

MINUTES
Board of Directors Meeting
September 26, 2018
10:00am

Presiding Officer: Susan Tenney, Chair
Approved January 16, 2019

A meeting of the of the Board of Directors of the New Hampshire Vaccine Association (NHVA) was held in person at the offices of Helms & Company, Inc. in Concord, NH with a quorum present.

The meeting was called to order by Susan Tenney at 10:00am.

I. Welcome and Introductions

Attendance – The following individuals attended the meeting, including by phone (P) as indicated:

Committee Members:

Susan Tenney, HPHC, Chair
Laura Condon, Public Member
Elizabeth Daly, NH DHHS
Patricia Edwards, MD, Healthcare Provider
Sean Lyons, Cigna
Edward Moran, Public Member, *absent*
Jason Margus, Anthem
David Sky, NHID

Other Attendees:

Patrick Miller, Helms & Company, Inc.
John Hastings, Helms & Company, Inc.
Mike Degnan, Helms & Company, Inc.
Erin Meagher, Helms & Company, Inc.
Keith Nix, Helms & Company, Inc.
Karen Carew, Carew & Wells
Colleen Haggerty, NH DHHS
Mark McCue, Esq., Hinckley Allen
Fred Potter, KidsVax, (P), *Executive Session Only*
Cheryl Rounds, Derry, NH, Member of the Public

Ms. Tenney acknowledged this was the first meeting with the new Administrative Team of Helms & Company, Inc. She thanked everyone for all of the hard work through the transition process and the development of the new rate setting process. She also thanked and acknowledged all the work KidsVax did historically. They were instrumental in getting the organization up and running years ago when the assessment process was first implemented. They were also instrumental in getting us through a revision in the covered lives to include the self-insured lives as well as refining the assessment to include only pediatric lives. KidsVax has done a lot of work over the years in regards to the national forums. The NHVA would like to publicly thank KidsVax for all the work they have done.

II. Review of May 22 and June 20, 2018 Minutes

Ms. Tenney asked if there were any updates to the May 22, 2018 minutes. No changes were presented.

VOTE RECORDED: *On a motion by Mr. Sky, seconded by Ms. Condon, it was unanimously VOTED: To accept the May 22, 2018 minutes as presented.*

Ms. Tenney asked if there were any updates to the June 20, 2018 minutes. Changes include:

- **DHHS Update** – Ms. Daly indicated on page 3 that “2021” should read “FY2020-2021.” This will be corrected on lines 154, 157, and 159.

- 38 ▪ Executive Session – Ms. Condon indicated on page 4 regarding the vote to continue negotiating the
39 TRICARE proposal that she had requested a roll call vote. She was the single dissenter on this vote
40 and would like it reflected in the minutes. This will be corrected on line 205.
41 ▪ Secretary pro tem – Mark indicated on page 4 he was the Secretary pro tem for the Executive Session
42 only. The minutes should be signed by KidsVax. This will be corrected on line 228.
43

44 **VOTE RECORDED:** *On a motion by Mr. Sky, seconded by Dr. Edwards, it was unanimously*

45 **VOTED:** ***To accept the June 20, 2018 minutes with amendments as outlined above.***

46 Ms. Daly abstained from the vote as she was not present at the June 20, 2018 meeting.
47

48 **III. Report of the Audit Committee**

49

50 Mr. Sky explained that the Audit Committee met earlier in the day and Ms. Karen Carew from Carew & Wells was
51 present. Ms. Carew reported there was nothing remarkable in the audit; there were no significant changes in the
52 financial numbers from last year to this year, the controls and systems in place made it very easy to complete the
53 audit, and KidsVax was very cooperatives during the audit process. Ms. Carew did draw attention to the Notes
54 section.
55

56 Section A – Nature of Activities & Summary of Significant Accounting Policies; Upcoming Accounting 57 Pronouncements – Page 8:

58 Ms. Carew stated that given the FASB changes in upcoming accounting pronouncements there were no material
59 issues at this time. In the future, the temporary net assets will be presented in a different format. This is the only
60 area that Ms. Carew is still working on understanding how this will affect NHVA.
61

