

AGENDA
AUDIT COMMITTEE MEETING
September 9, 2020
9:00 am - 10:30 am
VIA WEBINAR*

Committee Members: David Sky, Chair, Susan Tenney, Vice Chair, Elizabeth Daly, Jason Margus

Administrator Staff: Patrick Miller, Keith Nix, Erin Meagher, Tony Mendez

9:00 am – 9:15 am	1. Call to Order & Roll Call
9:15 am - 9:25 am	2. Review and Accept August 20, 2020 Meeting Minutes – Vote
9:25 am - 10:15 am	3. CY2021 Assessment Rate Discussion & Recommendation – Vote
10:15 am - 10:30 am	4. Other Business
10:30 am	5. Call to Adjourn

* Webinar meeting details will be emailed once online registration is confirmed. To register, please go to: <https://nhvaccine.org/event/nhva-audit-committee-meeting-september-9-2020/>

NEW HAMPSHIRE VACCINE ASSOCIATION

Board Chair Statement re: Public Commentary During Meetings

I welcome members of the public and ask that each of you sign the attendance sheet or announce yourself if you are participating by telephone. Please also inform the Board now if you will be recording this meeting.

If the Board has sufficient time to conduct its business, then it is our policy to reserve time later in the meeting for public commentary. This commentary should be limited to matters that are germane to the role of the NH Vaccine Association: namely, the assertion and collection of assessments to fund the non-federal portion of the State's purchase and distribution of vaccines under the federal Vaccines for Children program. The Vaccine Association is not a policy-setting organization, it has no influence over the State's participation in the Vaccines for Children Program, and its role is not to challenge the vaccine program cost estimates provided by the State absent obvious error. Therefore, as Chair of the Board, I reserve the right to interrupt and end any public commentary that is not germane to the business of this Association.

Lastly, I remind the public that the commentary period is not an interactive session. If you have questions for the Board or for its executive staff, please direct them to our Executive Director who will respond in the normal course of Association business.

Thank you in advance for adhering to these public commentary guidelines so that we may have a productive meeting.

MINUTES

Audit Committee Meeting

August 20, 2020

9:00 am to 10:30 am

Presiding Officer: David Sky, Chair, Audit Committee

A meeting of the Audit Committee of the Board of Directors of the New Hampshire Vaccine Association (NHVA) was held via Zoom Meeting with a quorum present.

The meeting was held via audio/video conference and was called to order by Mr. Sky at 9:04 am.

1. Welcome and Introductions

Attendance – The following individuals attended the meeting:

Committee Members:

David Sky, NHID, Chair
Susan Tenney, HPHC, Vice Chair
Beth Daly, NH DHHS
Jason Margus, Anthem

Members of the Public

Sandy Baker, Londonderry
Cindy Bennett, Raymond
State Rep. Linda Camarota, Bedford
Anne Cobb, Derry
Laura Condon, Bedford
Leah Cushman, Weare
Linda Gould, Bedford
Wendy Grenier, Nashua
Jessica Klinsky, Stratham
Jenny Larsen, Pelham
Michelle McCartney, Concord
Chris Monty, Derry
Holly Ruocco, Weare
Kristen Tanguay, Derry

Other Attendee & Administrative Staff:

Karen Carew, Carew & Wells, PLLC
Patrick Miller, Helms & Company
Erin Meagher, Helms & Company
Keith Nix, Helms & Company
Tony Mendez, Helms & Company

Mr. Sky opened the meeting and turned it over to Mr. Miller to address public access to the meeting. Mr. Miller advised the group that if anyone experiences technical difficulties, they should contact the Helms & Company office either via email at info@nhvaccine.org or by calling 603-225-6633. He advised all participants were being muted upon entry into the meeting and requested all participants remain muted unless they are speaking. Roll call was then taken, and each participant stated if they were alone in the room, if they were recording the meeting and where they were participating from. Mr. Miller, Ms. Condon, and Ms. Ruocco all announced they were recording the meeting. Mr. Miller stated he will delete the recording once the minutes are completed.

1. Review and Acceptance of the FY2020 Audited Financials – Guest: Karen Carew, Carew & Wells, PLLC

Mr. Sky welcomed Ms. Carew to the meeting and directed the group to page two of the meeting packet. Ms. Carew reviewed the Board of Directors letter and explained it is required to provide to those charged with governance, the Board and in this case, and the Audit Committee before it goes to the Board. The second paragraph described a new accounting policy which was adopted in 2020. It has no impact on the financial statements, but the auditors are required to make the statement.

There are two significant estimates that might be sensitive to the financial statements. The first is the vaccine expense, which is based upon the projected and requested remittance by the State of New Hampshire. The audit determined it to be reasonable in relation to the financial statements, any estimate of the balance due or collectibles, and accounts receivable. This is based on the assumptions related to covered lives, which are self-reported by the

carriers. Ms. Carew stated everything is reasonable in relation to the financial statements taken as a whole. Regarding the section titled *Difficulties Encountered in Performing the Audit*, Ms. Carew reported there were none and expressed it was a pleasure to work with the organization and with the administrator. She stated there were no misstatements or adjustments that have not been posted. All adjustments that the firm proposed were immaterial to the financial statements and have been posted. Specifically, the adjustment related to recording the certificate of deposit investments has been discussed with Mr. Nix for ongoing consistency.

There were no disagreements with management. Through the Management Representation letter they understand they are ultimately responsible for the financial statements, that assumptions and estimates are reasonable, and to ensure accuracy. All recommendations made last year regarding internal controls have been appropriately addressed, and there were no new recommendations in the current audit. The Committee had no questions on the required communication or the governance information.

Ms. Carew reviewed the financial statements directing the group to the Independent Auditors Report (page nine of the meeting packet) and stated there is a clean opinion and all statements are fairly presented. Ms. Carew stated the most significant changes are reflected in the funds moved from cash to long term investments. Ms. Carew noted a typo in the *Statements of Activities and Change in Net Assets* section: "Assessment income, less refunds of \$58,115 and \$0 in 2019 and 2018" should read "2020" and "2019", respectively. This will be updated by Ms. Carew. The most significant change was the TRICARE settlement cost, which was settled in 2019. It is reflected under Donor Restrictions which reflects the decline to \$395,271 as the arrearage to be collected. Ms. Carew directed the group to the *Statement of Cash Flows* and reviewed the change in net assets due to the shift from cash to long term investments.

Ms. Carew reviewed the *Notes to Financial Statements* and stated the indirect method of reporting cash flows has been used and there was no change for 2019 or 2020. The auditors have expanded their comments of the investments set aside for long term investing and that those are not included in the current resources for general expenditures. There is a note for the composition of investments in fixed income funds, negotiable CDs, and money markets.

Ms. Carew moved to the *Subsequent Events* section and reported the Association has not experienced any disruption in operations nor volatility in the market as a result of the ongoing COVID-19 pandemic. It is very difficult to estimate the potential future disruptions or the effect, if any, this may have on operations going forward. Management is actively monitoring for potential disruptions. At this point, the auditors have not determined that there is any practical effect that the Association should consider or disclose in the financial statements at this time.

Ms. Carew asked if any of the Committee members had any questions. There were none. Mr. Sky asked Mr. Miller if there was an option for the Committee to discuss the audit with Ms. Carew in a webinar breakout room. Mr. Miller explained we did not have technology at this point without signing off and into another meeting. After brief discussion, it was determined the webinar technology would be upgraded for the next meeting with the Auditor.

Mr. Sky thanked Ms. Carew for her presentation and work on the audit.

VOTE RECORDED: On a motion by Ms. Tenney, seconded by Ms. Daly, by roll call it was
VOTED: To accept the FY2020 Audited Financials as presented with a recommendation to the Board of Directors to accept them with one modification outlined above.

	<u>Yes</u>	<u>No</u>
Beth Daly	X	
Jason Margus	X	
David Sky	X	
Susan Tenney	X	

Mr. Miller advised the quarterly financial statements were included in the meeting packet for the Committee's information. They are required after the end of each fiscal year per the Plan of Operation and they align with the audit. As a reminder, money was transferred from the ICS Promontory account earlier this spring into a laddered CD portfolio. We continue to see many of the CDs being called as time goes forward and the disbursements are being reinvested primarily back into the ICS account. Given low interest rates due to the COVID-19 pandemic, we will see the ICS account grow again and the CD investment amounts will continue to shrink unless higher interest CDs are found.

4. Review and Acceptance of the June 5, 2020 Meeting Minutes

Mr. Sky reviewed the June 5, 2020 meeting minutes and asked the Committee if anyone had any questions or changes. Mr. Miller stated that on line 44, "counts" should read "accounts."

