

**NH Vaccine Association – Board of Directors Meeting**

**December 15, 2015 – 8:30 – 11:30 a.m.**

**KidsVax Offices**

**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, Chair – Harvard Pilgrim Health Care (P)  
Laura Condon – Public Board Representative (T)  
Colleen Haggerty – DHHS [For M. Bobinsky] (P)  
Elaine Koskela – Cigna (T)  
Everett Lamm, M.D. – Healthcare Provider (P)  
Jason Margus – Anthem (T)  
Edward Moran – Public Board Representative (P)  
David Sky – NHID (P)

**Absent:**

David Fredenburg, M.D. – Healthcare Provider  
Marcella Bobinsky – DHHS

**Others:**

Mark McCue, Esq. – Hinckley Allen (P)  
Dona Murray – Bank of New Hampshire (P)  
Kathy Crane – Bank of New Hampshire (P)

**Public:**

David McKillop – Rath & Young / Merck (P)  
Judith Butler – Merck (T)

**KidsVax:**

Fred L. Potter (P)  
Claire Roberge (P)  
Terry Mills (P)  
Thomas Philbrick (P)

**II. Summary of Actions Taken and/or Recommended**

**A. Actions Taken (votes adopted)**

1. To approve the Board Meeting minutes of the October 6, 2015 as amended by Ms. Condon at this meeting.
2. To ask the Audit Committee to review and revise the Investment and Late Payment Policies as recommended at the Board meeting.
3. To authorize the Executive Director to distribute the VaxFacts<sub>sm</sub> with the guidance provided by the Board at this meeting.
4. To approve the Annual Report to the legislature as submitted.

**B. Follow up Task/Action Items**

1. KidsVax will schedule an Audit Committee Meeting to further discuss the Investment and the Late Payment Policies and will invite Ms. Murray and Ms. Crane to join the meeting to discuss the Investment Policy.
2. KidsVax will specifically inform the payers of the ACH functionality now available for payment of assessments.
3. KidsVax will be writing to any residual payers who mail to the KidsVax address next assessment cycle asking them to update the address in their system to the lockbox address.
4. Mr. Potter will write to the commissioners thanking them for getting the TRICARE letter out.

**III. Minutes**

**Welcome and Introductions**

At approximately 8:35 a.m., a quorum having been established, Chairman Tenney called the meeting to order. Colleen Haggerty attended as the personal representative for Marcella Bobinsky. Chairman Tenney surveyed the Board for additional agenda items. Mr. Potter indicated that there are two parts to the TRICARE matter; one to be held out of executive session and one expected to be held in executive session due to privileged information. This item was added to the agenda under item number 6, Other Matters from Board Members.

**Investment Presentation – Bank of New Hampshire (BNH)**

Ms. Murray, an investment officer with Bank of New Hampshire and Ms. Crane, a trust officer and relationship manager with Bank of New Hampshire provided a brief presentation regarding management of NHVA's investments. They reviewed the investment processes for the Board and addressed the Investment Policy from 2005. Ms. Murray indicated that with the guidance of the Investment Policy, BNH works to provide NHVA with liquidity, safety, and some yield. Fixed income is structured to provide the cash flow necessary to meet NHVA's financial obligations. High-grade or government-guaranteed fixed income provides a haven for a portfolio's principal. The yield is secondary to the liquidity and safety and is obtained through a total return approach. There have been some capital losses which occur when a bond is bought at premium. In today's environment, the objective is to get a higher total return yield, including the income payments over the life of the bond, which is a higher yield than a par bond.

Ms. Murray addressed the Board's questions regarding recent booked losses. She explained that some bonds are issued at par, some are issued at a discount, and some at a premium. The objective is, given a certain quality of bond, to try to garnish the most yield possible.

Bonds are purchased to own for the life of the bond, so their objective is to get the highest yield to maturity. This approach will cause, as an accounting matter, some gains and losses to be booked from time-to-time in a given accounting period due to GAAP financial reporting requirements. However, with respect to NHVA investments, it has not yet experienced any loss on any individual investment made when viewed over the entire holding period. Further in-depth discussion and explanation ensued. Ms. Murray indicated her willingness to speak with Board members by telephone should they have additional questions.

It was also noted that the Board's Investment Policy is somewhat outdated. There are specific references to dollar amounts and interest rates that generally should be avoided because the policy should be something that can last through time. Ms. Murray reviewed the policy and has offered some suggested changes to the existing policy. She also commented favorably on the Washington Vaccine Association (WVA) Investment Policy Mr. Potter had offered for consideration by the Board at an appropriate time. Mr. Potter suggested that the task of making a recommendation for an updated Investment Policy be referred to the Audit Committee. Further discussion ensued. Mr. Sky would like the asset investment cash flow information that is provide to BNH to also be provided to the Audit Committee. Ms. Murray and Ms. Crane offered to meet with the Audit Committee to review the Investment Policy in detail to assist with the Committee's development of an updated policy. KidsVax will schedule an Audit Committee Meeting to further discuss the Investment Policy and will invite Ms. Murray and Ms. Crane to join the meeting.

#### Consent Calendar

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

VOTED: To approve the Board Meeting minutes of the October 6, 2015 as amended by Ms. Condon at this meeting.

At the October 6, 2015 Board meeting, the Late Payment Policy was referred to the Audit Committee for further review and revision and requesting a recommendation to the Board. However, the Audit Committee has not met since that time. Therefore, it was the sense of the Board to defer approval of the Late Payment Policy until it is brought to the Audit Committee at its next scheduled meeting. The Late Payment Policy will then be brought to the Board for approval at its next scheduled Board meeting following the Audit Committee's review, revision and recommendation.

#### Business Updates

Mr. Potter reported that the lockbox setup went remarkably well given the diversity of payers. KidsVax plans to specifically draw payers' attention to the ACH functionality now available. Some of the larger institutions may prefer to pay that way and have everything under more positive control from their perspective. KidsVax will then be writing to any residual payers who mail to the KidsVax address asking them to update the address in their system to the lockbox address. Regardless of where mailed by the payers, all checks will be processed through the lockbox. No NHVA checks will be directly deposited by KidsVax.

Mr. Potter indicated that he reviewed all of the governance documents included in the Board materials packet. There have been no further comments on those documents. In an effort to triage the process, Mr. Potter suggested handling the Articles of Agreement, Bylaws, and Plan of Operation today. The mark-ups reflect all of the comments made to date. There were no further comments after the distributions over the last two weeks. The three governance documents should to be moved forward in the near future.

With respect to the TRICARE matter, Mr. Potter and Ms. Walter spent two productive weeks in Washington, DC. New Hampshire's Insurance and DHHS commissioners have asked New Hampshire's two senators to co-sponsor legislation. The Senators' offices are following up. The staff from the two senators' offices worked collaboratively writing language to a TRICARE provision to be included in the initial committee 2016 draft of the 2016 National Defense Authorization Act. Mr. Potter will write to the commissioners thanking them for getting the letter out. That letter yielded exactly the bipartisan request that both the majority and ranking members of the Senate Armed Services Committee (SASC) requested emerge from the vaccine association states that TRICARE be mandated to pay. Additional details will be discuss during the TRICARE portion of the meeting.

Ms. Condon requested clarification on the quarters being represented in the green box on the Executive Director Report. The data was reviewed and suggestions were proposed to further clarify the reporting periods in the report.

Mrs. Roberge provided a brief overview of the quarterly financials as of 9/30/15. NHVA has a cash balance of \$70,875.73 and short-term investments of \$17,090,319.04. The prepaid expense for D&O insurance is \$1,622.53. For the three months ending 9/30/15 there were fees for administrative services for KidsVax, professional fees for Hinckley Allen, and audit fees for July and August. Bank fees of \$125.00 reflect the monthly fees for NHVA's investment program. Mr. Potter reiterated that the bank fees will be increasing due to the start-up of the lockbox services. Interest income is \$3,021.10 from assessments and \$6,957.73 from investments. There is an unrecognized loss on investments of \$6,130.40 and a recognized loss on investments of \$8,871.85. There was a Board authorized remittance to the State of New Hampshire of \$1.1 Million. The \$19.6 Million in column B is what will be due to the State in June 2016. There were 499,755 child covered lives for the quarter ending 6/30/15.

The NHVA VaxFacts<sup>sm</sup> was presented and reflects changes intended to be responsive to all Board comments through last week. Mr. Potter reported that Ms. Condon has additional comments that she would like the Board to consider. Chairman Tenney asked Ms. Condon to present her additional concerns. Ms. Condon asked for an explanation of the information being conveyed in paragraph two on page one of the NHVA letter concerning the statement that the assessment rate needed for the year had remained lower than had been anticipated earlier. Mr. Potter indicated that as of 6/30/15, NHVA ended up with assessment rates that turned out to be less than what had been

discussed with the legislature two years prior. Mr. Potter explained that the report is for the fiscal year ending 6/30/15 and all of the notes similarly are for that period and are reported to the legislature for that period as well. Ms. Condon also was concerned with the statement regarding New Hampshire's universal vaccination program continuing to set new records in reducing healthcare costs when vaccine costs are being measured. It can be presumed that it has made changes in other things, but what can be measured as a Board only are the vaccine costs. Her concern is that the Association has gone in a direction of policy on vaccines and she would like the Board to focus more on the numbers rather than the policy. She expressed concern about the VaxFacts<sup>sm</sup> report reflecting a policy position on vaccine efficacy. Following extensive further discussion, it was the sense of the Board to revise the report to address Ms. Condon's concerns with the following revisions to page one of the VaxFacts<sup>sm</sup> Report: 1) Revise the chart sidebar to read, "This chart is reflective of the immediate savings achieved by purchasing vaccines through the CDC state-wide universal purchase program as opposed to what the actual costs would be if these vaccines were obtained on the open market.", 2) Revise the heading of the bottom paragraph to read, "How does the Universal Purchase Program improve childhood immunization?", 3) In the second sentence of the last paragraph, replace the word "life-saving" with the word "recommended", and 4) Remove the last sentence in the last paragraph. It was the sense of the Board that it would be entirely appropriate, from its perspective, for the portion on the second page under Marcella Bobinsky's signature to address the subjects of vaccine efficacy, which are being removed from the first page at Ms. Condon's request.

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

VOTED: To authorize the Executive Director to distribute the VaxFacts<sup>sm</sup> with the guidance provided by the Board at this meeting.

Chairman Tenney asked for any comments from Board members with respect to the draft Annual Report to the legislature. After discussion on several specific words, which had been used by Mr. Potter in his draft, the Annual Report was approved as submitted without change.

