

## AGENDA

**Board Meeting**  
**April 29, 2020, 9:00 am to 10:30 am**  
**Webinar / Phone ONLY**

### Call-In Number:

Please send a request to [info@nhvaccine.org](mailto:info@nhvaccine.org) at least 24 hours in advance if you would like to participate by phone and/or webinar and connection information will be emailed to you.

Time	Agenda Item
9:00-9:05	<b>1. Welcome &amp; Roll Call (Tenney)</b>
9:05-9:10	<b>2. Review and Acceptance of Minutes (Tenney)</b> a. November 15, 2019 Board Meeting Minutes – <b>VOTE</b> <i><b>Draft Motion:</b> To accept the November 15, 2019 Board meeting minutes as written.</i>
9:10-9:45	<b>3. Executive Director Report (Miller)</b> a. FYTD Financials b. Bank of New Hampshire Investments c. Assessment Update d. House Bill 1655 Planning
9:45-10:00	<b>4. DHHS Update (Daly)</b>
10:00-10:10	<b>5. Proxies for Assessment Entities for June 17, 2020 Annual Meeting – VOTE</b> <i><b>Draft Motion:</b> To authorize the appointment of Ms. Tenney and Mr. Sky as proxies for the Assessable Entity director selection at the June 17, 2020, Annual Meeting of members.</i>
10:10-10:15	<b>6. Public Comments</b>
10:15-10:30	<b>7. Executive Session TBD</b>
10:30	<b>8. Adjournment</b>

### 2020 Meeting Schedule:

- Board of Directors
  - Wednesday, June 17, 2020, 9:00 to 11:00 am
  - Wednesday, September 23, 2020, 9:00 to 11:00 am
  - Wednesday, November 18, 2020, 9:00 to 11:00 am
- Audit Committee
  - Thursday, May 28, 2020, 9:00 to 11:00 am
  - Thursday, August 20, 2020, 9:00 to 11:00 am
  - Wednesday, September 9, 2020, 9:00 to 11:00 am

**DRAFT**

**MINUTES**

**Meeting and Board of Directors Meeting**

**November 15, 2019**

**9:00 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 8:59 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  
Wendy Lee Parker, HealthTrust  
Lorraine Radick, Public Member (P)

**Other Attendees & Administrative Staff:**

Patrick Miller, Helms & Company, Inc.  
Erin Meagher, Helms & Company, Inc.  
Keith Nix, Helms & Company, Inc.  
Mark McCue, Esq., Hinckley Allen  
LCdr. TW Hull, CDC with NH DHHS

**Committee Members Excused:**

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

Mr. Miller announced he was recording the meeting for the purposes of meeting minutes.

A copy of the *Board Chair Statement regarding Public Commentary During Meetings* was distributed to the group. Attorney McCue drafted the statement for the Chair to read prior to public comment.

**II. Review and Acceptance of September 25, 2019 Board Meeting Minutes**

Ms. Tenney asked if there were any questions or discussion regarding meeting minutes. Ms. Daly and Ms. Radick had comments:

- Ms. Daly had the following comments:
  - Page 3 line 119 and page 5 line 215 – Daly is misspelled
  - Page 5 line 221 – “ten-year old policy” should read “ten-year old program”
  - Page 6 line 241 – Ms. Daly asked that the recording be checked to verify that the words “vaccination rate goes up, does the CDC credit go down?” should read “vaccination rate goes up, does the CDC credit go up?” Ms. Meagher will check the recording to confirm the language.
- Ms. Radick had one comment:
  - Page 3 line 81 – remove duplicate “to continue”.

After a brief discussion, it was determined the changes outlined above would be made to the minutes and the recording would be checked to verify the appropriate change to page 6 line 241. The minutes will be added to the next meeting agenda for final review and approval.

### **III. FY2019 Annual Report Discussion and Approval**

Ms. Tenney directed the group to page 9 of the meeting packet to review the annual report. Mr. Miller walked the group through the report advising there is an addition of text under the Universal Vaccine Purchasing Program Overview and Benefits section and the removal of a graph showing the public/private split. The financials section highlights the key points that significantly impacted the financials during fiscal year 2019. Mr. Miller reviewed the three bullet points outlined on the report and indicated where these key points are reflected in the financial table.

Ms. Daly then reviewed the Message from the Division of Public Health Services section. The message was updated to include the several awards received for New Hampshire's high immunization rate, which would not be obtainable without the help of insurers and healthcare providers. It also highlighted that the state must remain vigilant in protecting the public against vaccine preventable disease outbreaks here in New Hampshire and nationally. For example, the Hepatitis A outbreak is quite substantial nationally and the second death in New Hampshire has occurred. Finally, the chart was updated with 2018 data. The Hepatitis C measure was removed because the data was not immediately available and the Hepatitis A measure was added. Ms. Daly also noted the measures were recently changed by the CDC. The old measure was "19-35 months" and has changed to "by 24 months" as reflected.

Ms. Daly suggested adding a measure to the financial table – Operation Expenses as a percentage of Total Assessment Income. Brief discussion ensued and many agreed this would be helpful. As such, the "Operating Expenses as a % of Total Remittance" will be replaced with "Operating Expenses as % of Total Assessment Income."

Ms. Parker asked that her middle name "Lee" be added to her name under the NHVA Board of Directors section.

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

**VOTE RECORDED:** *On a motion by Ms. Daly, seconded by Dr. Edwards, it was unanimously*  
**VOTED:** *To accept the FY2019 Annual Report with the two changes outlined above: replacement of measure on the financial table and addition of Ms. Parker's middle name under the Board of Directors list.*

Ms. Parker asked for clarification on when a roll call vote is taken versus a voice vote. Ms. Tenney explained there are three situations when a roll call vote is used:

1. If requested by a Board Member;
2. Entering Executive Session; and
3. Exiting Executive Session.

Otherwise, a voice vote is recorded.

### **IV. Executive Director Report**

- Review of YTD2020 Financial Statements – Mr. Nix reviewed the financial statements in the meeting packet. The Statement of Financial Position was discussed first. Mr. Nix explained it was important to remember these reports are set up to display quarterly figures. The report represents only one month into this quarter, and as such, can be misleading if the reader is not aware of this.

In the Statement of Changes in Net Assets document, Mr. Nix indicated \$3.2M was collected in assessments during the first quarter of the fiscal year and with other collections, including TRICARE and investment interest, a total of \$3.37M was collected overall. For the second quarter only one month of collections is represented (through October 31, 2019) and he reminded the group that the majority of assessment collections happen in the second month of the quarter. Mr. Nix reported the collections as of November 8, 2019 stood at \$1.6M. Finally, the Statement of Cash Flow was reviewed. This report reflects the receipts received through October 31, 2019 along with the disbursements.

