

**NH Vaccine Association – Board of Directors Meeting
September 27, 2016 – 9:30 to 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)
Marcella Bobinsky, NH DHHS (P)
Laura Condon – Public Board Representative (P)
Jason Margus – Anthem (P)
David Sky, NHID (P)

Others:

Mark McCue, Esq. – Hinckley Allen (P)
Larry Hart – Compass Health Analytics, Inc. (P)

Public:

Gina Powers – Rath & Young / Merck (T)

Absent:

David Fredenburg, M.D. – Healthcare Provider
Elaine Koskela – Cigna
Edward Moran – Public Board Representative

KidsVax®:

Fred L. Potter (T)
Nicole G. Price (P)
Claire Roberge (P)
Terry Mills (P)
Matthew Miller – WebEx Monitoring (T)

II. Summary of Actions Taken and/or Recommended

A. Actions Taken (votes adopted)

1. To approve the Board Meeting minutes of June 21, 2016, as presented at this meeting.
2. To accept the resignation of Dr. Everett Lamm with appreciation for his service and best wishes in his new position.
3. To approve the publication of the 2015/2016 Audited Financials as recommended by the Audit Committee, as amended.
4. To set the 2017 assessment rate (payable as of May 15th 2017, August 15th 2017, November 15th 2017, and February 15th 2018) at \$10.30 per child covered live per month.
5. To make a request to the Department of Health & Human Services for reimbursement of the overage for last year in the amount of \$3,267,371 pursuant to RSA 126-Q:3V(m).
6. To accept the format of the Annual Report to the Insurance Commissioner pending further research of the data.
7. To waive the late payment of interest as requested by Cigna in the amount of \$2,486.91.

B. Follow-up Task/Action Items

1. Ms. Price will forward the name of an individual from Meritain, interested in a seat on the Board, to the Governor's office for consideration.
2. KidsVax® will communicate with DHHS regarding any overage paid in September of each year and will notify the Board accordingly.
3. Ms. Bobinsky and Ms. Price will research the data used in the Annual Report to the Insurance Commissioner regarding assessable lives.
4. Ms. Price will redo the actual numbers for the Annual Report to the Commissioner and send it around for Board comment.
5. Ms. Bobinsky will provide an update on the CDC grant for education and outreach for adult vaccines.
6. Mrs. Mills will send out meeting invites based on the 2017 meeting calendar approved at this meeting.
7. Mrs. Mills will cancel the October meeting and remove it from the event calendar on the website as requested by the Board.

Welcome and Introductions

At approximately 9:30 a.m., a quorum having been established, Chairman Tenney called the meeting to order. The Board was surveyed for additional agenda items. Ms. Price added one item concerning an interest waiver request received by KidsVax® from Cigna. Chairman Tenney indicated this item would be addressed under agenda item 6.e. There was a brief discussion concerning the current number of directors constituting a quorum of the Board for voting purposes. Attorney McCue indicated that Board vacancies are not included in the quorum and that a quorum was met.

Consent Calendar

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

VOTED: To approve the Board Meeting minutes of June 21, 2016, as presented at this meeting.

Chairman Tenney reported that the Board received the resignation of Dr. Lamm from the Board. He has taken a new position in Massachusetts and is moving away. The two physician positions on the Board are filled by nominations from the DHHS Commissioner. Ms. Bobinsky will report on that matter during the DHHS updates.

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

VOTED: To accept the resignation of Dr. Everett Lamm with appreciation for his service and best wishes in his new position.

Business Updates

Executive Director Report – Ms. Price presented a brief overview of her Executive Director Report to allow time to focus on setting the assessment rate. She addressed one item regarding the open position on the Board for a self-insured representative. Ms. Price contacted the Governor's office to ask if they would like assistance from the Board in filling the position. She also looked for a list of self-insured employers but was unable to find such a list. She looked at some of the larger employers within the State of New Hampshire who she thought would be more likely to be self-insured, including Dartmouth-Hitchcock, Delta Dental, and the UNH System. Ms. Price found EBPA, a third party administrator (TPA), that was a possibility to fill the open position. She provided this information to the Governor's office. The representative from the Governor's office indicated they would take the next steps from there. After further discussion, Ms. Price was asked to forward the name of the individual from Meritain, who is interested in a seat on the Board, to the Governor's office for consideration.

NHVA Audited Financials as of 6/30/2016 – Ms. Tenney presented the audited financials in Dr. Fredenburg's absence. The Audit Committee met with Carew & Wells. There were no issues concerning the audit, and they provided a clean opinion. The biggest change in the Statement of Activities is a \$14 M swing from 2015 to 2016 due to the overassessment in the prior year. The Committee agreed to add one footnote on page 7 in the Notes to Financial Statements under the expense allocation to indicate that the \$1 M deficiency from the prior year is included in the \$19 M remittance. The Audit Committee moved to recommend acceptance of these financial statements to the full Board pending that one addition to the footnotes. Chairman Tenney also reported that Ms. Carew offered assistance with setting the assessment if that is the desire of the Board. Ms. Carew charts out several years of assessment setting based on the RSA to understand how the Board sets the assessment and would be happy to work with the Board on assessment setting.

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

VOTED: To approve the publication of the 2015/2016 Audited Financials as recommended by the Audit Committee, as amended.

DHHS Updates

Ms. Bobinsky was pleased to report that the Department of Health & Human Services (DHHS) has received national awards in all three areas—childhood vaccination, adolescent vaccination, and adult vaccination. They continue to do a very good job of making sure that New Hampshire populations are vaccinated, including teens which continue to be vaccinated with the Tdap vaccine, HPV vaccines, and the meningococcal vaccines. Over time there has been a statistically significant increase in the uptake of HPV for young males. Physicians have been watching that over time and the Department is very pleased to see this result.

Ms. Bobinsky reported that she has received names for candidates to fill the vacant healthcare provider seat on the Board. She asked for one name from the Pediatric Society and another from the New Hampshire Immunization Program staff. They are both pediatricians and those names have been sent to the Commissioner. Both individuals are interested, and as soon as the Commissioner makes a final selection, DHHS will send a notification letter out to that individual who will likely be in attendance at the next Board meeting.

At the last Board meeting, it was reported that DHHS received an almost \$900,000 CDC grant for outreach and education for adult vaccines. Ms. Condon asked if Ms. Bobinsky could provide an update with respect to a progress report on how that money is being spent. She did not have specific information available with her, but indicated that two individuals have been hired and they are constantly doing outreach and working with Bi-State Primary Care to get some data regarding adult vaccinations, as there is no way for them to track that information. DHHS does not deal in adult vaccines and has only a small amount that is purchased by 317 funding that is for uninsured adults and for any epidemic, pandemic outbreak vaccines that are needed. Ms. Bobinsky will ask Colleen Haggarty to report on that information and will send it on to the Board.

2016/2017 Assessment Setting

Mr. Hart began with an overview of the 2016/2017 rate setting worksheet he prepared. The worksheet shows a calculated increase in the assessment for 2017 of 2.1%. That is a per covered life assessment of \$10.15 versus \$9.95, which is the current rate. He explained that this amount is fairly close to the CDC typical unit cost increase which runs in the 3-4% range year over year. Mr. Hart thanked Mr. Sky and the Task Force team for taking it upon themselves to review the process to simplify, streamline, and add some transparency while leaving in the Board controls making it easier if adjustments are needed. Mr. Hart used the work of the Task Force and then carried the calculations through in an effort to further simplify the process.

Mr. Hart then explained the various line items in the assessment setting worksheet used to arrive at the 2017 assessment rate. The total forecasted cost of child vaccines for SFY 2017 is \$26.6M which is a reduction of about 6% from last year's forecast. Ms. Bobinsky explained

that the reduction reflects a decrease in forecasted non-VFC numbers, vaccines specifically developed to prevent meningococcal B strains, and the HPV vaccine. A lengthy discussion ensued regarding the differences with the Projected Vaccine Expense and how those are calculated. Mr. Sky explained that the differences indicate that NHVA spent \$3.2 M less than what DHHS estimated, which shows up as a carry forward on the spreadsheet.

Mr. Hart included two provisions in the worksheet for calendar year 2017. One is a provision for utilization increases for improved vaccine rates above and beyond what is in the FY 2017 forecast, and the second is a provision for a cost increase. Mr. Hart calculated the expected cost increase based on prior years, at a weighted average basis of 3.5%. Additionally, Mr. Hart used the assumption that the VFC award will increase, along with the cost of vaccines. Further discussion ensued regarding the fluctuations that occur with VFC awards based on calculation of the Medicaid and uninsured populations. Chairman Tenney expressed her concern with the VFC cost of \$200,000. That number is being used to reduce anticipated expenses that are being assessed. Upon continued discussion, the Board decided to not include the provision for VFC cost increase. When calculating the per assessable covered lives, Mr. Hart took a different approach. Rather than using the most recent quarter, he reviewed six quarters to see the variability over an 18-month period and found it is relatively stable. He used the most recent 12-month average to calculate the covered lives.

Mr. Hart explained that he calculated the liquidity reserve and statutory risk reserve in this year's calculations differently than last year. He made the suggestion that the Association hold the \$3.2 M as liquidity reserve rather than as the statutory risk reserve. A liquidity reserve is intended to handle something large and unexpected, so that if the Association needed cash to fund something that it didn't expect, the money would be available. Mr. Hart views the statutory risk reserve as a reserve to handle fluctuations. From a liquidity reserve standpoint, the Association can cover two months, and a 8.5% statutory risk reserve would provide for an additional month. KidsVax® has always recommended a three-month reserve, based on a quarterly assessment. Mr. Hart believes that having a three-month reserve is a reasonable and recommended protection point and would not include it into this year's assessment calculation.

Discussion ensued regarding the \$1.1 M deficiency paid in 2016 and its impact on line 23 of the worksheet. Attorney McCue asked if the \$3.3 M on line 20 of the worksheet is money that has been paid to the State and the Association needs to request a refund or if it is held by the Association. Mr. Sky indicated that it is money held by the State. That money doesn't have to be remitted and is rolled into the following year. The State would consider that amount as a credit toward the assessment funds needed for assessments next year. The question was raised if the State could use those funds for any other purpose. Discussion ensued regarding whether the Association could ask for a refund of those funds. Attorney McCue indicated that by statute if there has been an overpayment, by vote of the Board, the Association can ask the State to return the funds to the Association so that the funds would be held by the Association and not the State. Attorney McCue suggested that it may be more prudent from the Association's perspective to be holding the funds rather than having it held by the State. Following extensive discussion, it was the sense of the Board that \$10.30 would be set as the 2017 monthly assessment rate which reflects removal of the provision for the VFC cost increase.

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

VOTED: To set the 2017 assessment rate (payable as of May 15th 2017, August 15th 2017, November 15th 2017, and February 15th 2018) at \$10.30 per child covered live per month.

Ms. Price asked for clarification regarding if moving forward for next year, the provision for the VFC of \$203,676 will be zeroed out. Mr. Hart indicated that it would be zeroed out for next year, but that line will be left in the worksheet for use if needed in the future.

