

NH Vaccine Association – Meeting
August 31, 2012
Harvard Pilgrim Health Care, Manchester, NH
Presiding Officer: Susan Tenney, Chair

I. Attendance. Participating in all or part of the meeting in person (P) or by telephone (T) were the following individuals:

Directors

Scott Beaudette – CIGNA (P)
Susan Tenney – Harvard Pilgrim (P)
Dr. David Fredenburg (P)
Dr. John F. Modlin (T)
Dr. Jose T. Montero – DHHS (P)
Maria M. Proulx – Anthem (T)
David Sky – NHID (P)

DHHS

Marcella J. Bobinsky (P)

CML

Fred L. Potter (P)
Claire M. Roberge (P)

II. Summary of Actions Taken and/or Recommended

A. Actions Taken (votes adopted)

1. To approve the minutes of the June 14, 2012 Audit Committee meeting and the minutes of the June 26, 2012 Board meeting as presented.
2. Determined that the NHVA Board carrier representatives will continue to be Maria Proulx (Anthem), Scott Beaudette (CIGNA), and Susan Tenney (Harvard Pilgrim) for the term beginning August 1, 2012.
3. That the slate of officers will remain as is with Susan Tenney as Chair, Dr. Jose Montero as Vice-Chair, Dr. David Fredenburg as Treasurer, and Scott Beaudette as Secretary.
4. That the Finance/Audit Committee slate will remain as is with Dr. David Fredenburg as Chair, Susan Tenney, Scott Beaudette, and David Sky.

B. Follow up

1. Mrs. Roberge will poll the NHHP administrators to determine if there have been any changes in the number of covered lives.
2. Mr. Potter will send out a draft of the payer survey to the insurer representatives for their review and comment.
3. Mr. Sky requested a copy of the report that the Legislative Task Force received from the LGC.
4. Mrs. McKenna will send out meeting notices with regard to the September 12 Assessment Equity Committee meeting.

III. Minutes

At 8:40 a.m., immediately following adjournment of the Audit Committee meeting, a quorum having been established, Chairperson Susan Tenney called the meeting to order. To accommodate Dr. Montero's travel schedule the agenda was rearranged to begin with review of all DHHS input regarding assessment setting for 2012/2013.

Assessment Setting

The DHHS operates by reviewing the recommended vaccines, estimating the population to calculate the number of doses of each vaccine that will be needed, looking at the price, and what has been approved through the CDC federal contracts. That information is combined to determine a final estimate of immunization costs for that particular year. Historically, the DHHS introduces and follows all of the ACIP vaccine recommendations. The most recent vaccine change has been the addition of HPV for boys. The DHHS estimates that the cost of childhood immunizations for next year is going to be \$24,288,225, which is a decrease from the previous year which was \$27.5 million. So it is \$3 million less on what is expected to be the total cost of the vaccines for the state's children. This does not necessarily translate into reduction in the NHVA assessment rate because there are so many factors involved. DHHS also has forecasted relevant changes in the sources of funding. There is an expected decrease in VFC funds from the federal government of at least \$1 million. Additionally, section 317 funds cannot be used in the same way that they were being

used in the past and this creates the decrease from \$481,000 to roughly \$106,000. Those funds now will be used for adults and specifically targeted programs, but cannot be used for under-insured children anymore.

DHHS advised there has been an incredible amount of pressure from the federal government for every state to be able to account for each single dosage of vaccine given to children, whether privately insured, underinsured, or part of the VFC program. The only way for DHHS to do this is to create a registry. DHHS is exploring the option of including that as part of the whole vaccine program given the fact it actually tells them the accounting of each single dosage. Such an accounting process would be very advantageous for DHHS.

New Hampshire state funds factored into this assessment setting worksheet are \$486,000, which is a small increase from last year. This number is currently in the budget, but there is a shortfall of money and a shortfall of general funds for this current fiscal year, so this number may change slightly. This yields an expected need for approximately \$15.7 million. The current remaining carryforward vaccine fund balance on the public health books is approximately \$3 million leaving a final number of approximately \$11.5 million. NHVA's actual assessment will be based on covered lives. To the extent there is any excess, that rolls forward to reduce next year's assessment. NHVA itself has a carryforward of slightly over \$2 million, primarily from favorable assessment collection experience, as seen in the financial statements. NHVA's interest earnings also serve to offset administrative expenses, further reducing the need for assessments. Once all factors are considered, preliminary indications are for an assessment increase, but less than had been anticipated a year earlier.

