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MINUTES
Board of Directors Meeting
September 20, 2023
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 9:06 a.m.

Attendance – The following individuals attended the meeting:

Board Members:	Other Attendees & Administrative Staff:
Susan Tenney, HPHC, Chair	Karen Carew, Carew & Wells, PLLC.
Edward Moran, Public Member, Vice Chair	Mark McCue, Esq., Hinckley Allen
Jason Margus, Anthem, Treasurer	Erin Meagher, Helms & Company, Inc.
Harold Young, Cigna, Secretary	Patrick Miller, Helms & Company, Inc.
Patricia Edwards, MD, Healthcare Provider	Keith Nix, Helms & Company, Inc.
Marc Fournier, USNH, Self-Insured Entity	Leslie Walker, Mason+Rich
Michelle Heaton, NHID	Members of the Public:
Anne Marie Mercuri, NH DHHS	Peter Bragdon, Preti Strategies
Lorraine Radick, RPh, Public Member	Brooke Cardoso, CSL Seqirus
Excused Board Member:	Laura Condon, Bedford, NH
Wendy Wright, DNP, Healthcare Provider	Luke Cunniff, Merck
	Heidi Kroll, Gallagher, Callahan & Gartrell
	Elizabeth Manley, Sanofi

1. Welcome and Roll Call

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

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

	<u>Present</u>
<i>Patricia Edwards, MD</i>	X
<i>Marc Fournier</i>	X
<i>Michelle Heaton</i>	X
<i>Jason Margus</i>	X
<i>Anne Marie Mercuri</i>	X
<i>Edward Moran</i>	X
<i>Lorraine Radick, RPh</i>	X
<i>Susan Tenney</i>	X
<i>Wendy Wright, DNP</i>	<i>Absent</i>
<i>Harold Young</i>	<i>X (online with video but audio not connected at time of roll call)</i>

Ms. Tenney read the “Board Chair Statement re: Public Commentary During Meetings.”

37 **2. Review and Acceptance of the FY2023 Financial Audit**
38

39 Ms. Tenney welcomed Ms. Carew from Carew & Wells, PLLC, (Carew & Wells) NHVA’s auditor, to review the audited
40 financials. Ms. Carew began with the *Governance Letter*. She explained this is a required communication between
41 the auditor and the Board of Directors. It is the auditor’s opportunity to provide information directly to the Board
42 about the financial statements that may be relevant or important from the Board’s perspective. Ms. Carew advised
43 the Board that there were no new applicable accounting policies adopted this year. As part of the audit process,
44 estimates are reviewed, primarily the estimate of the vaccine expense. The assumptions for the estimated expenses
45 based on the amount projected by the State of New Hampshire were found to be reasonable.
46

47 Ms. Carew reported no difficulties in performing the audit, stating it is always a pleasure to work with NHVA. There
48 were no misstatements identified during the audit. Ms. Carew described one, immaterial journal entry adjustment
49 related to legal expense due to the timing of billing for June legal services. Ms. Carew indicated that there were no
50 disagreements with management with respect to the financials, accounting, reporting, or any other matter. Carew
51 & Wells is not aware of any financial statement consultations with other accounting or auditing firms.
52

53 Ms. Carew referenced the *Opinion Letter* which describes a “clean opinion”, meaning the auditors are unaware of
54 anything that should be changed in the financial statements to conform with generally accepted accounting
55 principles. Ms. Carew acknowledged that the financial statements had been circulated prior to the meeting, and
56 then she offered to answer any questions or provide further details. There were no questions.
57

58 Ms. Tenney asked Mr. Margus, as Audit Committee Chair, if he would like to comment on the Audit Committee
59 meeting and the review of the financial statements. Mr. Margus stated that the Audit Committee did review the
60 statements and met with Ms. Carew on August 23, 2023, where it was voted to recommend to the full Board to
61 accept the audit as presented by Ms. Carew.
62