New Matters

NHVA Remittance to the State for Vaccine Purchase – The discussion concerning a refund from the State for overpayment of funds was reopened. Attorney McCue indicated that the statute, RSA 126-Q:3V(m) allows the Association to request a reimbursement for excess assessments collected during the year. The current Plan of Operation does not prevent the Association from making the request outlined in the Statute, and expressly permits such a request.

Chairman Tenney asked if the Association needs a legal opinion on doing business one way or another. Attorney McCue indicated that because it is not simultaneous that the assessment is due and the State knows with certainty the amount of the overage, it cannot be netted out at the time of payment. Chairman Tenney inquired whether the Plan of Operation would need to be amended if the Association makes a practice of requesting a refund of the overage on an annual basis. It was Attorney McCue's sense that the Plan of Operation does not need to be changed. It can be added for clarity and direction for future Board members and administrators, but it doesn't have to be done now. Going forward the Association will pay what it assesses and when the true-up amount is determined, a refund request will be made to the State if there is an overage. It was the sense of the Board that the overage is typically known by September. Further discussion ensued. KidsVax® was asked to communicate with DHHS each September regarding the overage and to provide that information to the Board. Upon motion made by Ms. Condon and seconded by Ms. Tenney, it was unanimously

VOTED: To make a request to the Department of Health & Human Services for reimbursement of the overage for last year in the amount of \$3,267,371 pursuant to RSA 126-Q:3V(m).

Location of Future NHVA Meetings – After brief discussion, it was the sense of the Board to continue holding the NHVA Board meeting at the KidsVax® offices.

2017 NHVA Meeting Calendar – After brief review, Mrs. Mills was asked to send out meeting invites based on the 2017 meeting calendar as approved at this meeting. It was also the sense of the Board that the October 11, 2016 meeting tentatively schedule via teleconference will not be necessary. Mrs. Mills will cancel the meeting and remove it from the event calendar on the website.

Report Required by RSA 126-Q:3V(k) – Ms. Price brought this report to the Board’s attention, indicating that it is due to the Insurance Commissioner each year. The Communications Policy specifies a format of how each report must be vetted by the Board before it can be finalized and sent on to the Commissioner. A draft of the report was included in the Board packet. The requirements that must be included in the report are a description of the collection of assessments, whether or not there are any delinquencies in the fiscal year, a summary of the number of assessable entities, the number of assessable lives, and the change from the previous year to the current year based on a fiscal year. There will also be attachments to the report and they would be the membership base actually named out with the total assessable lives for each entity and the change from year to year, a list of any delinquencies if there were any, and a list of entities that are either new members or entities that are no longer members of the Association. Ms. Price indicated that the report itself would be something that is sent around for everyone to see. The exhibits, particularly the exhibit where it talks about each entity with their attributed assessable lives that change year over year, is an attachment that will be sent to the Insurance Commissioner. Ms. Price asked if it needs to be sent around with the report in order to align with the Communications Policy. Attorney McCue indicated that he has always advised associations such as NHVA who have carriers on the Board, that there is a risk of anti-trust violations by sharing market data among competitors. He therefore recommended that the Board review the summary report as provided by Ms. Price, but not the item by item report attachment that will be given to the Commissioner. After further discussion, there was some confusion regarding the number of assessable lives shown in the draft report. Ms. Bobinsky and Ms. Price will research the data regarding assessable lives further. Ms. Price will redo the actual numbers and will send the report around for Board comment. There were no requested changes to the format of the report.

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

VOTED: To accept the format of the Annual K Report to the Insurance Commissioner pending further research of the data and sending the Annual K Report without the exhibits for comment to the directors aligns with the Communication Policy.

Cigna Refund Request – Ms. Price presented a refund request received by Cigna on September 26, 2016. There was a miscommunication while a person was away on vacation that caused a delay in payment. There is interest now due for two companies; one in the amount of \$2,485.14 and the other for \$1.77. Mrs. Roberge explained that under the new program interest is charged after the two weeks allotted for payments to be received. When notified of the payment oversight, Cigna remitted payment immediately. After further discussion, it was the sense of the Board that the oversight was an honest mistake and in the interest of good payer and consumer relationships would waive the interest as requested.

Upon motion made by Ms. Bobinsky and seconded by Ms. Condon, it was unanimously

VOTED: To waive the late payment of interest as requested by Cigna in the amount of \$2,486.91.

Public Comment

There was no public comment.

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

VOTED: To move into Executive Session.

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 excused the executive director and staff from the executive session at approximately 11:25 a.m. to discuss personnel matters.

The Board noted that Ms. Price has brought improvements to the administration of NHVA and KidsVax, and has been attentive and proactive regarding Board obligations. The Board also expressed continued dissatisfaction with the KidsVax teleconference system and the meeting delays caused by technical issues that were not addressed in advance of the meetings.

By unanimous roll call vote, the Board voted to end the executive session at 11:30 a.m.

Upon a motion by Ms. Bobinsky and seconded by Ms. Condon, the Board voted to adjourn at 11:30 a.m.

Respectfully submitted,
Mark S. McCue
Secretary pro tem



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What: New Hampshire Vaccine Association (NHVA) Board of Directors Meeting
 Date and Time: Tuesday, September 27, 2016 / 9:30 a.m. – 11:30 a.m.
 Location: KidsVax® Conference Room, 125 North State Street, Concord, NH
 Call-In: **Please register at:**

Registration URL: <https://attendee.gotowebinar.com/register/1774248204646155524>

Webinar ID: 145-110-475

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.

Approx. Time	Topic/[Anticipated Action]	Presented by:
9:30-9:35 a.m.	1. Welcome and Introductions a. Survey of Other Matters from Board Members b. Request for identification of individuals on conference phone	S. Tenney
9:35-9:40 a.m.	* 2. Consent Items a. Approve Board Meeting Minutes (June 21, 2016) b. Acceptance of Dr. Lamm's Resignation c.	S. Tenney
9:40-10:05 a.m.	* 3. Business Updates a. Executive Director Report * b. NHVA Audited Financials as of 6/30/2016 * c. Action on Audit Review Committee Recommendations i. Publication of Financials ii.	N. Price C. Roberge D. Fredenburg
10:05-10:15 a.m.	4. DHHS Update a. Filling Board Seat b.	M. Bobinsky
10:15-10:45 a.m.	* 5. 2016/2017 Assessment Setting Work a. Vote on 2016/2017 Assessment Rate b.	L. Hart
10:45-10:55 a.m.	6. New Matters a. NHVA Remittance to the State for Vaccine Purchase b. Location of Future NHVA Meetings * c. 2017 NHVA Meeting Calendar * d. Dissemination of Report Required by 126-Q:3V(k) e.	S. Tenney N. Price
10:55-11:00 a.m.	7. Public Comment (if any)	
11:00-11:05 a.m. 11:05-11:30 a.m.	8. Parking Lot Questions/Concerns (If time allows)	S. Tenney
	9. Executive Session a. TRICARE Update (with KidsVax® personnel present) b. Without KidsVax® personnel present	S. Tenney N. Price N. Price
11:30 a.m.	[Adjourn]	
	10. Reference Documents * a. Contact Directory * b. Governing Statute * c. 2015/16 Meeting & Annual Governance Calendar * d. Proposed form of votes for this meeting * e. Directions to meeting location	

*Indicates agenda item attached



NH Vaccine Association – Annual Board of Directors Meeting

June 21, 2016 – 9:30 – 11:30 a.m.

KidsVax® Offices

Presiding Officer: Susan Tenney, Chair

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

Directors:

Susan Tenney, Chair – Harvard Pilgrim Health Care
 Laura Condon – Public Board Representative
 David Fredenburg, M.D. – Healthcare Provider
 Colleen Haggerty – DHHS [Personal Representative for M. Bobinsky]
 Elaine Koskela – Cigna
 Everett Lamm, M.D. – Healthcare Provider
 Jason Margus – Anthem
 David Sky, NHID – Governmental Representative

Others:

Larry Hart – Compass Health
 Mark McCue, Esq. – Hinckley Allen
 Monica Meyer (T)
 Beth Ptak – Meritain (T)

KidsVax®:

Fred L. Potter (T)
 Nicole G. Price
 Julia G. Walter (T)
 Claire Roberge
 Terry Mills

Absent:

Edward Moran – Public Board Representative
 Marcella Bobinsky – Governmental Representative

II. Summary of Actions Taken and/or Recommended

A. Actions Taken (votes adopted)

1. To adjourn the Annual Meeting of the Members at approximately 9:35 a.m.
2. To approve the Board Meeting minutes of the March 9, 2016 meeting, as presented.
3. To approve the Special Board Meeting minutes of the June 3, 2016 meeting, as presented.
4. To approve the slate of officers for both the Board of Directors and Finance/Audit Committee, as presented.
5. To authorize KidsVax®, acting through their designees, Claire M. Roberge or Theresa M. Mills, to transfer funds from the BNH investment account to the BNH operating account as needed in accordance with NHVA established policies and procedures, as recommended by the Audit Committee.
6. To adopt the budget recommended by the Audit Committee, as presented.
7. To deny Blue Cross Blue Shield of Vermont's request for refund for what they characterize as a double payment for fourth quarter of fiscal year 2014.
8. To reduce Blue Cross Blue Shield of Vermont's interest down to 1%.

B. Follow-up Tasks / Action Items

1. Ms. Price will follow-up with regard to the open self-insured Board position.
2. Mr. Sky requested that DHHS consider having a representative from NHVA as a stakeholder or participant in the education and outreach process. Ms. Haggerty indicated her willingness to bring the suggestion back to Ms. Bobinsky.
3. Ms. Mills was asked by Mr. Sky to organize an Assessment Task Force meeting between mid-July and mid-August to review the recommendations of DHHS in preparation for the September 27 assessment setting.
4. Ms. Roberge will communicate the Board's decisions to Blue Cross Blue Shield of Vermont.
5. Ms. Price will keep Mr. Sky informed regarding the Gobeille case and the SIIA case.

Annual Meeting

The first order of business was the report on proxy submissions. Ms. Price reported that seven proxies were received by KidsVax®(KV) through June 20, 2016, at 12:00 p.m., representing 87,842 child covered lives received and recorded by proxy out of a possible 168,635 child covered lives or 52% of the child covered lives in New Hampshire. All proxies were voted in favor of the Board nominees currently holding Board positions as follows: Jason Margus with Anthem, Elaine Koskela with Cigna, and Susan Tenney with Harvard Pilgrim. Ms. Tenney asked if any entity submitting a proxy prior to the meeting would like to revoke their proxy at this time. Hearing none, Ms. Tenney deemed the annual election closed with the current payer representatives on the Board were elected for another term.

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

VOTED: To adjourn the Annual Meeting of the Members at approximately 9:35 a.m.

