

AGENDA

Board Meeting

September 20, 2023, 9:00am-11:00am

Location: Online Zoom Meeting

To attend via Zoom webinar, please register at this link:

<https://nhvaccine.org/event/nhva-september-20-2023/>

Time	Agenda Item
9:00-9:05	1. Welcome & Roll Call (Tenney) a. Recording announcement b. Roll Call c. Board Chair Statement re: Public Commentary During Meetings*
9:05-9:25	2. FY2023 Audit (Tenney) – Guest Karen Carew, Carew & Wells, PLLC a. Review and Acceptance of the FY2023 Draft Audit Report by Carew & Wells – VOTE*
9:25-9:30	3. Review and Acceptance of Minutes (Tenney) a. June 14, 2023 Board Meeting Minutes – VOTE*
9:30-10:15	4. Executive Director Report (Miller) – Guest Leslie Walker, Mason+Rich, PA a. Review and Acceptance of the FY2024 Payer Assessment Process and CY2024 Rate Setting – VOTE* b. Review of FYTD 2024 Unaudited Financial Statements* c. Preliminary CY2024 Meeting Schedule*
10:15-10:25	5. DHHS Update (Mercuri)
10:25-10:35	6. Public Comment if Time Permits
10:35-11:00	7. Executive Session – Board Attendance Only
11:00	8. Adjournment

* Indicates an attachment.

NEW HAMPSHIRE VACCINE ASSOCIATION

Board Chair Statement re: Public Commentary During Meetings

I welcome members of the public. Please also inform the Board now if you will be recording this meeting by raising your hand or using the chat feature.

If the Board 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 Board, 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 Board 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.

August 31, 2023

Board of Directors
New Hampshire Vaccine Association

We have audited the financial statements of New Hampshire Vaccine Association for the year ended June 30, 2023, and we will issue our report thereon dated August 31, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 5, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by New Hampshire Vaccine Association are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the vaccine expense is based on the amount projected and requested for remittance by the State of New Hampshire. We evaluated the key factors and assumptions used to develop the vaccine expense estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the balance due and collectible in accounts receivable (including no amount due), as well as any refundable assessments is based on the assumption that the amount of covered lives self-reported by the payor is accurate and not subject to change materially. Further, that the RSA provides for the recognition of revenue when self-reported by the insurer irrespective of the time period for the covered lives being reported. We evaluated the factors and assumptions used to develop the balance due and collectible in accounts receivable estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 31, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors of New Hampshire Vaccine Association and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Carew & Wells, PLLC

Adjustments

SUMMARY

Currently showing **all** types of journal entries.

Adjustment Type	Assets	Liabilities	Equity	Net Income
<i>Proposed (1)</i>	<i>0.00</i>	<i>2,203.00</i>	<i>0.00</i>	<i>(2,203.00)</i>
Total	0.00	2,203.00	0.00	(2,203.00)

Adjustment 1

Proposed | Workpaper Reference: [FF.1 - Legal Invoice](#)

Notes: Waive recurring timing difference for accrual of June legal expenses due in July. Immaterial to net income and net assets.

Account	Debits	Credits
60320 - Professional Fees - Legal	2,203.00	-
21000 - Accrued Expenses	-	2,203.00
✓ Net income effect: (2,203)	Dr: 2,203.00	Cr: 2,203.00

**NEW HAMPSHIRE
VACCINE ASSOCIATION**

FINANCIAL STATEMENTS

**FOR THE FISCAL YEARS ENDED
JUNE 30, 2023 AND 2022**

draft

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draft

INDEPENDENT AUDITORS' REPORT

The Board of Directors
New Hampshire Vaccine Association

Opinion

We have audited the accompanying financial statements of New Hampshire Vaccine Association (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Hampshire Vaccine Association as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of New Hampshire Vaccine Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about New Hampshire Vaccine Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives 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 to issue an auditor's report that includes our opinion. 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 generally accepted auditing standards will always detect a material misstatement when it exists. 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, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of New Hampshire Vaccine Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about New Hampshire Vaccine Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Carew & Wells, PLLC
Concord, New Hampshire

August 31, 2023

NEW HAMPSHIRE VACCINE ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2023 AND 2022

	June 30, 2023	June 30, 2022
ASSETS		
<i>Current Assets</i>		
Cash and cash equivalents	\$ 2,293,531	\$ 5,294,329
Assessments receivable	-	-
Prepaid expenses	<u>1,960</u>	<u>1,960</u>
Total Current Assets	<u>2,295,491</u>	<u>5,296,289</u>
<i>Non-Current Assets</i>		
Investments	<u>4,481,859</u>	<u>5,336,422</u>
TOTAL ASSETS	<u>\$ 6,777,350</u>	<u>\$ 10,632,711</u>
LIABILITIES & NET ASSETS		
<i>Current Liabilities</i>		
Accounts payable	\$ -	\$ 1,400
Refundable overpayments by insurers	<u>-</u>	<u>63,939</u>
TOTAL LIABILITIES	<u>-</u>	<u>65,339</u>
<i>Net Assets</i>		
Net assets without donor restrictions	250,000	250,000
Net assets with donor restrictions	<u>6,527,350</u>	<u>10,317,372</u>
TOTAL NET ASSETS	<u>6,777,350</u>	<u>10,567,372</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 6,777,350</u>	<u>\$ 10,632,711</u>

The accompanying notes are an integral part of these financial statements.

