

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36

**MINUTES**  
**Board of Directors Meeting**  
**September 21, 2022**  
**Scheduled 9:00 a.m. – 11:00 a.m.**  
**Presiding Officer: Susan Tenney, Chair**

The meeting 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 9:07 a.m.

**1. Welcome and Roll Call**

**Attendance** – The following individuals attended the meeting:

<b>Board Members:</b>	<b>Other Attendees &amp; Administrative Staff:</b>
Susan Tenney, HPHC, Chair	Mark McCue, Esq., Hinckley Allen
Edward Moran, Public Member, Vice Chair	Patrick Miller, Helms & Company, Inc.
Jason Margus, Anthem, Treasurer	Erin Meagher, Helms & Company, Inc.
Patricia Edwards, MD, Healthcare Provider	Keith Nix, Helms & Company, Inc.
Marc Fournier, USNH	Karen Carew, Carew & Wells, PLLC
Michelle Heaton, NHID	Leslie Walker, Mason+Rich, PA
Anne Marie Mercuri, NH DHHS	
Lorraine Radick, RPh, Public Member	<b>Members of the Public:</b>
Janice Valmassoi, MD, Healthcare Provider	Tiffany Bare, Nashua
	Laura Condon, Bedford
<b>Excused Board Members</b>	Ryan Norfleet, Merck
Harold Young, Cigna, Secretary	

**1. Welcome and Roll Call**

Ms. Tenney thanked everyone for attending the meeting of the NH Vaccine Association’s Board of Directors. She advised the group that Helms & Company, Inc. (Helms) is recording the meeting for the purpose of meeting minutes and the recording will be destroyed once the minutes are approved. She then asked if any members of the public were recording to please indicate so in the chat or raise their electronic hand. Ms. Condon indicated she was recording the meeting.

Ms. Tenney conducted a roll call of Board member for attendance:

	<u><i>Present</i></u>
<i>Patricia Edwards, MD</i>	X
<i>Marc Fournier</i>	<i>Absent (joined at 9:24 a.m.)</i>
<i>Michelle Heaton</i>	X
<i>Jason Margus</i>	X
<i>Anne Marie Mercuri</i>	X
<i>Edward Moran</i>	<i>Absent (joined at 9:25 a.m.)</i>
<i>Lorraine Radick, RPh</i>	<i>Absent (joined at 9:14 a.m.)</i>
<i>Susan Tenney</i>	X
<i>Janice Valmassoi, MD</i>	X
<i>Harold Young</i>	<i>Absent</i>

37 Ms. Tenney read two statements: the “Statement of Board Chair Regarding Meetings by Videoconference” and the  
38 “Board Chair Statement re: Public Commentary During Meetings.”  
39

40 **2. FY2022 Audit – Guest Karen Carew, Carew & Wells**  
41

42 Ms. Tenney welcomed Ms. Carew of Carew & Wells (C&W). Ms. Carew explained that the Governance Letter is the  
43 required communication from the auditor to the Board to highlight anything that is significant to the audit. Ms.  
44 Carew touched on the following:

- 45 ▪ There were no new policies adopted during the year.
- 46 ▪ Management's estimate of the vaccine expense, which is based on the amount projected and requested by  
47 the State, was determined to be reasonable in relation to the financial statements.
- 48 ▪ The financial statements were neutral and consistent.
- 49 ▪ There were no difficulties or disagreements working with management in performing or completing the  
50 audit.
- 51 ▪ Two adjustments were made. The first was to accrue legal expenses that were incurred in June and  
52 management determined they were not material and had not been recorded in the financial statements.  
53 The second was to reclassify refundable overpayments to insurers reflecting them as a liability rather than  
54 as accounts receivable. This was for the purposes of presentation of the financial statements and is  
55 appropriate for management purposes.
- 56 ▪ The Management representation letter is dated August 7, 2022.
- 57 ▪ The financial statements are fairly stated in accordance with generally accepted accounting practices  
58 (GAAP).
- 59 ▪ C&W is not aware of any consultations Management had with other accountants, or second opinions.
- 60 ▪ C&Q had no comments for management this year and had no recommendations regarding the  
61 strengthening of internal controls.

62  
63 Moving to the financial statements, Ms. Carew advised that the opinion letter reflected a clean opinion from the  
64 auditors. Carew does not believe there are any misstatements or changes to the statements that have to be made  
65 in order to conform with GAAP. A few items highlighted by Ms. Carew include:

- 66 ▪ On page eight under *Liquidity Management*, a reference is made to the \$250K reserve for operations along  
67 with the \$5M reserve for rate stability. Due to the TRICARE arrearage being paid in full in 2022, the  
68 Association anticipates some of the \$5M will be used for rate stabilization.
- 69 ▪ On page 10 under *TRICARE Assessment*, it was noted that the last of the arrearage payments have been  
70 received.