- TRICARE Rate Update – Mr. Miller reminded the group of recent TRICARE activity including the settlement reached last year. Humana and Martin’s Point have been paying assessments at the TRICARE cap rate for the past several quarters. Last year the cap rate for New Hampshire was \$12.47. Effective October 1, 2019 the rate increased to \$13.95. We were able to automate Humana’s assessment earlier in the year and they are paying at the full TRICARE cap rate. Martin’s Point is not fully automated. Since Martin’s Point is capitated, when setting the capitated rate for this year, the assessment allowance was increased but only to \$12.38. As a result, TRICARE still needs to supplement the payment by \$1.57 pmpm. This is a manual process Helms and TRICARE have worked out between them to ensure the addition payment is collected.

Brief discussion ensued including clarification of the process outlined above and collection of interest was questioned. Ms. Meagher explained upon receipt of Martin’s Point’s assessment filing, she forwards the information to TRICARE immediately for payment of the balance due, the \$1.57 pmpm. The payment is received timely from TRICARE. Mr. Miller explained that within the agreement with TRICARE, that TRICARE as a Federal entity has no obligation to pay interest to state vaccine program.

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

Ms. Daly reported that DHHS is actively looking to replace their vaccine purchasing program. This is the program physician offices use to order vaccines. There is an approval process and then the vaccines are shipped directly to the physician office. It is anticipated the new vendor will be brought on late spring / early summer. Ms. Daly stressed the potential impact of this change as they rely heavily on this program to supply figures to feed the assessment rate setting process. There is potential for impact based on how smoothly the transition goes and the ability to pull data from the discontinued software.

Ms. Daly briefly discussed the policy and procedure program in place with the approximate 218 enrolled sites in the vaccine purchase program across the state. Site visits are conducted every two years to review procedures including procedures for vaccine storage and handling along with administering vaccines. Due to this ongoing work, less than 1% of vaccine supply was lost last year which is excellent compared to a few years ago when it was at 3. Ongoing improvements continue to ensure the rate stays low. As an example, refrigerators with auto logs for temperature control have been installed at sites.

Finally, Ms. Daly reported \$3,936,259.67 was the total amount of expenditures through October 31, 2019.

#### **VI. Public Comment**

There were no members of the public in attendance in person on or the phone.

Ms. Tenney asked for a motion to move into Executive Session.

**VOTE RECORDED:** *On a motion by Mr. Sky, seconded by Mr. Lyons, by roll call it was*  
**VOTED:** *To move into Executive Session at 9:45 a.m.*

136		<u>Yes</u>	<u>No</u>
137	<i>Beth Daly</i>	X	
138	<i>Patricia Edwards, MD</i>	X	
139	<i>Sean Lyons</i>	X	
140	<i>Jason Margus</i>	X	
141	<i>Wendy Lee Parker</i>	X	
142	<i>Lorraine Radick, RPh (P)</i>	X	
143	<i>David Sky</i>	X	
144	<i>Susan Tenney</i>	X	

**VII. Executive Session**

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

By unanimous roll call vote, the Board voted to end the Executive Session at approximately 9:58 a.m., and the Board voted all in favor to close the meeting.

Draft Board minutes respectfully submitted by  
Sean Lyons, Board Secretary  
November 20, 2019

# # #

**NHVA**  
**Statement of Financial Position**  
**YTD FY2020**  
**Quarter Ended March 31, 2020**

	<u>Jun 30, 19</u>	<u>Sep 30, 19</u>	<u>Dec 31, 19</u>	<u>Mar 31, 20</u>	<u>June 30, 20</u>
	FYE 19	FY20 - Q1	FY20 - Q2	FY20 - Q3	FY20 - Q4
ASSETS	Audited	Interim	Interim	Interim	
Current Assets					
Checking/Savings					
Bank of NH #851031104	\$ 49,994	\$ 49,919	\$ 49,749	\$ 50,000	\$ -
Bank of NH - ICS	\$ 12,170,206	\$ 15,500,988	\$ 18,870,234	\$ 15,220,332	\$ -
Total Checking/Savings	\$ 12,220,200	\$ 15,550,907	\$ 18,919,984	\$ 15,270,332	\$ -
Accounts Receivable					
Accounts Receivable (A/R)	\$ -	\$ -	\$ -	\$ -	\$ -
Allowance for Account Receivable	\$ -	\$ -	\$ -	\$ -	\$ -
Total Accounts Receivable	\$ -	\$ -	\$ -	\$ -	\$ -
Other Current Assets					
* Prepaid Expenses	\$ 1,164	\$ 665	\$ 166	\$ 2,800	\$ -
Short Term Investments	\$ 261,566	\$ 263,023	\$ 264,209	\$ 7,266,559	
Unrecognized Gain or Loss - ST	\$ -	\$ -	\$ -	\$ (2,717)	\$ -
Total Other Current Assets	\$ 262,730	\$ 263,688	\$ 264,375	\$ 7,266,641	\$ -
Total Current Assets	\$ 12,482,930	\$ 15,814,595	\$ 19,184,359	\$ 22,536,974	\$ -
TOTAL ASSETS	\$ 12,482,930	\$ 15,814,595	\$ 19,184,359	\$ 22,536,974	\$ -
LIABILITIES & EQUITY					
Liabilities					
Current Liabilities					
** Accounts Payable	\$ -	\$ 60	\$ -	\$ -	\$ -
Other Current Liabilities					
Liquidity Reserve	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ -
Total Current Liabilities	\$ 250,000	\$ 250,060	\$ 250,000	\$ 250,000	\$ -
Total Liabilities	\$ 250,000	\$ 250,060	\$ 250,000	\$ 250,000	\$ -
Equity					
Retained Earnings	\$ 1,856,672	\$ 10,386,901	\$ 10,386,901	\$ 10,386,901	\$ -
Fund Balance to be Distributed	\$ 1,846,029	\$ 1,846,029	\$ 1,846,029	\$ 1,846,029	\$ -
Net Income	\$ 8,530,229	\$ 3,331,605	\$ 6,701,429	\$ 10,054,044	\$ -
Total Equity	\$ 12,232,930	\$ 15,564,535	\$ 18,934,359	\$ 22,286,974	\$ -
TOTAL LIABILITIES & EQUITY	\$ 12,482,930	\$ 15,814,595	\$ 19,184,359	\$ 22,536,974	\$ -

Notes: \* The Prepaid Expenses represent an increase over budget in the D&O Insurance renewal due to NHVA having greater assets under management than the prior year. Renewal increased from \$1,995 to \$3,360.

