

AGENDA
Board Meeting
September 25, 2019, 8:30am-10:30am
21 S. Fruit Street, Walker Building, Room 274, Concord, NH
Call-In Number: +1 646 558 8656 Meeting ID: 502 890 762

Time	Agenda Item
8:30-8:35	1. Welcome & Roll Call (Tenney)
8:35-8:40	2. Review and Acceptance of Minutes (Tenney) a. June 19, 2019 Board Meeting Minutes – VOTE
8:40-9:00	3. FY2019 Audit (Tenney) – Guest Karen Carew, Carew & Wells a. Review and Acceptance of the FY2019 Draft Audit Report by Carew & Wells – VOTE
9:00-9:45	4. Executive Director Report (Miller) a. Review and Acceptance of the CY2019 Payer Assessment Process and CY2020 Rate Setting – VOTE b. Review of YTD2020 Financial Statements c. Assessment Update
9:45-10:05	5. Governance (Tenney) a. Late Payment Interest Policy Revisions – VOTE b. Investment Policy Revisions – VOTE ▪ Investment Policy Recommendations, Dona Murray and Arlene Folsom, Bank of New Hampshire
10:05-10:20	6. DHHS Update (Daly)
10:20-10:30	7. Public Comments
10:30	8. Adjournment

Future Meetings:

- November 15, 2019, 9-11:30am, Location TBD

Directions: <https://nhvaccine.org/wp-content/uploads/2019/07/DIRECTIONS-to-NH-Insurance-Dept.pdf>

DRAFT

MINUTES

Annual Meeting and Board of Directors Meeting

June 19, 2019

9:00 a.m.

Presiding Officer: Susan Tenney, Chair

Both the Annual Meeting and a meeting of the of the Board of Directors of the New Hampshire Vaccine Association (NHVA) were 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, Chair, at 9:06 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
Elizabeth Daly, NH DHHS
Jason Margus, Anthem
Edward Moran, Public Member, Vice-Chair (9:26 a.m. arrival)
Lorraine Radick, Public Member (P)
Janice Valmassoi, MD, Healthcare Provider

Committee Members Excused:

Patricia Edwards, MD, Healthcare Provider
Sean Lyons, Cigna, Secretary
David Sky, NHID

Other Attendees & Administrative Staff:

Patrick Miller, Helms & Company, Inc.
Erin Meagher, Helms & Company, Inc.
Keith Nix, Helms & Company, Inc.
Jennifer Doran, Esq., Hinckley Allen

Members of the Public:

Kelly Anderson, Penacook, Member of the Public (P)
Lorie Bender, Hopkinton, Member of the Public
Rep. Linda Camarota, Bedford, Member of the Public (P)
Lisa Capellan, Bedford, Member of the Public
Laura Condon, Bedford, Member of the Public
Virginia Costa, Methuen, MA, Member of the Public
Heather Entenmann, Associate Director, Merck (P)
Cayley Guthrie, New Ipswich, Member of the Public
Dawn Guthrie, Milford, Member of the Public
Sam Hughes, Manchester, Member of the Public
Amy Johnson, Litchfield, Member of the Public
Jessica Kliskey, Stratham, Member of the Public
Kathleen LaBonte, Henniker, Member of the Public
Fern McLeod, Mont Vernon, Member of the Public
Thomas McLeod, Mont Vernon, Member of the Public
Nicole Nordlund, Madison, Member of the Public
Stephanie Richards, Hooksett, Member of the Public
Cheryl Rounds, Derry, Member of the Public
Holly Ruocco, DC, Chester, Member of the Public
John Schmitt, Keene, Member of the Public
Caroline Simmonds, Manchester, Member of the Public (P)
Claudia Sinclair, Nashua, Member of the Public (P)
Tatian Taranov, Esq., Londonderry, Member of the Public (P)
Larisa Trexler, RN, Stoddard, Member of the Public
Courtney Warren, Brookline, Member of the Public
Three other phone participants that did not self-identify

Ms. Tenney welcomed everyone and introduced Lorraine Radick, new Public Member representative on the Board. Ms. Tenney thanked Laura Condon for her years of dedicated service to the NHVA Board of Directors. Mr. Miller and Ms. Condon both announced they were recording the meeting. Ms. Condon and Mr. McLeod also videotaped the meeting as members of the public.

II. Annual Meeting

Ms. Tenney asked Mr. Miller for an update on the proxy process for the three insurer representative seats for the coming year. Mr. Miller reported that of the 41 proxies issued, responses were received from 21 Assessable Entities who indicated they were abstaining or not participating in the vote. Thirteen Assessable Entities returned their proxy cards with votes cast and seven did not reply. Of the 13 proxy cards received, a total of 398,701 (80%) child covered lives were represented in the vote. The results by Nominee were:

<u>Nominee (Insurer)</u>	<u>Votes Received</u>
Susan Tenney (Harvard Pilgrim)	141,685
Jason Margus (Anthem)	118,757
Sean Lyons (Cigna)	118,757
Beth Anne Ptak (Meritain)	19,503
Geraldine Vaughan (Tufts Freedom Plan)	0

As a result, the three Board members currently holding positions representing the three insurer seats will remain on the Board representing Anthem, Cigna, and Harvard Pilgrim. Confirmation was obtained by Mr. Miller that Ms. Tenney, Mr. Margus, and Mr. Lyons all have agreed to continue in their roles on the Board of Directors.

The annual meeting was adjourned at 9:15 am.

III. Annual Board Meeting

Per Sections 4 and 7 of the organization's bylaws, Mr. Miller confirmed the following Board members have agreed to continue in their roles for the term of August 1, 2019 to July 31, 2020:

Susan Tenney – Board Chair
Edward Moran – Board Vice Chair
David Sky - Treasurer
Sean Lyons – Secretary

Mr. Miller confirmed the following Board members have agreed to continue to serve as Audit Committee Members:

David Sky – Committee Chair
Susan Tenney – Committee Vice Chair
Beth Daly
Jason Margus

VOTE RECORDED: *On a motion by Ms. Daly, seconded by Mr. Margus, it was unanimously*
VOTED: *To appoint both the Slate of Officers for the Board of Directors and the members of the Audit Committee as presented effective August 1, 2019 through July 31, 2020.*

Attorney Doran, representing Hinckley Allen & Snyder in Attorney Mark McCue's stead, administered the *Oath of Office* for Board Members present and on the phone. Each Board Member was provided an Oath of Office document to be signed and returned to Ms. Meagher.

Ms. Tenney asked each Board Member to complete the *Policy Governing Conflict of Interest* document provided in the meeting packet and return them to Ms. Meagher. Mr. Miller advised a signature page was added to the document including a section to record the disclosure of any potential conflicts Board Members may have.

Both the *Oath of Office* and the *Policy Governing Conflict of Interest* documents will be kept on file with the NHVA corporate documents.

Mr. Miller reminded the group that the Board seat representing the self-insured entities has been vacant for a number of years. Per the Board's direction earlier this year, Mr. Miller reached out to multiple entities to seek nominees including the New Hampshire Purchasers Group on Health; New Hampshire Interlocal Trust; HealthTrust, Inc.; and Meritain Health. The objective was to find a representative of self-insured entities. Meritain Health had previously expressed interest. The NH Purchasers Group on Health members declined to submit a name for consideration at this time, and while the Interlocal Trust did submit a name, it was ultimately retracted due to a management change. The names of Wendy Parker, Executive Director of HealthTrust and Beth Anne Ptak, Surcharge and Assessment Consultant of Meritain Health were submitted for consideration by the Governor and Executive Council. It is anticipated that Wendy Parker will be chosen to serve on the Board as her name was submitted to the Governor and Executive Council by the Governor's office at the June 5, 2019 meeting. The Governor and Executive Council meets this morning, and Mr. Miller expects to hear their decision this afternoon. Mr. Miller will notify the Board and update the website once we learn of the Governor and Executive Council's vote.

IV. Review and Acceptance of the March 6, 2019 Board Meeting Minutes

Mr. Miller referenced the minutes in the meeting packet. The following edits to the March 6, 2019 board meeting were submitted to Mr. Miller prior to today's meeting:

- Page 8 of the packet, line 31, replace the word "immunization" with the word "vaccination." This change would be on line 19 of the actual meeting minutes document.
- Page 9 of the packet, line 46, remove Edward Moran's vote as he was not in attendance for this vote.
- Page 9 of the packet, line 59, add a roll call vote as follows:

	<u>Yes</u>	<u>No</u>
Laura Condon		X
Beth Daly	X	
Patricia Edwards, MD	X	
Sean Lyons	X	
Jason Margus	X	
David Sky	X	
Susan Tenney	X	
Janice Valmassoi, MD	X	

After discussion, all proposed changes were agreed to, and no other changes were suggested.

VOTE RECORDED: On a motion by Mr. Margus, seconded by Ms. Daly, by roll call it was
VOTED: To accept the March 6, 2019 meeting minutes with the edits outlined above.

	<u>Yes</u>	<u>No</u>
Beth Daly	X	
Jason Margus	X	
Lorraine Radick	X	
Susan Tenney	X	
Janice Valmassoi, MD	X	

V. Executive Director Report

Mr. Miller stated that during the September 26, 2018 board meeting, \$9,234,656 was approved by the board members for the June 2019 annual payment from the NH Vaccine Association to the NH Department of Health and Human Services for vaccine purchases. He directed the Board to page 17 of the meeting packet where the approval was highlighted in the September 26, 2018 Board meeting minutes. He asked the Board to confirm this payment amount.

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

VOTED: *To authorize a NH Department of Health and Human Services vaccine expense payment to the State of New Hampshire on June 19, 2019 in the amount of \$9,234,656, which was previously approved by the Board at the September 26, 2018 Board meeting.*

Mr. Miller directed the board members to the proposed administrative budget on pages 18 and 19 of the meeting packet. On April 11, 2019, the Audit Committee voted to recommend the proposed administrative budget be adopted by the full board. Mr. Miller stated that the one change since April 11, 2019 is that the legal fees will be adjusted downward from \$25,500 to \$25,000. Attorney McCue previously provided an *Engagement as Legal Counsel* letter outlining his fees and services. Mr. Miller referred the Board to the Audit Committee's April 11, 2019 meeting minutes (page 32 in the packet), highlighting the vote and recommendation.

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

VOTED: *To accept the FY2020 administrative budget as presented, less \$500 for the line item for legal services.*

Mr. Miller discussed the Assessment Summary (page 24-26 in the meeting packet). This document was created to track changes from quarter to quarter and highlight remarkable situations that arise over the course of an assessment quarter. Highlights for the current quarter include:

- Drop in Assessable Entities from 176 the prior quarter to 151. 27 Permanent Zero filings were received plus 2 new registrations.
- Humana submits and pays the TRICARE rate cap through the online assessment portal. Martin's Point is submitting their assessments through the portal at the current assessment rate and an additional payment is then received from TRICARE for the balance up to the TRICARE rate cap. Based upon discussions with TRICARE personnel, it is anticipated that the Martin's Point full rate cap submission will be able to be automated through the NHVA payer portal by year's end.
- There were no retroactive assessment submissions.
- There were no refund requests received.
- Covered lives increased by approximately 1%.

Mr. Miller directed the board members to the financial statement (pages 27 to 29) in the meeting packet. Mr. Miller reported that there were no remarkable financial transactions in the current quarter (end June 30, 2019). The assessment interest payment is recorded on the Statement of Cash Flow as a separate line item to reflect the Tufts interest payment of \$131,361.

Mr. Miller reported that the auditor, Karen Carew, CPA from Carew & Wells, is scheduled on site at Helms & Company, Inc. on July 15th through the 17th to conduct the annual audit. This is the same firm as recent, prior years.

Mr. Miller referenced the April 11th Audit Committee minutes (page 32) to outline a suggested procedure change. During the April 2019 Audit Committee meeting, Ms. Daly had questioned the administrative procedure and the

Board's role in approving over-budget expenses. After discussion, the Audit Committee voted to recommend a procedural change where the Administrator would notify the board members when an expense was approaching the budgeted amount for the current fiscal year for consideration of any additional appropriation of funds.