#### Governance Documents

It was the sense of the Board that additional time is needed for review of the draft governance documents as submitted. Concern was raised that the Board had requested a full two weeks for review of the documents, but they had only been delivered 10 days in advance of the meeting. Mr. Potter apologized for his delay, noting it had been precipitated by his lost time to care for a family member who sustained accidental injuries in late October. At the request of the Board, a three-hour Board meeting will be scheduled for the middle to end of January. An Audit Committee meeting of the same duration one to two weeks prior to the scheduled Board meeting will be scheduled, with the BNH representatives in attendance. The Investment and Late Payment Policies will be reviewed and the Committee will make its recommendations to be voted on by the Board at its full Board meeting. The Board will come back prepared to discuss and approve the governance documents at that time. It was noted that KidsVax is also polling for the Assessment Process Improvement Task Force meeting date, which should take place prior to the Audit Committee and Board meetings.

#### Assessment Setting Task Force

Mr. Sky reported that the task force met earlier this month. He will be providing an update to the work group and hopes to bring back a recommendation to the Board for consideration well in advance of the next assessment setting.

#### TRICARE

Mr. Potter indicated that there are two TRICARE reports to be discussed, one of which is the legislative report which will not be in executive session. There is also the report of interviews with various plaintiff law firms per Mr. Sky's request, which he anticipates the Board would want to receive in executive session.

With respect to the legislature, NHVA's request, as communicated in person by Mr. Potter and Ms. Walter of KidsVax, has been well received. New Hampshire's two senators are working collaboratively through their staff on this. They could not have been more supportive and there is a draft legislation that is now with the legislative counsel assigned to the Senate Armed Services Committee (SASC). That committee's staff has stated that TRICARE oversight is within its legislative jurisdiction. After in-person meetings with Mr. Potter and Ms. Walter, also in Washington, DC, TRICARE itself is saying that they will support the legislative change. This appears to be a significant breakthrough.

Mr. Potter stated he understands that all of the universal purchase states participating in the multi-state effort now are onboard with this approach.

Mr. Potter will be reporting back to the New Hampshire Commissioners thanking them now that there is this clear commitment and will report on the status. We understand that staff for New Hampshire's two U.S. Senators will be willing to collaborate to get this into the SASC Chairman's draft. He is hopeful that it will be in the Chairman's draft on both the Senate and the House bills and the language will be identical. That should mean that this should not see Conference Committee review in the course of the legislative year next year. NHVA has had no expenditures on any of the work that has been undertaken to date. KidsVax time is being paid by Idaho and Washington and the DC lobbyist for this work is being paid by the Washington Vaccine Association. The support of New Hampshire's commissioners was enormously helpful and the fact that it was a joint request reinforced the bipartisan understanding now in process.

### Public Comment

There was no public comment.

Executive Session [Prepared by outside general counsel, Attorney Mark McCue of Hinckley Allen. KidsVax representatives were excused.]

The Board of Directors (the "Board") of the New Hampshire Vaccine Association ("NHVA") voted by unanimous roll call vote to enter into executive session to discuss legal matters with counsel at 10:20 a.m. Prior to the roll call, Elaine Koskela of Cigna departed from the meeting and did not participate in the executive session.

Mr. Potter outlined for the Board the status of various efforts by legal counsel engaged primarily by the State of Washington to address the procurement of both past and future vaccine assessments against TRICARE. Mr. Potter also relayed the advice of counsel that a legislative amendment was the most likely avenue for the collection of future assessments, but that the collection of past assessments was less likely. In order to enhance the likelihood of passage of this favorable legislation, counsel recommended that additional efforts be undertaken to analyze the existing TRICARE legislation to ensure that all appropriate amendments were made, and to engage in communication efforts designed to educate federal legislators and persuade them to vote in favor of the federal bill. Mr. Potter then responded to questions regarding the expenditures by other states toward these efforts. The Board discussed the amount of past-due TRICARE assessments, the estimated amount of future assessments, and the Board's authority and obligations with respect to the collection of assessments by NHVA.

After further discussion, and upon a motion made by Ms. Tenney and seconded by Mr. Moran, the majority of the Board with one vote by Ms. Condon in opposition and with the New Hampshire Department of Health and Human Services representative, Colleen Haggerty, abstaining:

VOTED: To authorize the NHVA Executive Committee to expend up to \$25,000 in its discretion for contracted services to address past or future assessments owed by TRICARE, provided that NHVA pays no more than 50% of the cost of such services and further provided that legal counsel to NHVA confirms that NHVA has the power and authority to enter into such contracts.

The Board then dismissed Mr. Potter and continued in executive session at 10:50 a.m. to discuss personnel matters. The minutes of this additional executive session have been sealed by a vote of the Board.

Upon motions by Mr. Sky and seconded by Mr. Moran, the Board voted to end the executive session and then to adjourn the Board meeting at 11:10 a.m.

Respectfully submitted,  
Mark S. McCue  
Secretary pro tem



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What: New Hampshire Vaccine Association (NHVA) Meeting  
 Date and Time: Tuesday, December 15, 2015 / 8:30 a.m. – 11:30 a.m.  
 Location: KidsVax® Conference Room, 125 North State Street, Concord, NH  
 Call-In: **Please register at:**  
<https://attendee.gotowebinar.com/register/3880073551077208065>

**After registering, you will receive a confirmation email containing information about joining the meeting.**

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

<b>Approx. Time</b>	<b>Topic/[Anticipated Action]</b>	<b>Presented by:</b>
8:30-8:35 a.m.	1. Welcome and Introductions	S. Tenney
	a. Survey of Other Matters from Board Members	
	b. Request for identification of individuals on conference phone	
8:35-9:20 a.m.	2. Bank of New Hampshire Investment Team Presentation	K. Crane/D. Murray
	a. Presentation by Bank of New Hampshire (BNH)	BNH/Board
	b. Discussion regarding NHVA Investment Policy	
	c.	
9:20-9:30 a.m.	3. Consent Calendar Items	S. Tenney
	* a. Approve Board Meeting Minutes (October 6, 2015)	
	* b. Approval of the Late Payment Policy	
9:30-10:00 a.m.	4. Business Updates	
	* a. Executive Director Report	F. Potter
	* b. Financials – 09/30/15	C. Roberge
	* c. Approve VaxVacts <sub>SM</sub> 2015	T. Philbrick
	* d. Approve Annual Report to Legislature	F. Potter
	e.	
10:00-10:30 am	5. Governance Documents (separately indexed)	F. Potter
	* a. Final Review of Revised Governance Documents	
	i. Key Documents:	
	(a) Articles of Agreement	
	(b) Bylaws	
	(c) Plan of Operation	
	ii. Late Payment Policy (Per auditor recommendation)	
	iii. Other	
10:30 – 10:45 a.m.	6. Other Matters from Board Members	S. Tenney
	a. Assessment Setting Task Force Update	D. Sky
	b.	
10:45 – 10:55 a.m.	7. Public Comment (if any)	
10:55 – 11:05 a.m.	8. Parking Lot Questions/Concerns (If time allows)	
	a.	
	b.	
11:05 – 11:30 a.m.	9. Executive Session (Board Members Only)	S. Tenney
	* a. TRICARE Update	J. Walter
	a. With KidsVax.org personnel present	
	b. Without KidsVax.org personnel present	
	10. Reference Documents	
	* a. Contact Directory	
	* b. Governing Statute	
	* c. 2015/16 Meeting Schedule & Annual Governance Calendar	
	* d. Proposed form of votes for this meeting	
	* e. Directions to meeting location	
11:30 a.m.	<b>[Adjourn]</b>	

\*Indicates agenda item attached



**NH Vaccine Association – Board of Directors Meeting**  
**October 6, 2015 – 8:30 – 10:00 a.m.**  
**Via Teleconference and**  
**Onsite Location – KidsVax Offices**  
**Presiding Officer: Susan Tenney, Chair**

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

**Directors:**

David Fredenburg, M.D. – Healthcare Provider (P)  
 Susan Tenney, Chair – Harvard Pilgrim Health Care (T)  
 Jason Margus – Anthem (T)  
 Elaine Koskela – Cigna (T)  
 David Sky – NHID (P)  
 Everett Lamm, M.D. – Healthcare Provider (T)  
 Marcella Bobinsky – DHHS (T)  
 Laura Condon – Public Board Representative (T)

**Others:**

Mark McCue, Esq. – Hinckley Allen (P)

**Public:**

Gina Powers – Rath & Young / Merck (P)

**KidsVax:**

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

**Absent:**

Edward Moran – Public Board Representative

**II. Summary of Actions Taken and/or Recommended**

**A. Actions Taken (votes adopted)**

1. To approve the Audit Committee minutes and Annual Meeting minutes of the September 9, 2015 meetings as amended by Ms. Condon.
2. To ask the Audit Committee to review and revise the Late Payment Policy as recommended at the Board meeting.
3. To adopt the 2015/2016 NHVA Meeting Calendar as amended at the meeting.
4. To authorize KidsVax to seek qualified Washington, DC counsel who would, on a contingent fee basis, pursue NHVA's assessment claims with respect to the equitable share attributed to beneficiaries of the Defense Health Agency, along with the claims of similar programs in other states, and to bring its recommendation(s) concerning such counsel back to the Board for final action.

**B. Follow up Task/Action Items**

1. KidsVax will send the Late Payment Policy to the Audit Committee for further review and revision prior to adoption.
2. KidsVax will provide the governance documents to the entire Board by the end of October for review and revision within a two-week timeframe. Directors can contact Ms. Tenney to form a subcommittee if the need arises.
3. Mr. Potter will contact the Governor's office regarding the appointment of a representative of a self-insured entity to the Board.
4. KidsVax will supply Mr. Sky certain information on TPAs as discussed at the meeting.

**III. Minutes**

**Welcome and Introductions**

At approximately 8:45 a.m., a quorum having been established, Ms. Tenney called the meeting to order. Ms. Tenney surveyed the Board for additional items to be added to the agenda.

**Consent Calendar**

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

VOTED: To approve the Audit Committee minutes and Annual Meeting minutes of the September 9, 2015 meetings as amended by Ms. Condon.

The Late Payment Policy was discussed at length. Ms. Condon expressed concern about the inconsistency in terminology used within the document between "policy" and "guidelines," as well as certain other matters. She feels the language needs to be consistent and should be referred to as a policy of the New Hampshire Vaccine Association ("NHVA") rather than directions for the administrator. Mr. Potter indicated that this document is responsive to a request by the auditor that the policies or practices that had actually been followed be put in writing. After further discussion, it was the sense of the Board to refer the Late Payment Policy back to the Audit Committee for further review and revision prior to adoption.

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

VOTED: To ask the Audit Committee to review and revise the Late Payment Policy as recommended at the Board meeting.

The 2015/2016 meeting calendar was discussed. Ms. Condon had concerns that the meeting calendar does not match the NHVA governance documents. Mr. Potter explained that with the new assessment cycle, the governance documents will need to be revised to better match data availability. After brief discussion, Mr. Potter indicated that he will send the draft governance documents to Board members for review and revision by the end of October and requested that any suggested changes be returned within a two-week timeframe so that the governance documents can be discussed and voted on at the December meeting. If additional concerns arise at that time, a subcommittee will be formed.