\*\* AP State of New Hampshire Payable (June 30, 2020)

\$ 11,751,393

NHVA  
Statement of Cash Flow  
YTD FY2020  
Quarter Ended  
March 31, 2020

	FY20 - Q1 Actual	FY20 - Q2 Actual	FY20 - Q3 Actual	FY20 - Q4 Actual	FY 2020 YTD Actual	FY 2020 YTD Budget	Difference YTD Act to Bud
<b>Receipts (Source)</b>							
Assessment Collections	3,217,932	3,206,571	3,198,289	-	9,622,792	9,706,533	(83,741)
TRICARE Settlement	81,882	103,800	106,829	-	292,511	-	292,511
* Accounts Receivable	-	-	-	-	-	-	-
Interest Income - Investments	70,547	87,389	74,133	-	232,068	153,466	78,602
Interest Income - Assessments	-	49	128	-	177	-	177
Dividend Income	1,457	1,186	999	-	3,642	3,690	(48)
** Investment - Short term	(1,457)	(1,186)	(6,999,633)	-	(7,002,276)	-	-
	3,370,361	3,397,809	(3,619,255)	-	3,148,914	9,863,689	287,501
<b>Disbursements (Use)</b>							
Expenses	40,212	29,171	27,763	-	97,146	109,850	(12,704)
* Prepaids & Payables Change	(559)	(439)	2,634	-	1,636	-	-
Vaccine Expenses	-	-	-	-	-	-	-
	39,653	28,732	30,397	-	98,782	109,850	(12,704)
<b>Increase (Decrease)</b>	3,330,707	3,369,076	(3,649,651)	-	3,050,132	9,753,839	300,205
<b>Cash Balance - Beginning</b>	12,220,200	15,550,907	18,919,984	15,270,332	12,220,200	12,220,200	-
<b>Cash Balance - Ending</b>	15,550,907	18,919,984	15,270,332	15,270,332	15,270,332	21,974,039	(6,703,707)

**Notes:**

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

\*\* The negative number represents the amount re-invested in the Short Term Investments from the ICS account, net of any Unrealized Gains or Losses

**NHVA**  
**Statement of Changes in Net Assets**  
YTD FY2020  
Quarter Ended March 31, 2020

	FY20 - Q1 Actual	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	\$ 3,217,932	\$ 3,206,571	\$ 3,198,289	\$ -	\$ 9,622,792	\$ 9,706,533	\$ (83,741)	\$ 13,104,274
TRICARE Settlement	\$ 81,882	\$ 103,800	\$ 106,829	\$ -	\$ 292,511	\$ -	\$ 292,511	\$ -
Interest Income - Assessments	\$ -	\$ 49	\$ 128	\$ -	\$ 177	\$ -	\$ 177	\$ -
Interest Income - Investments	\$ 70,547	\$ 87,389	\$ 74,133	\$ -	\$ 232,068	\$ 153,466	\$ 78,602	\$ 248,189
Dividend Income	\$ 1,457	\$ 1,186	\$ 999	\$ -	\$ 3,642	\$ 3,690	\$ (48)	\$ 4,920
Refunds and Allowances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Income</b>	<b>\$ 3,371,817</b>	<b>\$ 3,398,995</b>	<b>\$ 3,380,378</b>	<b>\$ -</b>	<b>\$ 10,151,190</b>	<b>\$ 9,863,689</b>	<b>\$ 287,501</b>	<b>\$ 13,357,383</b>
Expenses								
Bank Service Charges	\$ 746	\$ 485	\$ 492	\$ -	\$ 1,723	\$ 3,240	\$ (1,517)	\$ 4,320
Vaccine - Annual State Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Management Fees	\$ 25,000	\$ 25,000	\$ 25,142	\$ -	\$ 75,142	\$ 75,000	\$ 142	\$ 100,000
Professional Fees - Legal	\$ 4,995	\$ 2,423	\$ 1,403	\$ -	\$ 8,821	\$ 18,750	\$ (9,929)	\$ 25,000
Professional Fees - Audit	\$ 8,500	\$ -	\$ -	\$ -	\$ 8,500	\$ 8,500	\$ -	\$ 8,500
Insurance	\$ 499	\$ 499	\$ 726 *	\$ -	\$ 1,724	\$ 2,000	\$ (276)	\$ 2,000
Stationary & Printing (Office)	\$ 322	\$ 278	\$ -	\$ -	\$ 600	\$ 360	\$ 240	\$ 480
Website & SubContractors	\$ 75	\$ 486	\$ -	\$ -	\$ 561	\$ 1,425	\$ (864)	\$ 1,725
Board Meetings Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500	\$ (500)	\$ 600
Dues & Subscriptions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TRICARE - Washington	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Information	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Fees	\$ 75	\$ -	\$ -	\$ -	\$ 75	\$ 75	\$ -	\$ 75
<b>Total Expenses</b>	<b>\$ 40,212</b>	<b>\$ 29,171</b>	<b>\$ 27,763</b>	<b>\$ -</b>	<b>\$ 97,146</b>	<b>\$ 109,850</b>	<b>\$ (12,704)</b>	<b>\$ 142,700</b>
<b>Net Ordinary Income</b>	<b>\$ 3,331,605</b>	<b>\$ 3,369,824</b>	<b>\$ 3,352,615</b>	<b>\$ -</b>	<b>\$ 10,054,044</b>	<b>\$ 9,753,839</b>	<b>\$ 300,205</b>	<b>\$ 13,214,683</b>
<b>Net Income</b>	<b>\$ 3,331,605</b>	<b>\$ 3,369,824</b>	<b>\$ 3,352,615</b>	<b>\$ -</b>	<b>\$ 10,054,044</b>	<b>\$ 9,753,839</b>	<b>\$ 300,205</b>	<b>\$ 13,214,683</b>
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	166,556	166,556	-				
Actual Average Monthly Lives	165,787	165,202	164,775	-				
Avg Lives Variance +(-)	(769)	(1,354)	(1,781)	-				
Approved Assessment Rate	\$ 6.47	\$ 6.47	\$ 6.47	\$ -				
Actual Average Monthly Lives - TRICARE	4,549	4,626	4,761	0				
Additional Assessment Rate - TRICARE	\$ 6.00	\$ 6.70	\$ 6.70	\$ -				



# Market Outlook

April 2020



## UNTIL A CATALYST PRESENTS ITSELF

### Market/Economic Update

Market analysts tend to focus on trends in economic data as their correlation with investment results creates a high probability of successful outcomes over time. This approach has proven itself time and again in each business cycle since World War II until now as the spread of the Covid-19 virus has compressed what is typically several months of deteriorating fundamentals into a few short weeks.

Hindsight is always done with 20/20 vision, but a look at our January update reflects the fundamental environment at the time with the positives being a supportive Fed, a recently completed trade deal with China, strength in the technology sector and an Administration that would be careful to do no harm in an election year. The negatives we pointed out were a sluggish manufacturing sector and valuations that were stretched historically, but would likely not be problematic “until a catalyst presents itself that will restrain earnings growth.” Covid-19 has been that catalyst and then some introducing us to human and economic costs that most of us have not experienced during our lives. The market reaction has been driven by the uncertainty of future earnings projections as many businesses cannot remain open and workers are being displaced during this time. Fundamental data points that are the cornerstone of investment analysis have become temporarily less relevant as we face a situation whose root is not economic, but medical in nature.