62 Section E – Commitments and Contingencies: TRICARE Assessment – Page 10:

63 Ms. Carew mentioned that this section is new this year, and she asked if there were any questions. There was brief
64 discussion about the following sentence in Paragraph 2:

65 *“The DHA subsequently hired Kennel and Associates, Inc. to assist the DHA with implementation of Section*
66 *719”*

67 Mr. Sky questioned this sentence and advised that the Washington Vaccine Association hired Kennell and
68 Associates on behalf of several state vaccine associations to negotiate/develop a process with the DHA for TRICARE
69 to participate in the vaccine assessment process. After discussion, the Committee believes this should be
70 reworded. Ms. Carew agreed to go back and review the documentation she has, and she will make appropriate
71 changes.
72

73 Ms. Tenney asked if Martin’s Point was the only agent currently paying into NHVA. As of June 2018, Humana is also
74 acting as an agent for TRICARE and it was confirmed they did submit an assessment in August.
75

76 Section E – Commitments and Contingencies: Minuteman Health, Inc. Assessment:

77 This is a new section that reflects the uncertainty of the assessment payment and reflects the claim NHVA has
78 filed.
79

80 Section C – Related Party Transactions: State of New Hampshire; Paragraph 2 – Page 9:

81 Ms. Tenney questioned the term “providing vaccines” in this sentence:

82 *“The Association transfers monies to the State of New Hampshire to fund a specified portion of the cost of*
83 *providing vaccines for children in the State of New Hampshire.”*

84 The Committee agreed to change the word “providing” to “purchasing.”
85

86 Mr. Sky advised the Board that the Audit Committee voted unanimously to recommend the full Board accept the
87 report.

88

89 **VOTE RECORDED:** *On a motion by Mr. Sky, seconded by Ms. Daly, it was unanimously*

90 **VOTED:** *To accept the Financial Statements for the Fiscal Years Ended June 30, 2018 and*
91 *2017 with the two amendments outlined above.*

92

93 **IV. CY2019 Payer Assessment Process and Proposed FY2019 Administrative Budget**

94

95 Mr. Sky reviewed the proposed FY2019 administrative budget (July 1, 2018 through June 30, 2019) included in the
96 meeting packet (next to last page of enclosed slide deck).

97

- The first column reflects the FY2018 budget as a comparison point for the proposed budget.

98

- Items highlighted in green are additional expenses that had not been accounted for in the prior year's
99 budget as the Administrator transition had not been anticipated as well as the additional dollars for the
100 TRICARE work that the Washington Vaccine Association/KidsVax are doing on behalf of NHVA.

101

- The next to last column list the totals for the proposed FY2019 budget, again with the additional expenses
102 highlighted in green.

103

- The final column reflects the proposed budget without the unanticipated one-time costs. This allows
104 comparison of FY2018's budget to FY2019's budget to show there would be a reduction in the FY2019
105 budget amount if not for these additional expenses.

106

- The Audit Committee has also questioned the July 2018 Administrator Contract fee of \$10,660 as it does
107 not appear to be the actual monthly administrator fee NHVA had been paying KidsVax. Mr. Miller stated
108 in the Audit Committee meeting that he would reconcile the numbers from the G/L and report back to the
109 Audit Committee.

110

111 Mr. Sky advised the Board that the Audit Committee voted unanimously to recommend the full Board accept the
112 proposed budget with the amendment of Administrator Contract correction.

113

114 **VOTE RECORDED:** *On a motion by Mr. Sky, seconded by Ms. Daly, it was unanimously*

115 **VOTED:** *To accept the Proposed FY2019 Administrative Budget with the amended*
116 *Administrator Contract amount as outlined above.*

117

118 Mr. Miller and Mr. Hastings provided a presentation which outlined proposed changes to the rate setting process
119 and the proposed assessment rate for CY2019. Mr. Miller started with a brief history of what the Administrator's
120 focus has been since June 2018. The Administrator met with key stakeholders and was charged with examining the
121 assessment rate setting process and making recommendations to simplify the process.

