

**NH Vaccine Association – Board of Directors Annual Meeting
September 30, 2014 – 8:30 a.m. – 11:00 a.m.
Conference Room – KidsVax.org®
Presiding Officer: Susan Tenney, Chair**

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

Directors

Susan Tenney – Harvard Pilgrim Health Care (P)
Ken Ehresmann – Anthem (P)
Everett Lamm, M.D. (P)
Jose T. Montero, M.D. – DHHS
David Sky – NHID (P)
Elaine Koskela – Cigna (P)
Laura Condon – National Vaccine Information Center (P)
Edward P. Moran (P)

Absent

David Fredenburg, M.D.

DHHS

Marcella J. Bobinsky (P)

Outside Counsel

Mark McCue, Esq. (P)

Members of the Public

Judy Butler – Merck

KidsVax.org

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

II. Summary of Actions Taken and/or Recommended

A. Actions Taken (votes adopted)

1. To approve the slate of officers as listed on page 01.c.1 of the Board packet, as amended.
2. To establish a legislative subcommittee.
3. To authorize the Chair to constitute the legislative subcommittee as she determines once she receives expressions of interest from Board members.
4. To set the assessment rate of \$0.14 per child covered live per month.
5. To approve the minutes of the August 19, 2014 board meeting with the changes suggested at this meeting.

B. Follow up Task/Action Items

1. KidsVax® will send each new Director a copy of the D&O Policy and a copy of the audited financials.
2. In notifying the payers of the new assessment rate, Mr. Potter will point out the unusual nature of the \$0.14 assessment rate.

III. Minutes

Annual Meeting of Members

Mr. Potter announced that the Speaker of the House has appointed Edward P. Moran as his designee to the NHVA Board and he will be attending today's meeting shortly. Mr. Potter explained that KidsVax® will send each new director a copy of the D&O Policy and a copy of the audited financials and recommends a personal copy of each document be retained by the director because the auditors sign off on the financials and the D&O policy applies to a director's service on the Board.

The first order of business was the report on proxy submissions. Mrs. Mills reported that six proxies were received, representing 100,112 out of a possible 143,705 child covered lives or 70% of the child covered lives in New Hampshire. All proxies were voted in favor of the nominees from the Board; Ken Ehresmann with Anthem, Elaine Koskela with Cigna, and Sue Tenney with Harvard Pilgrim. Mr. Potter made the announcement that any company that submitted a proxy, is entitled to revoke the proxy prior to the election. No additional votes were submitted. Chairperson Tenney deemed the annual election closed with the Board having been constituted.

Welcome and Introductions

At approximately 9:40 a.m., a quorum having been established, Chairperson Susan Tenney called the meeting to order. There were no attendees participating by telephone. Chairperson Tenney surveyed the Board for additional items to be added to the agenda in addition to the report from outside counsel and the discussion regarding creation of a legislative subcommittee.

Election of Officers

During the Annual Meeting of Members it was reported that six proxy votes were received all voting for the slate of officers that were contained in the proxies, which would represent the three largest carriers in the State of New Hampshire. The directors were elected and are now constituted. According to the NHVA Bylaws, the directors elect the officers of the Board.

Mr. Potter reported NHVA has an independent audit/finance committee. NHVA typically has combined the functions of the two committees because there are a number of members with different backgrounds. The nominees have expressed a willingness to serve on the Board. Mr. Sky asked Ms. Condon if she would like to be on the Audit Committee and she expressed her willingness as well.

Upon motion duly made by Mr. Sky and seconded by Mr. Ehresmann, it was

VOTED: To approve the slate of officers as listed on page 01.c.1 of the Board packet, as amended.

Report on Consultation with Counsel

One topic that has been discussed over a number of meetings is the amended statute bringing a new assessment structure and base into NHVA. It was concluded by the Department of Insurance that it covers the Medicaid Managed Care Organizations (MCOs) that are managing the state Medicaid program but the Department of Health and Human Services believes that determination, if final, would be inconsistent with the federal structure of vaccines where Medicaid federally eligible children cannot be vaccinated and have the cost of those vaccines subsidized by State program funds. This concern was raised with the Insurance Department but it declined to modify its interpretation of the statute. Dr. Montero has spoken with his Department and also with the Attorney General's office. They also recommended that the statute be amended because the language, although inconsistent with the structure of the vaccination program, does not appear to be ambiguous on its face.

Mr. Sky advised that, provided someone on behalf of NHVA pursues clarification on this point through legislative action in the upcoming session, the Department of Insurance will not press its interpretation into requiring assessment of the MCOs this year, especially since (a) the assessment rate is quite low and (b) not a single present payer is pressing the Department to force collections which could jeopardize the much larger federal grant to the State of New Hampshire. Dr. Montero reported that DHHS will be looking into a technical amendment to remedy the fact that arguably right now MCOs are included under a strict interpretation of the current statute. The Board also discussed additional technical amendments that it may wish to see now that NHVA has gone through the assessment process once and is about to do it again. Therefore, the recommendation is that the Board create and delegate to a legislative subcommittee review of the statute, discussions with DHHS, and help in developing a technical amendment to NHVA in their amended statute.

After brief discussion regarding the creation of a legislative subcommittee, Chairperson Tenney requested that those Board members interested in serving on such a committee e-mail her and the committee can be set up. Dr. Montero advised that he will ask Ms. Frye to assist in navigating this process. Mr. Potter thanked Dr. Montero for this thoughtfulness especially given her expertise in this area and past effectiveness in assisting NHVA.

Attorney McCue recommended that the Board vote to establish the legislative subcommittee since it is delegating its authority to this committee on this topic. The appointment power can be given to the Chair.

Upon motion duly made by Dr. Lamm and seconded by Dr. Montero, it was

VOTED: To establish a legislative subcommittee.

Upon motion duly made by Dr. Montero and seconded by Dr. Lamm, it was

VOTED: To authorize the Chair to constitute the committee as she determines once she receives expressions of interest from Board members.

Recommendation for the Audit Committee

Ms. Tenney reported that the auditors have reviewed the financial statements. They have made a determination that the financial statements are intact and are good as presented. There were a couple of recommendations of the auditors to help tighten the internal controls in terms of distribution of responsibilities. The Audit Committee will be meeting subsequent to this meeting to take action and determine what it is that the Board wants to do, if anything, to perhaps tighten some internal controls. However, the auditors indicated that

does not have any bearing on the Board's ability to accept the financial statements as they have been published. The Audit Committee does recommend that the full Board accept those audited statements as presented.

Upon motion duly made by Mr. Sky and seconded by Mr. Ehresmann, it was

VOTED: To accept the audited statements as presented to the Board.

2014/15 Assessment Setting

Mr. Potter expressed his gratitude to Mr. Sky and Mr. Ehresmann for their time and effort in working with him on the assessment setting worksheet. Mr. Potter gave a brief summary regarding the changes that were made to the worksheet. The worksheet carries forward the recommendations of Mr. Sky and Mr. Ehresmann as of their working session and brings forward the latest information on covered lives which are now incorporated in the calculations. Due to the current excess cash of \$14 M and the fact that there is one more assessment collection, it is expected that \$20 M will be carried forward this year, considerably more than is needed. Consequently, under the methodology developed by KidsVax® under the board's direction the calculated assessment rate takes the assessment rate down to \$0.14. Mr. Potter noted that it is his best estimate that if the assessment rate is set at \$0.14, the targeted reserve level will be reached and the rate the following year will go back to \$8.00. In the past, when the rate was set below the normal rate, the carriers were alerted to the fact that this was an unusually low rate given the utilization and the expected level is more than this level so that the actuarial staff of the carriers can start having that number in mind. It would be helpful to inform them that with the base data available, the normal rate is \$8.00. NHVA is basically effecting a refund per statute of over collections. Extensive discussion ensued.

Upon motion duly made by Mr. Sky and seconded by Dr. Lamm, it was

VOTED: To set the assessment rate of \$0.14 per child covered live per month.

The Board requested that in notifying the payers of the new assessment rate, that Mr. Potter point out the unusual nature of the \$0.14 assessment rate.

Consent Calendar Items

Upon motion duly made by Mr. Sky and seconded by Mr. Ehresmann, it was

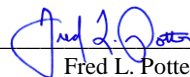
VOTED: To approve the minutes of the August 19, 2014 board meeting with the changes suggested at this meeting.

After brief discussion, it was the sense of the Board not to address the refund request information submitted by BCBS of IL, MT, NM, OK, and TX at this time. It will be addressed at the next Board meeting. Mr. Sky stated for the record that there has been no refund request made. The Board has been alerted that there might be a request forthcoming, but there is no request for a refund that he has been made aware of.

There being no further business to come before the Board at this time, it was unanimously voted to adjourn.

A true record.

Attest,



Fred L. Potter
Secretary, Pro Tem

What: New Hampshire Vaccine Association (NHVA) Annual Meeting
Date and Time: Tuesday, September 30, 2014 / 8:30 a.m. – 11:00 a.m.
Location: KidsVax® Conference Room, 14 Dixon Avenue, Suite 201, Concord, NH
Call-In: Join from a PC, Mac, iPad, iPhone or Android device:

Please click this URL to start or join. <https://meetings.ringcentral.com/j/1491324401>

Or, go to <https://meetings.ringcentral.com/join> and enter meeting ID: 149 132 4401

Join from dial-in phone line:

Dial: +1 (424) 203-8420
Meeting ID: 149 132 4401
Participant ID: Shown after joining the meeting
International numbers available: <https://meetings.ringcentral.com/teleconference>

NHVA Agendas are subject to revision up to and including the time of the meeting.

Approx. Time	Topic/[Anticipated Action]	Presented by:
(NON-PUBLIC SESSION) 8:00-8:30 a.m.	Audit Committee Meeting [Executive session with Auditors]	Mason/Rich
(NON-PUBLIC SESSION) 8:30-9:00 a.m.	Opportunity for Board to confer with outside counsel [Executive session with Outside Counsel]	M. McCue
(PUBLIC SESSION) 9:00-9:15 a.m.	* 0. Annual Meeting of Members a. Report on Proxy Submissions b. Count and Certify Votes for 3 representatives of Assembled Entities under HB664 c. Adjourn	T. Mills
Agenda for Board Meeting in Person		
(PUBLIC SESSION) 9:15-9:30 a.m.	1. Welcome and Introductions a. Survey of Other Matters from Board Members b. Request for identification of individuals on conference phone c. Election of Officers & Appointment of Committees	S. Tenney
9:30-10:15 a.m.	* 2. 2014/15 Assessment Setting Work (follow-up from prior meeting)	All
	* 3. Consent Calendar Items a. Board Meeting Minutes (August 19, 2014) b. Authorize Publication of Audited Financial Statements c. Refund Request – BCBS of IL, MT, NM, OK, TX d.	S. Tenney Audit Finance Comm. C. Roberge
10:15-10:25 a.m.	* 4. Executive Director Updates a. Executive Director Report b. Audited Financials for FYE 6/30/14 c.	F. Potter C. Roberge
10:25-10:35 a.m.	5. DHHS Update a. b.	M. Bobinsky
10:35-10:45 a.m.	6. Old Business a. AG review Re: waiver of assessment for VFC eligible children b. Other statutory changes	J. Montero F. Potter
10:45-10:50 a.m.	7. Other Matters from Board Members a. b.	
10:50-10:55 a.m.	8. Public Comment (if any)	
10:55 a.m. -11:00 a.m. 11:00 a.m.	9. Parking Lot Questions/Concerns (If time allows) [Adjourn] 10. Reference Documents a. Contact Directory b. Governing Statute c. 2014/15 Tentative Meeting Schedule d. Proposed form of votes for this meeting e. Directions to meeting location	
	* 11. Pending Governance Documents a. Bylaws b. Articles of Agreement c. Plan of Operation	

*Indicates agenda item attached

2014 NHVA Proxy Submission Report

Five proxies were returned to KidsVax® through September 23, 2014. This represents a total of 100,060 out of a possible 143,705 child covered lives, equaling 70% of the child covered lives in New Hampshire. All proxies were voted in favor of the nominees from the Board as follows: Ken Ehremann from Anthem, Elaine Koskela from CIGNA, and Susan Tenney from Harvard Pilgrim Health Care.

Total votes available:	143,705
Votes needed to provide meeting quorum (simple majority):	71,853
Votes received and recorded to date:	100,060

Unless one or more carriers revokes its proxies prior to the meeting, sufficient votes have been cast to date to determine the outcome of the election.

Reported by: Terry Mills
Executive Assistant
KidsVax.org®

*This report will be updated at the time of the meeting.

Notice of Annual Membership Meeting

To: All Members of New Hampshire Vaccine Association

You are cordially invited to attend the 2014 Annual Meeting of Members of the New Hampshire Vaccine Association (NHVA) to be held at 9:00 a.m. (EST) on Tuesday, September 30, 2014. The meeting will be held at the offices of KidsVax.org®, 14 Dixon Avenue, Suite 202, Concord, New Hampshire. Whether or not you plan to attend, if you receive a proxy card with this mailing, please sign and send it back by return mail to of KidsVax.org®, P.O. Box 1885, Concord, NH 03302-1885 or sign, scan, and email an electronic copy back to of KidsVax.org® at tmills@kidsvax.org. The proxy card is orange.

At this meeting, assessable entities will vote to elect three assessable entities' representatives on the Board of Directors of NHVA. This will be the second Annual Meeting of NHVA following adoption by the 2013 New Hampshire Legislature of HB664. The statute, as amended, is available under the REFERENCE tab of NHVA's website: www.NHvaccine.org. The Board anticipates review at this meeting of the audited financial report for the fiscal year ending June 30, 2014. The Board continues to operate under an interim Plan of Operation, pending update following consideration of any input which may be offered from the State of New Hampshire's Office of Attorney General in response to questions posed by the Department of Health and Human Services. It is contemplated that the newly-elected Board will, following the Annual Meeting, proceed immediately to review and, if able, adopt one or more future assessment rates. RSA 126-Q:3, V, contemplates that no later than November 1 of each year, NHVA will set the assessment for the succeeding year.

NHVA's Board nominated the following to serve in the Board positions reserved for representatives of assessable entities by RSA 126-Q, as amended: (1) Ken Ehresmann of Anthem Blue Cross and Blue Shield, (2) Elaine Koskela of CIGNA HealthCare, and (3) Susan Tenney of Harvard Pilgrim Health Care of New England.

You are urged to review carefully this notice and the enclosed proxy card. The proxy card asks that you select one of the three options printed for the elections: (1) "YES" to authorize your proxy to cast your votes; (2) "NO" to instruct your proxy not to vote; (3) "ABSTAIN" to instruct your proxy to abstain from voting in the Board election. The Board recommends that you check "YES."