NEW HAMPSHIRE VACCINE ASSOCIATION
STATEMENTS OF ACTIVITIES
 FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

	June 30, 2023	June 30, 2022
NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUE AND OTHER SUPPORT		
Net assets released from restrictions		
Assets released for operations	\$ 134,675	\$ 136,150
OPERATING EXPENSES		
Administrative services	110,628	107,250
Legal fees	10,650	14,975
Accounting fees	9,350	9,350
Insurance	3,360	3,360
License and fees	-	75
Stationary & printing	421	479
Board meeting expenses	266	-
Website	-	661
<i>Total Operating Expenses</i>	<u>134,675</u>	<u>136,150</u>
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>-</u>	<u>-</u>
NET ASSETS WITH DONOR RESTRICTIONS		
Assessment income	13,873,499	12,316,544
TRICARE settlement income	-	468,630
Interest on late assessments	488	1,360
Bank and sweep interest	370,157	50,474
Return on investments	(48,562)	(276,701)
Net assets released from restrictions		
Remittance to the State of New Hampshire	(17,850,929)	(17,777,373)
Assets released for operations	<u>(134,675)</u>	<u>(136,150)</u>
INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTIONS	<u>(3,790,022)</u>	<u>(5,353,216)</u>
CHANGES IN NET ASSETS	<u>(3,790,022)</u>	<u>(5,353,216)</u>
<i>Net Assets, Beginning of Year</i>	<u>10,567,372</u>	<u>15,920,588</u>
<i>Net Assets, End of Year</i>	<u>\$ 6,777,350</u>	<u>\$ 10,567,372</u>

The accompanying notes are an integral part of these financial statements.

NEW HAMPSHIRE VACCINE ASSOCIATION
STATEMENTS OF CASH FLOWS
 FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

	June 30, 2023	June 30, 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	<u>\$ (3,790,022)</u>	<u>\$ (5,353,216)</u>
<i>Adjustments to reconcile changes in net assets</i>		
(Gain) on sale of investments	(2,781)	(1,227)
Unrealized (gain) loss on investments	111,584	313,232
(Increase) decrease in:		
Assessments receivable	-	5,486
Prepaid expenses	-	-
Increase (decrease) in:		
Accounts payable	(1,400)	1,400
Accrued expenses	-	(1,980)
Refundable overpayments by insurers	<u>(63,939)</u>	<u>63,939</u>
<i>Total Adjustments</i>	<u>43,464</u>	<u>380,850</u>
Net Cash Provided (Used) by Operating Activities	<u>(3,746,558)</u>	<u>(4,972,366)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(100,240)	(2,934,673)
Proceeds from sale & maturities of investments	<u>846,000</u>	<u>1,752,891</u>
Net Cash Used by Investing Activities	<u>745,760</u>	<u>(1,181,782)</u>
NET INCREASE (DECREASE) IN CASH	(3,000,798)	(6,154,148)
<i>Cash, Beginning of Year</i>	<u>5,294,329</u>	<u>11,448,477</u>
<i>Cash, End of Year</i>	<u>\$ 2,293,531</u>	<u>\$ 5,294,329</u>

The accompanying notes are an integral part of these financial statements.

NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

A | NATURE OF ACTIVITIES & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

New Hampshire Vaccine Association (the “Association”) is a nonprofit corporation established pursuant to Chapter 126-Q of the New Hampshire Revised Statutes Annotated. The Association was formed to assess certain entities for a portion of the cost of vaccines provided for children in New Hampshire. The Association accomplishes its mission by assessing “assessable entities,” as defined by RSA 126-Q:1,II. That definition encompasses all insurers, all government health benefit plans and essentially all third-party administrators administering health benefits for any child in New Hampshire. The Association remits funds to the State of New Hampshire so that the NH Department of Health and Human Services is able to purchase and distribute, without charge to health care providers in the State of New Hampshire, all federally-recommended childhood vaccines.

Basis of Accounting

The financial statements of the Association have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Association is required to report information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of donor-imposed restrictions:

Net assets without donor restrictions are those currently available at the discretion of the board for use in the Association’s operations.

Net assets with donor restrictions are those subject to stipulations imposed by law. Restrictions may be temporary in nature; those restrictions would be met by actions of the Association or by the passage of time. Other donor restrictions may be perpetual in nature, whereby the donor may stipulate the funds be maintained in perpetuity. The Association does not have any net assets with perpetual donor restrictions.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Association considers all short-term highly liquid investments with original maturities of three months or less to be cash equivalents with the exception of temporary cash, money market funds, and short-term investments held in the investment account.

Investments

The Association carries investments in debt and equity securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities. Investments includes any accrued investment income reportable by the broker managing the funds, as this income has been earned and not yet received.

NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

Assessments Receivable

Assessments receivable are stated at the amount the Association expects to collect from covered lives self-reported by assessable entities. The Association evaluates collectability by considering factors such as historical experience, the age of the accounts receivable balance, current economic conditions, and other circumstances, which may affect an entity's ability to pay. Past due receivables are written off at management's discretion using the direct write off method; this is not considered a departure from accounting principles generally accepted in the United States because the effects of the direct write off method approximate those of the allowance method. The Association charges a late fee at a rate of 18% per annum (about 1.5% monthly) on all past due assessments until paid in full or written off as uncollectible.

Assessment Revenue

Assessable entities self-report the number of covered lives for each month of the quarter. The assessment is due 45 days after the close of the preceding quarter. Assessment revenue is recognized as an increase in temporarily restricted net assets at that time.

RSA 126-Q and the Plan of Operation do not provide any requirement for the Association to identify or verify the self-reported covered lives of assessable entities. Accordingly, revenue is recognized as self-reported by the assessable entities. Any subsequent adjustments in covered lives reported to the Association are treated as an increase or decrease in assessment revenue at that time.

Restricted Revenue

RSA 126-Q restricts all revenue, including assessments, interest on late payment of assessments, and investment income. Unexpended revenue is included in reducing the next year's assessment rate.

Expense Allocation

Due to the limited purpose of the Association's mandate as defined in RSA 126-Q, the remittance of assessments to the State comprises the entirety of program activities. The remittance is reflected on the financial statements as a release of net assets with donor restrictions. All remaining expenses are related to management and general activities. Following is an analysis of expenses by natural and functional classifications:

	2023	2022
<i>Program Expense</i>		
Remittance to State of NH	\$ <u>17,850,929</u>	\$ <u>17,777,373</u>
<i>Management & General</i>		
Administrative services	110,628	107,250
Legal fees	10,650	14,975
Accounting fees	9,350	9,350
Insurance	3,360	3,360
License and fees	-	75
Stationary & printing	421	479
Board meeting expenses	266	-
Website	<u>661</u>	<u>661</u>
<i>Total Management & General</i>	<u>134,675</u>	<u>136,150</u>
 <i>TOTAL EXPENSES</i>	 \$ <u>17,985,604</u>	 \$ <u>17,913,523</u>

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NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

Income Tax Status

The Association was organized as a nonprofit corporation under RSA 292. On January 20, 2004, the Internal Revenue Service ruled that the Association was a nonprofit 501(c)(3) organization, furthermore that it was not a private foundation within the meaning of Internal Revenue Code Section 509(a). Accordingly, the Association has not made any provision for income taxes. In addition, the Internal Revenue Service ruled that the Association met the requirements set forth in Revenue Procedure 95-48, 1995-2 CB 418 section 4.02(b) and 4.03. Therefore, the Association is not required to file Form 990 annually.

For the years ended June 30, 2023 and 2022, management has evaluated its tax positions in accordance with financial accounting standards board (FASB) accounting standards codification (ASC) 740-10, *Accounting for Uncertain Tax Positions*. This evaluation includes consideration that the Association is operating in compliance with its tax-exempt status and that there are no matters that would create taxable income. The Association's management does not believe they have taken uncertain tax positions, therefore, a liability for income taxes associated with uncertain tax positions has not been recognized.

B | CURRENT RESOURCES

Financial Assets Available to Meet Cash Needs for General Expenditures within One Year

The Association had \$2,293,531 and \$5,294,329 of cash and cash equivalents available within one (1) year of the balance sheet dates (June 30, 2023 and 2022) to meet cash needs for general expenditures.

None of the cash and cash equivalents are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. General expenditures include the required remittance to the State of New Hampshire and reasonable and necessary operating costs. Investments set aside for long-term investing are not included in the current resources available for general expenditures. However, these amounts could be drawn upon if needed by the Association.

Liquidity Management

The Association is substantially supported by assessment income. To manage liquidity, the Association maintains sufficient financial asset balances to satisfy general expenditures as they come due. The Association invests cash in excess of immediate operations in investments to provide a reasonable rate of return to offset the operating expenses and reduce the total cost of the program to insurers.

In determining assessment rates, the Board of Directors have designated \$250,000 to ensure adequate cash flow for operating expenses. In addition, for the years ended, June 30, 2023 and 2022, the Association reserved \$5 million of the available restricted net assets used in setting the assessment rates. This reserve provides for consistent and stable assessment rates to insurers over time.

NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

CONCENTRATIONS

Revenue

The Association derives nearly all of its revenue from assessments of licensed insurers in the State of New Hampshire. In addition, 52% and 49% of the assessments were derived from three (3) assessable entities for the years ended, June 30, 2023 and 2022, respectively. Given the requirements of RSA 126-Q, the Plan of Operations and the industry within which assessable entities operate, management does not believe the Association is exposed to significant risk from the concentration of assessment revenue, nor from a concentration with a particular assessable entity.

C | INVESTMENTS

Composition of Investments

Investments are comprised of the following at June 30, 2023 and 2022:

	2023	2022
Fixed Income Funds (Level 1 measured at fair value)		
Negotiable Certificates of Deposit	\$ 4,298,953	\$ 5,224,490
Federate Government Money Market	176,710	105,615
Accrued income on investments	6,195	6,317
Total Investments	\$ 4,481,858	\$ 5,336,422

Investments include funds in excess of those necessary for immediate operating needs, including the funds reserved to stabilize assessment rates over time.

