

**DRAFT**

**MINUTES**

**Board of Directors Meeting**

**January 16, 2019**

**9:30am**

**Presiding Officer: Edward Moran, Vice-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 Edward Moran, Vice Chair, at 9:34 a.m.

**I. Welcome and Introductions**

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

**Committee Members:**

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

**Other Attendees:**

Patrick Miller, Helms & Company, Inc.  
Erin Meagher, Helms & Company, Inc.  
Keith Nix, Helms & Company, Inc.  
Mark McCue, Esq., Hinckley Allen (P)  
Laurie Bender, Hopkinton, NH, Member of the Public  
Leah Chase, Weare, NH Member of the Public (P)  
Jessica Kliskey, Stratham, NH, Member of the Public  
Lorriisa Trexler, RN, Member of the Public (P)

Mr. Moran welcomed the Board and introduced Janice Valmassoi, MD, Pediatrician, new Board member representing the Healthcare Provider community as appointed by the Commissioner of Health and Human Services. Each attendee in the room introduced themselves and those on the phone were identified. Ms. Condon stated that she was recording the meeting for her records.

**II. Review of Prior Board Meeting Minutes: September 26, 2018 Board Meeting and Executive Committee Meeting Minutes; December 21, 2018 Executive Committee Meeting Minutes; and January 3, 2019 Board Meeting Minutes.**

Mr. Moran asked if there were any updates to the September 26, 2018 Board Meeting minutes. No changes were presented.

**VOTE RECORDED:** *On a motion by Ms. Daly, seconded by Dr. Edwards, it was unanimously*  
**VOTED:** *To accept the September 26, 2018 Board Meeting minutes as presented.*

Mr. Moran asked if there were any updates to the September 26, 2018 and the December 21, 2018 Executive Committee Meeting minutes. No changes were presented.

38 **VOTE RECORDED:** *On a motion by Mr. Sky, seconded by Dr. Edwards, it was unanimously*  
39 **VOTED:** *To accept the September 26, 2018 and December 21, 2018 Executive Committee*  
40 *Meeting minutes as presented.*  
41

42 Mr. Moran asked if there were any changes to the January 3, 2019 Board Meeting minutes. Ms. Condon provided  
43 suggested changes to Mr. Miller the evening prior to the meeting and they were subsequently shared with Attorney  
44 McCue. Mr. Miller suggested that due to the extent of the changes being suggested, that approval of these minutes  
45 be held until to the next meeting allowing Mr. Miller to work with Ms. Condon and Attorney McCue on the changes.  
46 Ms. Condon and other board members agreed with this approach.  
47

### 48 **III. Executive Director Report**

49

50 Mr. Miller reviewed the items in the meeting packet with the Board. The first document was the Statement of  
51 Financial Position – year-to-date financials for the last six months ending December 31, 2018. These are unaudited  
52 and are provided to inform the Board where NHVA is to date. From an asset perspective at the end of the year most  
53 of the funds were with the Bank of New Hampshire (“BONH”) ICS promontory account. The monies are distributed  
54 across many different banks nationally which allows for a higher interest rate and insurance protection. There were  
55 no questions.  
56

57 Statement of Change in Net Assets, also reflecting the last six months, was reviewed by Mr. Miller. He pointed out  
58 the assessment income was approximately \$64K above budget, and the interest income was up significantly to nearly  
59 \$47K above budget. Overall, for the first six months of the year, the NHVA administrative budget is \$640 over  
60 budget. Chief factors impacting the budget include: legal and audit are under budget, management is over budget  
61 with part of to the reason tied to transition from KidsVax, insurance is up slightly but should level off by year-end.  
62 Finally, at the bottom of the page there is an overview of the past two quarters for assessment collection including  
63 the number of covered lives filed. Mr. Condon asked about a line item not shown – interest penalties for late payers.  
64 Ms. Meagher explained that all filings received last quarter were received on time, therefore no interest dollars were  
65 assessed. Ms. Condon then asked why there was not a dollar amount in the “6 Months Budget” column reflecting  
66 payments made to DHHS. Mr. Miller explained it was only reflected in the “Annual Budget” column (\$9,234,656)  
67 because it will not be paid out until the end of the fiscal year, instead of during the six months reflected in the  
68 Statement. The amount reflected is the anticipated payment amount for DHHS vs. the assessment amount. This  
69 amount is less than prior years as NHVA voted in September 2018 to reduce the overpayment amount DHHS is  
70 holding on their books.  
71

