

DRAFT

MINUTES

Meeting and Board of Directors Meeting

September 25, 2019

8:30 a.m.

Presiding Officer: Susan Tenney, Chair

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

The meeting was called to order by Susan Tenney, Chair, at 8:30 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
David Sky, NHID, Treasurer
Sean Lyons, Cigna, Secretary
Elizabeth Daly, NH DHHS
Patricia Edwards, MD, Healthcare Provider
Jason Margus, Anthem
Lorraine Radick, Public Member (P)

Other Attendees & Administrative Staff:

Patrick Miller, Helms & Company, Inc.
John Hastings, Helms & Company, Inc.
Erin Meagher, Helms & Company, Inc.
Keith Nix, Helms & Company, Inc.
Mark McCue, Esq., Hinckley Allen
Arlene Folsom, Bank of New Hampshire
Dona Murray, Bank of New Hampshire
LCdr. TW Hull, NH DHHS

Committee Members Excused:

Edward Moran, Public Member, Vice Chair
Wendy Parker, HealthTrust
Janice Valmassoi, MD, Healthcare Provider

Members of the Public:

Lisa Capellan, Bedford
Laura Condon, Bedford
Linda Gould, Bedford
Representative Ruth Hadley, Newmarket
Pamela Jewel, Loudon (P)
Jessica Kliskey, Stratham
Diana Lambert (P)
Debbie Makenzie, Windham
Sizaida Maldonado, Rochester

Sue Misiaszek, Londonderry
Anna Rondratenold, Gilford
Julie Rossall, Keene
Cheryl Rounds, Derry
Dr. Holly Ruocco, Salem
Leah Scribner, New Durhan
Larisa Trexler, RN, Stoddard (P)
Courtney Warren, Brookline
Several others listened in via conference call but failed to identify themselves.

Mr. Miller announced he was recording the meeting and two members of the public, Ms. Condon and Dr. Ruocco, announced they were video recording the meeting as members of the public.

II. Review and Acceptance of June 19, 2019 Board Meeting Minutes

Ms. Tenney asked if there were any questions or discussion regarding meeting minutes. Hearing none she asked for a motion.

25 **VOTE RECORDED:** *On a motion by Ms. Radick, seconded by Mr. Lyons, it was unanimously*
26 **VOTED:** *To accept the June 19, 2019 meeting minutes as written.*
27

28 **III. Review and Acceptance of the FY2019 Draft Audit Report by Carew & Wells**
29

30 Ms. Tenney welcomed Ms. Karen Carew from Carew and Wells to the meeting and asked her to walk the Board
31 through the draft report. Ms. Tenney reminded the group that the Audit Committee has already reviewed the draft
32 audit report during the August 6th meeting and is in agreement with the report.
33

34 Ms. Carew stated at the outset that the audit went very well this year. Since the report was already reviewed by the
35 Audit Committee, Ms. Carew reviewed the report highlights, specifically stating there were changes in the financial
36 statement presentation. Ms. Carew stated that there were two letters circulated along with the financial statements;
37 the first is the Governance Letter to the Board and the second is the Management Letter to the Administrator. It
38 was determined the governance letter was not included in the packet and Mr. Miller said that it will be forwarded
39 to the board and posted online with the final audit. Ms. Carew reported no opinions were made and had no questions
40 of the presentation or lack of adherence to accepted accounting principles. There were no disagreements with
41 management in terms of the presentation. Ms. Carew advised the board that everyone on the Administrator team
42 was incredibly helpful and the audit went very smoothly. Ms. Carew stated she did request and received a
43 representation letter from management that the Administrator has disclosed everything that the auditors should be
44 aware of. The Management Letter provided to the Administrator contains recommendations on strengthening
45 internal controls. Ms. Carew commented that the internal controls in place are in great shape. She stated that it is
46 not uncommon for auditors during a transition year to question how something is working or not working or is there
47 anything that needs to change. She reported that the few items outlined in the letter have already been responded
48 to and have been brought to the Audit Committee, including a policy change. Ms. Carew invited the board members
49 to reach out to her directly if there are questions.
50

51 Ms. Carew stated that the financial statements will look familiar to prior years and there were not many significant
52 changes. Ms. Carew stated that the accounting presentation has changed with regards to reporting Net Assets. It is
53 now broken down by those with donor restrictions and those without. None of the changes in implementing the
54 new, net asset rules changed how things were actually categorized when it came to restriction. Ms. Carew stated
55 that in addition to the change to the net asset presentation, nonprofits are required to examine their current
56 resources and to determine what is available to meet general operating constraints in the next fiscal year. This
57 assesses the liquidity and the financial stability of a nonprofit organization. It also reflects how liquidity is managed
58 to meet upcoming needs. In particular, the audit has language ensuring that current resources are there for general
59 expenditures including the required remittance to the state. It also examines the requirements to ensure sufficient
60 reserves to help stabilize the assessment rate in future years.
61