Fair Value Measurements

Generally accepted accounting principles provide a framework for measuring fair value. That framework establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The Association's investments are comprised of money market funds and negotiable certificates of deposit reported at fair value based on quoted market prices (Level 1) as follows:

	Cost	Fair Value	Unrealized Gain (Loss)
<i>As of June 30, 2023</i>			
Negotiable Certificates of Deposit	\$ 4,681,146	\$ 4,298,953	\$ (382,193)
Money market funds	176,710	176,710	-
Accrued income on investments	6,195	6,195	-
Total Investments	\$ 4,864,051	\$ 4,481,858	\$ (382,193)
<i>As of June 30, 2022</i>			
Negotiable Certificates of Deposit	\$ 5,495,106	\$ 5,224,490	\$ (270,616)
Money market funds	105,615	105,615	-
Accrued income on investments	6,317	6,317	-
Total Investments	\$ 5,607,038	\$ 5,336,422	\$ (270,616)

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NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

Return on Investments

The return on investments is reported as a change in net assets with donor restrictions in the Statement of Activities. Investment return is summarized as follows:

	2023	2022
Interest and dividends	\$ 79,767	\$ 53,984
Realized gain (loss)	2,781	1,227
Unrealized gain (loss)	(111,584)	(313,232)
Investment fees	<u>(19,526)</u>	<u>(18,680)</u>
Total	<u>\$ (48,562)</u>	<u>\$ (276,701)</u>

D | COMMITMENTS AND CONTINGENCIES

TRICARE Assessment

The Association has been pursuing collection from the Federal Defense Agency ("DHA") assessments for TRICARE child beneficiaries resident in the State of New Hampshire. Effective December 23, 2016, Congress adopted Section 719 of the 2017 National Defense Authorization Act ("NDAA") which authorized the DHA to make payments to the Association and certain other state vaccine programs. The 2017 NDAA provides for reimbursement of the amount assessed by the Association further limited to an amount that may not exceed the amount the Department would reimburse an entity under the TRICARE program for providing vaccines.

In a memorandum dated November 29, 2018, the Association has accepted a stipulated sum of \$3,970,307 with regards to arrearages for the TRICARE specified assessments from July 17, 2010 to September 30, 2018. This stipulated sum was \$1,492,489 less than the TRICARE increment (the difference between the TRICARE inflation and vaccine adjusted per capita cap, and the total Association assessments amounts). The remaining TRICARE increment (arrearage) was incorporated into future TRICARE specific assessments and paid over multiple years. Given that collection was not certain and that the amounts collected could not be determined until future budgets and assessments were implemented, the TRICARE increment payments were recognized as revenue in quarterly assessment as they became determined and due. The final arrearage payment of \$468,630 was collected in fiscal year ended, June 30, 2022.

Risk of Reconsideration of Assessments

The Association's Plan of Operation provides that assessable entities are assessed a fee based upon the number of covered lives as self-reported. No request for reconsideration of any assessment or refund of payment made shall be considered by the Association with respect to any request which is not filed with the Association, in writing, on or before that date which is six months after the first due date for the corresponding assessment year. The Association's Plan of Operations also states that any overpayments are first considered in connection with the assessment determination for the following year and may, depending upon the cash flow needs of the Association, be spread over multiple years. As a result, the Association does not record a commitment or contingency related to this matter.

Termination of the Association

In the event of dissolution of the Association, unexpended assessments, including unexpended funds from prior assessments, shall be returned to assessable entities in proportion to their respective assessments paid over the most recent eight (8) quarters preceding the discontinuation of the Association's operations. As there are no plans to dissolve, the Association does not record a commitment or contingency related to this matter.

(Continued on next page)

NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

E | DESIGNATION OF NET ASSETS

Net Assets Without Donor Restrictions

It is the policy of the Board of Directors of the Association to designate appropriate sums of unrestricted net assets to assure adequate cash flow for operations. As of June 30, 2023 and 2022, the board designated balance for this purpose was \$250,000.

Net Assets With Donor Restrictions

The Association is a limited purpose entity whose funds are dedicated for remittance to the State of New Hampshire to fund a specified portion of the cost of providing recommended vaccines to children regardless of income or insurance coverage. The Association has collected assessments in excess of amounts required to be remitted to the State. During the year ended, June 30, 2020, the Association reserved \$5 million of the available restricted net assets used in setting the assessment rates to provide for consistent and stable assessment rates to insurers over time. The remaining unexpended assessments will be applied to the determination of future assessments, or reasonable and necessary operating costs of the Association.