63 Ms. Tenney stated she would entertain a motion to move to the Executive Session with Ms. Carew.
64

65 **VOTE RECORDED:** *On a motion by Dr. Edwards, seconded by Ms. Radick, by roll call it was*
66 **VOTED:** *To move to Executive Session with Ms. Carew for further discussion on the audit.*
67

	<u>Yes</u>	<u>No</u>
68		
69	<i>Patricia Edwards, MD</i>	X
70	<i>Marc Fournier</i>	X
71	<i>Michelle Heaton</i>	X
72	<i>Jason Margus</i>	X
73	<i>Anne Marie Mercuri</i>	X
74	<i>Edward Moran</i>	<i>Did not vote, had stepped away</i>
75	<i>Lorraine Radick, RPh</i>	X
76	<i>Susan Tenney</i>	X
77	<i>Wendy Wright, DNP</i>	<i>Absent</i>
78	<i>Harold Young</i>	X
79		

80 **Board of Directors – Execution Session Minutes**
81

82 Ms. Tenney began the executive session by explaining that it was an opportunity for the Board to discuss with its
83 auditor any concerns about NHVA management during the audit of NHVA’s financial statements for the most recent
84 fiscal year. Ms. Carew of Carew & Wells was asked by the Board to elaborate on her interaction with Helms &
85 Company (“Helms”) and NHVA’s Executive Director, during the audit process. Ms. Carew emphasized that her
86 interaction with Helms was excellent, that Helms was well-prepared and responsive, and that the NHVA finances

87 and records were in very good order. Ms. Carew confirmed to the Board that her firm did not encounter any
 88 difficulties with, or generate any concerns about, NHVA management.

89
 90 Respectfully submitted by Mark McCue, Esq.

91
 92 **VOTE RECORDED:** *On a motion by Ms. Radick, seconded by Mr. Young, by roll call it was unanimously*
 93 **VOTED:** *To adjourn the Executive Session and re-commence the Board meeting at 9:30*
 94 *a.m.*

	<u>Yes</u>	<u>No</u>
96		
97	X	
98	X	
99	X	
100	X	
101	X	
102	X	
103	X	
104	X	
105	Absent	
106	X	

107
 108 Returning from Executive Session, Ms. Tenney asked for a motion.

109
 110 **VOTE RECORDED:** *On a motion by Dr. Edwards, seconded by Mr. Fournier, by roll call it was*
 111 **VOTED:** *To accept the FY2023 Financial Audit as presented by Carew & Wells.*

	<u>Yes</u>	<u>No</u>
112		
113		
114	X	
115	X	
116	X	
117	X	
118	X	
119	X	
120	Did not vote, late return from Executive Session	
121	X	
122	Absent	
123	X	

124
 125 **3. Review and Acceptance of the June 14, 2023, Board of Directors Meeting Minutes**

126
 127 Ms. Tenney asked if there was any discussion regarding the minutes of the June 14, 2023, Board of Directors meeting.
 128 Mr. Miller advised that one typographical error was identified on line 317. The word “that” appears twice and should
 129 only be listed once. With no other comments or corrections, Ms. Tenney asked for a motion.

130
 131 **VOTE RECORDED:** *On a motion by Mr. Fournier, seconded by Mr. Young, by roll call it was*
 132 **VOTED:** *To approve the June 14, 2023, Board of Directors meeting minutes as presented*
 133 *with the one correction identified on line 317.*

	<u>Yes</u>	<u>No</u>
134		
135	X	
136	X	

137	<i>Marc Fournier</i>	<i>X</i>
138	<i>Michelle Heaton</i>	<i>X</i>
139	<i>Jason Margus</i>	<i>X</i>
140	<i>Anne Marie Mercuri</i>	<i>X</i>
141	<i>Edward Moran</i>	<i>X</i>
142	<i>Lorraine Radick, RPh</i>	<i>Abstain, not present at June meeting</i>
143	<i>Susan Tenney</i>	<i>X</i>
144	<i>Wendy Wright, DNP</i>	<i>Absent</i>
145	<i>Harold Young</i>	<i>X</i>

146
147
148

4. Executive Director Report

149 Mr. Miller provided a brief overview of the assessment process development since CY2019. For the CY2024 rate
150 setting process, there was a slight increase in covered lives, an increase in the requested amount from the New
151 Hampshire Department of Health and Human Services (NH DHHS), and a reevaluation of the reserve targets. The
152 process began in July, the initial modeling began in August, and there were two Audit Committees where the model
153 was reviewed.

