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MINUTES
Annual Meeting and Board of Directors Meeting
September 23, 2020
9:00 – 11:00 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 via Zoom Webinar with a quorum present.

The meeting was called to order by Susan Tenney, Chair, at 9:02 a.m.

1. Welcome and Roll Call

Attendance – The following individuals attended the meeting:

Committee Members:	Other Attendees & Administrative Staff:
Susan Tenney, HPHC, Chair	Karen Carew, Carew & Wells
David Sky, NHID, Treasurer	Mark McCue, Esq., Hinckley Allen
Sean Lyons, Cigna, Secretary	Patrick Miller, Helms & Company, Inc.
Elizabeth Daly, NH DHHS	Erin Meagher, Helms & Company, Inc.
Patricia Edwards, MD, Healthcare Provider	Keith Nix, Helms & Company, Inc.
Jason Margus, Anthem	Tony Mendez, Helms & Company, Inc.
Edward Moran, Public Member, Vice Chair	
Wendy Lee Parker, HealthTrust	Members of the Public:
Lorraine Radick, RPh, Public Member	Laura Condon, Bedford
Janice Valmassoi, MD, Healthcare Provider	Heather Entenmann, Merck
	Elizabeth Kinney, Portsmouth
	Lorraine Lindenberg, Derry
	Cheryl Rounds, Derry
	Holy Ruocco, Salem
	Larisa Trexler, Stoddard

For the purpose of meeting minutes, Mr. Miller announced he was recording the meeting. Separately, Ms. Ruocco indicated she was also recording the meeting.

Ms. Tenney welcomed the Board Members, staff, and members of the public to the meeting. She proceeded to read the *Board Chair Statement Regarding Public Commentary During Meetings* drafted by Attorney McCue.

2. FY2020 Audit Review

Ms. Tenney welcomed Ms. Carew from Carew & Wells to the meeting. Ms. Carew began by advising the Board that the Audit Committee has reviewed the financial statements as drafted and subsequently voted to recommend that the full Board accept them. Ms. Carew began with the *Statement of Financial Position* and explained that the most significant change from the prior fiscal year is that the investments reflect an increase of \$6,814,180. This is a result of the organization moving funds into an investment account to provide for a long-term conservative rate of return. The *Statement of Activities and Changes in Net Assets* portrays the assessment income with donor restrictions and \$127,226 left to cover operating expenses after the remittance to the State of New Hampshire.

The *Statements of Cash Flow* reconciles the difference between the net income and how the cash position may have changed. The statement reflects how \$6,724,277 was moved from cash into investments. Mr. Miller reminded

34 Board members that are not part of the Audit Committee that funds were transferred out of the ICS account earlier
 35 in the year into longer term, higher yielding investments. Under *Notes to Financial Statements*, there was a new
 36 note in the last year which addressed cash and other resources that may be available in the next year.

37
 38 Ms. Carew reviewed the TRICARE assessment settlement and the recoupment of arrearages. The beginning balance
 39 was \$1,334,003 and with \$395,271 that has been received, there is a balance of \$938,732 still to be collected. The
 40 final note in the *Notes of Financial Statements* was referenced by Ms. Carew. The Association has not experienced
 41 any disruption in daily operations because of the pandemic, and Management is actively monitoring the situation
 42 for potential impact to covered lives in the commercial market. It would be impractical to estimate the future effect,
 43 if any, given the ongoing nature of the pandemic.

44
 45 Ms. Carew asked the Board if there were any questions. Given no questions, Ms. Tenney asked the Board if anyone
 46 would like to make a motion to move to Executive Session with Ms. Carew as this opportunity was not afforded to
 47 the Audit Committee on September 9, 2020.

48
 49 **VOTE RECORDED:** *On a motion by Mr. Sky, seconded by Ms. Daly, by roll call it was unanimously*
 50 **VOTED:** *To move into Executive Session.*

	<u>Yes</u>	<u>No</u>
52		
53	<i>Elizabeth Daly</i>	<i>X</i>
54	<i>Patricia Edwards, MD</i>	<i>X</i>
55	<i>Sean Lyons</i>	<i>X</i>
56	<i>Jason Margus</i>	<i>X</i>
57	<i>Edward Moran</i>	<i>X</i>
58	<i>Wendy Lee Parker</i>	<i>X</i>
59	<i>Lorraine Radick, RPh</i>	<i>X</i>
60	<i>David Sky</i>	<i>X</i>
61	<i>Susan Tenney</i>	<i>X</i>
62	<i>Janice Valmassoi, MD</i>	<i>X</i>

63
 64 An Executive Session with the Auditor was held.

