

**NH Vaccine Association – Board of Directors Meeting
September 24, 2013
Public Conference Room, New Hampshire Insurance Department
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

Susan Tenney – Harvard Pilgrim (P)
Scott Beaudette – CIGNA Health Care (P)
David Sky – NHID (P)

DHHS

Marcella J. Bobinsky (P)

Outside Counsel

Mark McCue, Esq. (P)

KidsVax.org®

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

Members of the Public

Gina Powers, Merck (P)
Laura Condon, NVIC (P)

II. Summary of Actions Taken and/or Recommended

A. Actions Taken (votes adopted)

1. To approve the minutes of the September 3, 2013 Board meeting as presented.

B. Follow up Task/Action Items

1. Mrs. Roberge was asked to add a column to the financials that shows the budget numbers for purposes of comparison.
2. Ms. Bobinsky was asked to check with Dr. Montero as to whether or not a congressional letter has gone out in New Hampshire.
3. KidsVax® will create and distribute by October 1, two assessment worksheets in preparation for the October 8 meeting.
4. Mr. Sky will ask for some clarity regarding how the tables referenced in the handout, “NH Insurance Department Analysis of Child Vaccine Use in New Hampshire,” dated February 13, 2013 were calculated.
5. Mr. Potter will get the survey request out to the carriers ASAP.
6. KidsVax® will have the letter regarding the interim steps pending the fully developed Plan of Operation out by October 1. Mr. Potter will get the letter out to Mr. Sky for signature by the Commissioner by September 30.
7. KidsVax® will take steps to make available to the public the meeting agendas once they have been previewed by the Chair in planning for Board Packet preparation.

III. Minutes

Welcome and Introductions

At approximately 2:28 p.m., a quorum having been established, Chairperson Susan Tenney called the meeting to order. Ms. Tenney briefly reviewed the agenda items and surveyed the Board for any additional items to be added to the agenda. There were no individuals participating in the meeting via telephone. Ms. Bobinsky is participating today at Dr. Montero’s designation and is serving under the NHVA Plan of Operation as his designated representative for this meeting.

Consent Calendar Items

Upon motion duly made by Mr. Beaudette and seconded by Ms. Bobinsky, it was unanimously

VOTED: To approve the minutes of the September 3, 2013 Board meeting as presented.

Statement of Financial Position

The financials for the months of July and August 2013 were reviewed by Mrs. Roberge. There is \$53,207.64 in cash in the operating account. There are short-term investments of \$5,197,916.40 in the money market account until a decision is made regarding the assessment. Prepaid expense is the D&O insurance which is paid in December for a full year but is amortized over the next 12 months. The amount will decrease each month until it is renewed in December. The total current assets are \$5,254,712.37. On accounts payables there are \$3,528.80 in auditors’ fees that were billed in August and paid in September. There is another \$2,959 that was billed in September, so the auditors’ fees of \$6,480 are being paid off in September. There is \$250,000

in liquidity reserve that was agreed upon by the Board and remains as such until the Board sets a new level. Total liabilities and net assets are \$5,254,712.37. The Statement of Activities and Changes reflects that no assessments have been collected to date. CML's contract that started in August is reflected in the Administrative Services for July and August payments. Under office expense there are fees for publication information and website for work provided by Kickspark who was retained by the Board to create an enhanced Annual Report template and website design. The total expenses for the year are \$74,585.48 to date. Mr. Sky requested that a column be added to the financials to include the budget numbers for comparison. Ms. Tenney indicated that the new budget will need to be approved by the newly constituted Board prior to assessment setting. This will be brought forward for consideration at its meeting on October 8.

DHHS Update

Ms. Bobinsky provided an update on the CDC Immunization Services Division (ISD). Over the past three years accountability has become critical for the ISD. The Office of Inspector General (OIG) had found some deficiency in terms of vaccine management and storage in some provider offices. They had gone out to nine states and over those states visited a total of 45 provider sites. Since that time they have been reviewing policies and all 64 grantees have sent in Vaccine for Children (VFC) policies and how vaccine storage is managed and handled in all provider sites. There are 305 registered VFC sites in the State of New Hampshire. In terms of the concept of a registry in New Hampshire, a dose level accountability was not expected by DHHS until 2017. This essentially means that a provider would have to identify a VFC child or state insured child and make sure that the vaccine is either a VFC vaccine or a state supplied vaccine. However, in mid-August the CDC announced that this was now going to be a requirement as of October 1, 2013. As of October 1, the State program is to begin to order vaccine for each provider based on their reports to DHHS on how many children they have as VFC children and how many they have that are insured children. This requires all orders to be divided to each provider. The CDC has given DHHS until February to go out to the providers to let them know that the vaccine will need to be stored separate from one another. Providers will no longer be able to borrow from one supply of vaccine to another, which potentially creates additional waste and missed opportunities for a child to receive a vaccine. Further discussion ensued. Concern was expressed about the difficulties this will present for providers and the likely increase in costs and waste if separate provider-level inventories are required.

Working Plan for Implementation of HB664 Changes

Attorney McCue reported on his review of the statute to determine the steps needed for compliance with the statute for this fiscal year. He noted two major changes in the statute. The first is a governance based change. There are new assessable entities now and not just insured health carriers, but also Third Party Administrators (TPAs) are counted. In terms of governance, the three representatives are no longer from the insurance carriers with the three highest covered lives, but three representatives from assessable entities which have the largest number of assessable lives. The difference is that covered lives included adults getting health coverage and assessable lives is for children under 19 years of age getting assessable coverage. Attorney McCue recommended the Board follow its instincts by having the newly constituted Board in place prior to amending the Plan of Operation or making any of these final decisions.

