

AGENDA
AUDIT COMMITTEE MEETING
April 28, 2021
9:00-10:45am
VIA WEBINAR

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

Administrator Staff: Patrick Miller, Keith Nix, Erin Meagher

9:00am-9:10am	1. Call to Order & Attendance a) Meeting Recording Announcement
9:10am-9:15am	2. Review and Accept September 09, 2020 Meeting Minutes – Vote
9:15am-9:45am	3. Executive Director Report a) Unaudited Financials March 2021 YTD b) Assessment Trends Update c) Increase June 2021 Payment to NH DHHS to \$10,266,919 from \$9,590,307 (approved 09.23.2020)
9:45am-10:00am	4. Auditor Selection FY2021 a) Selection of Carew & Wells as Auditor for FY2021 – Vote
10:00am-10:15am	5. FY2022 Administrative Budget a) FY2022 Administrative Budget Review and Discussion – Vote
10:15am-10:30am	6. Other Business
10:30-10:45am	7. Public Comment
10:45am	8. Call to Adjourn

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MINUTES
Audit Committee Meeting
September 9, 2020
9:00am

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 Webinar with a quorum present.

Mr. Sky, Chair, called the meeting to order at 9:02 a.m.

1. Welcome and Introductions

Attendance – The following individuals attended the meeting:

Committee Members:	Other Attendee & Administrative Staff:
David Sky, NHID, Chair	Patrick Miller, Helms & Company
Susan Tenney, HPHC, Vice Chair	Erin Meagher, Helms & Company
Beth Daly, NH DHHS	Keith Nix, Helms & Company
Jason Margus, Anthem	Tony Mendez, Helms & Company
	Members of the Public
	Laura Condon, Bedford
	State Representative Linda Gould, Bedford
	Larisa Trexler, Stoddard

Mr. Sky opened the meeting and turned it over to Mr. Miller for announcements. Mr. Miller advised the group of the new video conference registration format to allow for identification of individual participants. Members of the public are being asked to register for all Audit Committee and Board of Director meetings. A unique link to enter the meeting will be provided to each person who registers; logons cannot be shared. Mr. Miller also explained the process the Committee Members would follow if an Executive Session was necessary. He stated that page two of the meeting packet contained the NHVA’s statement regarding public commentary. Mr. Miller stated he was recording the meeting for the purpose of meeting minutes.

Mr. Sky asked that Mr. Miller take roll call for attendance purposes.

<u>Committee Member</u>	<u>Here</u>	<u>Absent</u>
Beth Daly	X	
Jason Margus	X	
David Sky	X	
Susan Tenney	X	
<u>Helms & Company</u>	<u>Here</u>	<u>Absent</u>
Patrick Miller	X	
Erin Meagher	X	
Tony Mendez	X	
Keith Nix	X	

40 **1. Review and Acceptance of August 20, 2020 Meeting Minutes**

41
42 Mr. Sky asked the Committee if anyone had any questions or changes to the August 20, 2020 meeting minutes. No
43 changes were identified.
44

45 **VOTE RECORDED:** *On a motion by Mr. Margus, seconded by Ms. Daly, by roll call it was unanimously*
46 **VOTED:** *To accept the August 20, 2020 Audit Committee meeting minutes as presented*
47 *with the one correction outlined above.*
48

	<u>Yes</u>	<u>No</u>
49		
50	Beth Daly	X
51	Jason Margus	X
52	David Sky	X
53	Susan Tenney	X
54		

55 **2. CY2021 Assessment Rate Discussion & Recommendation**

56
57 Mr. Miller reviewed the rate setting slides in the meeting packet that contained new information from the August
58 20, 2020 Audit Committee meeting:

- 59 ▪ *CY2021 Assessment Process Timeline* slide (page 11). This will be updated after this morning's meeting. The
60 next major item will be the rate approval by the Board on September 23.
- 61 ▪ *Assessment History / Timeline* slide (page 14). This has been updated since the last meeting and will be
62 updated for the next meeting with the outcome of today's rate discussion.
- 63 ▪ *Shrinking Assessed Lives and Variability in Assessed Rates* slide (page 16). This has been updated to include
64 the most recent quarter of collected assessments which closed August 15, 2020.
- 65 ▪ Unemployment data for August is not yet available (page 21), so the *US and New Hampshire Unemployment*
66 *Rates, Seasonally Adjusted* slide has only been updated through July 2020 with NH at 8.1% unemployment
67 and the US at 10.2%. The August data may be available for the September 23 meeting.
- 68 ▪ *NH Medicaid Enrollment* (page 22) also was updated through July 2020 with a continued trend upward. The
69 August data may be available for the September 23 meeting.
- 70 ▪ There was no update made to the *NH Childhood Immunization Program Vaccine Order Trends* slide (page
71 23) and Ms. Daly stated she will provide August data to Mr. Miller prior to the Board of Directors meeting
72 scheduled for September 23, 2020.
73

74 Mr. Miller moved onto the next section of the meeting packet, reviewing the data received from DHHS as well as
75 the administrative budget that was fed into final assessment rate setting model. *Tab C* (page 26) has not changed,
76 however a few notations were added at the bottom of the page regarding the NHVA Estimated Cost and the DHHS
77 Request for Program Administrative Costs.
78