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

VOTED: *To accept the June 5, 200 Audit Committee meeting minutes as presented with the one correction outlined above.*

	<u>Yes</u>	<u>No</u>
Beth Daly		Abstained from vote as was not present at June 5, 2020 meeting.
Jason Margus	X	
David Sky	X	
Susan Tenney	X	

5. CY2021 Assessment Rate Initial Assumptions Discussion

Mr. Miller introduced Mr. Mendez who joined Helms this spring and has been working with Mr. Miller on the rate setting process this year as Mr. Hastings is moving towards retirement. Mr. Miller reviewed the proposed rate setting presentation for calendar year 2021.

Mr. Miller explained the intent today is not to set the rate, but to provide updated information from our June meeting and to have a conversation regarding the assumptions the Committee will use for the final rate setting given the number of unknowns and unpredictability regarding the total number of covered lives due to the COVID-19 pandemic. Mr. Miller briefly reviewed the tasks and timeline for the rate assumption process. Mr. Miller stated that the Audit Committee meets again on September 9, 2020 to make a recommendation to the full Board of Directors when they meet on September 23, 2020. The plan is to take the input from today's session to inform our final assumptions. He then summarized the changes to the rate setting process over the past several years.

Mr. Miller reported there were no extraordinary expenses to report in FY2020 leaving NHVA approximately \$374K ahead of budget. Those funds can be used to help with rate stabilization in the coming years.

Mr. Miller reviewed a set of trend data. The historical covered lives and assessment rate trends were shown first. There is a more recent decline in covered lives due to COVID-19. Last year, the total state expenditures were slightly below the prior year at \$26.13M. The carrier proportion was 58.4% last year and the 14-year trend is 59.2%, which reflects about a 60/40 split. Interest income and wealth management account returns have increased steadily in the past two years but given interest rates and conversations with the account managers at the Bank of New Hampshire, we project 0.5% rate of return going forward this year. New Hampshire's seasonally adjusted unemployment rates were reviewed, and the numbers have started to drop off in the last few months from the 17.1% high in April to 8.1% in July. Since February, Medicaid child enrollment has increased by 4,765 children in the traditional Medicaid population. While we cannot say for sure that losses of commercial coverage are driving Medicaid enrollment, it was agreed to be a reasonable assumption.

Prior to the meeting Ms. Daly's team provided Mr. Miller with data on vaccine orders during the pandemic. Similar to every other state, fewer orders for vaccines were placed as the country started to close down during the pandemic. Now that the country is starting to open, orders are starting to trend up much closer to where they were a year ago. Practices have resumed ordering as they re-book well child visits and prepare for back-to-school. If there is a resurgence of COVID-19, the NH Department of Health and Human Services (NH DHHS) would anticipate another decrease in orders. Because of the way NH DHHS purchases vaccines three months ahead, it has been somewhat stable. Mr. Miller reviewed a list of the ongoing efforts and actions the NH DHHS immunization program has taken since the COVID-19 pandemic began.

Mr. Miller asked the Committee members what they are seeing and forecasting for the next couple of years for total membership due to COVID-19. Mr. Sky stated the Insurance Department has not seen any swings in the information that it receives from the carriers. Ms. Tenney stated that Harvard Pilgrim Health Care has seen a very slight decrease in commercial membership and a very slight increase in the individual market. It is a big unknown at this point. Mr. Margus indicated it is the same for Anthem Blue Cross Blue Shield, with very minimal impact so far, but it may too early to see the impact. Mr. Miller stated that on Monday we closed the most recent assessment quarter (reporting for April, May, June) and found approximately 2,500 fewer covered lives reported than we did in May (reporting for January, February, March). This results in an overall drop of 1.5% for the year, which is larger than the 0.1% historic decline. Mr. Miller consulted with the NH Health Plan for a review of covered lives for the same period and it was negligible.

Mr. Miller reviewed the data the DHHS provides to the NHVA each year regarding utilization and spending and the requested amount for the next payment to DHHS. Mr. Miller then reviewed the Rate Setting Assumptions slide and there was discussion on a number of items, primarily the assumptions for covered lives. To address the COVID-19 pandemic and the uncertainties surrounding it, two models have been built for today's meeting – one is "business as usual" and the second considers a significant drop in covered lives due to COVID-19. Mr. Miller asked the Committee members for feedback on the covered lives assumptions.

Mr. Sky asked the difference between the two assumptions and how that would affect the reserve dollars. Mr. Miller explained that there was a strong performance of the investments and additional funds have been received from TRICARE. He believes we should be able to keep the rate stable or maybe even drop it slightly and preserve the majority of the reserve funded at the end of the five-year period. Mr. Miller reminded the group about the unexpected credit that is being held by the State.

Committee members asked to see the impact of the reduced covered live assumptions on the model and rate setting. There was discussion related to a COVID-19 vaccine – who would pay for it – Federal or state government – and when it might be available. Ms. Daly indicated that she does not have any information related to an anticipated COVID-19 vaccine. Ms. Tenney then mentioned reading that many states have mandated flu shots for children returning to school and asked if NH has any intention of putting this requirement in place. Ms. Daly advised that NH was not considering this at this point. If NH were to institute this and the vaccination rates went from 70% to 90%-95% for influenza vaccinations, then costs would increase as the cost of flu vaccine is approximately \$18 a dose.

Mr. Sky asked what timeframe would we expect if NH decided to mandate this? Ms. Daly stated that under normal operating procedures it takes about six months to go through the administrative rules process to add a new vaccine. However, in relation to a COVID-19 vaccine, the Governor could issue an Executive Order which could take effect much sooner than the usual rulemaking process.

Mr. Miller reviewed the two rate setting models. The primary difference between them is the covered lives assumptions and rate assumptions. The first model shows the impact of the historical drop in lives. The second assumes a steeper drop and then a gradual rise over the next four-year time period. Both models provide a cash reserve of at least \$5M at the end of the four years. Covered lives and the annual CDC credit are large factors in the model. After reviewing the model, Ms. Tenney remarked that if there were to be a COVID-19 vaccine that the NHVA

would be responsible for funding vs. the Federal government, NHVA does likely have the cash to do so based upon what has been put away in reserve for major events. Ms. Daly stated that if there is a decrease in privately insured covered lives because people are becoming uninsured and move to Medicaid coverage or uninsured, that there should be a proportional decrease in the carrier contributions to purchasing vaccines because Medicaid/uninsured lives will then be picked up by the VFC program. Mr. Miller stated that over the next few weeks, assumptions will be finalized, and the administrator will bring this back to the Audit Committee on September 9, 2020, with final rate recommendations. The intention is to provide guidance to the Board so they can make the final determination on the assessment rate.

6. Other Business

Mr. Sky opened it up for comments from members of the Public.

Ms. Condon asked to speak. She thanked the Committee for the opportunity for the public to observe the meeting and participate in the comment period. She thanked Mr. Miller for his very thorough and diligent work and for being particular with details and accuracy of the information being presented. She stated that she appreciated that no assumptions were made to fund the DHHS request for administrative costs and NHVA's continued reliance on the written legal opinion from their attorney. She expressed concern with the DHHS's request for the funding and stated she would be discussing the request for funds from NHVA with the Executive Council. She stated that these costs should not be borne by taxpayers as they are a cost of private business and private entities and is where these business costs really should be appropriated.

7. Adjournment

VOTE RECORDED: *On a motion by Ms. Tenney, seconded by Mr. Sky, by roll call it was unanimously*
VOTED: *To adjourn the Audit Committee meeting at 10:34 am*

	<u>Yes</u>	<u>No</u>
Beth Daly		Left meeting at 10:29am.
Jason Margus	X	
David Sky	X	
Susan Tenney	X	

Respectfully submitted by
Patrick Miller, Helms & Company, Inc.
August 25, 2020

#

CY 2021 Rate Setting

NHVA Audit Committee Meeting

September 9, 2020

Held Via Zoom Videoconference

Materials Updated September 2, 2020

Contents

1. Background
2. Historical Trends
3. Model Impact of COVID-19
4. DHHS Data for Assessment Process & FY2021 Administrative Budget
5. Rate Assumptions and Assessment Rates