Board Meeting

Welcome and Introductions

At approximately 9:35 a.m., a quorum having been established, Ms. Tenney asked for individuals on the telephone to identify themselves. She then called the meeting to order. Colleen Haggerty attended the meeting as the personal representative for Marcella Bobinsky. Ms. Tenney surveyed the Board for additional agenda items. Ms. Condon requested the addition of an item she wanted to share with the group under item 6, Other Matters from Board Members.

Consent Calendar

Meeting Minutes. The minutes from the March 9, 2016 and June 3, 2016 Board Meeting were brought before the Board. Hearing no discussion, Ms. Tenney asked for a motion to approve the Board Meeting minutes from March 9, 2016 and June 3, 2016.

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

VOTED: To approve the Board Meeting minutes of the March 9, 2016 meeting, as presented.

VOTED: To approve the Special Board Meeting minutes of the June 3, 2016 meeting, as presented.

Code of Ethics. Ms. Tenney reported for informational purposes that the Code of Ethics and Plan of Operation approved at the March 9, 2016 Board Meeting, underwent a few small refinements after the meeting. These revisions were sent to the Board for review and comment by Ms. Price. She received no comments back on either of these documents.

Ethics Affirmation Statements. Board members also received Ethics Affirmation Statements. Ms. Price indicated that she had received all but one back. She requested that everyone get those back to her at their earliest convenience so that they can be included with the approved minutes of this meeting. Reminders have been sent, but Ms. Price will also contact anyone with outstanding paperwork.

Annual Conflicts Questionnaire. The Annual Conflicts Questionnaires need to be completed and returned by all Board members. Ms. Price has several that remain outstanding. Additional questionnaires were distributed at the meeting. The completed questionnaires are submitted to the Board Chair and they are kept as part of the Association's records.

Annual Board Meeting Work

Election of Officers. The election of officers and appointment of committees was discussed. Ms. Tenney opened discussion for those desiring to propose changes or to volunteer to serve in any of these capacities. There were no recommended changes to the current slate, as presented.

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

VOTED: To approve the slate of officers for both the Board of Directors and Finance/Audit Committee, as presented.

Oath of Office. The Oath of Office was given to each Board member as they arrived at the meeting. The Board had earlier agreed this would be done for new Board members, as stated in the Bylaws. It was the sense of the Board that it would be a best practice to have all current members sign the Oath as well. Attorney McCue issued the Oath of Office to the entire Board in group fashion.

Business Updates

Executive Director Report. The amended Articles of Agreement, the Bylaws, and the Plan of Operation have all been signed and returned from the commissioners. The Bylaws and Plan of Operation are posted on the website, and the Articles will soon be posted there as well. The Articles now move on to the Secretary of State for the Certificate of Filing. Dr. Fredenburg was asked to sign that Certificate before he leaves today so that it can be submitted to the Secretary of State. Ms. Price reported that she has reached out to the Governor's office regarding the open Board position for a representative for self-insureds. Several suggestions were made from members, including polling self-insured payers to determine what interest there may be in serving on the Board or contacting employer groups. Ms. Price will follow-up on this matter. Ms. Price reported that Mrs. Roberge has the check available for signing to submit to the State for \$18 M for NHVA. Ms. Price thanked everyone for welcoming her.

NHVA Quarterly Financials. Mrs. Roberge reported that the available financials are from March 31, 2016. She is beginning preparation for the upcoming audit. Dr. Fredenburg has signed the audit engagement letter and the audit should begin within the next few weeks. There have been no significant changes in the financials. The lockbox agreement has worked out very well. All May 15 collections were received via the lockbox. KV did not receive any payments directly. There were nine payers who utilized the ACH system. The next report that will be provided to the Board will be the audited financials. Mrs. Roberge also reported that there were no delinquencies in the assessment payments that were due as of May 15. KV now has a new system in place for charging additional interest if payments are made beyond the two-week notice period. The new system will be tested beginning with the August 15 assessment.

Audit Committee Recommendations. Dr. Fredenburg reported that Carew & Wells is on an annual renewal with respect to year-end audit preparation. They held their fee to the same amount as last year.

Bank of New Hampshire (BNH) requested Board authorization for fund transfer authorization to Claire M. Roberge and Theresa M. Mills for purposes of allowing transfer of funds as needed between the NHVA investment account and operating account. The suggested phrasing approved by the Audit Committee and brought to the full Board for approval is, "The Board votes to authorize KV, acting through their designees, Claire M. Roberge or Theresa M. Mills, to transfer funds from the BNH investment account to the BNH operating account as needed in accordance with NHVA established policies and procedures." Ms. Condon stated that the reason she was opposed to the recommendation is because transfers are generally done only once a year, and this transfer could be authorized as the need arises without adopting this particular policy. Ms. Roberge stated that for a refund request greater than \$50,000, she would need to request Board authorization as well because the operating account balance is held at \$50,000. The Board would need to meet far enough in advance each time a disbursement greater than \$50,000 was required so that there would be time to authorize the transfer, have the transfer completed and posted to the account. Attorney McCue added that the vote would have to be recorded and a written copy of the vote transmitted to the bank with each request. Ms. Tenney stated that she feels there are enough checks and balances within the system and any time there is a check for greater than \$5,000 that is disbursed out of the account, two Board members need to sign the check. Further, the transfers would be made within the only two accounts held by the Association and bank statements are distributed to the entire Board on a monthly basis.

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

VOTED: To authorize KidsVax®, acting through their designees, Claire M. Roberge or Theresa M. Mills, to transfer funds from the BNH investment account to the BNH operating account as needed in accordance with NHVA established policies and procedures, as recommended by the Audit Committee.

Dr. Fredenburg provided a brief overview of the 2016/2017 Expense Budget worksheet. He noted that actual expenses have been lower in every area other than the \$25,000 approved for TRICARE. There are no special projects anticipated for 2016/2017. The administrative costs are on a percentage increase that was part of the contracting. The increased bank fee is due to the lockbox services that will be incurred for a full year rather than a half year as was the case for 2015/2016.

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

VOTED: To adopt the budget recommended by the Audit Committee, as presented.

DHHS Update

Ms. Haggerty, acting as Ms. Bobinsky's representative, reported that the adult immunization program is moving forward under a grant received in September to provide education and outreach throughout the State on the adult standards. This involves looking for ways to decrease barriers for adults to receive vaccines. The program is moving along very well.

The administrative rules passed related to the full implementation of the immunization information system (IIS). DHHS is in the process of developing an implementation plan. It is in the planning stages now, but additional information will follow as time goes on. Ms. Haggerty did not have a definitive date on the completion of the work, but indicated there have been numerous calls with their partners and stakeholders looking at timelines. Mr. Sky inquired where DHHS is in the RFP process. Ms. Haggerty indicated that they have had a system for several years, but the stop came when there was some question related to the administrative rule interpretation, so they were not able to fully implement the system at that time. The vaccine ordering side of the system was implemented, but not the patient database side. Ms. Condon reported that the Executive Council passed the Scientific Technologies contract back in April 2014. Ms. Condon asked if her understanding that the IIS was funded 93% by general funds and the balance is funded by federal funds is correct. Ms. Haggerty stated she was not prepared to respond to Ms. Condon's inquiry regarding funding, but could bring those questions back to the program to be addressed. Ms. Condon asked who the adult grant had been received from and how much had been received. Ms. Haggerty reported that it had come through the CDC as a federal grant in the amount of \$897,150 over a two-year period. Ms. Haggerty indicated that the grant is for the purpose of education and outreach and not for the purchase of vaccines. After further discussion, Mr. Sky requested that DHHS consider having a representative from NHVA as a stakeholder or participant in the process. Ms. Haggerty indicated her willingness to bring the suggestion back to Ms. Bobinsky. Further discussion ensued. It was the sense of the Board that having involvement of both a physician representative and a representative from KV for both a functional interest and a financial interest would be helpful to the Board, if acceptable to DHHS.

Other Matters from Board Members

Assessment Process Improvement Task Force Update. Mr. Sky reported that progress has slowed a bit. Ms. Cooper at DHHS has been working diligently to reconcile some of the numbers. When the Committee last met, there was an accounting discrepancy of nearly \$3 M. With additional work, the discrepancy is down to approximately \$800,000. Mr. Sky, Ms. Cooper, and several others from DHHS have a meeting scheduled for Friday, June 24 to work through the matter further. Mr. Hart asked for a timeframe for when the Task Force would be wrapping up in anticipation of the September meeting. Mr. Sky stated that a target date for completion has not been set to date. Mr. Sky indicated the assessment setting for 2016/2017 may have to be set based on the prior method if the work of the Task Force is not completed. Ms. Tenney asked if there would be pieces of the work done by the Task Force that could be used in September to assist with

assessment rate setting. Mr. Sky indicated that may be possible, but what drives the assessment setting process is the information received from DHHS. The formula used doesn't matter as much as the strength of the forecasting number received from DHHS. Mr. Potter indicated KV's willingness to roll out a partial transition of the simplification and formatting changes proposed by the Task Force for this year's assessment setting cycle if that is the sense of the Board. Mr. Hart indicated that having a format and knowing what the calculation is going to look like by mid-August would give him plenty of time to do the work necessary to allow for a September 20 delivery date. Mr. Sky requested Ms. Mills to organize an Assessment Task Force meeting sometime between mid-July and mid-August to go over whatever DHHS is able to provide and perhaps make a recommendation for a presentation and an assessment recommendation for the full Board for consideration at the September 27 Board meeting.

Announcement and Invitation. Ms. Condon reported that there is a new documentary called "Vaxxed" that is showing across the country. A group of parents, doctors, and nurses have brought this documentary to the Hooksett Cinemagic IMAX theater for a one-week showing beginning June 24, 2016. Ms. Condon stated that with the Board's interest in public health and its particular mission, that the Board needs to be concerned with not just injection rates and the amount of vaccine distributed, but to look more toward health outcomes. Because of recommendations by the CDC, NHVA needs to ensure the ethical operations of vaccine safety studies and approvals to maintain proper trust and confidence in the programs that it runs.

New Matters

Ms. Tenney reported that there has been a request made for interest paid and double payment by Blue Cross Blue Shield of Vermont. Mr. Sky asked if KV had any documentation or could verify that they received the notification letter from KV dated October 31, 2013. This payer was found when NHVA began self-reporting and KV started comparing with other states to see if there were any companies paying for child vaccines in another state that they weren't paying in New Hampshire. Blue Cross Blue Shield of Vermont was one of those companies that was found at that time. KV did some research on whether or not NHVA actually has ever refunded interest before for this particular issue and found that it has not come up in the past, so there is no precedent regarding a refund of interest here in New Hampshire. KV does work with other states that have established certain practices, but in New Hampshire this has never been done before regarding an interest payment. Mr. Potter recommended that the Board consider an abatement policy which would provide some motivation for carriers to respond promptly when they have been picked up by KV's servicing identification process. Mr. Potter further suggested abating down to 1% per annum, which is roughly double the amount of NHVA's earnings because that facilitates KV's work once it has identified these folks, as saying KV wants to work with them and if their performance, now that they have been identified, is timely and thorough, the Board has considered interest abatements in the past. Extensive discussion ensued.