79 Mr. Miller reviewed the *CY2021 Core Rate Assumptions* slide (page 31). The assumptions regarding the loss of
80 covered lives due to COVID-19 has been revised upward slightly to 8% from 11% at the last meeting given what
81 appears to be a recovery in unemployment numbers in July. He believes it to be a conservative approach. Mr. Miller
82 paused and asked if there were any questions about the assumptions. Mr. Sky asked the Committee members if
83 everyone was comfortable with the assumptions made and if they were ready to move on to the rate assessment
84 model. All agreed to move forward.
85

86 Mr. Miller directed the Committee to page 32 to review the *CY2021 Cash Flow / Reconciliation / Rate* slide. He walked
87 through the process as to how Helms arrived at the suggested rate of \$6.25 for CY2021. He reminded the group that
88 the updated model has a lot of flexibility and that instead of just reviewing this process yearly, the intent is to update
89 the model quarterly going forward. Mr. Miller then highlighted the following:

- 90 ▪ New Model column, “Net Cash Payments due DHHS” is \$9.59M, which is considerably less than what the
- 91 estimated payment was determined to be last year during this process. This is primarily due to a few factors:
- 92 the CDC credit was more than expected, the total program costs are down approximately \$500,000, the
- 93 TRICARE recoupments were better than budget, and the investment returns were stronger than budget.
- 94 ▪ The “cushion reserve” allowed by the RSA remains at 10%.
- 95 ▪ The cash on hand as of June 30, 2020 is approximately \$300K shy of the projected DHHS payment due June
- 96 30, 2021 after setting aside the \$5M reserve.
- 97 ▪ A conservative \$2.5M CDC credit assumption is made. This number is a significant driver of the way the
- 98 model performs. The true number will be known on October 1, 2020. Ms. Daly stated that she can provide
- 99 Mr. Miller an estimate prior to the September 23 Board meeting.
- 100 ▪ The projected cash on hand at the end of June 2024 is \$7M which is \$2M higher than the \$5M reserve. Mr.
- 101 Miller proposed that this cushion could be used for future vaccines such as for COVID-19.
- 102 ▪ The covered lives are projected to drop to 153,000 in FY21 and rebound to 161,000 by FY25 as the economy
- 103 recovers.
- 104 ▪ A \$6.25 assessment rate is proposed in the current model for the coming calendar year.

105
106 Mr. Miller stated that the NHVA is in a better cash position than expected during the creation of last year’s model.
107 Mr. Miller reiterated that even at the \$6.25 proposed assessment rate, the model is conservative, and still provides
108 a cushion if there is a second resurgence of the virus that further damages the economy.

109
110 Mr. Sky asked for comments or questions from the Committee members. Ms. Tenney referred to DHHS’s Tab C on
111 page 26 and asked about the \$3.5M replacement credit listed. Mr. Miller explained that this is the annual CDC credit
112 received on October 1 of each year. Ms. Daly clarified that we will not know the actual amount until October 1st, and
113 that this number is a projection based on the past few years average. Last year’s credit was much lower at \$1.8M.

114
115 Mr. Miller pointed out that in the model, a more conservative \$2.5M was used for this credit when developing the
116 assessment rate in the outer years since it does have a significant impact on the cash on hand. This credit was never
117 accounted for before Helms took over as Administrator and several years of credits created the build-up of NHVA’s
118 cash that was being held by DHHS. The past three years have “clawed back” this cash from DHHS. Last year’s model
119 did not expect to recover any funds, but there are funds totaling \$3.22M at DHHS which NHVA will reclaim on June
120 30, 2021 by making a corresponding lowered payment to DHHS. Ms. Daly stated that she can provide Mr. Miller a
121 better estimate of the CDC credit prior to the September 23 meeting.

122
123 There being no additional questions or comments, Mr. Sky asked if a Committee member would offer a motion
124 regarding the CY2021 rate.

125
126 **VOTE RECORDED:** *On a motion by Ms. Daly, seconded by Mr. Margus, by roll call it was unanimously*
127 **VOTED:** *To recommend to the Board of Directors at the Board meeting scheduled for*
128 *September 23, 2020 to accept the CY2021 recommended assessment rate of*
129 *\$6.25.*

130
131

	<u>Yes</u>	<u>No</u>
132 <i>Beth Daly</i>	X	
133 <i>Jason Margus</i>	X	
134 <i>David Sky</i>	X	
135 <i>Susan Tenney</i>	X	

136
137 **3. Other Business**

138
139 Mr. Sky asked the Committee members if anyone had any other business to discuss. Being none, he then opened it
140 up for comments from members of the Public reminding all that this is not an interactive session. Any questions a

141 member of the public may have should be submitted to the Executive Director for response. Comments should be
 142 germane to the role the NH Vaccine Association, namely the collection of assessments to fund the non-Federal
 143 portion of the state's purchase and distribution of children vaccines. The Association is not a policy setting
 144 organization and has no influence over the state participation in the Vaccines for Children Program. As Chair of this
 145 Audit Committee, Mr. Sky reserves the right to interrupt any public commentary that is not germane to the business
 146 of this Committee.

147
 148 Ms. Condon stated she appreciates the work that Helms & Company does to allow for public access to the NHVA
 149 meetings. She did experience technical difficulties joining the meeting today due to the new Zoom Webinar process.
 150 Ms. Condon expressed that the process was cumbersome but has confidence it will go more smoothly at the next
 151 meeting. Ms. Meagher did work with Ms. Condon offline to enable access.

