

AGENDA

Board Meeting

January 16, 2019

9:30am-11:30am

1 Pillsbury Street, 3rd Floor Conference Room, Concord, NH

<https://zoom.us/j/856866150>

Phone #: +1 646 876 9923

Meeting ID: 856 866 150

Time	Agenda Item
9:30-9:40	1. Welcome & Introduction to New Board Member Janice Valmassoi, MD (Tenney)
9:40-9:45	2. Review and Acceptance of Minutes (Tenney) <ul style="list-style-type: none"> a. September 26, 2018 Board Meeting Minutes – Vote b. September 26, 2018 Executive Committee Meeting Minutes – Vote c. December 21, 2018 Executive Committee Meeting Minutes – Vote d. January 3, 2019 Board Meeting Minutes – Vote
9:45-10:10	3. Executive Director Report (Miller) <ul style="list-style-type: none"> a. Financials - Year to Date –July 2018 to December 2018 b. Assessment Model Update c. Bank of New Hampshire Investments and Potential for RFP for Financial Management Services
10:10-10:30	4. TRICARE Update (Tenney) <ul style="list-style-type: none"> a. Washington Vaccine Association Request for Funds Discussion
10:30-10:45	5. DHHS Updates (Daly)
10:45-11:00	6. New Matters (Tenney)
11:00-11:05	7. Public Comment (Tenney)
11:05-11:30	8. Executive Session (Tenney)
11:30	9. Adjournment

Directions: <https://nhvaccine.org/wp-content/uploads/2018/09/DIRECTIONS-TO-HELMS.pdf>

DRAFT Posted October 3, 2018

MINUTES

Board of Directors Meeting

September 26, 2018

10:00am

Presiding Officer: Susan Tenney, Chair

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 3, 5, and 7.

- Executive Session – Ms. Condon indicated on page 3 regarding the vote to continue negotiating the TRICARE proposal that she had requested a roll call vote. She was the single dissenter on this vote and would like it reflected in the minutes. This will be corrected on line 41.
- Secretary pro tem – Mark indicated on page 3 he was the Secretary pro tem for the Executive Session only. The minutes should be signed by KidsVax. This will be corrected on lines 63 and 65.

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

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

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

III. Report of the Audit Committee

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

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

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

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

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

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

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

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

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

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

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

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

“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 Committee agreed to change the word “providing” to “purchasing.”

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

VOTE RECORDED: *On a motion by Mr. Sky, seconded by Ms. Daly, it was unanimously*
VOTED: *To accept the Financial Statements for the Fiscal Years Ended June 30, 2018 and 2017 with the two amendments outlined above.*

IV. CY2019 Payer Assessment Process and Proposed FY2019 Administrative Budget

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

- The first column reflects the FY2018 budget as a comparison point for the proposed budget.
- Items highlighted in green are additional expenses that had not been accounted for in the prior year's budget as the Administrator transition had not been anticipated as well as the additional dollars for the TRICARE work that the Washington Vaccine Association/KidsVax are doing on behalf of NHVA.
- The next to last column list the totals for the proposed FY2019 budget, again with the additional expenses highlighted in green.
- The final column reflects the proposed budget without the unanticipated one-time costs. This allows comparison of FY2018's budget to FY2019's budget to show there would be a reduction in the FY2019 budget amount if not for these additional expenses.
- The Audit Committee has also questioned the July 2018 Administrator Contract fee of \$10,660 as it does not appear to be the actual monthly administrator fee NHVA had been paying KidsVax. Mr. Miller stated in the Audit Committee meeting that he would reconcile the numbers from the G/L and report back to the Audit Committee.

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

VOTE RECORDED: *On a motion by Mr. Sky, seconded by Ms. Daly, it was unanimously*
VOTED: *To accept the Proposed FY2019 Administrative Budget with the amended Administrator Contract amount as outlined above.*

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

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

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

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

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

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

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

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

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

Ms. Condon abstained from the vote.

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

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

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

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

VIII. Executive Session

Notes to be included shortly.

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

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

Draft Board minutes respectfully submitted by
Patrick Miller, Helms & Company, Inc.
October 2, 2018

#

*Board of Directors – Execution Session Minutes
09/26/18*

The Board of Directors (the “Board”) of the New Hampshire Vaccine Association (“NHVA”) voted by unanimous roll call vote to enter executive session at approximately 12:30 p.m. to discuss personnel matters.

The Board discussed the transition of administrators, and acknowledged that it was a difficult time of the fiscal year to complete such a transition. The Directors concurred that the transition has been very successful, and they expressed appreciation for the professionalism and collaboration of both KidsVax and Helms and Company.

There was no other business for executive session.

