

AGENDA

AUDIT COMMITTEE MEETING

September 6, 2022

9:00 am – 10:00 am

ZOOM Meeting

To participate by Zoom, registration is required:

<https://nhvaccine.org/event/nhva-audit-committee-meeting-september-6-2023/>

Committee Members: Jason Margus, Chair, Susan Tenney, Vice Chair, Anne Marie Mercuri

Administrator Staff: Patrick Miller, Keith Nix, Erin Meagher

Guests: Leslie Walker, Mason+Rich PA

9:00am	1. Call to Order (J. Margus) a. Recording Announcement b. Roll Call c. Audit Committee Chair Statement re: Public Commentary During Meetings*
9:00am-9:10am	2. Review and Accept the August 23, 2023 Meeting Minutes – Vote (J. Margus)*
9:10am-9:55am	3. CY2024 Assessment Rate Initial Assumptions Work Session (P. Miller)* a. Review Model and Discuss Assumptions Guest: Leslie Walker, Mason+Rich, PA
9:55am-11:00am	4. Public Comment Period (if time permits)
11:00am	5. Call to Adjourn (J. Margus)

* indicates an attachment

NEW HAMPSHIRE VACCINE ASSOCIATION

Audit Committee 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 Committee now if you will be recording this meeting.

If the Committee 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 Audit Committee, 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 Committee 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.

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
37
38
39
40
41
42
43

MINUTES
Audit Committee Meeting
August 23, 2023
9:00 a.m.
Via Zoom Webinar
Presiding Officer: Jason Margus, Chair, Audit Committee

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

Mr. Margus, Chair, called the meeting to order at 9:00 a.m.

1. Welcome and Introductions

Attendance – The following individuals attended the meeting:

<p>Committee Members: Jason Margus, Anthem, Chair Susan Tenney, HPHC, Vice Chair Anne Marie Mercuri, NH DHHS</p> <p>Members of the Public: Inneke Carmola, Sanofi Elizabeth Manley, Sanofi Laura Condon, Bedford, NH</p>	<p>Administrative Staff & Invited Guests: Patrick Miller, Helms & Company Erin Meagher, Helms & Company Keith Nix, Helms & Company Karen Carew, Carew & Wells, PLLC Leslie Walker, Mason+Rich, PA</p>
--	--

Mr. Margus stated that the meeting was being recorded for the sole purpose of preparing the minutes, and that the recording would be deleted once the minutes were approved. Mr. Margus asked if any member of the public was recording the meeting to please raise their hand in Zoom. Ms. Condon indicated she was recording the meeting. Mr. Margus opened the meeting by reciting NHVA’s statement regarding public commentary during meetings.

Mr. Margus took roll call for attendance purposes.

<u>Committee Member</u>	<u>Present</u>	<u>Excused</u>
Jason Margus	X	
Anne Marie Mercuri	X	
Susan Tenney	X	

2. Review and Acceptance of April 19, 2023, Meeting Minutes

Mr. Margus asked the Committee if any members had any questions or comments about the April 19, 2023, meeting minutes. Hearing no questions, he asked for a motion.

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

VOTED: *To accept the April 19, 2023, Audit Committee meeting minutes as presented.*

<u>Committee Member</u>	<u>Yes</u>	<u>No</u>
Jason Margus	X	
Anne Marie Mercuri	X	
Susan Tenney	X	

44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94

3. Review and Vote to Recommend to the Board Acceptance of the FY2023 Audited Financials

Mr. Margus welcomed Ms. Carew from Carew & Wells, PLLC, NHVA’s auditor, to review the audited financials. Ms. Carew explained that the governance letter is a required communication between the auditor and the Board of Directors. It is a chance to provide information directly to the Board about the accounting practices and experience of the audit. Ms. Carew stated as part of the audit process, they look at estimates made, primarily the estimate of the vaccine expense. The assumptions for the estimated expenses based on the amount projected by the state were found to be reasonable. There are no accounts receivable due at this time.

Ms. Carew reported they had no difficulties in performing the audit, stating it is a pleasure to work with this organization and that the care and diligence everybody takes is very much appreciated and noticed.

There were no misstatements identified during the audit. There will be one journal entry which is immaterial related to the \$2,200 of legal expense that technically could be accrued in FY2023 but will be paid in FY2024 similar to prior years. This is a normal timing difference that happens every year.

Ms. Carew indicated that they had no disagreements with management. Per usual practice, a representation letter has been requested from both Mr. Miller and from Mr. Margus. The letter states that everything that should have been disclosed has been to ensure that the financial statements are fairly stated. Carew & Wells, PLLC is not aware of any consultations with other accounting or auditing firms.

To the audit also reviewed accounting policies, procedures, and internal controls specifically regarding the custody of assets and segregation of duties. There are significant mitigating controls in place regarding payment deposits and the recording of deposits. There were no changes from last year, and Carew and Wells, PLLC will not issue a formal recommendation letter to management.