152
 153 Ms. Condon stated she does think it important for members of the public be free to express their concerns as it
 154 relates to the Vaccine Association whatever way they deem appropriate understanding this is not interactive session
 155 and that NHVA is under no obligation to respond to those concerns. Ms. Condon then thanked the Committee for
 156 the opportunity to speak.

157
 158 Mr. Sky thanked Ms. Condon for her comments and asked if anyone else wished to speak. No other members of the
 159 public indicated a desire to speak.

160
 161 **4. Adjournment**

162
 163 **VOTE RECORDED:** *On a motion by Ms. Daly, seconded by Ms. Tenney, by roll call it was unanimously*
 164 **VOTED:** *To adjourn the Audit Committee meeting at 9:37 a.m.*

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

171
 172
 173
 174 Respectfully submitted by
 175 Patrick Miller, Helms & Company, Inc.
 176 September 15, 2020

177
 178 # # #

NHVA
Statement of Cash Flow
YTD FY2021 Q3
Quarter Ended March 31, 2021

	FY21 - Q1 Actual	FY21 - Q2 Actual	FY21 - Q3 Actual	FY21 - Q4 Actual	FY 2021 YTD Actual	FY 2021 YTD Budget	Difference YTD Act to Bud	FY 2021 Annual Budget
Receipts (Source)								
Assessment Income	3,341,697	3,328,287	3,295,912	-	9,965,896	9,305,485	660,411	12,059,485
Assessment Income - TRICARE (Settlement)	103,217	116,651	118,616	-	338,484	302,445	36,039	401,145
* Accounts Receivable	-	46	(46)	-	-	-	-	-
Interest Income - Assessments	163	221	58	-	442	177	265	293
Interest Income - Bank & Sweep (ICS)	13,007	15,039	13,854	-	41,900	44,009	(2,109)	58,679
Interest Income - Investments	23,259	9,854	17,007	-	50,120	71,360	(21,240)	95,146
Dividend Income	21	5	1	-	27	70	(43)	93
Investment Advisory fees	(6,520)	(4,678)	(4,514)	-	(15,712)	(20,532)	4,820	(27,376)
Unrecognized Gain or Loss	1,947	(3,553)	(15,680)	-	(17,286)	9,690	(26,976)	12,920
Realized Gain or Loss	603	-	199	-	801	2,712	(1,911)	3,616
** Investment - Short term and CDs	2,077,691	174,372	226,987	-	2,479,050	-	2,479,050	-
	<u>5,555,085</u>	<u>3,636,244</u>	<u>3,652,393</u>	<u>-</u>	<u>12,843,722</u>	<u>9,715,416</u>	<u>3,128,306</u>	<u>12,604,002</u>
Disbursements (Use)								
*** Expenses	32,752	29,675	29,254	-	91,681	109,200	(17,519)	9,736,857
* Prepays & Payables Change	(840)	(840)	3,080	-	1,400	-	1,400	-
Vaccine Expenses	-	-	-	-	-	-	-	-
	<u>31,912</u>	<u>28,835</u>	<u>32,334</u>	<u>-</u>	<u>93,081</u>	<u>109,200</u>	<u>(16,119)</u>	<u>9,736,857</u>
Increase (Decrease)	5,523,172	3,607,410	3,620,059	-	12,750,641	9,606,216	3,144,425	2,867,146
Cash Balance - Beginning	7,514,560	13,037,732	16,645,141	-	7,514,560	7,514,560	-	7,514,560
Cash Balance - Ending	13,037,732	16,645,141	20,265,200	-	20,265,200	17,120,776	3,144,425	10,381,705

Notes:

- * Changes in Balance Sheet accounts are denoted as () = Increases and positive = decrease
- ** The positive number represents amounts transferred back to the ICS account from the Short Term Investments (CD's)
- *** Budgeted expense includes annual State of NH payment due June 2021

NHVA
Statement of Financial Position
 YTD FY2021 Q3
 Quarter Ended March 31, 2021