VOTE RECORDED: *On a motion by Ms. Daly, seconded by Dr. Valmassoi, it was unanimously*
VOTED: *To accept the Audit Committee's recommendation made April 11, 2019, that the Board adopt a procedural change that would require the Administrator to notify the Board of Directors, within five days from the beginning of each month, if expenses on any administrative budget line item approached the budgeted amount so that the Board of Directors could determine the need to any additional appropriate of funds.*

VI. Department of Health and Human Services (DHHS) Update

Ms. Daly reported DHHS spent approximately \$10M of NHVA funding for State FYTD 2019, and anticipated \$12M-\$13M of spending through the end of the fiscal year. The books will be closed by mid-July. The current Hepatitis A outbreak (138 total cases; 1 death; approximately 7-8 new cases each week) contributed to an approximately 10% increase in adult and child vaccines over last year. This could have a financial impact in the next State fiscal year.

Ms. Tenney asked if there was an update to the cross-border issue with Maine and New Hampshire. Ms. Daly advised it is still being considered by Maine, and would likely require a change to change current laws. There is also consideration of Maine and New Hampshire signing a memorandum of understanding. At this time, Ms. Daly had no further information to report.

VII. New Matters

Ms. Tenney asked the Board members if anyone had any new matters to discuss. No new matters were identified.

VIII. Public Comments

Ms. Tenney opened up the floor to members of the public if they wished to comment. Ms. Condon shared a prepared statement outlining her years of service as a Board member representing the public since 2014. Ms. Condon shared an overview of her dedicated service to the Board of Directors, the parents she continues to hear from with concerns for their children, and her intention to continue to advocate for members of the public. Amy Johnson from Litchfield, Cayley Guthrie from New Ipswich, Claudia Sinclair from Nashua, and Cheryl Rounds from Derry all spoke sharing their perspectives and personal stories of family members injured by vaccines and their concerns about vaccine choice and pharmaceutical company incentives. State Representative Linda Camarota stated that she appreciated learning about the NHVA and asked to learn more about how to participate. Mr. Miller stated that he would follow up with Representative Camarota after the meeting.

Ms. Tenney instructed the members of the public that if anyone had questions for the Board, that they should be submitted to the NHVA Administrator and responses will be provided within five business days. Mr. Miller advised the group he could be reached via the website – www.nhvaccine.org – using the info@nhvaccine.org email address.

221 **VOTE RECORDED:** *On a motion by Ms. Daly, seconded by Dr. Valmassoi, by roll call it was*
 222 **VOTED:** *To move into Executive Session at 9:40 am.*

	<u>Yes</u>	<u>No</u>
224 <i>Beth Daly</i>	X	
225 <i>Jason Margus</i>	X	
226 <i>Edward Moran</i>	X	
227 <i>Lorraine Radick</i>	X	
228 <i>Susan Tenney</i>	X	
229 <i>Janice Valmassoi, MD</i>	X	

230
 231 Ms. Tenney thanked the members of the public for joining the meeting. The conference call was disconnected and
 232 members of the public left the room.

233
 234
 235 **IX. Executive Session**

236
 237 Helms & Company was invited to remain present for the first part of the Executive Session.

238
 239 By unanimous roll call vote, the Board voted to end the Executive Session at approximately 10:00 a.m., and the Board
 240 voted all in favor to close the meeting.

241
 242
 243 Draft Board minutes respectfully submitted by
 244 Patrick Miller, Administrator,
 245 on behalf of Sean Lyons, Board Secretary
 246 June 19, 2019

247
 248 # # #

**NEW HAMPSHIRE
VACCINE ASSOCIATION
FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED
JUNE 30, 2019 AND 2018**

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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, 2019 and 2018, 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, 2019 and 2018, 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 16, 2019

NEW HAMPSHIRE VACCINE ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2019 AND 2018

	June 30, 2019	June 30, 2018
ASSETS		
<i>Current Assets</i>		
Cash and cash equivalents	\$ 12,220,200	\$ 3,697,484
Short term investments	261,566	256,143
Prepaid expenses	1,164	3,473
<i>Total Current Assets</i>	<u>12,482,930</u>	<u>3,957,100</u>
 TOTAL ASSETS	 <u>\$ 12,482,930</u>	 <u>\$ 3,957,100</u>
 LIABILITIES & NET ASSETS		
<i>Current Liabilities</i>		
Accrued expenses	\$ -	\$ 4,334
Assessment refund	<u>-</u>	<u>66</u>
 TOTAL CURRENT LIABILITIES	 <u>-</u>	 <u>4,400</u>
<i>Net Assets</i>		
Net assets without donor restrictions	250,000	250,000
Net assets with donor restrictions	<u>12,232,930</u>	<u>3,702,700</u>
TOTAL NET ASSETS	<u>12,482,930</u>	<u>3,952,700</u>
 TOTAL LIABILITIES & NET ASSETS	 <u>\$ 12,482,930</u>	 <u>\$ 3,957,100</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, 2019 AND 2018

	June 30, 2019	June 30, 2018
NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUE AND OTHER SUPPORT		
Net assets released from restrictions		
Assets released for operations	\$ 388,786	\$ 178,953
OPERATING EXPENSES		
Administrative services	148,318	127,553
Professional fees	39,589	43,202
Insurance	4,304	5,954
License and fees	75	75
Bank fees	3,033	2,169
Washington Vaccine Association, TRICARE settlement costs	191,858	-
Stationary & printing	222	-
Subcontractors	1,250	-
Advertising	137	-
<i>Total Operating Expenses</i>	<u>388,786</u>	<u>178,953</u>
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>-</u>	<u>-</u>
NET ASSETS WITH DONOR RESTRICTIONS		
Assessment income, less refunds of \$58,115 and \$0 in 2019 and 2018	13,667,614	18,588,579
TRICARE settlement income	4,128,793	-
Interest on late assessments	131,362	1,569
Bank and sweep interest	220,479	13,690
Return on investments	5,424	2,909
Net assets released from restrictions		
Remittance to the State of New Hampshire	(9,234,656)	(18,819,145)
Assets released for operations	<u>(388,786)</u>	<u>(178,953)</u>
INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTIONS	<u>8,530,230</u>	<u>(391,351)</u>
CHANGES IN NET ASSETS	<u>8,530,230</u>	<u>(391,351)</u>
<i>Net Assets, Beginning of Year</i>	<u>3,952,700</u>	<u>4,344,051</u>
<i>Net Assets, End of Year</i>	<u>\$ 12,482,930</u>	<u>\$ 3,952,700</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, 2019 AND 2018

	June 30, 2019	June 30, 2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 8,530,230	\$ (391,351)
<i>Adjustments to reconcile changes in net assets</i>		
(Increase) decrease in:		
Prepaid expenses	2,310	3,000
Increase (decrease) in:		
Accrued expenses	(4,334)	2,334
Assessment refund	(66)	(26)
<i>Total Adjustments</i>	(2,090)	5,308
Net Cash Provided (Used) by Operating Activities	8,528,140	(386,043)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(5,424)	(3,513)
Net Cash Used by Investing Activities	(5,424)	(3,513)
NET INCREASE (DECREASE) IN CASH	8,522,716	(389,556)
<i>Cash, Beginning of Year</i>	3,697,484	4,087,040
<i>Cash, End of Year</i>	\$ 12,220,200	\$ 3,697,484

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 two classes of net assets that are based upon the existence or absence of donor-imposed restrictions:

Net assets without donor restrictions are those currently available at the discretion of the board for use in the Association's operations.

Net assets with donor restrictions are those subject to stipulations imposed by law. Restrictions may be temporary in nature; those restrictions would be met by actions of the Association or by the passage of time. Other donor restrictions may be perpetual in nature, where by the donor may stipulate the funds be maintained in perpetuity. The Association does not have any net assets with perpetual donor restrictions.

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.

(Continued on next page)

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. During the fiscal year ended, June 30, 2018, the Association wrote off \$58,270 of assessment receivables reported in the current fiscal year from one assessable entity which is insolvent and no longer in operation (see Note F). 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

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.

NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

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 net assets with donor restrictions. All remaining expenses are related to management and general activities. Following is an analysis of expenses by natural and functional classifications:

	2019	2018
<i>Program Expense</i>		
Remittance to State of NH	\$ 9,234,656	\$ 18,819,145
<i>Management & General</i>		
Administrative services	148,318	127,553
Professional fees	39,589	43,202
Insurance	4,304	5,954
License and fees	75	75
Bank fees	3,033	2,169
Washington Vaccine Association, TRICARE settlement costs	191,858	-
Stationary & printing	222	-
Subcontractors	1,250	-
Advertising	137	-
<i>Total Management & General</i>	<u>388,786</u>	<u>178,953</u>
<i>TOTAL EXPENSES</i>	<u>\$ 9,623,442</u>	<u>\$ 18,998,098</u>

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, 2019 and 2018, 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.

(Continued on next page)

NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

New Accounting Pronouncement

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

There was no effect on the amounts of previously reported net assets as a result of this implementation. Previously stated “Unrestricted Net Assets” and “Temporarily Net Assets” have been presented as “Net Assets Without Donor Restrictions” and “Net Assets With Donor Restrictions” to conform with the current year presentation.

B | CONCENTRATIONS

Revenue

The Association derives nearly all of its revenue from assessments of licensed insurers in the State of New Hampshire. In addition 38% 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 | CURRENT RESOURCES

Financial Assets Available to Meet Cash Needs for General Expenditures within One Year

The Association has \$12,481,766 of financial assets available within 1 year of the balance sheet date (June 30, 2019) to meet cash needs for general expenditures consisting of:

Cash and cash equivalents	\$ 12,220,200
Short-term investments	<u>261,566</u>
Total	<u>\$ 12,481,766</u>

Cash and short-term investments are available for general expenditures within one year of the balance sheet date year ended June 30, 2019. General expenditures include the required remittance to the State of New Hampshire and reasonable and necessary operating costs.

Liquidity Management

The Association is substantially supported by assessment income. As part of the Association’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Association also invests cash in excess of daily requirements in short-term investments.

The Board of Directors have designated \$250,000 to ensure adequate cash flow for operating expenses. In addition, the Association works to retain a sufficient cash balance to provide consistent and stable assessment rates to insurers.

NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

D | 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 purchasing vaccines for children in the State of New Hampshire. The Association transferred \$9,234,656 and \$18,819,145 to the State of New Hampshire in 2019 and 2018, 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.

E | 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 money market funds reported at fair value based on quoted market prices (Level 1) as follows:

	Cost	Fair Value	Unrealized Appreciation (Depreciation)
<i>Fiscal year ended June 30, 2019</i>			
Money market	\$ <u>261,566</u>	\$ <u>261,566</u>	\$ <u>-</u>
<i>Fiscal year ended June 30, 2018\</i>			
Money market	\$ <u>256,143</u>	\$ <u>256,143</u>	\$ <u>-</u>

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

	2019	2018
Interest & dividend income	\$ 5,424	\$ 2,704
Realized gains (losses)	-	-
Unrealized gains (losses)	-	-
Return on investment	\$ <u>5,424</u>	\$ <u>2,704</u>

(Continued on next page)

NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

F | 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.

TRICARE Assessment

Through its previous administrator, KidsVax®, and continuing with its current administrator, Helms & Company, the Association has been pursuing collection from the Federal Defense Agency ("DHA") assessments for TRICARE child beneficiaries resident in the State of New Hampshire. Effective December 23, 2016, Congress adopted Section 719 of the 2017 National Defense Authorization Act ("NDAA") which authorized the DHA to make payments to the Association and certain other state vaccine programs. The 2017 NDAA provides for reimbursement of the amount assessed by the Association further limited to an amount that may not exceed the amount the Department would reimburse an entity under the TRICARE program for providing vaccines.

In a memorandum dated November 29, 2018, the Association has accepted a stipulated sum of \$3,970,307 with regards to arrearages for the TRICARE specified assessments from July 17, 2010 to September 30, 2018. This stipulated sum is less by \$1,492,489 for the TRICARE increment (the difference between the TRICARE inflation and vaccine adjusted per capita cap, and the total Association assessments amounts). In addition to the \$3,970,307 stipulated sum received, the Association has collected \$158,486 in TRICARE increment payments during the fiscal year ended, June 30, 2019. The remaining TRICARE increment of \$1,334,003 is being incorporated into future TRICARE specific assessments and is expected to be paid over multiple years. Given that collection is not certain and that the amounts collected can not be determined until future budgets and assessments are implemented, the

TRICARE increment payments will be recognized as revenue in future quarterly assessment as they become determined and due.