65
 66 Upon return from the Executive Session, Mr. Sky stated that the *Governance Letter* from Carew & Wells that had
 67 been included and reviewed as part of the draft financial statement packet during the September 9, 2020 Audit
 68 Committee meeting was not included in today's Board meeting packet. It was determined that this letter should be
 69 reviewed by all Board members before taking a vote of acceptance. It was unanimously agreed to postpone the
 70 vote to accept the FY2020 Audit and Financial Statements until the November 18, 2020 Board meeting. Mr. Miller
 71 advised he would forward that letter to the Board immediately following the completion of the Board meeting.

72
 73 **3. Review and Acceptance of the June 17, 2020 Board Meeting Minutes**

74
 75 Ms. Tenney asked if there were any questions or comments related to the draft June 17, 2020 minutes. Attorney
 76 McCue indicated he was in attendance of this meeting but was not listed as an attendee. Hearing no other
 77 comments, Ms. Tenney asked for a motion to approve the minutes.

78
 79 **VOTE RECORDED:** *On a motion by Mr. Sky, seconded by Mr. Lyons, by roll call it was*
 80 **VOTED:** *To accept the June 17, 2020 Board Meeting minutes with amendment to list*
 81 *Attorney McCue as in attendance.*
 82
 83

		<u>Yes</u>	<u>No</u>	
84				
85	<i>Elizabeth Daly</i>			<i>Abstained</i>
86	<i>Patricia Edwards, MD</i>	X		
87	<i>Sean Lyons</i>	X		
88	<i>Jason Margus</i>	X		
89	<i>Edward Moran</i>	X		
90	<i>Wendy Lee Parker</i>			<i>Abstained</i>
91	<i>Lorraine Radick, RPh</i>	X		
92	<i>David Sky</i>	X		
93	<i>Susan Tenney</i>	X		
94	<i>Janice Valmassoi, MD</i>	X		
95				

96 Ms. Daly and Ms. Parker abstained from the vote as they were not in attendance at the June meeting.

97
98
99

4. Executive Director Report

100 Ms. Tenney asked Mr. Miller for the Executive Director Report. Mr. Miller stated that the *CY2021 Rate Setting*
101 presentation has been developed over the past two meetings with the Audit Committee and some of this has been
102 previously shared with the Board during the June meeting. The presentation consists of a brief background, a review
103 of historic trends, the potential impact of COVID-19, a review of documents received from the Department of Health
104 and Human Services regarding the assessment process as well as the Administrative Budget approved by the Board
105 during the June 17, 2020 meeting, and the final rate assumptions and proposed CY2021 assessment rate.

106

107 Mr. Miller briefly reviewed the *CY2021 Assessment Rate Setting Process Timeline* slide and the *FY2020 Significant*
108 *Fiscal Events* slide. In terms of the latter, there were no extraordinary expenses to report in FY2020, and notable
109 income included the TRICARE assessment receipt, interest recoupment, investment income, dividend income, and
110 an unrecognized gain on investments.

111

112 Regarding the *Assessment History / Timeline* slide Mr. Miller advised the slide reflects events for both the calendar
113 year and fiscal year. The numbers in black are actual and the numbers in red are projected. Mr. Miler then reviewed
114 the historical trend slides for context.

115

116 The Audit Committee has spent time discussing what the possible impact of COVID-19 might be to covered lives.
117 Various sources of data were examined including national studies, unemployment rates, Medicaid enrollment, and
118 NH DHHS childhood immunization program vaccine orders. While the unemployment rate has increased during
119 COVID-19, we do not know how many children have lost commercial coverage. Ms. Daly provided a brief overview
120 of the work her team has been focused on to assist practices with their efforts to catch up on missed vaccines. Ms.
121 Daly advised that she does not have any information on COVID-19 vaccines as there have been no formal
122 communications around who would be responsible for payment once a vaccine is developed.