This uncertainty has not been lost on policymakers as the Federal Reserve has provided unprecedented support to keep markets functioning and Congress responded in kind by passing a \$2 trillion dollar stimulus package to assist both consumers and business owners during this stressful period. These policy initiatives have not gone unrecognized by investors as markets have rallied significantly off of their March lows though further action will likely be needed as we go through the year to promote recovery. The steepness of the selloff and the downside break of the bull market trend line dating from March 2009 suggest that it may take some time for markets to return to normal, a period that is likely to be measured in months.

During this time, we can expect to see high volatility in both directions as it is impossible to know how long businesses will be functioning with limited output. Our approach in managing portfolios is centered on the need to emphasize themes that have presented strong relative performance in recent weeks through the course of the decline as these trends should continue until there is better news on the medical front. This has taken us to market segments where there will be better near term earnings visibility such as consumer staples, health care, and technology. We usually think of the tech sector as being aggressive, but in these times the need for interconnectivity and distancing is creating selective opportunities in the so called “stay at home” techs. It is important to bear in mind that market declines have always presented opportunities so we should be preparing ourselves to gradually rebalance asset allocations and to look at some of the worst performing industry groups as we go through the year.

— Charlie Mathews, CFA

Market reaction to Covid-19 driven by uncertain earnings projections.

Viral containment will dictate the market's course in the coming months.

Historic monetary and fiscal stimulus will create a bridge to recovery.

The steepness of the selloff suggests recovery will take some time.

Focus on the best relative performers and good earnings visibility.

## Equity Markets

“A Tale of Two Quarters” would best describe our journey to the end of 2019 and into the beginning of 2020. The fourth quarter brought equity investors a happy ending with the S&P 500 finishing the year up +31%, for its best return since 2013. The best was saved for last with a strong closing push that saw 33% of the total return for the year achieved between October and December 2019. The tale of first quarter 2020 began routinely enough with the continuation of the bull market driven on the back of a recently completed China trade deal and modest earnings growth that would be sure to continue pushing markets higher. As the S&P 500 set a new all-time high on February 19th, there were questions in the minds of most investors about the economic and market impacts from the Covid-19 virus, but the overriding expectation at that time was that it would play out along the lines of more recent diseases like SARS or the H1N1 flu virus. Our market tale quickly darkened as policymakers and investors underestimated how easy it would be spread the virus and how broad the problem would become before this was widely recognized. Once this became apparent and business closures became reality, the market reaction was relentless and abrupt as the S&P 500 dropped 35% high to low, cramming an entire bear market into a few short weeks.



Volatility continued in both directions during the coming weeks as the final five trading days produced a rally of more than 15% that left the S&P 500 down -19.60% for the quarter. Large cap U.S. stocks were again the best performing equity class, driven by a strong technology component, shown in the performance of the NASDAQ Index which was down a more modest -13.91%. Damage to the Russell 2000 Small Cap Index and the S&P 400 Midcap Index was more severe due to the exposure to consumer discretionary and financial stocks in those indices as small caps were off -30.89% and midcaps lost -30.03%. Overseas stocks were in the middle of the performance list, with the MSCI EAFE Index down -23.43% and the MSCI Emerging Markets dropping -23.87%. It was the most challenging quarter we have seen in many years since the 2008-09 bear market.

The economic uncertainty of business closures has sent corporate earnings into a swift decline and has made it difficult for analysts to make solid predictions looking out over the remainder of the year. The direction the equity market is headed will depend on how quickly the virus can be contained. There will continue to be periods of higher volatility until that uncertainty can be removed and a clearer picture of earnings can be determined. As long term investors, we believe that opportunities exist at current levels to buy high quality stocks at more attractive prices as a result of the coronavirus sell off. The process of adding to equity positions will likely play out over a period of several months to position portfolios for an eventual recovery in late 2020 or early in 2021.

— Robert Magan, CFA

Strong finish to 2019.

Business closures drove an abrupt market reversal.

Expect high volatility in both directions.

Large cap U.S. stocks by far the best performers.

Technology leadership continues during the selloff.

Long term opportunities are presenting themselves on a selective basis in good companies.

## Credit Markets

Credit markets experienced an increase in volatility as well during the quarter as shutdowns in business triggered concerns with regard to the sustainability of credit quality in some sectors of the corporate market to include retail, energy and certain industrial names. Liquidity has become increasingly important as fixed income investors trimmed exposure to riskier corporate credits in favor of the safety of U.S. Treasuries and money market funds. While the spread between the yield on Treasuries and short-dated lower quality bonds widened about 400 basis points over the course of the quarter, yields for higher quality, investment grade issues with similar maturities only widened about 140 basis points. This suggests an environment where investors need to be more selective and focus on situations where there is good visibility on cash flow at least for the time being until commerce begins to normalize. It is a time when it may be preferable for investors to emphasize safety over yield and focus on sectors like health care, consumer staples, and utilities where operations are continuing for the most part. The spread widening we have seen in recent weeks is similar in magnitude to what occurred during the entire 2000-2003 bear market which helps to offer some perspective on our recent experience. Overall, investment grade bonds ended up about 200 basis points wider with 3 year bonds widening 243 basis points and 30 year bonds a more modest 156 bps. While corporates had a total return of -3.9%, the flight to quality drove government securities considerably higher leaving the U.S. aggregate index with a positive +3.1% return on the quarter. The speed of the market's mid-quarter reversal illustrated the importance of building well diversified portfolios as this is the best way to prepare for unforeseen events that often prove to be the most disruptive for investors.

It was essential that global central banks rushed to support their financial systems in retaliation against the potential economic outcomes from COVID-19. The Federal Reserve cut overnight rates to zero and set vast amounts of quantitative easing in motion in an unprecedented move designed to promote liquidity during the crisis and to promote recovery down the road. As credit funds dealt with massive redemptions, the Fed initiated the purchase of investment-grade bonds and commercial mortgage products for the first time in history along with preemptively setting up money facilities for prime money market funds that also witnessed a significant increase in redemptions. Short term U.S. Treasury yields took a nosedive in response to the Fed cut while longer terms bonds remained at similar levels creating a modestly steeper yield curve. It is likely that policymakers will continue to look for ways to steepen the curve as we go through the year toward creating a more active credit environment that can become an engine for recovery.

While it may be early to be looking for value in the sectors most impacted by the present crisis, we must not lose sight of the fact that there will be opportunities to do this in the weeks and months ahead. This will depend on getting the virus under control and assessing the economic fallout given that there has been so much upheaval in labor markets in such a short period of time.

— Dona Murray

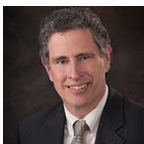
Investor focus shifts to liquidity and credit quality.

Bonds posted solid returns to offer some cushion from a volatile stock market.

Building well diversified portfolios prepares us for unforeseen events.