Section 718 of the 2018 NDAA requires DHA to reimburse entities carrying out State vaccination programs for costs of vaccines provided to covered beneficiaries without further limitation. Martin's Point USFHP began making regular quarterly assessment payments in NH on February 15, 2018 and has continued reporting on covered lives timely in accordance with the Association's Plan of Operation. Humana Government began making regular quarterly assessments payment in NH August 15, 2018 and has continued reporting on covered lives timely in accordance with the Association's Plan of Operation.

(Continued on next page)

NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

Minuteman Health, Inc. Assessment

As of December 31, 2017, Minuteman Health, Inc. ("MHI"), is no longer in operation and the Massachusetts Commissioner of Insurance has been appointed to liquidate MHI under the supervision of the Massachusetts Supreme Judicial Court for Suffolk County (Docket No. SJ-2017-0288). MHI self-reported an assessment of \$58,270 for 5,602 covered lives for the quarter ended, December 31, 2017 (due February 15, 2018) which remained unpaid as of June 30, 2018 and June 30, 2019. The Association had determined collectability was uncertain and written off the receivable as of June 30, 2018. Bankruptcy proceedings are ongoing as of June 30, 2019, however the Association has received a letter, dated June 19, 2019, from the Commission of Insurance, as Liquidator of Minuteman Health, Inc. This letter indicated that MHI is insolvent and does not have adequate assets to pay all of its obligations to members and their healthcare providers. Further, it has determined that the Association is a priority class 7 claim and that no distribution will be possible on class 7 claims. Accordingly, the Association has removed both the receivable and allowance account for the year ended, June 30, 2019.

G | DESIGNATION OF NET ASSETS

Net Assets Without Donor Restrictions

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, 2019 and 2018, the board designated balance for this purpose was \$250,000.

Net Assets With Donor Restrictions

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, 2019 and 2018, unexpended assessments reported as net assets with donor restrictions totaled \$12,232,930 and \$3,702,700, respectively.

H | SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 16, 2019, 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.

CY 2020 Rate Setting

NHVA Board of Directors Meeting

September 25, 2019

NH Insurance Department Room 274

Contents

1. Background
2. Historical Trends
3. Rate Assumptions and Assessment Rates
4. DHHS Information for Assessment Process
5. FY2019 Administrative Budget

1. Background

CY2020 Assessment Process Timeline

- July 2019
 - ✓ Data collection for Actual FY2019 and YTD CY2019
 - ✓ Modeling begins
- August 2019
 - ✓ Modeling based upon trends and initial NH DHHS data (8/1)
 - ✓ Concept meeting with the Audit Committee (8/6)
 - ✓ Modeling with final DHHS data received 8/21
- September 2019
 - ✓ Review and approval by Audit Committee (9/16)
- September 2019
 - Review and approval by Board of Directors (9/25)
 - Carrier notification of CY2020 rates (9/30)
- October 2019
 - Actual CDC credit received (10/1)

CY2019 Assessment Process Re-Design Accomplishments

1. Simplified the prior assessment process
2. Worked to keep the payer assessment aligned with annual vaccine costs in future years
 - Addressed trend reduction in covered lives
 - Addressed trend increase in state vaccine expenditures
 - Reduced payer burden
3. Ensured process alignment with RSA 126-Q:4-II and Operations Manual
4. Reduced financial risk/exposure to NHVA
 - Managed investment account interest to offset administrative budget
 - As planned, accumulated cash sufficient to fund \$5M Reserve
 - Managed TRICARE claim resolution and ongoing quarterly collections
5. Incurred one-time assessment allowance for unbudgeted FY2019 administrative expenses
 - Prior Administrator run out and new Administrator cutover expenses
 - Washington Vaccine Association CY2018 expenses

FY2019 Significant Fiscal Events

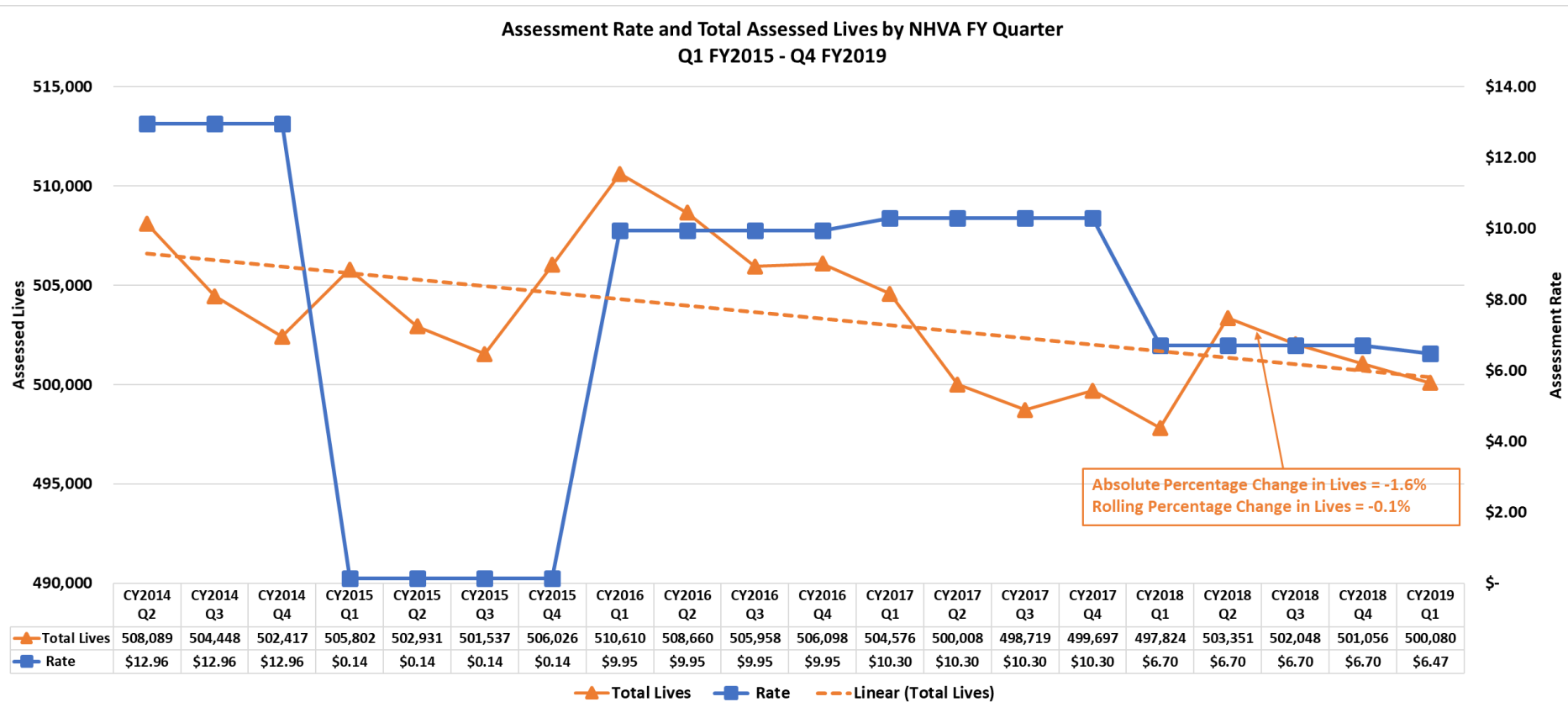
- Investment interest income – \$222,025
- TRICARE one-time arrearage settlement – \$3,970,307
- TRICARE specific assessment receipt– \$158,485
- Tufts assessment recoupment – \$438,771
- Tufts interest recoupment – \$131,361
- WVA Expense – (\$120,000)
- WVA Final Contribution – (\$71,858)
- EBPA refund – (\$58,115)
- Minute receivable written off – (\$58,270)



	JAN	FEB	MAR	APR	MAY	JUN	JULY	AUG	SEP	OCT	NOV	DEC
CY 2015									Assessment Set CY 2016. \$9.95			
									DHHS payment \$19,653,132 due 6/30/17	CDC Replacement Credit \$4,377,668		
							SFY 16	SFY 16	SFY 16	SFY 16	SFY 16	SFY 16
CY 2016									Assessment Set CY 2017. \$10.30			
		Assessment Collected \$0.14			CY 2016 Assessment Collected \$9.95			CY 2016 Assessment Collected \$9.95	CY 17 DHHS payment \$18,819,145 due 6/30/18	CDC Replacement Credit \$3,564,068	CY 2016 Assessment Collected \$9.95	
	SFY 16	SFY 16	SFY 16	SFY 16	SFY 16	SFY 16	SFY 17	SFY 17	SFY 17	SFY 17	SFY 17	SFY 17
CY 2017									Assessment Set CY 2018. \$6.70			
		CY 2016 Assessment Collected \$9.95			CY 2017 Assessment Collected \$10.30	CY 2016 Assessment Paid to DHHS \$19,653,132 6/30/17		CY 2017 Assessment Collected \$10.30	CY2018 DHHS payment \$9,234,656 due 6/30/19	CDC Replacement Credit \$4,282,619	CY 2017 Assessment Collected \$10.30	
	SFY 17	SFY 17	SFY 17	SFY 17	SFY 17	SFY 17 DHHS Reports Balance Forward \$9,915,173	SFY 18	SFY 18	SFY 18	SFY 18	SFY 18	SFY 18
CY 2018									Assessment Set CY 2019 \$6.47			
		CY 2017 Assessment Collected \$10.30			CY2018 Assessment Collected \$6.70	CY 2017 Assessment Paid to DHHS \$18,819,145 6/30/18		CY2018 Assessment Collected \$6.70	CY 2019 DHHS expected payment due 6/30/20 \$11,751,393	CDC Replacement Credit \$1,856,544	CY2018 Assessment Collected \$6.70	
	SFY 18	SFY 18	SFY 18	SFY 18	SFY 18	SFY 18 DHHS Reports Balance Forward \$12,979,343	SFY 19	SFY 19	SFY 19	SFY 19	SFY 19	SFY 19
CY 2019									Assessment Set CY 2020 \$6.80			
		CY2018 Assessment Collected \$6.70			CY 2019 Assessment Collected \$6.47	CY 2018 Assessment Paid to DHHS \$9,234,656 6/30/19		CY 2019 Assessment Collected \$6.47	CY 2019 DHHS expects \$16,570,000 due 6/30/21	CDC Replacement Credit \$1,800,000 10/01/19	CY 2019 Assessment Collected \$6.47	
	SFY 19	SFY 19	SFY 19	SFY 19	SFY 19	SFY 2019 DHHS Reports Balance Forward \$6,722,034	SFY 20	SFY 20	SFY 20	SFY 20	SFY 20	SFY 20
CY 2020									Assessment Set CY 2021 \$6.95			
		CY 2019 Assessment Collected \$6.47			CY 2020 Assessment Collected \$6.80	CY 2019 Assessment to Pay to DHHS \$11,751,393 6/30/20		CY 2020 Assessment Collected \$6.80	DHHS payment \$14,790,000 due 6/30/22	CDC Replacement Credit \$1,800,000 10/01/20	CY 2020 Assessment Collected \$6.80	
	SFY 20	SFY 20	SFY 20	SFY 20	SFY 20	SFY 2020 DHHS Reports Balance Forward \$0.00	SFY 21	SFY 21	SFY 21	SFY 21	SFY 21	SFY 21
CY 2021									Assessment Set CY 2022 \$7.00			
		CY 2020 Assessment Collected \$6.80			CY 2021 Assessment Collected \$6.95	CY 2020 Assessment Paid to DHHS \$16,570,000 6/30/21		CY 2021 Assessment Collected \$6.95	DHHS payment \$15,130,000 due 6/30/23	CDC Replacement Credit \$1,800,000 10/01/21	CY 2021 Assessment Collected \$6.95	
	SFY 21	SFY 21	SFY 21	SFY 21	SFY 21	SFY 2021 DHHS Reports Balance Forward \$0.00	SFY 22	SFY 22	SFY 22	SFY 22	SFY 22	SFY 22