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

VOTED: To deny Blue Cross Blue Shield of Vermont's request for refund for what they characterize as a double payment for fourth quarter of fiscal year 2014.

Upon motion duly made by Ms. Condon and seconded by Dr. Fredenburg, by 6 – 2 it was

VOTED: To reduce Blue Cross Blue Shield of Vermont's interest down to 1%.

Ms. Roberge will communicate the Board's decisions to Blue Cross Blue Shield of Vermont.

Public Comment

There was no public comment.

Parking Lot Questions/Concerns

There were no concerns brought forward.

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

VOTED: To move into Executive Session.

Executive Session (with KV personnel present)

The Board of Directors (the "Board") of the New Hampshire Vaccine Association ("NHVA") voted by unanimous roll call vote to enter into executive session at 10:45 a.m. to discuss legal issues and employment matters. With KV present, Ms. Walter provided a brief TRICARE update. The TRICARE matter is currently in the 2016/2017 NDAA, which passed the Senate version as of 6/15/16. There is currently permissive language requiring TRICARE to participate in the existing State system as it stands, but it is not mandatory and it does not cover the arrears. An alternate plan was proposed to have TRICARE pay 95% of their maximum allowable charge rather than submitting covered lives reports as other payers do. This would help the various states cover the arrears over time. Attorney McCue indicated that there is a possibility that the Plan of Operation may need to be amended to address the specific payment methodology for TRICARE.

Ms. Price provided a brief update on a case before the Supreme Court regarding Self-Insured Institute of America (SIIA) who sued the Governor of Michigan. Michigan established an act that assessed a tax on payers to cover their Medicaid expenses. Additionally, there were certain filing requirements that were the submission of quarterly returns. The State originally dismissed the case and it was moved to the 6th Circuit Court of Appeals who also went through the various points of SIIA's claim, but also dismissed the case. It was then appealed to the Supreme Court who remanded the case back to the 6th Circuit because of the Gobeille case that was decided a few weeks prior to SIIA coming before the Supreme Court. This is another case regarding the ERISA pre-emption. KV is monitoring it, but it has not yet come up on the 6th Circuit docket. Mr. Sky requested that Ms. Price keep him informed on this case.

The Board of Directors (the "Board") of the New Hampshire Vaccine Association ("NHVA") then excused the executive director and staff from the executive session at approximately 11:25 a.m. to conduct its annual review of the performance of KidsVax under its contract with NHVA.

A discussion followed regarding KidsVax' performance under its contract over the previous twelve months. Upon motion by Dr. Fredenburg and seconded by Ms. Koskela, the Board unanimously approved the amount to be awarded to KidsVax for the previous year. The Board then unanimously voted to seal the minutes of this executive session because they pertain to employment relations and matter of performance and reputation.

By unanimous roll call vote, the Board voted to end the executive session at 11:35 a.m.

Adjourned 11:35 a.m.

Respectfully submitted,

Mark S. McCue

Secretary pro tem



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**September 27, 2016
 Executive Director Report**

Self-Reporting Assessment Results		
	For the Assessment Quarter Due on 05/15/2016 (As of 08/31/2016)	For the Assessment Quarter Due on 08/15/2016 (As of 08/31/2016)
Applicable Assessment Rate:	\$9.95	\$9.95
Number of carriers who have paid:	71	72
Average monthly child covered lives:	168,635	167,932
Assessment due:	0	\$70,354.20
Reported by Payers this Quarter for Prior Quarters:	\$876.40	\$238.80
Assessment Income for quarters:	\$5,033,744.80	\$5,012,780.15
Interest dollars collected:	\$40.42	\$14.06
Cash and Investments as of 08/31/2016:		\$8,082,172.41
Remittance Paid to State of New Hampshire in June:		\$18,511,434.00

This report serves to update the Board on the progress of action items delineated at the conclusion of the last board meeting, give an overview of items worked on as required in the NHVA governance documents, and highlight matters coming before the board during the September meeting.

I am pleased to report that I have been in touch with the Governor's office regarding the vacant seat on the Board for a representative for self-insured entities. Working with the Governor's office, we have identified a possible entity to fill this seat. The Governor's office is in the process of reaching out to the self-insured entity to garner their interest in filling the board seat. I hope to have a further update regarding filling this seat at the Board meeting. As we work to fill the self-insured entity seat, the NHVA now also has an additional seat to fill. On August 2, 2016, Dr. Everett Lamm resigned from the NHVA Board. We thank Dr. Lamm for his excellent service and meaningful contributions while a member of the Board. As a health care provider representative, Dr. Lamm held a seat appointed by the DHHS Commissioner. I have reached out to the Commissioner's designee Director Bobinsky and work has begun to fill this board seat.

We are pleased to report the successful conclusion of the audit conducted by Carew & Wells. Karen Carew did not uncover any areas that needed changes to strengthen internal controls. Additionally, she recognized NHVA's implementation of an automated system for charging additional interest if payments are made beyond the two-week notice period which addressed the concerns raised in last year's audit. Ms. Carew notes that the implemented changes address her previous concerns.

I am happy to report that all Board members have completed and submitted an Ethics Affirmation Statement and Conflicts of Interest Questionnaire and therefore are in full compliance with the NHVA Code of Ethics and the Policy Governing Conflict of Interest. Additionally, I have successfully filed the Amended Articles of Agreement with the Secretary of State. Forthcoming to each board member

via email will be a complete set of governance documents now that they have been signed and filed accordingly.

As requested by Director Sky, Ms. Mills organized an Assessment Process Improvement Task Force meeting for July 26th. The task force considered a new format for the worksheet that would simplify the presentation of the assessment setting worksheet. The committee meeting notes are posted on the NHVA website. We wish to thank the Committee Chair, Director Sky and the committee members for their energy in wrestling with this very important tool used in assessment rate setting. Due to their hard work, questions raised, and issues addressed, Larry Hart and I worked on the assessment rate setting worksheet and attempted to make it more user friendly. Setting the assessment rate of course is the most critical economic decision the Board makes each year and will be the focus of the September board meeting.

Additionally, we will address an issue raised regarding the amount to remit to the State for vaccines. Having collected an amount greater than the actual dollars spent for vaccines, the question arose about whether the NHVA should remit the forecasted amount or the actual amount for vaccines. Remitting the full amount as forecasted is the guidance given in the NHVA Plan of Operation and thus for FY16 this was the amount given to the State of New Hampshire. Directors raised the question and wanted to discuss whether this should be the practice going forward if the actual vaccine dollars spent is known and has been included on the agenda for the September board meeting.

Also during this meeting, we will present a proposed calendar for calendar year 2017. The proposed calendar has been prepared in accordance to the guidance given in the Plan of Operation, Exhibit A as well as considering holidays and religious observances. I ask that each person confirm availability to the best of their ability on the proposed dates. If someone has a conflict at this time, please suggest an alternate date during the discussion of the calendar at the meeting.

Thank you for your continued support as I have transitioned into my role with the NHVA. I look forward to our continued work together and completing the important task of setting the rate for next year.



Nicole G. Price, writing September 12th for the September 27, 2016 board meeting

**NEW HAMPSHIRE
VACCINE ASSOCIATION**

FINANCIAL STATEMENTS

**FOR THE FISCAL YEARS ENDED
JUNE 30, 2016 AND 2015**

DRAFT

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DRAFT

INDEPENDENT AUDITORS' REPORT

The Board of Directors
New Hampshire Vaccine Association
Concord, NH

We have audited the accompanying financial statements of New Hampshire Vaccine Association (a nonprofit organization), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Continued on next page

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Hampshire Vaccine Association, as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Carew & Wells, PLLC
Concord, New Hampshire

July 28, 2016

DRAFT

NEW HAMPSHIRE VACCINE ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
 AS OF JUNE 30, 2016 AND 2015

ASSETS	June 30, 2016	June 30, 2015
<i>Current Assets</i>		
Cash and cash equivalents	\$ 3,728,701	\$ 34,951
Short term investments	249,423	18,105,764
Assessment receivable	-	103,748
Prepaid expenses	6,473	3,245
<i>Total Current Assets</i>	<u>3,984,597</u>	<u>18,247,708</u>
 TOTAL ASSETS	 <u>\$ 3,984,597</u>	 <u>\$ 18,247,708</u>
 LIABILITIES & NET ASSETS		
<i>Current Liabilities</i>		
Accounts payable	\$ -	\$ 3,692
 TOTAL CURRENT LIABILITIES	 <u>-</u>	 <u>3,692</u>
<i>Net Assets</i>		
Unrestricted net assets	250,000	250,000
Temporarily restricted net assets	3,734,597	17,994,016
TOTAL NET ASSETS	<u>3,984,597</u>	<u>18,244,016</u>
 TOTAL LIABILITIES & NET ASSETS	 <u>\$ 3,984,597</u>	 <u>\$ 18,247,708</u>

The accompanying notes are an integral part of these financial statements.

NEW HAMPSHIRE VACCINE ASSOCIATION
**STATEMENTS OF ACTIVITIES
 AND CHANGES IN NET ASSETS**
 FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015

	June 30, 2016	June 30, 2015
UNRESTRICTED NET ASSETS		
REVENUE AND OTHER SUPPORT		
Net assets released from restrictions		
Assets released for operations	\$ 169,826	\$ 152,573
EXPENSES		
Administrative services	118,126	122,618
Professional fees	43,060	22,336
Insurance	6,135	7,094
License and fees	-	25
Bank & investment fees	2,505	500
<i>Total Expenses</i>	<u>169,826</u>	<u>152,573</u>
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	<u>-</u>	<u>-</u>
TEMPORARILY RESTRICTED NET ASSETS		
Assessment income	5,466,211	19,724,797
Interest on late assessments	7,508	40,593
Return on investments	55,387	29,384
Net assets released from restrictions		
Remittance to the State of New Hampshire	(19,618,699)	(12,410,298)
Assets released for operations	<u>(169,826)</u>	<u>(152,573)</u>
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	<u>(14,259,419)</u>	<u>7,231,903</u>
CHANGES IN NET ASSETS	<u>(14,259,419)</u>	<u>7,231,903</u>
<i>Net Assets, Beginning of Year</i>	<u>18,244,016</u>	<u>11,012,113</u>
<i>Net Assets, End of Year</i>	<u>\$ 3,984,597</u>	<u>\$ 18,244,016</u>

The accompanying notes are an integral part of these financial statements.