71  
72 Ms. Carew asked if there were any questions, and she stated that she was available to have discussions with the  
73 Board in an Executive Session if desired. Ms. Tenney asked for a motion to move to Executive Session.  
74

75 **VOTE RECORDED:** *On a motion by Mr. Margus, seconded by Dr. Edwards, by roll call it was*  
76 **VOTED:** *To move to Executive Session with Ms. Carew at 9:23 a.m.*  
77

	<u>Yes</u>	<u>No</u>
78		
79	<i>Patricia Edwards, MD</i>	<i>X</i>
80	<i>Marc Fournier</i>	<i>Absent (joined at 9:24 a.m.)</i>
81	<i>Michelle Heaton</i>	<i>X</i>
82	<i>Jason Margus</i>	<i>X</i>
83	<i>Anne Marie Mercuri</i>	<i>X</i>
84	<i>Edward Moran</i>	<i>Absent (joined at 9:25 a.m.)</i>
85	<i>Lorraine Radick, RPh</i>	<i>X</i>
86	<i>Susan Tenney</i>	<i>X</i>

87 *Janice Valmassoi, MD* X  
 88 *Harold Young* Absent  
 89

90 Upon return from the Executive Session at 9:32 a.m., Ms. Tenney asked for a motion to accept the draft financial  
 91 statements as presented.  
 92

93 **VOTE RECORDED:** *On a motion by Ms. Heaton, seconded by Mr. Margus, by roll call it was*  
 94 **VOTED:** *To accept the draft financial statements as presented by Carew & Wells as final.*  
 95

	<u>Yes</u>	<u>No</u>
96		
97	<i>Patricia Edwards, MD</i>	X
98	<i>Marc Fournier</i>	Absain
99	<i>Michelle Heaton</i>	X
100	<i>Jason Margus</i>	X
101	<i>Anne Marie Mercuri</i>	X
102	<i>Edward Moran</i>	X
103	<i>Lorraine Radick, RPh</i>	X
104	<i>Susan Tenney</i>	X
105	<i>Janice Valmassoi, MD</i>	X
106	<i>Harold Young</i>	Absent

107  
 108 Ms. Carew will provide a final set of documents to Helms.  
 109

110 Ms. Tenney welcomed Ms. Heaton to the Board of Directors. Ms. Heaton has replaced Mr. David Sky as the  
 111 appointed representative from the NH Insurance Department.  
 112

113 **3. Review and Acceptance of the June 15, 2022, Board Meeting Minutes**  
 114

115 Ms. Tenney asked if there were any comments or corrections related to the June 15, 2022, meeting minutes. Ms.  
 116 Radick stated that on line 155 the minutes should be corrected to reflect her absence at the meeting. Hearing no  
 117 other comments or corrections, Ms. Tenney asked for a motion to approve the minutes.  
 118

119 **VOTE RECORDED:** *On a motion by Mr. Fournier, seconded by Mr. Margus, by roll call it was*  
 120 **VOTED:** *To accept the June 15, 2022, Board meeting minutes as presented with the one*  
 121 *correction on line 155 to reflect Ms. Radick as absent.*  
 122

	<u>Yes</u>	<u>No</u>
123		
124	<i>Patricia Edwards, MD</i>	X
125	<i>Marc Fournier</i>	X
126	<i>Michelle Heaton</i>	Absain
127	<i>Jason Margus</i>	X
128	<i>Anne Marie Mercuri</i>	X
129	<i>Edward Moran</i>	X
130	<i>Lorraine Radick, RPh</i>	Absain
131	<i>Susan Tenney</i>	X
132	<i>Janice Valmassoi, MD</i>	X
133	<i>Harold Young</i>	Absent

134  
 135  
 136

137 **4. Executive Director’s Report – Guest Leslie Walker, Mason+Rich**  
138

139 Ms. Tenney invited Mr. Miller to provide his Executive Director report. Mr. Miller proceeded to review the CY2023  
140 rate setting process presentation. This is the result of the rate setting session held in August with the Audit  
141 Committee. This is the second year the new rate setting model has been used. Mr. Miller briefly reviewed the  
142 timeline and the expectations for this year’s rate setting process.  
143

