

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

**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:

<b>Committee Members:</b>	<b>Members of the Public:</b>
Susan Tenney, HPHC, Chair	Lisa Capellan, Bedford
David Sky, NHID, Treasurer	Laura Condon, Bedford
Sean Lyons, Cigna, Secretary	Linda Gould, Bedford
Elizabeth Daly, NH DHHS	Representative Ruth Hadley, Newmarket
Patricia Edwards, MD, Healthcare Provider	Pamela Jewel, Loudon (P)
Jason Margus, Anthem	Jessica Kliskey, Stratham
Lorraine Radick, Public Member (P)	Diana Lambert (P)
	Debbie Makenzie, Windham
<b>Committee Members Excused:</b>	Sizaida Maldonado, Rochester
Edward Moran, Public Member, Vice Chair	Sue Misiaszek, Londonderry
Wendy Parker, HealthTrust	Anna Rondratenold, Gilford
Janice Valmassoi, MD, Healthcare Provider	Julie Rossall, Keene
	Cheryl Rounds, Derry
<b>Other Attendees &amp; Administrative Staff:</b>	Dr. Holly Ruocco, Salem
Patrick Miller, Helms & Company, Inc.	Leah Scribner, New Durhan
John Hastings, Helms & Company, Inc.	Larisa Trexler, RN, Stoddard (P)
Erin Meagher, Helms & Company, Inc.	Courtney Warren, Brookline
Keith Nix, Helms & Company, Inc.	<i>Several others listened in via conference call but failed to identify themselves.</i>
Mark McCue, Esq., Hinckley Allen	
Arlene Folsom, Bank of New Hampshire	
Dona Murray, Bank of New Hampshire	
LCdr. TW Hull, NH DHHS	

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.

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

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

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

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

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

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

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

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

71 **IV. Executive Director Report**  
72

- 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:  
background, assessment rate history, historical trends, rate assumption used, and referenced the

77 Department of Health and Human Services spreadsheets and the administrative budget before moving on  
78 to the rate setting spreadsheet.  
79

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

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

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

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

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

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

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

125 Before voting, it was determined that two votes were actually needed – the first is to establish the \$5M  
126 reserve fund. Ms. Tenney reminded the group this has been approved by the Audit Committee as part of

127 the assessment model, and the purpose is to provide a reserve in case there are one-time vaccine needs or  
128 other requirements such as future stabilization of cash flow to support stabilization of the assessment rate.  
129

130 **VOTE RECORDED:** *On a motion by Mr. Margus, seconded by Mr. Lyons, it was unanimously*  
131 **VOTED:** *To establish a \$5M reserve fund.*  
132

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

136 **VOTE RECORDED:** *On a motion by Mr. Margus, seconded by Mr. Lyons, it was unanimously*  
137 **VOTED:** *To approve the proposed CY2020 assessment rate of \$6.80.*  
138

139 

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

148 

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

## 153 **V. Governance**

154 

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

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

168 In order to operationalize this new process, NHVA will discontinue the use of the lockbox. This will allow  
169 Helms to receive the physical checks and retain envelopes for late payments to document the postmarked  
170 date. Helms proposed this change take effective January 1, 2020, providing time to notify payers and cancel  
171 the current contract with the lockbox vendor. Mr. Miller reminded the Board that this policy change was  
172 reviewed by the Audit Committee and they voted to recommend the Board adopt the updated policy.  
173

174 Ms. Tenney asked if there was further discussion regarding the policy. Hearing none she asked for a motion.  
175  
176

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

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

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

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

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

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

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

209

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

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

219 Ms. Daly reported that influenza is already circulating in the state. There was one influenza associated death in New  
220 Hampshire this summer. The influenza vaccine is available at provider offices and as part of a ten-year old program,  
221 DHHS has been working with the regional public health networks across the state to offer influenza vaccine in  
222 schools. Approximately 7,000 kids are vaccinated through this program each year. Approximately one hundred  
223 children die each year in the United States from influenza and seven have died in New Hampshire in the past decade.  
224

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

228

229 **VII. Public Comment**

230

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

233

234 

- Ms. Condon asked to speak and shared two documents with the Board; a letter from the Loudon Elementary  
 235 School and a DHHS Health Alert. Ms. Condon expressed multiple concerns ranging from the funds spent by  
 236 DHHS on vaccines to the high failure rates of prior year influenza vaccines to the NH Senate President's  
 237 appointment of another Public Member to the board.

238

239 

- Ms. Misiaszek asked if the high vaccination rates and the CDC credit were related. As a follow up question,  
 240 she asked if the vaccination rate goes up, does the CDC credit go up? Ms. Tenney reminded the members  
 241 of the public that this is period of time to make comments related to the meeting and that specific questions  
 242 can be sent in writing to the NHVA's Executive Director. Mr. Miller provided his card to Ms. Misiaszek. Ms.  
 243 Daly did respond to the questions and replied to Ms. Misiaszek that the two items are not related and said  
 244 she would make herself available to discuss further.

245

246 

- Ms. Rounds commented on the death statistics shared by Ms. Daly. She expressed concern that many  
 247 causes of deaths are not accurately examined and do not always consider vaccine culpability. Ms. Rounds  
 248 cited that the national vaccine injury fund has paid out over \$4B in damages. She believes a study should  
 249 be done to look at vaccine outcomes and there should be post-market safety testing to compare the  
 250 benefits of a vaccine to the risk of being vaccinated.

251

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

254

255 **VOTE RECORDED:** *On a motion by Ms. Daly, seconded by Dr. Edwards, by roll call it was*

256 **VOTED:** *To move into Executive Session at 9:41 am.*

257

	<u>Yes</u>	<u>No</u>
258		
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 Ms. Tenney thanked the members of the public for joining the meeting. The conference call was ended and members  
 269 of the public exited.

270

271 **VIII. Executive Session**

272

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

274

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

277

278 Board minutes respectfully submitted by  
279 Sean Lyons, Board Secretary  
280 September 25, 2019

281

282

# # #