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

Respectfully submitted,

Mark S. McCue

Secretary pro tem

**NHVA Board Meeting Minutes
EXECUTIVE SESSION
December 21, 2018**

1. Ms. Tenney asked Mr. Miller to describe to the board the issue at hand with TRICARE. Mr. Miller stated that the authorization voted on at the September 2018 board meeting for Ms. Tenney and Mr. Sky to be able to negotiate the final TRICARE settlement was time limited through October 31, 2018. Earlier this week, NHVA received via Mr. Fred Potter of KidsVax an updated settlement offer which increased the cash offer component to nearly \$4.1M. The issue left to finalize on the TRICARE settlement has to do with how the remaining arrearage of \$1.144M will be handled via a special assessment process; it may take up to seven years to recoup. It is expected that this final settlement item should be completed by January 31, 2019 with the assistance of Mr. Potter. Based upon a call this past Monday with Mr. Potter, Mr. Miller, Mr. Sky and Mr. Brian Maxwell of Sen. Shaheen's office, it is conceivable a final offer could be received by the end of the year. The holidays and looming government shutdown may extend this into January. A motion was made and roll call vote taken:

MOTION #2: To extend the authority of Susan Tenney and David Sky to negotiate the final settlement with TRICARE until the end of January 2019. [Roll call vote taken.]				
	Motion	2nd	Yes	No
Laura Condon			X	
Beth Daly	X		X	
Patricia Edwards, MD		X	X	
Sean Lyons			X	
Jason Margus			X	
Edward Moran				Not in attendance
David Sky				Not on call yet; no vote recorded
Susan Tenney			X	
Janice Valmassoi, MD			X	

Respectfully submitted,

Patrick B. Miller, MPH
Executive Director, NHVA
December 21, 2018

Meeting Minutes
NHVA Board of Directors Telephonic Meeting
January 3, 2019, 7:30am

1. Welcome and Introductions (Tenney).

a. The board meeting was called to order by Chairwoman Tenney at 7:32AM.

b. Mr. Miller recorded attendance:

NAME	Y/N/E
Patrick Miller	Yes
Laura Condon	Yes
Beth Daly	Yes
Patricia Edwards, MD	Yes
Sean Lyons	Yes
Jason Margus	Yes
Edward Moran	Yes
David Sky	Yes
Susan Tenney	Yes
Janice Valmassoi, MD	Excused Absence
Mark McCue, Esquire	Yes
Other: Public Member Leah Chase	Yes

c. Ms. Condon stated that she was recording the meeting.

2. Review and Approval of Annual Report (Miller) – Vote Required

a. Chairwoman Tenney stated that the purpose of today's meeting was to review and approve the 2017-18 Annual Report document previously circulated to the board members by Mr. Miller. Chairwoman Tenney asked if any members of the board had comments on the report. Ms. Condon stated that she did have comments. She began by thanking Mr. Miller for his work on the draft report. She stated that it was fact-based. On page 1, paragraph 2, sentence three, she asked if the words "higher vaccinations rates" could replace the words "higher immunization rates" for consistency purposes. There were no objections to this request. Ms. Condon stated that she did not believe that the letter and graphic on page 2 from the New Hampshire Department of Health and Human Services (DHHS) should be included in the Annual Report. Ms. Condon stated that the letter made it appear as if vaccines

were being marketed, and given that some vaccines have had harmful effects for specific individuals, that the DHHS message was insensitive to those harmed. Ms. Condon had specific objection to the section of the DHHS message which referenced the awards received in 2018 by DHHS from the US Centers for Disease Control and Prevention (CDC). There was group discussion regarding Ms. Condon's comments. Ms. Daly stated that a letter from DHHS had been requested by the board and was included in previous annual reports, and that Ms. Condon's concerns were addressing those of a very small minority. There was additional group discussion regarding the inclusion of the DHHS letter in the annual report, and with the exception of Ms. Condon, there were no objections to inclusion.

- b. Chairwoman Tenney asked if there was any additional comment on the draft 2017-18 Annual Report document, and if not, if someone would make a motion to accept the report. A motion was made by Mr. Sky: "To accept the Annual Report as drafted with the change in wording on page 1, paragraph 2, sentence three, from the words "higher immunization rates" to "higher vaccination rates"." The motion was seconded by Mr. Moran. Ms. Condon asked for a roll call vote, the results being recorded as:

Motion: "To accept the Annual Report as drafted with the change in wording on page 1, paragraph 2, sentence three, from the words "higher immunization rates" to "higher vaccination rates".					
	Motion	2nd	Yes	No	
Laura Condon				X	
Beth Daly			X		
Patricia Edwards, MD			X		
Sean Lyons			X		
Jason Margus			X		
Edward Moran		Second	X		
David Sky	First		X		
Susan Tenney			X		
Janice Valmassoi, MD					Excused Absence

- c. Chairwoman Tenney stated that the motion had passed, and subsequently thanked the board members for their review and discussion of the 2017-18 Annual Report.
- d. Mr. Miller stated that he would forward a cover letter, the Annual Report, and copies of the Audited Financial Statements to the Governor, Senate President, and House Speaker as required by statute.