72 Mr. Miller then reviewed the Statement of Cash Flow, six months ending December 31, 2018. This report focuses  
73 primarily on receipts. Dr. Edwards inquired about the investment income going down, specifically the \$2,449 listed  
74 on the statement. Mr. Nix advised these dollars are deducted from this short-term investment account as the  
75 interest earned has created an overage for the account requiring the additional dollars to be moved into another,  
76 higher interest-bearing account.  
77

78 Clarification of the definition of each quarter was discussed. Since NHVA operates on a fiscal year, July to June, Q1  
79 encompasses July, August, September as it reflects the fiscal year vs. a calendar year.  
80

81 Mr. Miller also noted that the TRICARE settlement of \$3.9M was received after December 31<sup>st</sup> so it is not reflected  
82 in any of the statements reviewed.  
83

84 Mr. Miller distributed a copy of a memo he issued to the Audit Committee on November 21, 2018. This FYTD  
85 Assessment Summary memo is a new document that he will provide quarterly to the Audit Committee. He provided  
86 an update on the Assessable Entity files indicating we began the FYQ1 assessment collection with 283 entities in our  
87 database. During the course of the quarter, NHVA received 110 signed Permanent Zero Covered Lives Certificates,

88 closed 29 files due to entities no longer being licensed or left the market, etc., and received 32 new registrations. As  
89 a result, the FYQ2 assessment collection began with a total of 176 assessable entities. Ms. Meagher clarified that  
90 the total assessable lives does not mean we will receive assessment filings from each entity in each quarter.

91  
92 The NHVA Interest Earnings by Month (January CY2016 – December CY2018) chart was reviewed by Mr. Miller. Two  
93 interest increases were successfully secured from BONH by Helms for the ICS promontory account. In mid-August  
94 2018 the interest rate was increased from 0.01% to 1.25%. After meeting with the BONH in November 2018, they  
95 agreed to increase the rate again from 1.25% to 2.00%. A Federal rate increase took place in December 2018, and  
96 Mr. Miller has requested BONH to consider an additional rate increase above the 2.0% and is waiting to hear back  
97 from BONH. Based on what Helms believes is feasible for interest income, the goal is to earn enough to cover NHVA's  
98 administrative costs annually.

99  
100 Based on how BONH is structured, Mr. Miller believes NHVA will be limited as to how much interest can be earned  
101 under the ICS promontory account. If NHVA took a more active cash management and investment strategy, Mr.  
102 Miller believes a rate closer to 3.0% is achievable. He proposed conducting an RFI/RFP process to solicit investment  
103 opportunities this spring to bring back to the Board for consideration. Dr. Valmassoi asked if there were legislative  
104 controls or risk assessments on how NHVA can invest its funds or rules on how large the account can be. Mr. Miller  
105 indicated there are not any legislative restrictions, however, NHVA does have an investment policy<sup>1</sup> that the Board  
106 has adopted to include specific, permissible investment instruments for participation. Mr. Miller stated that the  
107 Board voted in September to create a reserve fund of \$5M over the next 24 months; currently, there is a reserve  
108 account in the amount of \$250K.

109  
110 Discussion ensued debating conducting an RFI process vs. an RFP process. Mr. Miller recommended the RFI process  
111 to obtain initial proposals, and that this falls under the Helms & Company, Inc. ("Helms") management contract and  
112 no additional administrative costs would be incurred by NHVA. Mr. Sky suggested the RFI process run through the  
113 Audit Committee. Mr. Miller agreed, and the board's consensus was for Helms and the Audit Committee to move  
114 forward on the RFI process. The results of the RFI process will be brought back to the Board for future consideration.