Lengthy discussion ensued. The Board thanked DHHS and KidsVax.org™ for timely preparation of the materials for this important decision and determined to hold this over for the already scheduled follow-up meeting in order to allow time for payer reflection and analysis prior to a final decision. Mrs. Roberge will check in with the NHHP administrators to determine if there have been any changes in the number of covered lives. The next Board meeting on October 4, 2012 (subsequently move to October 5 to facilitate attendance) will be held primarily for purposes of finalizing the assessment rate for the next program year.

The Board then returned to its previously-published agenda.

Upon motion duly made and seconded, it was unanimously

VOTED: To approve the minutes of the June 14, 2012 Finance Committee meeting and the minutes of the June 26, 2012 Board meeting, as presented.

Executive Director Updates

The most significant amount of activity since the June meeting has been Mrs. Roberge's good work in completing the audit and the coordination with Ms. Bobinsky. Claire and Marcella together completed most of the work on the assessment calculation spreadsheet. Additionally, there has been a great deal of work on the legislative preparation. There was a significant report prepared, as well as draft legislation. Dr. Fredenburg will report on this matter later. Mr. Potter offered the suggestion, in light of the potential sponsorship by the New Hampshire Medical Society of any needed this legislation, in partnership with the NH Pediatric Society, that the name of NHVA's committee might be change to the "Assessment Equity Committee." This would more accurately reflect the purpose of the committee and be the basis for reporting going forward. The Board concurred with this name update to be more accurate going forward.

The 2012/13 final budget was discussed briefly. As instructed, the budget was included in this board packet now updated to include all changes made at the last Board meeting. Those changes eliminated the design for a more elaborate website, as well as the design work surrounding NHVA's annual report, but it retained the work to capture of NHVA's history. Ms. Senechal has been engaged to do that writing for the NHVA. She is a commercial writer and is very good at distilling ideas. Mr. Potter thanked those who have participated in interviews so far. There will be more interviews coming and it is expected that draft will be available by the October meeting. That will be a good background piece for the Assessment Equity Committee's work. Mr. Potter also presented the work done by Mr. Smith on the 10-year review. There is no action needed on the budget because that was completed at the June meeting in advance of the start of this fiscal year.

Mr. Potter will send out a draft of the payer survey to the board insurer representatives for their review and comment. It is being created to get a better handle on the difference between child covered lives and all covered lives and the cross-border question, which is becoming increasingly important because of gaps in other state legislation. Once the Board members have reviewed it, it will be sent out to the top 10 payers and the information will be compiled from those results to support the work of the Assessment Equity Committee. The survey is the only remaining data point to be developed for the assessment equity work.

The Finance Committee recommended that the Board authorize publication of the financials as soon as an amended report including a further disclosure as to revenue concentration/revenue risks is received. The Finance Committee determined that as a committee, they would accept a telephone poll when the language is available to approve, but this Board can authorize publication as soon as that disclosure risk is mentioned in the notes. The final report then will be everything included in today's packet with the addition of an additional footnote disclosure as to revenue risks surrounding the covered lives issue. Once it has been accepted, the information becomes public and will be posted on the website. It was the sense of the Board to defer acceptance and approval of the publication of the FYE 6/30/2012 Financial Statements to the October meeting, at which point a final printed report is expected to be available.

Annual Meeting Matters

The top three carriers continue to be Anthem, CIGNA, and Harvard Pilgrim. Other carriers are invited to sit in on any Board meeting at any time. An Assessment Equity Committee has been formed and that too is an open process. This work goes to assurance that NHVA continues to serve its mission well and to provide a basis for consideration of any changes to the NHVA Plan of Operation. It was the sense of the board that during this time of potential change, continuity in Board and committee membership is important for the NHVA. A telephone line is opened up at each meeting to allow other carriers to participate as well.