Mr. Sky requested that the meeting scheduled for Tuesday, October 4, 2016 be changed to a later date. At his request it was the sense of the Board to move the meeting to Tuesday, October 11, 2016. Mr. Potter indicated that an additional agenda item would be included for the June meeting to prepare recommendations concerning the next fiscal year expense budget.

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

VOTED: To adopt the 2015/2016 NHVA Meeting Calendar as amended at the meeting.

#### DHHS Update

Ms. Bobinsky provided an update based on information collected over time regarding school-based influenza clinics. New Hampshire has only two local health departments, Nashua and Manchester. Approximately 10 years ago the Department of Health and Human Services ("DHHS") developed what are called public health regions throughout the state. Ms. Bobinsky explained that this presentation provides additional information to payers on how many children are receiving vaccines through these school-based clinics. She felt it likely that the payers might not otherwise have this information on in their own databases. In 2011/2012, five of the public health regions took a contract with DHHS to participate in these school-based clinics. The data that has been collected shows that each year there has been a steady increase to where there are now 13 participating regions. There has been no cost to the payers associated with the school-based clinics of either vaccines or administration fees. The administration fees were paid through federal funding to the Immunization Program from CDC and DHHS contracted with the public health networks to start these programs. Ms. Bobinsky estimated that DHHS sent out approximately \$10,000 to each region and they pulled together volunteer nurses, in some situations, to vaccinate. In other situations they would contract with the Visiting Nurse Association ("VNA") or some other similar organization to come to their site to give the vaccines. A great number of vaccines have been distributed in the upper valley, around the Lebanon/Hanover area. They are working hard with their schools and have adopted this program as a health measure. Last year the number of doses distributed through this program was over 7,000 with 37.31% of the distributed vaccines being Medicaid/Non-insureds and 62.9% being Insureds. Brief discussion ensued.

In follow-up to the last meeting, Ms. Bobinsky reported that the wastage information previously requested by Mr. Sky was not yet available with sufficient specificity to be helpful. She has sent it back and is asking for further clarification. Ms. Bobinsky also asked her Finance Department to break down the \$30,000 reported as received from providers, but she has not yet received an answer. Ms. Bobinsky has asked Delores Cooper, a representative from Finance, to participate in the task force to improve the assessment process.

Ms. Bobinsky asked Mr. Potter if he had an opportunity to contact the Governor's office regarding the appointment of a representative of a self-insured entity to the Board. Mr. Potter apologized that he had not yet made that contact, but indicated that he would follow through on that task. Mr. Sky inquired whether or not the Insurance Department should be involved in that. Mr. Potter offered to provide Mr. Sky with a listing of the TPA payers, ranked by covered lives from highest to lowest.

#### Public Comment

There was no public comment.

#### TRICARE



Ms. Walter gave a brief update on the status of TRICARE and indicated that the State of Washington and the Washington Vaccine Association ("WVA") hired a lobbying firm, Crowell & Moring, to pursue legislative change at the national level. The general proposed strategy for Washington right now is to seek an amendment to the National Defense Authorization Act ("NDAA"). The NDAA needs to be passed every year because it allows the national defense budget to be appropriated from year-to-year. The lobbying effort on behalf of the WVA, which affects all universal vaccine states, is to get an amendment for an appropriation for this year to pay the arrearage. Crowell & Moring has indicated that because this action is being pursued at such a late stage of the drafting of that Act, it does not look like there is a good chance that a change will actually be effectuated this year. There is, however, significant support from senators and representatives that Crowell & Moring has contacted to get a change included in the NDAA for 2016. Since initial drafts were circulated earlier in the year, it is important to work now to build consensus and support for next year.

Crowell & Moring has suggested having a communications firm support these efforts. They would handle coordinating attention grabbing pieces into key markets, such as high-profile publications. The feeling is that senators and representatives would see the need to support the passage of TRICARE's authorization of payment into the state vaccine programs and would get their chiefs of staff involved at the congressional level. KidsVax suggested that NHVA consider funding that effort. Idaho is currently helping to support KidsVax's efforts for the multi-state TRICARE Task Force. Alaska is also considering helping fund the communications expense. It is expected not to exceed \$35,000 and would be divided between New Hampshire and Alaska, if Alaska participates.

Ms. Tenney asked if there was other recourse against TRICARE other than what is being proposed at the meeting. Mr. Potter clarified that there is a potential legal claim against TRICARE's New England Region Administrator and that is something that the Board could consider pursuing. KidsVax is suggesting and has interviewed a firm at length to accept states other than Washington on a contingent fee collection case and is trying to determine what the best terms are that can be obtained from them if they are willing to accept it. If not, KidsVax will be pursuing other Washington, DC firms familiar with the Federal Claims Act. After extensive discussion, a motion was made by Dr. Fredenburg to proceed with the authorization of reimbursement of up to \$35,000 of a communications firm. However, this motion did not receive a second so it was not considered further at this meeting.

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

VOTED: To authorize KidsVax to seek qualified Washington, DC counsel who would, on a contingent fee basis, pursue NHVA's assessment claims with respect to the equitable share attributed to beneficiaries of the Defense Health Agency, along with the claims of similar programs in other states, and to bring its recommendation(s) concerning such counsel back to the Board for final action.

Executive Session [Prepared by outside general counsel, Attorney Mark McCue of Hinckley Allen. KidsVax representatives were excused.]

The Board of Directors (the "Board") of the New Hampshire Vaccine Association ("NHVA") then voted by unanimous roll call vote to enter into executive session to discuss personnel matters at 10:25 a.m.

The Board inquired as to the process that should be followed for the RFP for administrative services approved at the last meeting. Attorney McCue confirmed that the current KidsVax contract does not expire until July 30, 2018, and the Board agreed that there was no urgency to the RFP process. Attorney McCue agreed to outline the RFP process and recommended timing, and to forward the outline to Mr. Sky who is chairing the task force.

By unanimous roll call vote, the Board voted to end the executive session at 10:35 a.m.

Respectfully submitted,  
Fred L. Potter  
Secretary pro tem



Policy Title:	New Hampshire Vaccine Association (NHVA) Late Payment Interest Policy	
Policy Number:		EFFECTIVE: December __, 2015
Purpose:	To afford guidance to NHVA's Executive Director and Assessment Administrator with respect to collection for late payment interest.	

This Late Payment Interest Policy (the "Policy") will guide the NHVA Executive Director and Assessment Administrator and its staff with respect to follow-up to collect interest on overdue assessments paid to NHVA by assessable entities.

#### A. CONSIDERATIONS

For purposes of this policy,

1. NHVA desires to remain an entity which is "easy to do business with" for payers who make payments, generally on a quarterly basis, with respect to NHVA assessments.
2. NHVA has a remarkable history of voluntary reporting and compliance, including a record of very high levels of timely compliance by the payers.
3. NHVA recognizes that payers themselves have internal processes which require certain turnaround time for payment processing.
4. Increasingly, envelopes arrive with the assessment payments which have no readable postmark or postage cancellation date.
5. Interest rates have been quite low for an extended period of time.

#### B. GUIDANCE

1. NHVA will, through its automated system, continue to compute interest automatically as due through the date reported as the anticipated payment date by assessable entities. Those amounts will be calculated and included in the system-generated NHVA invoices.
2. NHVA will consider payments received within two (2) weeks of the due date to have been made on the due date for all assessment payments.
3. Absent repeated late payments, the Assessment Administrator will not pursue interest for assessments received within thirty (30) days of the due date.
4. Absent repeated late payments from an assessable entity, notwithstanding any of the other guidelines, the Assessment Administrator is authorized to forego pursuit of any past due interest amount under \$100.

#### C. ENFORCEMENT, REVIEW AND REVISION:

This Policy may be updated from time to time by the Board.

DATE ADOPTED: September \_\_, 2015

LAST REVISED: \_\_\_\_\_

**December 08, 2015  
 Executive Director Report**

<b>Self-Reporting Assessment Results</b>		
	<b>For the Assessment Quarter Due on 08/15/2015 (Ending 09/30/2015)</b>	<b>For the Assessment Quarter Due on 11/15/2015 (As of 11/30/2015)</b>
<b>Applicable Assessment Rate:</b>	<b>\$0.14</b>	<b>\$0.14</b>
<b>Number of carriers who have filed:</b>	<b>68</b>	<b>69</b>
<b>Average monthly child covered lives:</b>	<b>166,587</b>	<b>166,145</b>
<b>Assessment due:</b>		<b>\$228.72</b>
<b>Reported by Payers this Quarter for Prior Quarters:</b>	<b>\$1.26</b>	
<b>Assessment Income for quarters:</b>	<b>\$69,966.54</b>	<b>\$69,781.04</b>
<b>Interest dollars collected:</b>	<b>\$3,021.10</b>	
<b>Remittance paid to the State of NH in June 2015:</b>		<b>\$12,410,298</b>
<b>Remittance paid to the State of NH in September 2015:</b>		<b>\$1,107,265</b>
<b>Cash and Investments as of 11/30/2015:</b>		<b>\$17,216,559.00</b>
<b>Remittance due to State of New Hampshire in June, 2016:</b>		<b>\$19,618,699.00</b>

Our upcoming meeting is focused largely on follow up work on tasks undertaken earlier. Our meeting comes at a good time during a lull in our annual meeting cycle, with the critical rate setting work having been completed at our last meeting. Notices were timely posted with respect to the new assessment rate to commence with the May 15, 2016 payment.

Earlier we sent via email and overnight delivery, a complete set of NHVA governance documents including both prior policies and the current drafts of the key governance documents requiring commissioner approval: Articles of Agreement, Bylaws, and Plan of Operation. As noted in my separate communication, I recommend that we focus on these three at this meeting. This would be a good time also to finalize the Late Payment Policy which has been on hold since our October meeting. Additionally, since we anticipate having Bank of New Hampshire trust department representatives with us at the meeting, we may want to consider any changes appropriate for the New Hampshire investment policy. To that end, I am forwarding with this report for your reference the investment policy adopted by the Washington Vaccine Association after several months of study and consultation with both bank and investment banking outside advisors.

As it turns out, the recommended drafts of the articles, bylaws and plan of operation are essentially unchanged from earlier drafts. Recommended updates (redlined for your easy reference) incorporate only the changes which (a) have been suggested earlier or (b) seek to coordinate the dates among all the documents so that NHVA moves to a spring annual meeting/fall assessment setting meeting calendar cycle.

The adoption of a Late Payment Policy was the only recommendation from this year's audit. The one remaining piece from the prior-auditor's recommendation was the implementation of the lockbox. That, as you know, was delayed through several cycles of competitive bids and board review. I am pleased to report that the NHVA assessment system has been updated by KidsVax® (KV) and the lockbox implementation has gone remarkable smoothly. In fact, November 15, 2015, reflected one of the timeliest filings by New Hampshire payers in recent months with all but a handful (estimated in aggregate under \$250) of assessments timely paid. Essentially all of the payments were mailed properly to the new lockbox address. The handful which arrived at our office were forwarded, unopened, to the new lockbox address.