#### 115 116 **IV. TRICARE Update**

117  
118 Mr. Miller referenced the September 12, 2018, letter from the Washington Vaccine Association (WVA) in the meeting  
119 package and NHVA's response letter dated October 2, 2018. In brief, the WVA letter requested additional funds  
120 from NHVA to help cover WVA's cost for the TRICARE settlement work. The NHVA letter stated that the NHVA board  
121 would take up this issue once a settlement was reached. The WVA letter included a breakdown of WVA's analysis of  
122 an equitable TRICARE project cost share for arrearage recovery, including a total NHVA share of \$200,394, of which  
123 WVA reflects \$50,000 paid to date leaving an outstanding balance of \$150,394 as of September 12, 2018. General  
124 discussion and deliberation took place regarding an appropriate response to be made to WVA. During the discussion  
125 several things were recognized, including the figures outlined in the table were calculated in early September so only  
126 \$50K is listed as NHVA's payments received by WVA. Between July and December 2018, NHVA paid an additional  
127 \$120K (\$20K per month) as authorized by the board at the June 2018 meeting. Mr. Miller stated that Vermont and  
128 Alaska have reached settlements with TRICARE since September 12, 2018, and that Rhode Island is still being settled.  
129 Mr. Sky asked Mr. Miller to recalculate the WVA equitable share table in the WVA memo so that it included the  
130 finalized settlement numbers for NHVA and the other, settled states, with the intention of determining if the NHVA  
131 fair share is still \$150,451. Mr. Miller will ask WVA for an update to meet Mr. Sky's request. Mr. Miller will share the  
132 response from WVA.

133  
134 Ms. Condon mentioned her concerns about the large amount of money paid to WVA by NHVA without any formal  
135 contract in place and questioned the Board's authority to do this. Attorney McCue stated the Board does have the

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<sup>1</sup> <https://nhvaccine.org/wp-content/uploads/2018/09/Investment-Policy-Approved-2016-03-09.pdf>

136 authority if not the obligation to seek arrearages from entities that should be paying assessments. The Board had  
137 the authority to engage any necessary consultants, lobbyist, attorneys to assist in those efforts that the Board deems  
138 prudent. Attorney McCue clarified that there is no legal obligation to pay WVA. However, it is within the Board's  
139 fiduciary duties and notions of fairness to pay a fair amount to what is effectively your agent (WVA working on behalf  
140 of NHVA and others).

141  
142 Mr. Miller also mentioned he had expressed concern to Karen Carew of Carew & Wells, NHVA Auditors, about there  
143 being no contract in place with WVA. The email chain with the agreement to participate in this effort along with the  
144 Board vote from last spring authorizing the \$20K incremental payments to WVA will be used by the auditors for their  
145 auditing efforts in the summer of 2019.

146  
147 Mr. Miller let the Board know that Mr. Fred Potter from KidsVax is continuing to work with WVA, TRICARE, and the  
148 Congressional delegation to determine if there is a way to have the final arrearage owed states to be paid in a  
149 timelier manner. For NHVA to collect the final arrearage of \$1,492,489, it will develop an assessment process for  
150 the two carriers who administer TRICARE lives in New Hampshire. It is projected that this will take between five to  
151 seven years to collect these funds. Mr. Miller reported that Mr. Potter has indicated to Mr. Miller and Ms. Tenney  
152 that KidsVax would be open to receiving additional monies from the Board to help with their ongoing settlement  
153 efforts. No action was taken regarding additional monies for KidsVax' ongoing efforts.

154  
155 Mr. Miller stated that a copy of the TRICARE letter outlining the settlement is included in the meeting package.

156  
157 **V. Department of Health & Human Services Update**  
158

159 Ms. Daly reported that for the first half of the fiscal year (July 1 through December 31, 2018) DHHS has paid out  
160 \$5.5M for vaccine purchases.

161  
162 The CDC credit that is received each year at the end of the Federal Government's fiscal year (September 30, 2018)  
163 totaled \$1.8M which was approximately \$1M less than in recent, prior years. This credit is created when the CDC  
164 clears the virtual shelves at the end of their fiscal year. The dollar value for the vaccines that are earmarked for New  
165 Hampshire is credited to DHHS and those funds are used first to buy vaccines to stock the virtual shelves for the  
166 current Federal fiscal year which began October 1, 2018. State funds are used to pay the balance of the vaccines  
167 throughout the rest of the year. Ms. Daly mentioned this is the smallest credit DHHS has ever received. They  
168 normally range between \$2M-\$3M.