3. Adjournment

- a. A motion was made by Mr. Moran to adjourn the meeting. It was seconded by Dr. Edwards. There was no discussion and all voted in favor. The meeting was adjourned by Chairwoman Tenney at 7:49AM, and she thanked all attendees for their participation.

Respectfully submitted by
Patrick B. Miller, MPH
Executive Director
January 8, 2019

DRAFT

NHVA
Statement of Financial Position
 Six Months Ended
 December 31, 2018

	<u>Jun 30, 18</u>	<u>Sep 30, 18</u>	<u>Dec 31, 18</u>
	FYE 18	FY 19 - Q1	FY 19 - Q2
	Audited		
ASSETS			
Current Assets			
Checking/Savings			
Bank of NH - ICS	\$ 3,647,484	\$ 6,885,993	\$ 10,159,334
Bank of NH #851031104	\$ 50,000	\$ 41,667	\$ 36,837
Total Checking/Savings	<u>\$ 3,697,484</u>	<u>\$ 6,927,660</u>	<u>\$ 10,196,171</u>
Accounts Receivable			
Accounts Receivable (A/R)	\$ 58,204	\$ 58,231	\$ 58,270
Allowance for Account Receivable	\$ (58,270)	\$ (58,270)	\$ (58,270)
Total Accounts Receivable	<u>\$ (66)</u>	<u>\$ (39)</u>	<u>\$ -</u>
Other Current Assets			
Prepaid Expenses	\$ 3,473	\$ 1,985	\$ 496
Short Term Investments	\$ 256,143	\$ 257,295	\$ 258,592
Total Other Current Assets	<u>\$ 259,616</u>	<u>\$ 259,280</u>	<u>\$ 259,088</u>
Total Current Assets	<u>\$ 3,957,034</u>	<u>\$ 7,186,901</u>	<u>\$ 10,455,259</u>
TOTAL ASSETS	<u>\$ 3,957,034</u>	<u>\$ 7,186,901</u>	<u>\$ 10,455,259</u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable	\$ 4,334	\$ 13,502	\$ -
Other Current Liabilities			
Liquidity Reserve	\$ 250,000	\$ 250,000	\$ 250,000
Total Current Liabilities	<u>\$ 254,334</u>	<u>\$ 263,502</u>	<u>\$ 250,000</u>
Total Liabilities	<u>\$ 254,334</u>	<u>\$ 263,502</u>	<u>\$ 250,000</u>
Equity			
Fund Balance to be Distributed	\$ 1,846,029	\$ 1,846,029	\$ 1,846,029
Retained Earnings	\$ 2,248,022	\$ 1,856,672	\$ 1,856,672
Net Income	\$ (391,350)	\$ 3,220,699	\$ 6,502,558
Total Equity	<u>\$ 3,702,700</u>	<u>\$ 6,923,399</u>	<u>\$ 10,205,259</u>
TOTAL LIABILITIES & EQUITY	<u>\$ 3,957,034</u>	<u>\$ 7,186,901</u>	<u>\$ 10,455,259</u>