144 Mr. Miller proceeded to review the historical trends portion of the presentation:

- 145 ▪ The historical covered lives trend continues to decline and saw a more rapid decline since the COVID-19  
146 pandemic began. Child covered Medicaid lives continue to increase and the expectation is that a  
147 proportion of the ~14K children added since the pandemic began will be covered by commercial insurance  
148 once the public health emergency (PHE) ends.
- 149 ▪ The historical assessment rate trend has remained steady over the past several years after having periods  
150 of variability prior to 2017.
- 151 ▪ The proportion of carrier funds and state funds show an eight-year trend average of 40.6% state funding  
152 and 59.4% carrier funding. The assessment rate model assumes a 60/40 split for the next three years.
- 153 ▪ The ICS account has had highly variable interest rates in recent years. Prior to the pandemic the rate was  
154 200bps and dropped to a low of 30bps during the pandemic. Recently the rate was increased to 60bps.  
155 The laddered CD portfolio currently has \$5.452M invested and due dates are between 2022 and 2027.
- 156 ▪ Unemployment is back to the historic lows seen pre-pandemic.

157  
158 Mr. Miller proceeded to review key points from the spreadsheets received from the NH Department of Health and  
159 Human Services (NH DHHS) that are responsible for driving the assessment rate model:

- 160 ▪ *Tab D* reflects the historical vaccine expenditure according to state appropriations of the NH DHHS vaccine  
161 fund and breaks down the contribution sources and annual CDC credit. Ms. Mercuri noted that there was  
162 an underpayment in FY2021 of \$2,043,813 that was caught up and paid by NHVA in FY2022. She noted  
163 that the actual expenditures are slightly different from when the vaccine was actually purchased. She  
164 further clarified the figure of 57.75% is the amount applied to the vaccine invoices versus the 60.11% listed.
- 165 ▪ *Tab C* shows the vaccine units purchased and their related costs for FY2022 and projections for FY2023.  
166 Mr. Miller stated that there is approximately a 29% savings by purchasing the vaccines through the NHVA  
167 model versus the providers having to purchase them directly on the private market.
- 168 ▪ The projected contributions for FY2023 are broken out by VFC, State, CDC credit, and the carriers. The NH  
169 DHHS’ administrative cost request of \$522,506 is not considered in the assessment rate model based upon  
170 historic precedence. Details supporting this request are found in *Tab E*.

171  
172 In addition to the ~\$2M underpayment in FY2021, Mr. Miller reviewed five additional factors driving the projected  
173 increase in NH DHHS’ vaccine purchase from \$29.1M in FY2022 to \$32.6M in FY2023:

- 174 ▪ The state has seen an increase in New Hampshire residents due to the pandemic effect; families have  
175 migrated from other states and in 2021 and the state experienced a seven percent increase in birth rate,  
176 its first increase in birth rate in seven years.
- 177 ▪ The formula for calculating the projected cost is estimated on the prior year’s order, as such, the SFY23  
178 projection accounts for the pandemic rebound in vaccination as providers continue to catch children up  
179 to date with vaccination.
- 180 ▪ The CDC credit is anticipated to be lower than it has been historically as a result of the NHVA’s “claw back”  
181 of funds held at the DHHS.
- 182 ▪ The cost of vaccine continues to increase each year with an increase of 3-8% per each dose of vaccine over  
183 the last several years.
- 184 ▪ The increased use of combination vaccines which are more widely accepted by parents due to fewer  
185 injections, but these vaccines are also more expensive than the previously used formulas.

186

187 Mr. Miller briefly reviewed the *FY2023 Administrative Budget* which was approved at the June Board meeting and  
188 remains unchanged.

189

190 Mr. Miller reviewed the five, *CY2023 Rate Assessment Goals*:

- 191 ▪ Address Historical Swings in Payments to NH DHHS
- 192 ▪ Incorporate Concept of Zero Funds Held at NH DHHS
- 193 ▪ Address Conclusion of TRICARE Specific Assessments
- 194 ▪ Address Continued Covered Lives Decline
- 195 ▪ Address Reserves.