123

124 Mr. Miller directed the group to the notes on the bottom of the *DHHS Tab C* slide as they impact the assessment
125 rate model. The State's request of the NHVA for next June totals \$9,590,306.62. Along with the October 2019 CDC
126 replacement credit, there were unspent revenues of \$3.2M as of June 30, 2020 that are accounted for in the model.
127 The DHHS administrative cost request is not included in the model. In response to a question, Ms. Daly explained
128 the CDC replacement credit calculation. In response to a question regarding where the actual vaccines are stored,
129 Ms. Daly explained that all vaccines are stored at McKesson except for small quantities kept on hand by the State.

130

131 In terms of the CDC replacement credit, this has been a factor since around 2013. Prior to Helms' role as
132 Administrator it was not part of the rate setting model which resulted in cash building up within DHHS' accounts.
133 These funds have been recouped by NHVA through reduced payments to the State in the last two rate setting cycles.

134 An additional \$3.2M will be recouped in June 2021. The recouping of these funds has allowed the NHVA to earn
135 interest which has more than paid the administrative fees.

136
137 The *CY2021 Core Rate Assumptions* slide was reviewed by Mr. Miller prior to reviewing the *CY2021 Cash Flow /*
138 *Reconciliation / Rates* slide. The latter contains the methodology for the rate setting. The rate for CY2020 is \$6.80
139 and the proposed rate for consideration by the Board today for CY2021 is \$6.25. The Audit Committee voted on
140 September 9, 2020, to recommend a rate of \$6.25 for CY2021 to the full Board.

141
142 This rate reduction is due to a number of factors including a slight decline in overall program costs, the 10% reserve
143 allowed by RSA 126-Q, the \$3.2M in funds at the State as of June 30, 2020, and the anticipated CDC replacement
144 credit. The organization is starting the fiscal year in a strong cash position and will collect fewer dollars in the coming
145 fiscal year than the last. Over the next five years, the model projects total assessable lives to decrease sharply and
146 then slowing rebound as the economy recovers from the impacts of COVID-19. The goal is to have \$5M in reserves
147 by the end of the five-year period. The current model shows close to \$7M, which ultimately could be less depending
148 on several factors. Board members agreed that this cushion makes sense given uncertainties regarding the funding
149 of a future COVID-19 vaccine, and the desire to keep assessment rates level.

150
151 Ms. Tenney stated that she thought the proposed rate and the model made a lot of sense and that it was discussed
152 quite extensively at the Audit Committee meeting. She stated that she liked the fact that from a payer perspective,
153 NHVA is trying to maintain some consistency in the rates so that they are not significant going up or down every
154 year. Ms. Parker stated that the self-funded employers were also looking for consistency.

155
156 Mr. Miller concluded by saying that over the winter a more detailed quarterly modeling component will be added
157 into in the projections and Helms will continue to simplify the overall modeling process.

158
159 Ms. Tenney asked the Board if there were any questions, and hearing none, she asked for a motion.

160
161 **VOTE RECORDED:** *On a motion by Ms. Parker, seconded by Mr. Lyons, by roll call it was unanimously*
162 **VOTED:** *To approve the assessment process, rate calculation, and the proposed CY2021*
163 *assessment rate of \$6.25.*

	<u>Yes</u>	<u>No</u>
165		
166	<i>Elizabeth Daly</i>	X
167	<i>Patricia Edwards, MD</i>	X
168	<i>Sean Lyons</i>	X
169	<i>Jason Margus</i>	X
170	<i>Edward Moran</i>	X
171	<i>Wendy Lee Parker</i>	X
172	<i>Lorraine Radick, RPh</i>	X
173	<i>Susan Tenney</i>	X
174	<i>Janice Valmassoj, MD</i>	X

175
176 Mr. Sky departed the meeting at 10:00 a.m. and did not vote.

177
178 Ms. Tenney asked Mr. Miller to review the financial statements. Mr. Miller stated there is not a lot to report as there
179 are only two months reflected for the current fiscal year. He stated that the assessment income is higher than
180 budgeted due to the timing of the collections. When the Board meets in November, the financial statements will
181 include the fiscal year's first quarter plus the first month of the next quarter as well as the assessments that are due
182 November 15, 2020. The balance sheet shows a drop from \$6.8M in short term investments to \$4.969M. This is a

183 result of CDs being called and then funds are transferred back into the ICS account. The ICS account rate will be cut
184 again to 40 basis points as of October 1, 2020.