In this first lockbox cycle, no payer availed itself of the newly-opened ACH (Automated Clearing House) payment option. We do anticipate that ACH payments will become a substantial dollar amount as several of the larger payers over time move NHVA assessment remittance to their ACH systems. KV anticipates as part of the upcoming February 15 cycle processing protocol to write individually to any payer who may have not updated its address for the new lockbox and also to email all payers letting them know the ACH payment facility now available.

NHVA Director David Sky led a productive session in review of NHVA's assessment setting worksheet. A follow up session is anticipated to be held after the first of the year. I am anticipating that Mr. Sky will afford the Board an update on progress to date. He has generously agreed to work the Task Force recommendations from its initial session into an updated spreadsheet for consideration by the Task Force in advance of its next meeting.

As this letter is being sent to you I am headed, again, to Washington D.C. to follow up on a very productive round of meetings both on the Hill and with TRICARE executive management. KV staff attorney, Julia Walter, and I are optimistic that meaningful progress may be made on this front over the next few months. Mr. Sky has been monitoring the periodic multi-state working group reports from Julia and the Washington Vaccine Association's Washington D.C. based legislative counsel. Julia will have a further updates available at our board meeting next week concerning this week's work on this project. At this point, although we are progressing in obtaining specific litigation proposals from several D.C.-based law firms, we are not recommending further legal work on the per-capita state claims in the immediate future. In light of the new cooperative tone set by TRICARE's office of general counsel, we suggest we focus on the congressional mandate and voluntary resolution strands of our three-strand strategy (which also includes litigation as a fall back).

I trust that each one of you will enjoy a personally and professionally rewarding conclusion to calendar year 2015. Thank you for your continuing support and guidance as we seek to serve New Hampshire resident children through the work of the New Hampshire Vaccine Association.



Fred L. Potter, writing December 07, 2015 for the December 14 board meeting

 KidsVa.org



## Investment Policy – Washington Vaccine Association

### Purpose

The Washington Vaccine Association's (WVA) primary purpose is to raise funds, through mandatory assessments paid by private insurance carriers, by Third Party Administrators on behalf of their plans, and by other payers, to pay for all vaccines administered to children in the State of Washington who are not eligible for free vaccines under one or more federal programs. WVA was created in April 2010 as a tax-exempt corporation pursuant to Washington State statute SSHB 2551, adopted in 2010.

The purpose of this Investment Policy is to establish the responsibility, authority and guidelines for the investment of WVA's surplus cash. Surplus cash is defined as those funds exceeding the daily operating requirements of WVA and not immediately required for upcoming financial obligations.

### Scope

This policy shall apply to WVA and any subsidiaries. This investment policy will be reviewed from time to time and amended as necessary to ensure that it remains consistent with the overall objectives of the WVA and with current financial trends, while remaining a clear and meaningful document.

### Investment Objectives and Principles

Persons responsible for managing and investing the portfolio fund(s) shall act in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances, as set out in UPMIFA and adopted by the State of Washington.

The basic objectives of WVA's investment program are, in order of priority:

- Safety and preservation of principal by investing in a high quality, diversified portfolio of securities as described under "Investment Guidelines" below.
- Liquidity of investments that is sufficient to meet WVA's projected cash flow requirements.
- Conservative market rates of return on invested funds and inflation protection that are consistent with the above stated objectives.

### Role of WVA's Investment Advisor

Generally investment decisions will be delegated by WVA to a retained professional investment advisor (the "Investment Advisor"). The Investment Advisor shall independently assure compliance with this policy. Additionally, the Investment Advisor will advise WVA whenever, in the Investment Advisor's independent view, revisions to this Investment Policy seem to be appropriate. The Investment Advisor also shall provide educational support to WVA's Board on investment considerations periodically and report, not less frequently than quarterly, on WVA's investment performance, certifying in that report continuing compliance with this Investment Policy.

<b>Investment Guidelines</b>
------------------------------

**1. Maturity:**

Individual security maturities should not exceed 60 months (5 years). The weighted average maturity of the portfolio shall not exceed 36 months. No more than 20% of the portfolio will carry maturities beyond 36 months. A maturity or effective maturity by definition shall include puts, announced calls or other structural features which will allow the holder to redeem the investments at a quantifiable price consistent with liquidity, safety and preservation of capital.

**2. Eligible Investments:**

**United States Government Securities:** Marketable securities which are direct obligations of the U.S.A., issued by or guaranteed as to principal and interest by the U.S. Government and supported by the full faith and credit of the United States.

**United States Government Agency Securities:** Debt securities issued by the Government Sponsored Enterprises, Federal Agencies and certain international institutions which are not direct obligations of the United States, but involve US Government sponsorship and are fully guaranteed by government agencies or enterprises, including but not limited to:

- Federal Farm Credit Bank (FFCB)
- Federal Home Loan Bank (FHLB)
- Federal Home Loan Mortgage Corporation (FHLMC)
- Federal National Mortgage Association (FNMA)
- Tennessee Valley Authority (TVA)

**Money Market Mutual Funds:** Shares of an open-end investment company Fund registered under the Investment Company Act of 1940 and rated AAA by at least one major rating agency (S&P, Moody's, or Fitch). The investments of that Fund should comply with the SEC regulations under Rule 2a-7 and maintain a constant net asset value, offer daily liquidity and carry an average weighted maturity that does not exceed 90 days. The Investment Advisor shall routinely evaluate the Fund's investment portfolio to ensure its compliance with WVA's Investment Policy.

**Corporate Debt Instruments:** All commercial paper and other short-term, unsecured promissory notes issued by corporations or financial institutions including but not limited to Master Notes, Medium-Term Notes, Deposit Notes, Eurodollar Notes and Yankee Notes and bonds. Corporate Debt must have either short term or long term ratings. At the time of purchase, a security must have at least 2 short-term ratings of A-1 or P-1 or F1 or higher (S&P, Moody's and Fitch, respectively), or at least 2 long-term debt ratings of A, A2, or A or higher (S&P, Moody's, and Fitch, respectively).

**Bank Deposit and Checking Accounts:** No limit will be placed on bank deposit or checking accounts as long as they are 100% guaranteed by FDIC coverage. Where FDIC limits expire or are otherwise exceeded, the board will set prudent operating limits in consideration of the overall economic and operating benefits to WVA; credit quality of the bank; and overall risk environment.

**Diversification Limits –** To insure adequate sector diversification of the portfolio, the following limits apply:

1. Maximum of 70% of the portfolio will be invested in corporate or other securities.
2. Maximum of 30% will be invested in US Agency or GSE securities including those that carry the full faith and credit of the US Government.
3. Maximum of 40% will be invested in debt issued by banks and financial firms.
4. Maximum of 30% will be invested in debt issued by foreign-domiciled firms.

**Issuer Concentration Limits -** In order to provide adequate issuer risk diversification the following issuer limits apply, based on the portfolio size at the time of purchase:

1. No limit on AAA money funds that otherwise meet policy parameters
2. No limit on US Treasury individual securities
3. Maximum of 10% individual securities backed by any qualifying Agency issuer
4. Maximum of 5% individual securities of any corporate or bank issuer

### **Liquidity Requirements**

In order to ensure adequate liquidity for operating purpose and unknown or evolving capital needs, the following requirements should be met:

1. At all times WVA shall hold cash not less than its next 60 days of reasonably-anticipated vaccine purchase funding obligations under WVA's cash projections.
2. \$5 million of the portfolio, or such amount as may be otherwise determined by the Board of WVA from time to time, above the amounts in the preceding paragraph, determined as projections are updated from time to time, should be available within 5 business days to provide added liquidity.
3. With the exception of US Treasuries, any specific issue or debt program should have a minimum issue size of \$250mm.
4. Issuers and overall structure should be of high quality and recognized by the market.

The holdings of all WVA accounts, including all bank and investment accounts, are subject to this policy and may be considered in meeting these liquidity requirements.

### **Restricted Sectors and Securities**

1. Investments in issuers in the Pharmaceutical Industry Group are prohibited.
2. Investments in issuers in the Healthcare and Healthcare Services Industry Group are prohibited.
3. Investments in securities with underlying leverage risk or structured notes are prohibited.
4. Investments in Asset Backed securities and Asset Backed Commercial Paper are prohibited.

### **Benchmarking, Performance, and Communications**

The investment performance of the portfolio will be measured and evaluated against an appropriate blend of commonly accepted performance benchmark indexes. The Investment Advisor shall advise WVA concerning appropriate benchmarks from time to time and shall also measure its performance against any other benchmarks requested by WVA.

At a minimum, quarterly performance, certificate of compliance with policy, and strategy outlook reviews should be held with the Investment Manager and standing WVA board members. Should any investment be downgraded, fall out of policy, or events occur that warrant concern, the Investment Manager must notify WVA within 48 hours, in writing to WVA's Executive Director, Treasurer, and Board Chairperson, and present a course of action if necessary. Investments may be sold prior to maturity due to changes in credit quality, market condition, or for uncertain capital needs; however, prudence and overall caution must be exercised to minimize any potential losses.

### **Delegation of Authority**

WVA is authorized to delegate certain responsibilities to professional experts in various fields to assist the organization to optimize an investment strategy aligned with WVA's objectives. Professionals may include investment management consultants, investment managers, custodians of investments, attorneys, auditors, and any others who may assist WVA in meeting its responsibilities and obligations to prudently administer the investments of WVA.