Significant Fed action has ensured access to capital during the crisis.

Opportunities to add value exist amidst the economic fallout.



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NHVA Board of Directors  
Account and Market Update  
April 2020

February 19<sup>th</sup> marked the height of the stock market from which the unknowns of the virus COVID-19 started to hit all investment assets with risk. This basically precluded everything other than US Treasuries, Agencies and Certificates of Deposit insured up to \$250,000.

In an attempt to quell market unease, in an unscheduled vote on March 3, the Federal Reserve lowered rates by 50 basis points to a target of 1% - 1.25%. On March 11, the bank's Federated's money market fund was 1.38% and the Insured Cash Sweep was 0.5%. In the one- to five-year maturity range, very high quality corporate bonds were yielding an underwhelming 1.3% while CDs ranged from 1.6% - 1.9%.

On March 12, NHVA transferred \$7,000,000 to Bank of New Hampshire Wealth Management to invest in laddered CDs from one to five years in maturity. This resulted in 52 trades purchased within 5 days, the majority of which were purchased within the first two days. Timing was essential as on Sunday March 15, the Fed again eased in an unscheduled vote. Rates were lowered by 100 basis points to a range of 0.0% - 0.25%.

Below are some thoughts on the portfolio:

Most of the longer dated CDs have calls, the first of which is May 15, running throughout the summer for a total of a little over \$3 million that will need to be reinvested if the CDs get called. Current rates on longer-maturity 5-year CDs have tightened, indicating that financial institutions might reissue the debt at a lower yield. However, yields are not that much lower, and because there are costs associated with issuing new debt, it might not make economic sense for them to do so. They may leave the debt uncalled.

On the flip side, if they call it, they may not reissue it. In general we're seeing fewer banks issuing CDs, and the size they are issuing is much smaller. When the Fed made the second unscheduled rate cut in mid-March, they released additional policies intended to ease the markets, one of which was lowering the capital reserves required for banks to hold. There was a swell of bank issuance as they all raced for capital. We're no longer seeing a lot of the smaller banks issuing these CDs.

It's a very different story for the short dated CDs that will be maturing next year. While longer CD yields have remained relatively stable, short yields have come in significantly. However, it's important to keep in mind that even predicting a few months out is very difficult during this cycle. The economic result of the last few month's circumstances will be felt long into the future, and it's highly unlikely the Federal Reserve will be raising short rates for quite some time. The best we can do is keep the Board up-to-date on significant changes and as we approach meaningful time periods in the portfolio.

We were also extremely careful in the names purchased, finding some unsuitable due to a lack of information or a lower BankRate rating. We only purchased 5- or a few 4-star rated banks. While Certificates of Deposits are guaranteed up to \$250,000, we don't want to put that to the test. Even in the best case, there would be a lag until funds were distributed from defaulted banks.

As bank's net-interest margins get compressed, the banks aren't making money. We expect smaller less healthy banks to get merged into larger banks, but this all comes at a time when even the larger banks are feeling the pinch and may not be in a position to buy them out. The point is that all of this may lead to a decrease in investable names for the portfolio and that attention to healthy credit is paramount.

Most important is that the portfolio is currently invested in insured assets of the highest quality at very attractive levels and that over \$4million is not callable at all. Purchase prices were kept at or under \$100 as values above 'par' are not FDIC-insured. We were able to do this during the most tumultuous of times. It is estimated that the annual income will be ~\$97,000.

Attached is a list of securities and the yield at which they were purchased. Also attached is a portfolio summary showing current pricing and yields. Please remember that while a bond price may decrease during ownership, you receive par (\$100) at maturity so losses versus the cost basis aren't a concern as long as the credit is still good.

Please don't hesitate to call with questions.

Kind regards,

Dona Murray, VP, Investment Officer

NHVA March 2020 investment			
2025 1.745mm for 5mm lot	call	amt	YTW
Morgan Stanley Bk Na 2 02/21/2025	08/21/2020	250	2.02
Goldman Sachs Bank Usa 1.9 02/26/2025	08/26/2020	250	1.99
Bmo Harris Bk Natl Assn Chicag 1.9 02/28/2025	08/28/2020	250	1.903
Jpmorgan Chase Bk Na Columbus 2.05 01/31/2025	07/31/2020	250	1.85
Pathfinder Bk Oswego New York 1.8 03/11/2025	06/11/2020	250	1.8
BRIDGEWATER BK BLOOMINGTON MN 1.75 3/4/2025	06/04/2020	210	1.77
Central Bk Little Rock Ark 1.65 03/13/2025	09/13/2020	40	1.669
Capital One (USA) 1.6 4/8/2025	nc	235	1.598
Bmw Bk North Amer Salt Lake 1.55 4/14/2025	nc	10	1.569
	2025 done to date	1745	0
2024 1.270mm for 5mm lot			
Smartbank 1.7 02/20/2024	08/19/2020	45	1.7
FNBC Bank 1.8 01/24/2024	07/24/2020	115	1.523
Wells Fargo Bk Na 2.25 12/18/2024	06/18/2202	239	1.35
Bmw Bk North Amer Salt Lake 1.65 02/28/2024	nc	45	1.648
Bmw Bk North Amer Salt Lake 1.50 4/12/24	nc	20	1.501
Bell St Bk & Tr Fargo N D 1.65 02/27/2024	08/27/2020	250	1.7
Texas Sec Bk Dallas Tex 1.25 03/20/2024	06/20/2020	250	1.25
Eaglebank 1.55 03/20/2024	nc	130	1.55
Southern States Bank 1.2 09/30/2024	09/30/2020	176	1.2
	2024 done to date	1270	0