1. Background

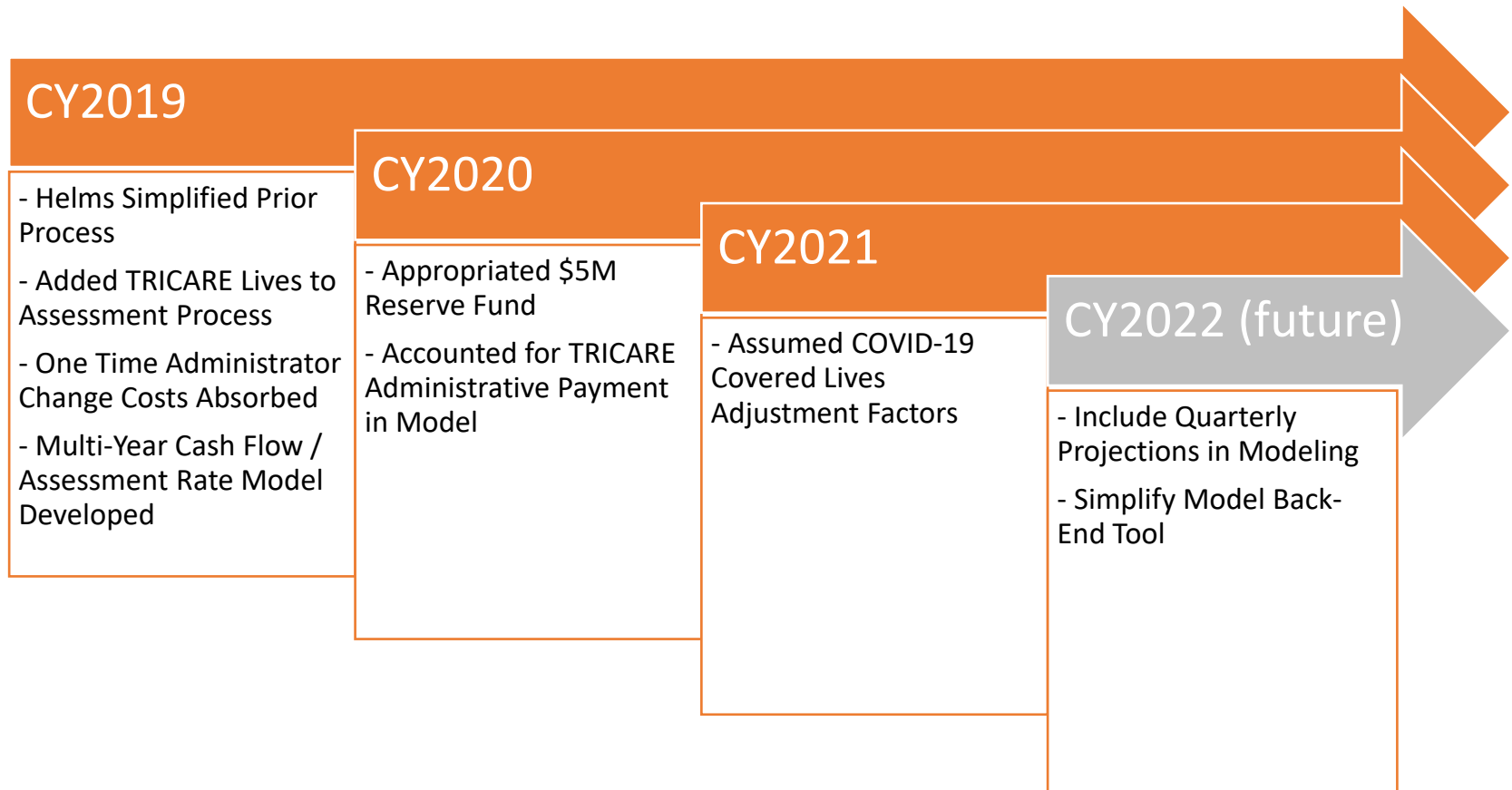
CY2021 Assessment Process Timeline

- July 2020
 - ✓ Data collection for Actual FY2020 and YTD CY2020
 - ✓ Modeling prep work begins; factors for COVID-19 developed
- August 2020
 - ✓ Modeling based upon trends and initial NH DHHS data (8/3)
 - ✓ Work session with the Audit Committee (8/20)
 - ✓ Modeling final assumptions (8/20-9/2)
- September 2020
 - Review and approval by Audit Committee (9/9)
- September 2020
 - Review and approval by Board of Directors (9/23)
- October 2020
 - Actual CDC credit received by DHHS (10/1)
 - Carrier notification of CY2021 rates (10/9)
 - Actual TRICARE rate established and updated (10/TBD)

✓	= completed milestone
•	= future milestone



Assessment Process Development History



FY2020 Significant Fiscal Events

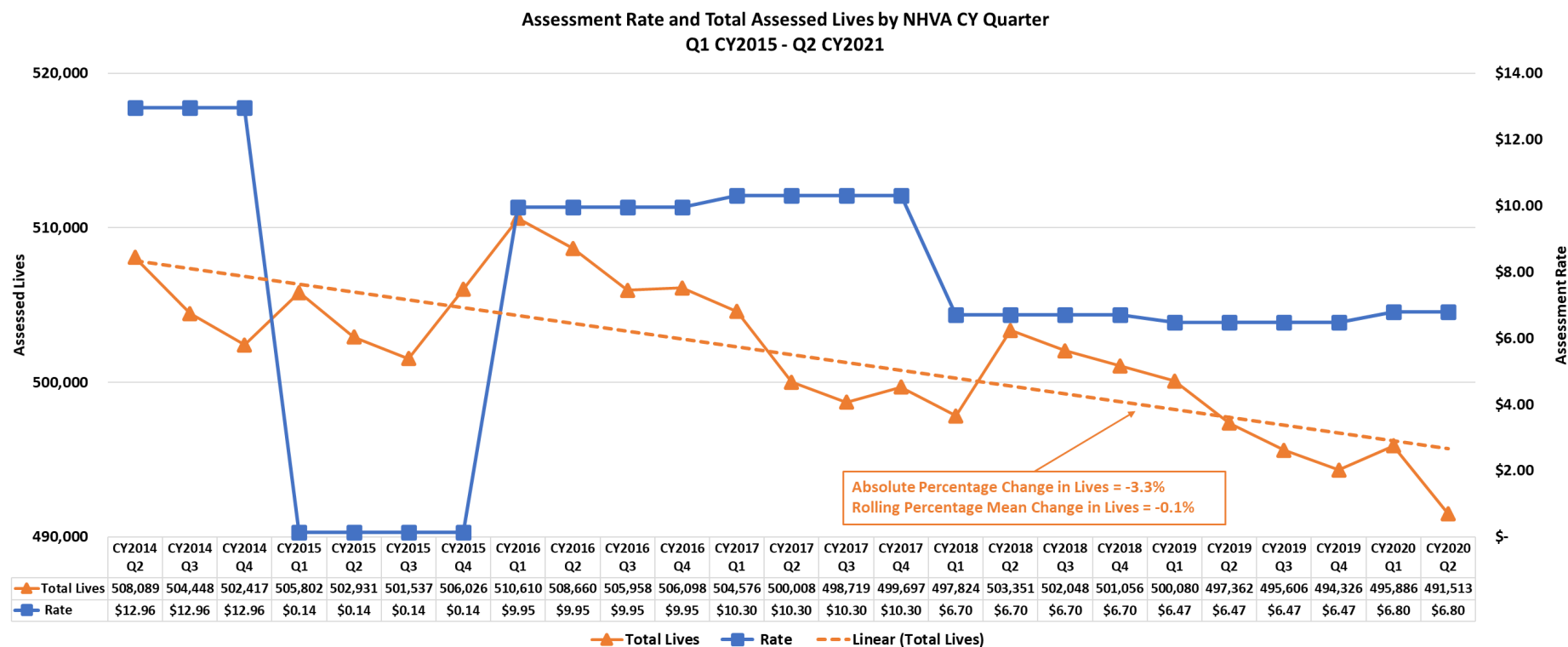
1. FY2020 had no extraordinary expenses to report.
2. The following is an accounting of notable income in FY2020:
 - TRICARE specific assessment receipt– \$395,271
 - Assessment interest recoupment – \$293
 - Investment interest income – \$268,327
 - Dividend income – \$5,065
 - Unrecognized gain/loss – \$68,011