NEW HAMPSHIRE VACCINE ASSOCIATION
STATEMENTS OF CASH FLOWS
 FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015

	June 30, 2016	June 30, 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ (14,259,419)	\$ 7,231,903
<i>Adjustments to reconcile changes in net assets</i>		
Net realized & unrealized (gain) loss on investments	32,070	71,712
(Increase) decrease in:		
Prepaid expenses	(3,228)	604
Assessment receivable	103,748	(56,878)
Increase (decrease) in:		
Accounts payable	(3,692)	2,669
<i>Total Adjustments</i>	<u>128,898</u>	<u>18,107</u>
Net Cash Provided by Operating Activities	<u>(14,130,521)</u>	<u>7,250,010</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investments	17,910,022	12,300,000
Purchase of investments	(85,751)	(30,600,085)
Net Cash Used by Investing Activities	<u>17,824,271</u>	<u>(18,300,085)</u>
NET INCREASE IN CASH	3,693,750	(11,050,075)
<i>Cash, Beginning of Year</i>	<u>34,951</u>	<u>11,085,026</u>
<i>Cash, End of Year</i>	<u>\$ 3,728,701</u>	<u>\$ 34,951</u>

The accompanying notes are an integral part of these financial statements.

NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

A | NATURE OF ACTIVITIES & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

New Hampshire Vaccine Association is a nonprofit corporation established pursuant to Chapter 126-Q of the New Hampshire Revised Statutes Annotated. The Association was formed to assess certain entities for a portion of the cost of vaccines provided for children in New Hampshire. The Association accomplishes its mission by assessing "assessable entities," as defined by RSA 126-Q:1,II. That definition encompasses all insurers, all government health benefit plans and essentially all third party administrators administering health benefits for any child in New Hampshire. The Association remits funds to the State of New Hampshire so that the NH Department of Health and Human Services is able to purchase and distribute, without charge to health care providers in the State of New Hampshire, all federally-recommended childhood vaccines.

Basis of Accounting

The financial statements of New Hampshire Vaccine Association have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Association is required to report information regarding its financial position and activities according to classes of net assets:

Unrestricted net assets include revenues and expenses which are not subject to any restrictions. Unrestricted net assets can be designated by the Executive Board for special projects and expenditures.

Temporarily Restricted net assets include revenue for which time or use restrictions have not yet been met. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction. In accordance with RSA 126-Q, all assessment revenue including interest on late assessments and investment income are considered temporarily restricted until remitted to the State or released for operating expenses.

Permanently Restricted net assets include assets that are invested in perpetuity and only the income or a portion thereof can be made available for program operations in accordance with donor restrictions. The Association had no permanently restricted net assets at June 30, 2016 and 2015.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents

New Hampshire Vaccine Association considers all short-term highly liquid investments with original maturities of three months or less to be cash equivalents with the exception of temporary cash and money market funds held in the investment account.

NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

Investments

New Hampshire Vaccine Association carries investments in debt and equity securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

Assessment Receivables

Assessment receivables are stated at the amount the Association expects to collect from covered lives self-reported by assessable entities. The Association evaluates collectability by considering factors such as historical experience, the age of the accounts receivable balance, current economic conditions, and other circumstances, which may affect an entity's ability to pay. Past due receivables are written off at management's discretion using the direct write off method; this is not considered a departure from accounting principles generally accepted in the United States because the effects of the direct write off method approximate those of the allowance method. The Association charges a late fee at a rate of 18% per annum (about 1.5% monthly) on all past due assessments until paid in full or written off as uncollectible.

Assessment Revenue

During the year ended, June 30, 2014, the New Hampshire Revised Statute Annotated (RSA) 126-Q was amended. The amendment allowed the Association to develop an operational plan to collect assessments on a quarterly basis from assessable entities based on child covered lives for the cost of vaccines. Assessable entities self report the number of covered lives for each month of the quarter. The assessment is due 45 days after the close of the preceding quarter. Assessment revenue is recognized as an increase in temporarily restricted net assets at that time.

RSA 126-Q and the Plan of Operation do not provide any requirement for the Association to identify or verify the self-reported covered lives of assessable entities. Accordingly, revenue is recognized as self-reported by the assessable entities. Any subsequent adjustments in covered lives reported to the Association are treated as an increase or decrease in assessment revenue at that time.

Restricted Revenue

RSA 126-Q restricts all revenue, including assessments, interest on late payment of assessments, and investment income. Unexpended assessments (including related interest earned) are included in reducing the next year's assessment rate.

Expense Allocation

Due to the limited purpose of the Association's mandate as defined in RSA 126-Q, the remittance of assessments to the State comprises the entirety of program activities. The remittance is reflected on the financial statements as a release of temporarily restricted net assets. All remaining expenses are related to management and general activities. Total program expense (remittance to the State) for the years ended June 30, 2016 and 2015 were \$19,618,699 and \$12,410,298, respectively. Total management and general expenses for the years ended June 30, 2016 and 2015 were \$169,826 and \$152,573, respectively. The costs to administer this program (management and general) are about 1% of total expenses in fiscal years ended June 30, 2016 and 2015.

NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

Income Tax Status

The Association was organized as a nonprofit corporation under RSA 292. On January 20, 2004, the Internal Revenue Service ruled that the Association was a nonprofit 501(c)(3) organization, furthermore that it was not a private foundation within the meaning of Internal Revenue Code Section 509(a). Accordingly, the Association has not made any provision for income taxes.

In addition, the Internal Revenue Service ruled that the Association met the requirements set forth in Revenue Procedure 95-48, 1995-2 CB 418 section 4.02(b) and 4.03. Therefore, the Association is not required to file Form 990 annually.

For the years ended June 30, 2016 and 2015, management has evaluated its tax positions in accordance with financial accounting standards board (FASB) accounting standards codification (ASC) 740-10, *Accounting for Uncertain Tax Positions*. This evaluation includes consideration that the Association is operating in compliance with its tax-exempt status and that there are no matters that would create taxable income. The Association's management does not believe they have taken uncertain tax positions, therefore, a liability for income taxes associated with uncertain tax positions has not been recognized.

B | CONCENTRATIONS***Revenue***

The Association derives nearly all of its revenue from assessments of licensed insurers in the State of New Hampshire. In addition 49% of the assessments are derived from 3 assessable entities. Given the requirements of RSA 126-Q, the Plan of Operations and the industry within which assessable entities operate, management does not believe the Association is exposed to significant risk from the concentration of assessment revenue, nor from a concentration with a particular assessable entity.

C | RELATED PARTY TRANSACTIONS***State of New Hampshire***

The Association collects assessments for the State of New Hampshire. The organizations are financially interrelated as they meet the following criteria:

1. The State of New Hampshire has the ability to influence the Association's operating and financial decisions.
2. The State of New Hampshire has an ongoing economic interest in the net assets of the Association.

The Association transfers monies to the State of New Hampshire to fund a specified portion of the cost of providing vaccines for children in the State of New Hampshire. The Association transferred \$19,618,699 and \$12,410,298 to the State of New Hampshire in 2016 and 2015, respectively.

Board of Directors

In accordance with RSA 126-Q, the board composition includes three (3) directors who are also employees of assessable entities. There were no direct transactions with either the directors or the assessable entities which did not meet the same terms and conditions as all other assessable entities.

NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

D | SHORT TERM INVESTMENTS

Generally accepted accounting principles provide a framework for measuring fair value. That framework establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The Association's short term investments are comprised of publicly traded securities reported at fair value based on quoted market prices (Level 1).

Short term investments consist primarily of money market, US Government Agency obligations and certificates of deposit reported at fair value as follows:

	Cost	Fair Value	Unrealized Appreciation (Depreciation)
<i>Fiscal year ended June 30, 2016</i>			
Money market	\$ 2,654	\$ 2,654	\$ -
US Government Agency obligations	-	-	-
Certificates of deposit	<u>250,489</u>	<u>246,769</u>	<u>(3,720)</u>
Total short term investment	<u>\$ 253,143</u>	<u>\$ 249,423</u>	<u>\$ (3,720)</u>
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
<i>Fiscal year ended June 30, 2015</i>			
Money market	\$ 14,083,998	\$ 14,083,998	\$ -
US Government Agency obligations	3,582,550	3,522,042	(60,508)
Certificates of deposit	<u>501,208</u>	<u>499,724</u>	<u>(1,484)</u>
Total short term investments	<u>\$ 18,167,756</u>	<u>\$ 18,105,764</u>	<u>\$ (61,992)</u>

The return on investments is reported as a change in temporarily restricted net assets in the Statement of Activities. Investment return is summarized as follows:

	2016	2015
Interest & dividend income	\$ 87,457	\$ 101,096
Realized gains (losses)	(90,342)	(9,720)
Unrealized gains (losses)	<u>58,272</u>	<u>(61,992)</u>
Return on investment	<u>\$ 55,387</u>	<u>\$ 29,384</u>

NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

E | COMMITMENTS AND CONTINGENCIES

Risk of Reconsideration of Assessments

The Association's plan of operation provides that assessable entities are assessed a fee based upon the number of covered lives as self-reported. 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 months after the first due date for the corresponding assessment year. The Association's plan of operations also states that any overpayments are first considered 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. As a result, the Association does not record a commitment or contingency related to this matter.

Termination of the Association

In the event of dissolution of the Association, unexpended assessments, including unexpended funds from prior assessments, shall be returned to assessable entities in proportion to their respective assessments paid over the most recent 8 quarters preceding the discontinuation of the Association's operations. As there are no plans to dissolve, the Association does not record a commitment or contingency related to this matter.

F | DESIGNATION OF NET ASSETS

Unrestricted Net Assets

It is the policy of the Board of Directors of the Association to designate appropriate sums of unrestricted net assets to assure adequate cash flow for operations. As of June 30, 2016 and 2015, the board designated balance for this purpose was \$250,000.

Temporarily Restricted Net Assets

The Association is a limited purpose entity whose funds are dedicated for remittance to the State of New Hampshire to fund a specified portion of the cost of providing recommended vaccines to children regardless of income or insurance coverage. The Association has collected assessments in excess of amounts required to be remitted to the State. These unexpended assessments will be applied to the determination of future assessments, or reasonable and necessary operating costs of the Association. As of June 30, 2016 and 2015, unexpended assessments reported as temporarily restricted net assets totaled \$3,734,597 and \$17,994,016, respectively.

G | SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 28, 2016, the date which the financial statements were available to be issued, and has not evaluated subsequent events after that date. The Association did not identify any subsequent events that would require disclosure in these financial statements.

July 28, 2016

New Hampshire Vaccine Association
c/o KidsVax.org
PO Box 1885
Concord, NH 03302-1885

In planning and performing our audit of the financial statements of New Hampshire Vaccine Association, for the year ended June 30, 2016, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

Clearly, the Association has dedicated and conscientious directors and administrative staff. During the course of our work, we did not uncover any additional areas in which we believed changes were needed to strengthen internal controls. Further, all prior recommendations have been addressed. Please see updates below.

Prior Year

Observation: Our work included obtaining an understanding of the policies and procedures adopted by the Association, as well as the actual implementation and application of those policies to the amounts recorded in the financial statements. During our review of the Plan of Operation, we noted that the calculation of interest on late assessments is defined in the Plan using "the number of days late" (Article VI). This definition is unclear as to the actual date upon which the calculation will end, e.g., date of self-reporting, date the payment is postmarked, or the date the payment is actually received by the Association.