The Board is presently aware of no other business to come before the Annual Meeting of Members. If you attend the annual meeting, you may revoke any previously mailed proxy and vote in person.

It is important that all votes be represented at the Annual Meeting, whether or not you are able to attend in person. Therefore, if a proxy card is enclosed, you are urged to complete, sign, date, and return it today in the return envelope provided. Thank you.

Sincerely,



Fred L. Potter, Executive Director

¹ NHVA members are constituted, pursuant to its Articles and Bylaws of all members of its Board of Directors.

² If you have any questions about the number of votes shown on your proxy card, please contact Fred L. Potter (fpotter@kidsvax.org) at 1-855-556-4101.

NEW HAMPSHIRE VACCINE ASSOCIATION**c/o KidsVax.org®****P.O. Box 1885****Concord, NH 03302-1885****PROXY**

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF THE NEW HAMPSHIRE VACCINE ASSOCIATION ("ASSOCIATION"), ALSO KNOWN AS THE NHVA, FOR THE 2014 ANNUAL MEETING OF THE MEMBERS OF THE ASSOCIATION.

The undersigned member of the Association hereby appoints Susan Tenney and Dr. David Fredenburg, or either one acting alone, as "Proxies," each with the power to appoint a substitute, and hereby authorizes them to represent and to vote and act for the undersigned at the Annual Meeting of Members of the Association to be held on Tuesday, September 30, 2014 at 9:00 a.m. (EST), at the offices of KidsVax.org®, 14 Dixon Avenue, Suite 201, Concord, NH 03301, and at any adjournment, continuation or postponement thereof, according to the number of votes which the undersigned is entitled to cast as indicated below. This Proxy revokes all prior Proxies given by the undersigned. The undersigned acknowledges receipt of the *Notice of Annual Membership Meeting*.

All powers may be exercised by both of said Proxies or substitutes voting or acting or, if only one votes and acts, then by that one. Unless otherwise marked, the undersigned instructs such Proxies or their substitutes to vote for the members of the Board of Directors as specified below.

(SEE BELOW)

PROXY

THE MEMBER APPOINTING THIS PROXY IS ENTITLED TO THE NUMBER OF VOTES, BY CLASS AS SHOWN ON THE AFFIXED LABEL:

**Assessed Entity:
Estimate of Assessed Covered Lives:**

THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED MEMBER AND AT THE DISCRETION OF THE PROXY HOLDERS AS TO ANY OTHER BUSINESS THAT MAY PROPERLY COME BEFORE THE MEETING. PLEASE MARK YOUR INSTRUCTIONS WITH AN "X."

1. AUTHORIZATION TO CAST ALL VOTES IN FAVOR OF THE BOARD'S NOMINEES TO REPRESENT ASSESSABLE ENTITIES as defined by RSA 126-Q (as amended in 2013 by HB664). I hereby authorize my Proxies to cast one-third of my votes in favor of Ken Ehresmann of ANTHEM, cast one-third of my votes in favor of Elaine Koskela of CIGNA, and cast the remaining one-third of my votes in favor of Susan Tenney of HARVARD PILGRIM.

☐ YES☐ NO☐ ABSTAIN

2. In their discretion, the proxies are authorized to vote upon such other business as may properly come before the meeting.

Please sign in full corporate name by president or other authorized corporate officer.

Dated: _____ 2014 _____
Signature Name (please print) Title (please print)

PLEASE MARK, SIGN, DATE, AND RETURN THIS PROXY CARD PROMPTLY. PLEASE FAX TO 1-855-KIDSFAX (543-7329) OR SCAN AND EMAIL TO TMills@kidsvax.org. KINDLY INDICATE YOUR VOTE BY "X" IN BLACK OR BLUE INK.

NEW HAMPSHIRE VACCINE ASSOCIATION
Annual Meeting of Directors
September 30, 2014

Election of Officers			Appointment of Committees		
Position	Incumbent	Nominees	Finance/Audit	Incumbent	Nominees
Chair	Susan Tenney		Chair	David Fredenburg, M.D.	
Vice-Chair	Jose Montero, M.D.		Vice-Chair	Susan Tenney	
Treasurer	David Fredenburg, M.D.			Prior Member: Scott Beaudette	Ken Ehresmann
Secretary	Prior Officer: Scott Beaudette	Elaine Koskela		David Sky	

Notes on NHVA Assessment Setting Worksheet Set

Note:

01. This workbook starts from the rates as voted by the NHVA last year. Other simplifications suggested by the board at the end of its work last year also have been incorporated. Consistent with general KidsVax documentation standards, this spreadsheet contains line number and column letter references. Those are used throughout the workbook internally and KidsVax recommends they be used for board discussions. For those looking at a live Excel spreadsheet, these numbers and letters will be different from the internal Excel cell references.
02. The worksheet suggests that just one assessment decision be made, namely the rate applicable for covered lives starting with the months of Jan-Mar 2015. The first assessment at the new rate would then be due on May 15, 2015. Using the KidsVax references, this is at Line 63 Column K. It is highlighted in orange on the attached worksheet a. Setting this rate is typically the most significant financial policy decision of the year for the NHVA board.
03. Consequently, there would in FYE 6/30/2015 be one quarter collected at the new rate. The new rate would be expected to remain in effect throughout all of calendar year 2015 & continuing through all assessment collections in NHVA's FYE 6/30/2016.
04. The spreadsheet provides for the board to set commercially reasonable levels of bad debt reserves. However, for cash projection purposes it continues to project cash forward on the assumption that 100% of billed assessments are collected. This is consistent with NHVA's history over a decade of essentially 100% collection of self-reported assessments. **(This update no longer follows this -- the bad debt reserve is assumed not to be collected in fact. This follows a redesign principle to have reserves serve truly as reserves.)**
05. Control points for starting board assumptions are shaded in yellow or green on the following worksheets:
 - a. Assessment Worksheet
 - b. NHVA Budgets
06. Projections prior to actual implementation of the program intentionally were conservative. This was to assure that the State of New Hampshire was not faced with a cash flow shortfall to fund the vaccine purchases and mindful of the fact that there are multiple unknowns in the startup of any new program. Additionally, the NHVA board made a policy decision to avoid "over selling" the benefits of the requested statutory changes to the legislature. Actual performance plus guidance concerning interpretation of the new statute by the NHID indicating that no assessment change could be made prior to 1/1/2015 has led to significant cash surpluses. These surpluses, in essence over assessments, will, in accordance with NH law, be returned to the payers through future assessment reductions. KidsVax recommends that no actual refund checks be written. Also, it may be helpful to spread the reduction over a number of years to reduce assessment volatility. (That was the decision of past NHVA boards on this topic.) Accordingly, the spreadsheet has been structured to account for the differences between the indicated assessment rate and the actual rate set by the board. The impact on carryforward cash then is estimated.
07. Insertion of a different rate in Line 62, Column K of the Assessment worksheet will cause the worksheet to project forward cash based upon the other assumptions stated.
07. Notwithstanding any of the observations above, the assessment setting work is, by statute, a policy solely one of the NHVA board operating within the bounds of the statute.

New Hampshire Vaccine Association
Assessment Calculation Worksheet

	A Prior	B 2014/15	C 2015/16	D Comments
A. Preliminary Vaccine Cost Estimates				
01.	\$ 24,947,851	\$ 23,916,223	\$ 24,877,057	Anticipated Total Costs of Child Vaccines
02.	(8,000,000)	(7,500,000)	(7,500,000)	Estimated VFC Award
03.	16,947,851	16,416,223	17,377,057	Estimated non-federal program cost
04.	(486,195)	(208,394)	(208,394)	Estimated NH general fund contribution
05.	(207,631)	(3,797,531)	-	Vaccine Fund carryforward
09.	\$ 16,254,025	\$ 12,410,298	\$ 17,168,663	Net NHVA Funds Requested by DHHS
B. Assessable Child Covered Lives Estimates				
11.	120,142	172,907 ⁵	172,907	Assessable Child Covered Lives
12.	3.00%	0.01%	0.01%	Leakage (unknown insurer, out of reach entity, etc.)
19.	116,538	172,890	172,890	Assessable lives actually paying
C. Planning / budgeting parameters				
21.	0.00%	0.00%	0.50%	Provision for vaccine utilization increase
22.		n/a	3.50%	Provision for 2nd year vaccine cost increase
23.	5.00%	0.02%	0.02%	Collection losses (bad debt expense)
24.	0.15%	0.83% ⁶	1.50%	Net investment Earnings Rate
25.			9.00%	Working Capital Reserve (as % of Line 09)
26.	1,300,000		1,563,935	Working Capital Reserve
27.	0		10.00%	Reserve under RSA 126-Q, II(c) not more than 10%
D. Assessment Calculation per RSA 126-Q, II				
41.	\$ 16,254,025	\$ 12,410,298	\$ 17,168,663	(a) Estimated total non-federal cost (adjusted) ¹
42.	194,603	153,199	148,111	Total Administrative Budget
48.	-	0	0	Special Projects
49.	741,821	4,048	58	Bad Debt Allowance
50.	936,424	157,247	148,169	(b) part 1 - Anticipated Operating Costs
51.	1,300,000	-	1,563,935	(b) part 2 - Working Capital Reserves
52.	1,669,785	-	1,737,706	(c) Reserve as % of non-federal vaccine cost
53.	20,160,235	12,567,545	20,618,473	Total Revenues needed
54.	(5,323,811)	(10,762,113)	(20,238,514)	(d) part 1 - Unexpended assessments prior yr.
55.			(89,326)	(d) part 2 - Unexpended interest prior yr.
56.		(20,165,856)		Assessment collections estimated at rate previously set
57.		(72,659) ⁷		Assessment collection estimates at new rate
58.		\$ (20,238,514)		Shortfall (carryforward) at end of SFY
59.	\$ 14,836,424		\$ 290,634	Total assessment billings needed at new rate
E. Per Assessable Covered Life Assessment				
61.	127.31		\$1.68	Annual assessment needed per child covered life
62.			\$0.14	Calculated assessment needed per child covered life
63.	10.61	\$0.14	\$0.14	Monthly Assessment rate set by Board
64.			\$8.35	Info: rate needed apart from reserves / carryforwards
65.			0	Difference from actual vs. needed billed assessments
F. Financial Carry Forwards				
71.	10,762,113 ⁴	38,526,280	1.59	Projected unexpended assessments ²
72.		18,287,765	3,301,641	Unexpended interest ³
73.	\$12.96	89,326	275,385	Assessment rate previously set for 1st 3 quarters
74.	20,165,856			Amount estimated to be collected at prior rate
G. Various Performance Metrics				
81.	1.15%	0.93%	0.85%	Net admin costs as % of vaccine costs
82.	5.53%	0.96%	0.85%	Line 50 as % of vaccine costs
83.	n/a	22%	-98.92%	% year to year change in assessment rate

Notes:

¹ Have used line 09 rather than line 03 here for simplicity.

² Add back amounts in lines 51 and 52.

³ For startup year is included in line 71.

⁴ Total net assets from FYE 6/30/2014 financials.

⁵ For starting point, KidsVax® inserted total child covered lives from most recent self-reporting assessment system quarter.

⁶ Starting assumption on investment return is NHVA average for FYE 2014/14.

⁷ Note: This amount is driven by the assessment rate determination made in the orange block for the next fiscal year.

NEW HAMPSHIRE VACCINE ASSOCIATION

Estimated Expense Budgets and Reference Data

Column →	A	B	C	D	E
Line ↓					
		Draft Financials 6/30/2014	Original Budget for 06/30/14	Budgets Preliminary for 2014/2015	Preliminary for 2015/2016
01.	Administrative Fees (CML Administrators d/b/a/ KidsVax®)				
02.	Annual Comprehensive Services Base Fee	150,153	150,153	106,109 1	109,027 1
03.	Variable Compensation	11,500 6	11,500 2	11,790 2	12,114 2
09.	Subtotal	161,653	161,653	117,899	121,141
10.	Bank Fees & Service Charges	500	500 3	500 3	500 3
11.	Auditing Fees	7,463	7,000	10,700	11,770
12.	Legal Fees	30,014	15,000	15,000 4	5,000 4
13.	Public Information Expense	6,850	3,350 5	1,000	1,000
14.	Insurance Expense (D&O)	6,534	6,600	7,500	8,000
15.	Publications	-	600	600	700
19.	Subtotal	51,361	33,050	35,300	26,970
29.	Subtotal Administrative Costs	213,014	194,703	153,199	148,111
21.	Special Projects (as approved by board in advance)				
22.	Registry	-	250,000	-	-
23.		-	-	-	-
24.		-	-	-	-
29.	Subtotal	0	250,000	0	0
99.	Total Administrative costs & Special Projects	\$ 213,014	\$ 444,703	\$ 153,199	\$ 148,111
22.	Budgeted for Bad Debt	-		to be set as part of assessment work	to be set as part of assessment work

NOTES:

- ¹ 2014 contract included \$50,000 supplement for setup of new system. Amount was \$115,000 with 2.75% cost adjustment each August 1. 10% of that is held back as variable compensation to secure acceptable performance, requiring board vote to approve.
- ² 10% of each year's base held back and awarded pursuant to "Variable Compensation" upon board vote.
- ³ Fees for purchase of T-bills; may increase if investment advisor is engaged
- ⁴ 2013/14 involved added work to assure setup of new program, legislative support, and guidance re: Public Information practices. Anticipate possible legislative support in 2014/15 and then more normal maintenance mode going forward.
- ⁵ Two template compilations, photo expenses for current NHVA template, PowerPoint templates
- ⁶ Approved by NHVA Board at its 8/19/2014 meeting.