Ms. Carew referenced the opinion letter. She stated it is a “clean opinion”, meaning the auditors are unaware of anything that should be changed in the financial statements for them to be fairly presented in accordance with generally accepted accounting principles. On the *State of Financial Position* she highlighted the decrease in cash of ~\$3M. This decrease was planned, using reserve dollars to help keep the assessment rate stable. Via the assessment rate, the organization should be able to maintain a reserve between \$2-\$5M depending on the quarter or the year.

Ms. Carew indicated that there are no changes to notes or note disclosures and that there were no subsequent events that needed to be disclosed. She then offered to answer any questions or provide further details.

Hearing no questions, Mr. Margus asked for a motion to move to an Executive Session with Ms. Carew in attendance in line with good governance practice.

VOTE RECORDED: *On a motion by Ms. Tenney, seconded by Ms. Mercuri, by roll call, it was unanimously VOTED: At 9:14 a.m. to move to Executive Session with Ms. Carew for further discussion on the FY2023 audit.*

<u>Committee Member</u>	<u>Yes</u>	<u>No</u>
Jason Margus	X	
Anne Marie Mercuri	X	
Susan Tenney	X	

The Executive Session ended at 9:25 a.m.

95 **VOTE RECORDED:** *On a motion by Ms. Tenney, seconded by Ms. Mercuri, by roll call, it was unanimously*
 96 **VOTED:** *To recommend to the full Board of Directors at the September 20, 2023 Board*
 97 *Meeting to accept the FY2023 Financial Audit as presented.*
 98

	<u>Committee Member</u>	<u>Yes</u>	<u>No</u>
99			
100	Jason Margus	X	
101	Anne Marie Mercuri	X	
102	Susan Tenney	X	

103
 104 **4. CY2024 Assessment Rate Initial Assumptions Work Session**
 105

106 Mr. Miller introduced Ms. Walker from Mason+Rich, PA who has been working with him on the rate assessment
 107 rate model again this year. He thanked Ms. Mercuri for her contributions to the discussions around the model
 108 over the past few weeks.
 109

110 Mr. Miller advised the Committee that he anticipates, due to several outstanding questions, that there will not be
 111 a vote on the CY2024 assessment rate at the meeting today and that the tentative Audit Committee meeting
 112 scheduled for September 6, 2023, will need to occur.
 113

114 Mr. Miler provided a brief review of the assessment rate setting process from CY2019 through the present year
 115 and provided a timeline of actions associated with the rate setting process. He proceeded to show several trended
 116 charts:

- 117 • Assessed child lives have continued to decline except for the last two quarters which show an uptick and
- 118 ideally stabilization post-COVID,
- 119 • Vaccine costs have increased between two and seven percent in the past five years,
- 120 • The fund source split has been steady in recent years with 60% attributed to NHVA,
- 121 • ICS investment rates have steadily increased this year,
- 122 • Unemployment rates have decreased below pre-COVID levels, and
- 123 • Medicaid enrollment has dropped to close to pre-COVID levels.

124
 125 Mr. Miller reviewed the inputs to the assessment model provided by the NH Department of Health and Human
 126 Services (NH DHHS). *Tab D* provides a historic view of vaccine costs and funding while *Tab C* contains the prior
 127 fiscal years' vaccine utilization and cost information along with the current fiscal year's projections. The total
 128 vaccine cost, highlighted in yellow, is \$39,965,365.50. This number excludes the influenza vaccine, the COVID
 129 vaccines, and the RSV monoclonal antibody nirsevimab which was recently approved by the CDC's ACIP body.
 130 While NHVA's portion of the influenza vaccine is ~\$1.4M, addition that is primarily driving the overall, increased
 131 request is \$7.8M of COVID vaccines. In total, the NH DHHS request to NHVA from DHHS is \$23.9M which is a
 132 significant increase. The non-COVID and RSV portion of the DHHS request has decreased from the prior year. *Tab*
 133 *E* contains the DHHS administrative cost request of \$551,571. As in prior years, this request was not factored into
 134 the model due to a prior determination made by NHVA's legal counsel.
 135

136 In addition to COVID vaccines being added, other factors driving cost include:

- 137 • The 2.7% population growth in 2023 for children 0-18 years of age,
- 138 • the CDC credits removal from the model as it is not a financial transaction but the cash value of New
 139 Hampshire's vaccine inventory at the CDC depot at the close of the Federal fiscal year,
- 140 • the price of vaccines continuing to grow by 3-8% annually, and
- 141 • the increased use of combo vaccines which are more expensive than the vaccines they are replacing.