NHVA
Statement of Changes in Net Assets
 Six Months Ended
 December 31, 2018

	Q1-19 Actual	Q2-19 Actual	6 mos Actual	6 mos Budget	Favorable (Unfav)	Annual Budget
Ordinary Income/Expense Income						
Assessment Income	\$ 3,351,943	\$ 3,342,422	\$ 6,694,365	\$ 6,630,708	\$ 63,657	\$ 13,080,777
Interest Income - Assessments	\$ 1	\$ 0	\$ 1	\$ -	\$ 1	\$ -
Interest Income - Investments	\$ 14,519	\$ 36,686	\$ 51,205	\$ 4,295	\$ 46,910	\$ 9,770
TRICARE Settlement	\$ -	\$ (6)	\$ (6)	\$ -	\$ (6)	\$ -
Total Income	<u>\$ 3,366,463</u>	<u>\$ 3,379,102</u>	<u>\$ 6,745,565</u>	<u>\$ 6,635,003</u>	<u>\$ 110,562</u>	<u>\$ 13,090,547</u>
Expenses						
Advertising	\$ 137	\$ -	\$ 137	\$ -	\$ (137)	
Bank Service Charges	\$ 747	\$ 731	\$ 1,478	\$ 2,160	\$ 682	\$ 4,320
Board Meetings Expense	\$ -	\$ -	\$ -	\$ 300	\$ 300	\$ 500
Dues & Subscriptions	\$ -	\$ -	\$ -	\$ 240	\$ 240	\$ 600
Insurance	\$ 1,489	\$ 1,489	\$ 2,977	\$ 4,200	\$ 1,223	\$ 8,400
Licenses and Fees	\$ -	\$ 75	\$ 75	\$ -	\$ (75)	\$ -
Management Fees	\$ 58,318	\$ 25,000	\$ 83,318	\$ 92,347	\$ 9,029	\$ 142,345
Postage & Shipping	\$ -	\$ -	\$ -	\$ 150	\$ 150	\$ 300
Professional Fees - Audit	\$ 9,500	\$ -	\$ 9,500	\$ 6,750	\$ (2,750)	\$ 12,000
Professional Fees - Legal	\$ 15,574	\$ 7,914	\$ 23,488	\$ 12,750	\$ (10,738)	\$ 25,500
Public Information	\$ -	\$ -	\$ -	\$ 3,625	\$ 3,625	\$ 3,871
TRICARE - Washington	\$ 60,000	\$ 60,000	\$ 120,000	\$ 120,000	\$ -	\$ 120,000
Vaccine Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,234,656
Website	\$ -	\$ 2,034	\$ 2,034	\$ 1,125	\$ (909)	\$ 1,250
Total Expenses	<u>\$ 145,764</u>	<u>\$ 97,243</u>	<u>\$ 243,007</u>	<u>\$ 243,647</u>	<u>\$ 640</u>	<u>\$ 9,553,742</u>
Net Ordinary Income	<u>\$ 3,220,699</u>	<u>\$ 3,281,860</u>	<u>\$ 6,502,558</u>	<u>\$ 6,391,356</u>	<u>\$ (640)</u>	<u>\$ 3,536,805</u>
Net Income	<u>\$ 3,220,699</u>	<u>\$ 3,281,860</u>	<u>\$ 6,502,558</u>	<u>\$ 6,391,356</u>	<u>\$ (640)</u>	<u>\$ 3,536,805</u>

Collection Data:

Quarter being collected	CY Q2-18	CY Q3-18
Payment Due Date	08/15/18	11/15/18
Projected Average Monthly Lives	164,943	164,943
Actual Average Monthly Lives	166,763	166,290
Avg Lives Variance +(-)	1,820	1,347
Approved Assessment Rate	6.70	6.70

NHVA
Statement of Cash Flow
Six Months Ended December 31, 2018

	Q1-19 Actual	Q2-19 Actual	6 mos ending 12/31/18 Actual	6 mos ending 12/31/18 Budget	Actual to Budget YTD Favorable (Unfav)	Annual Budget
Receipts						
Assessment Collections	3,351,943	3,342,417	6,694,360	6,630,708	63,652	13,080,778
Accounts Rec (Incr) decr	(27)	(39)	(66)	-	(66)	-
Interest Income - banks	14,520	36,686	51,206	4,295	46,911	7,996
Investment (Increase)	(1,153)	(1,297)	(2,449)	-	(2,449)	(1,540)
	<u>3,365,283</u>	<u>3,377,767</u>	<u>6,743,050</u>	<u>6,635,003</u>	<u>108,047</u>	<u>13,087,234</u>
Disbursements						
Expenses	145,764	97,243	243,007	243,647	(640)	319,086
Prepays & Payables change	(10,657)	12,013	1,357	-	1,357	-
Vaccine Costs - Pay DHHS	-	-	-	-	-	9,234,656
	<u>135,108</u>	<u>109,256</u>	<u>244,364</u>	<u>243,647</u>	<u>717</u>	<u>9,553,742</u>
Increase (Decrease)	3,230,176	3,268,511	6,498,686	6,391,356	107,330	3,533,492
Cash Balance - Beginning	3,697,484	6,927,660	3,697,484	3,697,484	-	3,697,484
Cash Balance - Ending	6,927,660	10,196,171	10,196,171	10,088,840	107,330	7,230,976

Summary:

- Helms has secured two rate increases with Bank of New Hampshire for the ICS Promontory account in mid-August and mid-November 2018 resulting in significant increases in earned interest. It is uncertain whether an additional increase will occur given the December 2018 Federal Reserve rate hike. It is unclear if the Reserve will increase rates further in 2019.
- In speaking with two investment managers and those of the Bank of New Hampshire, it may be possible to increase interest rates to 3%, and Helms believes an RFI/RFP process would help clarify any opportunity. With the target of a \$5M reserve fund being created in CY2019-20, developing an investment strategy for those funds is prudent.