SFY 2014 Year end calcuations to bring cash forward

		Source	2013/2014	2012/2013	2011/2012	2010/2011	2009/2010	2008/2009*	2007/2008
Actual Total exp		4+7	\$ 20,945,469	\$ 21,918,042	\$ 21,707,838	\$ 21,961,081	\$ 28,121,414	\$ 17,820,721	\$ 25,454,043
VFC	1	CDC Mon Rpt	\$ 8,070,843	\$ 7,551,690	\$ 7,715,921	\$ 7,549,887	\$ 11,624,679	\$ 5,002,497	\$ 8,588,458
317 - not used for children	2			\$ 156,375	\$ 920,358	\$ 720,612	\$ 1,676,638	\$ 735,871	\$ 2,219,343
State GF	3	St. Ap(5178-513)	\$ 460,501	\$ 482,467	\$ 320,494	\$ 492,762	\$ 573,306	\$ 213,821	\$ 422,798
TOTAL GOV'T EXPENDED	4	1+2+3	\$ 8,531,344	\$ 8,190,532	\$ 8,956,773	\$ 8,763,261	\$ 13,874,623	\$ 5,952,189	\$ 11,230,599
Beginning Balance in Vax									
Purchase Account	5	State Approp	\$ 207,631	\$ 3,042,624	\$ 6,102,932	\$ 7,039,214	\$ 12,293,560	\$ 7,759,278	\$ 4,919,231
Revenue from NHVA	6	State Approp	\$ 16,004,025	\$ 10,892,517	\$ 9,690,757	\$ 12,261,538	\$ 8,992,444	\$ 16,402,814	\$ 17,063,492
Reimbursement from Providers due to wastage	6A	State Approp	\$ 29,970	\$ 119,460					
DHHS expended from Vax									
Purchase Account in SFY	7	State Approp	\$ 12,414,125	\$ 13,727,510	\$ 12,751,065	\$ 13,197,820	\$ 14,246,791	\$ 11,868,532	\$ 14,223,444
year end encumbered	8	State Approp	\$ 4,922,400	\$ 2,278,387	\$ 3,498,954	\$ 4,183,155	\$ 2,658,211	\$ 2,636,659	\$ 5,038,824
year end cash	9	State Approp	\$ 1,124,869	\$ (2,070,756)	\$ (456,331)	\$ 1,919,776	\$ 4,381,002	\$ 9,656,901	\$ 2,720,454
TOTAL BAL FORWARD to next FY	10	(5+6+6A) -7	\$ 3,797,531	\$ 207,631	\$ 3,042,624	\$ 6,102,932	\$ 7,039,213	\$ 12,293,560	\$ 7,759,279



NH Vaccine Association – Board of Directors Meeting
August 19, 2014 – 8:30 a.m. – 10:30 a.m.
Conference Room – KidsVax.org®
Presiding Officer: Susan Tenney, Chair

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

Directors

Susan Tenney – Harvard Pilgrim Health Care (P)
 Ken Ehresmann, Anthem (P)
 David Fredenburg, M.D. (P)
 Everett Lamm, M.D. (P)
 Jose T. Montero, M.D. – DHHS (P)
 David Sky – NHID (P)
 Laura Condon – National Vaccine Information Center (P)

DHHS

Marcella J. Bobinsky (P)
 Benjamin Chan (P)

Members of the Public

Gina Powers, Rath & Young (P)
 Representing Merck/AstraZeneca/Anthem

KidsVax.org®

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

II. Summary of Actions Taken and/or Recommended

A. Actions Taken (votes adopted)

1. To approve the minutes of the June 3, 2014 board meeting as presented.
2. To nominate the three largest assessable entities: Anthem, Cigna, and Harvard Pilgrim as payer representatives on the Board of Directors.
3. To appoint Susan Tenney, Board Chair and David Fredenburg, M.D. as board authorized proxy holders with respect to the upcoming election.
4. To authorize Susan Tenney, David Fredenburg, M.D., Everett Lamm, M.D., and Ken Ehresmann as signing parties for the NHVA for all checks. Two signatures will be required for any check over \$5,000.
5. To approve the redlined Draft Plan of Operation be accepted as presented at the meeting as NHVA's current proposed version.
6. To authorize the New York Life and Premera refund requests as outlined by KidsVax®.
7. To authorize the payout of the entire holdback amount on the KidsVax® contract for the 2013/14 operating year.

B. Follow up Task/Action Items

1. KidsVax® will proceed with the Board election prior to the next Board meeting in September and will solicit proxies accordingly.
2. KidsVax® will coordinate with the Bank of New Hampshire and the respective directors to get the appropriate bank signer forms signed and processed.
3. KidsVax® will poll the Board with several potential meeting dates for September and will reschedule the meeting for the date that is best for the majority of participants.
4. KidsVax® will send out an updated Assessment spreadsheet after the meeting.
5. Ms. Tenney requested that KidsVax® schedule a date and time for the educational meeting.

III. Minutes

Welcome and Introductions

At approximately 8:30 a.m., a quorum having been established, Chairperson Susan Tenney called the meeting to order. Introductions were made for the benefit of new attendees. There were no attendees by telephone. Ms. Tenney surveyed the Board for additional items to be added to the agenda.

Consent Calendar Items

Upon motion duly made by Dr. Lamm and seconded by Mr. Sky, it was

VOTED: To approve the minutes of the June 3, 2014 board meeting as presented at this meeting.

1 Executive Director Updates

2
3 Mr. Potter gave a brief update of recent activity. NHVA has collected considerably more assessments than were estimated. It appears that
4 the New Hampshire Insurance Department's ("NHID") estimate of the number of non-reporting entities turned out to be closer to actual
5 counts than the NHVA carrier survey. As a result, the numbers based upon the carrier survey which was the best estimate that could be
6 generated from live data available from the carriers, turned out to be meaningfully low. The participation has been very good and there has
7 been no negative feedback on the new assessment system. KidsVax® has made contact with entities that have not yet reported but that may
8 have covered lives. No material change is anticipated.

9
10 The NHVA will be coming into the assessable entity representative selection cycle. As in the past, Mr. Potter recommended that the
11 nominations be based on the numbers from the top three payers and that assessable entities afforded opportunity to vote by proxy. If
12 desired, any proxy can be revoked at the meeting and the payer can then vote in person.

13
14 Upon motion duly made by Mr. Sky and seconded by Dr. Fredenburg, it was

15
16 VOTED: To nominate the three largest assessable entities: Anthem, Cigna, and Harvard Pilgrim as payer representatives on
17 the Board of Directors.

18
19 The Board determined to serve as a committee of the whole to nominate payer representatives. KidsVax® will solicit the three entities and
20 will contact Cigna as to a nominee. Once the nominees are determined, the Board will solicit proxies. It is the recommendation of
21 KidsVax® that Ms. Tenney and Dr. Fredenburg be the proxy holders.

22
23 Upon motion duly made by Mr. Sky and seconded by Dr. Lamm, it was

24
25 VOTED: To appoint Susan Tenney, Board Chair and David Fredenburg, M.D. as proxy holders or to designate proxies with
26 respect to the upcoming election.

27
28 KidsVax® will proceed with the election prior to the September Board Meeting, first finding out the nominee from Cigna and then
29 soliciting proxies accordingly. It will be proportionate voting based on covered lives as calculated by KidsVax®. The tabulation of the
30 proxies will be done in advance if desired. General proxy law principles provide that if a person who gave a proxy participates in the
31 meeting, the member can come and revoke the proxy. They can vote their covered lives in-person at the meeting and can change their
32 mind.

33
34 Due to changes in the Board of Directors a vote needs to be taken to authorize new bank signers. Mr. Potter recommended that there be
35 some additional signing parties as well. Two signers are required for checks over \$5,000.

36
37 Upon motion duly made by Mr. Sky and seconded by Dr. Montero, it was

38
39 VOTED: To authorize Susan Tenney, David Fredenburg, M.D., Everett Lamm, M.D., and Ken Ehresmann as signing
40 parties for the NHVA for all checks. Two signatures will be required for any check over \$5,000.

41
42 In light of the workload for this meeting, Mr. Potter suggested that the Board hold off on the investment advisor discussion until the next
43 meeting. The past approved investment policy is extremely conservative, but now the balance is enough that the Board might want to
44 consider making changes to the policy and also selecting a different investment advisor.

45
46 After considerable discussion regarding the rescheduling of the September 23, 2014 meeting, it was decided that KidsVax® will poll the
47 Board with several potential meeting dates for September and will reschedule the meeting for the date that is best for the majority of
48 participants.

49
50 Ms. Condon requested clarification on the difference in the figures between the estimated and actual covered lives shown on the
51 Assessment Calculation Worksheet versus the actual fiscal year end 06/30/14 assessment collections indicated on the Executive Director
52 Report. Mrs. Roberge reported that in the first quarter the actual self-reported covered lives as of this meeting date are 172,592. It was
53 determined that the estimated 139,256 covered lives shown on row 11 of the assessment worksheet was incorrect and should have reflected
54 the 172,592 covered lives. Mr. Potter explained that he had been working on the updated assessment spreadsheet for several weeks. He
55 apologized that he had not included the updated number before publishing this draft. Further discussion ensued.

56
57 Ms. Condon also requested additional clarification regarding the June 30, 2014 financials regarding the entry under Public Information.
58 Mrs. Roberge indicated that it was for the design work completed by Kick Spark Creative, LLC for the New Hampshire specific annual
59 report templates in order to simplify the annual report, as well as the updated website and event calendar undertaken by SolutionWorx as
60 directed by the Board. These items both were added in response to legislation written for greater public awareness after the budget had
61 initially been accepted.

62
63 Mr. Sky is interested in directing the Executive Director to reach out to the Speaker of the House and Executive Council to follow-up on
64 their board opportunity. Mr. Potter indicated that Laura Harding is currently assisting the Speaker of the House. She contacted Mr. Potter

recently and asked for calendar information about the NHVA meetings. Mr. Potter indicated his willingness to check on the status of these nominations.

Preliminary Assessment Work

Mr. Potter began this portion of the meeting by providing a brief review of the Assessment Calculation Worksheet. Based on the direction of the Board last year, KidsVax® is recommending a leakage factor of zero. The colored cells on the spreadsheet indicate areas where the Board has made policy adjustments in the past. The investment rate has been entered, which is an increase from prior years. The provision for collection losses had been carried at 5%, but was reduced last year. The 0.83% is the actual investment rate that NHVA earned last year. KidsVax® recommended that the Board consider a 25% working capital budget, which would allow time to make an adjustment if necessary. Once the Affordable Care Act ("ACA") implementation is completed then the working capital reserve could once again be reduced. Extended discussion ensued.

Ms. Condon asked why New Hampshire is at a reimbursement status when the other states are not and questioned if there is a provision that allows an adjustment to be made if the covered lives number is not what the Board thinks it needs to cover the assessments. Mr. Potter indicated that NHID told the Board last year that the assessment rate needs to be set in advance. Mr. Sky confirmed that interpretation of the new statute. There is the ability to assess for new vaccines with a supplemental assessment, but it is not the understanding that NHVA can change the assessment based on a shortage of cash nor is it the understanding that prior to January of next year there can be a different assessment rate. The assessment rate being set now goes into effect for child covered lives counted as of January 2015, which will first be paid next May. Extensive discussion ensued. Ms. Tenney suggested moving forward with the priority agenda items since the meeting time was coming to an end.

DHHS Update

Ms. Bobinsky reported that DHHS has received the National Immunization Survey ("NIS") Adolescent Rates for this past year and they continue to improve. They are getting more and more data all the time. She distributed a handout demonstrating these changes. She expects that DHHS will receive the childhood rates, which is 19 to 35 months in the next week and will likely have the information by the next meeting.

Old Business

Mr. Potter sent the updated Plan of Operations out to the Board for review. The updated language found on page 06.b.3 clarifies the policy of not accruing for the August payment as of June 30. The auditors are comfortable with this language if it is acceptable Board direction. They agree this is a policy determination within the purview of the Board. There is a pending Plan of Operation update, but they want some guidance to make sure their decision not to audit receivables is not a necessary part of their audit work with KidsVax®, which they are trying to complete now. This policy will help to lower NHVA's audit costs going forward.

Upon motion duly made by Dr. Lamm and seconded by Dr. Fredenburg, it was

VOTED: To approve the redlined Draft Plan of Operation be accepted as presented at the meeting.

Other Matters from Board Members

Mrs. Roberge reported that there are two requests for refunds. New York Life has asked for a refund of \$8,880. Mrs. Roberge has corrected their assessment because an error was made by three covered lives, which would come out to be \$8,785.08. They had a decrease due to exiting the major medical business as of 12/31/13. The second refund request is from Premera. They picked up what they thought were FEP members residing in New Hampshire, but the FEP accountant informed them that they were not their members as they have been reported by another carrier. They are asking for a refund of \$3,225.44 for the period January, February, and March. Further discussion ensued.

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

VOTED: To authorize the New York Life and Premera refund requests as outlined by KidsVax®.

It was the sense of the Board to take questions regarding the Assessment Worksheet with the remaining meeting time. The questions will be compiled by KidsVax® and will be responded to prior to the next meeting. Dr. Montero suggested that DHHS hold an educational meeting for the new Board members and for others interested in a review of the mechanics of the DHHS operation of the vaccine system. Ms. Tenney requested that KidsVax® schedule a date and time for such educational meeting.

Public Comment

There was no public comment.

1 Executive Session

2
3 KidsVax® personnel were excused for the executive session. The balance of these minutes are as report to Mr. Potter by Chairman Tenney
4 immediately following the conclusion of the executive session.

5
6 Upon motion duly made and seconded, it was

7
8 VOTED: To authorize the payout of the entire holdback amount on the KidsVax® contract for the 2013/14 operating year.

9
10 Chairman Tenney advised KidsVax® that the Board was highly appreciative of KidsVax®'s work in implementing substantial system
11 changes for the new quarterly assessment system, overall administration of the NHVA program, and supporting the Board's work before
12 the legislature over the last two years.

13
14 In terms of process improvements, the Board requested attention to two items in the upcoming year:

- 15
16 1. Greater care be given to "tick and tie" across systems, e.g. updating the latest covered lives number to the most current
17 information available before distributing the assessment calculation worksheet to the Board.
18
19 2. Giving greater attention to high priority tasks in weighing of the allocations of time in preparing each Board meeting
20 agenda.

21
22 There being no further business to come before the Board at this time, it was unanimously voted to adjourn.

23
24 A true record.

25 Attest,

26 _____
27 Fred L. Potter
28 Secretary, Pro Tem



BlueCross BlueShield
Of IL, MT, NM, OK, TX

August 18, 2014

Claire Roberge
KidsVax.org
P.O Box 1885
Concord, NH 03302-1885

Dear Ms. Roberge,

Enclosed please find a check in the amount of \$3,068.99 to cover the interest due on behalf of Health Care Service Corporation to the New Hampshire Vaccine Association. I have also included the original NHVA remittance form for your reference.

Please note that a request for a refund of this payment will be submitted due to the timeliness of notification of the original payment.

If you have any questions, please contact me at 312-563-5892 or via e-mail at Roxana_Garcia@bcbsil.com.

A handwritten signature in blue ink, appearing to read 'Roxana Garcia', with a long horizontal stroke extending to the right.