62 Ms. Carew asked the group if there were any questions. Ms. Radick mentioned the marked increase in assets for
63 2019 versus 2018 and asked if there was a particular reason to the increase. Ms. Carew stated that the remittance
64 to the State of New Hampshire was \$9.2M instead of \$18M the prior year due to excess cash held by the State and
65 the impact of the TRICARE settlements and payer recoveries.
66

67 Ms. Tenney asked if there were any other questions. Hearing none she asked for a motion.
68

69 **VOTE RECORDED:** *On a motion by Ms. Daly, seconded by Mr. Margus, it was unanimously*
70 **VOTED:** *To accept the FY2019 Audit Report and Financial Statements as published.*
71

72 **IV. Executive Director Report**
73

74 ▪ Review and Acceptance of the CY2019 Payer Assessment Process and CY2020 Rate Setting – Mr. Miller
75 referred the group to the presentation and stated that this was reviewed by the Audit Committee last week
76 and was recommended for adoption by the board. Mr. Miller reviewed the presentation sections including:
77 background, assessment rate history, historical trends, rate assumption used, and referenced the
78 Department of Health and Human Services spreadsheets and the administrative budget before moving on
79 to the rate setting spreadsheet.
80

81 Mr. Miller stated the prime goal this year, as last year, was to continue to continue to simplify the prior
82 assessment process, to work to keep the assessment rate level in the future years, to continue alignment
83 with the RSA and the operations manual, to reduce financial risk exposure to the organization, and to create
84 the \$5M reserve fund that was discussed at last September’s meeting.
85

86 While Mr. Miller reviewed the CY2020 assessment assumptions, Ms. Daly stated that as of yesterday, the
87 value of the state purchased vaccine at McKesson is \$2.8M. There are orders to be processed over the next
88 week so that value will go down. As such, the \$1.9M assumption being used in the model seems to be in
89 line with the anticipated credit amount. The final credit amount from the CDC will be available on October
90 1st.
91

92 Mr. Miller reviewed the rate setting model, and he highlighted the following items:

- 93 □ Last year’s rate was set at \$6.70.
- 94 □ The proposed rate for CY2020 is \$6.47.
- 95 □ The model adjusts for the expected increase in total expenditures from \$26.8M for SFY2019 to
96 \$28.8M anticipated for SFY2020.
- 97 □ For SFY2020, the model assumes that 64% of total expenditures will be paid by insurers, but that
98 the 13-year trend is 59.7%. The latter number is used in the model assumptions for the next three
99 years.
- 100 □ The amount for the NHVA payment to DHHS, before offsetting the DHHS surplus funds, is \$18.47M.
- 101 □ No one-time administrative expenses are anticipated for CY2020.
- 102 □ The RSA-allowed 10% reserve is taken.
- 103 □ The trend of lives is a negative 0.1% based on historical figures.
- 104 □ Projected interest is \$267,751, which is less than the prior year due to declining interest rates.
- 105 □ Recommend payment to DHHS of \$11.7M for June 2020.
- 106 □ No assumption is made to account for DHHS-specific administrative costs attributed to the
107 program.
108

109 Mr. Hastings reviewed the anticipated track for future assessment rates. Based on the current assumptions,
110 for CY2020 the rate of \$6.47 is being proposed and future years are projected to be \$6.80 for CY2021, \$6.95
111 for CY2022, and \$7.00 for CY2023 and CY2024. All projections are based upon current information and
112 subject to change in future year rate setting. Mr. Hastings pointed to the cash reserve line (highlighted
113 yellow at bottom of the model) that reflects the amount of cash at the end of each year with \$5M on hand
114 at the end of CY2024.
115

116 Ms. Daly asked where the \$3.7M figures of DHHS carry forward funds is coming from as it does not match
117 the carry forward number DHHS provided in Tab D. Mr. Hastings reviewed the DHHS Tab D Edits page. The
118 difference is in the presentation of the numbers. Mr. Hastings was working on the assumption that the
119 DHHS carry forward balance would be \$0 at the end of June 2020. Ms. Daley was comfortable with the
120 explanation, however, she stated she would have presented it differently on slide 14. Mr. Miller stated he
121 would review this in future presentations.
122

123 Ms. Tenney asked the Board if they were comfortable with the presentation of the assessment rate process
124 and whether there were any questions. Hearing none, she asked for a motion.
125

126 Before voting, it was determined that two votes were actually needed – the first is to establish the \$5M
127 reserve fund. Ms. Tenney reminded the group this has been approved by the Audit Committee as part of
128 the assessment model, and the purpose is to provide a reserve in case there are one-time vaccine needs or
129 other requirements such as future stabilization of cash flow to support stabilization of the assessment rate.
130