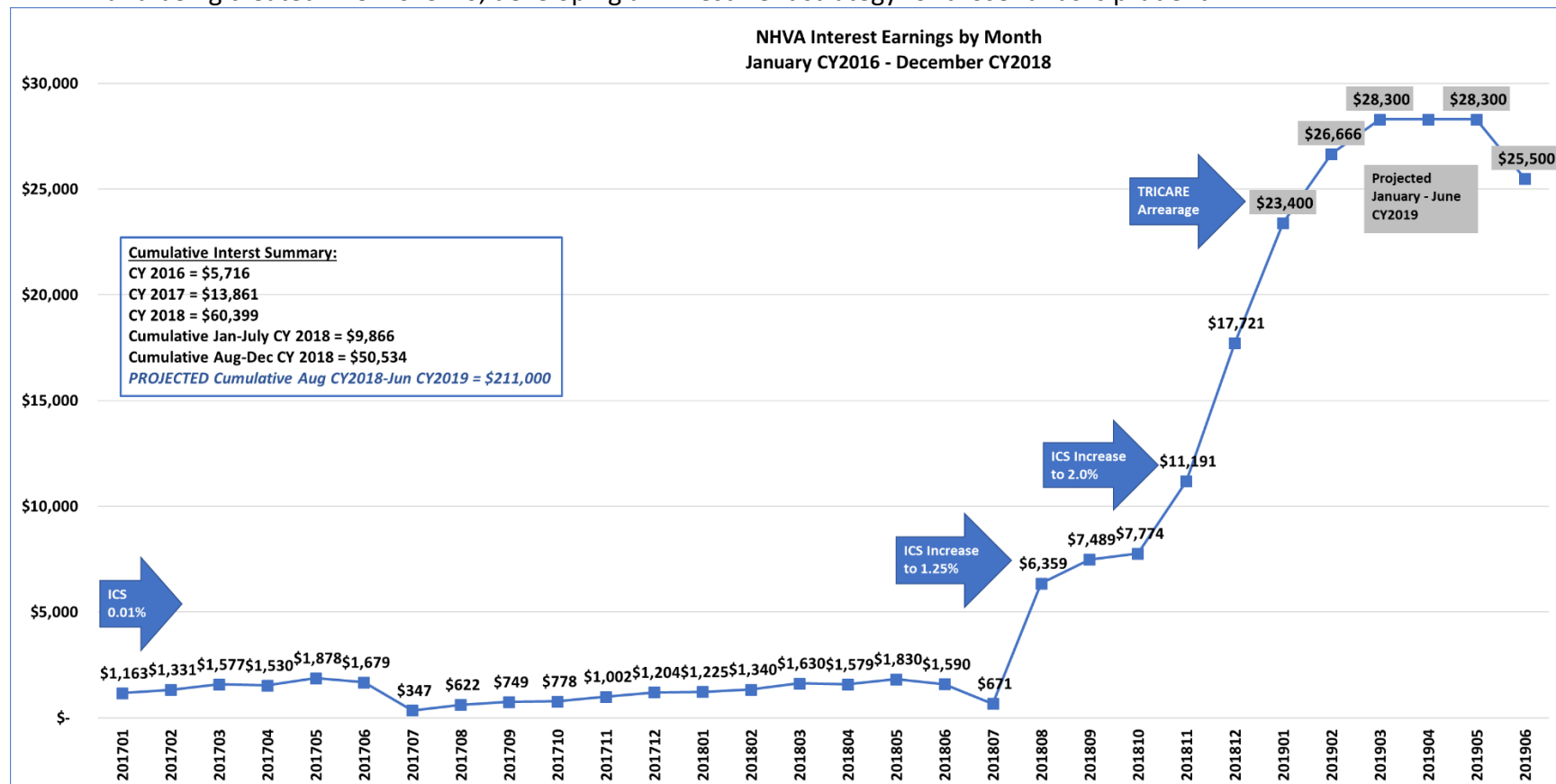


Figure Updated January 10, 2019

September 12, 2018

Susan Tenney, Chair
New Hampshire Vaccine Association
Harvard Pilgrim Health Care-NE
Manager, Network Contracting
650 Elm St., 7th Floor
Manchester, NH 03101

RECEIVED
SEP 14 2018

by Helms & Company, Inc.

Re: TRICARE Assessment Collection Project – Equitable Cost Contribution Request

Dear Chairperson Tenney:

As you know, because of the multi-year diligence of KidsVax® (KV) and the support of Crowell & Moring, the Washington, D.C. lobbying firm working with other professionals retained by KV, we have enjoyed success in obtaining first permissive then mandatory statutory authorization for the Defense Health Agency to pay State Vaccine Program (SVP) assessments. TRICARE has commenced paying assessments for vaccines in several states and made arrearage settlement offers in excess of \$25 million to date. The attached table is just for those states who have participated in the process through KV.