As of June 30, 2023 and 2022, net assets with donor restrictions is comprised of the following:

	2023	2022
<i>Unexpended assessments:</i>		
Available for rate setting	\$ 1,527,350	\$ 5,317,372
Reserved for rate stabilization	<u>5,000,000</u>	<u>5,000,000</u>
Net assets with donor restrictions	<u>\$ 6,527,350</u>	<u>\$ 10,317,372</u>

F | RELATED PARTY TRANSACTIONS

State of New Hampshire

The Association collects assessments for the State of New Hampshire. The organizations are financially interrelated as they meet the following criteria:

1. The State of New Hampshire has the ability to influence the Association’s operating and financial decisions, primarily through changes in the statute and the State of New Hampshire’s annual funding request. This funding request is based on the previous year’s actual spending and is not determined by the Association.
2. The State of New Hampshire has an ongoing economic interest in the net assets of the Association. The Association transfers monies to the State of New Hampshire to fund a specified portion of the cost of purchasing vaccines for children in the State of New Hampshire. The Association transferred \$17,850,929 and \$17,777,373 to the State of New Hampshire in 2023 and 2022, respectively.

Board of Directors

In accordance with RSA 126-Q, the board composition includes three (3) directors who are also employees of assessable entities. There were no direct transactions with the directors and the assessable entities met the same terms and conditions as all other assessable entities.

(Continued on next page)

NEW HAMPSHIRE VACCINE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

G | SUBSEQUENT EVENTS

In preparing these financial statements, the Association has evaluated events and transactions for potential recognition of disclosure through August 31, 2023, the date the financial statements were available to be issued. Management has determined there are no subsequent events that provide evidence that did not exist at the date of the statement of financial position but arose subsequently to that date which would materially affect the financial position of the Association or cause these financial statements to be misleading to the reader.

draft

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MINUTES
Annual Meeting & Board of Directors Meeting
June 14, 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 9:02 a.m.

Attendance – The following individuals attended the meeting:

Board Members:	Other Attendees & Administrative Staff:
Susan Tenney, HPHC, Chair	Nick Denice, Esq., Hinckley Allen
Edward Moran, Public Member, Vice Chair	Patrick Miller, Helms & Company, Inc.
Jason Margus, Anthem, Treasurer	Erin Meagher, Helms & Company, Inc.
Harold Young, Cigna, Secretary	Keith Nix, Helms & Company, Inc.
Patricia Edwards, MD, Healthcare Provider	Members of the Public:
Marc Fournier, USNH, Self-Insured Entity	Laura Condon, National Vaccine Information Ctr.
Michelle Heaton, NHID	Andrew Rennekamp, CSL Seqirus
Anne Marie Mercuri, NH DHHS	
Wendy Wright, DNP, Healthcare Provider	
Excused Board Member:	
Lorraine Radick, RPh, Public Member	

1. Welcome and Roll Call

Ms. Tenney thanked everyone for attending the meeting of the NH Vaccine Association’s Annual Meeting and meeting of the 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 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>	<i>Absent</i>
<i>Susan Tenney</i>	X
<i>Wendy Wright, DNP</i>	X
<i>Harold Young</i>	X

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

39 **2. Annual Meeting of the Members**

40
41 Ms. Tenney invited Mr. Miller to provide his report on the proxy submissions. Mr. Miller stated that of the 46 proxies
42 issued, 14 voted, 11 did not respond, and 21 advised they were abstaining from the vote or were not participating.
43 The vote summary included a total of 353,282 votes (74%), 80,959 abstains or non-participating (17%), and 40,504
44 no responses (9%). All votes received were distributed among the three board members listed on the proxy: Sue
45 Tenney, Jason Margus, and Harold Young.

46
47 Ms. Tenney asked if there were any comments or questions. Hearing none, she asked for a motion. After brief
48 discussion and consultation with Attorney Denice, it was decided the full board would vote.

49
50 **VOTE RECORDED:** *On a motion by Mr. Moran, seconded by Ms. Wright, by roll call it was*
51 **VOTED:** *To accept the count as presented and certify the votes for the three assessable*
52 *entity representatives: Margus, Tenney, Young*

	<u>Yes</u>	<u>No</u>
54 Patricia Edwards, MD	X	
55 Marc Fournier	X	
56 Michelle Heaton	X	
57 Jason Margus	X	
58 Anne Marie Mercuri	X	
59 Edward Moran	X	
60 Lorraine Radick, RPh	Absent	
61 Susan Tenney	X	
62 Wendy Wright, DNP	X	
63 Harold Young	X	

64
65
66 Ms. Tenney asked for a motion to adjourn the Annual Meeting of the Members.

67
68 **VOTE RECORDED:** *On a motion by Mr. Moran, seconded by Mr. Fournier, by roll call it was*
69 **VOTED:** *To adjourn the Annual Meeting of the Members at 9:08 a.m.*

	<u>Yes</u>	<u>No</u>
71 Patricia Edwards, MD	X	
72 Marc Fournier	X	
73 Michelle Heaton	X	
74 Jason Margus	X	
75 Anne Marie Mercuri	X	
76 Edward Moran	X	
77 Lorraine Radick, RPh	Absent	
78 Susan Tenney	X	
79 Wendy Wright, DNP	X	
80 Harold Young	X	

81
82
83 **3. Annual Board Meeting Items**

84
85 Ms. Tenney reviewed the proposed Board Officer Slate and the Audit Committee Appointment Slate, effective
86 August 1, 2023, through July 31, 2024. She asked if there were any questions or if anyone would like to propose a
87 different slate. With no comments or questions, she asked for a motion.