142
 143 Mr. Miller asked Ms. Mercuri if she would like to comment on *Tab E*. Ms. Mercuri advised the group that 60% of
 144 the vaccine that NH DHHS's administrative operations processes is for the commercially insured children. DHHS

145 has tight vaccine distribution and maintenance controls that must be monitored and staffing those positions is
146 expensive. The CDC has continued to provide level funding to NH DHHS, and has recently cut funding for the
147 Immunization Information System (IIS). NH DHHS continues to seek the administrative funding assistance of the
148 Association to preserve the insured investment. Mr. Miller then reviewed the board-approved FY2024 Association
149 administrative budget as the budget is a key component in the rate setting model.

150
151 Mr. Miller explained that he is not presenting a final proposal for the CY2024 assessment rate today due to the
152 numerous outstanding questions surrounding the RSV monoclonal antibody nirsevimab (Beyfortus™). On August
153 3, 2023 the CDC's ACIP body voted to recommend nirsevimab for two age groups and unanimously approved
154 including it in the VFC program, however, it is not a vaccine but a monoclonal antibody. With ACIP's approval, it
155 became part of the VFC program and requires coverage by ACA plans. Monoclonal antibodies are not included in
156 the NHVA's statutory definition, therefore, NHVA cannot assess the payers nor provide funding to the state. Mr.
157 Miller is working with NHVA's legal counsel to determine what changes are needed in the definition of vaccine.
158 There do not appear to be any supply issues from Sanofi (the manufacturer) and providers may be able to order it
159 as of October if the CDC adds it to their September VFC price list. It is expected that possibly half of the doses will
160 be given at birth in the inpatient setting and may be covered under medical benefits for the inpatient stay so state
161 supplied vaccine would not be needed except on the outpatient side. Nirsevimab is expected to cost \$495 on the
162 private market and \$395 on the VFC price list. If it is not supplied via the VFC program, providers may have
163 difficulties paying for the vaccine and they would need to bill the payers separately. The NH DHHS has estimated
164 2,100 doses at potentially \$395 per dose totaling \$829,000, but it has not formally been asked for by the
165 Department and is not currently included in the model. With so many moving parts and unknowns surrounding
166 this, we are hoping some questions are answered over the next few weeks to be able to have a recommendation
167 for this Committee at the September 6 meeting that would then go to the full board at the September 20, 2023
168 meeting.

169
170 Ms. Mercuri stated that the nirsevimab costs discussed are initial anticipated costs and have not been finalized or
171 included in the NH DHHS request. There is great concern as to the impact on providers if nirsevimab is not
172 provided through the VFC program. Providers would be faced with large upfront costs and would need to
173 implement systems to bill and separately manage their inventory.

174
175 Mr. Miller proceeded to review the assumptions in the rate setting model:

- 176 1. Board commitment to keep rates stable in future years
- 177 2. No NHVA funds will be held by NH DHHS to recover in June CY2024
- 178 3. No reimbursement of NH DHHS Immunization Section administrative cost request of \$551,571 (Tabs C &
179 E)
- 180 4. Two reserves:
 - 181 1. 10% reserve of the total non-Federal program cost for the succeeding year (RSA 126-Q:4 II.(c))
 - 182 2. \$5M assessment reserve fund; can be used for rate stabilization as needed
- 183 5. The percentage paid by the carriers is 60.0% for CY2024 based on NH DHHS/Federal fund source split
- 184 6. Interest rate assumptions for cash on hand assume 450bps for ICS and 125bps (net of fees) for CDs with
185 an assumed rate of 60bps due to potential cash constraints
- 186 7. Total assessed lives assumed to level out at 481,000
- 187 8. 2.1% FY2024 administrative budget increase
- 188 9. \$4.7M (60% share) of COVID vaccines is included
- 189 10. Beyfortus™ RSV monoclonal antibody is not included
- 190 11. No late payment interest assessments included
- 191 12. The NHVA's payers benefit from a 29% discount from the open market by leveraging CDC pricing through
192 DHHS

193
194 Encompassing these assumptions, two different models were run with different assumptions of the assessment
195 rate. Example A has a stepped assessment rate beginning with a \$12 rate in, a \$13 rate in CY2025, and a \$14 rate in

196 CY2026. Example A only provides reserves of \$685K in SFY24 and negative amounts in SFY25 and SFY26. Example
197 B assumes a rate of \$14 across all three years which provides reserves of \$1.6M, \$3.7M, and \$5M over the three
198 SFYs.

199
200 Mr. Miller explained that while overall non-COVID vaccine costs were less than the prior year, the addition of
201 \$4.7M of COVID vaccine is driving the majority of the rate increase. NH DHHS projects a 38% uptake rate.
202 Depending upon what the uptake rate is – higher or lower – the costs could fluctuate significantly. Information
203 obtained from some payers indicates 38% might be closer to 10%.