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

132 **VOTED:** *To establish a \$5M reserve fund.*
133

134 The second vote was with regards to affirming NHVA’s assessment rate for CY2020. Ms. Tenney asked if
135 there was any further discussion needed. Hearing none, she asked for a motion.
136

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

138 **VOTED:** *To approve the proposed CY2020 assessment rate of \$6.80.*
139

140

- 141 **Review of YTD2020 Unaudited Financial Statements** – Mr. Miller briefly reviewed the Statement of Cash
142 Flow stating that only two months of the first quarter are reflected due to September being incomplete. At
143 the November meeting a full quarter will be reflected. NHVA is currently tracking in line with its budget to
144 date. He noted that at the bottom of the page cash is tracked quarter to quarter. On the Statement of
145 Financial Position he noted that current assets increased from \$12.2M to \$15.5M from recent assessments.
146 Finally, Mr. Miller briefly reviewed the Statement of Changes in Net Assets pointing out at the bottom of
147 the report that projected and actual covered child lives, the variance, and assessment rate are being
148 tracked. The additional TRICARE funds recouped are also reported.

149

- 150 **Assessment Update** – The quarter ending August 15 is complete except for one payer who filed in a timely
151 basis but failed to submit a request for payment. Ms. Meagher has been in contact with the payer and
152 anticipates payment shortly. Upon receipt, Ms. Meagher will invoice the payer for the interest due, which
153 is anticipated to be approximately \$50.

154 **V. Governance**
155

156

- 157 **Late Payment Interest Policy Revision** – Mr. Miller directed the group to the memo dated August 6, 2019
158 that had previously been sent to the Audit Committee. He briefly described why the policy revision is
159 required. Helms has proposed two categories for late payment interest calculations; one for those
160 assessments that were filed on time, but payment was received late (beyond 45 days from the end of each
161 quarter) and one for assessment filings were filed late and payment was received late. In lieu of the prior
162 grace period, physical checks received will use the postmarked date as the received date. This allows for
163 time for mail delivery without penalizing the payer. Date received for electronic payments will be the date
164 deposited in to the NHVA bank account.

165 In both situations, interest will be calculated starting on the 46th day after the beginning of each quarter
166 through the received date. The assessment filing system will automatically calculate interest when filing
167 past the due date. As such, a payer will be paying a portion of the interest due. However, an additional
168 amount may be due from the payer based on the date the filing was completed and the receive date.
169

170 In order to operationalize this new process, NHVA will discontinue the use of the lockbox. This will allow
171 Helms to receive the physical checks and retain envelopes for late payments to document the postmarked
172 date. Helms proposed this change take effective January 1, 2020, providing time to notify payers and cancel

173 the current contract with the lockbox vendor. Mr. Miller reminded the Board that this policy change was
174 reviewed by the Audit Committee and they voted to recommend the Board adopt the updated policy.
175

176 Ms. Tenney asked if there was further discussion regarding the policy. Hearing none she asked for a motion.
177

178 **VOTE RECORDED:** *On a motion by Dr. Edwards, seconded by Mr. Margus, it was unanimously*
179 **VOTED:** *To accept the proposed changes to the Late Payment Policy revisions as published*
180 *with the correction of one typo (page 48, third paragraph, "data" should read*
181 *"date").*
182

- 183
- 184 ▪ Investment Policy Revisions and Recommendations – Mr. Miller both a clean copy and a redlined version of
185 the proposed Investment Policy Statement to replace the former Investment Policy. Mr. Miller stated that
186 goals were to refine the objectives and the vehicles of the policy for both long and short-term investments.
187 Mr. Miller introduced Dona Murray and Arlene Folsom from the Bank of New Hampshire. Ms. Folsom stated
188 the revisions were presented and approved by the Audit Committee. Ms. Murray recanted the long
189 relationship with the NHVA and what types of investments have been made historically. The current ICS
190 Promontory account does not allow the BONH to collect fees unlike money market and other investment
191 vehicles. When Helms took over as Administrator, they immediately requested higher rates on the ICS
192 Promontory account, and two increases were made.