In implementing this policy, the Association should give consideration to and balance the following factors:

- The size and nature of the payors; many large companies process payables over a weekly, bi-weekly or standard 30 day terms.
- The burden placed on administrative staff in collecting and re-computing interest using postmarks or date the payment is received; especially if only for a few days time reflecting a nominal amount of interest.
- The foregone interest not collected in setting a date based solely on the date of self-reporting.

For example, a payor might realize they made an error in reporting covered lives for Q1 or failed to report timely (45 days from the end of the quarter). When the payor corrects or reports those covered lives, the system automatically calculates the interest due on that assessment and provides a remittance to the payor. That information is then forwarded to the accounts payable department where it is approved, entered and then subsequently paid. Depending on the payor's process, it could reasonably take a week or more until the payment is mailed and then, an additional 3-5 business days until received by the Association. During this time, additional interest which was not included in the remittance generated by the system could be earned depending on the definition of "the number of days late."

Recommendation: We recommended the Audit Committee should clearly define the "number of days late" with respect to calculating the interest on late assessments. It should further adopt a policy for assessing additional interest after a defined window for receiving payment. Following is a sample, proposed policy the committee should consider, adapt and adopt as it deems appropriate for the Association:

Expand Article VI to clarify the number of days late for calculating the interest on late assessment is the number of days between the due date (45 days subsequent to quarter end) and the actual date the covered lives or corrected covered lives is self-reported to the Association.

Adopt a grace period to provide a reasonable window of opportunity for the payors to process and remit that payment. During the grace period, no additional interest will be assessed on payments postmarked within 14 days of the date the lives are self-reported to the Association.

However, payments not postmarked within 14 days of the date the lives are self-reported, will be subject to a reassessed rate of interest at that time and additional invoice will be sent to the payor. At this point, the 14 days grace period should begin again to provide time for the payor to process and remit the payment.

Given the nominal nature of some of the interest that will be earned and collected, as well as minor timing differences between when the payment is received and posted, it is common practice for some organizations to permit the accounts receivable clerk to waive immaterial interest adjustments on payments. The Association should consider adopting a percentage or dollar value upon which variances in interest calculated and received can be waived regardless of the policies above.

For instance, if in the current year a payor self reports Q1 covered lives of 10,000, but failed to self report until 90 days after it was due, the system would automatically calculate an assessment of \$1,400 and interest on that assessment of \$62. The payor would then send \$1,462 with the remittance generated from the system. Even if the payment was not received until 30 days after self reported, the foregone, additional interest would only be \$20. The cost of collections would far exceed the additional revenue received.

Update: KidsVax, LLC has implemented a new automated system in place for charging additional interest if payments are made beyond the two-week notice period. The late fee added to the assessment payment will be equal to the product of the number of days late times .000493 times the amount past due. The late fee policy, as well as the collections policy for past due assessments, is outlined in Exhibit D in the revised Plan of Operation effective 6/6/16.

We are pleased to report that the measures implemented resolve our previous concerns pertaining to late interest payments.

These comments are intended solely for the use of the Board of Directors and management of New Hampshire Vaccine Association. Please do not hesitate to contact us if you have any questions or would like assistance in implementing any of these suggestions.

Sincerely,

Karen M. Carew, CPA, CFE
Carew & Wells, PLLC

DRAFT

July 28, 2016

Board of Directors
New Hampshire Vaccine Association
c/o KidsVax.org
PO Box 1885
Concord, NH 03302-1885

We have audited the financial statements of New Hampshire Vaccine Association for the year ended June 30, 2016, and have issued our report thereon dated July 28, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 2, 2016. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by New Hampshire Vaccine Association are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2016. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the financial statements was (were):

Management's estimate of the vaccine expense is based on the amount projected and requested for remittance by the State of New Hampshire. We evaluated the key factors and assumptions used to develop the vaccine estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the balance due and collectible in accounts receivable is based on the assumption that the amount of covered lives self-reported by the payor is accurate and not subject to change materially. We evaluated the key factors and assumptions used to develop the balance due and collectible in accounts receivable in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the fair value of short-term investments is based on the published market price of publically traded securities as of June 30, 2016. We evaluated the key factors and assumptions used to develop the unrealized gain or loss in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. No such misstatements were identified.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 28, 2016.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of New Hampshire Vaccine Association and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Carew & Wells, PLLC

Notes on NHVA Assessment Setting Worksheet Set

Notes:

01. This workbook starts from the rates as voted by the NHVA last year. Simplifications suggested by the assessment setting task force have also been incorporated. Consistent with general KidsVax documentation standards, this spreadsheet contains line number and column letter references. Those are used throughout the workbook internally and KidsVax recommends they be used for board discussions. For those looking at a live Excel spreadsheet, these numbers and letters will be different from the internal Excel cell references.
02. The worksheet suggests that just one assessment decision be made, namely the rate applicable for covered lives starting with the months of Jan-Mar 2017. The first assessment at the new rate would then be due on May 15, 2017. Using the KidsVax references, this is at Line 28 Column B. It is highlighted in blue on the attached worksheet a. Setting this rate is typically the most significant financial policy decision of the year for the NHVA board.
03. Consequently, there would in FYE 6/30/2017 be one quarter collected at the new rate. The new rate would be expected to remain in effect throughout all of calendar year 2017 & continuing through three assessment collections in NHVA's FYE 6/30/2018.
04. Carry forward numbers from related tabs in the workbook are coded with green font.
05. Control points for starting board assumptions are in red font and shaded in green on the following worksheets:
 - a. Assessment Worksheet
 - b. NHVA Budgets
06. Numbers from last years workbook are coded with blue font.
07. Notwithstanding any of the observations above, the assessment setting work is, by statute, a policy solely one of the NHVA board operating within the bounds of the statute.

	A Prior	B 2017	C Comments
A. Preliminary Vaccine Cost Estimates			
01.	\$28,418,140	\$26,623,438	Anticipated total costs of child vaccines SFY17
02.	147,064	\$266,234	Provision for vaccine utilization increase
03.	\$994,635	\$697,913	Provision for vaccine cost increase (nine months starting 4/2017)
04.	-\$9,508,011	-\$8,375,646	Estimated VFC Award
05.		-\$203,676	2.4% Provision for VFC Award cost & utilization adjustment
06.	\$20,051,827	\$19,008,264	Estimated non-federal program cost
07.	-\$398,695	-\$392,795	Estimated NH general fund contribution
08.	<u>\$19,653,132</u>	<u>\$18,615,469</u>	Net NHVA funds requested by DHHS
B. Assessable Child Covered Lives Estimates			
09.	166,585	168,082	¹ Monthly average assessable child covered lives
10.		0	Leakage (unknown insurer, out of reach entity, etc.)
11.	166,568	168,082	Monthly average assessable lives actually paying
C. Planning / Budgeting Parameters (Expenses)			
12.	\$162,073	\$164,504	Administrative Budget
13.	\$25,000	\$0	Special Projects
14.	\$3,976	\$3,835	Bad Debt Allowance
15.	\$191,049	\$168,339	Total Anticipated Operating Costs
16.	\$3,809,847	\$1,629,685	Statutory Risk Reserve (% of Non VFC vaccines + expenses)
17.	-\$151,456	-\$45,709	0.33% ² Investment Earnings
18.	\$3,849,440	\$1,752,315	Total Expenses
D. Financial Carry Forwards			
19.		\$3,267,371	17.0% ³ Vaccine fund carry forward % of Non VFC vaccines and expenses
20.		<u>\$3,267,371</u>	2.0 Amount retained for liquidity reserve (annual dollars / # of months)
21.		\$0	Carry forward used in the assessment calculation
E. Assessment Calculation per RSA 126-Q, II			
22.	\$23,502,572	\$20,367,784	Total Assessment Funds Needed (Row 8 +Row 18)
23.	-\$3,624,201	\$0	Less Vaccine Fund Carry Forward (used in the assessment - row 21)
24.	\$19,878,371	\$20,367,784	Net Assessment Funds Needed
25.		-\$5,014,760	⁴ Projected Assessment as of 3/31/2017 at the old rate
26.		\$15,353,024	Total Assessments needed at the new rate (9 months)
F. Per Assessable Covered Life Assessment			
27.		\$121.79	2017 Annual Assessment per Covered Life
28.	\$9.95	\$10.15	2.1% 2017 Monthly Assessment per Covered Life Annual % Change
29.		\$10.15	2.1% 2017 Monthly Assessment set by the Board Annual % Change
G. Various Performance Metrics & Reference Data			
30.	0.93%	0.87%	Net admin costs as % of vaccine costs
31.	0.96%	0.89%	Line 15 as % of vaccine costs
32.		\$9.62	Core Assessment Rate Expected Next Year (no reserve)
		\$10.45	3.0% Core Assessment Rate Expected Next Year (the same reserve)

Notes:¹ KidsVax® used the average total child covered lives from the 4 most recent self-reporting assessment system quarters.² Starting assumption on investment return is NHVA average for last four fiscal years ending FYE 2016³ The vaccine carry forward may be retained as a liquidity reserve or brought into this years assessment calculation as a credit.⁴ This is the estimated amount that will be collected in February of 2017, based upon the Q4 of CY 2016 covered lives paid at the old assessment rate.

NEW HAMPSHIRE VACCINE ASSOCIATION

Estimated Expense Budgets and Reference Data

* * Budget information in last Assessment Setting worksheet approved by board * *

Column →	A	B	C	D	E
Line ↓					
		Original	Budgets		
		Financials	Budget	Preliminary	Preliminary
		<u>6/30/2015</u>	<u>for 06/30/15</u>	<u>for 2015/2016</u>	<u>for 2016/2017</u>
01.	Administrative Fees (CML Administrators d/b/a/ KidsVax®)				
02.	Annual Comprehensive Services Base Fee	106,118	106,109	109,027 1	112,025 1
03.	Variable Compensation	16,500	11,790 2	12,141 2	12,475 2
04.	Subtotal	122,618	117,899	121,168	124,500
05.	Bank Fees & Service Charges	500	500 3	500 3	3,980 3
06.	Auditing Fees	8,200	10,700	10,700	9,000
07.	Legal Fees	14,162	15,000	15,000 4	16,500 4
08.	Public Information Expense	-	1,000 5	1,000	1,000
09.	Insurance Expense (D&O)	7,094	7,500	7,500	7,055
10.	Publications	-	600	600	600
11.	Subtotal	29,956	35,300	35,300	38,135
12.	Subtotal Administrative Costs	152,574	153,199	156,468	162,636
13.	Special Projects (as approved by board in advance)				
14.	TRICARE collections project	-	-	-	-
15.		-	-	-	-
16.		-	-	-	-
17.	Subtotal	0	0	0	0
18.	Total Administrative costs & Special Projects	\$ 152,574	\$ 153,199	\$ 156,468	\$ 162,636

NOTES:

- 2014 contract included \$50,000 supplement for setup of new system. Amount was \$115,000 with 2.75% cost adjustment each august 1st.
- 10% of each year's base held back and awarded pursuant to "Variable Compensation" upon board vote.
- Fees for purchase of T-bills; additional fees for lockbox.
- Anticipate possible legislative support in 2014/15 and then more normal maintenance mode going forward.
- Two template compilations, photo expenses for current NHVA template, PowerPoint templates
- Based upon Lighthouse lockbox fees plus \$500 for investments.
- Based upon engagement letter for \$8,500 audit fee + \$500 for out-of-pocket fees.
- Paid in August 2014 for contract year ending July 2014.