204
205 Mr. Miller solicited feedback from the Committee regarding these projections and the conservative proposal in
206 Example B. Mr. Margus wondered if we are underestimating the number of assessed child lives given the uptick of
207 coverage in the individual market.

208
209 Ms. Tenney asked what effect the RSV monoclonal antibody will have on the proposed rate. Ms. Walker added
210 RSV into the model and demonstrated that it would take longer to meet reserve targets in Example B. Ms. Tenney
211 reflected on last year's rate increase from \$6.85 to \$8.50 and the thought of the Board at that time was the
212 increase would hold flat for a few years. However, we are contemplating an increase to \$14, which is a large jump.
213 Mr. Miller referenced the historical trend of assessment rates chart and stated that over the past decade or so, the
214 highest rate was \$12.95. The success in the rate stability of the past few years was due to the NH DHHS claw back
215 and the additional funds from TRICARE; both of which artificially lowered the rates below those of medical and
216 insurance premium inflation. A higher rate would have been set last September had the information regarding
217 COVID been known then.

218
219 Ms. Tenney observed that while the rate may need to be \$14 next year, additional increases might be required in
220 CY2025 and CY2026 to cover nirsevimab and other vaccines in development. Mr. Miller advised the Committee
221 that while the rate may be increasing, the program has access to CDC pricing at nearly 30% than retail which is a
222 sizable savings for the system. Additionally, the COVID uptake rate will be one of the largest factors on FY2023
223 spend. Ms. Walker added that this illustrates the need that the Board identified a few years ago of having the \$5M
224 reserve and how important those dollars are to help with rate stability and the ability to absorb new vaccines.

225
226 Ms. Tenney asked what percent of children receive the influenza vaccine. Ms. Mercuri advised that she does not
227 have the actual uptake percent but for last year, the actual orders totaled \$1,397,852.90 and for this year DHHS is
228 holding the projection close to last year at 93,100 doses totaling \$1,398,769.00. Ms. Tenney proceeded to ask why
229 DHHS believes COVID doses might be higher than influenza. Ms. Mercuri identified that the 93,100 doses do not
230 account for all children and this should be updated to reflect 60% for only the NHVA portion. She will send this
231 correction to Mr. Miller to update the model. With this correction, Ms. Tenney asked if COVID figures were built
232 into the model, and Mr. Miller indicated they were.

233
234 Mr. Miller again stressed to the Committee that COVID utilization will have the biggest impact on what is spent this
235 year. He stated that the conservative approach funding the full COVID request has a worst-case scenario of having
236 more money left over to either use for reserves, use for potentially another new vaccine that enters the market or
237 use for rate relief in subsequent years. Finally, given how quickly it is coming to market, our attorney is
238 investigating how best to consider assessments for nirsevimab under the current statute.

239
240 Ms. Tenney thanked Mr. Miller for his presentation, commenting on its comprehensiveness and the need for the
241 board to consider many issues. Mr. Miller expressed his gratitude to Ms. Mercuri and Ms. Walker for all their work
242 to date.

243
244
245
246

247 **5. Other Business**

248
249 Mr. Miller briefly reviewed the unaudited financial statements on pages 50 to 53 in the meeting packet. The
250 assessment income budget figures are not yet aligned in the financial statements because the budget numbers tie
251 back to the assessment model. Until the model is finalized, the budgetary figures will be inaccurate. The
252 *Statement of Financial Position* reports a total of \$3.8M in checking and savings as of the end of July and almost
253 \$4.5M in short-term investments. The estimated payment to DHHS due June 2024 is listed as \$23,912,371 which
254 will be updated once the board meets in September and sets the CY 2024 rate. With only one month into the new
255 fiscal year, the administrative budget is running ahead of the budget by \$15,337, but this does not consider
256 unbilled expenses that will be due in August and September (e.g., legal fees).

257
258 Mr. Miller received a request from the Bank of New Hampshire to see if there are any suggested changes to the
259 organization's *Investment Policy Statement*. A substantial rewrite of the policy occurred in September 2019. After
260 review and consideration, Mr. Miller recommends leaving the policy in place as it is a conservative approach with
261 limited risk. Ms. Tenney agreed, stating a conservative approach is required. Mr. Margus and Ms. Mercuri agreed.
262 Mr. Miller will let the Bank of New Hampshire know that changes will not be made at this time.

263
264 **6. Public Comment**

265
266 Mr. Margus asked if any member of the public would like to speak, and reminded the public that any questions
267 they have should be directed to Mr. Miller as this is not an interactive session Ms. Condon indicated she would
268 like to speak. She thanked Mr. Miller for his presentation and stated her opinion that both the RSV monoclonal
269 antibody and the COVID vaccines do not fall under the statutory definition of a vaccine. Ms. Condon expressed
270 interest in the NH DHHS' process to determine their annual vaccine purchases. She then stated that any reserve
271 funds should be returned to the insurers. Ms. Condon thanked the Committee for the opportunity to speak.