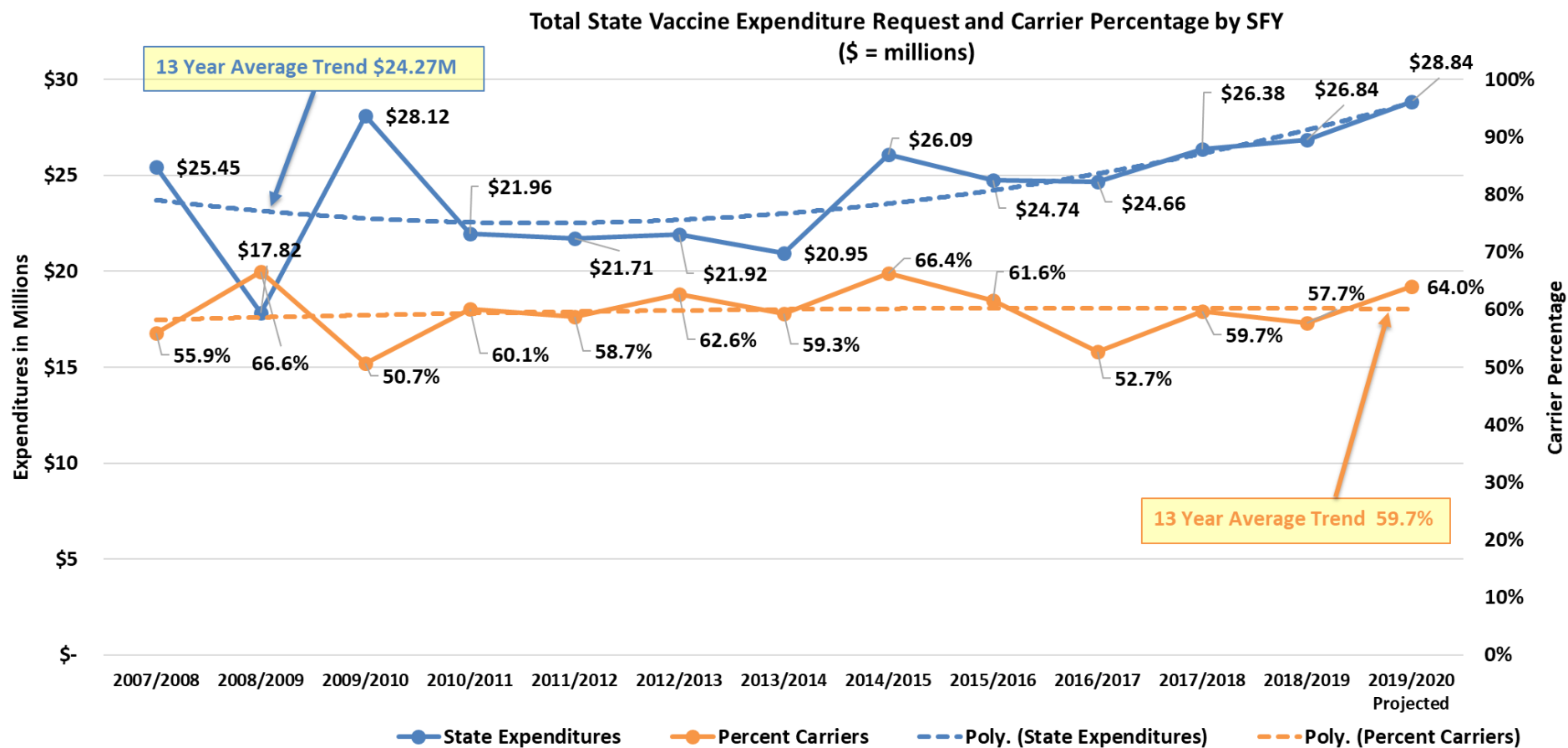
2. Historical Trends

Shrinking Assessed Lives and Variability in Assessed Rate



Source: NHVA KidsVax® reconciliation spreadsheet, 09-06-2018; NHVA Data August 2019
 Note: Total Assessed Lives reflects CY2019 Tufts recovery activity and EBPA refund activity

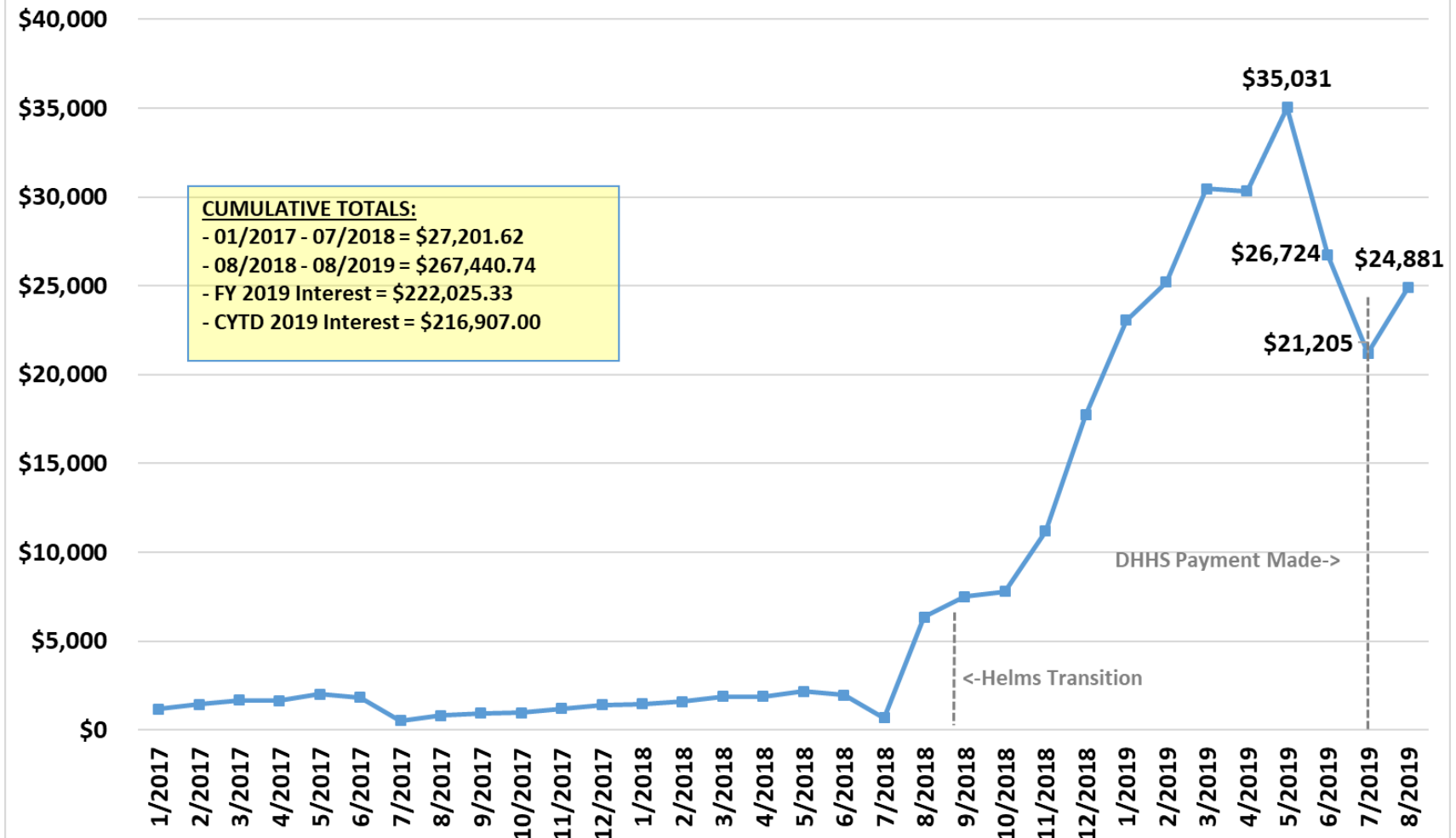
Increasing State Vaccine Expenditures and Stability in Payer Proportion





Investment Interest Income

**Combined ICS and Wealth Management Accounts - Monthly and Cumulative Interest
January 2017 to August 2019**



3. Rate Assumptions and Assessment Rates



CY2020 Core Rate Assumptions (as of September 8, 2019)

1. Board commitment to keeping rates stable in future years (~\$6.50-\$8.00)
2. NHVA funds held by NH DHHS will be recovered in June CY2020 for the second year in a row; the model will recover CDC credit the year following the receipt
3. Total assessed lives is declining by 0.1% per year and will continue
4. A reserve of 10% will be taken of the total non-Federal program cost for the succeeding year (RSA 126-Q:4 II.(c))
5. The TRICARE cap rate of \$12.47 will continue in CY2020 and TRICARE's \$1,492,489 future, specific assessment receivable will be paid down in full in 16 quarters at the current rate of \$12.47
6. The percentage paid by the carriers is 64.04% for CY2020 calculations and 59.7% (trended %) for outer years
7. NHVA will not recover the prior, outstanding Minuteman receivable (\$58,270 fully reserved as of 6/30/18)
8. The CDC's annual credit on October 1, 2019 will be no more than last year's \$1.9M and the model will recover the CDC credit with the payment to DHHS planned June 2021
9. NHVA will fully fund the \$5M reserve fund as of October 1, 2019 and any excess cash beyond the \$5M will be used for rate stabilization in future years
10. No assumption made for late payment interest assessments
11. No assumption made for reimbursement of NH DHHS Immunization Section administrative costs
12. Interest rate assumptions for cash on hand assume decreases from 2.0% to 1.00% by 9/30/2020