Roxana Garcia
Supervisor
Financial Balancing and Controls
Health Care Service Corporation - IL, MT, NM, OK, TX
Office: 312/653-5892

**NHVA** New Hampshire
Vaccine Association

New Hampshire Vaccine Association c/o CML Administrators, LLC | P.O. Box 1885 | Concord, NH 03302-1885
Tel: 1-855-543-7829 | Fax: 1-855-543-7829 | www.NHVaccine.org

06/05/2014

NHVA Remittance Form

Report for: Q3, 2013/2014

Federal EIN: 36-1236610

Company Name: **HEALTH CARE SERVICES CORPORATION**Total New Hampshire Resident Child Covered Lives Reported: **10474**Total Assessment Due: **\$444,516.56**Total Interest Due: **\$3,068.99**

*(If your payment is being submitted after the due date, please add additional days of interest
on the next line. Interest = 0.000328767 x (# of days past due) x (Total Assessment Due))*

Total Due: **\$447,585.55**Total Submitted: \$ 444,516.56

Please make check payable to:

New Hampshire Vaccine Association

Please mail all payments and correspondence to:

New Hampshire Vaccine Association (NHVA) c/o CML Administrators, LLC
P.O. Box 1885
Concord, NH 03302-1885

Kindly note the Taxpayer ID for NHVA is 75-3086725.

A W-9 for the NHVA is available at www.NHVaccine.org/W9.

September 30, 2014 Executive Director Report

Number of carriers for FYE 06/30/14	77
Most recent average monthly child covered lives estimate (including all adjustments through 09/24/14)	172, 907
Cash on hand as of 09/24/14	\$16,622,289
Remittance due to State of NH on or before 06/30/15	\$12,410,298
Remittance to State of NH transmitted on 06/24/2014	\$16,004,025
Carry Forward Cash and Investments as of 06/30/2014	\$11,085,025

We have had an unusually active administrative month since our last Board meeting. Thankfully we made significant progress on most fronts. First, Board members David Sky and Ken Ehresmann generously gave of their time to reflect on the comments of all Board members from our last meeting and to complete a detailed review of the assessment setting worksheet. We then met together at KidsVax® on 8/26/14 and prepared the enclosed update which incorporates responses to all the comments at the last Board meeting. There also were a couple of guiding principles which David and Ken jointly advanced and which, accordingly, I have incorporated in this updated spreadsheet:

1. Seek to reduce the number of reserves and eliminate any compounding calculations (i.e., a reserve taken upon another reserve component).
2. Set the reserves at the appropriate level for a maturing program. Accordingly, the reserves themselves have been reduced downward and may be further reduced over time. At the same time, we will discontinue the prior practice of, for example, assuming the reserve is not needed as we calculate carry-forward cash starting into the subsequent year's calculation.

The Board may wish to consider whether or not it maintains an enhanced liquidity reserve to return NHVA to the position it enjoyed several years ago where its internal earnings more than paid for its administrative and operating costs. However, this starting spreadsheet assumes that the Board does not want to go forward in that direction, but rather is releasing back to reduce next year's assessment calculation, the vast majority of cash accumulated as a result of its unexpectedly favorable assessment calculations for the 2013/14 fiscal year.

Secondly, Marcella Bobinsky conducted an extremely helpful informational session at the KidsVax® offices on 9/10/14. All directors were invited and public notice was posted concerning this meeting. In the course of that working session, it was noted that clarification of some of the row labels of the assessment calculation spreadsheet would be helpful. Accordingly, the enclosed worksheets, while not changing any of the numbers from the DHHS's earlier budget projections, have been updated to add clarity to some of the row labels.

Delaying this meeting to the end of the month also allowed for completion of the proxy solicitation work. Thankfully, sufficient proxies have been received already to assure that a quorum will be present for the annual membership meeting. The Board's three nominees, Susan Tenney, Ken Ehresmann, and Elaine Koskela, all received 100% of the votes in proxies filed to date. Accordingly, absent revocation of the proxies and different votes being cast (an event which is not anticipated), the election results are now known as well. This should help to expedite the one annual meeting agenda item to facilitate the Board's devotion of the majority of its time and attention to completion of the 2014/15 assessment setting work.

Despite progress on these fronts, we, regrettably, have yet to hear any word from the Office of Attorney General concerning its pending review in response to the questions posed by the Department of Health and Human Services several months ago. Mindful of the upcoming legislative filing dates, therefore, we will go ahead and proceed with the

executive session with counsel and then initial Board discussion concerning whether or not a task force should be formed to pursue legislative adjustments at this time. Chairman Tenney, desiring to keep our focus on the assessment setting work which is required for timely notice to payers of the 2014/15 assessments, has suggested that the Board simply decide at this meeting whether or not the task force is to be formed and not seek to resolve the various potential "tweaks" which have emerged from our experience with the rewritten statute. Among those items discussed earlier are:

1. Waiving assessments with respect to children who receive vaccines from other than the State supply (e.g., VFC or on-base military clinics).
2. Improvement and greater flexibility for the Board in assessment setting to enable it to respond a) on a more timely basis if it finds it appropriate to adjust the assessment rate, or b) to handle other assessable lives coverage questions which may emerge in the course of shifting healthcare/payment programs over the next several years.

There may, of course, be other ideas which could contribute to improved NHVA operations in this period of rapid health change in the health delivery and payment environment.

We will welcome the Board's direction on next steps with respect to certain operational improvements. NHVA's outside auditors have identified one potential control weakness resulting from our complete assessment system redesign over the last year. KidsVax® has identified an approach which we are prepared to implement solely at KidsVax®'s expense. This step would, we understand, fully satisfy NHVA's outside auditors. However, there are additional steps which could be taken, such as NHVA's enlargement of its banking services to include a payment collection lock box which KidsVax® would favor, but which would involve additional operating costs.

Finally, we would appreciate Board guidance concerning whether or not NHVA should proceed with an RFP for investment advisor services and/or consider movement of the NHVA accounts to another institution which could offer full governmental guarantee of NHVA balances. NHVA had that protection temporarily during the period the federal government had an enhanced insurance program in place. In the past, the Board had been comfortable with the existing banking/investment arrangements, but today's substantially higher balances and the melt back of the federal bank deposit insurance levels suggest that the Board may want to at least revisit that earlier determination.

We appreciate your many comments and support as we are completing the update of all NHVA procedures and assessment processing systems to implement the provisions of RSA 126-Q as now amended. It has clearly been a remarkably successful year. We owe a great debt of gratitude to all participants (state agency officials, payers, and NHVA Board) who contributed to the remarkably smooth update to New Hampshire's long-standing and successful childhood vaccine funding program. Thank you each one, for your part. It has been a joy to observe these extremely positive results emerge from our collective work over the last two years. Well done!



Fred L. Potter, writing September 24, 2014.



BOARD OF DIRECTORS

Insurer Representatives [RSA 126-Q:3, III.(a)]

Ken Ehresmann
Regional Vice President, Underwriting
Anthem Blue Cross & Blue Shield
1155 Elm Street, Suite 200
Manchester, NH 03101-1505

Telephone: 603-541-2057
Cell: 603-493-1859
Facsimile:
E-mail: Ken.Ehresmann@wellpoint.com

Elaine Koskela
Senior Contract Manager
CIGNA Health Care
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Hooksett, NH 03106

Telephone: 603-268-7193
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Susan Tenney
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Healthcare Provider Representatives [RSA 126-Q:3, III.(b)]

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11 Autumn Lane
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David Fredenburg, M.D.
27 Hazelwood Road
Hudson, NH 03051

Telephone: 603-598-0996
Cell: 603-321-6664
E-mail: fredenburg.david@gmail.com

Governmental Representatives [RSA 126-Q:3, III.(c)&(d)]

Dr. Jose Their Montero, Director
Division of Public Health Services
29 Hazen Drive
Concord, NH 03301
(Personal Representative for Commissioner Nicholas Toumpas)
See Bylaws Article IV. Section 20.

Telephone: 603-271-4501
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E-mail: Kathleen_Capron@dhhs.state.nh.us

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Facsimile: 603-271-1406
E-mail: David.Sky@ins.nh.gov

Members of the Public [RSA 126-Q:3, III.(f)&(g)]

Laura Condon
NH Director of Advocacy
National Vaccine Information Center
c/o 12 Brick Mill Road
Bedford, NH 03110

Telephone: 603-471-0787
E-mail: vaxchoicenh@gmail.com

NEW HAMPSHIRE GOVERNMENTAL AUTHORITIES**NH Department of Health & Human Services**

Nicholas A. Toumpas, Commissioner
 NH Dept. of Health & Human Services
 129 Pleasant Street
 Concord, NH 03301

Telephone: 603-271-4331
 Facsimile: 603-271-4912
 Assistant: Kathleen Henderson 603-271-4334
 E-mail: kHenderson@dhhs.state.nh.us

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NH Insurance Department

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 New Hampshire Insurance Department
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KidsVax

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 E-mail: TMills@KidsVax.org

BOARD GOVERNANCE ROLES

Officers

Chair: Susan Tenney
 Vice-Chair: Jose Montero, M.D.
 Treasurer: David Fredenburg, M.D.
 Secretary: Elaine Koskela

Finance/Audit Committee

David Fredenburg, M.D. – Chairman
 Susan Tenney – Vice-Chair
 David Sky – Secretary
 Ken Ehresmann - Treasurer

Steering Committee

Dr. Fredenburg – Chairman
 Dr. Kassler – Public Representative
 President of the NH Medical Society
 Dr. Montero – DHHS Representative
 Kate Frey – Administrator
 Bureau of Public Health Systems
 Susan Tenney – Chair of NHVA
 Fred Potter – Managing Member, KidsVax.org

**N.H. RSA 126-Q:1—Q:9
NEW HAMPSHIRE VACCINE ASSOCIATION**

[N.H. RSA 126-Q as amended by HB664 (2013 legislative session)]

126-Q:1 Definitions.

In this chapter:

- I. “Assessable coverage” means:
 - (a) Health coverage as defined in RSA 420-G:2, IX;
 - (b) Stop loss coverage that conforms with RSA 415-H:3, or other group excess loss insurance purchased against the risk that any particular claim, or total liability, will exceed a specified dollar amount; or
 - (c) Group health plan, as defined by 42 U.S.C. 300gg-91(a).
- II. “Assessable entity” means any:
 - (a) Health maintenance organization, as defined by RSA 420-B:1, VI.
 - (b) Third party administrator, as defined by RSA 402-H:1, I.
 - (c) Entity providing administrator services and required to register with the insurance commissioner under RSA 402-H:11-a or RSA 402-H:11-b.
 - (d) Insurance company licensed pursuant to RSA 401:1, IV.
 - (e) Health service corporation, as defined by RSA 420-A:1, III.
- III. “Assessable lives” means all children under 19 years of age residing in the state who have assessable coverage written or administered by an assessable entity.
- IV. “Assessment” means the assessable entity’s liability with respect to childhood vaccines determined in accordance with this chapter. For purposes of rate setting and medical loss ratio calculations, all association assessments are considered pharmaceutical or medical benefit costs and not regulatory costs. In the event of any insolvency or similar proceeding affecting any payer, assessments shall be included in the highest priority of obligations to be paid by or on behalf of such payer.
- V. “Association” means the New Hampshire vaccine association.
- VI. “Board” means the board of directors of the New Hampshire vaccine association.
- VII. “Commissioner” means the commissioner of the department of health and human services.
- VIII. “Estimated vaccine cost” means the estimated cost to the state over the course of a state fiscal year of the purchase, distribution, and administration of vaccines purchased at the federal discount rate by the department of health and human services.
- IX. “Provider” means a person licensed by this state to provide health care services to persons or a partnership or corporation made up of those persons.
- X. “Total non-federal program cost” means the estimated vaccine cost less the amount of federal revenue available to the state for the purchase, distribution, and administration of vaccines.
- XI. “Vaccine” means any preparations of killed microorganisms, living attenuated organisms, or living fully virulent organisms that are approved by the federal

Food and Drug Administration and recommended by the Advisory Committee on Immunization Practices of the Centers for Disease Control and Prevention and have been authorized by the commissioner of the department of health and human services for administration to children of the state of New Hampshire under the age of 19 years for the purposes of producing or artificially increasing immunity to particular life-threatening and disabling diseases.

126-Q:2 Creation of Association.

There is hereby created a nonprofit corporation to be known as the New Hampshire vaccine association. The association is formed to assess assessable entities for the cost of vaccines provided to certain children in New Hampshire.

126-Q:3 Powers and Duties

- I. The New Hampshire vaccine association shall be comprised of all assessable entities.
- II. The New Hampshire vaccine association shall be a not-for-profit, voluntary corporation under RSA 292 and shall possess all general powers of a not-for-profit corporation.
- III. The board of directors shall include:
 - (a) Three representatives selected from the assessable entities currently writing, maintaining child, or administering assessable coverage through a voting process where votes are based on assessable lives. The plan of operation shall provide details for this selection process.
 - (b) Two health care provider representatives appointed by the commissioner.
 - (c) The commissioner of the department of health and human services, who shall serve as an ex-officio member.
 - (d) The commissioner of the department of insurance who shall serve as an ex-officio member.
 - (e) One member appointed by the governor and council who shall represent self-insured entities.
 - (f) One public member appointed by the speaker of the house of representatives.
 - (g) One public member appointed by the president of the senate.
- IV. The directors' terms and appointments shall be specified in the plan of operation adopted by the New Hampshire vaccine association.
- V. The board of directors of the association shall:
 - (a) Prepare and adopt articles of association and bylaws.
 - (b) Prepare and adopt a plan of operation.
 - (c) Submit the plan of operation to the commissioner of insurance for approval after the consultation with the commissioner.

- (d) Conduct all activities in accordance with the approved plan of operation.
- (e) On an annual basis, no later than November 1 of each year, establish the amount of the assessment for the succeeding year.
- (f) Enter into contracts as necessary or proper to collect and disburse the assessment.
- (g) Enter into contracts as necessary or proper to administer the plan of operation.
- (h) Sue or be sued, including taking any legal action necessary or proper for the recovery of any assessment for, on behalf of, or against members of the association or other participating person.
- (i) Appoint from among its directors, committees as necessary to provide technical assistance in the operation of the association, including the hiring of independent consultants as necessary.
- (j) Determine an assessment amount and collect payments from assessed entities in accordance with RSA 126-Q:4.
- (k) Submit an annual report to the commissioner of insurance, in a manner and form determined by the commissioner, listing the association membership base, providing a count of assessable lives by assessable entity, identifying changes in assessable lives by assessable entity, describing the collection of assessments, listing payment delinquencies, and containing such other related information as the commissioner may require.
- (l) Allow each assessable entity up to 45 days after the closing of each calendar quarter to report its assessable lives and remit its corresponding assessment amount as calculated pursuant to RSA 126-Q:4.
- (m) Collect assessments from assessable entities as calculated under RSA 126-Q:4 and deposit said assessments less the association's administrative costs annually and reserves with the state treasurer to the credit of the vaccine purchase fund established pursuant to RSA 141-C:17-a. At the written request of the association following a majority vote of the board of directors, any funds forwarded to the state treasurer for the vaccine purchase fund remaining unexpended for childhood vaccines, shall promptly be returned to the association.
- (n) Be authorized to enter into one or more agreements with other applicable authorities in surrounding states to reduce the risk of duplicate assessments and to assure availability of vaccines for children who are residents of this state but who receive vaccination services in other states. Any costs relating to any such agreement shall be considered additional vaccine costs of the program for purposes of determining the association's assessments.
- (o) Adopt procedures by which affiliated assessable entities calculate their assessment on an aggregate basis and procedures to ensure that no assessable life is counted more than once. Unless otherwise determined by the board, the assessable entity responsible for the payment of the provider's administrative costs for childhood vaccines shall be the entity responsible for reporting assessable lives and payment of the

corresponding assessment.