185
186 Mr. Moran asked whether the cash management was being handled by Helms or through a third party. Mr. Miller
187 explained the NHVA works with the Wealth Management Department at the Bank of New Hampshire. Mr. Moran
188 asked for clarification on the payment made to BoNH for their services. Mr. Miller believes it is 40 basis points but
189 can verify. BoNH invests in vehicle with returns that cover the BoNH fees and are greater than the ICS account
190 returns. \$7M of NHVA's funds have being invested this way since March 2020.

191
192 Mr. Moran expressed that using a big brokerage firm can be very expensive. Mr. Miller agreed and explained that
193 approximately 18 months ago, Helms put out an RFP which enabled the Audit Committee to review two banks and
194 two investment advisory firms. After careful review of fees and other factors, a decision was made to continue with
195 BoNH's Wealth Management group. The current low-interest rate environment does not leave many investment
196 options for NHVA.

197
198 Mr. Miller concluded the Executive Director update by mentioning that the November meeting will include the
199 updated financials, FY2020 Audit review and vote, the Annual Report review and vote, and the adoption of next
200 year's meeting schedule. Finally, Mr. Miller stated that Ms. Meagher will reach out to each Board member following
201 the meeting regarding the annual signing of the Code of Ethics policy.

202
203 **5. DHHS Update**

204
205 Ms. Tenney asked Ms. Daly if she would like to give an update from the Department of Health and Human Services.
206 Ms. Daly advised that she does not have any additional items that did not already come up through the review of
207 the Executive Directors' Report. There were no Board member questions for Ms. Daly. Mr. Miller thanked Ms. Daly
208 and her team for the rate setting process assistance, acknowledging they are in the middle of responding to a
209 pandemic.

210
211 **6. Public Comment**

212
213 Ms. Tenney invited comments from the members of the public.

214
215 Ms. Condon thanked Helms & Company for their work on the meeting documents and the ability for the public to
216 attend and participate. She requested that it be notated during future meetings how many members of the public
217 are in attendance since it is not displayed on the webinar. Ms. Condon asked that the Board consider if an IRS Form
218 990 is appropriate for NHVA. She stated that RSA 126-Q does not provide for funding of DHHS or their staff salaries
219 and as such she believes it is inappropriate to continue to entertain the DHHS requests for such funding. Ms. Condon
220 questioned whether the CDC replacement credit has been considered since 2013. Ms. Condon stated that she
221 thought the Bank of New Hampshire Wealth Management fees were excessive. She thanked the Board for their
222 time.

223
224 Ms. Tenney asked if there were any other members of the public who desired to make a statement. There were not
225 responses.

226
227 Mr. Miller indicated there were a total of five members of the public currently attending the webinar, and Ms.
228 Meagher added that there had been as many as seven during the meeting.

229
230 Ms. Tenney asked the Board members if there was a desire to enter another Executive Session. Hearing no request
231 to do so, Ms. Tenney asked if anyone had any additional comments, concerns, or anything that Board members
232 would like to discuss. No additional comments were made.

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7. Adjournment

Ms. Tenney asked for a motion to adjourn.

VOTE RECORDED: *On a motion by Ms. Daly, seconded by Mr. Lyons, by roll call it was unanimously*
VOTED: *To adjourn Executive Session at 10:39 a.m.*

	<u>Yes</u>	<u>No</u>
<i>Elizabeth Daly</i>	X	
<i>Patricia Edwards, MD</i>	X	
<i>Sean Lyons</i>	X	
<i>Jason Margus</i>	X	
<i>Edward Moran</i>	X	
<i>Wendy Lee Parker</i>	X	
<i>Lorraine Radick, RPh</i>	X	
<i>Susan Tenney</i>	X	
<i>Janice Valmassoi, MD</i>	X	

Mr. Sky departed the meeting at 10:00 a.m. and did not vote.

Board of Directors Meeting minutes respectfully submitted by
Sean Lyons, Board Secretary
September 28, 2020

#