Cash Flow / Reconciliation / Rates

Description	NEW MODEL		NEW MODEL		FUTURE YEARS				
	CY19 Annual Adjustment Factors	SFY19 for CY19 Rate	CY20 Annual Adjustment Factors	Draft SFY20 for CY20 Rate	Annual Adjustment Factors	Projected Assessment Rate - 4 years			
						SFY 2021	SFY 2022	SFY 2023	SFY 2024
4 Prior Year ACTUAL Avg Total Expenditure + Increase from Act SFY 18	1.74%	\$ 26,837,646	2.1%	\$ 28,844,638	2.1%	\$ 27,951,401	\$ 28,525,494	\$ 29,111,377	\$ 29,709,294
Provision for Vaccine Utilization Increase + Vaccine Cost Increase		Actual SFY19		DHHS Trend Proj					
Subtotal									
Less: Estimated VFC and Estimated NH General Fund									
4 Prior Year ACTUAL Average % Paid by Insurers		57.72%		64.04%	59.70%	59.70%	59.70%	59.70%	59.70%
		Actual SFY19		DHHS Trend Proj					
Amount NHVA to pay DHHS (projected) Before Offsetting DHHS Surplus		\$ 15,490,000		\$ 18,470,000		\$ 16,690,000	\$ 17,030,000	\$ 17,380,000	\$ 17,740,000
Normalized Administrative Expenses		\$ 144,727	0.00%	\$ 142,700	3.00%	\$ 142,700	\$ 146,981	\$ 151,390	\$ 155,932
Provision for One-Time Expenditures		\$ 174,359		\$ -		\$ -	\$ -	\$ -	\$ -
Admin % of Total Vaccine Costs		1.19%		0.49%		0.51%	0.52%	0.52%	0.52%
Total Assessment to be Raised - Before "Cushion"		\$ 15,809,086		\$ 18,612,700		\$ 16,832,700	\$ 17,176,981	\$ 17,531,390	\$ 17,895,932
Apply Cushion ("Reserve") 10% per RSA 126-Q:4 II.(c)	10.00%	\$ 1,580,909	10.00%	\$ 1,861,270	10.00%	\$ 1,683,270	\$ 1,717,698	\$ 1,753,139	\$ 1,789,593
Actual Cushion ("reserve")									
Investment Earnings		\$ (351,842)		\$ (267,751)		\$ (191,271)	\$ (173,358)	\$ (169,587)	\$ (161,595)
Grand Total Assessment to be Raised - Before DHHS Offset		\$ 17,038,153		\$ 20,206,219		\$ 18,324,699	\$ 18,721,322	\$ 19,114,942	\$ 19,523,930
Final Assessment to be Raised									
Less: Q1 Assessments Collected in May		\$ (3,235,518)		\$ (3,397,741)		\$ (3,469,835)	\$ (3,491,923)	\$ (3,489,051)	\$ (3,685,392)
Estimated Assessable Lives	-1.30%	166,693	-0.10%	166,556	0.1%	166,693	166,830	166,967	167,105
Rate Based on Proposed Cash Flow Outcomes									
Q1 - Q3		\$ 10.30		\$ 6.70		\$ 6.47	\$ 6.80	\$ 6.95	\$ 7.00
Q4 Collected in May following at new rate		\$ 6.70		\$ 6.47		\$ 6.80	\$ 6.95	\$ 7.00	\$ 7.00
Projected Year End Cash Balance		Actual 6/30/19		Projected 6/30/20		Projected 6/30/21	Projected 6/30/22	Projected 6/30/23	Projected 6/30/24
Beginning Balance	As of 6/30/2018	\$ 3,697,484		\$ 12,220,200	Proj Year Beg =>	\$ 14,017,882	\$ 11,426,194	\$ 10,888,798	\$ 10,066,617
Projected Cash Received from Assessments - FY basis		\$ 17,796,406		\$ 13,428,274		\$ 13,928,941	\$ 14,225,427	\$ 14,288,821	\$ 14,190,550
Projected Interest Received		\$ 351,842		\$ 267,751		\$ 191,271	\$ 173,358	\$ 169,587	\$ 161,595
Total Receipts		\$ 18,148,248		\$ 13,696,025		\$ 14,120,212	\$ 14,398,785	\$ 14,458,409	\$ 14,352,146
Projected Gross Vaccine Costs after deducting VFC and NH credits	Actual=Green	\$ 19,149,829	See Tab D	\$ 15,491,964	Projected=Pink	\$ 18,470,000	\$ 16,690,000	\$ 17,030,000	\$ 17,380,000
Less: Carryforward DHHS unspent funds		\$ (9,915,173)	Edits=>	\$ (3,740,571)		\$ (1,900,000)	\$ (1,900,000)	\$ (1,900,000)	\$ (1,900,000)
Net cash payments due DHHS		\$ 9,234,656		\$ 11,751,393		\$ 16,570,000	\$ 14,790,000	\$ 15,130,000	\$ 15,480,000
Cash Paid for Administrative Expenses		\$ 390,876		\$ 146,950		\$ 141,900	\$ 146,181	\$ 150,590	\$ 155,132
Total Disbursements		\$ 9,625,532		\$ 11,898,343		\$ 16,711,900	\$ 14,936,181	\$ 15,280,590	\$ 15,635,132
Projected Ending Balance	Actual 6/30/19	\$ 12,220,200		\$ 14,017,882	Proj Year Ending =>	\$ 11,426,194	\$ 10,888,798	\$ 10,066,617	\$ 8,783,630
		Actual 6/30/19		Projected 6/30/20		Projected 6/30/21	Projected 6/30/22	Projected 6/30/23	Projected 6/30/24
Projected Q1 Assessments collected in May		\$ 3,315,354		\$ 3,397,741		\$ 3,469,835	\$ 3,491,923	\$ 3,489,051	\$ 3,685,392
Projected Year end Cash Reserve - Target \$5.0M		\$ 382,130		\$ 10,620,141		\$ 7,956,360	\$ 7,396,875	\$ 6,577,565	\$ 5,098,238
Total Cash on Hand 6/30 each year		\$ 3,697,484		\$ 14,017,882		\$ 11,426,194	\$ 10,888,798	\$ 10,066,617	\$ 8,783,630

4. DHHS Information for Assessment Process



Vaccine Forecast for SFY 20 New Hampshire Immunization Program																					
SFY 19	July 1, 2018 to June 30, 2019				SFY 19 Total Cost															SFY 20 Total Projected Cost	
	VACCINE	2018 Price per Doses Cost	1st Qtr Totals	Total	2nd qtr totals	Total	3rd qtr totals	Total	4th qtr totals	2019 Price Per Doses Cost	Total	Total ordered in SFY 19	.5% wastage	SFY 2019 +.5%	Roundings	2019 Price Per Doses Cost	Private Price*				
DT	\$ 51.56	10	\$ 515.60	11	\$ 567.16	18	\$ 928.08	15	\$ 54.63	\$ 819.45	54	\$ 2,830.29	0	54	60	\$ 54.63	\$ 3,277.80	\$ 54.63	\$ 2,964.77		
ACTHIB	\$ 9.23	6190	\$ 57,133.70	6325	\$ 58,379.75	6070	\$ 56,026.10	5485	\$ 9.48	\$ 51,997.80	24070	\$ 223,537.35	120	24190	24200	\$ 9.48	\$ 229,416.00	\$ 16.51	\$ 399,382.68		
HIBERIX	\$ 9.65	280	\$ 2,702.00	330	\$ 3,184.50	220	\$ 2,123.00	270	\$ 9.46	\$ 2,554.20	1100	\$ 10,563.70	6	1106	1100	\$ 9.46	\$ 10,406.00	\$ 10.85	\$ 11,994.68		
DAPTACEL	\$ 17.61	370	\$ 6,515.70	410	\$ 7,220.10	260	\$ 4,578.60	410	\$ 18.07	\$ 7,408.70	1450	\$ 25,723.10	7	1457	1500	\$ 18.07	\$ 27,105.00	\$ 30.84	\$ 44,941.59		
INFAIRIX	\$ 18.19	1970	\$ 35,834.30	2010	\$ 36,561.90	1650	\$ 30,013.50	1860	\$ 18.67	\$ 34,726.20	7490	\$ 137,135.90	37	7527	7500	\$ 18.67	\$ 140,025.00	\$ 24.71	\$ 186,003.29		
ENGERIX B	\$ 14.03	1770	\$ 24,833.10	1940	\$ 27,218.20	2020	\$ 28,340.60	3620	\$ 16.02	\$ 57,992.40	9350	\$ 138,384.30	47	9397	9400	\$ 16.02	\$ 150,588.00	\$ 23.72	\$ 222,890.91		
RECOMBIVAX HB	\$ 12.30	3030	\$ 37,269.00	3640	\$ 44,772.00	2930	\$ 36,039.00	1520	\$ 12.30	\$ 18,696.00	11120	\$ 136,776.00	56	11176	11200	\$ 12.30	\$ 137,760.00	\$ 23.95	\$ 267,655.62		
HAVRIX	\$ 19.58	8990	\$ 176,024.20	8180	\$ 160,164.40	7830	\$ 153,311.40	8840	\$ 20.52	\$ 181,396.80	33840	\$ 670,896.80	169	34009	34000	\$ 20.52	\$ 697,680.00	\$ 32.89	\$ 1,118,562.59		
VAQTA	\$ 19.29	680	\$ 13,117.20	740	\$ 14,274.60	550	\$ 10,609.50	610	\$ 19.66	\$ 11,992.60	2580	\$ 49,993.90	13	2593	2600	\$ 19.66	\$ 51,116.00	\$ 32.66	\$ 84,684.11		
IPOL	\$ 13.30	680	\$ 9,044.00	690	\$ 9,177.00	570	\$ 7,581.00	580	\$ 13.55	\$ 7,859.00	2520	\$ 33,661.00	13	2533	2500	\$ 13.55	\$ 33,875.00	\$ 33.53	\$ 84,918.08		
KINRIX	\$ 40.19	2790	\$ 112,130.10	2850	\$ 114,541.50	2050	\$ 82,389.50	2510	\$ 41.31	\$ 103,688.10	10200	\$ 412,749.20	51	10251	10300	\$ 41.31	\$ 425,493.00	\$ 52.12	\$ 534,282.12		
QUADRACEL	\$ 39.57	640	\$ 25,324.80	780	\$ 30,864.60	670	\$ 26,511.90	730	\$ 40.66	\$ 29,681.80	2820	\$ 112,383.10	14	2834	2800	\$ 40.66	\$ 113,848.00	\$ 53.13	\$ 150,575.73		
M-M-R II	\$ 21.05	3320	\$ 69,886.00	3210	\$ 67,570.50	3000	\$ 63,150.00	4250	\$ 21.22	\$ 90,185.00	13780	\$ 290,791.50	69	13849	13800	\$ 21.22	\$ 292,836.00	\$ 75.04	\$ 1,039,221.46		
PROQUAD	\$ 125.11	3530	\$ 441,638.30	3070	\$ 384,087.70	2960	\$ 370,325.60	3700	\$ 131.40	\$ 486,180.00	13260	\$ 1,682,231.60	66	13326	13300	\$ 131.40	\$ 1,747,620.00	\$ 214.37	\$ 2,856,758.93		
PEDIARIX	\$ 57.97	4110	\$ 238,256.70	4410	\$ 255,647.70	4610	\$ 267,241.70	3530	\$ 59.05	\$ 208,446.50	16660	\$ 969,592.60	83	16743	16700	\$ 59.05	\$ 986,135.00	\$ 79.15	\$ 1,325,232.20		
PENTACEL	\$ 58.33	5190	\$ 302,732.70	4920	\$ 286,983.60	5235	\$ 305,357.55	5215	\$ 59.42	\$ 309,875.30	20560	\$ 1,204,949.15	103	20663	20700	\$ 59.42	\$ 1,229,994.00	\$ 96.14	\$ 1,986,521.59		
PNEUMOVAX 23	\$ 53.11	55	\$ 2,921.05	41	\$ 2,177.51	23	\$ 1,221.53	24	\$ 56.30	\$ 1,351.20	143	\$ 7,671.29	1	144	160	\$ 56.30	\$ 9,008.00	\$ 100.19	\$ 14,398.81		
PREVNAR 13 TM	\$ 131.77	11290	\$ 1,487,683.30	11690	\$ 1,540,391.30	11430	\$ 1,506,131.10	10800	\$ 137.01	\$ 1,479,708.00	45210	\$ 6,013,913.70	226	45436	45400	\$ 137.01	\$ 6,220,254.00	\$ 180.05	\$ 8,180,760.80		
ROTARIX	\$ 92.85	1270	\$ 117,919.50	1540	\$ 142,989.00	1500	\$ 139,275.00	1260	\$ 94.69	\$ 119,309.40	5570	\$ 519,492.90	28	5598	5600	\$ 94.69	\$ 530,264.00	\$ 120.95	\$ 677,059.96		
ROTATEQ	\$ 70.49	5940	\$ 418,710.60	5910	\$ 416,595.90	5990	\$ 422,235.10	5500	\$ 70.49	\$ 387,695.00	23340	\$ 1,645,236.60	117	23457	23500	\$ 70.49	\$ 1,656,515.00	\$ 82.89	\$ 1,944,325.86		
VARIVAX	\$ 98.24	3440	\$ 337,945.60	3140	\$ 308,473.60	3050	\$ 299,632.00	3720	\$ 104.09	\$ 387,214.80	13350	\$ 1,333,266.00	67	13417	13400	\$ 104.09	\$ 1,394,806.00	\$ 129.30	\$ 1,734,785.78		
Adolescent																					
ADACEL	\$ 30.89	980	\$ 30,272.20	770	\$ 23,785.30	710	\$ 21,931.90	880	\$ 31.75	\$ 27,940.00	3340	\$ 103,929.40	17	3357	3400	\$ 31.75	\$ 107,950.00	\$ 45.50	\$ 152,729.85		
BEXSERO	\$ 129.06	4907	\$ 633,297.42	2168	\$ 279,802.08	2165	\$ 279,414.90	2725	\$ 135.48	\$ 369,183.00	11965	\$ 1,561,697.40	60	12025	12000	\$ 135.48	\$ 1,625,760.00	\$ 170.75	\$ 2,053,238.87		
BOOSTRIX	\$ 31.37	3770	\$ 118,264.90	2980	\$ 93,482.60	2080	\$ 65,249.60	2920	\$ 32.24	\$ 94,140.80	11750	\$ 371,137.90	59	11809	11800	\$ 32.24	\$ 380,432.00	\$ 41.19	\$ 486,402.41		
GARDASIL9	\$ 168.10	10340	\$ 1,738,154.00	8280	\$ 1,391,868.00	6180	\$ 1,038,858.00	7150	\$ 178.14	\$ 1,273,701.00	31950	\$ 5,442,581.00	160	32110	32100	\$ 178.14	\$ 5,718,294.00	\$ 217.11	\$ 6,971,347.82		
MENACTRA	\$ 91.81	8710	\$ 799,665.10	6305	\$ 578,862.05	4365	\$ 400,750.65	5350	\$ 93.45	\$ 499,957.50	24730	\$ 2,279,235.30	124	24854	24900	\$ 93.45	\$ 2,326,905.00	\$ 122.31	\$ 3,039,849.93		
MENVEO	\$ 92.10	1170	\$ 107,757.00	890	\$ 81,969.00	535	\$ 49,273.50	790	\$ 94.84	\$ 74,923.60	3385	\$ 313,923.10	17	3402	3400	\$ 94.84	\$ 322,456.00	\$ 130.75	\$ 444,801.69		
TENIVAC	\$ 20.05	89	\$ 1,784.45	95	\$ 1,904.75	72	\$ 1,443.60	74	\$ 20.60	\$ 1,524.40	330	\$ 6,657.20	2	332	300	\$ 20.60	\$ 6,680.00	\$ 33.83	\$ 11,219.72		
TRUMENBA	\$ 104.79	680	\$ 71,257.20	270	\$ 28,293.30	230	\$ 24,101.70	320	\$ 108.95	\$ 34,864.00	1500	\$ 158,516.20	8	1508	1500	\$ 108.95	\$ 163,425.00	\$ 133.62	\$ 201,432.15		
			\$ 7,418,589.72		\$ 6,391,809.60		\$ 5,694,045.61		\$ 6,355,012.55		\$ 25,859,457.48					\$ 26,739,423.80		\$ 36,228,943.99			