- (p) Submit an annual report regarding the association's activities, its financial reports, and any newly-approved vaccines adopted by the department of health and human services to the president of the senate, the speaker of the house of representatives, and the governor.
- (q) Perform any other functions as may be necessary or proper to carry out the plan of operation.

126-Q:4 Assessment Determination.

- I. The board shall determine an assessment for each assessable entity in accordance with this section. An assessment determination made pursuant to this section is a pharmaceutical cost and not a regulatory cost for purposes of calculating the carrier's medical loss ratio.
- II. In determining the assessment amount, the board shall:
 - (a) Estimate the total non-federal program cost for the succeeding year;
 - (b) Add its anticipated operating costs for the succeeding year and such additional working capital reserves as may be established by the board from time to time;
 - (c) Add a reserve of up to 10 percent of the anticipated cost under subparagraph (a) for unanticipated costs associated with providing vaccines to children covered; and
 - (d) Subtract the amount of any unexpended assessments collected in the preceding year along with any unexpended interest accrued to the fund during the preceding year.
- III. The board shall include in its plan of operations, details regarding the timing for assessment collections, and the form and format assessable entities shall use to calculate assessments.
- IV. The board shall include in its plan of operation details regarding payment due dates, grace periods, late payment fees, interest, and other details regarding the collection of assessments.
- V. The board may determine an interim assessment for new vaccines or unanticipated shortfalls in the association's ability to meet childhood vaccine funding needs. The board shall calculate the interim assessment in accordance with paragraph II, and the interim assessment is payable the calendar quarter that begins no less than 30 days following the establishment of the federal contract price. The board shall not impose more than one interim assessment per year, except in the case of a public health emergency declared in accordance with state or federal law.
- VI. In the event that the association discontinues operation for any reason, any unexpended assessments, including unexpended funds from prior assessments in the state vaccine purchase fund, shall be refunded to payees in proportion to the respective assessment payments by payees over the most recent 8 quarters prior to discontinuation of association operations.

126-Q:5 Powers and Duties.

In addition to the duties and powers enumerated elsewhere in this chapter:

- I. The commissioner of insurance shall, after notice from the association, issue a show cause order to any assessable entity that fails to comply with the association's plan of operation. In addition to late fees and other penalties imposed by the association, assessable entities may, after a finding of just cause, be subject to a minimum fine of \$5,000, a maximum fine of 25 percent of the total amount of delinquent assessments, and licensure suspension.
- I-a. The insurance commissioner shall annually review the assessment report required under RSA 126-Q:3, V(k) to ensure that all assessable entities are participating in the association and that all assessable entities have accurately reported assessable lives. The association shall remedy any problem identified by the commissioner with respect to assessable entities and assessable lives.
- II. The commissioner and the commissioner of insurance may adopt rules, pursuant to RSA 541-A, as necessary to carry out the purposes of this chapter.

126-Q:6. Examinations and Annual Reports

The board of directors shall submit to the commissioner, no later than 120 days after the close of the association's fiscal year, a financial report in a form approved by the commissioner.

126-Q:7. Exemption From Taxes

The association shall be exempt from payment of all fees and all taxes levied by this state or any of its subdivisions, except taxes levied on real property.

126-Q:8. Immunity From Liability

There shall be no liability on the part of and no cause of action of any nature shall arise against any association member or its agents or employees, the association or its agents or employees, members of the board of directors, or the commissioner or the commissioner's representatives, for any action or omission by them in the performance of their powers and duties under this chapter.

126-Q:9. Severability of Chapter

If any provisions of this chapter or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the chapter which can be given effect without the invalid provisions or applications, and to this end the provisions of this chapter are severable.

Annual Fiscal Year Event & Meeting Calendar – 6/30/2014 through 6/30/2015

August 2014			
Board of Directors Meeting	Tuesday, August 19, 2014	KidsVax.org® Concord	8:30 a.m.
September 2014			
Audit Committee Meeting (In-Person) Annual Board of Directors Meeting	Tuesday, September 30, 2014	KidsVax.org® Concord	8:00 a.m. 8:30 a.m.
October 2014			
Board of Directors Meeting	Friday, October 24, 2014 (TENTATIVE)	KidsVax.org® Concord	8:30 a.m.
March 2015			
Audit Committee Meeting Board of Directors Meeting	Tuesday, March 17, 2015	KidsVax.org® Concord	8:00 a.m. 8:30 a.m.
June 2015			
Board of Directors Meeting	Tuesday, June 23, 2015	KidsVax.org® Concord	8:30 a.m.

September 30, 2014
Proposed Form of Votes - New Hampshire Vaccine Association

The following are suggested forms of votes only. They are intended to be an aid to facilitate work by individual directors. All board policy and the final form of votes is exclusively the province of the Board acting collectively as a Board of Directors.

Item under Agenda Section 2:

VOTED: To approve the minutes of the August 19, 2014 Board meeting.

[To approve the minutes of the August 19, 2014 Board meeting with the changes suggested at this meeting.]

Item under Agenda Section 4:

VOTED: To adopt the provisional 2014/15 budget as presented to the meeting.

[To adopt the provisional 2014/15 budget with changes suggested at the meeting.]

VOTED: To set the assessment rate of \$_____ per child covered live per month.

[To tentatively set the assessment rate of \$_____ per child covered live per month and to schedule further review at the board's next meeting.]

Item under Agenda Section 7:

VOTED: To approve the refund request from BCBS of IL, MT, NM, OK, TX in the amount of \$3,068.99.

[To approve the refund request from BCBS of IL, MT, NM, OK, TX in the amount of \$_____ .]

Driving Directions to NHVA Board Meeting Locations

KidsVax.org®

From the North: Take Interstate 93 South toward Concord. Take Exit 14. Turn right off the exit. At the top of hill (Holiday Inn on your right) turn right onto North Main Street. Take your first right onto Storrs Street. Follow down the hill, around the bend, and under the bridge. Turn right onto Dixon Avenue. We are at 14 Dixon Avenue, Suite 201, adjacent to the top parking area.

From the South: Take Interstate 93 North toward Concord. Take Exit 14. Turn left off the exit. At the top of hill (Holiday Inn on your right) turn right onto North Main Street. Take your first right onto Storrs Street. Follow down the hill, around the bend, and under the bridge. Turn right onto Dixon Avenue. We are at 14 Dixon Avenue, Suite 201, adjacent to the top parking area.

New Hampshire Insurance Department (NHID)

From Interstate 93, take the I-89 exit West to Exit 2; Exit right onto Clinton Street into Concord. At the second set of traffic lights, turn left onto Fruit Street. Continue to 21 Fruit Street to the Walker Building (large brick office building) located on the right just before the traffic lights at the corner of Fruit and Pleasant Streets. Enter the circular driveway, park, and enter the building through the front center entrance. Take the elevator to the 2nd Floor. Take a left when leaving the elevator and then take a right. Follow the hallway to the end. Take a left and follow the hallway until you see the sign for the conference room, which is on the right.

Harvard Pilgrim Health Care (HPHC)

From the North: Take Interstate 93 South toward Manchester. After the toll, keep left to take I-293 South/Everett Turnpike toward Manchester Airport/Manchester/Nashua. Take the Granite Street exit, Exit 5, keep left to take the ramp toward Elm Street/The Millyard/Canal Street. Turn left onto Granite Street. 650 Elm Street is on the corner of Granite and Elm Streets. The parking garage is accessible by taking a left into the garage off of Granite Street. Proceed to level 3 – Radisson Hotel. Follow the signs for the office tower to the 7th Floor.

From the South (Nashua): Take the Everett Turnpike North toward Manchester/Concord. Take the Granite Street exit, Exit 5, keep right to take the ramp toward Elm Street/The Millyard/Canal Street. Turn right onto Granite Street. 650 Elm Street is on the corner of Granite and Elm Streets. The parking garage is accessible by taking a left into the garage off of Granite Street. Proceed to level 3 – Radisson Hotel. Follow the signs for the office tower to the 7th Floor.

Hinckley, Allen & Synder LLP (Hinckley Allen)

From the North: Take Interstate 93 South toward Concord. Take the RT-9/Loudon Road exit, Exit 14, toward the State Offices. Turn right onto RT-9/Loudon Road. Take the 2nd left onto North Main Street/US-3/US-202/RT-9. Continue to follow North Main Street to 11 South Main Street on the left. Your destination is just past Pleasant Street Ext. If you reach Freight Street, you've gone a bit too far.

From the South (Nashua): Take Interstate 93 North toward Concord. Take the US-3 N exit, Exit 13, toward Downtown/Main Street. Turn left onto US-3/Manchester Street. Continue to follow US-3 to 11 South Main Street on the right. Your destination is just past Freight Street. If you reach Pleasant Street Ext., you've gone a bit too far.

BYLAWS
of
NEW HAMPSHIRE VACCINE ASSOCIATION
(a New Hampshire Nonprofit Corporation)

Chapter 279 of the 2002 New Hampshire Session Laws, effective June 27, 2002, created Chapter 126-Q of the New Hampshire Revised Statutes Annotated ("RSA"). In order to implement the provisions of RSA 126-Q (the "Act"), the New Hampshire Vaccine Association, a New Hampshire nonprofit corporation (the "Corporation"), was formed pursuant to RSA Chapter 292 as contemplated by the Act. The Corporation's Bylaws were adopted in 2002 and have been amended from time to time to conform to changes to the Act. The Bylaws now read, in their entirety, as follows:

ARTICLE I. OFFICES

Section 1. Principal Office. The principal office of the Corporation shall be located in New Hampshire at such address as shall be designated by the Board of Directors from time to time. The Corporation may have such other offices as the Board of Directors may designate or as the business of the Corporation may require from time to time.

ARTICLE II. MEMBERS

Section 1. Designation of Members. Membership in the Corporation shall be comprised solely of members of the Corporation's Board of Directors.

Section 2. Meetings. No meetings of the members (apart from meetings of the Board of Directors set forth below) shall be required. However, should any membership meeting be desired, it shall be convened only upon the call of one or more of the following: (i) the Chairman of the Board of Directors, (ii) the commissioner of the New Hampshire Department of Health and Human Services (the "HHS Commissioner"), (iii) commissioner of the New Hampshire Department of Insurance (the "Insurance Commissioner"), or (iv) any two (2) or more Directors of the Corporation.

ARTICLE III. GOVERNANCE AUTHORITIES

Section 1. Controlling Statutes. This Corporation has been created pursuant to the provisions of the Act and RSA Chapter 292.

Section 2. Resolution of Conflicts. Should any conflict arise between any one or more of the documents governing the affairs of this Corporation, such conflict shall be resolved by applying the provisions of the following documents, with any prior listed document taking priority over any subsequently listed document:

- (i) RSA Chapter 126-Q.
- (ii) RSA Chapter 292.
- (iii) The Corporation's Articles of Agreement ("Articles").
- (iv) The Corporation's Bylaws.
- (v) The Corporation's Plan of Operation.

Section 3. Statutorily Defined Terms. Terms used but not defined in these Bylaws which are defined in RSA 126-Q:1 shall have the meanings set forth in that statute.

ARTICLE IV. DIRECTORS

Section 1. General Powers and Standard of Care. This Corporation shall have powers to the full extent allowed by law. All corporate powers shall be exercised by or under authority of, and the business and affairs of the Corporation shall be managed under the direction of, the Board of Directors, except as may be otherwise provided in RSA 292, the Articles or the Act. If any such provision is made in the Articles, the powers and duties, conferred or imposed upon the Board of Directors by RSA 292 shall be exercised or performed to such extent and by such person or persons as shall be provided in the Articles.

The Board of Directors shall prepare a Plan of Operation, as mandated by RSA 126-Q, subject to the approval thereof by the Insurance Commissioner after conferring with the HHS Commissioner. From time to time the Board of Directors may propose such changes to the Plan of Operation as (i) the Board may determine to be helpful or necessary or (ii) as required by RSA 126-Q. Any subsequent changes shall become effective only upon the Insurance Commissioner's approval, but such changes may include a retroactive effective date if such date is also approved by the Insurance Commissioner.

A Director shall perform such Director's duties as a Director, including such Director's duties as a member of any committee of the Board upon which such Director may serve, in good faith, in a manner such Director reasonably believes to be in the best interests of the Corporation, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. In performing such Director's duties, a Director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

- (i) The HHS Commissioner or the Insurance Commissioner or either commissioner's authorized representative;
- (ii) One (1) or more officers or employees of the Corporation or the Corporation's administrator whom the Director reasonably believes to be reliable and competent in the matters presented;
- (iii) Counsel, public accountants, actuaries or other persons as to matters which the Director reasonably believes to be within such person's professional or expert competence; or
- (iv) A committee of the Board upon which such Director does not serve, duly designated in accordance with a provision of these Bylaws, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence, but such Director shall not be considered to be acting in good faith if such Director has knowledge concerning the matter in question that

would cause such reliance to be unwarranted. A person who so performs such duties shall have no liability by reason of being or having been a Director of the Corporation. Nothing in this Section 1 shall limit the immunity from suit and/or liability afforded to a Director under RSA 126-Q:8.

Section 2. Make up of Board of Directors. The Board of Directors shall consist of individuals as set forth in RSA 126-Q:3.

Section 3. Selection of Selected Directors.

A. Selection Process. At least ten (10) days prior to July 1 in each year commencing July 1, 2014, the then-sitting Board of Directors shall solicit a list of candidates for directors representing Assessable Entities by (i) e-mail request to all Assessable Entities who have a minimum of one hundred (100) Assessable Lives for the most recently completed assessment quarter preceding such solicitation and (ii) such other means, if any, as the Board shall direct. Voting shall occur at the annual meeting of the Board of Directors. Votes may be cast by Assessable Entities via proxies or attendance in person by a representative of the Assessable Entity. Each Assessable Entity shall have one vote for each of its Assessable Lives reported in such quarter for each director position up for election. Votes may be cast on a cumulative basis. Any present Director may vote for himself or herself. Neither such vote nor participation in this selection procedure shall be considered a conflict of interest or a self-dealing transaction.