272
273 Mr. Miller confirmed that the other two members of the public did not desire to address the Committee. Mr.
274 Margus then asked for a motion.

275
276 **7. Adjournment**

277
278 Having no other business, Mr. Margus asked for a motion to adjourn.

279
280 **VOTE RECORDED:** *On a motion by Ms. Tenney, seconded by Ms. Mercuri, by roll call, it was unanimously*
281 **VOTED:** *To adjourn the Audit Committee meeting at 10:30 a.m.*

282

<u>Committee Member</u>	<u>Yes</u>	<u>No</u>
283 Jason Margus	X	
284 Anne Marie Mercuri	X	
285 Susan Tenney	X	

286
287
288 Respectfully submitted by
289 Patrick Miller, Helms & Company, Inc.
290 August 30, 2023

291
292 # # #

CY2024 Rate Setting

NHVA Audit Committee Meeting

September 6, 2023

Subject to Additional Updates Prior to Meeting

Note

- This is an abbreviated presentation containing updates from the August 23, 2023 Audit Committee work session.

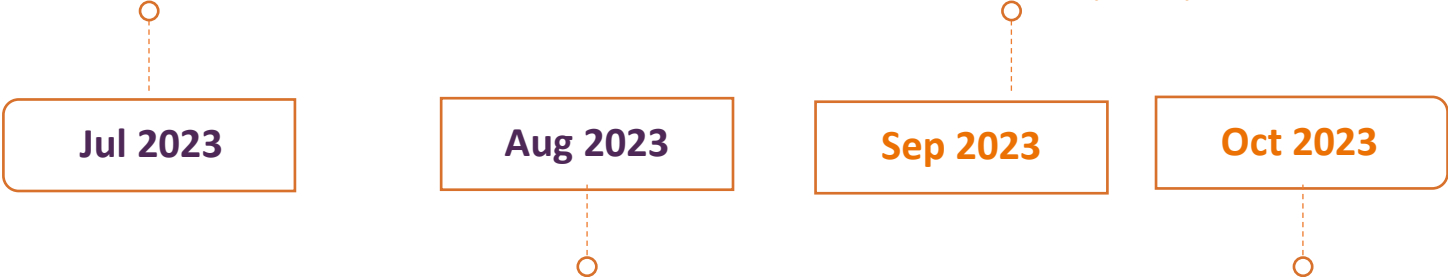
CY2024 Assessment Rate Setting Process Timeline

= completed milestone
 = future milestone

- Data Collection for Actual FY2023 and YTD CY2023
- Modeling Prep Work Begins

Audit Committee Work Session (9/6)