The second piece involves the changes to the assessment method itself. Attorney McCue summarized the differences in methodology, indicating that it is a transition from what had been a single annual assessment covering the current fiscal year, determined in November and payable in the subsequent spring with the State being reimbursed prior to the end of its fiscal year. It has now gone to an assessment methodology that arguably uses a calendar year. This would create a calendar year assessment collection period that is covering a fiscal year cost. Various methods of calculating the assessment were discussed. Attorney McCue suggested that because HB664 became effective July 24, which is 24 days after the start of this fiscal year, that NHVA move immediately to a quarterly payment method, but for the current fiscal year he recommended collecting all four payments on May 15. The reason for that recommendation is statutory language appearing to require that assessment rate setting and collections are prospective only, not retroactive. Essentially in November a rate is being set that will start for assessable lives on January 1, 2014. The first quarter would be paid by May 15. It could be called an interim assessment, plus the first quarter, but feels it would be easier to have carriers think in terms of having all of the current fiscal year's quarterly estimated payments all due at once on May 15. This essentially mimics how NHVA has been operating for a number of years. Then that same quarterly rate would continue to be paid through the rest of the calendar year—August, November, and the subsequent February. NHVA would continue to collect a quarterly estimate and in November those numbers would be reviewed to then project the costs for the fiscal year and set a new rate for 2015.

Attorney McCue recommended creating, through a revised Plan of Operation, a transitional period where NHVA would be collecting all four quarterly payments for the 2013/14 fiscal year in May and then keeping up with even quarterly payments thereafter. This plan is consistent with the statute and legislative intent and if it is acceptable to the Board, which has representatives from the carriers with the largest market share, it would then need to go to the Insurance Department for approval. A lengthy discussion ensued regarding the NHVA work plan for transition to revised operations under HB664. It was the sense of the Board that two assessment worksheets need to be prepared for October 8; one for the first four quarters of collection and the next for the 2014/15 fiscal year. This information will be distributed to the Board on October 1 in accordance with the commitment made to Ms. Tenney.

Mr. Sky will ask Mr. Brannen for some clarity regarding how the tables referenced in the handout, "NH Insurance Department Analysis of Child Vaccine Use in New Hampshire," dated February 13, 2013 were calculated. Mr. Potter suggested getting this clarification and then asking for a survey from the 10 largest carriers. If responses are received from the top three, this will provide a very good factor to use because their numbers are so large. Mr. Potter will get this request out to the carriers ASAP. There will then be a vote on October 8 and notices will go out on October 17, but under this guidance the first collections will be in May and meanwhile NHVA will be working with servicing staff to complete appropriate training and tools. Mr. Potter advised the Board that substantial IT work in support of the new system has been completed already.

With respect to the first Board elections under the new statute, since Dr. Fredenburg was not in attendance at the meeting, the Board determined to sit as a whole and nominate three carrier representatives with the largest numbers of child covered lives (as reported on the NHID report). They are Anthem, Harvard Pilgrim, and Cigna. Mr. Potter recommended that the Board consider nominating this slate of payer representatives to the Board and solicit the proxies with Ms. Tenney and Dr. Fredenburg being the two alternative proxy holders. For this proxy the updated data from Mr. Brannen, if available, will be used to make a determination but if not, the previously provided report will be used as a surrogate. This approach was selected given that the data errors there are inconsequential; whereas the data for assessments needs to be as clean as possible going right up to October 8 because that affects the rate.

There was some concern expressed regarding the turnaround time for the proxy votes. Attorney McCue indicated that the statute requires the voting process to be in the revised Plan of Operation. A letter amendment could be made to the Plan of Operation that incorporates this and it could be voted on at the October 8 meeting. The amendment would only stand for this transition year and then would go through the process of Board review, multiple drafts as needed, and submission to the Commissioner for approval. It was Mr. Potter's suggestion that although the Board had established a Nominating Committee, in the absence of Dr. Fredenburg, the Board could still reconstitute itself as the Nominating Committee, and nominate the slate of officers immediately.

Upon motion duly made by Ms. Bobinsky and seconded by Mr. Sky, it was unanimously

VOTED: To nominate the following slate of officers: Scott Beaudette from Cigna, Susan Tenney from Harvard Pilgrim, and Maria Proulx from Anthem.

It was the sense of the Board that the present Board Chair and Secretary/Treasurer be the two designated proxy holders. The proxies will be sent back to the attention of KidsVax[®] to tabulate the results on the Board's behalf. The Board representatives will be solicited directly via e-mail and will be asked to turn their e-mail around, but all other proxies will be sent via both mail and e-mail. KidsVax[®] will have the letter as to the interim steps pending the fully developed Plan of Operation out by October 1. Mr. Potter will get the letter out to Mr. Sky for consideration by the Commissioner by September 30.

Old Business

It was the sense of the Board that the newly constituted Board should deal with the public participation policies, but there has been a request that as soon as the agenda is previewed by the Chair and ready to start the work of the Board packet preparation that it be made available to the public. It was the sense of the board that KidsVax[®] should take this further step of publishing each meeting's draft agenda and bring additional public-access guidelines for consideration by the new Board.

Public Comment

Ms. Condon posed a series of questions to the Board over a 20+ minute period of time. All questions were answered to the best of ability, based upon information at hand, by board members, Mr. Potter, and Attorney McCue.

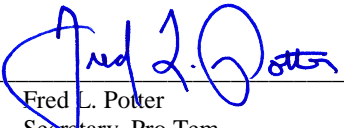
Upon motion duly made by Mr. Beaudette and seconded by Ms. Tenney, it was unanimously

VOTED: To adjourn.

There being no further business, the meeting adjourned at approximately 3:40 p.m.

A true record.

Attest,


Fred L. Potter
Secretary, Pro Tem