196

197 Mr. Miller reviewed the *CY2023 Model Rate Assumptions* which shared similarities with the prior year's model:

- 198 1. Board commitment to keeping rates stable in future years.
- 199 2. No NHVA funds will be held by NH DHHS to recover in June CY2023.
- 200 3. No reimbursement of NH DHHS Immunization Section administrative cost request of \$522,506 (Tabs C &  
201 E).
- 202 4. The TRICARE specific assessment recovery has been completed.
- 203 5. Two reserves related to rates:
  - 204 ○ 10% reserve of the total non-Federal program cost for the succeeding year (RSA 126-Q:4 II.(c))
  - 205 ○ \$5M assessment reserve fund; can be used for rate stabilization as needed.
- 206 6. The percentage paid by the carriers is 60.0% for CY2023 based on NH DHHS/Federal fund source split.
- 207 7. Interest rate assumptions for cash on hand assume 60bps for ICS and 125bps (net of fees) for CDs with an  
208 assumed rate of 60bps due to potential cash constraints.
- 209 8. Total assessed lives have declined 5.5% between CY2014 Q2 and CY2021 Q4 with quarter-to-quarter  
210 declines of 0.2% per quarter; model assumes continuation in FY2023.
- 211 9. FY2023 CDC credit estimated at \$1.1M (State estimate Tab C).
- 212 10. Annual 2% administrative budget increase
- 213 11. No late payment interest assessments.
- 214 12. The NHVA's payers benefit from a 28.9% discount from the open market by leveraging CDC pricing through  
215 DHHS.

216

217 Mr. Miller then reviewed the *SFY2023 Rate Model*. The cells highlighted in green relate to the model assumptions  
218 and allow the Board to make adjustments to the model. Mr. Miller made several points regarding the model's  
219 assumptions:

- 220 ▪ Covered lives are projected to decrease in FY2023 and FY2024 and be flat in FY2025.
- 221 ▪ While the NH DHHS' total expenses increased from \$29.1M in FY2022 and are projected to be \$32.6M in  
222 FY2023, FY2024 and FY2025 are projected based upon FY2022 vs. FY2023 as the expectation is FY2023 is  
223 the catch-up year for vaccinations missed during the pandemic. FY2024 assumes a 3% increase from  
224 FY2022 and FY2025 assume a 3% increase from FY2024.
- 225 ▪ In order to support the assessment rates of \$8.50, \$9.85, and \$9.85 for FY2023, FY2024, and FY2025,  
226 respectively, the model shows a reduction in NHVA's reserves in each of the three years in order to support  
227 the proposed rates.
- 228 ▪ The Audit Committee recommended the rate of \$8.50 for the coming year.

229

230 Ms. Walker stated that on line seven of the model that the negative number shown is the underfunded reserves  
231 amount. There are three reserve line items equaling approximately \$7M. In the current model, approximately \$2M  
232 is underfunded which reduces the total reserves. The underfunded amount increases to approximately \$3M in each  
233 of the outer two years.

234

235 Mr. Fournier had a clarification question regarding line seven. He asked if it meant that we will not achieve the full  
236 \$5M reserve. Mr. Miller responded that Mr. Fournier is correct, and to keep the full amount intact, we would need

237 to do some combination of increasing lives, increasing the rate, or reducing the NH DHHS requested amount. Mr.  
 238 Fournier asked how the \$5M reserve was established. Mr. Miller explained it was largely due to an initial amount  
 239 received under the TRICARE settlement, and this is the first year we have had to use part of it. There was further  
 240 discussion regarding several, conservative estimates in the rate setting model with comments made from both Mr.  
 241 Margus and Ms. Tenney. The expectation is that covered lives will increase once the public health emergency ends  
 242 and lives move from Medicaid back to commercial insurance products. Ms. Walker mentioned that there is an  
 243 expectation that the CDC credit may also be larger than what is in the model which would help the cash position.  
 244 Ms. Tenney stated that the goal is to continue to provide some level of rate stability. Mr. Moran asked if the model's  
 245 parameters were fairly safe. Mr. Miller replied that it is a model, we can change the parameters year to year, and is  
 246 a model that Ms. Carew had also reviewed.

247  
 248 Hearing no additional questions, Ms. Tenney asked for a motion to approve the CY2023 assessment rate.

249  
 250 **VOTE RECORDED:**      *On a motion by Mr. Moran, seconded by Ms. Radick, by roll call it was*  
 251 **VOTED:**                *To approve proposed assessment rate of \$8.50 for calendar year 2023.*

	<u>Yes</u>	<u>No</u>
253		
254	<i>Patricia Edwards, MD</i>	X
255	<i>Marc Fournier</i>	X
256	<i>Michelle Heaton</i>	X
257	<i>Jason Margus</i>	X
258	<i>Anne Marie Mercuri</i>	X
259	<i>Ed Moran</i>	X
260	<i>Lorraine Radick, RPh</i>	X
261	<i>Susan Tenney</i>	X
262	<i>Janice Valmassoi, MD</i>	X
263	<i>Harold Young</i>	<i>Absent</i>

264  
 265 Mr. Miller briefly reviewed the *FYTD 2023 Unaudited Financial Statements*. The statements reflect the first two  
 266 months of the fiscal year through August 31<sup>st</sup>. Mr. Miller made three points:

- 267     ▪ *Statement of Cash Flow* reflects \$63,639 in refunds to carriers for assessment overpayments.
- 268     ▪ *Statement of Financial Position* (Balance Sheet) shows \$5.2M in the ICS account at the end of June  
 269       increasing to \$8.4M at the end of August and \$5.3M in short term investments. At this point, there is no  
 270       plan to move any additional funds into CDs to ensure the NHVA has the cash available for the estimated  
 271       June 2023 payment to the State of NH of \$19,243,022. All new cash will remain in the ICS account.
- 272     ▪ *Statement of Changes in Net Assets* shows that the NHVA is currently running slightly under budget  
 273       primarily due to unspent legal and management fees. Additionally, the assessed lives filed in the last  
 274       quarter were 159,291 which was 2,376 less than the projected 161,667 covered lives.

275  
 276 Mr. Miller presented the calendar year 2023 meeting schedule. There were no questions and Mr. Miller advised  
 277 that meeting invites will be sent to Board members.

278  
 279 Ms. Tenney thanked Mr. Miller and Ms. Walker for their work on the assessment rate setting process and Ms.  
 280 Mercuri for her significant contributions. Ms. Tenney acknowledged the tremendous amount of work this process  
 281 takes and expressed appreciation on behalf of the Board of Directors.

282  
 283 **5. NH Department of Health and Human Services (NH DHHS) Update**

284  
 285 Ms. Tenney invited Ms. Mercuri to provide the NH DHHS update.

286



287 Ms. Mercuri began by thanking the Association for the support they offer to the NH DHHS. She stated that the  
 288 Association has a beginning FY2023 balance forward in the amount of \$298,504 as a result of an overpayment in  
 289 FY2022. Expenditures in June 2022 were less than anticipated. For July 1<sup>st</sup> through September 15<sup>th</sup> the total  
 290 expenditures equal \$1.946M.

291  
 292 Ms. Mercuri reported that the Department anticipates the commercialization of the COVID-19 vaccine will happen  
 293 in 2023. Details have not been relayed to NH DHHS yet from the federal government, and they continue to make  
 294 regular inquiries with the CDC. Once any information is obtained, NH DHHS will share it with the Association. Based  
 295 on the NH Immunization Information System, they estimate that 180K children ages six months to 18 years, have  
 296 received at least one dose of the vaccine. While the cost and actual uptake of vaccinations is unknown, projecting  
 297 out using a cost of \$30-\$40 per dose, the current, projected, cost estimate for the NHVA for the COVID vaccine would  
 298 be approximately \$1.824M for every 100K children vaccinated.

299  
 300 Dr. Edwards asked Ms. Mercuri if the estimate takes into consideration the waste currently happening with the  
 301 vaccine due to the multi dose vial packaging. Ms. Mercuri indicated that multi dose vials were considered and that  
 302 manufacturers are likely to move to single use vials in the future. She also added that the provider community in  
 303 New Hampshire has an extremely low rate of vaccine wastage for all vaccines approximating one percent.

304  
 305 **6. Public Comment**

306  
 307 Ms. Tenney welcomed Ms. Condon to speak. Ms. Condon thanked the Board for the opportunity to comment, and  
 308 she asked several questions regarding the reasons for the increase in costs while there was decrease in covered lives  
 309 during a time with lower vaccination rates. Ms. Condon also questioned the use of \$32,569,210 as the estimated  
 310 vaccine cost used in the rate setting model versus the \$33,679,280 as listed as the total vaccine cost provided on  
 311 Tab C from the Department.

312  
 313 Ms. Tenney thanked Ms. Condon and reminded her that this is not an interactive session with the Board and that  
 314 she was welcome to direct any questions she has to the NHVA's Executive Director who will respond in a timely  
 315 fashion.

316  
 317 **7. Executive Session**

318  
 319 **VOTE RECORDED:** *On a motion by Ms. Tenney, seconded by Ms. Heaton, by roll call it was*  
 320 **VOTED:** *To move into Executive Session at 10:37 a.m. to discuss legal counsel.*

	<u>Yes</u>	<u>No</u>
322		
323	X	
324	X	
325	X	
326	X	
327	X	
328	X	
329	X	
330	X	
331	X	
332		Absent

333  
 334 **8. Adjournment**

335  
 336

337  
338 Board of Directors Meeting minutes respectfully submitted by  
339 Patrick Miller, Executive Director, in lieu of Harold Young  
340 September 26, 2022

341  
342 # # #