	<u>Jun 30, 20</u>	<u>Sep 30, 20</u>	<u>Dec 31, 20</u>	<u>Mar 31, 21</u>	<u>Jun 30, 21</u>
	FYE 20	FY21 - Q1	FY21 - Q2	FY21 - Q3	FY21 - Q4
	Audited				Audited
ASSETS					
Current Assets					
Checking/Savings					
Bank of NH #851031104	\$ 50,000	\$ 49,925	\$ 50,000	\$ 50,000	\$ -
Bank of NH - ICS	\$ 7,464,560	\$ 12,987,807	\$ 16,595,141	\$ 20,215,200	\$ -
Total Checking/Savings	<u>\$ 7,514,560</u>	<u>\$ 13,037,732</u>	<u>\$ 16,645,141</u>	<u>\$ 20,265,200</u>	<u>\$ -</u>
Accounts Receivable					
Accounts Receivable (A/R)	\$ -	\$ -	\$ -	\$ -	\$ -
Allowance for Account Receivable	\$ -	\$ -	\$ (46)	\$ -	\$ -
Total Accounts Receivable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (46)</u>	<u>\$ -</u>	<u>\$ -</u>
Other Current Assets					
Prepaid Expenses	\$ 1,960	\$ 1,120	\$ 280	\$ 3,360	\$ -
Short Term Investments	\$ 6,814,180	\$ 4,736,489	\$ 4,562,117	\$ 4,335,130	\$ -
Unrecognized Gain or Loss - ST	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Current Assets	<u>\$ 6,816,140</u>	<u>\$ 4,737,609</u>	<u>\$ 4,562,397</u>	<u>\$ 4,338,490</u>	<u>\$ -</u>
Total Current Assets	<u>\$ 14,330,699</u>	<u>\$ 17,775,341</u>	<u>\$ 21,207,492</u>	<u>\$ 24,603,690</u>	<u>\$ -</u>
TOTAL ASSETS	<u>\$ 14,330,699</u>	<u>\$ 17,775,341</u>	<u>\$ 21,207,492</u>	<u>\$ 24,603,690</u>	<u>\$ -</u>
LIABILITIES & EQUITY					
Liabilities					
Current Liabilities					
* Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Other Current Liabilities					
Liquidity Reserve	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ -
Total Current Liabilities	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ -</u>
Total Liabilities	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ -</u>
Equity					
Retained Earnings	\$ 10,386,901	\$ 12,234,671	\$ 12,234,671	\$ 12,234,671	\$ -
Fund Balance to be Distributed	\$ 1,846,029	\$ 1,846,029	\$ 1,846,029	\$ 1,846,029	\$ -
Net Income	\$ 1,847,770	\$ 3,444,642	\$ 6,876,792	\$ 10,272,991	\$ -
Total Equity	<u>\$ 14,080,699</u>	<u>\$ 17,525,341</u>	<u>\$ 20,957,492</u>	<u>\$ 24,353,690</u>	<u>\$ -</u>
TOTAL LIABILITIES & EQUITY	<u>\$ 14,330,699</u>	<u>\$ 17,775,341</u>	<u>\$ 21,207,492</u>	<u>\$ 24,603,690</u>	<u>\$ -</u>

Notes: * AP State of New Hampshire Payable (June 2021)

\$ 9,590,307

NHVA
Statement of Changes in Net Assets
 YTD FY2021 Q3
 Quarter Ended March 31, 2021

	FY21 - Q1 Actual	FY21 - Q2 Actual	FY21 - Q3 Actual	FY21 - Q4 Actual	FY 2021 YTD Actual	FY 2021 YTD Budget	Difference YTD Act to Bud	FY 2021 Annual Budget
Ordinary Income/Expense								
Income								
Assessment Income	\$ 3,341,697	\$ 3,328,287	\$ 3,295,912	\$ -	\$ 9,965,896	\$ 9,305,485	\$ 660,411	\$ 12,059,485
Assessment Income - TRICARE (Settlement)	\$ 103,217	\$ 116,651	\$ 118,616	\$ -	\$ 338,484	\$ 302,445	\$ 36,039	\$ 401,145
Interest Income - Assessments	\$ 163	\$ 221	\$ 58	\$ -	\$ 442	\$ 177	\$ 265	\$ 293
Interest Income - Bank & Sweep (ICS)	\$ 13,007	\$ 15,039	\$ 13,854	\$ -	\$ 41,900	\$ 44,009	\$ (2,109)	\$ 58,679
Interest Income - Investments	\$ 23,259	\$ 9,854	\$ 17,007	\$ -	\$ 50,120	\$ 71,360	\$ (21,240)	\$ 95,146
Dividend Income	\$ 21	\$ 5	\$ 1	\$ -	\$ 27	\$ 70	\$ (43)	\$ 93
Investment Advisory fees	\$ (6,520)	\$ (4,678)	\$ (4,514)	\$ -	\$ (15,712)	\$ (20,532)	\$ 4,820	\$ (27,376)
Unrecognized Gain or Loss	\$ 1,947	\$ (3,553)	\$ (15,680)	\$ -	\$ (17,286)	\$ 9,690	\$ (26,976)	\$ 12,920
Realized Gain or Loss	\$ 603	\$ -	\$ 199	\$ -	\$ 801	\$ 2,712	\$ (1,911)	\$ 3,616
Total Income	\$ 3,477,394	\$ 3,461,825	\$ 3,425,453	\$ -	\$ 10,364,672	\$ 9,715,416	\$ 649,256	\$ 12,604,002
Expenses								
Bank Service Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500	\$ (1,500)	\$ 2,000
Vaccine - Annual State Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,590,307
Management Fees	\$ 25,000	\$ 26,250	\$ 26,250	\$ -	\$ 77,500	\$ 78,750	\$ (1,250)	\$ 105,000
Professional Fees - Legal	\$ 1,204	\$ 2,016	\$ 2,700	\$ -	\$ 5,920	\$ 18,750	\$ (12,830)	\$ 25,000
Professional Fees - Audit	\$ 5,500	\$ -	\$ -	\$ -	\$ 5,500	\$ 5,500	\$ -	\$ 8,500
Insurance	\$ 840	\$ 840	\$ 280	\$ -	\$ 1,960	\$ 3,000	\$ (1,040)	\$ 4,000
Postage & Printing (Office)	\$ 133	\$ 83	\$ 24	\$ -	\$ 240	\$ 405	\$ (165)	\$ 540
Website & SubContractors	\$ -	\$ 486	\$ -	\$ -	\$ 486	\$ 525	\$ (39)	\$ 525
Board Meetings Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 695	\$ (695)	\$ 910
Dues & Subscriptions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TRICARE - Washington	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Information	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Fees	\$ 75	\$ -	\$ -	\$ -	\$ 75	\$ 75	\$ -	\$ 75
Total Expenses	\$ 32,752	\$ 29,675	\$ 29,254	\$ -	\$ 91,681	\$ 109,200	\$ (17,519)	\$ 9,736,857
Net Ordinary Income	\$ 3,444,642	\$ 3,432,151	\$ 3,396,199	\$ -	\$ 10,272,991	\$ 9,606,216	\$ 666,775	\$ 2,867,146
Net Income	\$ 3,444,642	\$ 3,432,151	\$ 3,396,199	\$ -	\$ 10,272,991	\$ 9,606,216	\$ 666,775	\$ 2,867,146
Collection Data:								
Quarter being collected	SFY21 - Q1	SFY21 - Q2	SFY21 - Q3	SFY21 - Q4				
Payment Due Date	11/15/20	02/15/21	05/15/21	08/15/21				
Projected Average Monthly Lives	153,000	153,000	-	-				
Actual Average Monthly Lives	163,122	161,564	-	-				
Avg Lives Variance +(-)	10,122	8,564	-	-				
Approved Assessment Rate	\$ 6.80	\$ 6.80	\$ -	\$ -				
Actual Average Monthly Lives - TRICARE	4,848	4,930	-	-				
Tricare Assessment Rate - CATCHUP	\$ 8.02	\$ 8.02	\$ -	\$ -				
Tricare Assessment Rate - FULL	\$ 14.82	\$ 14.82	\$ -	\$ -				