2015/16 Budget
Worksheet Items

		Weights		Assessment
		58.30%	41.7%	Period
Actuals	Projected	Preliminary	Preliminary	
thru 5/31/16	thru 6/30/16	2016/17	2017/18	
99,914	109,020	112,025	115,106	1.0275
- 9	12,141	12,475 2	12,818	1.0275
99,914	121,161	124,500	127,924	
2,222	2,522	3,980 6	3,980	
8,500	8,500	9,000 7	9,000	
8,489	9,489	16,500	16,500	
		1,000	1,000	
5,639	6,135	7,055	8,113	
		600	600	
24,850	26,646	38,135	39,193	
124,763	147,807	162,635	167,118	164,504
25,000 ##	25,000	-	-	-
-	-	-	-	-
-	-	-	-	-
25,000	25,000	0	0	-
149,763	172,807	162,635	167,118	164,504
Increase over 2015/16 budget:		3.94%		

c. NH DHHS Vaccine calculations, 9/20/2016, 8:03 AM

SFY 2015 Year end calcuations to bring cash forward

		Source	2015/2016	2014/2015	2013/2014	2012/2013	2011/2012	2010/2011	2009/2010	2008/2009*	2007/2008
Actual Total exp		4+7	\$ 24,741,423	\$ 26,092,636	\$ 20,945,469	\$ 21,918,042	\$ 21,707,838	\$ 21,961,081	\$ 28,121,414	\$ 17,820,721	\$ 25,454,043
VFC	1	CDC Mon Rpt	\$ 9,194,539	\$ 8,570,780	\$ 8,070,843	\$ 7,551,690	\$ 7,715,921	\$ 7,549,887	\$ 11,624,679	\$ 5,002,497	\$ 8,588,458
317 - not used for children	2			\$ -		\$ 156,375	\$ 920,358	\$ 720,612	\$ 1,676,638	\$ 735,871	\$ 2,219,343
State GF	3	St. Ap(5178-513)	\$ 302,821	\$ 206,762	\$ 460,501	\$ 482,467	\$ 320,494	\$ 492,762	\$ 573,306	\$ 213,821	\$ 422,798
TOTAL GOV'T EXPENDED	4	1+2+3	\$ 9,497,360	\$ 8,777,542	\$ 8,531,344	\$ 8,190,532	\$ 8,956,773	\$ 8,763,261	\$ 13,874,623	\$ 5,952,189	\$ 11,230,599
beg balance	5	State Approp	\$ (1,107,265)	\$ 3,797,531	\$ 207,631	\$ 3,042,624	\$ 6,102,932	\$ 7,039,214	\$ 12,293,560	\$ 7,759,278	\$ 4,919,231
revenue from NHVA*	6	State Approp	\$ 19,618,699	\$ 12,410,298	\$ 16,004,025	\$ 10,892,517	\$ 9,690,757	\$ 12,261,538	\$ 8,992,444	\$ 16,402,814	\$ 17,063,492
			\$ 13,916								
Vaccine Insurers expended	7	State Approp	\$ 15,244,063	\$ 17,315,094	\$ 12,414,125	\$ 13,727,510	\$ 12,751,065	\$ 13,197,820	\$ 14,246,791	\$ 11,868,532	\$ 14,223,444
year end encumbered	8	State Approp	\$ 5,360,641	\$ (1,217,018)	\$ 4,922,400	\$ 2,278,387	\$ 3,498,954	\$ 4,183,155	\$ 2,658,211	\$ 2,636,659	\$ 5,038,824
year end cash	9	State Approp	\$ (2,093,271)	0	\$ 1,124,869	\$ (2,070,756)	\$ (456,331)	\$ 1,919,776	\$ 4,381,002	\$ 9,656,901	\$ 2,720,454
TOTAL BAL FORWARD	10	(5+6) -7	\$ 3,267,371	\$ (1,107,265)	\$ 3,797,531	\$ 207,631	\$ 3,042,624	\$ 6,102,932	\$ 7,039,213	\$ 12,293,560	\$ 7,759,279
*Reimbursement from Providers	6A	State Approp		\$ 37,311	\$ 29,970	\$ 119,460					
Added into this account											

Source: From Marcella Bobinski 9/12/2016

Projected
2016/17

Note: NHVA as % of total budget	67.78%	61.61%	66.36%	59.27%	62.63%	58.74%	60.10%	50.66%	66.60%	55.88%
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NEW HAMPSHIRE VACCINE ASSOCIATION
Estimated Covered Lives

Covered lives reported to KV for each of the 6 most recent quarters:

		<u>Quarter</u>	Monthly <u>Average</u>	<u>Variance</u>	Monthly <u>Average (using 12 months)</u>
Q3 ending 3/31/2015	505,699	505,699	168,566		
Q4 ending 6/30/2015	502,901	502,901	167,634		
Q1 ending 9/30/2015	501,552	501,552	167,184		
Q2 ending 12/31/2015	505,771	505,771	168,590		167,994
Q3 ending 3/31/2016	505,928	505,928	168,643		168,013
Q4 ending 6/30/2016	503,736	503,736	167,912		168,082
18 month average			168,088		
Max			168,643		
Min			167,184	0.9%	0.9% is the variance from the min to the max. Its probably a timing issue with coverage turn over. Best to use an average.

NEW HAMPSHIRE VACCINE ASSOCIATION
Months in Liquidity Reserve Table

<u>Reserve Percentage</u>	<u>Reserve Months</u>
0.5%	0.06
1.0%	0.12
1.5%	0.18
2.0%	0.24
2.5%	0.30
3.0%	0.36
3.5%	0.42
4.0%	0.48
4.5%	0.54
5.0%	0.60
5.5%	0.66
6.0%	0.72
6.5%	0.78
7.0%	0.84
7.5%	0.90
8.0%	0.96
8.5%	1.02
9.0%	1.08
9.5%	1.14
10.0%	1.20

This table illustrates the number of months of expenses (a liquidity reserve) that would be retained assuming all expenses were projected with 100% accuracy, and the reserve percentages in column C was built into the assessment rate. Column E displays the corresponding number of months in reserve.

NEW HAMPSHIRE VACCINE ASSOCIATION

Estimated Return on Investments

Cash Balance of 6/30/2016	\$3,728,701
Annual Interest Rate	0.33%
Monthly Interest Rate	0.03%
Covered Lives	168,082

Comments/Source

FY 16 NHVA financials

Based on 4 year average

Beginning Cash Balance	\$3,728,701
Ending Cash Balance	\$5,358,386
Payment to the State	\$18,615,469
Total	\$27,702,556
Average Balance	\$13,851,278
Interest Rate	0.33%
Investment Income	\$45,709

FY 16 NHVA financials

New Hampshire Vaccine Association (NHVA) 2017 Assessment Setting

KidsVax®(KV) and Compass have developed the 2017 NHVA assessment. We would like to thank David Sky and the task force for the work that they did on process improvement. They had many helpful ideas and gained consensus around the objective of simplification. With the goal of improving and simplifying the assessment setting process, we leveraged the task force work and made additional changes to the calculations and Excel worksheet. Board controls continue to be highlighted with green shading and red font, and assessment results are highlighted with blue shading. Below are observations about the results, discussion on some of the changes in the methodology, and a discussion on reserves.

The required assessment for 2017 is 2.1% increase above the 2016 assessment. The increase is close to the rate of vaccine inflation suggesting that the current assessment is close to an appropriate level. The small increase is driven by offsetting factors. There was a significant reduction in projected vaccine expense. The table below illustrates the FY16 projection, FY 16 actuals and the FY17 projection which shows a 6.3% reduction in fiscal year projected vaccines costs. After adjusting for changes in VFC and state funds, the NHVA funds required for non VFC vaccines went down by 5.3% relative to last year's projections.

The primary factor offsetting the reduced projected vaccine costs is the elimination of a carry forward credit that was in place in 2016. There are other factors that also have a small impact on the overall annual rate of change.

	Projected Vaccine Expenses					
	SY 16 Projected		SY 16 Actual		SY 17 Projected	
	Aggregate		Aggregate		Aggregate	
	<u>Dollars</u>		<u>Dollars</u>	<u>Variance</u>	<u>Dollars</u>	<u>Variance</u>
Non Flu	\$26,058,790		\$23,250,789	-10.8%	\$ 24,152,718	-7.3%
Flu	\$2,359,350		\$2,255,612	-4.4%	\$ 2,470,720	4.7%
Total	\$28,418,140		\$25,506,401	-10.2%	\$26,623,438	-6.3%

Line 5 of the assessment calculation is a new line this year. Six months of the projection period will be for a new fiscal year. Since vaccine costs are adjusted up for inflation it is assumed that the VFC funds will move up with that inflation adjustment. Line 5 makes an adjustment assuming VFC funds will change proportionally with total childhood vaccine costs.

A "liquidity" or working capital reserve is money that the NHVA holds in case of some unexpected event which causes funds collected from the assessment to be inadequate to cover expenses. KV's recommendation is a 3 month liquidity reserve. Most states that KV services have tacitly (some expressly) adopted that target. The rationale, in part, is that this is a quarterly assessment program, so it

should be prepared to handle one quarter of expenses in the event of an unexpected event. Most states have the ability to implement an emergency assessment, but logistics make it difficult to accomplish much of anything within the quarter of any assessment rate change decision.

The FY16 cash carry forward of about \$3.3 M is about 17% of anticipated 2017 non VFC vaccines and NHVA administrative expenses, or about 2 months of expenses. The 2017 assessment calculations assume that the NHVA will hold this money as a liquidity reserve in the event of adverse unexpected expenditures.

A statutory reserve of up to 10% is allowed in any given assessment year. This is different from a liquidity reserve, and is a “risk” reserve used to protect against random fluctuations in vaccine claims cost. If costs come in as expected and this reserve is not needed then it can be retained and added to the liquidity reserve. If the liquidity reserve is strong the need for a risk reserve diminishes. In the 2017 calculations the statutory reserve is set at 8.5% (vs. the 10% maximum). If the vaccine projections are correct then this level of reserve would generate an additional 1.0 month of liquidity reserves at the end of the projection period, getting the NHVA to a three month target level. If the projections are understated then the 8.5% reserve would be used to fund any variance. Any negative fluctuation greater than 8.5% would mean a reduction to the current liquidity reserve. If the board decided to implement the full statutory reserve then the assessment would go up by 4.0%. A 6.9% reserve would result in no change to the assessment.