B. Capacity; Affiliations. Directors shall be individuals and Selected Directors shall represent an Assessable Entity with whom the Director is affiliated by employment or otherwise. Activities of business affiliates of an Assessable Entity represented by an individual Selected Director shall be attributed to the Director for purposes of determining whether that Director remains qualified to serve. No Assessable Entity together with all of its business affiliates may be represented by more than one Director.

C. Oath of Office. Prior to entering upon the duties of office, any elected or appointed director of the Association shall take and subscribe the following oath or affirmation:

“I, _____, do solemnly swear (or affirm) that I will faithfully serve to advance the purposes of the Association as set forth in RSA 126-Q and to work together with other directors to assure that the Association’s Board of Directors shall fulfill all of its duties under RSA 126-Q:3; that I take these obligations freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter.”

Section 4. Term of Office of Selected Directors. The term of office of each Selected Director shall be one (1) year or until his or her successor is selected, except as the term of office may be adjusted otherwise by this Article IV. The term of office of Selected Directors shall run from August 1 (following the annual selection) through July 30 of the following year. Each Selected Director may continue to serve until her or his successor is chosen.

Section 5. Vacancies. Any vacancy occurring on the Board of Directors of a Selected Director shall be filled by the Board of Directors by an individual nominated by the Assessable Entity represented by the departing director, provided that if the Assessable Entity no longer is authorized to do business in New Hampshire, the Board of Directors may select an individual from another Assessable Entity which is.

Section 6. Removal of Directors. Any Director may be removed from office for cause by a vote of the Directors (exclusive of the affected Director), subject to approval of the HHS Commissioner as to an appointed Director. In the event that a Director fails to attend three (3) or more consecutive meetings, the Board shall give consideration to his or her removal from the Board.

Section 7. Election of Chairperson and Vice-Chairperson of Board, Secretary and Treasurer. The Chairperson and Vice-Chairperson of the Board of Directors, Secretary and Treasurer shall be elected annually by the vote of the Directors at the annual meeting of the Board of Directors.

Section 8. Meetings. A regular annual meeting of the Board of Directors shall be held at least once a year at such date, time and place as the Board of Directors shall determine for the purpose of organization, appointment of officers and the transaction of other business. The Board of Directors may provide by resolution the time and place for the holding of additional regular meetings of the Board. Special meetings of the Board of Directors may be called by or at the request of the Chairperson of the Board of Directors, the HHS Commissioner, the Insurance Commissioner, or any two (2) Directors. The person or persons authorized to call special meetings of the Board may designate any place as the place for holding any special meeting of the Board called by them.

Section 9. Notice of Board Meetings. Notice of the annual Board meeting shall be given to the Directors not more than thirty (30) days nor less than ten (10) days before the meeting. Notice of regular and special meetings shall be given to the Directors not less than six (6) days prior to the meeting if delivered by first class mail or not less than forty-eight (48) hours prior to the meeting if the notice is delivered personally or by telephone or by facsimile transmission. If mailed, such notice shall be deemed given when deposited in the United States mail, with postage thereon prepaid, directed to the Directors. All notices shall be given to the Directors' last business addresses, as recorded by the Corporation's Secretary.

Section 10. Waivers of Notice. The notice requirements contained in these Bylaws may be waived in writing by any Director, either before or after the meeting. The attendance of any Director at a meeting, without protesting prior to the conclusion of the meeting the lack of notice of such meeting, shall constitute a waiver of notice by him or her. All waivers shall be made part of the minutes of the meetings.

Section 11. Quorum of Directors; Voting. A quorum for any meeting of the Board of Directors shall be a simple majority of the total number of Directors then appointed or selected. Except where a greater vote is required by the Articles of Agreement or Bylaws or by applicable law, if a quorum is present, the affirmative vote of a simple majority of the total number of Directors present shall be the act of the Board of Directors. A meeting at which a quorum is

initially present may continue to transact business notwithstanding the withdrawal of Directors. A majority of the Directors then present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

Section 12. Action in Lieu of a Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all Directors of the Board shall individually or collectively consent in writing. Such written consent shall be made a part of the minutes of the Board of Directors for proceedings of the Board. Such action by written consent shall have the same force and effect as the unanimous vote of the Directors

Section 13. Meetings by Alternate Methods. Any or all Directors may participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all Directors participating may simultaneously hear each other during the meeting. A Director participating in a meeting by this means is deemed to be present in person at the meeting.

Section 14. Investments. Except with respect to assets held for use or used directly in carrying out this Corporation's authorized non-profit activities, in investing, reinvesting, purchasing, acquiring, exchanging, selling and managing this Corporation's investments, the Board shall avoid speculation, looking instead to the permanent disposition of the funds, considering the probable income, as well as the probable safety of this Corporation's capital.

Section 15. Prohibited Transactions.

A. Loans. This Corporation shall not make any loan of money or property to or guarantee the obligation of any Director or officer; provided, however, that this Corporation may advance money to a Director or officer of this Corporation or any subsidiary for expenses reasonably anticipated to be incurred in performance of the duties of such officer or Director so long as such individual would be entitled to be reimbursed for such expenses absent that advance.

B. Self-Dealing Transactions. Except as provided in Subsection C below, the Board shall not approve a self-dealing transaction. A self-dealing transaction is one to which the Corporation is a party and in which one or more of the Directors has a material financial interest or a transaction between this Corporation and one or more of the Directors or between this Corporation and any person in which one or more of its Directors has a material financial interest. Voting with respect to the assessment rate shall not be considered a self-dealing transaction.

C. Approval. The Board of Directors may approve a self-dealing transaction if the Board determines that the transaction is in the best interests of and is fair and reasonable to this Corporation and, after reasonable investigation under the circumstances, determines that this Corporation could not have obtained a more advantageous arrangement with reasonable effort under the circumstances. Such determinations must be made by the Board, in good faith, with knowledge of the material facts concerning the transaction and the Director's interest in the transaction, and by a vote of the Directors then in office, without counting the vote of the interested Director or Directors.

Section 16. Inspection Rights. Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents, and to inspect the physical properties of this Corporation. Such inspection by a Director may be made in person or by agent or attorney and the right of inspection includes the right to copy and make extracts.

Section 17. Interested Persons Limits. Not more than forty (40) percent of the persons serving on the Corporation's Board may be interested persons. For purposes of this section, "interested persons" means either:

- (i.) Any person currently being compensated by the Corporation for services rendered to it within the previous twelve (12) months, whether as a full or part-time employee, independent contractor, or otherwise; or
- (ii.) Any brother, sister, ancestor, descendant, spouse (or cohabitant), brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law or father-in-law of any such person.

Section 18. Compensation. No Director shall receive any compensation from the Corporation for serving on the Board. Directors shall be entitled to receive their actual and reasonable expenses in attending meetings of the Board of Directors and meetings of committees of the Board of Directors.

Section 19. Board Participation via Personal Representative(s). Board members serve as individuals. From time to time, it may be beneficial for alternative representatives, who may be independent advisors such as actuaries, accountants, or attorneys, to attend and participate on behalf of the member. It is anticipated that the HHS Commissioner and the Insurance Commissioner generally will participate through their designated representatives. Accordingly, any member of the Board of Directors (or that member's previously-appointed personal representative) may authorize another person or persons to act for that member on any agenda item or at any meeting or on any committee. No writing is required for such designation. However, any individual so acting shall advise the presiding officer at the meeting concerning his or her representative capacity and that capacity shall be reflected in the minutes of the meeting. Any individual member of the Board of Directors may revoke any proxy or personal representative designation previously given at any time, by personally participating and voting, notwithstanding any purported language to the contrary in any proxy or designation. In the event of any conflict in designation, a written proxy shall supersede an oral designation and a later dated proxy shall supersede any earlier proxy.

ARTICLE V. COMMITTEES

Section 1. Committees of Directors. The Board of Directors shall designate an audit committee and may by resolution designate one or more other committees, each consisting of two (2) or more Directors (or their personal representatives), to serve at the pleasure of the Board. Appointments to such committees shall be by majority vote of the Directors then in office. Any committee, to the extent provided in the resolution, shall have all the authority of the Board, except that no committee, regardless of the Board resolution, may:

- (i.) Fill vacancies on the Board of Directors or on any committee;
- (ii.) Fix compensation of Directors for serving on the Board or any committee;
- (iii.) Spend corporate funds to support a candidate for Director after there are more people nominated for Director than can be selected;
- (iv.) Amend, alter or repeal the Bylaws,
- (v.) Elect, appoint or remove any member of any such committee or any Director or officer of the Corporation;
- (vi.) Amend or repeal the Articles, adopt a plan of merger or a plan of consolidation with another corporation;
- (vii.) Authorize the sale, lease or exchange of all of the property and assets of the Corporation;
- (viii.) Authorize the voluntary dissolution of the Corporation or revoke proceedings therefor;
- (ix.) Adopt a plan for the distribution of the assets of the Corporation; or
- (x.) Amend, alter or repeal any resolution of the Board of Directors unless it provides by its terms that it may be amended, altered or repealed by a committee.

Section 2. Advisory Committees. Advisory committees may be appointed from time to time by the Board of Directors. Each advisory committee shall be chaired by a Director and such advisory committee(s) may consist of Directors only or both Directors and non-Directors. Advisory committees have no legal authority to act for the Corporation, but shall report their findings and recommendations to the Board of Directors.

Section 3. Committee Meetings. Except as otherwise provided in this Article V, meetings and actions of committees shall be governed by and held and taken in accordance with the provisions of these Bylaws concerning meetings of Directors, with such changes in the context of those Bylaws as are necessary to substitute the committee and its members for the Board of Directors and its members. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The Board of Directors may adopt rules for the governance of any committee not inconsistent with the provisions of these Bylaws.

ARTICLE VI. OFFICERS

Section 1. Number, Title and Qualifications. The officers of the Corporation shall be a Chairperson of the Board, Vice Chairperson, Secretary, a Treasurer, and such other officers as may be elected in accordance with the provisions of this Article. The Chairperson of the Board and the Vice Chairperson shall be elected from the members of the Board of Directors. The

Secretary and Treasurer may, but are not required to be, members of the Board of Directors. The Board of Directors may elect one or more assistant secretaries or one or more assistant treasurers as it may be felt desirable. Any two or more offices may be held by the same person.

Section 2. Election and Term of Office. The officers of the Corporation shall be elected annually by the Board of Directors at the annual meeting of the Board of Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon as possible.

Section 3. Vacancies. Vacancies may be filled or a new office created and filled at any meeting of the Board.

Section 4. Removal. Any officer elected or appointed by the Board of Directors may be removed by vote of the Directors of the Corporation whenever, in its judgment, the best interest of the Corporation would be served thereby.

Section 5. Resignation. Any officer may resign at any time by giving written notice to this Corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified by that notice and unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.

Section 6. Chairperson of the Board of Directors. The Chairperson of the Board of Directors ("Chairperson") may sign with the Secretary, or any other proper officer of the Corporation authorized by the Board of Directors, any deed, mortgage, bond, contract, or other instrument which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated to some other officer or agent of the Corporation. In general, the Chairperson shall perform all duties incident to the office of Chairperson and such other duties which shall be prescribed by the Board of Directors from time to time.

Section 7. Vice Chairperson. In the absence of the Chairperson or in the event of the Chairperson's inability or refusal to act, the Vice Chairperson (or in the event there shall be more than one vice Chairperson, the Vice Chairperson in order of their election) shall perform the duties of the Chairperson, and when so acting shall have all the powers of and be subject to all the restrictions upon the Chairperson. Any vice Chairperson shall perform other duties as from time to time may be assigned by the Chairperson or by the Board of Directors.

Section 8. Secretary. The Secretary shall keep the permanent minutes of the meetings of the Board of Directors in one or more books provided for that purpose, see that all notices are duly given in accordance with the provisions of these Bylaws, or as required by law; be custodian of the corporate records and corporate seal, if any; keep a register of the name and post office address of each member, and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the Chairperson or the Board of Directors.

Section 9. Treasurer. The Treasurer shall have charge and custody of and be responsible

for all funds and securities of the Corporation; the Treasurer shall assure that the bookkeeper(s) receive and give receipts for money due and payable to the Corporation from any source whatsoever and deposit all monies in the name of the Corporation in such bank or other financial institution as shall be selected by the Board of Directors, and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the Board of Directors. The Treasurer shall, with the appropriate Board committee, prepare an annual operating budget showing income and expenses to be presented to the Board for approval at the annual regular meeting of the Board of Directors.

Section 10. Execution of Instruments. Any and all instruments executed in the name of the Corporation, including, but not limited to, contracts, agreements, purchase orders, notes, deeds, deeds of trust, mortgages, leases, security agreements, checks and drafts issued, endorsements of checks and drafts received, certificates, applications and reports, shall be executed by one or more officers, employees or agents of the Corporation as authorized from time to time by the Board of Directors. Such authorization may be general or confined to specific instances. The respective offices and duties thereof as established and defined in this Article VI and by resolution of the Board of Directors include, except as otherwise provided, the authority to execute instruments otherwise provided, the authority to execute instruments in the name of the Corporation when the execution of the instrument is incident to carrying out the duties of the offices.

ARTICLE VII. INDEMNIFICATION

Section 1. General. The Corporation shall indemnify and reimburse any individual person who was or is made a party or is threatened to be made a party to any action, suit or proceeding, whether civil, criminal or administrative, by reason of the fact that such party, or the person whose legal representative or successor such party is, was or is serving as a Director, officer or employee of the Corporation, or, at its request, of another entity in which the Corporation has an interest, or was or is serving at the request of the Corporation as a fiduciary of any deferred compensation plan of the Corporation. Such indemnification and reimbursement shall include all expenses (including attorney's fees) actually incurred by such person in connection with the defense or reasonable settlement of any such action, suit or proceeding, or any appeal thereof, and such amount of any judgment, money decree, fine, penalty or settlement for which such person may have become liable, as the Board of Directors deems reasonable and to the extent and under the circumstances permitted by the New Hampshire Business Corporation Act (RSA Chapter 293-A) if the Corporation were a business corporation. Such indemnification and reimbursement (unless ordered by a court) shall be made as authorized in a specific case upon a further determination that indemnification of the Director, officer or employee is proper in the circumstances because such person has met the applicable standards of conduct set forth in the New Hampshire Business Corporation Act.