Despite Congress's repeated expressions of support for the SVPs, TRICARE has shown remarkable intransigence to finalizing a definitive administrative solution. Accordingly, our efforts with respect to ongoing compliance are expected to continue with Congressional staffers at least through early October. At that point, Congressional leaders are expected to express umbrage more formally should the remaining administrative matters remain unresolved. Some may be prepared to take further legislative action at that point. We are grateful that the New Hampshire Vaccine Association (NHVA) has joined the Washington Vaccine Association (WVA) supporting the costs of this fall's administrative resolution work.

Meanwhile, the arrearage collection work is reaching a close. In addition to those listed, the attached table summarizes the settlement amounts, some of which have been paid. The states of Massachusetts, Connecticut, New Mexico, and Idaho have received settlements. The State of Idaho contributed over \$80,000 to the effort before maxing out on a state-imposed limit for such work. Idaho's contribution has been netted against WVA's total cost to yield WVA's \$1,531,014 total cost figure through June 2018 shown in the table.

Several states are seeking further improvements in final offers for the arrearage settlement. However, remaining issues now are increasingly state-specific. Accordingly, this seems to be an appropriate time to make a request for a contribution to this overall effort through June 2018.

The arrearage collections are a remarkable accomplishment which, understandably, was too speculative for some to fund at the outset. Now that the cash has actually been offered or received, WVA is asking each of the SVPs listed to contribute a proportionate share as computed in the attached table. In NHVA's case, we are appreciative for the \$50,000 contributed in past years towards this effort and WVA's request is for the remaining balance of \$150,394.

WVA recognizes that any payment by NHVA for work yielding NHVA's arrearage recovery is entirely voluntary. Since you have not yet finalized your settlement amount (I understand current negotiations anticipate further upward movement), we certainly would understand if you were to hold off until actual cash is collected. For several reasons, including some excellent fruit from the labors to embody Congress's sentiment that the entire arrearage amount should be cleared up promptly in the federal year appropriation bill's committee report, we are hopeful that the remaining arrearages may be settled prior to the end of this calendar year.

Meanwhile, thank you for the support NHVA has offered through the careful monitoring of the multi-state taskforce work by your board member David Sky. We also appreciate the exceptionally strong and persistent support your Senator Shaheen and her military legislative assistant, Bryan Maxwell have afforded this effort.

To the extent you are willing to make any contribution, please do so via check made payable to the Washington Vaccine Association and mail it to WVA's collection lockbox: P.O. Box 94002, Seattle, Washington 98124-9402.

We know your representative has been carefully monitoring our work on this project and you have received reports time-to-time from KV as well. Accordingly, you likely are well informed about the overall progress already, so I purposefully have kept this communication brief. However, if there is anything additional you would find helpful in considering this request, please do not hesitate to contact me or to request additional information from NHVA.

Regards,



John Sobeck, M.D., Chairman

Attachment

cc: Nicole G. Price, KidsVax®
Patrick B. Miller, Helms & Company, Inc.

Equitable TRICARE Project Cost Shares for Arrearage Recovery

	<u>Offer Date</u>	<u>Amount</u>	<u>Current Target</u>	<u>State's Share</u>	<u>Share \$</u>	<u>Amounts Paid Already Paid</u>	<u>Net Remaining</u>
01. Washington ¹							
02. a. Traunch 1	12/20/2017	13,763,941	settled				
03. b. Traunch 2	5/21/2018	<u>1,314,266</u>	settled				
04. Total		15,078,207		59%	897,843	1,531,014	n/a
05. New Hampshire ²	5/25/2018	3,365,380	5,234,115	13%	200,394	50,000	150,394
06. Maine	5/9/2018	3,568,551	settled	14%	212,492		212,492
07. Vermont	5/10/2018	1,172,775	1,410,182	5%	69,834		69,834
08. Alaska	6/27/2018	<u>2,526,652</u>		10%	150,451		150,451
	Total:	<u>25,711,565</u>			<u>1,531,014</u>		

Notes:

¹ Washington amounts are gross offers, some of which were paid via regular assessment processing. The amount for the period prior to the TRICARE statute of limitations cutoff is not included. That amount may be resolved through further negotiations and/or litigation.

² The difference between the amount offered and current target is made up of (a) added amounts for NH's utilization rate and (b) excess amounts for NH assessment above TRICARE's cap. TRICARE has agreed conceptually to a catch up approach which should recover both (a) and (b) over time if the 2019 NDAA amendments initiated by Senator Shaheen does not make it into the law this year. Presently, the best assessment available via KidsVax® is that this year's 2019 NDAA efforts will be successful and, consequently, be of further

³ The total \$1,531,014 of costs is slightly under 6% of the \$25,321,835 collected -- clearly a very reasonable level when viewed as a arrearage collection expense.



