the NH Reinsurance Program:

- A new carrier is expected to enter the market in 2025.
- This carrier plans to operate only in five southern counties within New Hampshire.
- The carrier's plan premium for these 5 counties will impact the calculation of the second lowest cost silver plan (SLCSP) and thus the determination of our assessment rate.
- This is the first time in our operating history that we have a different SLCSP for some counties than for other counties.
- Because our assessment is a statewide assessment, management recommends that it be derived from a SLCSP calculation that applies statewide and not just to some select counties.

After discussion, the committee agreed that NHHP should amend its Plan of Operations to reflect that the assessment rate calculation will be based on the SLCSP premium that pertains statewide.

Attorney McCue agreed to draft an amendment to the Plan of Operations to this effect.

While not required, the Committee suggested that Management notify CMS of this Plan of Operations change.

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 information regarding the Ground Ambulance Program which was established to oversee a cost study.

- Total cost of the program would be \$220K and will be funded through a special assessment.
- The costs will be incurred/paid in 2024
- A special assessment would be charged and collected in 2025. Any excess funds would be held without restriction and pooled within the Granite Advantage Program Funds. *Mr. King noted a vote would be cast via email for official approval of the special assessment.*
- Mr. King noted the CFO from New London Hospital could assist in providing information for the study

There being no further discussion the meeting was adjourned at 10:45 AM.

Subsequent to the meeting Mr. Degnan distributed an email to all members on September 25, 2024 at 12:51 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 May 23, 2024 meeting and subsequent consent vote emailed May 29, 2024 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:

11:36 AM
09/04/24

**NH Health Plan
Transaction List by Vendor
May 16 through September 4, 2024**

	<u>Type</u>	<u>Date</u>	<u>Num</u>
BerryDunn	ACH	07/08/2024	6009740
HINCKLEY, ALLEN, SNYDER	ACH	07/29/2024	6046560
Leif Associates	ACH	06/11/2024	5950595
	ACH	07/08/2024	6009769

All were in favor.

FURTHER

VOTED: To accept the proposed 2025 budget for the Reinsurance Program and the proposed assessment rate of \$2.24 for the calendar year 2025 and to recommend its acceptance and approval by the NHHP Board of Directors at the October 10, 2024 meeting.

All were in favor.

FURTHER

VOTED: To accept the proposed 2025 budget for the Granite Advantage Program and the proposed assessment rate of \$4.03 for the calendar year 2025 and to recommend its acceptance and approval by the NHHP Board of Directors at the October 10, 2024 meeting.

All were in favor.

FURTHER

VOTED: To accept the proposed 2025 Special Assessment to fund the Ground Ambulance Study as required by SB 407, that was passed in the last legislative session, and the proposed special assessment rate of \$.04 and to recommend its acceptance and approval by the NHHP Board of Directors at the October 10, 2024 meeting. Any funds collected in excess of Ground Ambulance Study cost would be retained by NHHP for general use in the Granite Advantage Program.

All were in favor.