



Minutes Board of Directors Meeting March 20, 2025

A regular meeting of the Board of Directors of the New Hampshire Health Plan (NHHP) was held by videoconference and teleconference on March 20, 2025, with each participant being heard by, and able to hear, all participants.

The following individuals attended the meeting:

Directors:

Christopher Kennedy
Kathryn Skouteris
Bradley T. Long
Bruce King
David Trudo
Michelle Heaton
Tu Nguyen
Elaine Koskela

Other Attendees:

J. Michael Degnan, Helms & Co.
Kevin Stone, Helms & Co.
Andrew Luce, Mason+Rich
Liz Leif, Leif Associates, Inc.
Nic Ramey, Leif Associates, Inc.
Claire 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 10, 2024. 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 10, 2024, in the form presented to the 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 unaudited balance sheet as of December 31, 2024. He noted that the cash balances of the Granite Advantage Program and the Reinsurance Program remain consistent year over year and totaled over \$14 Million at year end. Mr. Luce also noted that receivables had increased due to an increase in covered lives and higher rates, and that over \$230,000 in receivables pertains to the ground ambulance study which is reported under the Granite Advantage Program. He also noted that the prepaid expenses under the Granite Advance Program had decreased with a resulting increase in accrued expenses for monies payable to NH DHHS. Mr. Luce explained that the unearned

c/o Helms & Company, Inc. ❖ 1 Pillsbury Street, Suite 200 ❖ Concord, NH 03301-3570

Phone: 603/223-NHHP ❖ FAX: 603/225-4739 ❖ www.nhhealthplan.org

premium line continues to decrease and represents the previous overpayment by UnitedHealth, which should be fully credited by the end of the first quarter of 2025.

Mr. Luce then reviewed the profit and loss statement, and discussed the separate lines of business in comparison to budget for calendar year 2024. He noted that assessable lives were significantly above budget by approximately 423,750, resulting in an increase in assessment collections. He also explained that Medicaid expansion program's actual expenses were higher than those projected by DHHS when the budget was prepared. Mr. Luce noted that the investments were performing well. He informed the Board that the assessments for the ground ambulance project were booked in 2024 and its expenses accrued, which will be paid in 2025. Mr. Luce then reviewed the year's expenses, noting that expenses for both programs in 2024 were within budget.

Mr. Luce concluded his financial report by giving the Board an opportunity to ask questions. Mr. Degnan then noted that he is conducting a routine review of the investment rates being offered by Bank of New Hampshire and will be talking to Ledyard Bank for comparison. Mr. Degnan also informed the Board that he and Mr. Luce will have their final meeting with the auditors next week to review their findings and draft audit report. The audit process has gone smoothly and there are no adjustments or concerns raised by the auditors to-date. Berry Dunn is scheduled to present the draft audited financial statements and Form 990 to the NHHP Finance Committee in May. Mr. King affirmed that the Finance Committee has reviewed the draft financials presented to the Board. He also noted that he currently is a director of Ledyard Bank, and will recuse himself from any discussions with Ledyard about a potential business relationship with NHHP.

Mr. Kennedy noted that he was re-ordering the agenda to accommodate Liz Leif's schedule. Mr. Degnan then introduced Liz Leif and Nic Ramey of Leif Associates, NHHP's actuaries, to present the proposed 2026 Reinsurance Program parameters. He noted that these parameters were reviewed by the NHHP Actuarial Work Group, which recommended them for approval by the NHHP Board of Directors. Ms. Leif began by referring the Board to the meeting materials, and described the review process with the NHHP Actuarial Work Group. She also explained that she obtains a data set from each carrier covering the past three years which her firm combines into a statewide data set.