88

89 **VOTE RECORDED:** *On a motion by Dr. Edwards, seconded by Ms. Heaton, by roll call it was*
 90 **VOTED:** *To approve the Board Officers and Audit Committee Appointment slates as*
 91 *presented.*

92		
93	<u>Board Officer Slate</u>	<u>Audit Committee Appointment Slate</u>
94	Susan Tenney, Board Chair	Jason Margus, Chair
95	Edward Moran, Vice Chair	Susan Tenney, Vice-Chair
96	Jason Margus, Board Treasurer	Anne Marie Mercuri
97	Harold Young, Board Secretary	

	<u>Yes</u>	<u>No</u>
100	X	
101	X	
102	X	
103	X	
104	X	
105	X	
106	Absent	
107	X	
108	X	
109	X	

110
 111 Ms. Tenney then asked the Board Members to review the three statements requiring annual renewal: Oath of Office,
 112 Conflict of Interest, Code of Ethics. Mr. Miller asked the Board Members to complete the forms, sign them, and
 113 return them to Ms. Meagher by the end of the month.

114
 115 **4. Review and Acceptance of the March 29, 2023, Board Meeting Minutes**

116
 117 Ms. Tenney asked if there was any discussion regarding the draft March 29, 2023, minutes. With no comments or
 118 questions, she asked for a motion.

119
 120 **VOTE RECORDED:** *On a motion by Ms. Wright, seconded by Mr. Fournier, by roll call it was*
 121 **VOTED:** *To accept the March 29, 2023, Board meeting minutes as published.*

	<u>Yes</u>	<u>No</u>	<u>Abstain</u>
122			
123			
124	X		
125	X		
126			X
127	X		
128	X		
129	X		
130	Absent		
131	X		
132	X		
133	X		

134
 135 **5. Executive Director Report**

136
 137 Mr. Miller began with the memorandum to the Board regarding the annual payment to the State of New Hampshire
 138 that is due this month. He thanked Ms. Mercuri for her input and help with the process. He reminded the Board

139 that at the September 2022 meeting, the Board approved the estimate for the payment to the State in the amount
 140 of \$19,243,022. After vaccine purchases for the fiscal year were complete, the estimate was reassessed and the
 141 payment amount request from the Department of Health and Human Services (NH DHHS) was adjusted downward
 142 to \$17,850,929, with a net reduction of \$1,392,093 from September 2022.

143
 144 Ms. Mercuri explained that the projections for the annual payment amount are based on the prior year’s actual
 145 purchase amount. Last year, of the state was emerging from the pandemic and there were more orders from
 146 providers as they were trying to catch children up on missed vaccines. Because of this, the September 2022
 147 projection was high as orders from providers this year came in under that amount. As of the end of May 2023, the
 148 actual amount expended was \$17,231,767 and NH DHHS anticipates needing an additional \$917,666 for the month
 149 of June 2023. Finally, there was an overpayment in the amount of \$298,504 last year that reduced the total amount
 150 needed this year bringing the payment request to the \$17,850,929 listed in the memo.

151
 152 Ms. Mercuri explained the removal of the CDC credit from the calculation. Historically, this amount was deducted
 153 from the NH DHHS’ annual request to the NHVA. After discussion with the Audit Committee in April 2023, it was
 154 agreed that the CDC Credit should not be deducted from the annual request amount. In summary:

- 155 • The CDC Credit is the cash value of the vaccines purchased (inventory at CDC depot) available for New
 156 Hampshire provider orders.
- 157 • The CDC Credit is the zeroing out of federal financial books which means it is not a financial transaction and
 158 there is no money being returned to the State of New Hampshire.
- 159 • Vaccine is only purchased/paid for once, the same amount of inventory at CDC depot on 9/30 is then again
 160 made available 10/1. The State/NHVA is not billed for/does not pay for inventory already purchased.

161
 162 The CDC expects DHHS to have the credit amount be equal to approximately ninety (90) days of vaccine inventory
 163 (~\$3.5M) in case of a government shutdown or protection for supply chain issues. which is \$3.5M

164
 165 Mr. Miller reminded the group that when the State held NHVA’s excess, overpayment of funds, the CDC credit was
 166 essentially absorbed without consideration in the payment collection. Mr. Miller stated that a vote is needed to
 167 approve the payment to the State and asked if there were any questions.

168
 169 With no comments or questions, Ms. Tenney asked for a motion.

170
 171 **VOTE RECORDED:** *On a motion by Ms. Heaton, seconded by Ms. Wright, by roll call it was*
 172 **VOTED:** *To authorize payment in the amount of \$17,850,929 to the NH DHHS.*

	<u>Yes</u>	<u>No</u>
174		
175	X	
176	X	
177	X	
178	X	
179	X	
180	X	
181	Absent	
182	X	
183	X	
184	X	

185
 186 Mr. Miller briefly reviewed the proposed FY 2024 administrative budget which, if approved, will be in effect from
 187 July 1, 2023 through June 30, 2024. The proposed budget is \$155,173, which is an increase of 2.1% over the current
 188 fiscal year. The increase is driven by the contractual adjustment in the Administrator’s (Helms’) agreement. All other

189 expenses are proposed to remain the same as the prior year. Mr. Miller stated that historically the D&O insurance
190 has had some unpredictability and that legal fees are typically less than budgeted.