	JAN	FEB	MAR	APR	MAY	JUN	JULY	AUG	SEP	OCT	NOV	DEC
CY 2015									Assessment Set CY 2016. \$9.95			
									DHHS payment \$19,653,132 due 6/30/17	CDC Replacement Credit \$4,377,668		
							SFY 16	SFY 16	SFY 16	SFY 16	SFY 16	SFY 16
CY 2016									Assessment Set CY 2017. \$10.30			
		Assessment Collected \$0.14			CY 2016 Assessment Collected \$9.95			CY 2016 Assessment Collected \$9.95	CY 17 DHHS payment \$18,819,145 due 6/30/18	CDC Replacement Credit \$3,564,068	CY 2016 Assessment Collected \$9.95	
	SFY 16	SFY 16	SFY 16	SFY 16	SFY 16	SFY 16	SFY 17	SFY 17	SFY 17	SFY 17	SFY 17	SFY 17
CY 2017									Assessment Set CY 2018. \$6.70			
		CY 2016 Assessment Collected \$9.95			CY 2017 Assessment Collected \$10.30	CY 2016 Assessment Paid to DHHS \$19,653,132 6/30/17		CY 2017 Assessment Collected \$10.30	CY2018 DHHS payment \$9,234,656 due 6/30/19	CDC Replacement Credit \$4,282,619	CY 2017 Assessment Collected \$10.30	
	SFY 17	SFY 17	SFY 17	SFY 17	SFY 17	SFY 17 DHHS Reports Balance Forward \$9,915,173	SFY 18	SFY 18	SFY 18	SFY 18	SFY 18	SFY 18
CY 2018									Assessment Set CY 2019 \$6.47			
		CY 2017 Assessment Collected \$10.30			CY2018 Assessment Collected \$6.70	CY 2017 Assessment Paid to DHHS \$18,819,145 6/30/18		CY2018 Assessment Collected \$6.70	CY 2019 DHHS expected payment due 6/30/20 \$11,751,393	CDC Replacement Credit \$1,856,544	CY2018 Assessment Collected \$6.70	
	SFY 18	SFY 18	SFY 18	SFY 18	SFY 18	SFY 18 DHHS Reports Balance Forward \$12,979,343	SFY 19	SFY 19	SFY 19	SFY 19	SFY 19	SFY 19
CY 2019									Assessment Set CY 2020 \$6.80			
		CY2018 Assessment Collected \$6.70			CY 2019 Assessment Collected \$6.47	CY 2018 Assessment Paid to DHHS \$9,234,656 6/30/19		CY 2019 Assessment Collected \$6.47	CY 2019 DHHS expects \$9,590,307 due 6/30/21	CDC Replacement Credit \$2,804,834 10/01/19	CY 2019 Assessment Collected \$6.47	
	SFY 19	SFY 19	SFY 19	SFY 19	SFY 19	SFY 2019 DHHS Reports Balance Forward \$6,722,034	SFY 20	SFY 20	SFY 20	SFY 20	SFY 20	SFY 20
CY 2020									Assessment Set CY 2021 \$6.25			
		CY 2019 Assessment Collected \$6.47			CY 2020 Assessment Collected \$6.80	CY 2019 Assessment Paid to DHHS \$11,751,393 6/30/20		CY 2020 Assessment Collected \$6.80	DHHS payment \$13,620,000 due 6/30/22	CDC Replacement Credit \$2,500,000 10/01/20	CY 2020 Assessment Collected \$6.80	
	SFY 20	SFY 20	SFY 20	SFY 20	SFY 20	SFY 2020 DHHS Reports Balance Forward \$3,224,124	SFY 21	SFY 21	SFY 21	SFY 21	SFY 21	SFY 21
CY 2021									Assessment Set CY 2022 \$6.25			
		CY 2020 Assessment Collected \$6.80			CY 2021 Assessment Collected \$6.25	CY 2020 Assessment Paid to DHHS \$9,590,307 6/30/21		CY 2021 Assessment Collected \$6.25	DHHS payment \$13,660,000 due 6/30/23	CDC Replacement Credit \$2,500,000 10/01/21	CY 2021 Assessment Collected \$6.25	
	SFY 21	SFY 21	SFY 21	SFY 21	SFY 21	SFY 2021 DHHS Reports Balance Forward \$2,500,000	SFY 22	SFY 22	SFY 22	SFY 22	SFY 22	SFY 22

2. Historical Trends

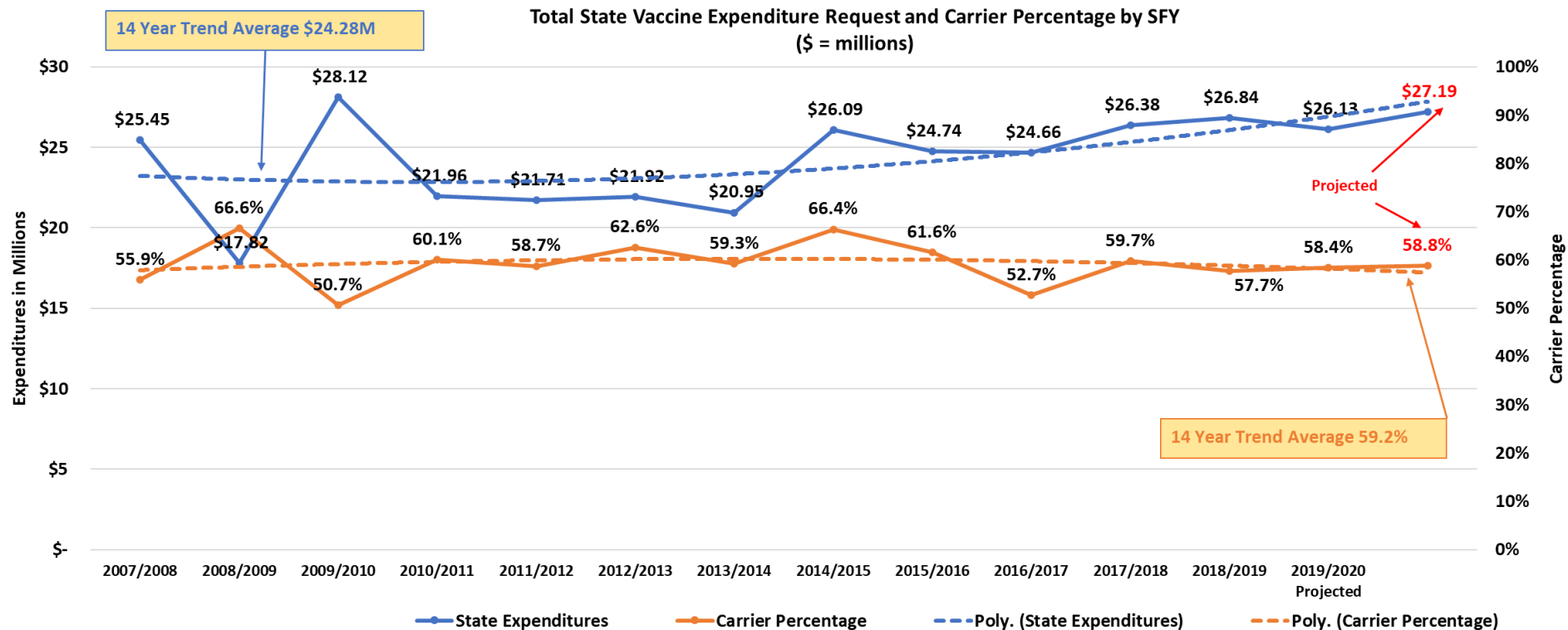
Shrinking Assessed Lives and Variability in Assessed Rate



Source: NHVA KidsVax® reconciliation spreadsheet, 09-06-2018; NHVA Data August 2019

Note: Total Assessed Lives reflects CY2019 Tufts recovery activity and EBPA refund activity