A brief discussion regarding appointment of insurance carrier representatives ensued.

Upon motion duly made and seconded, it was unanimously

VOTED: To select for the term beginning August 1, 2012 as NHVA Board carrier representatives the current representatives, namely Maria Proulx (Anthem), Scott Beaudette (CIGNA), and Susan Tenney (Harvard Pilgrim).

A brief discussion ensued regarding appointment of the slate of officers and committee members. Chairperson Sue Tenney invited anyone interested in serving to advise of his/her particular interest. She also inquired of current officers concerning their willingness to continue for another year.

Upon motion duly made and seconded, it was unanimously

VOTED: That the slate of officers will remain as is with Susan Tenney as Chair, Dr. Jose Montero as Vice-Chair, Dr. David Fredenburg as Treasurer, and Scott Beaudette as Secretary.

Upon motion duly made and seconded, it was unanimously

VOTED: That the Finance/Audit Committee slate will remain as is with Dr. David Fredenburg as Chair, Susan Tenney, Scott Beaudette, and David Sky.

A brief discussion ensued regarding the Plan of Operation. There were no additional comments from the Board. It was the sense of the Board that the report regarding the update on any legislative developments will come from the Assessment Equity Committee.

Dr. Fredenburg gave a brief update concerning the work of the Legislative Task Force, going forward to be known as the Assessment Equity Committee. He indicated that the LGC took the NHVA assessment number and put it into their full covered lives, including pediatric. They ran the numbers, and then ran it against a preliminary estimate of what it would cost if they purchased the vaccine directly from providers, based on the CDC numbers, and they determined that they would actually have to pay nearly \$27,000 more annually under the NHVA system. It was noted, however, that based upon this report, just adding in the LGC lives would actually lower NHVA's assessment per covered life to the point of providing savings to LGC. Of course, more broad participation would improve that even further. Mr. Sky requested a copy of the report that the Legislative Task Force received from the LGC. At this point, a formal response needs to be provided to the LGC. Dr. Kassler, who was involved in the original formation of NHVA, along with Mr. Potter, now is the President of the NH Medical Society. He has rallied the Medical Society to sponsor a reasonable and appropriate legislative change to preserve the NHVA and enhance its effectiveness.

It was a sense of the board that the next steps will be to determine what the projections could be per covered live for pediatric and then also for all covered lives so that the focus can be what the actual costs to an insurer would be. Once that is done, we then go back to the Society and ask for their recommendations on which to pursue. The LGC would need to be shown the pros and cons of the two different methodologies. This would more closely align what their actual demographic looks like so they only pay an

assessment on pediatric lives. Extensive discussion ensued. It was the sense of the Board that the Assessment Equity Committee needs to continue, but step up to formulate a response to the LGC. There also needs to be some conversation about a registry either whether in the NHVA the legislation or as another piece that is complementary.

Ms. Bobinsky invited everyone to attend the New Hampshire Immunization Summit being held on November 14, 2012. This will be an opportunity for critical stakeholders to discuss the different elements involved with the ACA, the change in some of the adult issues, vaccine issues, and registry issues so that they can be looked at together in order to figure out what is needed, what can be eliminated, what needs to be changed, and who owns what. This will include having Medicaid and CMS involved as well. Anyone who potentially can have a stake in where things are going for the next five years in the State of New Hampshire will be invited to attend.

Mr. Potter indicated that the next Assessment Equity Committee meeting is scheduled for next Thursday morning, September 6th via teleconference at 8:00 a.m. After further discussion, it was the sense of the Board that the meeting should be changed to an in-person meeting to be held on Wednesday, September 12th at the NHID at 8:00 a.m. to better accommodate individual schedules. Mrs. McKenna will send out meeting notices with regard to the September 12 Assessment Equity Committee meeting.

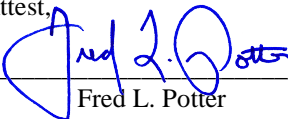
Upon motion duly made and seconded, it was unanimously

VOTED: To adjourn.

There being no further business, the meeting adjourned at approximately 11:45 a.m.

At true record.

Attest,



Fred L. Potter
Secretary, Pro Tem