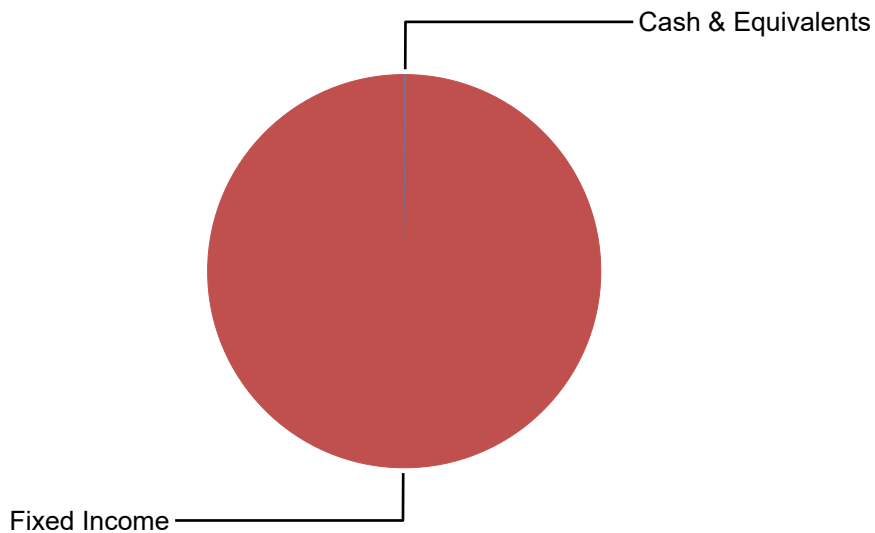
<b>2023 1mm for 5mm lot</b>	<b>call</b>	<b>amt</b>	<b>YTW</b>
Wells Fargo Natl Bk West Las V 1.9 01/17/2023 NC	NC	11	1.548
Merrick Bk South Jordan Utah 1.1 03/17/2023	NC	250	1.1
Live Oak Banking Co Wilmington Nc 1.9 11/15/2023	05/15/2020	30	2.04
Live Oak Bkg Co Nc 1.2 09/13/2023	nc	19	1.227
Ally Bk Midvale Utah 0.9 03/13/2023	nc	225	1.341
Mutualone Bk Framingham Ma 1.05 03/27/2023	06/27/2020	250	1.05
Choice Finl Group Nd 1 03/13/2023	nc	200	0.998
Synchrony Bank 1.3 04/17/2023	nc	15	1.301
	2023 done to date	1000	0
<b>2022 2mm total (750k for 5mm lot AND 1.250mm for 2mm lot)</b>			
Ally Bk Midvale Utah 1.7 01/24/2022	nc	25	1.753
Ubs Bk Usa Salt Lake City Ut 1 03/11/2022	nc	250	1.151
Mvb Bk Inc Fairmont West Va 1.05 03/28/2022	nc	250	1.05
Texas Exchange Bk Crowley 1 03/25/2022	nc	244	1
Enerbank Usa Salt Lake City Utah 1.55 07/28/2022	nc	25	1.548
Cit Bank Na 1.05 03/28/2022	nc	250	1.05
Wex Bk Midvale Utah 1.5 03/09/2022	nc	23	1.598
Bmw Bk North Amer Salt Lake 1.6 02/07/2022	nc	75	1.598
Nicolet Natl Bk Greenbay Wis 1.05 09/27/2022	03/27/2021	250	1.05
First Svc Bk Greenbriar Ark 1.55 02/14/2022	nc	40	1.548
Enerbank Usa .95 03/14/2022	nc	225	1.05
Eaglebank Bethesda Md 0.9 09/27/2022	nc	120	0.9
Lakeland Bk Nfld N J 1 03/28/2022	nc	20	1
Welch St Bk Okla 1 03/31/2022	06/30/2020	200	1
	2022 done to date	1997	3
<b>2021 1.25mm total (500k for 5mm lot AND 750k for 2mm lot)</b>			
Cathay Bk Los Angel Calif 0.95 03/18/2021	nc	250	0.95
Bmw Bk North Amer Salt Lake 1.55 08/30/2021	nc	25	1.615
Discover Bk 1.5 08/17/2021	nc	11	1.612
Beal Bk Usa Las Vegas Nev 1.55 02/24/2021	nc	10	1.593
Comenity Cap Bk Salt Lake City Utah 1.6 06/07/2021	nc	20	1.593
Synovus Bk Columbus Ga 1.6 03/04/2021	nc	38	1.598
Luther Burbank Svgs Man Beach 1.05 03/16/2021		35	1.1
Bmw Bk North Amer Salt Lake 1.65 11/15/2021	nc	10	1.768
Luther Burbank Svgs Man Beach 1.05 03/16/2021	nc	30	1.655
Centerstate Bk Fla Na Winterha 1 09/20/2021	nc	250	1
Nationwide Bank 1.5 11/18/2021	nc	195	1.5
Discover Bank 1.45 7/13/2021	nc	10	1.448
Bank Ozk 1 06/23/2021	nc	250	1
Lakeland Bk Nfld N J 1 05/27/2021	nc	100	1
Capital One (USA) 1.6 08.03.2021	nc	15	1.619
	2021 done to date	1249	1
	TOTALS done	7261	4

NH VACCINE ASSOCIATION  
BANK OF NEW HAMPSHIRE AGENT



Account: [REDACTED]  
Report Period: FROM 1/1/2020 TO 4/23/2020  
Investment Objective: OTHER

## Portfolio Summary



	Market Value	% Portfolio	Est. Annual Income
FIXED INCOME	\$7,253,107.70	99.84 %	\$96,836.00
CASH & EQUIVALENTS	\$11,649.14	0.16 %	\$29.07
<b>TOTAL ASSETS</b>	<b>\$7,264,756.84</b>	<b>100.00 %</b>	<b>\$96,865.07</b>
<b>TOTAL ACCOUNT BALANCE</b>	<b>\$7,264,756.84</b>	<b>100.00 %</b>	<b>\$96,865.07</b>

**Docket of HB1655**[Docket Abbreviations](#)**Bill Title:** expanding the New Hampshire vaccine association to include adult vaccines.*Official Docket of HB1655.:*

Date	Body	Description
12/13/2019	H	<b>Introduced</b> 01/08/2020 and referred to Health, Human Services and Elderly Affairs <b>HJ 1</b> P. 30
1/29/2020	H	Public Hearing: 02/05/2020 01:30 pm LOB 202
2/12/2020	H	Subcommittee Work Session: 02/18/2020 10:00 am LOB 205
2/25/2020	H	Executive Session: 03/03/2020 10:00 am LOB 205
3/4/2020	H	Majority Committee Report: Ought to Pass with Amendment <b>#2020-1001h</b> for 03/11/2020 <b>(Vote 15-5; RC) HC 10</b> P. 59
3/4/2020	H	Minority Committee Report: Inexpedient to Legislate
3/12/2020	H	Amendment <b>#2020-1001h</b> : AA VV 03/12/2020
3/12/2020	H	<b>Ought to Pass with Amendment</b> 2020-1001h: MA <b>RC</b> 185-118 03/12/2020

[NH House](#)[NH Senate](#)



HB 1655-FN - AS AMENDED BY THE HOUSE

12Mar2020... 1001h

2020 SESSION

20-2207

01/03

HOUSE BILL **1655-FN**

AN ACT expanding the New Hampshire vaccine association to include adult vaccines.

SPONSORS: Rep. Knirk, Carr. 3; Rep. R. Osborne, Graf. 7; Rep. Indruk, Hills. 34; Rep. Weston, Graf. 8; Rep. Muscatel, Graf. 12; Rep. Woods, Merr. 23; Rep. Fargo, Straf. 14; Sen. Sherman, Dist 24; Sen. Hennessey, Dist 5

COMMITTEE: Health, Human Services and Elderly Affairs

ANALYSIS

This bill expands the New Hampshire vaccine association to include adult vaccines.

Explanation: Matter added to current law appears in ***bold italics***.

Matter removed from current law appears ~~[in brackets and struck through]~~.

Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

12Mar2020... 1001h 20-2207

01/03

STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Twenty*

AN ACT expanding the New Hampshire vaccine association to include adult vaccines.

*Be it Enacted by the Senate and House of Representatives in General Court convened:*

1 New Hampshire Vaccine Association; Definitions. Amend RSA 126-Q:1, III and IV to read as follows:

III. "Assessable lives" means:

**(a)** All children under 19 years of age residing in the state who have assessable coverage written or administered by an assessable entity, with the exception of children whose vaccines are paid for under the federal Vaccines for Children program, established under 42 U.S.C. section 1396s.

**(b) All adults, age 19 through 64, excluding Medicare beneficiaries, residing in the state who have assessable coverage written or administered by an assessable entity.**

IV. "Assessment" means the assessable entity's liability with respect to ~~[childhood]~~ vaccines determined in accordance with this chapter. ~~[For purposes of rate setting and medical loss ratio calculations, all association assessments are considered pharmaceutical or medical benefit costs and not regulatory costs.]~~ In the event of any insolvency or similar proceeding affecting any payer, assessments shall be included in the highest priority of obligations to be paid by or on behalf of such payer.

2 New Hampshire Vaccine Association; Definitions. Amend RSA 126-Q:1, VIII to read as follows:

VIII. "Estimated vaccine cost" means the estimated cost to the state over the course of a state fiscal year of the **ordering**, purchase, distribution, and ~~[administration]~~ **administrative oversight** of vaccines purchased at the federal discount rate by the department of health and human services.

3 New Hampshire Vaccine Association; Definitions. Amend RSA 126-Q:1, XI to read as follows:

XI. "Vaccine" means any preparations of killed microorganisms, living attenuated organisms, or living fully virulent organisms that are approved by the federal Food and Drug Administration and recommended by the Advisory Committee on Immunization Practices of the Centers for Disease Control and Prevention and have been authorized by the commissioner of the department of health and human services for administration to children **and adults** of the state of New Hampshire ~~[under the age of 19 years]~~ for the purposes of producing or artificially increasing immunity to particular life-threatening and disabling diseases. **"Vaccine" shall not include pneumococcal polysaccharide vaccine or herpes zoster vaccine.**

4 New Hampshire Vaccine Association; Creation of Association. Amend RSA 126-Q:2 to read as follows:

126-Q:2 Creation of Association. There is hereby created a nonprofit corporation to be known as the New Hampshire vaccine association. The association is formed to assess assessable entities for the cost of vaccines provided to certain children **and adults** in New Hampshire.

5 New Hampshire Vaccine Association; Membership, Powers, and Duties of the New Hampshire Association. Amend RSA 126-Q:3, V(m)-(o) to read as follows:

(m) Collect assessments from assessable entities as calculated under RSA 126-Q:4 and deposit said assessments less the association's administrative costs annually and reserves with the state treasurer to the credit of the vaccine purchase fund established pursuant to RSA 141-C:17-a. At the written request of the association following a majority vote of the board of directors, any funds forwarded to the state treasurer for the vaccine purchase fund remaining unexpended for ~~[childhood]~~ vaccines, shall promptly be returned to the association.

(n) Be authorized to enter into one or more agreements with other applicable authorities in surrounding states to reduce the risk of duplicate assessments and to assure availability of vaccines for children **and adults** who are residents of this state but who receive vaccination services in other states. Any costs relating to any such agreement shall be considered additional vaccine costs of the program for purposes of determining the association's assessments.

(o) Adopt procedures by which affiliated assessable entities calculate their assessment on an aggregate basis and procedures to ensure that no assessable life is counted more than once. Unless otherwise determined by the board, the assessable entity responsible for the payment of the provider's administrative costs for ~~[childhood]~~ vaccines shall be the entity responsible for reporting assessable lives and payment of the corresponding assessment.

6 New Hampshire Vaccine Association; Assessment Determination. Amend RSA 126-Q:4, I to read as follows:

I. The board shall determine an assessment for each assessable entity in accordance with this section, except that no assessment shall be made based on children excluded from assessable lives whose vaccines are paid for under the federal Vaccines for Children program, established under 42 U.S.C. section 1396s~~[- An assessment determination made pursuant to this section is a pharmaceutical cost and not a regulatory cost for purposes of calculating the carrier's medical loss ratio]~~ **or adults whose vaccines are paid for under Medicare.**

7 New Hampshire Vaccine Association; Assessment Determination. Amend RSA 126-Q:4, V to read as follows:

V. The board may determine an interim assessment for new vaccines or unanticipated shortfalls in the association's ability to meet ~~[childhood]~~ vaccine funding needs. The board shall calculate the interim assessment in accordance with paragraph II, and the interim assessment is payable the calendar quarter that begins no less than 30 days following the establishment of the federal contract price. The board shall not impose more than one interim assessment per year, except in the case of a public health emergency declared in accordance with state or federal law.

8 New Hampshire Vaccine Association; Vaccine Purchase Fund. Amend RSA 141-C:17-a to read as follows:

141-C:17-a Vaccine Purchase Fund. There is hereby established a vaccine purchase fund for the **ordering, purchase, distribution, and administrative oversight** of antitoxins, serums, vaccines, and immunizing agents, which are to be provided to the public at no cost except for the actual cost of administering such agents, under RSA 141-C:17. Any funds provided to the department for this purpose and deposited in the fund shall not be used for any other purpose. Moneys in the fund shall be continually appropriated to the commissioner of the department of health and human services.

9 Effective Date. This act shall take effect July 1, 2021.

LBAO  
20-2207  
12/12/19

# AS INTRODUCED

AN ACT expanding the New Hampshire vaccine association to include adult vaccines.

FISCAL IMPACT:    ☒ State                    ☐ County                    ☐ Local                    ☐ None

STATE:	Estimated Increase / (Decrease)			
	FY 2020	FY 2021	FY 2022	FY 2023
<b>Appropriation</b>	\$0	\$0	\$0	\$0
<b>Revenue</b>	\$0	Approximately \$10,700,000	Approximately \$10,700,000	Approximately \$10,700,000
<b>Expenditures</b>	\$0	Approximately \$10,700,000	Approximately \$10,700,000	Approximately \$10,700,000
<b>Funding Source:</b>	<input type="checkbox"/> General <input type="checkbox"/> Education <input type="checkbox"/> Highway <input checked="" type="checkbox"/> Other - Insurance assessments paid to the vaccine purchase fund under RSA 141-C:17-a.			

## METHODOLOGY:

This bill expands the NH Vaccine Association, which currently purchases vaccines for children under the age of 19, to all adults within the State. As with the existing children's program, insurance companies would be required to contribute to a vaccine purchasing pool, and would contribute to the program based on the number of assessable lives covered. Funds raised would be used to support the cost of ordering, purchasing, and distributing vaccines purchased at the federal discount rate by the state Department of Health and Human Services. For the children's vaccine program currently in place, the Department provides oversight to approximately 250 provider offices throughout the State. The Department anticipates an additional 350-400 provider offices will be enrolled to handle the additional vaccines provided to adults.