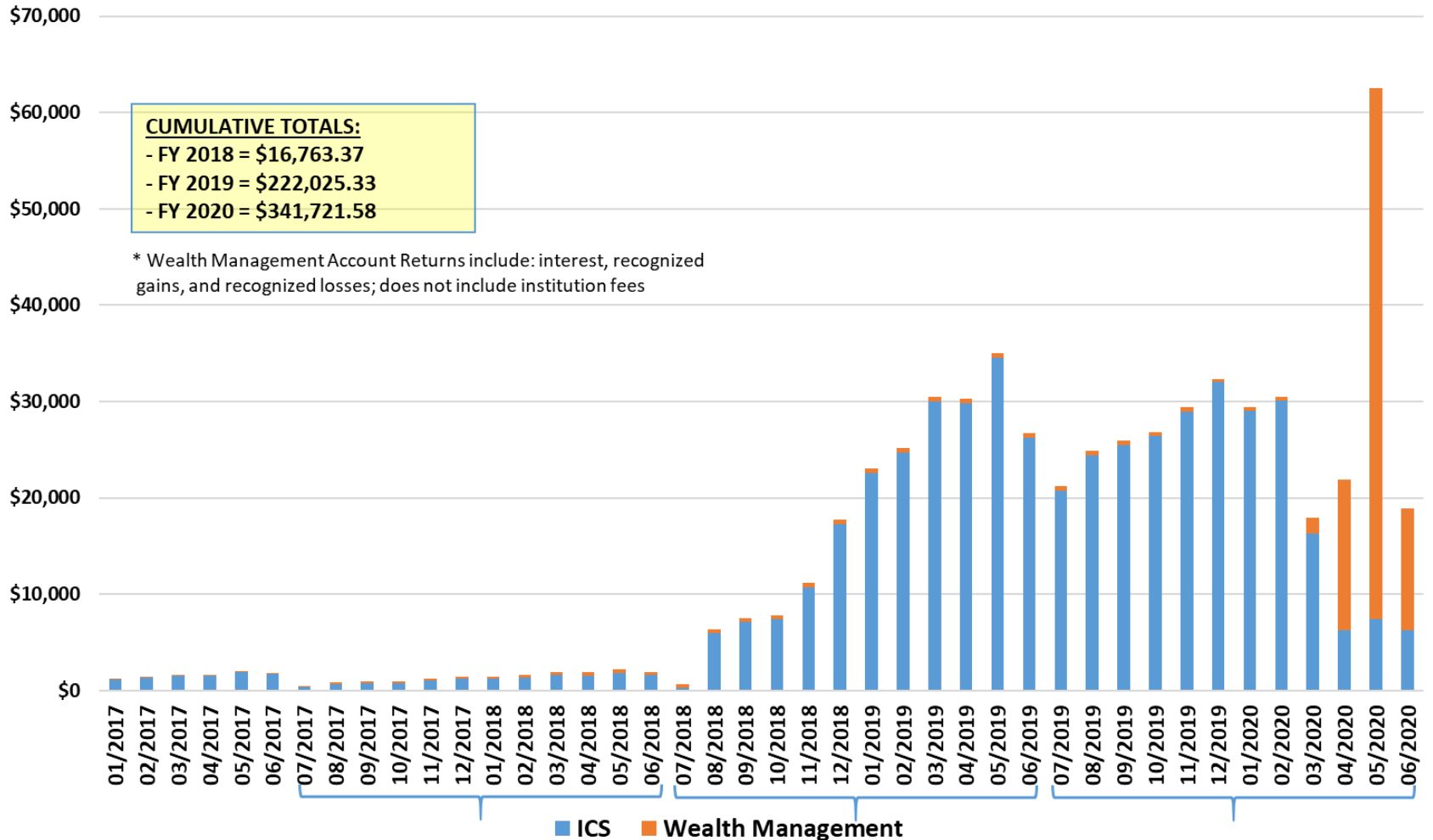
Increasing State Vaccine Expenditures and Stability in Payer Proportion





ICS and Wealth Management Returns

ICS and Wealth Management* Returns
January 2017 to June 2020



3. Model Impact of COVID-19

Multiple Predictions of Commercial Losses

1

State	Total Uninsured Due to ESI Loss	Medicaid Eligible	Coverage Gap	Tax Credit Eligible	Ineligible for Financial Assistance due to Income, ESI Offer, or Citizenship
New Hampshire	144,000	109,000	—	27,000	8,000

Source: Kaiser Family Foundation: May 13, 2020; <https://www.kff.org/coronavirus-covid-19/issue-brief/eligibility-for-aca-health-coverage-following-job-loss/>

2

Low Unemployment			Medium Unemployment			High Unemployment		
Medicaid	Employer	Mktplc & Uninsrd	Medicaid	Employer	Mktplc & Uninsrd	Medicaid	Employer	Mktplc & Uninsrd
43K	-54K	11K	73K	-108K	35K	105K	-163K	58K

Source: HMA: April 3, 2020; <https://www.healthmanagement.com/wp-content/uploads/HMA-Estimates-of-COVID-Impact-on-Coverage-public-version-for-April-3-830-CT.pdf>

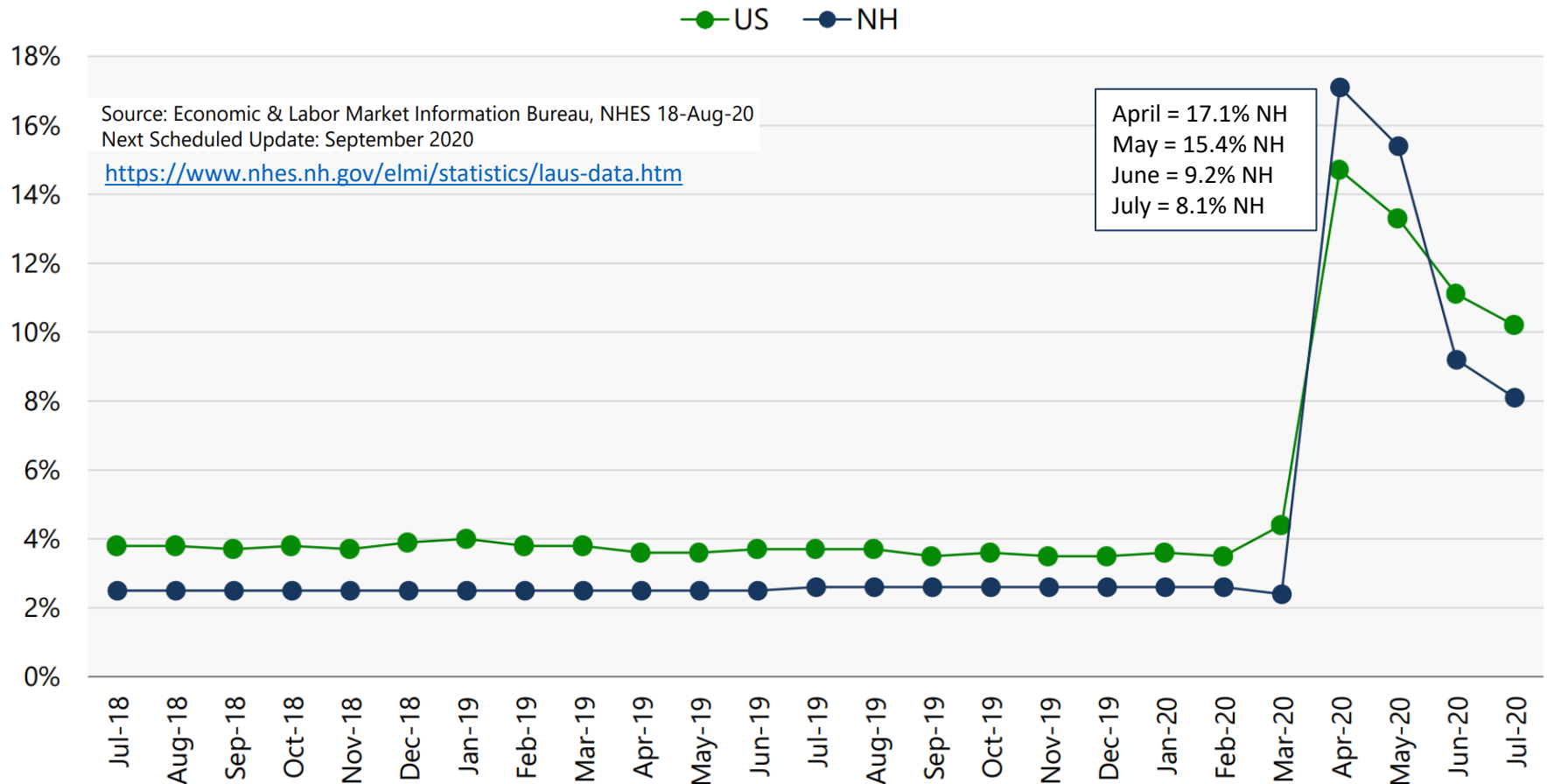
3

“Unprecedented levels of unemployment will cause tens of millions of people to lose job-based coverage, and millions to become uninsured, further reducing utilization. During subsequent waves of COVID-19, it is virtually certain that non-COVID related health care utilization will decrease as well.”

Source: “How COVID-19 Will Likely Affect Spending, And Why Many Other Analyses May Be Wrong, ” Health Affairs Blog, May 19, 2020.DOI: 10.1377/hblog20200518.567886

U.S. and New Hampshire Unemployment Rates, Seasonally Adjusted

Preliminary July 2020 Rates: US = 10.2%; NH = 8.1%



NH Medicaid Enrollment

Since Feb 2020:

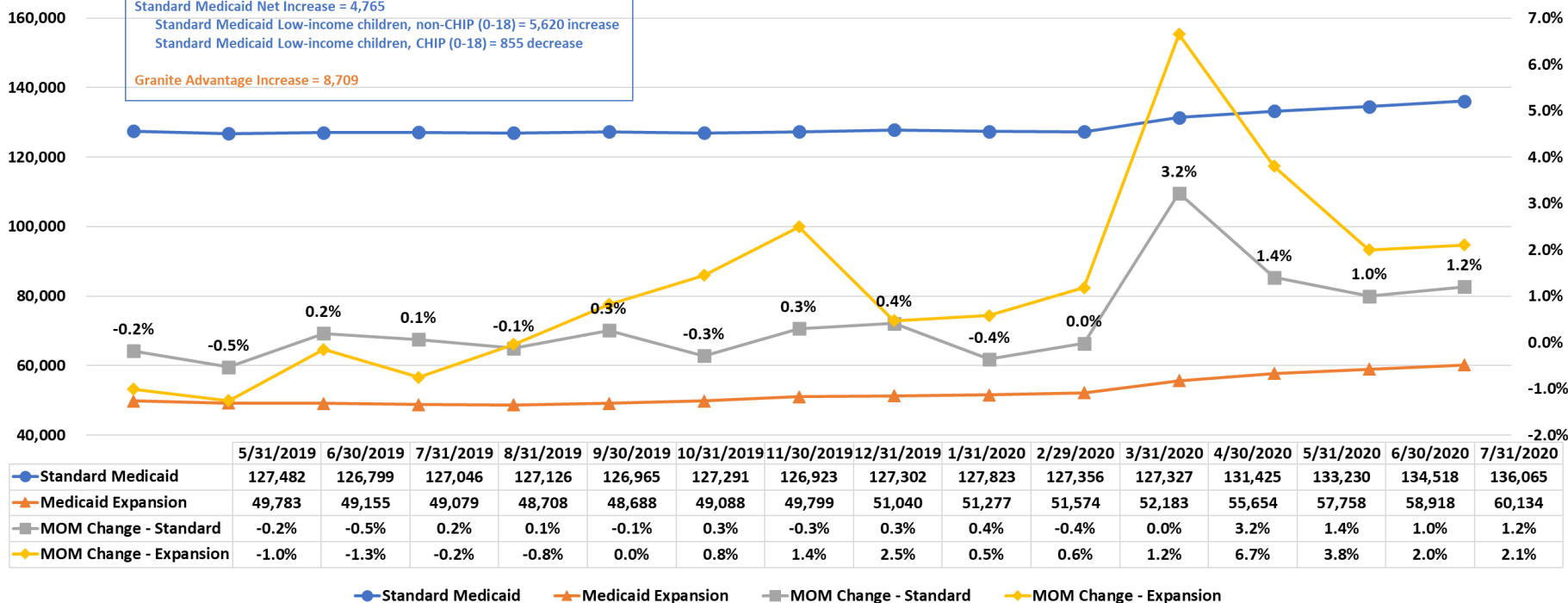
Standard Medicaid Net Increase = 4,765

Standard Medicaid Low-income children, non-CHIP (0-18) = 5,620 increase

Standard Medicaid Low-income children, CHIP (0-18) = 855 decrease

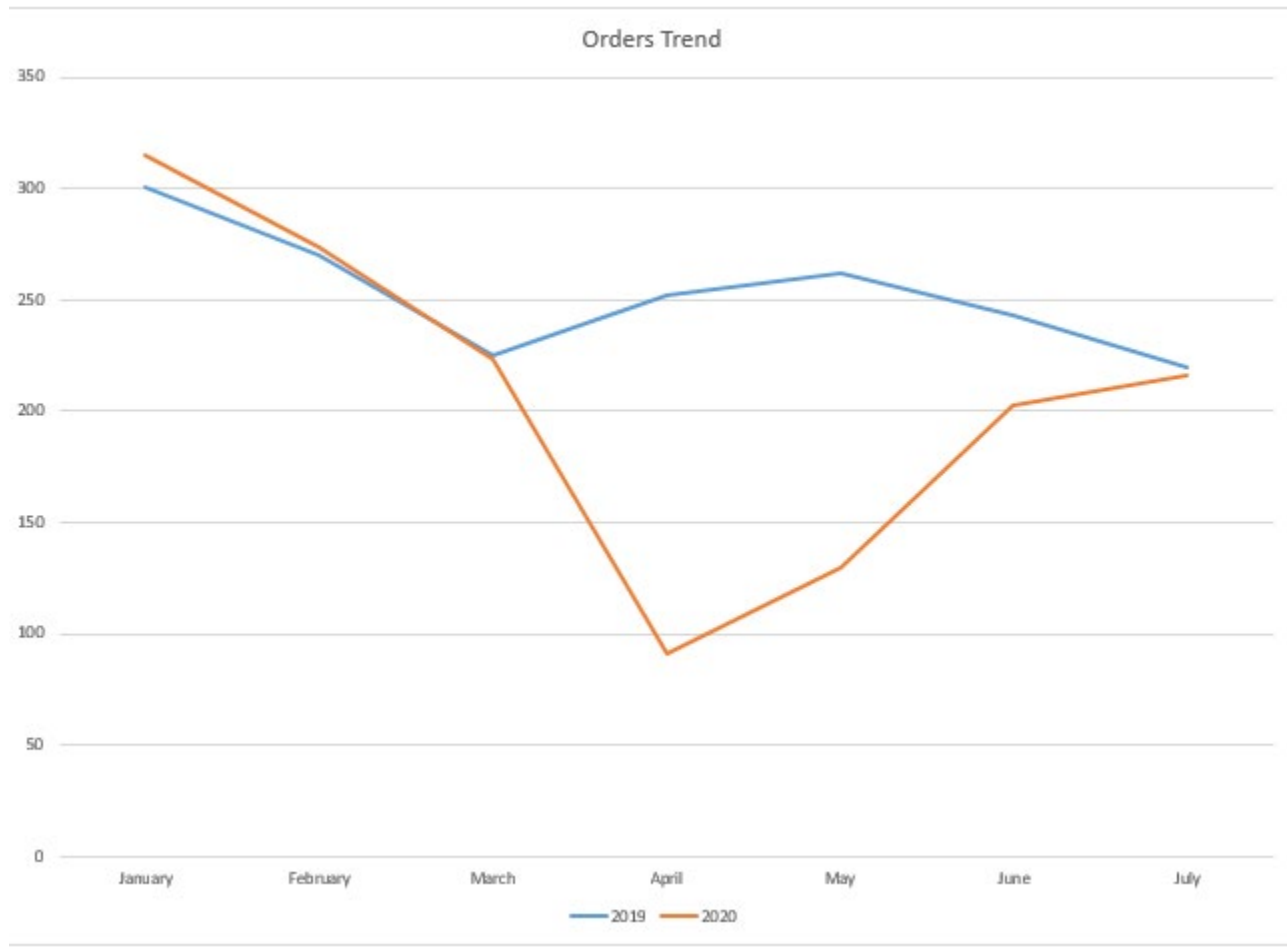
Granite Advantage Increase = 8,709

NH Medicaid Enrollment
04.30.2019-07.31.2020





NH Childhood Immunization Program Vaccine Order Trends





NH Childhood Immunization Program Actions and Insights

- Working with healthcare practices since the beginning of the pandemic
 - CDC and AAP support
 - Maintenance strategies for practices have been implemented
 - Not relaxing school and childhood vaccination requirements
 - Mitigating risks of an outbreak by keeping vaccination rates high (e.g., measles)
- Vaccine orders
 - March and April decrease in order quantity
 - End of April through July, vaccine order quantities have swung back upward; restocking occurring
 - July-Aug-Sept typically high order months given back to school
- Annual fund split assessments done annual when provider re-certifies
 - Based on a calendar year timeline; done by March; will not account for COVID-19 until next year
- Vaccination volumes
 - Family practice / pediatric practices strategy re: well-child visits and back to school
 - Volume going up as practices re-open
 - Unemployment could impact split
 - Believed that many furloughed employees kept their insurance
- Resurgence of COVID-19
 - Per CDC, seasonality is likely/possible
 - CDC continues to encourage annual flu vaccination, especially as a way to mitigate the stress on health care systems during this pandemic
- COVID-19 vaccine
 - No formal discussion yet regarding reimbursement when available

4. DHHS Data and NHVA Administrative Budget for Assessment Process



DHHS Tab C
08-02-2020

Note: The \$16,314,430.62 is a straight 60% of \$27,190,717.70.