193 Ms. Murray explained what the differences were in the proposed short-term and long-term investments.
194 Two, overarching primary principles driving are the preservation of principal and high liquidity. Ms. Murray
195 reviewed the drafted short-term and longer-term investment guidelines in the Investment Policy
196 Statement. Ms. Murray stated that the policy ensures an annual, performance review with the Audit
197 Committee as well as the generation of quarterly investment reports.
198

199 One needed change noted was the language under short term investments where Bank Deposit and
200 Checking Account were listed twice with different definitions. It was determined it best to merge the
201 paragraphs and revise the language to clarify the two different types of Bank Deposit and Checking
202 Accounts. Ms. Murray will send Mr. Miller revised language for the final document.
203

204 Ms. Tenney asked if there were questions. Hearing none, Ms. Tenney asked for a motion.
205

206 **VOTE RECORDED:** *On a motion by Mr. Lyons, seconded by Ms. Radick, it was unanimously*
207 **VOTED:** *To adopt the proposed Investment Policy Statement with the outlined edits.*
208

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

210

211 Ms. Daly introduced LCdr. T.W. Hull of the US Public Health Service. He is assigned to New Hampshire and has been
212 with DHHS for three years, and is providing leadership to the immunization program, especially during Ms. Colleen
213 Haggerty's leave of absence.
214

215 Ms. Daley stated that DHHS continues to respond to the large hepatitis A outbreak in the state. The national outbreak
216 has seen more than 25,000 cases in 30 states with 259 deaths. In New Hampshire there have been 220 cases to date,
217 whereas, typically, there are only seven cases per year. Only one New Hampshire case during the outbreak has
218 occurred in a child likely due to our high childhood immunization rates.
219

220 Ms. Daly reported that influenza is already circulating in the state. There was one influenza associated death in New
221 Hampshire this summer. The influenza vaccine is available at provider offices and as part of a ten-year old policy,
222 DHHS has been working with the regional public health networks across the state to offer influenza vaccine in

223 schools. Approximately 7,000 kids are vaccinated through this program each year. Approximately one hundred
 224 children die each year in the United States from influenza and seven have died in New Hampshire in the past decade.
 225

226 Mr. Miller asked about the Maine-New Hampshire border issue. Ms. Daly stated that all children regardless of
 227 address are being vaccinated if they see a New Hampshire physician. Maine is exploring the issue again with perhaps
 228 a reciprocal MOU with New Hampshire as an outcome.
 229

230 **VII. Public Comment**
 231

232 Ms. Tenney invited the members of the public that were in attendance to speak if they had any comments or
 233 statements they would like to make relative to the proceedings of this meeting.
 234

- 235 ▪ Ms. Condon asked to speak and shared two documents with the Board; a letter from the Loudon Elementary
 236 School and a DHHS Health Alert. Ms. Condon expressed multiple concerns ranging from the funds spent by
 237 DHHS on vaccines to the high failure rates of prior year influenza vaccines to the NH Senate President’s
 238 appointment of another Public Member to the board.
 239
- 240 ▪ Ms. Misiaszek asked if the high vaccination rates and the CDC credit were related. As a follow up question,
 241 she asked if the vaccination rate goes up, does the CDC credit go down. Ms. Tenney reminded the members
 242 of the public that this is period of time to make comments related to the meeting and that specific questions
 243 can be sent in writing to the NHVA’s Executive Director. Mr. Miller provided his card to Ms. Misiaszek. Ms.
 244 Daly did respond to the questions and replied to Ms. Misiaszek that the two items are not related and said
 245 she would make herself available to discuss further.
 246
- 247 ▪ Ms. Rounds commented on the death statistics shared by Ms. Daly. She expressed concern that many
 248 causes of deaths are not accurately examined and do not always consider vaccine culpability. Ms. Rounds
 249 cited that the national vaccine injury fund has paid out over \$4B in damages. She believes a study should
 250 be done to look at vaccine outcomes and there should be post-market safety testing to compare the
 251 benefits of a vaccine to the risk of being vaccinated.
 252

253 Ms. Tenney asked if there were any other members of the public wishing to comment. Hearing none, Ms. Tenney
 254 asked for a motion to move into Executive Session to discuss personnel and legal issues.
 255

256 **VOTE RECORDED:** *On a motion by Ms. Daly, seconded by Dr. Edwards, by roll call it was*
 257 **VOTED:** *To move into Executive Session at 9:41 am.*
 258

	<u>Yes</u>	<u>No</u>
259 <i>Beth Daly</i>	X	
260 <i>Patricia Edwards, MD</i>	X	
261 <i>Sean Lyons</i>	X	
262 <i>Jason Margus</i>	X	
263 <i>Lorraine Radick (P)</i>	X	
264 <i>David Sky</i>	X	
265 <i>Susan Tenney</i>	X	

266
 267
 268
 269 Ms. Tenney thanked the members of the public for joining the meeting. The conference call was ended and members
 270 of the public exited.
 271
 272

273 **VIII. Executive Session**

274

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

276

277 By unanimous roll call vote, the Board voted to end the Executive Session at approximately 9:51am, and the Board
278 voted all in favor to close the meeting.

279

280 Draft Board minutes respectfully submitted by

281 Sean Lyons, Board Secretary

282 September 25, 2019

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