October 2, 2018

John Sobeck, MD, MBA
Chairman
Washington Vaccine Association
PO Box 94002
Seattle, WA 98124-9402
VIA EMAIL: john.sobeck@cigna.com

RE: WVA Letter Dated September 12, 2018

Dear Dr. Sobeck,

Thank you for your letter dated September 12. It was shared and discussed with the NHVA Board of Directors last Wednesday during our board meeting. Fred Potter was also able to speak with our board by phone regarding the TRICARE settlement discussion progress, including his meetings in Washington, D.C. taking place last week.

As you know, in June, the NHVA board approved up to an additional \$120,000 for this effort in our FY2019, and payments of \$20,000 per month to WVA began in July of this year. Our board agreed that we should revisit the WVA request dated September 12 once New Hampshire has the final settlement in hand. We are very appreciative of the work and leadership of the WVA over the past years, and we look forward to continuing to work with you going forward.

Best regards,

A handwritten signature in black ink that reads "Susan M Tenney". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Susan Tenney
Chair

Cc: Patrick Miller, NHVA
Nicole Price, KidsVax
Fred Potter, KidsVax

**State Vaccination Program Assessment
TRICARE Payment Acceptance Form**

The undersigned signatory represents that he/she is fully authorized to execute this Agreement on behalf of the New Hampshire Vaccine Association, a special-purpose not-for-profit New Hampshire corporation found pursuant to NH RSA 126-Q to assess for the cost of vaccines provided to children in NH (the "Program"). As such, the Program confirms acceptance of settlement with respect to the following amount(s) and period(s) specified below for vaccines purchased prior to or after December 23, 2010, but provided to TRICARE-covered beneficiaries beginning December 23, 2010:

Assessments for Time Periods: 7/1/2010 (Commencement of the Program) - 9/30/2018 ("Specified Assessments")

Upon transfer by bank check deposited in the mail, Certified Mail, Return Receipt Requested, to the mailing address set forth below, or wire transfer in the amount of four million, eighty-nine thousand, one hundred seventy-nine dollars (\$4,089,179) ("Stipulated sum"), \$58,250 of which was provided on August 15, 2018, and \$60,622 of which was provided on November 15, 2018, the Program agrees as follows:

1. The Stipulated sum is the full and final payment for the Specified Assessments, as calculated by TRICARE.
2. The Program states that the Stipulated sum is less by one million four hundred ninety-two thousand four hundred eighty-nine dollars (\$1,492,489) ("TRICARE increment"), which it anticipates incorporating into future TRICARE specific assessment(s). The TRICARE increment represents the difference between the TRICARE inflation and vaccine adjusted per capita cap, and the total SVP assessment amounts. TRICARE specific assessment(s) must be actual assessment amounts established by the Program for TRICARE, and these specific assessments would only be used in the case that there is a balance on the TRICARE increment amount.
3. All corresponding interest, penalty, late or other charges, if any, for the Specified Assessment are hereby waived.
4. No other attempts to collect the Specified Assessments shall be undertaken.
5. The Specified Assessments other than the TRICARE increment shall be deemed "PAID IN FULL."

The Program acknowledges that the National Defense Authorization Act of FY 2017, Section 719, and the National Defense Authorization Act for Fiscal Year 2018, Section 718, authorize the Department of Defense to make this payment. By accepting the Stipulated sum, the Program shall completely release, acquit, and forever discharge the Government, Department of Defense, Defense Health Agency, TRICARE, and any and all Managed Care Support Contractors (MCSCs) (including, but not limited to, their and its past and present officers, directors, employees, agents, stockholders, attorneys, servants, representatives, divisions, departments, acquisitions, offices, parents, subsidiaries, affiliates, and partners, and the predecessors, successors, heirs, executors, administrators, and assigns of each of the foregoing) (hereinafter collectively referred to as "Releasees") from any and all claims, demands, actions, suits, causes of action, appeals, whether asserted as a class, individually, or otherwise, damages whenever incurred, and liabilities of any nature whatsoever (including costs, penalties, and attorneys' fees) that the Program ever had, now has, or hereafter can, shall, or may have against Releasees, whether known or unknown, on account of or arising out of or resulting from vaccines that are, will be, or have been provided through the Program to TRICARE covered beneficiaries for the assessment Time Period(s) specified above, other than for the TRICARE increment amount.

By: _____

Signed

Witness: _____

Signed

Print Name: _____

Title: _____

Witness Name: _____

Printed

Program: New Hampshire Immunization Program

Mailing Address: _____

Street

City, State, Zip

State of New Hampshire

In the event that the Stipulated sum is not received within ninety (90) days from the above-stated Date, this form shall be voidable thereafter by its Signer, provided, however, that any attempt to void this form shall be ineffective if the Stipulated sum is subsequently received and not promptly returned to TRICARE.