Section 2. Determination. Such determination of reasonableness and propriety with respect to persons other than Directors shall be made by the Board of Directors by a majority vote, and with respect to Directors shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action suit or proceeding, or, (2) if such a quorum is not obtainable, or even if obtainable, if a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion.

Section 3. Right Not Exclusive. The foregoing right of indemnification shall not be exclusive of other rights to which such person, or the legal representatives or successors of such person may be entitled as a matter of law.

Section 4. Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a Director, officer or employee of the Corporation or was or is serving at the request of the Corporation as a fiduciary of any deferred compensation plan of the Corporation against any liability asserted against, and incurred by, such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of the New Hampshire Business Corporation Act. The obligation to indemnify and reimburse set forth hereinabove, if applicable, shall be reduced by the amount of any such insurance proceeds paid to such person, or the representatives or successors of such person.

ARTICLE VIII. MISCELLANEOUS

Section 1. Depositories. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, savings and loan associations, trust companies, or other depositories as the Board of Directors may designate.

Section 2. Contracts. The Board of Directors may authorize any officer(s) or agent(s) of the Corporation, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 3. Checks, Drafts, Etc. All checks, drafts, or orders for the payment of money, notes, or other evidence of indebtedness issued in the name of the Corporation shall be signed by such persons and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instrument shall be signed by the Treasurer or an assistant treasurer.

Section 4. Fiscal Year. The fiscal year of the Corporation shall be determined by resolution of the Board of Directors.

Section 5. Investment. Any funds of the Corporation which are not needed currently for the activities of the Corporation may, at the discretion of the Board of Directors, be invested in such investments as are permitted by law.

Section 6. Annual Audit and Report. The financial books and records of the Corporation shall be audited annually by a certified public accountant. In lieu of such audit, upon approval of the Insurance Commissioner, the books and records shall be reviewed by one or more representatives of the Examination Division of the New Hampshire Insurance Department and their report shall serve as the audited financial statement of the Corporation. An annual report, including the annual audited financial statements, shall be provided annually to all Directors of the Corporation.

Section 7. Books and Records. The Corporation shall keep correct and complete books and

records of accounts and shall also keep minutes of the proceedings of its members, Board of Directors, and committees having any of the authority of the Board of Directors, and shall keep a record giving the name and address of the members entitled to vote.

Section 8. Dissolution.

- A. Dissolution Authority.** The Corporation may be dissolved upon vote of the Board of Directors and approval of the HHS Commissioner.
- B. Distribution of Assets.** In the event of dissolution of the Corporation, the Board of Directors shall, after payment of all liabilities of the Corporation, dispose of the assets of the Corporation, exclusively for the purposes of the Corporation in such manner or to such organizations organized and operating exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any future United States Internal Revenue Law) and which is organized for purposes substantially similar to that of the Corporation.

Section 9. Political Activity. The Corporation shall not, in any way, use corporate funds in the furtherance of, nor engage in, any political activity for or against any candidate for public office. However, this Bylaw shall not be construed to limit the right of any official or member of this Corporation to appear before any legislative committee, to testify as to matters involving the Corporation.

Section 10. Gift. The Board of Directors may accept, on behalf of the Corporation, any contribution, gift, bequest, or devise for the general purposes or for any special purposes of the Corporation.

Section 11. Seal. This Corporation may have a seal which shall be specified by resolution of the Board of Directors. The seal may be affixed to all corporate instruments, but failure to affix it shall not affect the validity of the instrument.

Section 12. Conduct of Meetings. Meetings of the members (if any) of this Corporation and its Board of Directors shall be conducted according to *The Modern Rules of Order*.

Section 13. Statutory References. All references herein to any statute or portions thereof shall be to that statute as it may be amended from time to time, unless the context clearly requires otherwise.

ARTICLE IX. AMENDMENTS

These Bylaws may be altered, amended, or repealed and a new set of Bylaws adopted by a two-thirds (2/3) vote of the Directors of the Corporation, with approval of any amendment by the HHS Commissioner. At least ten (10) days prior written notice setting forth a proposed action and time and place of meeting shall be given to all Directors.

The foregoing Bylaws have been approved.

New Hampshire Department of Health and Human Services

By: _____
Nicholas A. Toumpas

Dated: _____, 2014

ARTICLES OF AGREEMENT
of the
NEW HAMPSHIRE VACCINE ASSOCIATION
(A New Hampshire Nonprofit Corporation)

THE FOLLOWING CONSTITUTES THE AMENDMENT AND FULL RESTATEMENT OF THE ARTICLES OF AGREEMENT OF NEW HAMPSHIRE VACCINE ASSOCIATION, A NEW HAMPSHIRE VOLUNTARY CORPORATION FORMED UNDER NEW HAMPSHIRE REVISED STATUTES ANNOTATED ("RSA") CHAPTER 292 TO IMPLEMENT THE PROVISIONS OF RSA 126-Q (THE "ACT").

ARTICLE I. NAME

The name of the corporation (the "Corporation") is the New Hampshire Vaccine Association.

ARTICLE II. ADDRESS

The address at which the business of the Corporation is conducted is c/o CML Administrators, LLC, d/b/a KidsVax.org®, P.O. Box 1885, Concord, New Hampshire 03302-1885, with a street address as of March 2014 of 14 Dixon Avenue – STE 202, Concord, New Hampshire 03301. Other address(es) may be designated by the Corporation's Board of Directors from time to time.

ARTICLE III. PERIOD OF DURATION

The period of duration of the Corporation is perpetual.

ARTICLE IV. NONPROFIT STATUS

The corporation is a nonprofit corporation.

ARTICLE V. PURPOSES AND POWERS

A. References to RSA 126-Q. All references herein to RSA 126-Q or portions thereof shall be to that statute as it may be amended from time to time, unless the context clearly requires otherwise. Unless otherwise expressly defined in these articles, capitalized terms not otherwise defined herein which are defined in RSA 126-Q:1 shall have the definitions in that statute.

B. Purposes. The Corporation is established for the following purposes: To assess Assessable Entities for the cost of vaccines provided to certain children in New Hampshire and all other purposes contemplated by RSA 126-Q.

A. Corporate Powers. The Corporation shall possess all powers and be entitled to take all actions permitted a non-profit, voluntary corporation organized under RSA 292, and any additional powers approved by the New Hampshire Commissioner of Health and Human Services (“HHS Commissioner”) from time to time. The Corporation shall exercise all powers granted by law necessary and proper to carry out the above-stated purposes, including but not limited to the power to amend the Plan of Operation from time to time with the approval of any such amendment(s) by the commissioner of the New Hampshire Department of Insurance (“Insurance Commissioner”). Nothing shall be deemed to authorize or permit the Corporation to carry on any business for profit, to exercise any power, or to do any act (i) that a corporation formed under RSA 292, or any amendment thereto or substitute therefore or (ii) that a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, may not at that time lawfully carry on or do.

ARTICLE VI. MEMBERS

The Corporation shall have neither capital stock nor membership certificates, but shall have members who shall have such rights as are provided for in RSA 292 and RSA 126-Q, in these Articles of Agreement and by the bylaws of the Corporation (“Bylaws”). Members of the Corporation’s Board of Directors shall be the sole members of the Corporation.

ARTICLE VII. LIMITATIONS

No part of the net earnings or the assets of the Corporation shall inure to the benefit of, or be distributable to, its directors or officers, its members, or to other private persons except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered, to reimburse reasonable out-of-pocket expenses incurred for the benefit of the Corporation and to make payments and distributions in furtherance of the purposes set forth in Article V hereof.

ARTICLE VIII. BOARD OF DIRECTORS

A. The affairs of the Corporation shall be managed by a Board of Directors as set forth in RSA 126-Q:3.

B. Directors of the Corporation may vote or otherwise act directly or through personal representatives they have designated from time to time in accordance with the Bylaws.

C. Actions by the Board of Directors must be approved by the affirmative vote of a simple majority of the entire Board of Directors then appointed or elected.

D. The Board of Directors shall have the duties set forth in RSA 126-Q.

ARTICLE IX. DISTRIBUTIONS AT DISSOLUTION

In the event of termination, dissolution, or winding up of the Corporation in any manner or for any reason whatsoever, the directors shall, after paying or making provision for the payment of all of the proper liabilities of the Corporation, dispose of all of the remaining assets of the

Corporation as determined by the Board of Directors and approved by the HHS Commissioner to an entity or organization which is then in existence and qualifies as an exempt organization under Section 501(c)(3) of the Internal Revenue Code or to more than one such exempt entity or organization, or, in default of any such determination, to the State of New Hampshire for exclusively public purposes. No part of the net assets of the Corporation shall be distributable to any director or officer or member upon termination, dissolution or winding up of the Corporation.

ARTICLE X. LIMITATION OF LIABILITY

A. Reference is hereby made to RSA 292:2, or any corresponding provision of New Hampshire law, as in effect from time to time. No director or officer of the corporation shall be personally liable to the Corporation or any members (should it have members at any time) for money damages for the breach of such person's fiduciary duty as a director or officer or both, except to the extent that a judgment or other final adjudication adverse to such person is entered in a proceeding based on a finding in the proceeding that: (i) such person breached his or her duty of loyalty to the Corporation and/or its members; (ii) such person acted or failed to act in a way which was not in good faith or which involved intentional misconduct or a knowing violation of law, or (iii) such person participated in a transaction from which such person actually received an improper benefit or profit in money, property, or services. If RSA 292:2 is subsequently amended to further eliminate or limit the liability of a director or officer, then a director or officer of the Corporation, in addition to the circumstances in which a director or officer is not personally liable as set forth in the preceding sentence, shall not be liable, and shall be shielded from liability, to the fullest extent permitted by the amended law. Any amendment to or repeal of this Article shall not adversely affect any right or protection existing at the time of such amendment or repeal to which any person may be entitled under this Article.

B. In accordance with and as required by RSA 126-Q:8, there shall be no liability on the part of and no cause of action of any nature shall arise against any member of the Corporation, any member's agents or employees, any Director of the Corporation, any officer or agent of the Corporation, or the HHS Commissioner or Insurance Commissioner or any of the representatives of any of the foregoing, for any actions or omissions by them in the performance of their powers and duties under RSA 126-Q.

ARTICLE XI. BYLAWS

Provisions for the election and qualification of Directors and the regulation of the internal affairs of the Corporation shall be set forth in the Bylaws.

ARTICLE XII. AMENDMENT OF ARTICLES OF AGREEMENT

These Articles of Agreement may be amended by the affirmative vote of two-thirds (2/3) of the entire Board of Directors then appointed or elected at a meeting duly called for that purpose, subject to approval of any so- voted amendments by the HHS Commissioner.

The foregoing Articles of Agreement have been approved.

New Hampshire Department of Health and Human Services

By:

Date:

_____, 2014
Nicholas A. Toumpas, Commissioner

City Clerk's Office, City of Concord, New Hampshire

Received and recorded this ____ day of _____, 2014.

City Clerk's Signature _____

City Clerk's Name (Please Print) _____

NEW HAMPSHIRE VACCINE ASSOCIATION

Plan of Operation

WHEREAS, the New Hampshire General Court has enacted New Hampshire revised statutes annotated (“RSA”) Chapter 126-Q (the “Act”) establishing a mechanism to assess insurers for the costs of vaccines provided to certain children in New Hampshire;

WHEREAS, the Act authorizes the formation of a not-for-profit, voluntary corporation known as the New Hampshire Vaccine Association (the “Association”);

WHEREAS, the Association is governed by a Board of Directors (the “Board”);

WHEREAS, the Act requires the Board to develop a Plan of Operation (the “Plan”);

WHEREAS, the legislature has amended the Act from time to time and the Board, following such amendments, has updated the Plan to implement changes in the Act; and

WHEREAS, the Board has developed the following Plan as required by the Act:

ARTICLE I

Effective Date / Amendment

This Plan and any amendments to same may be recommended from time to time by the Board and shall become effective upon the approval of the commissioner of the Department of Insurance (the “Insurance Commissioner”) after consultation with the commissioner of the Department of Health and Human Services (the “HHS Commissioner”). The Board may propose amendments at any time. Amendments may include a retroactive effective date if such date is proposed in the amendments and approved by the Insurance Commissioner. The completion of any blanks in the exhibits will not constitute an amendment to this Plan, but the change in the structure or substance of any exhibit will be considered an amendment requiring approval.

ARTICLE II

Conformity to Act; Immunity from Liability; Certain Definitions

The Association shall perform its functions under this Plan and in accordance with the Act, which is hereby incorporated as part of this Plan. Nothing in the Articles, the Bylaws, this Plan, or the actual operation of the Association shall create any private right of action against (1) any member of the Board, (2) the Association, (3) any administrator or executive director of the Association, (4) the Insurance Commissioner, (5) the HHS Commissioner or (6) any employee, personal representative, or agent of any of the foregoing. All such persons shall at all times enjoy immunity from liability to the fullest extent afforded by provision of any law, including, without limitation, RSA 126-Q:8 and RSA 292:2. Terms used but not defined in this Plan which are defined in RSA 126-Q:1 shall have the meanings set forth in that statute.

ARTICLE III

Management of the Association and its Assets; Board

The Association shall have no employees. Rather, the Board shall select one or more third parties to provide services needed to administer the Association and to implement the steps contemplated in the Plan. Included among such third parties, the Board may retain an administrator (the “Administrator”) to serve as its executive director and manage the day-to-day affairs of the Association. The Board shall be constituted as set forth in the Bylaws. Provisions in the Bylaws covering Board selection are hereby incorporated by reference in this Plan.

ARTICLE IV

Public Awareness

The Board may establish and maintain public awareness of the Association through (1) maintenance of a website containing information about its meetings, descriptive data and downloadable copies of the Association’s Articles and Bylaws, together with this Plan and such other data as the Board or the Administrator may determine to be helpful or necessary from time to time and (2) publication, via e-mail or otherwise, of a summary annual report. If, in the judgment of the Board, additional efforts are helpful or necessary to establish and maintain public awareness of the Association, the Board shall be authorized to undertake such additional efforts. The Board shall include the estimated costs for its public awareness program in its annual budget.

ARTICLE V

Governance / Administrative Expenses / Accounting / Financial Reporting

A. Governance. The Board shall conduct its operations in accordance with the Annual Event and Meeting Calendar set forth as **Exhibit A**. The Board may from time to time make such adjustments to the dates of events listed on Exhibit A as it may determine to be appropriate.

B. Financial and Other Records. Monthly, quarterly and annual financial records shall be maintained and distributed by the Administrator in accordance with the schedule set forth in **Exhibit B**.