			SFY19	SFY18	SFY17	SFY16	SFY15	SFY14	SFY13	SFY12	SFY11	SFY10	SFY09	SFY08
		Source	2018/2019	2017/2018	2016/2017	2015/2016	2014/2015	2013/2014	2012/2013	2011/2012	2010/2011	2009/2010	2008/2009	2007/2008
Actual Total exp		4+7	\$ 26,837,646	\$ 26,377,918	\$ 24,657,418	\$ 24,741,423	\$ 26,092,637	\$ 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	\$ 11,071,713	\$ 10,329,733	\$ 11,259,750	\$ 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	CDC Mon Rpt	not provided	not provided	not provided	not provided	not provided	not provided	\$ 156,375	\$ 920,358	\$ 720,612	\$ 1,676,638	\$ 735,871	\$ 2,219,343
State Funds	3	St. Ap(5178-513)	\$ 273,969	\$ 293,211	\$ 392,339	\$ 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	\$ 11,345,682	\$ 10,622,944	\$ 11,652,089	\$ 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	\$ 12,979,343	\$ 9,915,172	\$ 3,267,370	\$ (1,107,266)	\$ 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	\$ 9,234,656	\$ 18,819,145	\$ 19,653,132	\$ 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
Vaccine Insurers expended	7	State Approp	\$ 15,491,964	\$ 15,754,974	\$ 13,005,330	\$ 15,244,063	\$ 17,315,095	\$ 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	\$ 214,014	\$ 4,119,258	\$ 3,912,837	\$ 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	\$ 6,508,021	\$ 8,860,085	\$ 6,002,336	\$ (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	\$ 6,722,035	\$ 12,979,343	\$ 9,915,172	\$ 3,267,370	\$ (1,107,266)	\$ 3,797,531	\$ 207,631	\$ 3,042,624	\$ 6,102,932	\$ 7,039,213	\$ 12,293,560	\$ 7,759,279
CDC end of fiscal year credit	11	CDC Vtracks	\$ 1,856,544	\$ 4,282,619	\$ 3,564,068	\$ 4,377,668	not provided	not provided	not provided	N/A	N/A	N/A	N/A	N/A
Reimbursement from Providers and Excise Tax Added into this account	6A	State Approp			\$ 19,863	\$ 13,916	\$ 37,311	\$ 29,970	\$ 119,460					
		Source: From Beth Daly 603-271-4927 on August 21, 2019												
Note: NHVA as % of total budget			57.72%	59.73%	52.74%	61.61%	66.36%	59.27%	62.63%	58.74%	60.10%	50.66%	66.60%	55.88%



DHHS Tab D Edits

- 09-17-2019

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Association



Expense	Description	Total Cost	Amount Requested from
Vaccine Ordering Management Sys	Mechanism for providers to order vaccines online and for the program to track vaccines, generate reports on administration, wastage, etc.	\$167,762.00	\$100,657.20
Vaccine Accountability Coordinator	Responsible for the purchase and distribution of all vaccines within the program. This position manages Vaccine For Children (VFC), 317, and state/local vaccine funding. This individual tracks vaccine inventory, vaccine distribution and administration, vaccine wastage, trends, all of which informs forecasting. This position plays a key role during the influenza season by closely tracking flu vaccine expenditures and distribution to ensure the vaccines are in the right quantities and the right location, allowing for successful clinic outcomes. This position works directly with the Public Health Regions to plan vaccine distribution for Pandemic Exercises or vaccine-preventable disease outbreaks. The position collaborates with the Immunization Information System (IIS), Vaccine Data Coordinator to provide	\$88,273.00	\$52,963.80
Vaccine Quality Specialist	Conducts VFC site visits with enrolled health care providers. Conducts on-site training for new Vaccine Managers; offers educational programs related to overall vaccine management, including storage and handling. Reviews all health care provider vaccine management (including emergency) plans; coordinates annual vaccine provider enrollment process, reviewing all health care provider	\$79,666.00	\$47,799.60
Program Specialist II	Under the direction of the Vaccine Accountability Coordinator, adhering to the standards of vaccine accountability and the VFC Operations Policy & Procedures, this position is responsible for working in the Vaccine Ordering Management System (VOMS/IIS); working with health care provider vaccine ordering-related documents, including vaccine orders, temperature logs and applicable reports. This position works directly with health care providers and staff related to overall	\$71,916.00	\$43,149.60
Technical Support Specialists (2)	This positions operates the technical support Help Desk for the Vaccine Ordering Management System. Interacts with VTrckS (CDC vaccine ordering system) as it relates to the ExIS connection (VOMS) that passes information between the two systems. Works with both systems to assure data quality and vaccine ordering accountability. Works directly with medical health care provider practices to assure education for staff. Develops interoperability processes to inform evidence-based strategies.	\$67,750.00	\$40,650.00
Total		\$475,367.00	\$285,220.20

Request is based on the principle that approximately 60% of the vaccines that the the New Hampshire Immunization Section orders and assures the quality of is NHVA vaccine.

5. FY2020 Administrative Budget

FY2020 Administrative Budget – Adopted by Board June 19, 2019

	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20	TOTAL
EXPENSE													
Administrative Fees	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 100,000
Subcontractors	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 1,200
Subtotal	\$ 8,433	\$ 8,433	\$ 8,433	\$ 8,433	\$ 8,433	\$ 8,433	\$ 8,433	\$ 8,433	\$ 8,433	\$ 8,433	\$ 8,433	\$ 8,433	\$ 101,200
Bank Fees	\$ 360	\$ 360	\$ 360	\$ 360	\$ 360	\$ 360	\$ 360	\$ 360	\$ 360	\$ 360	\$ 360	\$ 360	\$ 4,320
Board Meeting Expense			\$ 100	\$ 100	\$ 100		\$ 100		\$ 100			\$ 100	\$ 600
Dues and Subscriptions													\$ -
Insurance (D&O)							\$ 2,000						\$ 2,000
Licenses and Fees				\$ 75									\$ 75
Postage and Shipping	\$ 40	\$ 40	\$ 40	\$ 40	\$ 40	\$ 40	\$ 40	\$ 40	\$ 40	\$ 40	\$ 40	\$ 40	\$ 480
Professional Fees - Audit	\$ 8,500												\$ 8,500
Professional Fees - Legal	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 25,000
Public Information Expense													\$ -
Website			\$ 525										\$ 525
Subtotal	\$ 10,983	\$ 2,483	\$ 3,108	\$ 2,658	\$ 2,583	\$ 2,483	\$ 4,583	\$ 2,483	\$ 2,583	\$ 2,483	\$ 2,483	\$ 2,583	\$ 41,500
TOTAL EXPENSE	\$ 19,417	\$ 10,917	\$ 11,542	\$ 11,092	\$ 11,017	\$ 10,917	\$ 13,017	\$ 10,917	\$ 11,017	\$ 10,917	\$ 10,917	\$ 11,017	\$ 142,700

Contact

Patrick Miller, MPH

Executive Director, NHVA

pmiller@helmsco.com

603-225-6633

NHVA
Statement of Cash Flow
YTD FY2020 Month Ended August 31, 2019

	FY20 - Q1 Actual 08/31/19	FY20 - Q2 Actual	FY20 - Q3 Actual	FY20 - Q4 Actual	FY 2020 YTD Actual	FY 2020 YTD Budget	Difference YTD Act to Bud
Receipts (Source)							
Assessment Collections	3,216,787	-	-	-	3,216,787	3,431,000	(214,213)
TRICARE Settlement	81,882	-	-	-	81,882	-	81,882
* Accounts Receivable	-	-	-	-	-	-	-
Interest Income - Investments	45,088	-	-	-	45,088	22,500	22,588
Interest Income - Assessments	-	-	-	-	-	-	-
Dividend Income	999	-	-	-	999	820	820
* Investment - Short term	(999)	-	-	-	(999)	-	(999)
	3,343,757	-	-	-	3,343,757	3,454,320	(109,922)
Disbursements (Use)							
Expenses	31,032	-	-	-	31,032	29,833	1,198
* Prepaids & Payables Change	(333)	-	-	-	(333)	-	(333)
Vaccine Expenses	-	-	-	-	-	-	-
	30,699	-	-	-	30,699	29,833	866
Increase (Decrease)	3,313,058	-	-	-	3,313,058	3,424,487	(110,788)
Cash Balance - Beginning	12,220,200	15,533,258	15,533,258	15,533,258	12,220,200	12,220,200	-
Cash Balance - Ending	15,533,258	15,533,258	15,533,258	15,533,258	15,533,258	15,644,687	(111,429)

* Note - Changes in Balance Sheet accounts are denoted as () = Increases and positive = decrease

NHVA
Statement of Financial Position
YTD FY2020 Month Ended
August 31, 2019

	Jun 30, 19	Aug 31, 19	Dec 31, 19	Mar 31, 20	June 30, 20
	FYE 19	FY20 - Q1	FY20 - Q2	FY20 - Q3	FY20 - Q4
ASSETS					
Current Assets	Audited	Interim			
Checking/Savings					
Bank of NH #851031104	\$ 49,994	\$ 49,154	\$ -	\$ -	\$ -
Bank of NH - ICS	\$ 12,170,206	\$ 15,484,103	\$ -	\$ -	\$ -
Total Checking/Savings	<u>\$ 12,220,200</u>	<u>\$ 15,533,258</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Accounts Receivable					
Accounts Receivable (A/R)	\$ -	\$ -	\$ -	\$ -	\$ -
Allowance for Account Receivable	\$ -	\$ -	\$ -	\$ -	\$ -
Total Accounts Receivable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other Current Assets					
Prepaid Expenses	\$ 1,164	\$ 831	\$ -	\$ -	\$ -
Short Term Investments	\$ 261,566	\$ 262,565	\$ -	\$ -	\$ -
Total Other Current Assets	<u>\$ 262,730</u>	<u>\$ 263,396</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Current Assets	<u>\$ 12,482,930</u>	<u>\$ 15,796,654</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL ASSETS	<u><u>\$ 12,482,930</u></u>	<u><u>\$ 15,796,654</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
LIABILITIES & EQUITY					
Liabilities					
Current Liabilities					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Other Current Liabilities					
Liquidity Reserve	\$ 250,000	\$ 250,000	\$ -	\$ -	\$ -
Total Current Liabilities	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Liabilities	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Equity					
Retained Earnings	\$ 1,856,672	\$ 10,386,901	\$ -	\$ -	\$ -
Fund Balance to be Distributed	\$ 1,846,029	\$ 1,846,029	\$ -	\$ -	\$ -
Net Income	\$ 8,530,229	\$ 3,313,724	\$ -	\$ -	\$ -
Total Equity	<u>\$ 12,232,930</u>	<u>\$ 15,546,654</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL LIABILITIES & EQUITY	<u><u>\$ 12,482,930</u></u>	<u><u>\$ 15,796,654</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Note: AP State of New Hampshire Payable (BUDGET)