# New Hampshire Vaccine Association

## Statement of Financial Position

As of September 30, 2015

	A	B
1	<b>ASSETS</b>	
2	<b>Current assets</b>	
3	Cash and cash equivalents	
4	Cash	\$ 70,875.73
5	Short-term investments	17,090,319.04
6	Prepaid expenses	1,622.53
7	Assessments receivable	(0.28)
8		<hr/>
9	Total current assets	17,162,817.02
10		<hr/>
11	<b>Total assets</b>	<b>\$ 17,162,817.02</b>
12		<hr/>
13		
14	<b>LIABILITIES AND NET ASSETS</b>	
15	<b>Current liabilities</b>	
16	Accounts payable	-
17	Assessment payable	-
18		<hr/>
19	Total current liabilities	-
20		
21	<b>Net assets</b>	
22	Unrestricted net assets	250,000.00
23	Temporarily restricted net assets	16,912,817.02
24		<hr/>
25	Total net assets	17,162,817.02
26		
27	<b>Total liabilities and net assets</b>	<b>\$ 17,162,817.02</b>
		<hr/>

Unaudited - For Management Purposes Only  
Prepared by KidsVax, LLC



**New Hampshire Vaccine Association**  
**Statement of Activities and Changes in Net Assets**

NHVA Board Meeting 2015-12-15 04.b. 2

	A	B	C
	3 Months Qtr Ending 09/30/15	Approved Budget	Remaining Budget
1 Unrestricted net assets			
2 Revenue and other support			
3 Net assets released from restrictions			
4 Assets released for operations	\$ 38,876.66	\$ 158,241.00	\$ 119,364.34
5			
6 Expenses			
7 Administration expenses			
8 Administrative services			
9 Fixed compensation	27,066.67	109,027.00	81,960.33
10 Variable compensation	-	12,114.00	12,114.00
11 Professional fees			
12 Professional fees - legal	1,562.50	15,000.00	13,437.50
13 Professional fees - audit	8,500.00	9,000.00	500.00
14 Total administration expenses	<u>37,129.17</u>	<u>145,141.00</u>	<u>108,011.83</u>
15			
16 Office expenses			
17 Licenses and fees	-	-	-
18 Bank fees	125.00	4,000.00	3,875.00
19 Public information	-	1,000.00	1,000.00
20 Website	-	-	-
21 Total office expenses	<u>125.00</u>	<u>5,000.00</u>	<u>4,875.00</u>
22			
23 Board expenses			
24 Insurance	1,622.49	7,500.00	5,877.51
25 Publications	-	600.00	600.00
26 Conferences	-	-	-
27 Board meetings	-	-	-
28 Total board expenses	<u>1,622.49</u>	<u>8,100.00</u>	<u>6,477.51</u>
29			
30 Total expenses	<u>38,876.66</u>	<u>158,241.00</u>	<u>119,364.34</u>
31			
32 Increase (decrease) in unrestricted net assets	<u>-</u>	<u>-</u>	<u>-</u>
33			
34 Temporarily restricted net assets			
35 Assessment income	69,966.96		
36 Investment return			
37 Interest Income from late Assessments	3,021.10		
38 Interest Income - Investments	6,957.53		
39 Unrecognized gain / (loss) on investments	(6,130.40)		
40 Recognized gain/loss on investments	(8,871.85)		
41 Net assets released from restrictions			
42 Remittance to the State of New Hampshire	(1,107,265.00)	19,618,699.00	-
43 Assets released for operations	<u>(38,876.66)</u>		
44			
45 Increase (decrease) in temporarily restricted net assets	<u>(1,081,198.32)</u>		
46			
47 Increase (decrease) in net assets	<u>(1,081,198.32)</u>		
48			
49 Net assets, beginning of period	<u>18,244,015.34</u>		
50			
51 Net assets, end of period	<u><u>\$ 17,162,817.02</u></u>		
89 Actual reported child covered lives for the qtr ending 06/30/2015	499,755		
99 Assessment rate per child covered life	\$ 0.14		

Unaudited - For Management Purposes Only  
Prepared by KidsVax, LLC

# VaxFacts<sup>SM</sup>

**NHVA** New Hampshire  
Vaccine Association

## Dear Friends and Colleagues,

As NHVA's 13th year draws to a close, we are pleased to report yet another increase in vaccination coverage and carrier participation.

Thanks to the efforts of NHVA's stakeholders—insurers & TPAs, providers, and the NH Departments of Insurance and Health & Human Services—NH's assessment mechanism has become even more accurate and equitable. As a result of the combined efforts of these groups, assessment rate needed for the year remained lower than had earlier been anticipated. The resultant substantial surplus will reduce costs to payers in the upcoming year. NH's universal vaccination program continues to set new records in reducing healthcare costs, producing a cumulative savings total of over \$57MM dollars.

Thank you for your continued interest in the state's funding of vaccine purchase as it works to protect the health of NH's children. Recent NH legislation has enabled NHVA to be responsive to the numerous changes resulting from the implementation of federal requirements under the Affordable Care Act. As membership moves into healthcare exchanges, further flexibility was needed to keep NHVA current with shifting healthcare structures. Thankfully the final major change was passed as part of the state's 2015/16 budget bill.

Overall, the program has performed admirably. It now is better positioned than ever to continue to do so.

*Susan M. Tenney*  
Susan M. Tenney, Board Chair

*Fred L. Potter*  
Fred L. Potter, Executive Director

[WWW.NHVAVACCINE.ORG](http://WWW.NHVAVACCINE.ORG)

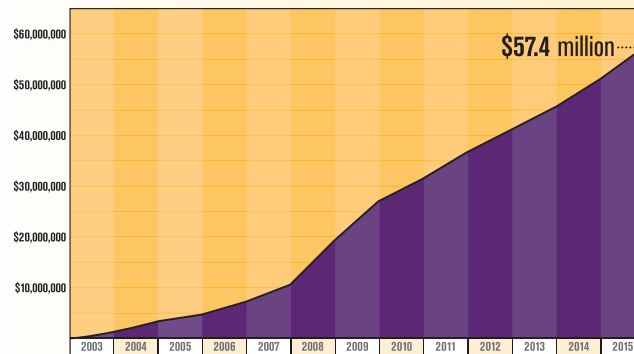
### What is a Universal Purchase Program?

A universal vaccine purchasing program allows a state to purchase essential vaccines for all children, regardless of insurance coverage or income. New Hampshire's program enables state purchase of vaccines for every resident family and distribution of these vaccines to health care providers free of charge. The New Hampshire Vaccine Association ("NHVA") funds its universal purchase program through a cooperative approach involving health insurers, providers, and the NH Departments of Insurance and Health & Human Services.

### How Does the Universal Purchase Program Lower Health Care Costs?

As a universal purchase state, New Hampshire qualifies to purchase vaccines at a substantially discounted federal rate from vaccine manufacturers. State and federal dollars fund vaccines for low-income and other federally-eligible children, while NHVA covers vaccine costs for privately insured children through assessments collected from insurance carriers. This approach allows state health officials to manage the supply of vaccines, thereby lowering providers' administrative costs and ensuring that the state can quickly supply vaccines to vulnerable patient groups during emergencies or vaccine shortages.

### NH Vaccine Program Cumulative Savings



\*Cost of NHVA-funded vaccines compared to CDC survey of prices paid by others for the same vaccines.

Beyond these immediate savings, improved immunization rates will produce long-term savings by eliminating both direct costs of extended treatment and indirect societal costs associated with illness such as missed school, work, disability, or even death.

### How does the Universal Purchase Program improve childhood health?

New Hampshire's universal purchase program ensures that every child who enters a doctor's office or hospital can receive life-saving vaccines for free. More providers offer immunization services because doctors no longer have to finance the up-front costs of vaccines out of their own pockets or be burdened with complex ordering systems. As a result, New Hampshire has one of the highest immunization rates in the country, benefiting all New Hampshire citizens. A higher immunization rate lowers the odds that an unvaccinated person will encounter a person carrying a disease.





## A Message from the Division of Public Health Services

The Division of Public Health Services is pleased to report that the number of children vaccinated in the state of New Hampshire is among the best in the nation. The report generated by the 2015 National Immunization Survey\* for children 19 to 35 months showed that New Hampshire has met the mark for meeting the Health People 2020 standard of 80% as recommended by the Advisory Committee on Immunization Practices. The Teen NIS data showed statistically significant increases in the number of young men receiving the recommended Human Papillomavirus vaccine.

We are also pleased to report, on a quarterly basis, the low number of people (all ages) in the state who contract vaccine-preventable diseases. This is the true goal and desired outcome of our work – low vaccine-preventable disease. These numbers represent additional cost savings in our state's health care system. We are sincerely grateful to the provider community of NH and to your investment in the NHVA, which helps to make these goals a reality.

**Marcella Bobinsky**

Chief, Bureau of Public Health Systems, Policy and Performance  
Division of Public Health Services  
New Hampshire Department of Health and Human Services

*\*Infectious Disease Surveillance Section:  
[www.dhhs.state.nh.us/dphs/cdcs/documents/monthly.pdf](http://www.dhhs.state.nh.us/dphs/cdcs/documents/monthly.pdf)*

NH Reportable Communicable Disease Report	2014
Diphtheria	0
Haemophilus influenzae, invasive disease	24
Hepatitis A	5
Hepatitis B, acute	4
Measles	0
Mumps	2
Neisseria Meningitidis, invasive disease	0
Pertussis	84
Polio	0
Tetanus	0
Varicella	113

## FINANCIALS

June 30, 2014 - June 30, 2015

### Vaccine Funding Sources

Estimated Total: \$24,490,220

- 66.4% | NHVA-funded Vaccines
- 0.8% | NH State Contribution
- 32.8% | Federal Contribution (VFC Funds)

### NHVA Program Expenditures

Total: \$12,562,871

- 98.8% | Remittance to NH for Vaccine Costs
- 1.2% | Operating Costs

*\*This chart reflects funding operations for NHVA-funded vaccines.*

#### References:

1. Complete audited financials: [www.nhvaccine.org/audit/2015](http://www.nhvaccine.org/audit/2015)
2. Annual cost savings analysis: [www.nhvaccine.org/savings/2015](http://www.nhvaccine.org/savings/2015)

## NHVA Board of Directors

### INSURER REPRESENTATIVES

**Elaine Koskela**  
Senior Contract Manager  
CIGNA Health Car

**Jason Margus, F.S.A., M.A.A.A.**  
Anthem Blue Cross & Blue Shield

**Susan Tenney**  
Harvard Pilgrim Health Care-NE

### HEALTHCARE PROVIDER REPRESENTATIVES

**Everett Lamm, MD**

**David Fredenburg, MD**

### GOVERNMENTAL REPRESENTATIVES

**Marcella Bobinsky**  
NH Department of Health  
and Human Services

**David Sky**  
Life, Accident and Health Actuary  
New Hampshire Insurance Department

### PUBLIC REPRESENTATIVES

**Laura Condon**  
Public Board Representative

**Edward Moran**  
Public Board Representative

[WWW.NHVACCINE.ORG](http://WWW.NHVACCINE.ORG)

### ADMINISTRATOR:

**KidsVax**

**PHONE:** 1-855-KidsVax (543-7829)

**FAX:** 1-855-KidsFax (543-7329)

### KIDSVAX STAFF

**Fred L. Potter**  
Executive Director

**Terry Mills**  
Executive Assistant

**Peter Smith**  
Financial Analyst

**Thomas Philbrick**  
Program Manager

**Claire M. Roberge**  
Controller

**Matthew Miller**  
Client Services  
Coordinator



**MEMORANDUM**

TO: The Honorable Margaret Wood Hassan  
Office of the Governor  
State House  
107 North Main Street  
Concord, NH 03301

The Honorable Charles Morse, Senate President  
New Hampshire State Senate  
State House  
107 North Main Street  
Concord, NH 03301

The Honorable Shawn Jasper, Speaker of the House  
New Hampshire House of Representatives  
State House  
107 North Main Street  
Concord, NH 03301

FROM: Fred L. Potter

DATE: January \_\_, 2016

RE: New Hampshire Vaccine Association ("NHVA") 2015 Annual Report filed in accordance with  
RSA 126-Q:3, V.(p)

Attached are the following documents which, together with this memo, constitute NHVA's  
2015 annual report in accordance with the above statute:

- a. VaxFacts NH 2014/15.
- b. Analysis summary dated October 26, 2015 from Peter M. Smith, Financial &  
Internal Control Analyst, documenting the cost savings to payers in New  
Hampshire as a result of NHVA's operation.
- c. Audited NHVA Financial Statements for the fiscal year ending June 30, 2015.