The Department anticipates the bill will result in several million dollars of revenue to the state's dedicated non-lapsing vaccine purchasing fund for the specific purpose of purchasing vaccines and overseeing the program. The cost of the program will depend on the specific vaccines covered and the take up rate by the adult population.

Based on the average assessment rate of \$14.16 for vaccine programs in place in Alaska, Rhode Island, and Vermont, as well as the estimated number of adult assessable lives in NH (755,317), the Department estimates the program may cost approximately \$10.7 million annually. The Department cautions that this number is a rough estimate only, and notes that for comparative purposes, the children's program purchases approximately \$19 million in vaccines each year. The estimated cost of \$10.7 million is inclusive of the following four new positions the Department expects will be needed to oversee the expanded program:

	FY 2021	FY 2022	FY 2023
<b>Program Specialist III (LG 23)</b>			
Salary	\$46,800	\$48,800	\$51,000
Benefits	\$28,400	\$29,800	\$31,300
Other	\$8,800	\$4,100	\$4,100
Position Total	<b>\$84,000</b>	<b>\$82,700</b>	<b>\$86,400</b>
<b>Program Specialist IV (LG 25)</b>			
Salary	\$51,000	\$53,200	\$55,600
Benefits	\$29,200	\$30,700	\$32,200
Other	\$8,800	\$4,100	\$4,100
Position Total	<b>\$89,000</b>	<b>\$88,000</b>	<b>\$91,900</b>
<b>Technical Support Specialist (LG 23)</b>			
Salary	\$46,800	\$48,800	\$51,000

Benefits	\$28,400	\$29,800	\$31,300
Other	\$16,200	\$11,500	\$4,900
Position Total	<b>\$91,400</b>	<b>\$90,100</b>	<b>\$87,200</b>
<b>Public Health Nurse Consultant (LG 12)</b>			
Salary	\$51,000	\$53,200	\$55,600
Benefits	\$29,200	\$30,700	\$32,200
Other	\$16,200	\$11,500	\$11,500
Position Total	<b>\$96,400</b>	<b>\$95,400</b>	<b>\$99,300</b>
<b>Total Position Costs:</b>	<b>\$360,800</b>	<b>\$356,200</b>	<b>\$364,800</b>

The Insurance Department states that to the extent insurer costs increase above what they are currently paying for vaccine assessments, premium rates and/or benefit designs may change. To the extent that premium rates change, the bill will have an indeterminable impact on insurance premium tax revenue.

**AGENCIES CONTACTED:**

Department of Health and Human Services and Insurance Department

## MEMORANDUM

**DATE:** April 21, 2020  
**TO:** NHVA Board of Directors  
**FROM:** Patrick Miller, Executive Director  
**SUBJ:** HB1655 Implementation

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This memorandum is intended to provide the NHVA Board of Directors with a list of items related to the implementation of HB1655 should it pass in the 2020 legislative session. Given the COVID-19 pandemic, it is uncertain which bills will be addressed by the Legislature when it resumes on or after May 4, 2020. The points outlined below are my thoughts on the structure required to enable the expansion of the NHVA's covered population under House Bill 1655.

1. **Communications Plan and Website Changes.** The current NHVA website is geared towards pediatric vaccination. There will be rebranding required to be able to clearly communicate the individual child and adult program requirements. In concert with NHDHHS, there will be a need to develop communications pieces directed to health care providers, payers, and patients that can be accessed from the NHVA website and via e-mail campaigns. It is likely that the first 18-24 months will require a fair amount of education.
2. **Assessment Rate Setting Process.** The child life rate setting process is currently well established, and an adult rate setting process will need to be developed. NHVA will have no internal data initially to develop the adult rates which will require an interim process working with the NH Department of Health and Human Services (NH DHHS), the NH Insurance Department (NHID), and ideally the largest carriers to model it. The program could result in an uptake in adult utilization.
3. **TRICARE.** The current TRICARE settlement is for children specifically. Last month I reached out to TRICARE and there is already a policy that covers adults which we will follow should HB1655 go into effect.<sup>1</sup>
4. **Cross-Border Lives.** It is possible that this will be a greater issue than with pediatric vaccines as adults may seek vaccination across state lines based upon location of employment (e.g., a Maine adult who works in New Hampshire). NHVA will need to work with the NH DHHS and NHID to better understand any impacts.
5. **Assessment Filing Information System and Management.** The online assessment filing system will need to be modified to accommodate the addition of adult covered lives in the assessment calculation. In effect, there will be two times the number of carriers to be assessed. It will not have a complete doubling effect on the quarterly assessment management process, but there will be a sizable impact. This would also be the same of the financial management activities.
6. **Current Financial Assets and Financial Reporting.** It is recommended that the existing financial assets remain associated solely with the child assessments, and that any assets required to support

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<sup>1</sup> <https://manuals.health.mil/pages/DisplayManualHtmlFile/TR15/44/AsOf/TR15/C1S38.html>

the new adult assessment process would be separate, including any required reserve monies. Helms proposes that the child and adult “lines of business” be shown separately and in an integrated view when financials are reported. This would include the budget, the assessed lives tracking, and bank account assets.

7. **Legal.** Legal fees should likely be similar to current, albeit additional legal representation will be required for revisions to the Plan of Operation and organizational policies as well as in ongoing support of NHVA governance meetings and actions.
8. **Annual Financial Audit.** Given the increased numbers of transactions and bank accounts to review, it is expected that there will be additional costs for the annual financial audit beginning in FY2022.
9. **Insurance.** With more assets under direct management, the D&O insurance premium is expected to rise beginning with FY2022.
10. **Start of Operations and Collections.** The bill’s original language stating it shall take effect 60 days after passage has been modified to a start date of July 1, 2021 (NHVA’s FY2020). A provision for startup costs would need to be developed, and NHVA could temporarily lend funds from its reserves that would be paid back via the first assessment in FY2022.
11. **Governance Documents.** There will be elements of the Plan of Operation that will need to be updated by July 1, 2021 including: the opening sentence; Article VI - Assessment Collections / Remittance to State Treasurer / Assessment Revenue Recognition; and likely Exhibits A and C. Additionally, the Anti-Trust Compliance Policy, the Code of Ethics Policy, the Investment Policy Statement, the Late Payment Interest Policy, the Public Communications Policy, and the Public Access Policy all reference childhood vaccines and will need to be updated to reflect adults.
12. **Contract Amendment.** Helms’ expectation is there would be a contract amendment with Helms for this work. Some of the items above could be categorized as startup in FY2021, whereas others would be ongoing for FY2022 and beyond. The term of the contract amendment would likely be tied to the current contract term.

I look forward to our discussion on April 29, 2020, and I would appreciate the Board’s review and feedback of this document. Thank you.

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