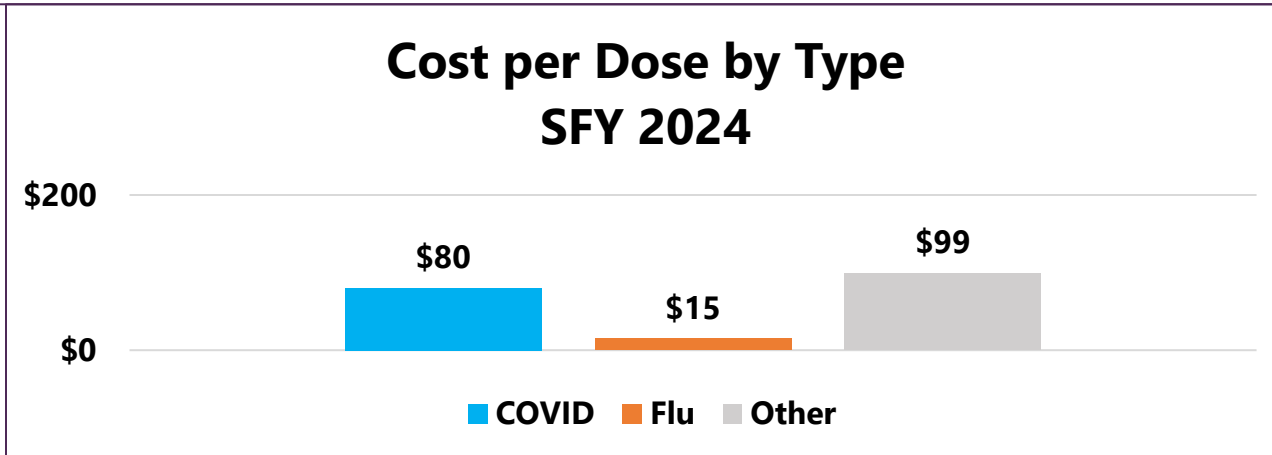
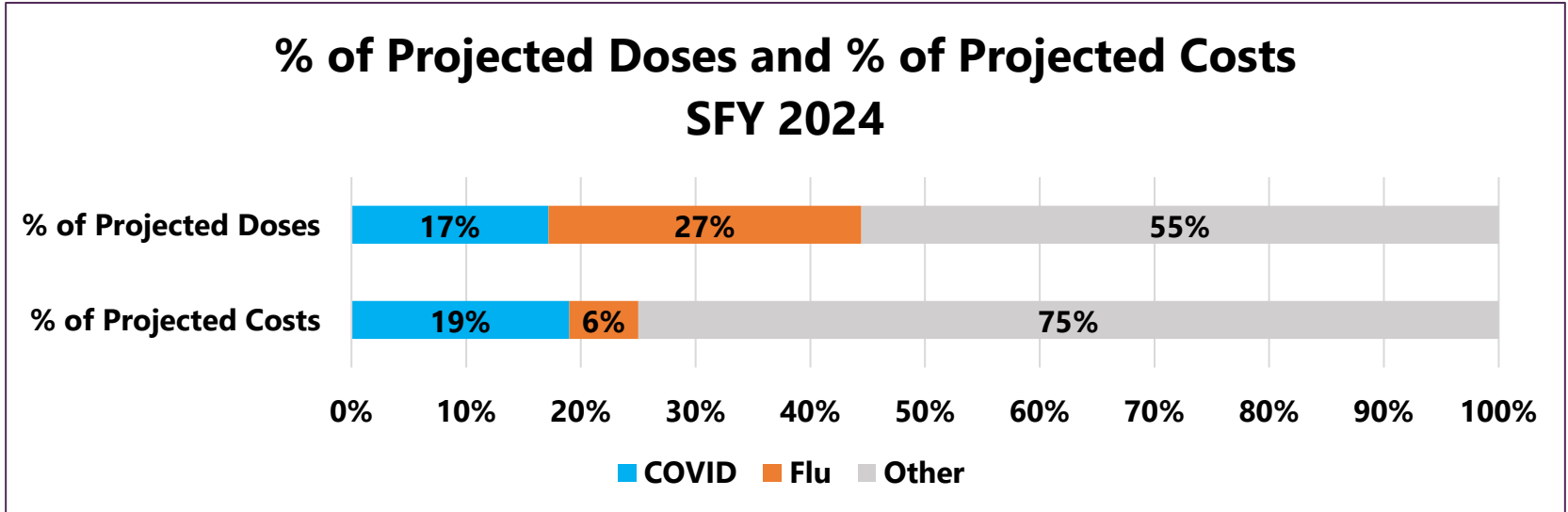
Review and Approval by Board of Directors (9/20)



- DHHS Data Received (8/2)
- Modeling Based Upon Trends and Initial NH DHHS data (8/2-8/16)
- Audit Committee Work Session (8/23)
- Modeling Final Assumptions (8/23-9/6)

Carrier Notification of CY2024 Rate (10/6)

COVID Impacts – The Case for Reserves



CY2024 Model Rate Assumptions

1. Rate stabilization
2. No NHVA funds will be held by NH DHHS to recover in June CY2024
3. No reimbursement of NH DHHS Immunization Section administrative cost request of \$551,571 (Tabs C & E)
4. Two reserves:
 1. 10% reserve of the total non-Federal program cost for the succeeding year (RSA 126-Q:4 II.(c))
 2. Rebuild the \$5M assessment reserve fund; rate stabilization and absorption of new vaccines
5. The percentage paid by the carriers is 60.0% for CY2024 based on NH DHHS/Federal fund source split
6. Interest rate assumptions for cash on hand assume 450bps for ICS and 125bps (net of fees) for CDs with an assumed rate of 60bps due to potential cash constraints
7. Total assessed lives assumed to level out at 485,000 in FY2026
8. 2.1% FY2024 administrative budget increase
9. \$4.7M (60% share) of COVID vaccines is included
10. Beyfortus™ RSV monoclonal antibody is not included
11. No late payment interest assessments included
12. The NHVA's payers benefit from a 29% discount from the open market by leveraging CDC pricing through DHHS

Model assumptions for discussion in green text

For Discussion **September 6, 2023**

SFY2024-25 Rate Model – Ex. A (as of August 30, 2023)