In accordance with the provisions of RSA 126-Q:3, V. (p) this memo also advises that the  
following recently-approved vaccines were adopted by the NH Department of Health and Human  
Services during the fiscal year ending June 30, 2015:

1. 9-Valent Human Papillomavirus (HPV) vaccine  
(replacing the former 4-Valent HPV).
2. Meningococcal Group B vaccine.



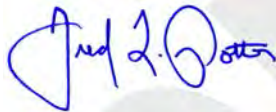
I want to thank you for giving attention last legislative session to the minor adjustments needed to the recently-updated RSA 126-Q. Our intent in pursuing greater equity among payers was to assure that all payers contributed their reasonable and equitable share of vaccine costs with respect to covered beneficiaries. We appreciate the removal of the children covered by the federal vaccines for children (VFC) program from the assessment base in light of the fact that 100% of those vaccines were paid for by the federal government pursuant to its VFC program. There was considerable concern that were NHVA forced to pursue what appeared to be an overly broad assessment base definition under RSA 126-Q, the federal grant to New Hampshire for its VFC program (over \$8.5 million in FYE 6/30/2015) could have been put at risk.

We believe that New Hampshire's statute now provides for equitable cost sharing responsive to recent significant changes in the health insurance marketplace generally. We still are pursuing, on the federal level, inclusion of all federal employees and most particularly at this time TRICARE beneficiaries. That effort is being addressed primarily through the State's congressional delegation at the urging of the NH Commissioners of Health and Social Services and Insurance.

New Hampshire payers enjoy significant cost savings due to NHVA's ability to fund purchases via the VFC contracts. NHVA has continued its annual practice of having an outside analyst independently review those costs savings: the 2015 savings of over \$6.2 million are documented in the attached letter.

The attached audited financial report reflects in more detail the results of NHVA's operation for its fiscal year ending June 30, 2015. A summary overview of the report is contained in this year's VaxFacts<sub>SM</sub> NH. The excellent work of DHHS has continued to advance New Hampshire immunization rates. In light of that, as vaccine purchases increase for NH's children, the cost savings available through the State's universal purchase program are more important than ever.

Thank you for the opportunity to serve with you in helping to address the healthcare needs of New Hampshire residents. If there is anything further which would be of help to you concerning NHVA's operations over the last year, please do not hesitate to contact us at any time.



Fred L. Potter

Serving as Executive Director of NHVA through



**SENT VIA UPS GROUND**

December 7, 2015

Jason Margus, F.S.A., M.A.A.A.  
Anthem Blue Cross & Blue Shield  
1155 Elm Street, Suite 200  
Manchester, NH 03101-1505

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Senior Contract Manager  
CIGNA Health Care  
Two College Park  
Hooksett, NH 03106

Susan Tenney  
Manager, Network Contracting  
Harvard Pilgrim Health Care-NE  
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New Hampshire DHHS  
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Concord, NH 03301-6504

Edward P. Moran  
Former State Legislator  
19 Ministerial Road  
Bedford, NH 03110

Laura Condon  
12 Brick Mill Road  
Bedford, NH 03110

**Re: Updated Governance Documents**

Ladies and Gentlemen:

I am pleased to forward to you a complete notebook of all governance documents, including such additional policies as the Board may want to consider to move to a full complement of “best practices” not-for-profit documentation.

Apart from the new documents and the Late Interest Policy, which the Board has had under advisement since the last Board meeting, all of these documents had been previously reviewed and approved by the Board. Changes from those previously-approved versions have been redlined accordingly.

As it turned out, the changes were minimal. The major question affecting several documents is the choice for the Annual Meeting date. I had suggested some months ago that it be moved to the fall after the audit is available. The availability of the prior year’s fiscal audit is generally advisable with respect to any annual meeting at which elections occur.

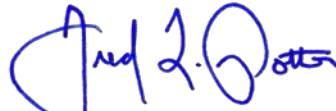
Upon further reflection and counsel with the Board Chair, however, I now return to the suggestion that the Annual Meeting not occur in the fall. The reason for that is that the primary business decision of the year, namely the setting of the assessment rate, occurs in the fall quarter. Therefore, as a matter of workload balancing and, in recognition of the fact that the very nature of NHVA operations means that the audit reports typically are quite unremarkable, I suggest the Annual Meeting date return to the second or third quarter timeframe.

With respect to the new policies, the Board may well decide that these drafts should be set aside for further review or that one or more of these policies not be adopted at all. For example, the Refund Policy is taken directly from the prior Plan of Operation language. One of the reasons why that might be helpful is to have a single-purpose document in the event of an inquiry specifically directed to any refund request. However, I see no absolute need to have it separately stated. Similarly, with respect to the Joint Venture Policy, I presently do not contemplate any circumstance in which NHVA would be involved in a joint venture. However, this has become part of the standard toolkit with respect to tax exempt applications. If NHVA had not already had its tax exempt status confirmed by the IRS, we would need to adopt such a policy. Additionally, Form 1023, if we ever were required to file it, likely will have questions about the existence of such a policy. On those kind of questions, like document retention, it is always better to be able to check the “yes” box than the “no” box. That is why it is now considered by some to be part of a best practices toolkit for a not-for-profit entity.

Although the redlined documents were incorporated into the Board packet sent to you on Friday, this notebook I is a complete compilation of all of the governance documents. Of particular import for your review prior to the Board meeting later this month are the key corporate documents: (a) Articles of Incorporation, (b) Bylaws, and (c) Plan of Operation. We will make every effort to prepare responsive comments to any further comments suggested by anyone through Friday at Noon, December 11, 2015 so that those updated drafts with responsive comments can be available as a starting point for our Board's deliberation on December 15, 2015.

Thank you for your kind attention to this matter.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Fred L. Potter". The signature is stylized with a large initial "F" and a cursive "P".

Fred L. Potter, Executive Director  
NHVA Board of Directors

FLP/tmm  
Enclosure

cc: Mark McCue, Esquire  
NHVA, Outside General Counsel (w/enc.)



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<sup>®</sup>, LLC~~, P.O. Box 1885, Concord, New Hampshire 03302-1885, with a street address as of ~~March~~December 2014 of ~~14 Dixon Avenue—STE 202~~125 North State Street, 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

2015

Nicholas A. Toumpas, Commissioner

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

Received and recorded this \_\_\_\_ day of \_\_\_\_\_, ~~2014~~2015.

City Clerk's Signature

\_\_\_\_\_

City Clerk's Name (Please Print)

\_\_\_\_\_

**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.
- (vi) *The Modern Rules of Order.*

**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~~June 15 in each year commencing ~~July 1, 2014~~June 15, 2016, 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~~any other 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.~~ However, if any such affected Director holds his or her office by virtue of appointment by a government official, that Director's removal shall not become effective if, with thirty (30) business days following notice of removal to the affected Director, such government official shall advise the Board, in writing, that his or her appointee is to remain in office. 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, email, or 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~~commencement 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: without counting any appointed position in which there is a vacancy at the time. 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 permanentintended disposition of the funds for the purpose of RSA 126-Q, 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.)~~ (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.)~~ (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. Personal representatives shall be counted the same as board members for quorum and voting purposes. 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: \_\_\_\_\_

Dated: \_\_\_\_\_,

~~2015~~2016

Nicholas A. Toumpas

## NEW HAMPSHIRE VACCINE ASSOCIATION

### Plan of Operation

WHEREAS, the New Hampshire General Court has enacted New Hampshire ~~revised—statutes~~ annotated 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 VII**

### **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~~ 2016

Roger A. Sevigny, Commissioner

## Exhibit A

# NEW HAMPSHIRE VACCINE ASSOCIATION Annual Fiscal Year Event & Meeting Calendar<sup>1</sup>

	<u>Date</u>	<u>Event</u>	<u>Statutory Reference</u>
<u>1.</u>	<u>3rd Tues March</u>	<b><u>Audit Committee</u></b> <u>a. Review Collections Results</u> <u>b. Recommend Next Year's Expense Budget</u> <b><u>Board of Directors Meeting</u></b>	
<u>2.</u>	<u>May 15</u>	<u>1st Calendar Quarter Covered Lives Assessment Due</u>	<u>RSA 126-Q:3, V.(l)</u>
<u>3.</u>	<u>June</u>	<u>Remit Assessment to State Treasurer</u>	<u>RSA 126-Q:3, V.(n)</u>
<u>4.</u>	<u>3rd Tues June</u>	<b><u>Board of Directors Annual Meeting</u></b> <u>a. Adopt next fiscal year's budget</u> <u>b. Select Directors for terms beginning August 1</u> <u>c. Review Report of Administrator for year's operations</u> <u>d. Review Discharge of Director Duties</u> <u>e. Executive Session (Administrator's personnel excluded)</u>	<u>RSA 126-Q:3, V.</u>
<u>54.</u>	<u>June 30</u>	NHVA Fiscal Year End for Prior Year  <b><u>Board of Directors Other</u></b> <del><u>a. HHS vaccine budget and forecast</u></del>	  <u>RSA 126-Q:4, l</u>
<u>63.</u>	<u>August 15</u>	<u>2nd Calendar Quarter Covered Lives Assessment Due</u>	<u>RSA 126-Q:3, V.(l)</u>
<u>74.</u>	<u>4th Tues Sep</u>	<b><u>Audit Committee (in person)</u></b> <u>a. Meet with outside auditors</u> <u>b. Review audit report</u> <u>c. Executive session (Administrator's personnel excluded)</u> <b><u>Board of Directors Meeting</u></b> <u>a. Accept the Audit Committee's Audited Financials</u> <u>b. HHS vaccine budget and forecast</u> <del><u>cb.</u></del> <u>Finalize Assessment Rate for next year effective January 1</u>	     <u>RSA 126-Q:4, l</u> <u>RSA 126-Q:4</u>
	<del><u>October 1</u></del>	<del><u>Notice of new Assessment Rate effective January 1</u></del>	<del><u>RSA 126-Q:3, V.(e)</u></del>
<u>68.</u>	<u>3rd Tues Oct</u>	<b><u>Board Meeting (teleconference?)</u></b> <u>a. Accept audit report &amp; release prior year's financials</u> <u>b. Set Current Year's Assessment if not done earlier</u>	<u>RSA 126-Q:6</u> <u>RSA 126-Q:3, V.(e)</u>
<u>79.</u>	<u>November 1</u>	<u>Assessment Determination Due-; <u>Notify Payers</u></u>	<u>RSA 126-Q:3, V.(e)</u>
<u>7.</u>	<u>November 15</u>	<u>3rd Calendar Quarter Covered Lives Assessment Due</u>	<u>RSA 126-Q:3, V.(l)</u>

<sup>1</sup> All meeting dates are approximate. Actual meeting dates may be established by the Board Chair or Executive Director in consultation with Board members.