Send
check to Lock Box

NH Vaccine Association
Dept 3680
PO Box 4110
Woburn MA 01888-4110

MEMORANDUM

To: Sue Tenney, Chair
From: Patrick Miller
Date: December 5, 2018
Re: Funding Request

Dear Sue,

The purpose of this memorandum is to respectfully ask if the NHVA Board of Directors would consider absorbing the remainder of John Hastings' assessment development fees which total \$15,000. During the summer, once you and I realized that Fred was not going to perform the assessment function, NHVA granted us an additional \$5,000 above and beyond our contract and Helms absorbed the remaining \$15,000 billed by John Hastings for the assessment development work. The work totaled \$20,000 – July (\$6,700), August (\$6,700) and September (\$4,800). John had additional charges in September and October, but I believe they should be attributed to Helms given the transition of our Controller who would have normally performed those functions.

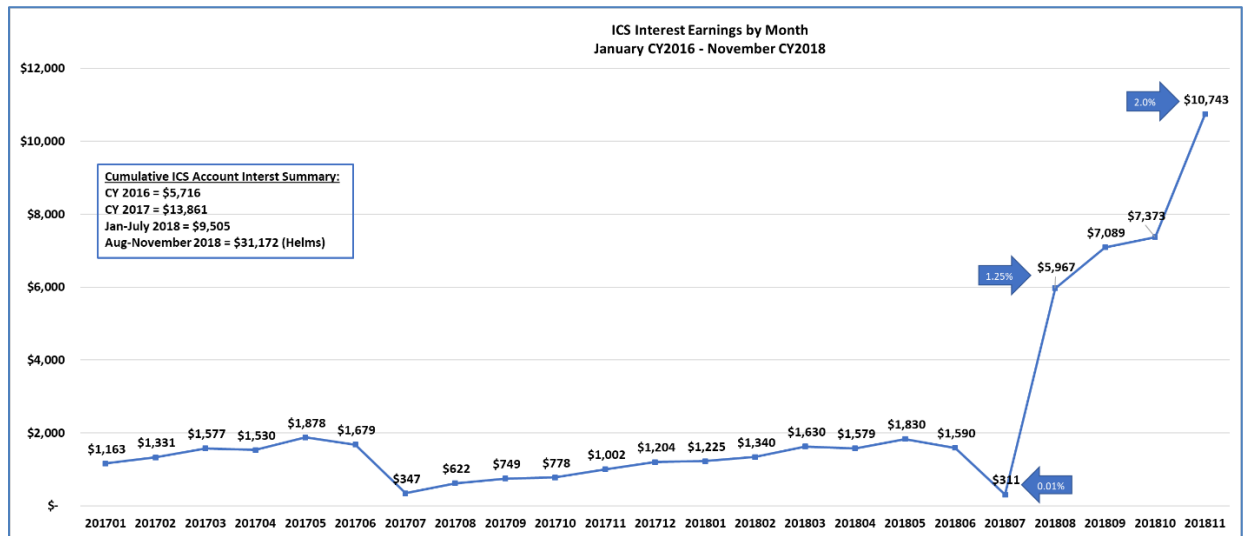
Once it became clear from our stakeholder interviews that there was an opportunity to redesign and simplify the assessment process as well as develop a broader forecasting model, the team at Helms jumped in feet first. We believe we developed a solid process in relatively short order to meet the September board deadline while also transitioning the rest of the business components.

One way to directly fund John's work on the assessment methodology would be to consider the increase in interest Helms has been able to achieve with Bank of New Hampshire (BONH) on the ICS promontory account (\$50,000 is kept in checking at all times and remainder is moved to the ICS promontory account automatically for holdings across multiple banking institutions). As shown in **Figure 1**, total interest YTD as of 7/31/2018 was \$9,505 at .01% under KidsVax management. For CY 2016 and CY 2017, total interest was \$5,716 and \$13,861, respectively.

Helms was able to negotiate an increased rate on the ICS starting in mid-August (prior to 9/1 contract start date) which resulted in BONH moving the rate from 0.1% to 1.25% – a sizable rate increase. In mid-November, Helms approached BONH again and secured a 2.00% interest rate on the ICS account, further increasing revenues to NHVA. Helms will approach BONH again in

December if the Federal Reserve raises rates (expected). Under Helms' management between August and November CY 2018, a total of \$31,172 of interest has been earned on the ICS account.

Figure 1: ICS Interest Earnings by Month



In summary, Helms requests NHVA authorize the reimbursement of \$15,000 directly related to the redesign of the assessment process and offset this amount with the additional revenues Helms has created with the interest on the ICS account. At the January board meeting, Helms intends to update the board members on further opportunities for investment income going forward.

Thank you for your consideration of this matter.

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