CY24 - \$14.00
CY25 - \$14.00
CY26 - \$14.00

	Actual SFY19 2018/2019	Actual SFY20 2019/2020	Actual SFY21 2020/2021	Actual SFY22 2021/2022	Forecast SFY23 2022/2023	Forecast SFY24 2023/2024	Forecast SFY25 2024/2025	Forecast SFY26 2025/2026	
ASSUMPTIONS									
1 Average Annual Covered Lives per Quarter		501,634	495,795	487,768	481,130	477,550	481,000	483,000	485,000
2 Assessment Rate	6.70-6.47	6.47-6.80	6.80-6.25	6.25-6.85	6.85-8.50	8.50-14.00	14.00-14.00	14.00-14.00	
3 TRICARE Rate		12.47-13.95	13.95-14.82	14.82-15.61	N/A	N/A	N/A	N/A	
RESERVES									
4 10% Reserve (RSA 126-Q:4 II.(c))	\$ 1,549,196	\$ 1,524,930	\$ 1,505,465	\$ 1,747,887	\$ 1,808,259	\$ 2,453,976	\$ 2,527,595	\$ 2,603,423	
5 Assessment Reserve				\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	
6 Operational Reserve	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	
7 Remainder Reserves	\$ 10,682,570	\$ 12,553,810	\$ 14,159,657	\$ 3,632,864	(\$282,869)	(\$6,616,668)	(\$5,076,513)	(\$4,188,011)	
TOTAL EXPENSES									
	\$ 26,837,646	\$ 26,126,101	\$ 26,067,468	\$ 29,080,442	\$ 30,094,717	\$ 40,899,595	\$ 42,126,582	\$ 43,390,380	
8 Total Government Expended	\$ 11,345,682	\$ 10,876,797	\$ 11,012,815	\$ 11,601,573	\$ 12,012,132	\$ 16,359,838	\$ 16,850,633	\$ 17,356,152	
9 %	42.28%	41.63%	42.25%	39.89%	39.91%	40.00%	40.00%	40.00%	
10 Total NHVA Expended	\$ 15,491,964	\$ 15,249,304	\$ 15,054,653	\$ 17,478,869	\$ 18,082,585	\$ 24,539,757	\$ 25,275,949	\$ 26,034,228	
11 %	57.72%	58.37%	57.75%	60.11%	60.00%	60.00%	60.00%	60.00%	
NHVA OUTFLOWS									
12 Total Distributed by NHVA (June Payment)	\$9,234,656	\$11,751,393	\$11,830,529	\$17,777,373	\$17,850,929	\$24,539,757	\$25,275,949	\$26,034,228	
13 Administrative Expenses	\$388,786	\$127,226	\$125,713	\$136,150	\$134,675	\$155,173	\$158,276	\$161,442	
14 Total Outflows	\$9,623,442	\$11,878,619	\$11,956,242	\$17,913,523	\$17,985,604	\$24,694,930	\$25,434,226	\$26,195,670	
NHVA INFLOWS									
15 Assessments	\$17,796,407	\$13,390,088	\$13,470,273	\$12,785,174	\$13,877,485	\$19,006,847	\$27,048,000	\$27,160,000	
16 Investment Income	\$357,265	\$336,301	\$75,858	(\$224,867)	\$322,083	\$0	\$0	\$0	
17 Total Inflows	\$18,153,672	\$13,726,389	\$13,546,131	\$12,560,307	\$14,199,568	\$19,006,847	\$27,048,000	\$27,160,000	
NHVA BEGINNING CASH BALANCE									
18	3,953,627	12,481,766	7,514,560	11,448,477	5,294,329	6,775,390	1,087,307	2,701,081	
19 Outflows	9,623,442	11,878,619	11,956,242	17,913,523	17,985,604	24,694,930	25,434,226	26,195,670	
20 Inflows	18,153,672	13,726,389	13,546,131	12,560,307	14,199,568	19,006,847	27,048,000	27,160,000	
21 Accrual to Cash Items	(2,091)	(796)	(3,507)	68,845	(65,339)				
22 Transfer (to)/from Investments		(6,814,180)	2,347,535	(869,777)					
23 To Supplement Assessments			0						
24 Ending Cash Balance	12,481,766	7,514,560	11,448,477	5,294,329	2,293,531	\$1,087,307	\$2,701,081	\$3,665,412	
25 Ending Investment Balance		6,814,180	4,466,645	5,336,422	4,481,859				
	12,481,766	14,328,740	15,915,122	10,630,751	6,775,390				
BALANCE HELD AT STATE									
26 Beginning	\$12,979,343	\$6,722,035	\$3,224,124		\$298,504	\$66,848	\$0	\$0	
27 Additions/Subtractions	(\$6,257,308)	(\$3,497,911)	(\$3,224,124)	\$298,504	(\$231,656)	(\$66,848)	\$0	\$0	
	\$6,722,035	\$3,224,124	(\$0)	\$298,504	\$66,848	\$0	\$0	\$0	

Model assumptions for discussion in green text

SFY2024-25 Rate Model – Ex. B (as of August 30, 2023)