- |                |                           |                        |   |                               |
|----------------|---------------------------|------------------------|---|-------------------------------|
| 8.             | 3rd Tues Jan              | <del>November 15</del> | <del>Board of Directors Meeting</del><br><del>2nd Calendar Quarter Covered</del><br><del>Lives Assessment Due</del>   | <del>RSA 126-Q:3, V.(l)</del> |
| 9.             | February 15               |                        | 4th Calendar Quarter Covered Lives Assessment Due<br><del>Board of Directors Meeting</del>  | <u>RSA 126-Q:3, V.(l)</u>     |
| <del>10.</del> |                           |                        |   | <del>RSA 126-Q:3, V.(l)</del> |
| <del>11.</del> | <del>3rd Tues March</del> |                        | <del>Audit Committee</del><br><del>-a. Review Collections Results</del><br><del>-b. Recommend Next Year's Expense Budget</del><br><del>Board of Directors Meeting</del><br><del>-a. Adopt next fiscal year's budget</del> |                               |
| <del>12.</del> | <del>May 15</del>         |                        | <del>1st Calendar Quarter Covered Lives Assessment Due</del>  | <del>RSA 126-Q:3, V.(l)</del> |
| <del>13.</del> | <del>June</del>           |                        | <del>Remit Assessment to State Treasurer</del>  | <del>RSA 126-Q:3, V.(n)</del> |

## **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	<sup>1</sup>
3	Variable Compensation	<u>11,500</u>	<sup>2</sup>
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>	<sup>3</sup>
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:**

- <sup>1</sup> Base Fee commences on August 1. Each subsequent August 1 anniversary, base shall be increased by 2.75% over the prior year's amount.
- <sup>2</sup> 10% of each year's base shall be held back and awarded pursuant to "Variable Compensation".
- <sup>3</sup> 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.





### **TRICARE Multi-State Efforts:**

November 2015 Update

During the week of November 9-13, KidsVax®, LLC(KV) managing member, Fred L. Potter, and associate general counsel, Julia G. Walter, traveled to Washington, D.C. to represent KV state vaccine program client interests in a series of in-person meetings with legislative staffers, congressional representatives, and TRICARE's Office of General Counsel (OGC).

The week proved fruitful as KV, aided by the Washington Vaccine Association's outside lobbying firm, Crowell & Morning, was able to gain firm commitments from legislative aids—specifically, Adam Goodwin, Senator Murray's Military Legislative Assistant; Jonathon Pawlow, Representative Smith's Legislative Director, and Bryan Maxwell, Senator Shaheen's Military Legislative Assistant—to support our proposed statutory mandate for inclusion in the 2016 National Defense Authorization Act that TRICARE pay it's equitable share of the cost for its beneficiaries under state universal vaccination programs. Mr. Goodwin agreed to take the lead in editing the proposed language to ensure its widespread palatability and support amongst other policymakers. Although he advised that recompense of the arrearage owed by TRICARE to universal states remains more problematic than gaining TRICARE's prospective payment, he agreed to advance both causes.

Moving forward, legislative staff have asked that we broaden our approach to include as many senators and representatives in states supporting universal vaccine purchase as possible to build a bipartisan coalition that will ensure continuing support through the drafting and mark-up process. KV intends to return to Washington, D.C. in early December to meet with all legislative staffers who have expressed an interest in supporting our cause to provide additional subject matter expertise and to reinforce Crowell & Morning's advocacy. Specifically, KV intends to make overtures to Idaho and Alaska's congressional delegations to gage their willingness to join the coalition. Further plans include writing to the universal states not administered by KV to determine if they, too, would be willing to write letters in support of our efforts. These measures are anticipated to bring heightened awareness to this issue and put pressure on the Department of Defense to find a resolution.

While in DC, KV also had scheduled an in-person meeting with TRICARE's OGC specifically to address potential avenues for TRICARE's participation in universal state programs utilizing a per capita or population-based assessment mechanism—namely, Idaho, New Hampshire, Maine, Vermont, Rhode Island, and Alaska. Prior to our meeting, KV had prepared and sent the OGC a letter on behalf of Idaho noting the assessment owed and detailing the State's imminent discontinuation the approximate \$600,000 annual funding of vaccines for TRICARE enrollees. (Letters previously had been written with respect to claims of all other per capita states administered by KV other than RI which is not yet in effect.) While the meeting began under tense conditions as Bryan Wheeler, who had been acting general counsel until early this month, recited a litany of federal codes and regulations that made payment impossible, Paul

Hutter, TRICARE's current general counsel who had been out on a temporary assignment as interim Deputy Director, quickly restored the positive tone that had been prevalent during the period of time that we made steady progress with OGC, (now over a year ago). Mark Mantooth, another OGC attorney who appears to have consistently provided the technical legal support throughout this work, was also in attendance. Mr. Mantooth confirmed TRICARE's receipt of recent letters written to TRICARE by various entities including Idaho's Governor; Washington State's attorney general and the WVA's outside counsel; New Hampshire's Division of Insurance Department and Department of Health and Human Services Commissioners, and KV all entreating the Defense Health Agency to resolve the non-payment matter before it becomes critical and jeopardizes public health in numerous states.

Following initial tense exchanges and positioning, we promptly moved towards more positive discussion that was followed by nearly an hour of brainstorming. Astoundingly, part of the turn from negative to positive analysis on TRICARE's part was facilitated by correction of a stunning misconception. Apparently, TRICARE management has mistakenly assumed that civilian TRICARE authorized providers have been administering vaccines to TRICARE enrollees using TRICARE sourced and purchased vaccine stock. It became clear that TRICARE OGC had no comprehension of how vaccine procurement and delivery systems work in universal states. Thankfully, New Hampshire, which does not have any TRICARE military medical facilities in the state, provided the stark example as to how, literally, the only childhood vaccine available in pediatric offices, is state-supplied vaccine paid for by the New Hampshire Vaccine Association. Once that realization dawned, and Mr. Wheeler confirmed yet again that WVA and other universal vaccine program states have all-in costs below TRICARE's allowable charges, they went on to note how resolution of this matter, particularly in the per capita states, would not only save in vaccine costs, but also save in administrative costs. KV further explained that creating a dosage-based claims assessment system for only TRICARE in existing per capita states would not only be problematic for administration purposes, but also likely lead to heightened CDC scrutiny and possibly jeopardize state departments of health ability to source off the CDC contract due to the prohibition on the resale of such vaccines.

By the end of the meeting, Paul Hutter offered to press TRICARE management again to come to a "single-state solution" for its equitable share of assessments in all states with universal purchase programs. He asked for some further detailed documentation on behalf of the state assessment programs that are part of the current multi-state working group, which KV intends to assemble promptly. Of chief concern to Mr. Hutter was his ability to "sell" a solution to those with decision-making authority. He expressed an interest in having KV continue to build support in Congress to facilitate any regulatory or statutory changes that may be required to reach a solution. Mr. Hutter also adjusted his schedule to set December 3 as the next date for a follow-up conference call in which each of us will report on progress from our meeting take-aways.

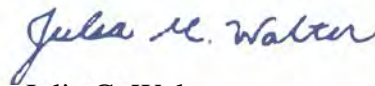
Amongst our other meetings, KV also met with a series of law firms at the request of one of our states interested in gaining potential legal representation specifically for per capita assessment states. In the course of those firm interviews, we garnered a number of additional

legal theories relating to TRICARE's fiscal liability for state-supplied vaccine as well as creative judicial remedies, (which, in fairness, were balanced by further cautions concerning the challenges of presenting any kind of equitable claim against the federal government). One creative idea which may be particularly helpful, if we are able to resolve the go-forward matter voluntarily, is the potential for something akin to a prepackaged bankruptcy in which suit and settlement are filed at the same time. Under this approach, it would be possible for the arrearage to be paid from an already-existing special federal claims fund for which the agency could make reimbursement out of a portion of its future vaccine cost savings. This creative idea would avoid the need for a "paid for" on the prospective legislative fix and offers the remote possibility of being able to wrap a tidy bow around the whole effort for arrears and future participation with some sort of positive recognition to the TRICARE administrator who effects such a comprehensive solution financed exclusively out of future savings.

Finally, at the request of several states, we have commenced interviewing communication firms that would aid KV and Crowell & Morning in creating clear messaging regarding universal vaccines programs and our current issue with TRICARE. We had an extensive in-person interview late Friday afternoon with one of the fresh candidates which appears to be bubbling to the top among the competing entities at this time. We have asked them to present a segmented proposal which both starts at a lower price point and would allow for decisions about further investments along the way once we have the benefit of reviewing the initial project performance. In the course of our DC visit, it became increasingly clear that this reinforcement would be helpful within the inner beltway echo chamber regardless of which of the three strands (TRICARE negotiation, litigation, or federal legislative fix) becomes most prominent in the ultimate solution.

Overall, we are encouraged by the forward movement on this issue and hope to deliver further positive news following our December 3<sup>rd</sup> call with TRICARE.

Respectfully,



Julia G. Walter  
Associate General Counsel  
KidsVax®

## **BOARD OF DIRECTORS**

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

Jason Margus, F.S.A., M.A.A.A.  
Anthem Blue Cross & Blue Shield  
1155 Elm Street, Suite 200  
Manchester, NH 03101-1505

Telephone: 603-541-2021  
E-mail: Jason.margus@anthem.com

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

Telephone: 603-268-7193  
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Susan Tenney  
Manager, Network Contracting  
Harvard Pilgrim Health Care-NE  
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E-mail: Susan\_Tenney@hphc.org

### **Healthcare Provider Representatives [RSA 126-Q:3, III.(b)]**

Everett J. Lamm, M.D., F.A.A.P.  
11 Autumn Lane  
Stratham, NH 03885

Telephone: 603-918-0156 (Cell)  
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E-mail: ejlamm@aap.net

David Fredenburg, M.D.  
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Hudson, NH 03051

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

David Sky, F.S.A., M.A.A.A.  
Life, Accident and Health Actuary  
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Marcella J. Bobinsky, MPH  
Chief, Bureau of Public Health Systems  
Policy and Performance Division of  
Public Health Services  
New Hampshire Department of Health and Human Services  
29 Hazen Drive  
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Telephone: 603-271-4110  
E-mail: mbobinsky@dhhs.state.nh.us

### **Representatives of Self-Insured Entities [RSA 126-Q:3, III.(e)]**

[Currently vacant]  
(Appointed by the Governor and Council)

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

Edward P. Moran  
Former State Legislator  
19 Ministerial Road  
Bedford, NH 03110  
(Appointed by the Speaker of the House)

Telephone: 603-472-5912 x2016  
E-mail: edpmoran@gmail.com

Laura Condon  
12 Brick Mill Road  
Bedford, NH 03110  
(Appointed by the President of the Senate)

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  
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 E-mail: kHenderson@dhhs.state.nh.us

**NH Insurance Department**

Roger A. Sevigny, Commissioner  
 New Hampshire Insurance Department  
 21 South Fruit Street, Suite 14  
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 Facsimile: 603-271-7851  
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 Assistant: Sandy Barlow 603-271-7973 x 202

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# **BOARD GOVERNANCE ROLES**

## **Officers**

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

## **Finance/Audit Committee**

David Fredenburg, M.D. – Chairman  
 Susan Tenney – Vice-Chair  
 David Sky  
 Laura Condon  
 Jason Margus  
 Everett Lamm, M.D.