191
192 Mr. Miller stated that the proposed budget was reviewed in detail at the April 19, 2023, Audit Committee meeting,
193 and it was approved for recommendation to the full Board's adoption. Mr. Miller asked if there were any questions
194 or if any member of the Audit Committee would like to add anything.

195
196 Dr. Edwards requested clarification as to what the administrative fees include. Mr. Miller stated that all the services
197 provided by Helms were covered under the administration fees. Instead of the Association having employees, the
198 running of the program was contracted to Helms which includes the assessment collection, financials, meeting
199 management, etc.

200
201 With no comments or questions, Ms. Tenney asked for a motion.

202
203 **VOTE RECORDED:** *On a motion by Ms. Heaton, seconded by Dr. Edwards, by roll call it was*
204 **VOTED:** *To approve the proposed FY2024 Administrative Budget as published.*

	<u>Yes</u>	<u>No</u>
206		
207	X	
208	X	
209	X	
210	X	
211	X	
212	X	
213	Absent	
214	X	
215	X	
216	X	

217
218 Mr. Miller stated that for four years through FY2021, the auditors Carew & Wells PLLC held their fees level. In FY2022
219 the fees increased to \$9,350 and are the same again for FY2024. The auditor's engagement letter requires Board
220 approval with subsequent signature by the Administrator and either the Audit Committee Chair or Board Chair. The
221 audit has been scheduled and will take place at the Helms offices during the second week of July. Mr. Miller offered
222 to answer any questions.

223
224 With no comments or questions, Ms. Tenney asked for a motion.

225
226 **VOTE RECORDED:** *On a motion by Ms. Heaton, seconded by Mr. Moran, by roll call it was*
227 **VOTED:** *To sign the engagement letter with Carew & Wells PLLC to complete the 2023*
228 *financial audit of the NH Vaccine Association.*

	<u>Yes</u>	<u>No</u>
230		
231	X	
232	X	
233	X	
234	X	
235	X	
236	X	
237	Absent	
238	X	

239 Wendy Wright, DNP X
240 Harold Young X

241
242 Mr. Miller briefly reviewed the *FYTD 2023 Unaudited Financial Statements* through May 31, 2023. On the *Statement*
243 *of Cash Flow*, he pointed to the increase in assessment income in the most recent quarter due to due to the new
244 assessment rate of \$8.50. The *Statement of Financial Position* shows that the NHVA has just over \$24.6M in total
245 assets prior to the payment to the State of New Hampshire. The majority of which are held with the Bank of NH in
246 the ICS account (\$19,848,275). There is \$4,750,840 in the CD portfolio and as they come due or are called, the funds
247 are rolled into the ICS account. In November 2022, the ICS rates started to increase significantly after pandemic
248 lows. Mr. Miller has asked the Bank for an analysis of whether it makes sense to break some of the CDs to move
249 from a lower interest rate to the ICS account. He expects to hear from the bank next week. The estimated payment
250 amount to the State of \$19,243,022 will be updated when June is completed to reflect the actual payment amount
251 of \$17,850,929.

252
253 On the *Statement of Change in Net Assets*, Mr. Miller advised NHVA’s administrative budget expenditures are
254 approximately \$15,000 under budget YTD. Legal expenses account for the majority of this and are currently \$12,417
255 under budget. There was an increase in the number of covered lives reported in the most recent quarter which is a
256 change in the historical decline of covered lives. The increase in covered lives, combined with the new assessment
257 rate, has resulted in a stronger cash position. Mr. Miller stated that this will be good for the Association’s cash
258 position and rate setting if these trends continue in future quarters.

259
260 Ms. Wright asked if there was any indication as to what the increase in covered lives was a result of? Mr. Miller
261 responded that it is probably related to declining unemployment rates as shown on the *US and NH Unemployment*
262 *Rates* chart—in May 2023, NH had an unemployment rate of 1.9% which is lower than pre-pandemic rates. Mr.
263 Miller does not believe the change in Medicaid eligibility has had an impact yet on our assessed lives, but that ideally
264 it will. The *NH Medicaid Enrollment* chart shows a significant drop in Medicaid enrollment in April 2023 but an uptick
265 in May 2023. Mr. Miller did speak with Andrew Chalsma at the State about the “rebound” in May, and it had to do
266 with people being initially unenrolled and then reenrolled in Medicaid. Mr. Chalsma expected that there may be a
267 few months of variation and then Medicaid enrollment would level off. Mr. Miller stated that NHVA has lost ~7,000
268 covered lives during the pandemic, and there were about 14,000 or so child covered lives that were added to
269 Medicaid. If half of those Medicaid lives return to commercial insurance, that would be great news for the
270 Association.

271
272 Mr. Miller referenced the *Assessment Rate and Total Number of Assessed Child Lives by CY Quarter* chart which
273 reflects the decrease in covered lives for nearly a decade. The assessment rate has remained steady for since FY2018
274 until the most recent quarter when it increased.