\$ 11,751,393

NHVA
Statement of Changes in Net Assets
YTD FY2020 Month Ended
August 31, 2019

	FY20 - Q1 Actual 08/31/19	FY20 - Q2 Actual	FY20 - Q3 Actual	FY20 - Q4 Actual	FY 2020 YTD Actual	FY 2020 YTD Budget	Difference YTD Act to Bud	FY 2020 Annual Budget
Ordinary Income/Expense								
Income								
Assessment Income	\$ 3,216,787	\$ -	\$ -	\$ -	\$ 3,216,787	\$ 3,431,000	\$ (214,213)	\$ 13,725,290
TRICARE Settlement	\$ 81,882	\$ -	\$ -	\$ -	\$ 81,882	\$ -	\$ 81,882	\$ -
Interest Income - Assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Income - Investments	\$ 45,088	\$ -	\$ -	\$ -	\$ 45,088	\$ 22,500	\$ 22,588	\$ 253,109
Dividend Income	\$ 999	\$ -	\$ -	\$ -	\$ 999	\$ 820	\$ 179	\$ 4,920
Refunds and Allowances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Income	\$ 3,344,756	\$ -	\$ -	\$ -	\$ 3,344,756	\$ 3,454,320	\$ (109,564)	\$ 13,983,319
Expenses								
Bank Service Charges	\$ 484	\$ -	\$ -	\$ -	\$ 484	\$ 720	\$ (236)	\$ 4,320
Vaccine - Annual State Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Management Fees	\$ 16,667	\$ -	\$ -	\$ -	\$ 16,667	\$ 16,667	\$ -	\$ 100,000
Professional Fees - Legal	\$ 4,935	\$ -	\$ -	\$ -	\$ 4,935	\$ 4,167	\$ 769	\$ 25,000
Professional Fees - Audit	\$ 8,500	\$ -	\$ -	\$ -	\$ 8,500	\$ 8,000	\$ 500	\$ 8,500
Insurance	\$ 333	\$ -	\$ -	\$ -	\$ 333	\$ -	\$ 333	\$ 2,000
Stationary & Printing (Office)	\$ 38	\$ -	\$ -	\$ -	\$ 38	\$ 80	\$ (42)	\$ 480
Website & SubContractors	\$ 75	\$ -	\$ -	\$ -	\$ 75	\$ 200	\$ (125)	\$ 1,725
Board Meetings Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 600
Dues & Subscriptions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TRICARE - Washington	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Information	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75
Total Expenses	\$ 31,032	\$ -	\$ -	\$ -	\$ 31,032	\$ 29,833	\$ 1,198	\$ 142,700
Net Ordinary Income	\$ 3,313,724	\$ -	\$ -	\$ -	\$ 3,313,724	\$ 3,424,487	\$ (110,763)	\$ 13,840,619
Net Income	\$ 3,313,724	\$ -	\$ -	\$ -	\$ 3,313,724	\$ 3,424,487	\$ (110,763)	\$ 13,840,619
Collection Data:								
Quarter being collected	SFY20 - Q1	SFY20 - Q2	SFY20 - Q3	SFY20 - Q4				
Payment Due Date	08/15/19	11/15/19	02/15/20	05/15/20				
Projected Average Monthly Lives	166,556	-	-	-				
Actual Average Monthly Lives	165,787	-	-	-				
Avg Lives Variance +(-)	(769)	-	-	-				
Approved Assessment Rate	\$ 6.47	\$ -	\$ -	\$ -				
Actual Average Monthly Lives - TRICARE	4,549	0	0	0				
Additional Assessment Rate - TRICARE	\$ 6.00	\$ -	\$ -	\$ -				

MEMORANDUM

DATE: August 6, 2019 (Draft 07.25.2019)

FROM: Administrator

TO: Audit Committee

SUBJ: Revisions to Late Payment Interest Policy

During my exit meeting after the recent FY2019 financial audit, Karen Carew of Carew & Wells, PLLC, raised the issue as to whether late interest should have been charged to Tufts Health Plan for the two-week grace period for the retroactive filings submitted earlier this calendar year. The current Late Payment Interest Policy is unclear.

In addition to Karen's question, there are several, additional factors which have emerged that have lead Helms & Company, Inc. to a recommendation regarding a re-write of the current Late Payment Interest Policy:

1. While no carrier has submitted a late payment under the two-week grace period since Helms took over as Administrator, Helms believes that clarifying both the policy and operations should be completed. Many of the carriers for NHVA are also carriers who submit quarterly assessment payments for New Hampshire Health Plan (NHHP) for which Helms also serves as Administrator, which creates an opportunity to have consistency between NHVA and NHHP. Helms would want to give the carriers time for any adjustments and will propose a January 1, 2020 policy effective date;
2. The current two-week grace period has created confusion (e.g., is it ten business days or fourteen calendar days);
3. Helms recommends that the Late Payment Interest Policy be rewritten to use both the Electronic Funds Transfer (EFT) deposit dates and the check postmark dates as the two possible dates from which to calculate late payment interest moving forward; and
4. There has been past discussion regarding terminating the current lock box vendor contract due to the annual fees (\$2,784/year) and the relatively low administrative burden Helms would absorb if the lock box contract ended. This would also provide an opportunity to use the postmarked date for checks submitted as part of a revised Late Payment Interest Policy.

The proposed changes to the policy can be found on the next page. If recommended for approval by the Audit Committee on August 6, 2019, the policy would then be submitted to the Board of Directors for approval at the September 25, 2019 Board Meeting.

Late Payment Interest Policy

Policy Title:	Late Payment Interest Policy
Effective Date:	January 1, 2020
Purpose:	Collection of late payment interest.

This Late Payment Interest Policy (the “Policy”) shall direct collection of interest on overdue assessments paid to NHVA by assessable entities.

As required by RSA 126-Q, assessable entities must file a quarterly assessment reporting the number of New Hampshire child covered lives by month, and remit applicable payment due within forty-five (45) days of the end of each calendar quarter (i.e., by February 15, May 15, August 15, and November 15). To this end, assessable entities are required to comply with the following, two practices:

1. FILED ON TIME, LATE PAYMENT

If the assessment is filed on time but the payment is received after the due date (45 days after the end of each quarter), interest will be calculated per the Plan of Operation by multiplying the number of days late by 0.000493 by the assessment amount due and invoiced to the assessable entity. The determination of whether a payment is received beyond the due date will be made either as the date payment was received electronically, or as of the postmarked data for payments received via bank check.

2. LATE FILING, LATE PAYMENT

If a filing is completed through the NHVA’s automated assessment system after the due date (45 days after the end of each quarter), interest will automatically be calculated between the due date and the filing date and will be included on the system generated NHVA invoice. Upon receipt of the payment, NHVA will calculate any interest due between the filing date and the payment received date. Per the Plan of Operation, interest will be calculated by multiplying the number of days late by 0.000493 by the assessment amount due. This will ensure that interest will be collected for all days the payment is late.

NHVA will forego pursuit of any past due interest amount under \$10 for either situation outlined above.

ENFORCEMENT, REVIEW AND REVISION: This Policy may be updated from time to time by the Board.

DATE ADOPTED: March 9, 2016; modified August 6, 2019; approved September 25, 2019

Investment Policy Statement

Policy Title:	Investment Policy Statement
Effective Date:	September 25, 2019
Purpose:	Investment policy guidelines.

I. Purpose

The New Hampshire Vaccine Association's (NHVA) primary purpose is to raise funds, through mandatory assessments paid by private insurance carriers, by Third Party Administrators on behalf of their plans, and by other payers to pay for all vaccines administered to children in the State of New Hampshire who are not eligible for free vaccines under one or more federal programs. NHVA was created in 2002 as a tax-exempt corporation pursuant to New Hampshire State RSA 126-Q.

The purpose of this Investment Policy Statement (IPS) is to establish the responsibility, authority and guidelines for the investment of NHVA's surplus cash. Surplus cash is defined as those funds exceeding the daily operating requirements of NHVA and not immediately required for upcoming financial obligations. The IPS will be reviewed annually and amended as necessary to ensure it remains consistent with the overall objectives of the NHVA and with current financial trends.

II. Investment Objectives and Principles

The major objectives of NHVA's investment program are, in order of priority:

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

Maximizing long-term total return, including capital appreciation for longer-term assets through the use of equities, is not currently a goal of NHVA assets but may be included at a future date upon board approval.

III. Investment Guidelines

A. Short-Term Investments

All securities invested for the annual vaccine account payment to the Department of Health and Human Services must mature by June 15.

Eligible Short-Term Investments with Maximum Concentration (at time of purchase)

- *United States Government Securities/Treasuries (100%).*
- *United States Government Sponsored Enterprises (GSEs):*
 - Those with full faith and credit (75%).
 - Those without full faith and credit (50%) and no more than 10% in any one security.
- *Certificates of Deposit: Guaranteed by FDIC coverage currently set at \$250,000 per issuer (100%). Efforts should be made to avoid purchases of CDs with a premium price as premiums are not included in insurance valuations.*
- *Money Market Mutual Funds: Open-end investment company Fund registered under the Investment Company Act of 1940 and rated AAA by at least one major rating agency (Standard & Poor's, Moody's, or Fitch). The investments should comply with the US Securities and Exchange Commission (SEC) regulations under Rule 2a-7 and maintain a constant net asset value, offer daily liquidity, and carry an average weighted maturity that does not exceed 90 days. (100%)*
- *Bank Deposit and Checking Accounts: Guaranteed by FDIC coverage currently set at \$250,000 (100%). Inclusive of Promontory Interfinancial Network's Insured Cash Sweep Service (ICS) which is fully insured to any face amount (100%).*
- *Bank Deposit and Checking Accounts: – No limit will be placed on bank deposit or checking accounts as long as they are 100% guaranteed by FDIC coverage. Where FDIC limits expire or are otherwise exceeded, the board will set prudent operating limits in consideration of the overall economic and operating benefits to NHVA; credit quality of the bank; and overall risk environment.*

B. Longer-Term Investments

Eligible long-term investments include the above with addition of *higher-quality corporate debt*. Eligible long-term investments may have variable distributions to meet different needs and are subject to board approval.

- At time of purchase, securities must be rated “Baa3/BBB-” or better by at least two agencies (Standard & Poor’s, Moody’s, or Fitch).
- At least 70% of the holdings shall have ratings of “A3/A-” or better by at least two agencies.
- Diversification generally reduces the impact any single investment or issuer can have on the overall portfolio. The manager shall diversify the portfolio’s debt sectors. (finance, industrial, energy, etc.) except that investments in pharmaceutical and healthcare debt should be limited to 5% of the portfolio.
- Additionally, any one issuer name shall be limited to 10% of the portfolio (does not apply to insured or guaranteed assets).
- Maturities are not to exceed five years.
- Securities shall be laddered to provide reasonable cash flow with an average duration not to exceed three years.
- No leveraged or structured products.
- The manager may employ fixed income mutual funds and/or exchange-traded funds (ETFs) but they must adhere to this investment policy in regard to liquidity, quality and duration of underlying assets. The manager shall recognize the interest rate risk of funds, particularly that NHVA may need the cash at a point when a fund is losing value due to rising rates.

Investments in either the short-term or long-term portfolio may be sold prior to maturity due to changes in credit quality, market condition, or for uncertain capital needs; however, prudence and overall caution must be exercised to minimize any potential losses.

IV. Delegation of Authority and Role of Investment Manager including Benchmarking, Performance, and Communications

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

The board may delegate investment decisions to a retained professional investment manager who will have full discretion to make all investment decisions for the assets placed under his or her jurisdiction, while observing and operating within all policies, guidelines, constraints, and philosophies as outlined in this statement and as may be required by law. Persons responsible for managing and investing the portfolio funds shall act in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances, as set out in the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and adopted by the State of New Hampshire.

At a minimum, an annual review of the account shall be held by the investment manager with the NHVA Audit Committee. Performance (if relevant), compliance with the policy, and a strategy outlook review shall be discussed. Educational support on investment considerations will also be provided as needed. A statement of current holdings and transactions shall be provided at least quarterly to the Audit Committee. The investment manager will be guided by cash forecasts provided by the NHVA's Executive Director from time to time as needed.

Depending on the structure and duration of the Portfolio, performance evaluation may or may not be required: i.e., if a reasonable percentage of the assets are held for longer than 12 months. If appropriate, the investment performance of the portfolio will be measured and evaluated against one or more appropriate and commonly accepted performance benchmark indexes and measured over one-, three- and five-year periods.