## **Legislative Task Force**

Susan Tenney  
 David Sky (or his designee)  
 Ms. Bobinsky  
 Ms. Koskela  
 Everett Lamm, M.D.  
 Fred Potter (provide assessment administrator assistance)  
 Mark McCue, Esq. (provide legal counsel)

## **Governance Committee**

David Sky – Chairman  
 Susan Tenney  
 Laura Condon  
 Fred Potter (provide assessment administrator assistance)  
 Mark McCue, Esq. (provide legal counsel)

## **Assessment Process Improvement Task Force**

David Sky – Chairman  
 Susan Tenney  
 Jason Margus  
 Laura Condon  
 Dolores Cooper, DHHS Finance Representative



**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, with the exception of children whose vaccines are paid for under the federal Vaccines for Children program, established under 42 U.S.C. section 1396s.
- 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.

*updated RSA 126-Q*

- 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.

*updated RSA 126-Q*

- (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

*updated RSA 126-Q*

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, except that no assessment shall be made based on children excluded from assessable lives whose vaccines are paid for under the federal Vaccines for Children program, established under 42 U.S.C. section 1396s. 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

*updated RSA 126-Q*

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.

*updated RSA 126-Q*

### **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.

## Meeting Schedule – 2015/2016

<b>September 2015</b>			
Audit Committee Meeting Annual Board of Directors Meeting	Wednesday, September 9, 2015	KidsVax®, LLC Concord	8:30 – 9:30 a.m. 9:30 – 11:30 a.m.
<b>October 2015</b>			
Board Conference Call [90-minutes] <b>Agenda Items:</b> <ul style="list-style-type: none"> <li>Approve minutes of 9/9/15 (Audit &amp; Annual Meeting)</li> <li>Review and approval of the Late Interest Payment Policy</li> <li>Ms. Bobinsky's presentation regarding distribution of influenza vaccines at schools</li> <li>Further discussion regarding TRICARE.</li> </ul>	Tuesday, October 6, 2015	Teleconference & In-Person at KidsVax®	8:30 – 10:00 a.m.
<b>December 2015</b>			
Audit Committee Meeting <b>Agenda Items:</b> <ul style="list-style-type: none"> <li>Investment Policy</li> </ul> Board of Directors Meeting <b>Agenda Items:</b> <ul style="list-style-type: none"> <li>Governance Document Review</li> <li>MCO Assessment Follow-up</li> </ul>	Tuesday, December 15, 2015	KidsVax®, LLC Concord	8:30 – 9:15 a.m.  9:30 – 11:30 a.m.
<b>March 2016</b>			
Audit Committee Meeting Board of Directors Meeting	Tuesday, March 15, 2016	KidsVax®, LLC Concord	8:30 – 9:15 a.m. 9:30 – 11:30 a.m.
<b>June 2016</b>			
Audit Committee Meeting <b>Agenda Items:</b> <ul style="list-style-type: none"> <li>Preparation for Audit</li> </ul> Board of Directors Meeting	Tuesday, June 21, 2016	KidsVax®, LLC Concord	8:30 – 9:15 a.m.  9:30 – 11:30 a.m.
<b>September 2016</b>			
Audit Committee Meeting Annual Board of Directors Meeting <b>Agenda Items:</b> <ul style="list-style-type: none"> <li>Assessment Setting</li> </ul>	Tuesday, September 27, 2016	KidsVax®, LLC Concord	8:30 – 9:15 a.m. 9:30 – 11:30 a.m.
<b>October 2016</b>			
Board Conference Call [90 minutes] [To finalize assessment rate if needed.]	Tuesday, October 4, 2016	KidsVax®, LLC Concord	8:30 – 10:00 a.m.
<b>December 2016</b>			
Audit Committee Meeting Board of Directors Meeting	Tuesday, December 20, 2016	Teleconference & In-Peron at KidsVax®	8:30 – 9:15 a.m. 9:30 – 11:30 a.m.





## NHVA 2016 Calendar: Year at a Glance

Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
<b>Publish Q2 Quarterly Financial Report</b> Annual Report to the Governor, Senate President & Speaker of the House	Quarterly Assessment	Audit Committee Meeting Board Meeting	<b>Publish Q3 Quarterly Financial Report</b>	Quarterly Assessment Annual Report to Comm. of Insurance	Audit Committee Meeting Annual Board Meeting		Quarterly Assessment <b>Publish Q4/FYE Annual Financial Report</b>	Draft VaxFacts Audit Committee Meeting Board Meeting to Set Assessment Rates	<b>Publish Q1 Quarterly Financial Report</b> Possible Conference Call (TBD) Submit to Comm. Financial reports from FYE Notify Payers of New Rate as of 1/1/17	Quarterly Assessment	Audit Committee Meeting Board Meeting



## NHVA 2016 Quarterly Meeting Calendar

### First Quarter

January	February	March
<p><b>Publish Q2 Quarterly Financial Report</b></p> <p><b>Annual Report – Governor, Senate President &amp; Speaker of the House</b></p> <ol style="list-style-type: none"> <li>1. Association activities</li> <li>2. Financial reports</li> <li>3. Newly offered vaccines</li> </ol> <p><b>[For Future Years: New Assessment Rate Effective January 1.]</b></p> <p><b>Other Activities</b></p>	<p><b>Feb 15: Quarterly Assessment</b></p> <p><b>Other Activities</b></p>	<p><b>Mar 15: Audit Committee Meeting</b></p> <ol style="list-style-type: none"> <li>1.</li> <li>2.</li> </ol> <p><b>Mar 15: Board Meeting</b></p> <ol style="list-style-type: none"> <li>1. Review 2016 calendar dates</li> </ol> <p><b>Other Activities</b></p>

## Second Quarter

April	May	June
<p><b>Publish Q3 Quarterly Financial Report</b></p>	<p><b>May 15: Quarterly Assessment</b></p> <p><b>Annual Report to Commissioner of Insurance</b></p> <ol style="list-style-type: none"> <li>1. Association membership base</li> <li>2. Count of assessable lives by assessable entity</li> <li>3. List of payment delinquencies</li> </ol>	<p><b>Jun 21: Annual Meeting of Members</b></p> <ol style="list-style-type: none"> <li>1. Report on Proxy Submissions</li> <li>2. Count and Certify Votes for 3 representatives of Assessable Entities under HB664</li> <li>3. Adjourn Annual Meeting</li> </ol> <p><b>Jun 21: Annual Board Meeting</b></p> <ol style="list-style-type: none"> <li>1. Review collection results</li> <li>2. Recommend next year's expense budget</li> <li>3. Select Directors for term beginning September 1</li> <li>4. Elect Officers &amp; Appoint Committees</li> <li>5. Review Report of Administrator for year's operations</li> <li>6. Review Discharge of Director Duties</li> </ol>
<p><b>Other Activities</b></p>	<p><b>Other Activities</b></p> <ol style="list-style-type: none"> <li>1. Work with auditor on FYE 06/30/2016 audit.</li> </ol>	<p><b>Other Activities</b></p>

## Third Quarter

July	August	September
	<b>August 15: Quarterly Assessment</b> <b>Publish Q4/FYE Financial Report</b>	<b>Sep 27: Audit Committee Meeting with outside auditor</b> <ol style="list-style-type: none"> <li>Review audit report</li> <li>Executive Session</li> </ol> <b>Sep 27: Board Meeting</b> <ol style="list-style-type: none"> <li>Accept audit report &amp; authorize release of prior year's financials</li> <li>Work on assessment for 2016-2017</li> <li>Executive Session (Administrator's personnel excused)</li> </ol>
<b>Other Activities</b> <ol style="list-style-type: none"> <li>Work on FYE 06/30/2016 audit.</li> </ol>	<b>Other Activities</b>	<b>Other Activities</b> <ol style="list-style-type: none"> <li>Draft annual report in condensed "VaxFacts" format</li> </ol>

## Fourth Quarter

October	November	December
<p><b>Publish Q1 Quarterly Financial Report</b></p> <ol style="list-style-type: none"> <li>1. Submit to Commissioner the financial reports from fiscal year end</li> </ol> <p><b>October 11: Conference call</b></p> <ol style="list-style-type: none"> <li>1. Review Fiscal Year Cost Savings Analysis</li> <li>2. Finalize New Assessment Rate Effective 01/01/17</li> </ol> <p><b>Other Activities</b></p> <ol style="list-style-type: none"> <li>1. Notify payers of new rate effective January 1.</li> </ol>	<p><b>November 15: Quarterly Assessment</b></p> <p><b>Other Activities</b></p>	<p><b>Dec 20: Board Meeting</b></p> <ol style="list-style-type: none"> <li>1.</li> <li>2.</li> </ol> <p><b>Other Activities</b></p> <ol style="list-style-type: none"> <li>1. Work on Annual Report for Governor, Senate President &amp; Speaker of the House</li> </ol>

December 15, 2015  
Proposed Form of Votes

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.

Items under Agenda Section 3:

VOTED: To approve the Board Meeting minutes of the October 6, 2015 meeting.

[To approve the Board Meeting minutes of the October 6, 2015 meeting with the changes suggested at this meeting.]

VOTED: To approve the Late Payment Policy as recommended by the Audit Committee.

[To approve the Late Payment Policy as recommended by the Audit Committee with the changes suggested at the meeting.]

Items under Agenda Section 5:

VOTED: To approve the NHVA governance documents as revised to conform to the statute.

[To approve the NHVA governance documents as revised to conform to the statute with the changes suggested at the meeting.]



### DIRECTIONS TO KIDSVAX®

**125 North State Street [at the corner of North State Street and Franklin Street], Concord, NH**  
**Please call (603) 491-8044 or (855) 556-4103 with questions.**

#### From the North:

- Take I-93 South.
- Merge onto US-202 W via Exit 15W toward US-3/North Main Street/Downtown.
- Turn left at the traffic lights onto North Main Street/US-3/US-202 W.
- Take the first right onto Franklin Street (Friendly's Restaurant is on the corner).
- At the rotary on Franklin and North State Streets, proceed half way around the rotary onto Franklin Street.
- Take the first right into the parking lot. KidVax® is located in the yellow Victorian house on the corner of Franklin and North State Streets.

#### From the South:

- Take I-93 North.
- Merge onto US-202 W via Exit 15W toward US-3/North Main Street/Downtown.
- Turn left at the traffic lights onto North Main Street/US-3/US-202 W.
- Take the first right onto Franklin Street (Friendly's Restaurant is on the corner).
- At the rotary on Franklin and North State Streets, proceed half way around the rotary onto Franklin Street.
- Take the first right into the parking lot. KidVax® is located in the yellow Victorian house on the corner of Franklin and North State Streets.