Row 25 of the assessment calculation represents a somewhat new approach to account for the lag in the implementation of the assessment. The assessment collected using 4th quarter calendar year 2016 covered lives, collected in February of 2017, is at the old assessment rate. This is a known number and can be accounted for by deducting that known number from the total required funds. The net amount must be collected over the remaining nine months and is used to calculate the new assessment rate.



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Meeting Schedule – 2017

January 2017			
Board of Directors Meeting	Thursday, January 19, 2017	KidsVax®, LLC Concord	8:30 – 9:15 a.m. 9:30 – 11:30 a.m.
March 2017			
Audit Committee Meeting Annual Board of Directors Meeting	Tuesday, March 21, 2017	KidsVax®, LLC Concord	8:30 – 9:15 a.m. 9:30 – 11:30 a.m.
June 2017			
Audit Committee Meeting Board of Directors Meeting	Tuesday, June 20, 2017	KidsVax®, LLC Concord	8:30 – 9:15 a.m. 9:30 – 11:30 a.m.
September 2017			
Audit Committee Meeting Board of Director Meeting	Tuesday, September 26, 2017	KidsVax®, LLC Concord	8:30 – 9:15 a.m. 9:30 – 11:30 a.m.
October 2017			
Board of Directors Meeting (if needed)	Thursday, October 19, 2017	Teleconference & In-Person at KidsVax®	8:30 – 10:00 a.m.

TO: Commissioner Robert A. Sevigny
FROM: New Hampshire Vaccine Association
RE: Annual Report required by RSA 126-Q:3V(k) for FY16
DATE: September 13, 2016

The following annual report fulfills the requirement found in RSA 126-Q:3V(k). The report contains a description of the collection of assessments, delinquencies, and a summary of assessable entities and lives for FY16. Attached to this report are 2 exhibits: 1) with the specific entity names, associated assessable lives and the change from year to year and 2) entities that are new members and entities that are no longer members. These exhibits contain

Collection of Assessments

The system used to collect assessments is a self-reporting system. Assessable entities report on a quarterly basis by entering the number of assessable lives for each month of the quarter. A calculation is done to compute the assessment for that entity. The assessment is the rate multiplied by the number of assessable lives for the quarter. An invoice is then created and the entity pays the invoice by check to a lockbox or through ACH. The bank then processes the assessment payments and deposits them into the NHVA bank account. Any assessments received in error are corrected by issuing a refund to the paying entity. The assessments are paid quarterly and remain in the NHVA interest bearing account until payment to the state of New Hampshire is due at the end of the state fiscal year.

Delinquencies for FY16

There were no delinquencies as of 6/30/2016, therefore Exhibit B is not attached.

Summary of Assessable Entities for FY16

	Total	Change from FY15 to FY16
Assessable Entities	74	Decrease 15 entities
Assessable Lives	1,953,296	Decrease 67,082 lives

Exhibits Attached to the Report

Exhibit A: Contains the membership base of the NHVA by name and assessable lives for the current year, the previous year, and change from year prior to current.

Exhibit B: List of delinquencies including the amount owed and the payment date. *[Not attached for FY16, as there are no delinquencies]*

Exhibit C: List entities that are new members and entities that are no longer members for FY16

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
E-mail: Elaine.Koskela@Cigna.com

Susan Tenney
Manager, Network Contracting
Harvard Pilgrim Health Care-NE
650 Elm Street, 7th Floor
Manchester, NH 03101

Telephone: 603-656-9594
Facsimile: 603-656-9565
E-mail: Susan_Tenney@hphc.org

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

[Currently one vacant seat]
[Appointed by DHHS Commissioner]

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

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

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

David Sky, F.S.A., M.A.A.A.
Life, Accident and Health Actuary
New Hampshire Insurance Department
21 South Fruit Street, Suite 14
Concord, NH 03301

Telephone: 603-271-2506
Facsimile: 603-271-1406
E-mail: David.Sky@ins.nh.gov

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
Concord, NH 03301-6504

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

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

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

NH Insurance Department

Roger A. Seigny, Commissioner
New Hampshire Insurance Department
21 South Fruit Street, Suite 14
Concord, NH 03301-2430

Telephone: 603-271-2261
Facsimile: 603-271-7851
E-mail:
Assistant: Sandy Barlow 603-271-7973 x 202

KidsVax®

Fred L. Potter
P.O. Box 1885
Concord, NH 03302-1885

Telephone: 855-556-4101 (Direct Line)
Facsimile: 855-556-4101 (Direct Fax)
E-mail: FPotter@KidsVax.org

Nicole G. Price, Esquire
P.O. Box 1885
Concord, NH 03302-1885

Telephone: 844-459-9102 (Direct Line)
Facsimile: 844-459-9102 (Direct Fax)
E-mail: NPrice@KidsVax.org

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

Telephone: 855-556-4102 (Direct Line)
Facsimile: 855-556-4102 (Direct Fax)
E-mail: CRoberge@KidsVax.org

Terry Mills
P.O. Box 1885
Concord, NH 03302-1885

Telephone: 855-556-4103 (Direct Line)
Facsimile: 855-556-4103 (Direct Fax)
E-mail: TMills@KidsVax.org

Supporting Independent Contractors

Peter Smith, CPA
Financial Analyst
7856 Rysdale Street
Niagara Falls, Ontario, Canada L2H 1G4

Telephone: 757-470-7429
E-mail: PSmith@KidsVax.org

Larry Hart, Director, Risk Consulting Services
Compass Health Analytics, Inc.
254 Commercial Street, 2nd Floor
Portland, ME 04101

Telephone: 207-541-4900
E-mail: lhart@compass-inc.com

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

Legislative Task Force

Susan Tenney
David Sky (or his designee)
Ms. Bobinsky
Ms. Koskela
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.



c/o KidsVax®, LLC
 P.O. Box 1885 • Concord, NH 03302-1885
 tel 1.855.KidsVax (543.7829)
 fax 1.855.KidsFax (543.7329)
www.nhvaccine.org

Meeting Schedule – 2016

March 2016			
Audit Committee Meeting Board of Directors Meeting	Tuesday, March 9, 2016	KidsVax®, LLC Concord	8:30 – 9:15 a.m. 9:30 – 11:30 a.m.
June 2016			
Special Board of Directors Meeting	Friday, June 3, 2016	KidsVax®, LLC Concord	9:00 – 10:00 a.m.
Audit Committee Meeting Annual Board of Directors Meeting	Tuesday, June 21, 2016	KidsVax®, LLC Concord	8:30 – 9:15 a.m. 9:30 – 11:30 a.m.
September 2016			
Audit Committee Meeting Board of Directors Meeting	Tuesday, September 27, 2016	KidsVax®, LLC Concord	8:30 – 9:15 a.m. 9:30 – 11:30 a.m.
October 2016			
Board Meeting [if needed]	Tuesday, October 11, 2016	Teleconference & In-Person at KidsVax®	8:30 – 10:00 a.m.



NHVA 2016 Calendar: Year at a Glance

Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Publish Q2 Quarterly Financial Report Annual Report to the Governor, Senate President & Speaker of the House Audit Committee Meeting	Quarterly Assessment	Board Meeting	Publish Q3 Quarterly Financial Report	Quarterly Assessment Annual Report to Comm. of Insurance	Audit Committee Meeting Annual Board Meeting		Quarterly Assessment Publish Q4/FYE Annual Financial Report	Draft VaxFacts Audit Committee Meeting Board Meeting to Set Assessment Rates	Publish Q1 Quarterly Financial Report 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>Publish Q2 Quarterly Financial Report</p> <p>Annual Report – Governor, Senate President & Speaker of the House</p> <ol style="list-style-type: none"> 1. Association activities 2. Financial reports 3. Newly offered vaccines <p>Jan 27: Audit Committee Meeting</p> <p>[For Future Years: New Assessment Rate Effective January 1.]</p> <p>Other Activities</p>	<p>Feb 15: Quarterly Assessment</p> <p>Other Activities</p>	<p>Mar 9: Board Meeting</p> <ol style="list-style-type: none"> 1. Review 2016 calendar dates <p>Other Activities</p>

Second Quarter

April	May	June
<p>Publish Q3 Quarterly Financial Report</p>	<p>May 15: Quarterly Assessment</p> <p>Annual Report to Commissioner of Insurance</p> <ol style="list-style-type: none"> 1. Association membership base 2. Count of assessable lives by assessable entity 3. List of payment delinquencies 	<p>Jun 21: Audit Committee Meeting</p> <ol style="list-style-type: none"> 1. NHVA Expense Budget for 2016/2017 2. Review letter of engagement for Carew & Wells, auditors <p>Jun 21: Annual Board Meeting</p> <ol style="list-style-type: none"> 1. Report on Proxy Submissions 2. Count and Certify Votes for 3 representatives of Assessable Entities under HB664 3. Adjourn Annual Meeting 4. Review collection results 5. Recommend next year's expense budget 6. Select Directors for term beginning September 1 7. Elect Officers & Appoint Committees 8. Review Report of Administrator for year's operations 9. Review Discharge of Director Duties
<p>Other Activities</p>	<p>Other Activities</p> <ol style="list-style-type: none"> 1. Work with auditor on FYE 06/30/2016 audit. 	<p>Other Activities</p>

Third Quarter

July	August	September
	August 15: Quarterly Assessment Publish Q4/FYE Financial Report	Sep 27: Audit Committee Meeting with outside auditor <ol style="list-style-type: none"> 1. Review audit report 2. Executive Session Sep 27: Board Meeting <ol style="list-style-type: none"> 1. Accept audit report & authorize release of prior year's financials 2. Work on assessment for 2016-2017 3. Executive Session (Administrator's personnel excused)
Other Activities <ol style="list-style-type: none"> 1. Work on FYE 06/30/2016 audit. 	Other Activities	Other Activities <ol style="list-style-type: none"> 1. Draft annual report in condensed "VaxFacts" format

Fourth Quarter

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



c/o KidsVax®, LLC
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fax 1.855.KidsFax (543.7329)
www.nhvaccine.org

September 27, 2016
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 2:

VOTED: To approve the minutes of the June 21, 2016 Board meeting.

[To approve the minutes of the June 21, 2016 Board meeting with the changes suggested at this meeting.]

VOTED: To accept the resignation of Dr. Everett Lamm with appreciation for his service and best wishes in his new position.

Items under Agenda Section 3:

VOTED: To approve publication of the 2015/2016 Audited Financials as recommended by the Audit Committee.

[To approve publication of the 2015/2016 Audited Financials as recommended by the Audit Committee with the changes suggested at the meeting.]

Items under Agenda Section 5:

VOTED: To set the 2017 assessment rate (payable as of May 15th 2017, August 15th 2017, November 15th 2017, and February 15th 2018) at \$_____ per child covered live per month.

[To tentatively set the 2017 assessment rate (payable as of May 15th 2017, August 15th 2017, November 15th 2017, and February 15th 2018) at \$_____ per child covered live per month and to schedule further review at the board's next 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.

Please click here for further details: <http://mapq.st/1DAoTFC>