169  
170 The DHHS annual immunization conference is scheduled for September 26, 2019, and Ms. Daly expressed invited  
171 the board members to attend. Additional information will be shared with the board as the event details emerge.

172  
173 Ms. Daly updated the board on the Maine-New Hampshire cross-border issue. Colleen Haggerty, Section Chief of  
174 the Immunization Program, has been speaking with her counterpart in Maine to discuss a solution. Maine law  
175 currently prevents physicians in Maine from paying for vaccines for New Hampshire resident children, and as a result  
176 those children that see pediatricians in Maine must receive their vaccines by another doctor physically located in  
177 New Hampshire. New Hampshire law allows New Hampshire physicians to vaccinate children residing in other  
178 states, so this is a one-way issue. The Maine Vaccine Board (MVB) is working with the Maine Attorney General to  
179 potentially sign a Memorandum of Understanding ("MOU") between New Hampshire and Maine to allow the Maine  
180 physicians to provide vaccines for New Hampshire resident children. It is believed that this affects a few hundred  
181 patients. It was mentioned that New Hampshire has reciprocity with Vermont and Massachusetts and thus do not  
182 experience this problem with those bordering states. There was a memo issued last year to the Board with details  
183 pulled from the all payer claim database describing the problem. Ms. Daly will send the memo to Mr. Miller for  
184 distribution to the group, although Ms. Daly did not believe the memo would add any additional value at this time.

185

186 **VI. New Matters**

187  
188 Mr. Moran asked if anyone had any new matters they would like to bring up or discuss. No one had any additional  
189 comments or discussion topics.  
190

191 **VII. Public Comments**

192  
193 Jessica Kliskey expressed appreciation for being able to listen to the Board meeting. Ms. Kliskey stated she was  
194 amazed at the amount of money that New Hampshire spends on vaccines and questioned what New Hampshire  
195 does for vaccine injuries. She asked how are parents that have children with injuries as a result of receiving a vaccine  
196 helped. Dr. Edwards clarified that efforts for vaccine injuries are handled at a Federal level vs. at a state level and  
197 do not include NHVA. Ms. Kliskey stated her belief that autism is a result of vaccine injury and mentioned anxiety  
198 and depression being linked to vaccines. She asked if there is any consideration by the Board to address this. Dr.  
199 Edwards clarified that the mission of NHVA is to assist with controlling costs of vaccines by purchasing them in bulk  
200 from the US Centers for Disease Control and Prevention (“CDC”) for the entire state of New Hampshire, and that it  
201 would be appropriate for Ms. Kliskey’s concerns to be addressed with the state legislature to effect change at a  
202 Federal level.  
203

204 Laurie Bender and Leah Chase also expressed gratitude for being able to listen in on the meeting and had no further  
205 comments.  
206

207 Mr. Moran briefly discussed the state of vaccine costs in the context of media coverage of increased pharmaceutical  
208 costs overall and stated that it appears that not much effort is being done to actively reduce vaccine costs. He asked  
209 if anyone was aware of any initiatives. Ms. Daly explained that the state receives reduced vaccine pricing from the  
210 CDC to ensure the lowest price for New Hampshire.  
211

212 **VIII. Executive Session**

213  
214 Mr. Moran asked if there were any topics for discussion in Executive Session. Mr. Miller advised there was one. Mr.  
215 Moran asked the members of the public to leave the meeting and thanked them for their participation.  
216

217 Executive Session minutes without Administrator present respectfully submitted by Mark S. McCue, Secretary pro  
218 tem and published separately.  
219

220 By unanimous roll call vote, the Board voted to end the executive session at 11:20 a.m., and then the Board voted  
221 to close the meeting.  
222

223  
224 Draft Board minutes respectfully submitted by  
225 Patrick Miller, Helms & Company, Inc.  
226 January 24, 2019  
227

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