MEMORANDUM

To: NHVA Audit Committee, Helms Staff
From: Patrick Miller
Date: April 20, 2021
Re: **Assessment Trends Update**

All outstanding filings from the filing period that closed February 15, 2021 have been received. **Figure 1** depicts the long-term trend of total assessed child covered lives in orange. The absolute percentage drop in lives over this time period is 4.6% whereas the rolling percentage mean drop in lives is 0.2%. The absolute percentage drop from Q1 CY2020 to Q4 CY2020 is 2.3%.

Figure 1

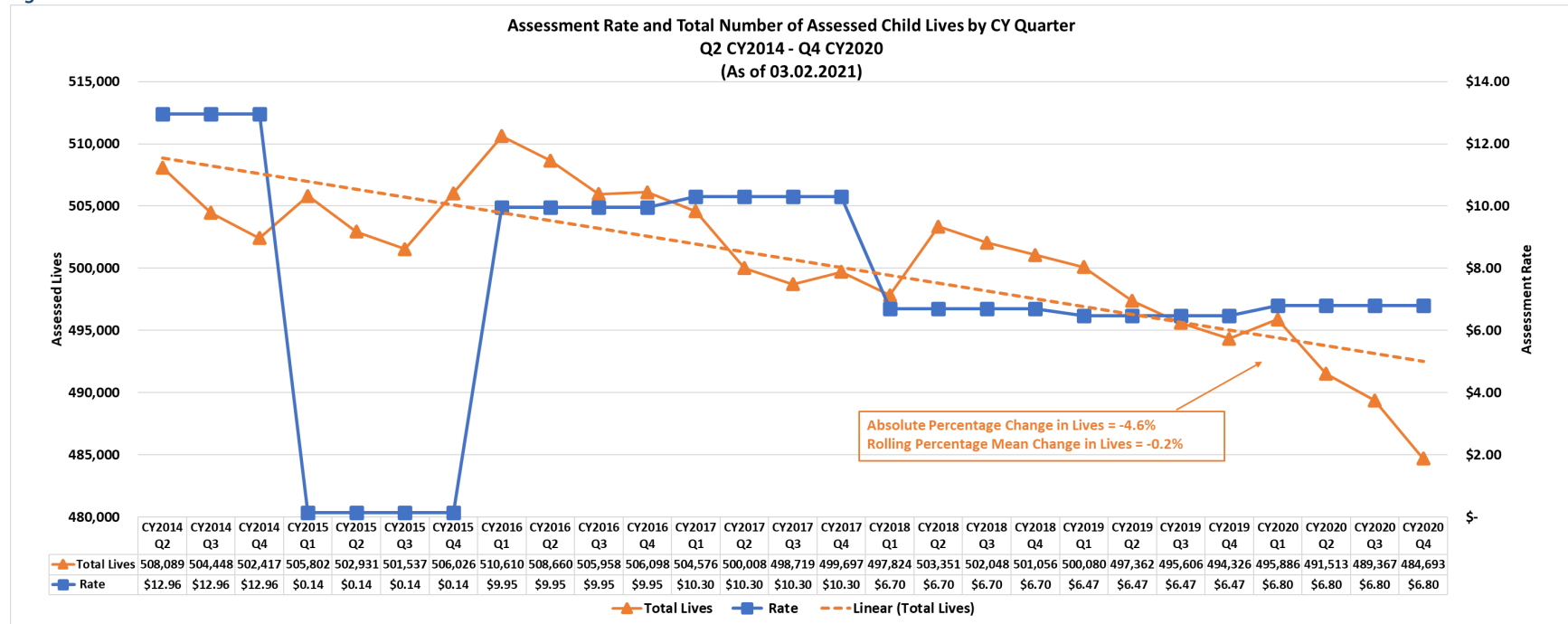
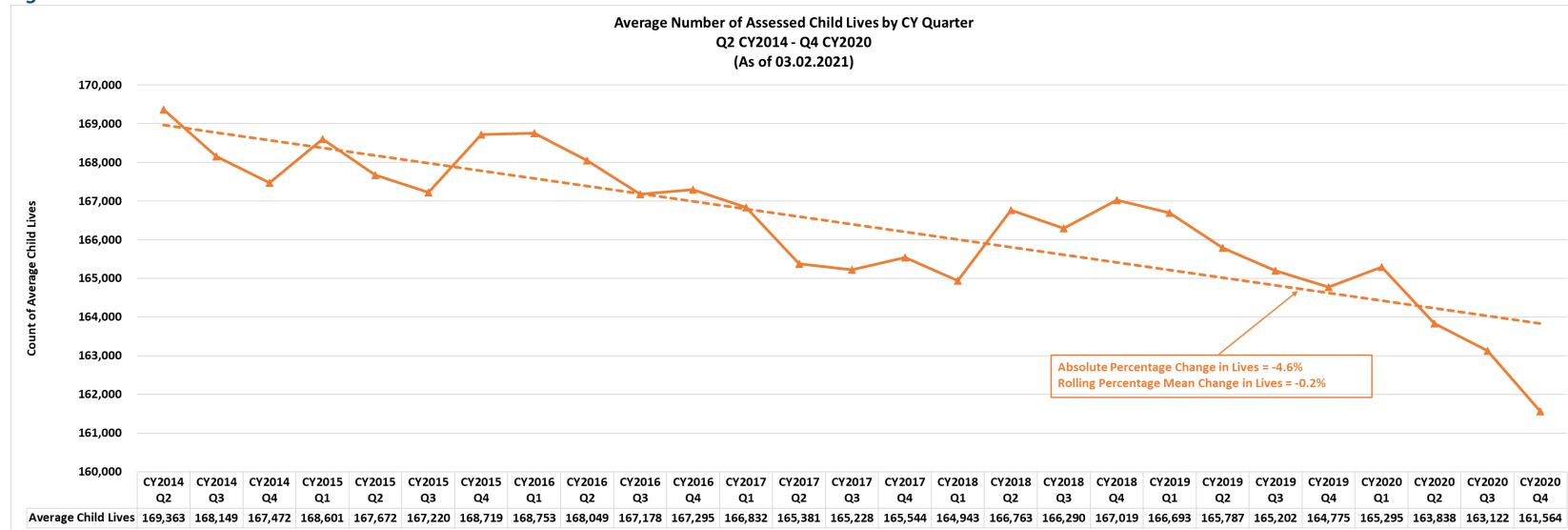