154

155 Mr. Miller reviewed a series of trend charts that impact the model’s assumptions:

- 156 ▪ Assessed child lives have continued to decline except for the last two quarters which show an uptick
- 157 and ideally a stabilization post-COVID;
- 158 ▪ Vaccine costs have increased between two and seven percent in the past five years;
- 159 ▪ The fund source split has been steady in recent years with 60% attributed to NHVA;
- 160 ▪ ICS investment rates have steadily increased this year;
- 161 ▪ Unemployment rates have decreased below pre-COVID levels; and
- 162 ▪ Medicaid enrollment has dropped to close to pre-COVID levels.

163

164 Mr. Miller reviewed the inputs to the assessment model provided by NH DHHS (*Tab D* provides a historic view of
165 vaccine costs and funding from SFY2016 through SFY2023 including the breakdown for VFC and state funds. Other
166 factors driving vaccine costs include:

- 167 ▪ 2.7% population growth in 2023 for children 0-18 years of age;
- 168 ▪ The formula to calculate projected costs is based on prior years’ orders. Due to the addition of COVID-
169 19 vaccines, estimates are up for SFY2024. Without the additional COVID-19 costs, the projection
170 would be \$1.6M less suggesting a leveling out of vaccine administration following post-pandemic catch
171 up;
- 172 ▪ The CDC credits removal from the model as it is not a financial transaction but the cash value of New
173 Hampshire’s vaccine inventory at the CDC depot at the close of the Federal fiscal year;
- 174 ▪ Cost of vaccines continuing to grow by 3%-8% annually; and
- 175 ▪ The increased use of combination vaccines which are more expensive than the vaccines they are
176 replacing.

177

178 *Tab C* contains the prior fiscal years’ vaccine utilization and cost information along with the current fiscal year’s
179 projections. The total vaccine cost, highlighted in yellow, is \$33.7M, which excludes influenza vaccine. This CDC
180 pricing reflects a savings of 29% from the private purchase price of \$47.8M. The influenza totals are at \$2.3M versus
181 \$3.1M in the private market. The yellow box breaks down what is ultimately being requested for funds from the
182 NHVA reflecting the CDC credit, VFC and state funds contributions, estimated cost of vaccines, unspent revenue from
183 the prior state fiscal year, and NH DHHS program administrative costs (which were denied) resulting in \$21,593,130
184 of requested funds for SFY2023.

185

186 *Tab E* contains the administrative cost request for NH DHHS to manage the program. As in prior years, this cost
187 request was not considered within the assessment model. The final component in the model is the administrative
188 budget, which was approved by the Board at the June 14, 2023, meeting.

189
190 Mr. Miller explained that overall, the assumptions are very similar to last year. The three major factors this year are
191 the rebuilding of the \$5M reserve, the assumption of the leveling out of covered lives at 485K, and the inclusion of
192 the COVID-19 vaccines. Mr. Miller proceeded to review the assumptions in the rate setting model:

- 193 1. NHVA funds will be held by NH DHHS to recover in June CY2024;
- 194 2. No reimbursement of NH DHHS Immunization Section administrative cost request of \$551,571 (Tabs C &
195 E);
- 196 3. Two reserves:
 - 197 1. 10% reserve of the total non-Federal program cost for the succeeding year (RSA 126-Q:4 II.(c))
 - 198 2. \$5M assessment reserve fund; can be used for rate stabilization as needed;
- 199 4. The percentage paid by the carriers is 60.0% for CY2024 based on NH DHHS/Federal fund source split;
- 200 5. Interest rate assumptions for cash on hand assume 450bps for ICS and 125bps (net of fees) for CDs with an
201 assumed rate of 60bps due to potential cash constraints;
- 202 6. Total assessed lives assumed to level out at 485,000 in FY2026;
- 203 7. 2.1% FY2024 administrative budget increase;
- 204 8. \$1.4M (60% share) of COVID-19 vaccines included;
- 205 9. Beyfortus™ RSV monoclonal antibody not included;
- 206 10. No late payment interest assessments included; and
- 207 11. The NHVA's payers benefit from a 29% discount from the open market by leveraging CDC pricing through
208 NH DHHS.

209
210 Mr. Miller reported that the Audit Committee discussed at length the need to rebuild the reserves to continue to
211 assist in rate stability. Looking at the percentage of projected doses and the percentage of projected costs for
212 SFY2023, COVID-19 vaccines comprise 3% of the doses yet 4% of the costs. Influenza is much less expensive per
213 dose, representing 32% of the doses but only 6% of the costs. All other vaccines fall into 65% of the doses and make
214 up 90% of the costs. He reviewed several vaccines recently added to the CDC price list that show costs per dose
215 exceeding the \$104 average. As new or combination vaccines are approved, the trend has been for them to be more
216 expensive. that the Audit Committee wants to ensure that the NHVA has adequate reserves as new vaccines come
217 to the market in the coming years and to be best positioned to absorb some of these swings in costs that we have
218 experienced, such as the COVID-19 inclusion this year.

219
220 Mr. Miller reviewed the three rate options that were modeled and discussed with the Audit Committee. Each rate
221 option was projected out over three years, to understand what the impact would be on the \$5M reserve targets:

- 222 ▪ Option A – \$12.00 PMPM rate, resulting reserve amounts: FY2024 = \$3.2M; FY2025 = \$4.2M; FY2026 =
223 \$4.7M
- 224 ▪ Option B – \$12.50 PMPM rate, resulting reserve amounts: FY2024 = \$3.4M; FY2025 = \$5.4M; FY2026 =
225 \$6.9M
- 226 ▪ Option C – \$13.00 PMPM rate, resulting reserve amounts: FY2024 = \$3.7M; FY2025 = \$6.6M; FY2026 =
227 \$9.2M.

228
229 For FY2024, there is less variation of the reserve targets than in FY2025 or FY2026 as only one quarter in the current
230 fiscal year would be impacted with the new rate effective January 1, 2024. The significant difference is with the
231 outer two years. Mr. Miller reported that the Audit Committee voted to recommend that the Board adopt Option
232 B's rate of \$12.50 PMPM.

233
234 Mr. Miller proceeded to review the rate setting model using the \$12.50 rate:

- 235 ▪ Section one reflects an increase in projected covered lives and the assessment rate increasing from \$8.50
- 236 to \$12.50. The TRICARE additional assessment rate ended in 2022 so is no longer generating additional
- 237 assessment revenue.
- 238 ▪ Section two details the three reserves: the 10% outlined in the RSA, the \$5M assessment reserve, and the
- 239 \$250K operational reserve. Line 7 shows the amount that is being used from the reserves, driven by
- 240 expenses.
- 241 ▪ Section three details the increase in vaccine expenses.
- 242 ▪ Section four reflects the NHVA’s payment to the NH DHHS and the administrative budget costs along with
- 243 the funds being received by NHVA including assessment payments and interest earned on investments.
- 244 ▪ Section five shows the end of year cash balances which equate to the reserves. The \$12.50 rate resulting
- 245 in projected end of year cash balances of \$3.4M in FY024, \$5.4M in FY2025, and \$6.9M in FY2026.
- 246

247 Mr. Miller reminded the group that the NHVA’s payers have benefitted from a five-year period of lower rates
 248 because the NHVA used a portion of its reserves, much of which was generated by the TRICARE settlement, to keep
 249 the rate stable. This was during a time when the cost of vaccines continued to rise, covered lives continued to
 250 decrease, and an assessment rate below the true cost of the program was possible.

