

**MINUTES**  
**Audit Committee Meeting**  
**September 6, 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 9:01 a.m.

**1. Welcome and Introductions**

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

<p><b>Committee Members:</b> Jason Margus, Anthem, Chair Susan Tenney, HPHC, Vice Chair Anne Marie Mercuri, NH DHHS</p> <p><b>Members of the Public:</b> Laura Condon, NVIC, Bedford, NH Jeff Low, Dartmouth-Hitchcock Children’s, Lebanon, NH Elizabeth Manley, Sanofi, Medford, MA</p>	<p><b>Administrative Staff &amp; Invited Guests:</b> Patrick Miller, Helms &amp; Company Erin Meagher, Helms &amp; Company Keith Nix, Helms &amp; Company Leslie Walker, Mason+Rich, PA</p>
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Mr. Margus opened the meeting advising the group that the meeting was being recorded for the purpose of preparing minutes and that the recording would be deleted once the minutes were approved. Mr. Margus asked if any member of the public was recording to please raise their hand in Zoom. Ms. Condon indicated she was recording. Mr. Margus recited 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 23, 2023, Meeting Minutes**

Mr. Margus asked the Committee if any members had any questions or comments about the April 23, 2023, meeting minutes. Ms. Mercuri identified that the word “less” was missing on line 221. The line should read “...at nearly 30% less than retail...”

**VOTE RECORDED:** *On a motion by Ms. Tenney, seconded by Ms. Mercuri, by roll call vote, it was unanimously*  
**VOTED:** *To accept the April 23, 2023, Audit Committee meeting minutes with the edit to update line 221 to include the word “less” as outlined.*

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

44 **3. CT2024 Assessment Rate Initial Assumptions Work Session**

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46 Mr. Miller advised the group that the meeting packet presented today contained an abbreviated presentation from  
47 the version reviewed at the August 26 meeting. The expectation is that the Committee will vote today on an  
48 assessment rate recommendation for the Board of Director’s meeting on September 20. Mr. Miller explained that  
49 today’s meeting slides contain two updates from the NH Department of Health and Human Services (NH DHHS): the  
50 COVID vaccine request is significantly reduced and is now part of the overall list of vaccines versus a separate  
51 category and RSV has been removed from the request.  
52

53 In terms of updates to the NH DHHS Tab C funding request, Ms. Mercuri explained that the Centers for Disease  
54 Control and Prevention (CDC) has provided final COVID vaccine pricing to NH DHHS, and these vaccines will be  
55 ordered each month versus one, large pre-buy order. The initial NH DHHS uptake projections have been reduced  
56 from 38.5% to 15% which is more in line with payer projections. Additionally, there was a slight influenza dose  
57 adjustment between VFC and NHVA. Ms. Mercuri provided an influenza vaccine update stating that according to the  
58 National Immunization Flu Survey for the 2021 to 2022 influenza season: CDC’s NH coverage was 70% for 6m-4yrs,  
59 66% for 5-12 year olds, 58% for 13-17 year olds. CDC data were not yet available for 2022-2023.  
60

61 Mr. Miller reviewed the *CY2024 Model Rate Assumptions* slide highlighting the changes since the last meeting. The  
62 most significant changes were the reduction of the previous COVID projection from \$4.7M to \$1.4M and the removal  
63 of the RSV monoclonal antibody.  
64

65 Mr. Miller presented three different versions of the model using three different rate assumptions over a three-year  
66 period. Mr. Miller stated that the NHVA needs to ensure it has adequate reserves going forward given new vaccines  
67 coming to market, increases in vaccine costs, and unpredictable utilization. For example, COVID is predicted to  
68 comprise three percent of total doses, yet are four percent of projected costs. The majority of the vaccines brought  
69 to market in the past 18 months have been much higher in cost than existing vaccines.  
70

71 Mr. Miller presented three assessment rates ranging from \$12.00 to \$12.50 to \$13.00. In all three scenarios, the  
72 \$5M reserve target is unmet until FY2025. This is because the rate increase in FY2024 will only impact a single quarter  
73 by the end of the fiscal year. The first option does not meet the reserve target in any of the three projected years.  
74

75 Ms. Tenney asked where the reserves currently stand. Ms. Walker advised that at the end of the previous fiscal year  
76 there was \$6.7M in total cash, however, based on the model and FY2024 projections, there will be a shortfall of  
77 \$4.2M. Mr. Miller explained that the \$12.50 rate shown in the second scenario projects slightly better end-of-year  
78 cash balances of \$3.4M in year one, \$5.4M in year two, and \$6.9 in year three. Mr. Miller reminded the group that  
79 while NHVA does have the ability to do a one-time interim assessment if needed, it is not desirable to do so. He  
80 mentioned that the various models shown include investment income that was not shown at the prior meeting.  
81