Figure 2 depicts the same covered lives trend information as **Figure 1**, but it is shown as the average number of assessed child covered lives for each quarter. The assessment rate setting model assumptions presented at the September 2020 Board meeting assumed 153,000 covered child lives versus the 161,546 shown in the most recent quarter. There was a 3,731 average child life drop between Q1 (165,838) and Q4 CY2020 (161,564) as shown in **Figure 2**.

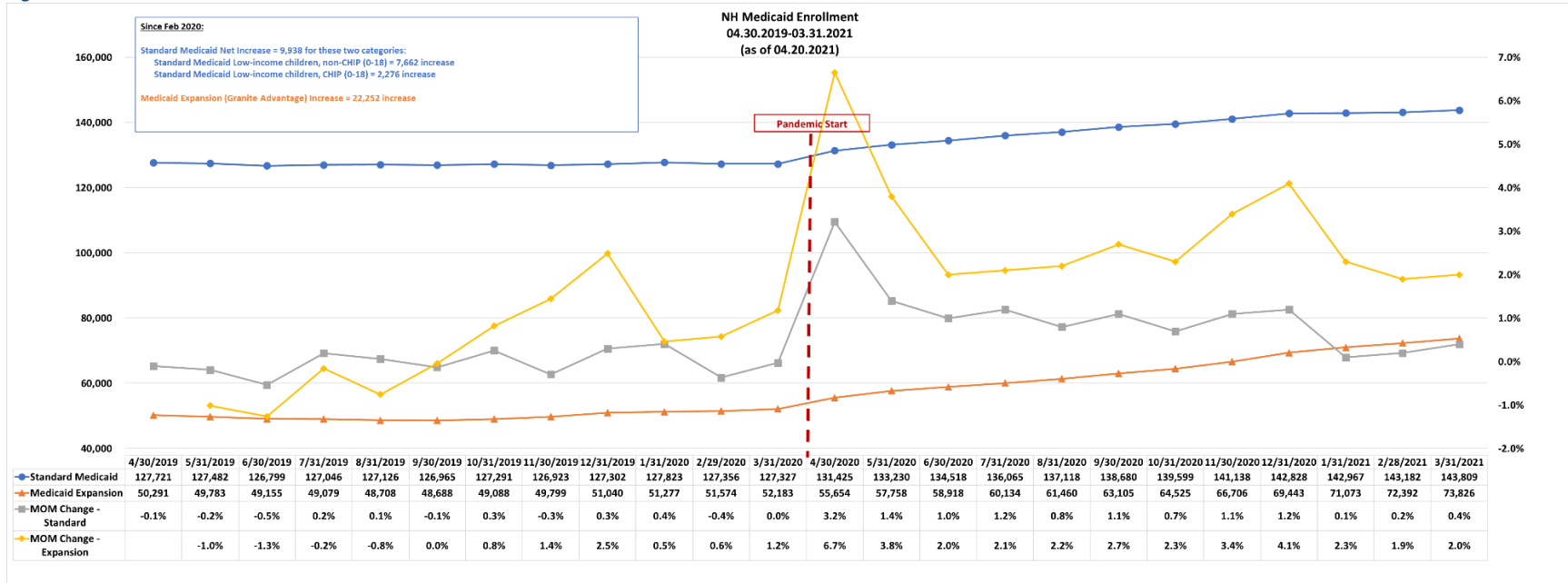
Figure 2



[Intentionally left blank]

Figure 3 depicts the most recent 24 months of NH Medicaid enrollment figures. The child lives for Standard Medicaid increased by 9,938 since the pandemic began, while the total Granite Advantage lives increase by 22,252. The intent of examining Medicaid enrollment is to provide context to the reduction in total assessed child lives as a result of the pandemic.