Ms. Leif then reviewed the summary of assumptions used to establish the Reinsurance Program parameters, noting that the two challenging issues were claim trend assumptions and assessing whether the ACA subsidies for the individual marketplace would continue. She first addressed the trend assumptions, noting that there was an unusual increase in enrollment in 2024 resulting from the Medicaid unwind following the termination of the COVID-19 pandemic emergency measures. Leif and the Actuarial Work Group evaluated carefully the claim trend assumptions for 2025, and arrived at an average claim trend of 7.1% for 2025. With respect to 2026, Ms. Leif described the impact of the potential loss of the ACA subsidies unless extended by Congress. Therefore, two claim trend assumptions were prepared for 2026: the first assuming that the subsidies continue, and the second assuming that the subsidies expire. For the latter, Leif also assumed that marketplace drop-outs are likely to be healthier, so the morbidity factor for this second assumption was adjusted.

Ms. Leif then explained an assumed enrollment increase of 3% with a typical seasonal pattern. Again, two assumptions were prepared based on whether or not the ACA subsidies were extended. She explained that an 18% drop in combined enrollment in the individual marketplace is assumed if the ACA subsidies expire. The Board then engaged in an active discussion of the enrollment assumptions. Ms. Leif concluded the presentation with a review of the estimated funding and reinsurance percentages.

Ms. Leif then reviewed the 2025 Reinsurance Program funding estimates, and Mr. Stone noted that 2025 claims exceeded the estimates as did the State and federal funding. Both Ms. Leif and Mr. Stone agreed that the Program is unlikely to meet the projected reimbursement percentage of 49%, and could range between 45% and 49% based on final actual results.

Ms. Leif concluded her report by explaining that the mechanics of the Reinsurance Program result in the following recommended parameters for the Reinsurance Program in 2026: **(i) Attachment Point of \$60,000; (ii) Upper Limit of \$400,000; (iii) Estimated Reinsurance Percentage if ACA Subsidies are Continued of 38% and Estimated Combined State and Federal Funding of \$45.4 Million; and (iv) Estimated Reinsurance Percentage if ACA Subsidies are Not Continued of 41% and Estimated Combined State and Federal Funding of \$42.8 Million.** Michelle Heaton explained that the New Hampshire Insurance Department is requiring carriers to submit different sets of rates depending upon whether the ACA subsidies are extended or not. Upon a motion by Tu Nguyen and seconded by Mr. Trudo, it was unanimously:

VOTED: *To approve the 2026 Reinsurance Program Parameters presented to the Board by Leif Associates and recommended by the NHHP Actuarial Work Group.*

Mr. Kennedy then asked Helms & Company to review the Reinsurance Program and 2024/2025 Projections. Mr. Degnan began by reviewing the Reinsurance Program dashboards. He noted that covered lives in Q1 of 2025 are expected to significantly exceed the more conservative estimate of 495,000 in the 2025 Reinsurance Program budget. He then reviewed the summary of actual and projected assessment rates and collections for the Program. Mr. Degnan then reminded the Board of his prior announcement that the State and NHHP received the requested renewal of the Section 1332 Waiver and noted that the documentation was in the meeting materials. Mr. Degnan concluded his review by explaining concerns that the federal award for 2024 of over \$28Million may be in jeopardy of being frozen. Therefore, Helms expedited its request for the processing of these funds, and received and promptly distributed them proportionately based on the February Edge report as a preliminary claims payment. Fifty percent of the State funding was reserved so that a true-up can be made when the May Edge report becomes available.

Mr. Degnan then reviewed the Granite Advantage Health Care Program and directed the Board to the Granite Advantage dashboard contained in the meeting materials. He noted that he and Mr. Luce met with Henry Lipman, the director of the State Medicaid program, who confirmed that there were a lot of variables that remain undetermined until the legislative session concludes. DHHS is expecting a significant decrease in enrollment in the individual marketplace. Mr. Degnan assured the Board that he is in close contact with the State regarding the Granite Advantage Program and any expected changes in enrollment, expenses or funding.

Mr. Degnan concluded by informing the Board that the Ground Ambulance Study was completed and presented by Public Consulting Group (PCG). The report appears to be well-received but it is unclear what future steps the legislature will take. The Program was completed on-time and under budget.

The Board had no further business and there was no need for an executive session, so the meeting was adjourned at 10:45 a.m.

Respectfully submitted,

J. Michael Degnan,
Secretary *Pro Tem*