251 Mr. Miller stated that after thorough discussion by the Audit Committee, it was determined that there is a need to
 252 rebuild the reserve funds to be better prepared for the future. The Audit Committee determined the \$12.50 rate
 253 was the most reasonable approach to reach this goal as by the second year, the NHVA would be closer to the \$5M
 254 reserve target.

255 Ms. Walker added that the investment income could potentially change based upon when cash will be needed from
 256 the laddered CD portfolio and depending on where interest rates are headed. Either of these could result in a change
 257 in the ending fiscal year cash balance.

258 There was discussion regarding the historical change in rates from year to year, why the specific rates were chosen
 259 to model, the continued increase in vaccine prices, and the historic covered live decline.

260 Mr. Moran asked if there was outcome data available surrounding the decrease in the number of illnesses in New
 261 Hampshire’s children because of this program? Mr. Miller stated that NH DHHS may have that information, but that
 262 the Association does not since it is a funding mechanism only. Ms. Mercuri stated that, in general, the greater the
 263 vaccination coverage, the less disease. New Hampshire has fewer vaccine preventable disease outbreaks than many
 264 other states and that is largely attributed to higher vaccination coverage.

265 Ms. Margus advised the group that the Audit Committee discussed the different scenarios and conducted real time
 266 modeling using different rates to determine different impacts. Based on this, he is comfortable with the proposed
 267 \$12.50 rate, acknowledging that it is largely driven by the reserve dollars needed and is fiscally responsible. Ms.
 268 Tenney agreed with Mr. Margus stating the Audit Committee spent a lot of time reviewing the model and pressure
 269 tested many different scenarios. Although Ms. Tenney does not wish to see an increase in the rate, she agrees it is
 270 the appropriate thing to do based on the needs of the program and feels moving to this rate for the next several
 271 years should rebuild the reserve fund balance.

272 Ms. Tenney asked if there were any other comments or questions. Hearing none, Ms. Tenney asked for a motion.

273 **VOTE RECORDED:** *On a motion by Ms. Radick, seconded by Mr. Moran, by roll call it was unanimously*
 274 **VOTED:** *To adopt an assessment rate of \$12.50 PMPM for CY2024.*

275		<u>Yes</u>	<u>No</u>
276	Patricia Edwards, MD	X	

285	<i>Marc Fournier</i>	<i>X</i>
286	<i>Michelle Heaton</i>	<i>X</i>
287	<i>Jason Margus</i>	<i>X</i>
288	<i>Anne Marie Mercuri</i>	<i>X</i>
289	<i>Edward Moran</i>	<i>X</i>
290	<i>Lorraine Radick, RPh</i>	<i>X</i>
291	<i>Susan Tenney</i>	<i>X</i>
292	<i>Wendy Wright, DNP</i>	<i>Absent</i>
293	<i>Harold Young</i>	<i>X</i>

294
295 Ms. Tenney thanked Mr. Miller, Ms. Walker, and Ms. Mercuri for their work on this process, the amount of detail
296 provided to the Board, and the well thought out scenarios shared with the group to allow an informed decision to
297 be made.

298
299 Ms. Tenney asked Mr. Miller to review the unaudited financial statements. Mr. Miller explained the statements
300 reflect the first two months of the fiscal year – July and August. The assessment budget target is based upon the
301 most recent assessment rate model. The balance sheet reflects both the \$50K in checking and the balance of funds
302 in the ICS account where the interest rate is currently 4.9%. Short term investments comprise the CD portfolio. As
303 CDs come due or are called, those funds are being rolled into the ICS account given the improvement in interest
304 rates. In terms of administrative expenses, NHVA is ahead of budget primarily due to unexpended legal fees. For
305 the assessment period due August 15, nearly 1,800 more lives than budgeted were reported. There were no
306 questions regarding the unaudited financial statements.