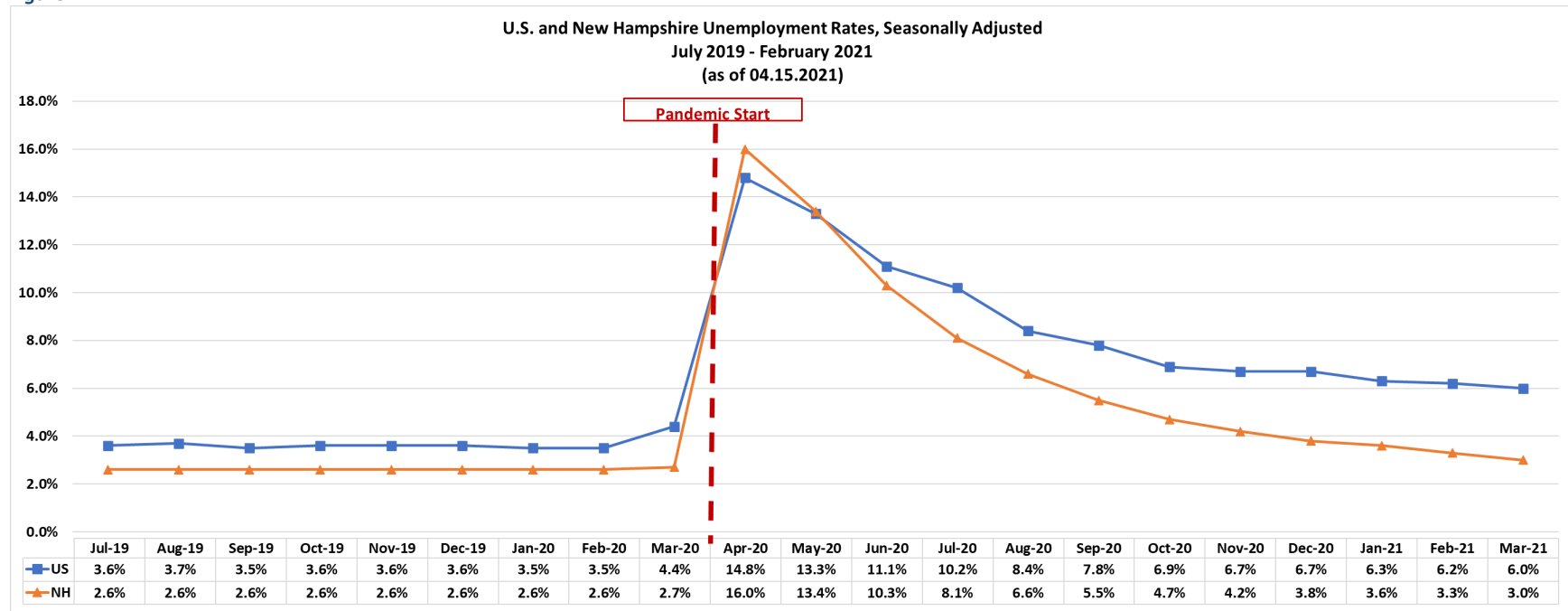
Figure 3



[Intentionally left blank]

Figure 4 depicts the most recent 21 months of U.S. and New Hampshire unemployment rates. There has been a steady decline in both rates since the highs seen in April 2020 at the beginning of the pandemic. The March 2021 New Hampshire rate of 3.0% is now 0.3% above the March 2020 rate of 2.7%. The intent of examining unemployment rates is to provide context to the reduction in total assessed child lives as a result of the pandemic.

Figure 4



In summary, the impacts of the COVID-19 pandemic on total assessed child lives have been less to date than they were assumed to be in the rate setting model from September 2020. Having said that, there is an increase in Medicaid lives which will have an impact on the fund source split between Medicaid and Commercial payers. These monthly and quarterly trends will be continued to be monitored and will incorporate the data into next year’s rate setting process. Please let me know if you have any questions or comments.

April 8, 2021

Board of Directors and Management
New Hampshire Vaccine Association
c/o Helms & Company
One Pillsbury Street, Suite 200
Concord, NH 03301-3570

We are pleased to confirm our understanding of the services we are to provide for New Hampshire Vaccine Association for the year ended June 30, 2021.

Audit Scope and Objectives

We will audit the financial statements of New Hampshire Vaccine Association, which comprise the statement of financial position as of June 30, 2021, the related statements of activities and cash flows for the year then ended, and the disclosures (collectively, the “financial statements”).

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor’s report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor’s Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Organization or to acts by management or employees acting on behalf of the Organization.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention.

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We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will obtain an understanding of the Organization and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

We have identified the following significant risks of material misstatement as part of our audit planning:

Risk of misstated revenue self-reported by insurers.