CY24 - \$14.00
CY25 - \$15.00
CY26 - \$16.00

For Discussion September 6, 2023

	Actual SFY19 2018/2019	Actual SFY20 2019/2020	Actual SFY21 2020/2021	Actual SFY22 2021/2022	Forecast SFY23 2022/2023	Forecast SFY24 2023/2024	Forecast SFY25 2024/2025	Forecast SFY26 2025/2026
ASSUMPTIONS								
1 Average Annual Covered Lives per Quarter	501,634	495,795	487,768	481,130	477,550	481,000	483,000	485,000
2 Assessment Rate	6.70-6.47	6.47-6.80	6.80-6.25	6.25-6.85	6.85-8.50	8.50-14.00	14.00-15.00	15.00-16.00
3 TRICARE Rate		12.47-13.95	13.95-14.82	14.82-15.61	N/A	N/A	N/A	N/A
RESERVES								
4 10% Reserve (RSA 126-Q:4 II.(c))	\$ 1,549,196	\$ 1,524,930	\$ 1,505,465	\$ 1,747,887	\$ 1,808,259	\$ 2,453,976	\$ 2,527,595	\$ 2,603,423
5 Assessment Reserve				\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
6 Operational Reserve	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
7 Remainder Reserves	\$ 10,682,570	\$ 12,553,810	\$ 14,159,657	\$ 3,632,864	(\$282,869)	(\$6,616,668)	(\$4,593,513)	(\$1,280,011)
TOTAL EXPENSES								
	\$ 26,837,646	\$ 26,126,101	\$ 26,067,468	\$ 29,080,442	\$ 30,094,717	\$ 40,899,595	\$ 42,126,582	\$ 43,390,380
8 Total Government Expended	\$ 11,345,682	\$ 10,876,797	\$ 11,012,815	\$ 11,601,573	\$ 12,012,132	\$ 16,359,838	\$ 16,850,633	\$ 17,356,152
9 %	42.28%	41.63%	42.25%	39.89%	39.91%	40.00%	40.00%	40.00%
10 Total NHVA Expended	\$ 15,491,964	\$ 15,249,304	\$ 15,054,653	\$ 17,478,869	\$ 18,082,585	\$ 24,539,757	\$ 25,275,949	\$ 26,034,228
11 %	57.72%	58.37%	57.75%	60.11%	60.00%	60.00%	60.00%	60.00%
NHVA OUTFLOWS								
12 Total Distributed by NHVA (June Payment)	\$9,234,656	\$11,751,393	\$11,830,529	\$17,777,373	\$17,850,929	\$24,539,757	\$25,275,949	\$26,034,228
13 Administrative Expenses	\$388,786	\$127,226	\$125,713	\$136,150	\$134,675	\$155,173	\$158,276	\$161,442
14 Total Outflows	\$9,623,442	\$11,878,619	\$11,956,242	\$17,913,523	\$17,985,604	\$24,694,930	\$25,434,226	\$26,195,670
NHVA INFLOWS								
15 Assessments	\$17,796,407	\$13,390,088	\$13,470,273	\$12,785,174	\$13,877,485	\$19,006,847	\$27,531,000	\$29,585,000
16 Investment Income	\$357,265	\$336,301	\$75,858	(\$224,867)	\$322,083	\$0	\$0	\$0
17 Total Inflows	\$18,153,672	\$13,726,389	\$13,546,131	\$12,560,307	\$14,199,568	\$19,006,847	\$27,531,000	\$29,585,000
NHVA BEGINNING CASH BALANCE								
18	3,953,627	12,481,766	7,514,560	11,448,477	5,294,329	6,775,390	1,087,307	3,184,081
19 Outflows	9,623,442	11,878,619	11,956,242	17,913,523	17,985,604	24,694,930	25,434,226	26,195,670
20 Inflows	18,153,672	13,726,389	13,546,131	12,560,307	14,199,568	19,006,847	27,531,000	29,585,000
21 Accrual to Cash Items	(2,091)	(796)	(3,507)	68,845	(65,339)			
22 Transfer (to)/from Investments		(6,814,180)	2,347,535	(869,777)				
23 To Supplement Assessments			0					
24 Ending Cash Balance	12,481,766	7,514,560	11,448,477	5,294,329	2,293,531	\$1,087,307	\$3,184,081	\$6,573,412
25 Ending Investment Balance		6,814,180	4,466,645	5,336,422	4,481,859			
	12,481,766	14,328,740	15,915,122	10,630,751	6,775,390			
BALANCE HELD AT STATE								
26 Beginning	\$12,979,343	\$6,722,035	\$3,224,124		\$298,504	\$66,848	\$0	\$0
27 Additions/Subtractions	(\$6,257,308)	(\$3,497,911)	(\$3,224,124)	\$298,504	(\$231,656)	(\$66,848)	\$0	\$0
	\$6,722,035	\$3,224,124	(\$0)	\$298,504	\$66,848	\$0	\$0	\$0

Contact

Patrick Miller, MPH

Executive Director, NHVA

pmiller@helmsco.com

603.225.6633 (o)