						SFY 2020 Year end calcuations to bring cash forward										
			SFY20	SFY19	SFY18	SFY17	SFY16	SFY15	SFY14	SFY13	SFY12	SFY11	SFY10	SFY09	SFY08	
		Source	2019/2020	2018/2019	2017/2018	2016/2017	2015/2016	2014/2015	2013/2014	2012/2013	2011/2012	2010/2011	2009/2010	2008/2009	2007/2008	
Actual Total exp		4+7	\$ 26,126,101	\$ 26,837,646	\$ 26,377,918	\$ 24,657,418	\$ 24,741,423	\$ 26,092,637	\$ 20,945,469	\$ 21,918,042	\$ 21,707,838	\$ 21,961,081	\$ 28,121,414	\$ 17,820,721	\$ 25,454,043	
VFC	1	CDC Mon Rpt	\$ 10,773,619	\$ 11,071,713	\$ 10,329,733	\$ 11,259,750	\$ 9,194,539	\$ 8,570,780	\$ 8,070,843	\$ 7,551,690	\$ 7,715,921	\$ 7,549,887	\$ 11,624,679	\$ 5,002,497	\$ 8,588,458	
317 - not used for children	2	CDC Mon Rpt	not provided	not provided	not provided	not provided	not provided	not provided	not provided	\$ 156,375	\$ 920,358	\$ 720,612	\$ 1,676,638	\$ 735,871	\$ 2,219,343	
State Funds	3	St. Ap(5178-513)	\$ 103,178	\$ 273,969	\$ 293,211	\$ 392,339	\$ 302,821	\$ 206,762	\$ 460,501	\$ 482,467	\$ 320,494	\$ 492,762	\$ 573,306	\$ 213,821	\$ 422,798	
TOTAL GOV'T EXPENDED	4	1+2+3	\$ 10,876,797	\$ 11,345,682	\$ 10,622,944	\$ 11,652,089	\$ 9,497,360	\$ 8,777,542	\$ 8,531,344	\$ 8,190,532	\$ 8,956,773	\$ 8,763,261	\$ 13,874,623	\$ 5,952,189	\$ 11,230,599	
beg balance	5	State Approp	\$ 6,722,035	\$ 12,979,343	\$ 9,915,172	\$ 3,267,370	\$ (1,107,266)	\$ 3,797,531	\$ 207,631	\$ 3,042,624	\$ 6,102,932	\$ 7,039,214	\$ 12,293,560	\$ 7,759,278	\$ 4,919,231	
revenue from NHVA*	6	State Approp	\$ 11,751,393	\$ 9,234,656	\$ 18,819,145	\$ 19,653,132	\$ 19,618,699	\$ 12,410,298	\$ 16,004,025	\$ 10,892,517	\$ 9,690,757	\$ 12,261,538	\$ 8,992,444	\$ 16,402,814	\$ 17,063,492	
Vaccine Insurers expended	7	State Approp	\$ 15,249,304	\$ 15,491,964	\$ 15,754,974	\$ 13,005,330	\$ 15,244,063	\$ 17,315,095	\$ 12,414,125	\$ 13,727,510	\$ 12,751,065	\$ 13,197,820	\$ 14,246,791	\$ 11,868,532	\$ 14,223,444	
year end encumbered	8	State Approp	\$ 3,284,045	\$ 214,014	\$ 4,119,258	\$ 3,912,837	\$ 5,360,641	\$ (1,217,018)	\$ 4,922,400	\$ 2,278,387	\$ 3,498,954	\$ 4,183,155	\$ 2,658,211	\$ 2,636,659	\$ 5,038,824	
year end cash	9	State Approp	\$ (59,921)	\$ 6,508,021	\$ 8,860,085	\$ 6,002,336	\$ (2,093,271)	0	\$ 1,124,869	\$ (2,070,756)	\$ (456,331)	\$ 1,919,776	\$ 4,381,002	\$ 9,656,901	\$ 2,720,454	
TOTAL BAL FORWARD	10	(5+6) -7	\$ 3,224,124	\$ 6,722,035	\$ 12,979,343	\$ 9,915,172	\$ 3,267,370	\$ (1,107,266)	\$ 3,797,531	\$ 207,631	\$ 3,042,624	\$ 6,102,932	\$ 7,039,213	\$ 12,293,560	\$ 7,759,279	
CDC end of fiscal year credit	11	CDC Vtracks	\$2,804,834	\$ 1,856,544	\$ 4,282,619	\$ 3,564,068	\$ 4,377,668	not provided	not provided	not provided	N/A	N/A	N/A	N/A	N/A	
Reimbursement from Providers and Excise Tax	6A	State Approp				\$ 19,863	\$ 13,916	\$ 37,311	\$ 29,970	\$ 119,460						
Added into this account																
		Source: From Beth Daly 603-271-4927 on August 2, 2020														
Note: NHVA as % of total budget			58.37%	57.72%	59.73%	52.74%	61.61%	66.36%	59.27%	62.63%	58.74%	60.10%	50.66%	66.60%	55.88%	



Expense	Description	Total Cost	Amount Requested from NHVA
Immunization Information System	System utilized to order vaccines, document individual doses administered and show insurance coverage for individuals vaccinated. System also provides quality assurance measures with vaccine forecasting and reminder/recall abilities.	\$360,063.00	\$216,037.80
Vaccine Accountability Coordinator	Responsible for the purchase and distribution of all vaccines within the program. This position manages Vaccine For Children (VFC), 317, and state/local vaccine funding. This individual tracks vaccine inventory, vaccine distribution and administration, vaccine wastage, trends, all of which informs forecasting. This position plays a key role during the influenza season by closely tracking flu vaccine expenditures and distribution to ensure the vaccines are in the right quantities and the right location, allowing for successful clinic outcomes. This position works directly with the Public Health Regions to plan vaccine distribution for Pandemic Exercises or vaccine-preventable disease outbreaks. The position collaborates with the Immunization Information System (IIS), Vaccine Data Coordinator to provide vaccine ordering management system training for health care provider staff (vaccine managers, assistant vaccine managers) to assure accountability across the > 300 enrolled provider practices.	\$96,422.00	\$57,853.20
Vaccine Quality Specialist	Conducts VFC site visits with enrolled health care providers. Conducts on-site training for new Vaccine Managers; offers educational programs related to overall vaccine management, including storage and handling. Reviews all health care provider vaccine management (including emergency) plans; coordinates annual vaccine provider enrollment process, reviewing all health care provider agreements.	\$85,842.00	\$51,505.20
Program Specialist II	Under the direction of the Vaccine Accountability Coordinator, adhering to the standards of vaccine accountability and the VFC Operations Policy & Procedures, this position is responsible for working in the Vaccine Ordering Management System (VOMS/IIS); working with health care provider vaccine ordering-related documents, including vaccine orders, temperature logs and applicable reports. This position works directly with health care providers and staff related to overall vaccine management, including assistance with temperature excursions, vaccine ordering questions, VOMS Help Desk questions and VOMS education and training.	\$79,420.00	\$47,652.00
Immunization Information System Staff (2)	This positions operates the technical support Help Desk for the Vaccine Ordering Management System. Interacts with VTrckS (CDC vaccine ordering system) as it relates to the ExIS connection (VOMS) that passes information between the two systems. Works with both systems to assure data quality and vaccine ordering accountability. Works directly with medical health care provider practices to assure education for staff. Develops interoperability processes to inform evidence-based strategies.	\$185,496.00	\$111,297.60
Total		\$807,243.00	\$484,345.80
	Request is based on the principle that approximately 60% of the vaccines that the New Hampshire Immunization Section orders and assures the quality of, is NHVA purchased vaccine. Oversight includes bi-annual site visits of all enrolled health care provider practices to review vaccine accountability practices (ie., federally required documentation, NHIP required documentation; vaccine storage and handling, vaccine emergency management plan); monthly review of > 300 health care practice temperature logs to assure proper cold chain management; additional site visits, as indicated; technical support.		

FY2021 Administrative Budget – Adopted by Board June 17, 2020

	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21	FY2021 Budget Total
EXPENSE													
Administrative Fees	\$ 8,750	\$ 8,750	\$ 8,750	\$ 8,750	\$ 8,750	\$ 8,750	\$ 8,750	\$ 8,750	\$ 8,750	\$ 8,750	\$ 8,750	\$ 8,750	\$105,000
Subcontractors													\$ -
Subtotal	\$ 8,750	\$ 8,750	\$ 8,750	\$ 8,750	\$ 8,750	\$ 8,750	\$ 8,750	\$ 8,750	\$ 8,750	\$ 8,750	\$ 8,750	\$ 8,750	\$105,000
Bank Fees	\$ 167	\$ 167	\$ 167	\$ 167	\$ 167	\$ 167	\$ 167	\$ 167	\$ 167	\$ 167	\$ 167	\$ 167	\$ 2,000
Board Meeting Expense	\$ -	\$ -	\$ 215	\$ 120	\$ 120	\$ -	\$ 120	\$ -	\$ 120	\$ 95	\$ -	\$ 120	\$ 910
Stationary and Printing	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 420
Dues and Subscriptions													\$ -
** Insurance (D&O)							\$ 4,000						\$ 4,000
Licenses and Fees				\$ 75									\$ 75
Postage and Shipping	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 120
Professional Fees - Audit	\$ 8,500												\$ 8,500
Professional Fees - Legal	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 25,000
Public Information Expense													\$ -
Website			\$ 525										\$ 525
Subtotal	\$10,795	\$ 2,295	\$ 3,035	\$ 2,490	\$ 2,415	\$ 2,295	\$ 6,415	\$ 2,295	\$ 2,415	\$ 2,390	\$ 2,295	\$ 2,415	\$ 41,550
TOTAL EXPENSE	\$19,545	\$11,045	\$11,785	\$11,240	\$11,165	\$11,045	\$15,165	\$11,045	\$11,165	\$11,140	\$11,045	\$11,165	\$146,550