82 General discussion ensued surrounding the model. Ms. Tenney asked why three flat rates were presented versus a  
83 stepped approach. Mr. Miller explained it was for discussion purposes. The first year is the focus as that is the rate  
84 that needs to be set. The outer years could be stepped up or down when the rate setting process occurs next year.  
85 Ms. Walker then displayed the model’s spreadsheet and input the suggested step approach to increasing the rate.  
86 The cash balance changed mostly in the two outer years with FY2024 still at \$3.2M, but FY2025 moving up to \$5.6M  
87 and FY2026 to \$8.4M. Ms. Walker stressed that this illustrates the importance of the reserve for the long term. A  
88 rate increase really takes a year and a quarter to make an impact since the first fiscal year the new rate is in place  
89 for only one quarter. Mr. Miller reviewed in this scenario, we are using \$3.96M of the reserve in the first year then  
90 \$1.8M in the second year and there will be a little extra funds in the third year. The Board will only be voting on the  
91 rate for calendar year 2024 at the meeting on September 20, but understanding the rate impact and how the  
92 reserves place a major role in the model over the next several years important for this year’s decision and the model  
93 lets us do that.  
94

95 Ms. Walker added that to put this in perspective, the addition of the COVID vaccines and increases in other vaccines  
 96 prices in one year is utilizing approximately \$3.5M of cash. If another, expensive vaccine(s) comes to market, the  
 97 NHVA will only have \$3M to absorb these new costs prior to the FY2024 rate increase kicking in to providing the  
 98 needed cash.  
 99

100 Ms. Tenney asked Ms. Mercuri if the historical 60/40 fund source split will continue. Ms. Mercuri stated that the  
 101 60/40 figure has been stable as shown on line 11 and is expected to remain so.  
 102

103 Ms. Tenney indicated that the \$12.50 rate had similar ending reserves to the \$13.00 rate in the first year, and this  
 104 would be more appropriate for FY2024. Mr. Margus agreed. Ms. Tenney asked if COVID will continue to be  
 105 administered by pharmacies. Ms. Mercuri asked for clarification on the current pharmacy billing practices for COVID.  
 106 Ms. Tenney indicated that when the COVID vaccine was paid for by the federal government, the pharmacies billed  
 107 for the administration fee only. Due to the commercialization of COVID, the vaccine would be billable to the  
 108 insurance carriers in addition to the administration fee and that each carrier may have different policies.  
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110 Mr. Margus asked if there was any more discussion or questions. Hearing none, he asked for a motion.  
 111

112 **VOTE RECORDED:** *On a motion by Ms. Tenney, seconded by Mr. Margus, by roll call, it was unanimously*  
 113 **VOTED:** *To recommend to the full Board of Directors at the September 20, 2023, Board*  
 114 *Meeting to accept the \$12.50 PMPM assessment rate for calendar year 2024.*  
 115

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

120  
 121 Mr. Miller thanked the Committee and stated he will prepare a similar presentation for the September 20 Board  
 122 meeting. If any new information emerges between now and September 20, he will update the model. Mr. Miller  
 123 expressed thanks to Ms. Walker and Ms. Mercuri for their contributions to the process. Ms. Tenney and Mr. Margus  
 124 expressed their gratitude for the work performed. Ms. Tenney shared that the process and the flow of the  
 125 spreadsheet has made understanding the process easier, especially the scenario modeling.  
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127 **4. Public Comment**  
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129 Mr. Margus asked if any member of the public present at the meeting would like to comment on items germane to  
 130 the business of the NHVA. Ms. Condon indicated she would and was invited to speak. Ms. Condon provided the  
 131 following comments.  
 132

- 133 1. She objected to the annual request from DHHS for administrative funding.
- 134 2. She questioned if the RSV and COVID vaccines met the statutory definition of vaccines.
- 135 3. She had questions for NH DHHS regarding contracted doses, uptake of influenza, and historical wastage.
- 136 4.

137 Ms. Condon thanked the Committee for the opportunity to speak.  
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139 **5. Adjournment**  
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141 Having no other business, Mr. Margus asked for a motion to adjourn.  
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143 **VOTE RECORDED:** *On a motion by Ms. Tenney, seconded by Ms. Mercuri, by roll call, it was unanimously*  
 144 **VOTED:** *To adjourn the Audit Committee meeting at 9:40 a.m.*  
 145

	<u>Committee Member</u>	<u>Yes</u>	<u>No</u>
146			
147	<i>Jason Margus</i>	X	
148	<i>Anne Marie Mercuri</i>	X	
149	<i>Susan Tenney</i>	X	

150  
151 Respectfully submitted by  
152 Patrick Miller, Helms & Company, Inc.  
153 September 11, 2023

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155 # # #

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