Should any investment fall out of policy or events occur that warrant concern, the investment manager must notify NHVA's Executive Director as soon as reasonably possible in writing and present a course of action if necessary.

ENFORCEMENT, REVIEW AND REVISION:

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

DATE ADOPTED: June 9, 2005

SUBSTANTIALLY REWRITTEN: March 9, 2016 and September 25, 2019

AMENDED TO INCLUDE LONGER-TERM INVESTMENT ASSETS: September 25, 2019

Investment Policy Statement

Policy Title:	Investment Policy <u>Investment Policy Statement</u>
Effective Date:	March 9, 2016 <u>September 25, 2019</u>
Purpose:	Outline of investment policy <u>Investment policy guidelines.</u>

I. Purpose

The New Hampshire Vaccine Association's (NHVA) primary purpose is to raise funds, through mandatory assessments paid by private insurance carriers, by Third Party Administrators on behalf of their plans, and by other payers, to pay for all vaccines administered to children in the State of New Hampshire who are not eligible for free vaccines under one or more federal programs. NHVA was created in 2002 as a tax-exempt corporation pursuant to New Hampshire State RSA 126-Q.

The purpose of this Investment Policy Statement (IPS) is to establish the responsibility, authority and guidelines for the investment of NHVA's surplus cash. Surplus cash is defined as those funds exceeding the daily operating requirements of NHVA and not immediately required for upcoming financial obligations. ~~This investment policy~~ e IPS will be reviewed ~~from time to time~~ annually and amended as necessary to ensure ~~that~~ it remains consistent with the overall objectives of the NHVA and with current financial trends, ~~while remaining a clear and meaningful document.~~

II. Investment Objectives and Principles

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

The ~~basic~~ major objectives of NHVA's investment program are, in order of priority:

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

Maximizing long-term total return, including capital appreciation for longer-term assets through the use of equities, is not currently a goal of NHVA assets but may be included at a future date upon ~~b~~Board approval.

~~III. Role of NHVA's Investment Advisor~~

~~Generally investment decisions will be delegated by NHVA to a retained professional investment advisor (the "Investment Advisor"). The Investment Advisor shall independently assure compliance with this policy. Additionally, the Investment Advisor will advise NHVA whenever, in the Investment Advisor's independent view, revisions to this Investment Policy seem to be appropriate. The Investment Advisor also shall provide educational support to NHVA's Board on investment considerations periodically and report, not less frequently than quarterly on NHVA's investments. This report shall include a list of current holdings and performance (if applicable). The Investment Advisor shall also certify their continuing compliance with this Investment Policy.~~

~~IV.~~**III. Investment Guidelines**

A. Short-Term Investments~~with Annual Payout of June 30:~~

~~Maturity—All securities invested for the annual vaccine account payment to the Department of Health and Human Services must mature by June 15. Individual security maturities should not exceed 60 months (5 years). The weighted average maturity of the portfolio shall not exceed 36 months. No more than 20% of the portfolio will carry maturities beyond 36 months. A maturity or effective maturity by definition shall include puts, announced calls or other structural features which will allow the holder to redeem the investments at a quantifiable price consistent with liquidity, safety and preservation of capital.~~

Eligible ~~Short-Term~~ Investments with Maximum Concentration (at time of purchase)

- United States Government Securities/Treasuries (100%). ~~Marketable securities which are direct obligations of the U.S.A., issued by or guaranteed as to principal and interest by the U.S. Government and supported by the full faith and credit of the United States~~
- United States Government Sponsored Enterprises (GSEs): Agency Securities—
 - Those with full faith and credit (75%).
 - Those without full faith and credit (50%) and no more than 10% in any one security.

~~Debt securities issued by the Government Sponsored Enterprises (GSEs), Federal Agencies and certain international institutions which are not direct obligations of the United States, but involve U.S. Government sponsorship and are fully guaranteed by government agencies or enterprises, including but not limited to:~~
~~Federal Farm Credit Bank (FFCB)~~
~~Federal Home Loan Bank (FHLB)~~

Federal Home Loan Mortgage Corporation (FHLMC)

Federal National Mortgage Association (FNMA)

Tennessee Valley Authority (TVA)

- Certificates of Deposit: Guaranteed by FDIC coverage currently set at \$250,000 per issuer (100%). Efforts should be made to avoid purchases of CDs with a premium price as premiums are not included in insurance valuations.
- Money Market Mutual Funds: —Shares of an eOpen-end investment company Fund registered under the Investment Company Act of 1940 and rated AAA by at least one major rating agency (Standard & Poor's, Moody's, or Fitch). The investments of that Fund should comply with the US Securities and Exchange Commission (SEC) regulations under Rule 2a-7 and maintain a constant net asset value, offer daily liquidity, and carry an average weighted maturity that does not exceed 90 days. (100%) The Investment Advisor shall routinely evaluate the Fund's investment portfolio to ensure its compliance with NHVA's Investment Policy.
- ~~Corporate Debt Instruments All commercial paper and other short term, unsecured promissory notes issued by corporations or financial institutions including but not limited to Master Notes, Medium Term Notes, Deposit Notes, Eurodollar Notes and Yankee Notes and bonds. Corporate Debt must have either short term or long term ratings. At the time of purchase, a security must have at least 2 short term ratings of A-1 or P-1 or F1 or higher (S&P, Moody's and Fitch, respectively), or at least 2 long-term debt ratings of A, A2, or A or higher (S&P, Moody's, and Fitch, respectively).~~
- Bank Deposit and Checking Accounts: —No limit will be placed on bank deposit or checking accounts as long as they are 100% Gguaranteed by FDIC coverage currently set at \$250,000 (100%). Inclusive of Promontory Interfinancial Network's Insured Cash Sweep Service (ICS) which is fully insured to any face amount (100%).
 - ~~Above FDIC coverage: Needs Board approval with regard to p~~
- ~~Bank Deposit and Checking Accounts: — No limit will be placed on bank deposit or checking accounts as long as they are 100% guaranteed by FDIC coverage. Where FDIC limits expire or are otherwise exceeded, the board will set prudent operating limits in Beyond FDIC insurance (Board approval required: — with . Where FDIC limits expire or are otherwise exceeded, the board will set Pprudent operating limits will be set in consideration of the overall economic and operating benefits to NHVA; credit quality of the bank; and overall risk environment.~~

B. Longer-Term Investments ~~that may have Variable Distributions~~

Eligible long-term investments include the above with addition of higher-quality corporate debt. Eligible long-term investments may have variable distributions to meet different needs and are subject to board approval.

- At time of purchase, securities must be rated “Baa3/BBB-” or better by at least two agencies (Standard & Poor’s, Moody’s, or Fitch).
- At least 70% of the holdings shall have ratings of “A3/A-” or better by at least two agencies.
- Diversification generally reduces the impact any single investment or issuer can have on the overall portfolio. The manager shall diversify the portfolio’s debt sectors. (finance, industrial, energy, etc.) except that investments in pharmaceutical and healthcare debt should be limited to 5% of the portfolio.
- Additionally, any one issuer name shall be limited to 10% of the portfolio (does not apply to insured or guaranteed assets).
- Maturities are not to exceed five years.
- Securities shall be laddered to provide reasonable cash flow with an average duration not to exceed three years.
- No leveraged or structured products.
- The manager may employ fixed income mutual funds and/or exchange-traded funds (ETFs) but they must adhere to this investment policy in regard to liquidity, quality and duration of underlying assets. The manager shall recognize the interest rate risk of funds; particularly that NHVA may need the cash at a point when a fund is losing value due to rising rates.

Investments in either the short-term or long-term portfolio may be sold prior to maturity due to changes in credit quality, market condition, or for uncertain capital needs; however, prudence and overall caution must be exercised to minimize any potential losses.

- ~~*Diversification Limits — To insure adequate sector diversification of the portfolio, the following limits apply:*~~
 - ~~Maximum of 50% of the portfolio will be invested in corporate or other securities.~~
 - ~~Maximum of 50% will be invested in US Agency or GSE securities including those that carry the full faith and credit of the US Government.~~
 - ~~Maximum of 25% will be invested in debt issued by banks and financial firms (not including FDIC-insured Certificates of Deposit which have no aggregate limit.)~~

- ~~Maximum of 10% will be invested in debt issued by foreign-domiciled firms.~~
- ~~Issuer Concentration Limits~~ In order to provide adequate issuer risk diversification the following issuer limits apply, based on the portfolio size at the time of purchase:
 - ~~No limit on AAA money funds that otherwise meet policy parameters~~
 - ~~No limit on US Treasury individual securities~~
 - ~~Maximum of 10% individual securities backed by any qualifying Agency issuer~~
 - ~~Maximum of 5% individual securities of any corporate or bank issuer~~

V. Liquidity Requirements

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

- ~~At all times NHVA shall hold cash to match the maturity dates with the projected liabilities under NHVA's cash projections.~~
- ~~With the exception of US Treasuries and Agency issuer, any specific issue or debt program should have a minimum issue size of \$240mm.~~
- ~~Issuers and overall structure should be of high quality and recognized by the market.~~

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

VI. Restricted Sectors and Securities

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

VII.IV. Delegation of Authority and Role of Investment Manager including Benchmarking, Performance, and Communications

NHVA is authorized to delegate certain responsibilities to professional experts ~~in various fields~~ to assist the organization ~~to optimize in optimizing~~ an investment strategy aligned with NHVA's objectives. Professionals may include investment management consultants, investment

managers, custodians of investments, attorneys, auditors, and any others who may assist NHVA in meeting its responsibilities and obligations to prudently administer the investments of NHVA.

The ~~b~~Board may delegate investment decisions to a retained professional investment manager who will have full discretion to make all investment decisions for the assets placed under his or her jurisdiction, while observing and operating within all policies, guidelines, constraints, and philosophies as outlined in this statement and as may be required by law. Persons responsible for managing and investing the portfolio fund(s) shall act in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances, as set out in the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and adopted by the State of New Hampshire.

At a minimum, an annual review of the account shall be held by the ~~i~~Investment ~~m~~Manager with the NHVA Audit Committee.— Performance (if relevant), compliance with the policy, and a strategy outlook review shall be discussed. Educational support on investment considerations will also be provided as needed. A statement of current holdings and transactions shall be provided at least quarterly to the Audit Committee. The investment manager will be guided by cash forecasts provided by the NHVA's Executive Director from time to time as needed.

Depending on the structure and duration of the Portfolio, performance evaluation may or may not be required: i.e., ~~Performance evaluation is more appropriate~~ if a reasonable percentage of the assets are held for longer than 12 months. If appropriate, the investment performance of the portfolio will be measured and evaluated against one or ~~multiple or a blend~~ more ~~of~~ appropriate and commonly accepted performance benchmark indexes and measured over one-, three- and five-year periods. ~~The Investment Advisor shall advise NHVA concerning appropriate benchmarks from time to time and shall also measure its performance against any other benchmarks requested by NHVA.~~

~~At a minimum, an annual review of the account shall be held by the Investment Manager with the NHVA Audit Committee. Performance, compliance with the policy, and a strategy outlook review shall be discussed. Should any investment be downgraded, fall out of policy, or events occur that warrant concern, the ~~i~~Investment ~~m~~Manager must notify NHVA's Executive Director within ~~48 hours~~ as soon as reasonably possible, in writing ~~to NHVA's Executive Director, Treasurer, and Board Chairperson~~, and present a course of action if necessary. ~~Investments may be sold prior to maturity due to changes in credit quality, market condition, or for uncertain capital needs; however, prudence and overall caution must be exercised to minimize any potential losses.~~~~

VIII. — Delegation of Authority

NHVA is authorized to delegate certain responsibilities to professional experts in various fields to assist the organization to optimize an investment strategy aligned with NHVA's objectives. Professionals may include investment management consultants, investment

~~managers, custodians of investments, attorneys, auditors, and any others who may assist NHVA in meeting its responsibilities and obligations to prudently administer the investments of NHVA.~~

ENFORCEMENT, REVIEW AND REVISION:

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

DATE ADOPTED: June 9, 2005

SUBSTANTIALLY REWRITTEN: March 9, 2016 and September 25, 2019

AMENDED TO INCLUDE LONGER-TERM INVESTMENT ASSETS: September ~~16~~25, 2019