307
308 Mr. Miller directed the group to the final item in the meeting packet, the proposed CY2024 meeting schedule. As
309 has been done historically, all meetings are scheduled on Wednesdays except for one Audit Committee meeting in
310 September. Mr. Miller asked the group to review the schedule and let him know if there are any concerns. Ms.
311 Meagher will send meeting invitations out to the group as placeholders in their calendars.

312
313 **5. NH Department of Health and Human Services (NH DHHS) Update**

314
315 Ms. Tenney invited Ms. Mercuri to provide the NH DHHS update. Ms. Mercuri thanked Mr. Miller and the Association
316 for their cooperation with the NH DHHS during the rate setting process. Ms. Mercuri advised as of September 1,
317 2023, NH DHHS has expended a total of \$3.9M in the current SFY. This is \$2.1M higher than the same period last
318 year, as NH DHHS has begun purchasing COVID-19 supply. Anne Marie continues to provide Mr. Miller with a
319 monthly update of total expenditures.

320
321 **6. Public Comment**

322
323 Ms. Tenney invited members of the public that wished to provide comments to raise their virtual hand or to indicate
324 so in the chat.¹

325
326 Ms. Condon was invited to speak. She thanked the Board for the opportunity to comment. The following comments
327 were germane to the work of the NHVA:

- 328 ▪ She stated that the financial statements do not account for vaccine waste, nor the return of the Federal
329 excise tax charged for vaccine injuries.

¹ Note: Per the *Board Chair Statement re: Public Commentary During Meetings*, the Public Comment portion of the agenda is not an interactive session with the Board and comments must be germane to the business of the NHVA. Any questions should be directed to the NHVA’s Executive Director who will respond in a timely fashion.

- 330 ▪ She questioned the authority of NHVA to assess for COVID-19 vaccines under the existing definition of
331 vaccine.
332 ▪ She stated that NHVA’s statute does not permit the funding of the cost of the vaccine registry or DHHS
333 staffing.
334

335 Ms. Condon again thanked the Board for the opportunity to participate. No other members of the public requested
336 to speak.
337

338 **7. Executive Session**
339

340 Ms. Tenney asked for a motion to move into Executive Session for consultation with outside legal counsel.
341

342 **VOTE RECORDED:** *On a motion by Dr. Edwards, seconded by Mr. Fournier, by roll call it was unanimously*

343 **VOTED:** *To move into Executive Session at 10:23 a.m.*
344

	<u>Yes</u>	<u>No</u>
345		
346	<i>Patricia Edwards, MD</i>	X
347	<i>Marc Fournier</i>	X
348	<i>Michelle Heaton</i>	X
349	<i>Jason Margus</i>	X
350	<i>Anne Marie Mercuri</i>	X
351	<i>Edward Moran</i>	X
352	<i>Lorraine Radick, RPh</i>	X
353	<i>Susan Tenney</i>	X
354	<i>Wendy Wright, DNP</i>	Absent
355	<i>Harold Young</i>	X
356		

357 Executive Session minutes were recorded and sealed by Mark McCue, Esq.
358

359 Ms. Tenney asked for a motion to exit from the Executive Session.
360

361 **VOTE RECORDED:** *On a motion by Ms. Radick, seconded by Mr. Fournier, by roll call it was unanimously*

362 **VOTED:** *To exit from Executive Session and adjourn the Board meeting at 11:03 a.m.*
363

	<u>Yes</u>	<u>No</u>
364		
365	<i>Patricia Edwards, MD</i>	X
366	<i>Marc Fournier</i>	X
367	<i>Michelle Heaton</i>	X
368	<i>Jason Margus</i>	X
369	<i>Anne Marie Mercuri</i>	X
370	<i>Edward Moran</i>	X
371	<i>Lorraine Radick, RPh</i>	X
372	<i>Susan Tenney</i>	X
373	<i>Wendy Wright, DNP</i>	Absent
374	<i>Harold Young</i>	X
375		

376 Board of Directors Meeting minutes respectfully submitted by

377 Harold Young, Secretary

378 September 26, 2023
379

#