5. Rate Assumptions and Assessment Rates

CY2021 Core Rate Assumptions

(as of September 2, 2020)

1. Board commitment to keeping rates stable in future years
2. NHVA will continue to hold at \$5M reserve fund, and any excess cash beyond the \$5M will be used for rate stabilization in future years
3. A reserve of 10% will be taken of the total non-Federal program cost for the succeeding year (RSA 126-Q:4 II.(c))
4. The percentage paid by the carriers is 60.0% (projection) for CY2021 calculations and 59.23% (trended %) for outer years
5. NHVA funds of \$3,224,124 held by NH DHHS will be recovered in June CY2021 for the third year in a row; the model will continue to recover CDC credit the year following the receipt
6. The estimated CDC annual credit on October 1, 2020 will be \$2.5M with \$2.5M thereafter *
7. Interest rate assumptions for cash on hand assume 0.5% starting CYQ3 2020
8. Total assessed lives has declined 3.3% between CY2014 Q2 and CY2020 Q2 with quarter-to-quarter declines of 0.1% per quarter. COVID-19 adjustments include:
 - FY2021 = 153,000
 - FY2022 = 155,000
 - FY2023 = 157,000
 - FY2024 = 159,000
 - FY2025 = 161,000
9. The TRICARE cap rate* of \$13.95 will continue in CY2021 and TRICARE's \$938,732 future, specific assessment receivable will be paid down in full in five quarters at the current rate of \$13.95*
10. No reimbursement of NH DHHS Immunization Section administrative cost request of \$484,346 (Tab C)
11. Annual 3% administrative budget increase
12. No late payment interest assessments

*Actual credits and rates not known until after 10/1/2020

Description	NEW MODEL		NEW MODEL		NEW MODEL		Annual Adjustment Factors	FUTURE YEARS			
	CY19 Annual Adjustment Factors	SFY19 for CY19 Rate	CY20 Annual Adjustment	Draft SFY20 for CY20 Rate	CY21 Annual Adjustment	Actual SFY21 for CY21 Rate		Projected Assessment Rate - 4 years			
								SFY21/22	SFY22/23	SFY23/24	SFY24/25
4 Prior Year ACTUAL Avg Total Expenditure + Increase from Act SFY	1.74%	\$ 26,837,646	0.2%	\$ 26,126,101	0.2%	\$ 27,190,718	0.2%	\$ 27,249,033	\$ 27,307,473	\$ 27,366,039	\$ 27,424,730
Provision for Vaccine Utilization Increase + Vaccine Cost Increase		Actual SFY19		Actual SFY19		DHHS Trend Proj					
Subtotal											
Less: Estimated VFC and Estimated NH General Fund											
4 Prior Year ACTUAL Average % Paid by Insurers		57.72%		58.37%		60.00%	59.23%	59.23%	59.23%	59.23%	59.23%
		Actual SFY19		Actual SFY19		DHHS Trend Proj					
Amount NHVA to pay DHHS (projected) Before Offsetting DHHS Surplus		\$ 15,490,000		\$ 15,250,000		\$ 16,314,431		\$ 16,140,000	\$ 16,170,000	\$ 16,210,000	\$ 16,240,000
Normalized Administrative Expenses		\$ 147,000	0.00%	\$ 142,700	0.00%	\$ 146,550	3.00%	\$ 150,946	\$ 155,475	\$ 160,139	\$ 164,943
Provision for One-Time Expenditures		\$ 174,359		\$ -		\$ -		\$ -	\$ -	\$ -	\$ -
Admin % of Total Vaccine Costs		1.20%		0.55%		0.54%		0.55%	0.57%	0.59%	0.60%
Total Assessment to be Raised - Before "Cushion"		\$ 15,811,359		\$ 15,392,700		\$ 16,460,981		\$ 16,290,946	\$ 16,325,475	\$ 16,370,139	\$ 16,404,943
Apply Cushion ("Reserve") 10% per RSA 126-Q:4 II.(c)	10.00%	\$ 1,581,136	10.00%	\$ 1,539,270	10.00%	\$ 1,646,098	10.00%	\$ 1,629,095	\$ 1,632,547	\$ 1,637,014	\$ 1,640,494
Actual Cushion ("reserve")											
Investment Earnings		\$ (351,842)		\$ (341,722)		\$ (130,158)		\$ (130,174)	\$ (118,450)	\$ (108,505)	\$ (99,463)
Grand Total Assessment to be Raised - Before DHHS Offset		\$ 17,040,653		\$ 16,590,248		\$ 17,976,920		\$ 17,789,867	\$ 17,839,572	\$ 17,898,648	\$ 17,945,974
Final Assessment to be Raised											
Less: Q1 Assessments Collected in May		\$ (3,235,518)		\$ (3,372,025)		\$ (2,906,250)		\$ (2,943,750)	\$ (2,981,250)	\$ (3,018,750)	\$ (3,056,250)
Estimated Assessable Lives	-1.30%	166,693	-0.10%	165,295	COVID	153,000	COVID	155,000	157,000	159,000	161,000
Rate Based on Proposed Cash Flow Outcomes											
Q1 - Q3		\$ 10.30		\$ 6.70		\$ 6.47		\$ 6.80	\$ 6.25	\$ 6.25	\$ 6.25
Q4 Collected in May following at new rate		\$ 6.70		\$ 6.47		\$ 6.80		\$ 6.25	\$ 6.25	\$ 6.25	\$ 6.25
Projected Year End Cash Balance		Actual 6/30/19		Actual 6/30/20		Projected 6/30/21	Proj Year Beg =>	Projected 6/30/21	Projected 6/30/22	Projected 6/30/23	Projected 6/30/24
Beginning Balance		\$ 3,697,484		\$ 12,220,200		\$ 14,053,689		\$ 16,912,270	\$ 14,870,624	\$ 13,160,899	\$ 11,546,565
Projected Cash Received from Assessments - FY basis		\$ 17,796,406		\$ 13,390,110		\$ 12,460,630		\$ 11,598,326	\$ 11,986,500	\$ 12,136,500	\$ 12,286,500
Projected Interest Received		\$ 351,842		\$ 341,722		\$ 130,158		\$ 130,174	\$ 118,450	\$ 108,505	\$ 99,463
Total Receipts		\$ 18,148,248		\$ 13,731,832		\$ 12,590,788		\$ 11,728,500	\$ 12,104,950	\$ 12,245,005	\$ 12,385,963
Projected Gross Vaccine Costs after deducting VFC and NH credits	Actual=Green	\$ 19,149,829		\$ 15,491,964		\$ 12,814,431	Projected	\$ 16,120,000	\$ 16,160,000	\$ 16,200,000	\$ 16,240,000
Less: Carryforward DHHS unspent funds		\$ (9,915,173)		\$ (3,740,571)		\$ (3,224,124)		\$ (2,500,000)	\$ (2,500,000)	\$ (2,500,000)	\$ (2,500,000)
Net cash payments due DHHS		\$ 9,234,656		\$ 11,751,393		\$ 9,590,307		\$ 13,620,000	\$ 13,660,000	\$ 13,700,000	\$ 13,740,000
Cash Paid for Administrative Expenses		\$ 390,876		\$ 146,950		\$ 141,900		\$ 150,147	\$ 154,675	\$ 159,339	\$ 164,143
Total Disbursements		\$ 9,625,532		\$ 11,898,343		\$ 9,732,207		\$ 13,770,147	\$ 13,814,675	\$ 13,859,339	\$ 13,904,143
Projected Ending Balance		\$ 12,220,200		\$ 14,053,689		\$ 16,912,270	roj Year Ending =	\$ 14,870,624	\$ 13,160,899	\$ 11,546,565	\$ 10,028,385
		Actual 6/30/19		Actual 6/30/20		Projected 6/30/21		Projected 6/30/21	Projected 6/30/22	Projected 6/30/23	Projected 6/30/24
Projected Q1 Assessments collected in May		\$ 3,315,354		\$ 3,235,518		\$ 2,754,000		\$ 2,754,000	\$ 2,906,250	\$ 2,943,750	\$ 2,981,250
Projected Year end Cash Reserve - Target \$5.0M		\$ 382,130		\$ 8,984,682		\$ 14,158,270		\$ 12,116,624	\$ 10,254,649	\$ 8,602,815	\$ 7,047,135
Total Cash on Hand 6/30 each year		\$ 3,697,484		\$ 14,053,689		\$ 16,912,270		\$ 14,870,624	\$ 13,160,899	\$ 11,546,565	\$ 10,028,385

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