122

123 Mr. Miller walked the group through the historical data outlining the shrinking assessed lives, variability in
124 assessed rate, increasing state vaccine expenditures, and stability in the proportion of the vaccine expenditures
125 paid by the payers. Assumptions used in the rate setting process included: retrieval of the \$9.9M advance payment
126 from DHHS; increasing cash reserves to \$5M; reducing variability in the payer assessment in future years;
127 membership declines of 1.3% per year; and the approximate \$3M CDC credit announced at the beginning of
128 October of each federal fiscal year.

129

130 Mr. Hastings walked the group through the redesigned assessment model details. A side by side comparison was
131 provided reflecting both the prior model and the proposed model. Historically, assessed entities contributed
132 approximately 60% of the requested funds by DHHS with 40% falling under the Vaccines for Children (VFC)
133 program and state general funds. The Administrator recommended an assessment rate of \$5.78 pcpm for CY 2019.

134

135 There was then discussion regarding the DHHS carry forward balance and how it has grown significantly in recent
136 years, largely due to the annual CDC credit. The question was raised regarding if NHVA can simply reimburse the
137 state less funds in June 2019 to offset the large, existing balance at the state. Attorney McCue provided insight into

138 the statute. NHVA sets an assessment rate taking into consideration NHVA’s cost and reserves, and the primary
139 obligation is to collect the assessment while keeping needed reserves and depositing the balance with the state.
140 Attorney McCue stated it is reasonable to use the unexpended amount as a credit towards future funding instead
141 of requesting funds back from the state. This historically has not occurred.
142

143 Part of the assessment model estimated the upcoming CDC credit at \$3M. During the discussion Ms. Daly indicated
144 they are anticipating the credit amount to be closer to \$2M. This change would result in the anticipated payment
145 to DHHS in FY2020 increasing from \$10.2M to \$11.2M. Mr. Hastings walked the group through the model reducing
146 the anticipated credit amount by \$1M, increasing the anticipated payment by \$1M and as a result, the Board
147 members agreed to a proposed assessment rate for CY2019 of \$6.47 pcpm – \$0.69 greater than the assessment
148 rate initially recommended by the Administrator.
149

150 Other, general discussion included: verification that NHVA cannot pick and choose which vaccines to fund; that
151 DHHS will contact NHVA in the event there be any shortfall, and the \$5M reserve fund proposal should cover
152 shortfalls; and the fact that the NHVA is part of a federal program that allows the bulk purchasing of vaccines
153 which enables a lower purchase price and results in a lower cost overall to supply vaccines to NH providers.
154

155 Several of the spreadsheets contained in the presentation documents were edited in real time during the meeting,
156 and the presentation will be updated and included as part of the minutes for reference.
157

158 **VOTE RECORDED:** *On a motion by Dr. Edwards, seconded by Ms. Daly, it was unanimously*
159 **VOTED:** *To approve the estimated payment to DHHS at \$9,234,656 on June 30, 2019.*
160 Ms. Condon abstained from the vote.
161

162 **VOTE RECORDED:** *On a motion by Mr. Lyons, seconded by Dr. Edwards, it was unanimously*
163 **VOTED:** *To set the CY2019 assessment rate at \$6.47pcpm.*
164

165 **V. Board Governance.** Due to time limitations, this item was tabled.
166

167 **VI. DHHS Update.** Due to time limitations, this item was tabled.
168

169 **VII. Executive Director Report.** Due to time limitations, this item was tabled.
170

171 **VIII. Executive Session**
172

173 *Notes to be included shortly.*
174

175 By unanimous roll call vote, the Board voted to end the executive session at 12:35 p.m., and then the Board voted
176 to close the meeting.
177

178 Executive Session minutes without Administrator present respectfully submitted,
179 Mark S. McCue
180 Secretary pro tem
181

182
183 Draft Board minutes respectfully submitted by
184 Patrick Miller, Helms & Company, Inc.
185 October 2, 2018 (Approved January 16, 2019)
186

187 # # #