C. Assessment Determination and Administrative Expenses. The Board shall be authorized to expend monies for the payment of administrative expenses, including but not limited to, the following types of expenses: fees for professional services, including legal, actuarial, accounting, auditing or any other services that are helpful or necessary to provide assistance in the operation of the Association; travel expenses, and other administrative expenses deemed helpful or necessary by the Board to conduct operations effectively. The Association’s financial records shall segregate administrative expenses for the benefit of the Board in managing such expenses.

D. Auditing. The Association shall retain an independent CPA firm to conduct an annual audit of the financial statements of the Association. The audit shall be conducted in accordance with generally accepted auditing standards, and an opinion shall be rendered by the CPA firm as to whether the Association’s financial statements are fairly stated in accordance with generally accepted accounting principles. In conjunction with the annual audit, the CPA firm shall produce a management letter for the benefit of the Board. The results of the annual audit, together with the management letter, shall be presented to the Board’s audit committee and forwarded to the entire board. The CPA firm selected by the Association must be authorized to do business in the State of New Hampshire.

E. Budgeting. The Board shall develop an annual expense budget in the form of **Exhibit C** prior to the commencement of each fiscal year. The Board shall be entitled to assume that adequate internal control

policies and procedures with respect to the handling of Association assets and liabilities by the Administrator including but not limited to, cash, cash receipts, cash disbursements, assessments, premiums, claims payments, investments, accounts payable, and administrative expenses, are in place, but may, in its discretion, at any time, engage the CPA firm to review such policies and procedures.

F. Bank Accounts. Money and marketable securities shall be kept in bank accounts and investment accounts as approved by the Board. The Association shall deposit receipts and make disbursements from these accounts. All bank accounts/checking accounts shall be established in the name of the Association, and shall be approved by the Board. Authorized check signers shall be approved by the Board. Two signatures shall be required on all checks in excess of \$5,000.00.

G. Examination and Annual Reports. The Association shall be subject to examination by the HHS Commissioner or the Insurance Commissioner. The Board shall submit to each commissioner each year, not later than 120 days after the Association's fiscal year, a financial report and a report of its activities during the preceding fiscal year. The Association's fiscal year shall be the 12 months ending June 30. Not later than December 31 each year, the Association shall submit an annual report regarding the association's activities, its financial reports, and any newly-approved vaccines adopted by the department of health and human services to the president of the senate, the speaker of the house of representatives, and the governor.

ARTICLE VI

Assessment Collections / Remittance to State Treasurer / Assessment Revenue Recognition

On behalf of the Board, the Administrator shall bill and collect assessments in accordance with the schedule in **Exhibit A**, and render periodic financial reports as scheduled in **Exhibit B**.

Upon request from time to time, the HHS Commissioner shall cause to be delivered to the Administrator the remittance request for the state fiscal year along with such other reasonably available DHHS data as may be helpful to the Board for its assessment rate setting work.

Not less frequently than annually, the Board shall review and establish a quarterly child covered lives assessment rate using a rate-setting spreadsheet tool developed and updated from time to time by the Administrator and approved by the Board. The spreadsheet shall incorporate all factors set forth in RSA 126-Q:4, II. The approved spreadsheet tool shall be published on the Association's website in .pdf form, showing the most recent calculations, and, as published from time to time, is hereby incorporated by reference.

The Association shall undertake reasonable efforts to provide Assessable Entities not less than ninety (90) days' notice of the effective date of any assessment rate change. Notice shall be deemed given when posted to the Association's website. The Administrator shall also undertake to send e-mail notices of any assessment rate change using one or more of the e-mail addresses filed by the Assessable Entity using the Association's self-reporting assessment system.

Assessable Lives shall be reported by Assessable Entities and assessments shall be due from Assessable Entities for each quarter ending in September, December, March and June forty-five (45) days after the end of each quarter, i.e., November 15, February 15, May 15, and August 15. For the Association's financial statement preparation and reporting purposes, assessment revenues shall be considered revenue in the period in which the assessment payments were due notwithstanding the fact that the measurement period for covered lives may be in a prior period. Therefore each fiscal year ending June 30 shall include as revenue the assessments due for payment during the fiscal year July 1 through June 30 and not the assessment due the following August 15 (which is determined based upon covered lives of Assessable Entities in April, May, and June of the reporting year).

The Association shall endeavor to maintain assessment equity by proportionately matching, as near as is reasonable, the assessments to those payers who have child beneficiaries who access state supplied vaccines funded by the Association. It may from time to time enter into agreements with other states as contemplated by RSA 126-Q:3, V(n) and adopt policies or procedures as contemplated by RSA 126-Q:3, V(p) to support equitable allocation of assessments among Assessable Entities. No Assessable Entity shall be required to report as an Assessable Life or pay an assessment for such life where vaccines with respect to such life clearly are paid for, in fact, by another state or by the federal government in programs such as the federal Vaccine For Children (“VFC”) program or on-base immunization of TRICARE military beneficiaries using Department of Defense purchased vaccine supply. Assessable Lives shall be reported on a self-reporting online assessment system developed by the Administrator and updated from time to time as directed by the Board.

A late fee equal to product of (i) the number of days late times (ii) .000493 times (iii) the amount past due will be added to amounts due for any assessment payment received by the Administrator after its due date. The Administrator shall follow up with respect to any late assessment receipts in accordance with the protocol set forth in **Exhibit F**.

The Association shall remit the amount initially requested for the respective fiscal year to the New Hampshire state treasurer (or to such other state official as may be designated by the Department of Health and Human Services from time to time), to the credit of the vaccine purchase fund established pursuant to RSA 141-C:17-a, on or before June 30 each year. The timing of the actual expenditure of those funds by any state agency shall have no impact in determining any credit for any surpluses in the Association’s assessment calculations. Rather amounts considered as surpluses or shortfalls for the subsequent year’s assessment determination shall be only those amounts above or below the targeted Net Remittance established by the Board for the prior year.

ARTICLE VI-a

Special Transitional Assessment Rule

For the 2013/14 operational year and continuing to assessments due August 15, 2014, assessment collections shall be governed by the Interim Plan of Operation set forth in letter dated October 1, 2013, from the Association’s executive director to the Commissioner of Insurance. This ARTICLE VI-a will expire as of September 1, 2014.

ARTICLE VII

Penalties/Adjustments and Dispute Resolution

A. Penalties/Adjustments:

- 1. Background.** Given numerous factual determinations and tasks to be performed by insurers relative to their calculations of Assessable Lives as reported to the Association, it is expected that all Assessable Entities will exercise the highest degree of good faith and due diligence in all aspects of their relationship with the Association. Errors may occur, however, and it is appropriate that the sanctions applicable to such errors be detailed.
- 2. Errors Related to Assessments.** All Assessable Entity errors related to the assessment shall require the immediate payment of additional amounts due plus interest calculated from the date such sum should have been paid, plus an administrative charge as established by the Board.
- 3. Gross Negligence and Intentional Misconduct.** If the Board determines that the nature or extent of the errors of a particular Assessable Entity may reflect gross negligence or intentional misconduct, the Board shall refer its findings to the Insurance Commissioner for

appropriate action.

- 4. Interest and Administrative Charges.** All interest payments required under this Plan of Operation shall be calculated from the date the incorrect payment occurred or correct payment should have been made through the date of payment. The Administrative charges shall be established by the Board and may be waived by the Board.

B. Time Considerations with respect to Assessment Payment Adjustments.

Once assessment rates are set by the Board in any year, any adjustment for Assessable Entity over reporting of Assessable Lives or overpayments shall be considered first by the Board in connection with the assessment determination for the following year and may, depending upon the cash flow needs of the Association, be spread over multiple years. No request for reconsideration of any assessment or refund of payment made shall be considered by the Association with respect to any request which is not filed with the Association, in writing, on or before that date which is six (6) months after the first due date for the immediately following assessment year after the overpayment error. It is expected that each fiscal year's first due date will be August 15 and that, consequently, any request for reconsideration or refund must be filed no later than the following February 15. Any underpayment due to late payments or underreporting of Assessable Lives shall be made by Assessable Entity at the earliest possible date and shall include interest and administrative charges as set forth above.

C. Assessable Entity Appeal of Disputes to Board.

Assessable Entities may request permission to appear before the Board at any time in connection with any dispute with the Association. No request or appeal relating to assessments shall be heard until the protesting party has paid the assessment in full. Any assessment amount paid under protest shall be held in an interest bearing account (which may be commingled with other accounts of the Association) with principal and interest to be paid to the prevailing party upon final resolution of the protest.

D. Arbitration.

All disputes and differences that cannot be agreed upon by the parties will be decided by arbitration. The arbitrator(s) will have the authority to interpret this Plan of Operation and in doing so, shall consider the customs and practices of the insurance industry. The arbitration shall be conducted under the auspices of the American Arbitration Society in accordance with its commercial arbitration rules. Such arbitration shall be held in Concord, New Hampshire. This agreement to arbitrate shall be enforceable and judgment upon any award may be entered in any court having jurisdiction, which the parties hereby stipulate and agree, will include any court of appropriate subject matter jurisdiction located within the State of New Hampshire. Reasonable costs of arbitration shall be borne equally by the parties and each party shall pay the cost of its own personnel and counsel involved in such proceedings.

Article VIII Termination

The Association shall continue in existence subject to termination in accordance with applicable requirements of the laws of the State of New Hampshire and the United States of America. In case of enactment of a law or laws which in the determination of the Board and the HHS Commissioner shall result in the termination of the Association, the Association shall terminate and conclude its affairs in a manner to be determined by the Board with the approval of the HHS Commissioner.

In accordance with RSA 126-Q:3, V(c), the foregoing Plan of Operation has been approved following consultation with the Commissioner of the New Hampshire Department of Health and Human Services.

New Hampshire Insurance Department

By: _____ Date: _____, 2014

Exhibit A

NEW HAMPSHIRE VACCINE ASSOCIATION Annual Fiscal Year Event & Meeting Calendar

	<u>Date</u>	<u>Event</u>	<u>Statutory Reference</u>
1.	June 30	NHVA Fiscal Year End for Prior Year	
2.	3rd Tues July	Board of Directors Annual Meeting <ul style="list-style-type: none"> a. Select Directors for terms beginning August 1 b. Review Report of Administrator for year's operations c. Review Discharge of Director Duties d. Executive Session (Administrator's personnel excluded) Board of Directors Other <ul style="list-style-type: none"> a. HHS vaccine budget and forecast 	RSA 126-Q:3, V. RSA 126-Q:4, I
3.	August 15	2nd Calendar Quarter Covered Lives Assessment Due	RSA 126-Q:3, V.(I)
4.	4th Tues Sep	Audit Committee (in person) <ul style="list-style-type: none"> a. Meet with outside auditors b. Review audit report c. Executive session (Administrator's personnel excluded) Board of Directors Meeting <ul style="list-style-type: none"> a. Accept the Audit Committee's Audited Financials b. Finalize Assessment Rate for next year effective January 1 	 RSA 126-Q:4
5.	October 1	Notice of new Assessment Rate effective January 1	RSA 126-Q:3, V.(e)
6.	3rd Tues Oct	Board Meeting (teleconference?) <ul style="list-style-type: none"> a. Accept audit report & release prior year's financials b. Set Current Year's Assessment if not done earlier 	RSA 126-Q:6 RSA 126-Q:3, V.(e)
7.	November 1	Assessment Determination Due	RSA 126-Q:3, V.(e)
8.	November 15	3rd Calendar Quarter Covered Lives Assessment Due	RSA 126-Q:3, V.(I)
9.	3rd Tues Jan	Board of Directors Meeting	
10.	February 15	4th Calendar Quarter Covered Lives Assessment Due	RSA 126-Q:3, V.(I)
11.	3rd Tues March	Audit Committee <ul style="list-style-type: none"> a. Review Collections Results b. Recommend Next Year's Expense Budget Board of Directors Meeting <ul style="list-style-type: none"> a. Adopt next fiscal year's budget 	
12.	May 15	1st Calendar Quarter Covered Lives Assessment Due	RSA 126-Q:3, V.(I)

Exhibit B

NEW HAMPSHIRE VACCINE ASSOCIATION Schedule of Financial Statements

Financial statements will be released on the following schedule:

- a. Monthly Statements: To the Treasurer and the Chairman of the Board 15 business days after the close of each month
- b. Quarterly Statements: To the full Board 20 business days after the close of each quarter
- c. Annual Statements: Management's statements will be ready for internal review 60 business days after the close of the year; full statements will be released to the public as soon as the audit is completed and the audit report accepted by the Board

Exhibit C

NEW HAMPSHIRE VACCINE ASSOCIATION Estimated Expense Budget for 2014 / 2015

1	Administrative Fees (CML Administrators)		
2	Annual Base Fee	103,500	¹
3	Variable Compensation	<u>11,500</u>	²
4	Subtotal	115,000	
5	Auditing Fees	7,500	
6	Legal Fees	5,000	
7	Insurance Expense (D&O)	7,260	
8	Special Projects	<u>-</u>	³
9	Subtotal	19,760	
10	Total Expenses	<u><u>\$134,760</u></u>	
11	Budgeted for Bad Debt	to be set as part of assessment work	

NOTES:

- ¹ Base Fee commences on August 1. Each subsequent August 1 anniversary, base shall be increased by 2.75% over the prior year's amount.
- ² 10% of each year's base shall be held back and awarded pursuant to "Variable Compensation".
- ³ This requires advance written approval by the Board since ordinary operating expenses have been rolled into the comprehensive ED & Admin Services Agreement now in effect.

Exhibit D

NEW HAMPSHIRE VACCINE ASSOCIATION Follow-up for Past Due Assessments

Protocol A: for all carriers falling within the top 90% of assessments due

- Make a phone call one business day after due date
- Send a fax reminder five business days after due date
- Send a letter reminder three business days after the fax reminder with a copy to the board of directors

Protocol B: for all carriers falling within the 90% to 98% of assessments due

- Make a phone call three business days after due date
- Send a fax reminder seven business days after due date
- Send a letter reminder five business days after the fax reminder with a copy to the board of directors

Protocol C: for all carriers falling within the 98% to 100% of assessments due

- Make a phone call five business days after due date
- Send a fax reminder eight business days after due date
- Send a letter reminder ten business days after the fax reminder and put on delinquency report to the board of directors

In addition to the above, report to the Commissioner of Insurance as required by RSA 126-Q:3, V(k). At the Annual Meeting of the Board, recommend collection / follow up activity for any remaining delinquencies and follow up in accordance with Board instruction. In light of RSA 126-Q:5, I, however, it is contemplated that any collection follow up after 6 months of notification would be handled by the Department of Insurance pursuant to that statute.