Risk of noncompliance with New Hampshire Chapter 126-Q which created the New Hampshire Vaccine Association, defines its powers and specifically provides for determining the assessment amount.

Risk of management override of internal controls, including the reliance on the Association's administrator for capturing and reporting all activity.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and may include direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We may also request written representations from your attorneys as part of the engagement and they may bill you for responding to this inquiry.

Other Services

We will also assist in preparing the financial statements of New Hampshire Vaccine Association in conformity with accounting principles generally accepted in the United States of America based on information provided by you.

We will perform the services in accordance with applicable professional standards issued by the American Institute of Certified Public Accountants. The services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America. You are also responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and

completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the Organization from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Organization involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Organization received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Organization complies with applicable laws and regulations.

You agree to assume all management responsibilities for the assistance with financial statement preparation services, and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

Karen M Carew, CPA, is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. We expect to begin our audit on approximately the week of July 5, 2021.

Our fees for the audit and other nonattest services will be \$9,350. ***The audit is payable in three installments: \$3,500 due upon signing of this engagement letter, \$3,500 due at the start of field work, and the final payment of \$2,350 will be due with delivery of the draft financial statements.*** This fee includes up to five bound copies of the financial statements. Additional copies are \$25 per copy. You may also be billed for travel and other out-of-pocket costs such as report production, word processing, postage, etc. No additional expenses are expected at this time. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and our fees will be adjusted accordingly. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

Reporting

We will issue a written report upon completion of our audit of New Hampshire Vaccine Association’s financial statements. Our report will be addressed to the Board of Directors of New Hampshire Vaccine Association. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor’s report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,

Carew + Wells. PLLC
Carew & Wells, PLLC

RESPONSE:

This letter correctly sets forth the understanding of New Hampshire Vaccine Association.

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____

NHVA
FY 21 Expense Budget
July 2020 through June 2021

	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 22	Jan 22	Feb 22	Mar 22	Apr 22	May 22	Jun 22	FY2022 Budget Total	FY2021 Budget Total	FY 2020 Budget Total
EXPENSE															
Administrative Fees	\$ 8,750	\$ 8,750	\$ 8,750	\$ 9,083	\$ 9,083	\$ 9,083	\$ 9,083	\$ 9,083	\$ 9,083	\$ 9,083	\$ 9,083	\$ 9,083	\$ 107,997	\$ 105,000	\$ 100,000
Subcontractors														\$ -	\$ 1,200
Subtotal	\$ 8,750	\$ 8,750	\$ 8,750	\$ 9,083	\$ 9,083	\$ 9,083	\$ 9,083	\$ 9,083	\$ 9,083	\$ 9,083	\$ 9,083	\$ 9,083	\$ 107,997	\$ 105,000	\$ 101,200
Bank Fees													\$ -	\$ 2,000	\$ 4,320
Board Meeting Expense	\$ -	\$ -	\$ 215	\$ 120	\$ 120	\$ -	\$ 120	\$ -	\$ 120	\$ 95	\$ -	\$ 120	\$ 910	\$ 910	\$ 600
Stationary and Printing	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 420	\$ 420	\$ -
Dues and Subscriptions													\$ -	\$ -	\$ -
Insurance (D&O)						\$ 4,250							\$ 4,250	\$ 4,000	\$ 2,000
Licenses and Fees				\$ 75									\$ 75	\$ 75	\$ 75
Postage and Shipping	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 120	\$ 120	\$ 480
Professional Fees - Audit	\$ 3,500		\$ 2,350								\$ 3,500		\$ 9,350	\$ 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	\$ 25,000	\$ 25,000
Public Information Expense													\$ -	\$ -	\$ -
Website			\$ 525										\$ 525	\$ 525	\$ 525
Subtotal	\$ 5,628	\$ 2,128	\$ 5,218	\$ 2,323	\$ 2,248	\$ 2,128	\$ 6,498	\$ 2,128	\$ 2,248	\$ 2,223	\$ 5,628	\$ 2,248	\$ 40,650	\$ 41,550	\$ 41,500
TOTAL EXPENSE	\$ 14,378	\$ 10,878	\$ 13,968	\$ 11,406	\$ 11,331	\$ 11,211	\$ 15,581	\$ 11,211	\$ 11,331	\$ 11,306	\$ 14,711	\$ 11,331	\$ 148,647	\$ 146,550	\$ 142,700

Budget Notes:

Does not make any assumptions for NHVA adult expansion

Administrative Fees - Assumes October 1, 2021 inflator

Subcontractors - In prior years it was a placeholder for any IT system changes (e.g., TRICARE in 2019); none budgeted for FY2022

Bank Fees - Lockbox was eliminated 01/2020 to reduce expenses and Helms brought it in house

Board Meeting Expense - materials; if COVID restrictions are lifted

Stationary and Printing - office printing

Insurance (D&O) - Same as prior year; highly variable expense historically

Licenses and Fees - SOS NH Annual Report filing fee

Postage and Shipping - check tracking for dual signatures

Audit - Increased from \$8,500; no fee increase for prior four years

Legal - same as FY2021

Website - annual hosting fees

Reference: Former Approved Budgets by FY

FY2017	\$ 162,072
FY2018	\$ 167,600
FY2019	\$ 320,133
FY2020	\$ 142,700
FY2021	\$ 146,550