275
276 Finally, Mr. Miller reviewed the *ICS Basis Point Rate Changes* chart which shows NHVA’s interest rates of return.
277 During the pandemic, rates plunged, and in the following year and a half, the rate stayed steady at 30bps. Since last
278 winter, through the first five months of the year, the rates have jumped. In the first five months of CY2023,
279 approximately \$255,000 of interest has been earned to support both administrative and vaccine expenses.

280
281 Mr. Miller invited the insurers and the insurance department to share any thoughts they may have on what is
282 occurring in terms of covered life increases. Ms. Heaton advised the group that the Insurance Department has seen
283 increased enrollment in the individual market over the last several months. Mr. Miller stated that as we go into the
284 next assessment rate setting process that continued, adequate cash reserves will be crucial to ensure rates remain
285 stable over the next few years even if vaccine costs fluctuate.

286
287 Mr. Miller indicated that as mentioned at prior meetings, Helms has been working with a Blue Cross Blue Shield
288 carrier since last year to determine if they have unreported child covered. It has been determined that reporting is

289 required, and Ms. Meagher is working closely with the carrier to ensure retroactive filings with interest are paid.
290 This summer a full audit of all Blue Cross carriers not currently submitting assessment payments will be completed.
291

292 Ms. Tenney thanked Mr. Miller for his report and expressed gratitude for the details provided specifically on the
293 change in child covered lives from quarter to quarter.
294

295 **6. NH Department of Health and Human Services (NH DHHS) Update**

296

297 Ms. Tenney invited Ms. Mercuri to provide the NH DHHS update. Ms. Mercuri advised the Department is working on
298 vaccine cost projections for the next fiscal year and will provide them to the Vaccine Association later this the
299 summer as part of their annual funding request. These figures will take into consideration the addition of new
300 vaccines, including COVID-19, Prevnar 20, and RSV for children. Ms. Mercuri anticipates that the next set of cost
301 projections will be a bit higher than is typical due to these new vaccines. Regarding COVID commercialization, the
302 Federal Government has still not provided clarity as to how it will work and the timing. There are outstanding
303 questions including whether NH pharmacies will be able to participate. Under the Vaccines for Children (VFC) federal
304 program, providers are required to administer all vaccines, and this would have to apply to pharmacies to be able to
305 procure the COVID vaccine for free through the VFC program. For adults, the insurance companies will be billed for
306 the vaccine and administration fees, and there is a bridge program to support vaccinations for uninsured adults.
307

308 Ms. Tenney asked if this would potentially open the door for pharmacies to administer all childhood vaccines? Ms.
309 Mercuri responded that in New Hampshire statute, pharmacy regulations restrict childhood vaccine administration
310 to influenza and COVID. Ms. Wright added that she believes it is important to find a way to continue to have
311 pharmacies administer the COVID vaccine as many primary care providers have not tackled it to the same degree as
312 pharmacies have. Ms. Mercuri agreed and advised that her office has been working with the CDC for over a year
313 with this as a goal. Mr. Miller asked as to whether single dose COVID vaccines are available yet. Ms. Wright stated
314 that she sits on a Moderna Advisory Board and has been assured that the single dose presentations will be available.
315

316 Mr. Moran stated that he understands the influenza virus changes over time and is still considered influenza, and
317 asked if this is correct. Ms. Mercuri confirmed that that the virus changes over time and that there are always
318 predominant strains that are circulating. There is analysis annually to determine what the predominant strains are
319 likely to be so that the formulation will be the most effective for that influenza season. Ms. Wright added that she
320 suspects the same process will need to happen with COVID as the variants change regularly.
321

322 Ms. Tenney thanked Ms. Mercuri for her update.
323

324 **7. Public Comment**

325

326 Ms. Tenney invited members of the public that wished to provide comments to raise their virtual hand or to indicate
327 so in the chat.¹ Ms. Condon asked if it was disclosed that Ms. Wright sits on the Moderna Advisory Board and if it
328 was a conflict of interest. Mr. Rennekamp introduced himself as an employee of CSL Seqirus and offered a comment
329 regarding the seasonality of flu.
330

331 **8. Executive Session**

332

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

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. Any questions should be directed to the NHVA's Executive Director who will respond in a timely fashion.

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VOTE RECORDED: *On a motion by Ms. Tenney, seconded by Ms. Heaton, by roll call it was*
VOTED: *To move into Executive Session at 9:57 a.m.*

	<u>Yes</u>	<u>No</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>	Absent	
<i>Susan Tenney</i>	X	
<i>Wendy Wright, DNP</i>	X	
<i>Harold Young</i>	X	

Ms. Tenney asked Mr. Miller to participate in the Executive Session. The Board members and Mr. Miller engaged in a discussion with Hinckley Allen regarding changes to the Public Access Policy that would further facilitate meeting access. Hinckley Allen will propose changes for Board adoption at the September 2023 meeting.

Executive Session minutes respectfully submitted by,
Patrick Miller, Executive Director
June 21, 2023

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

VOTE RECORDED: *On a motion by Dr. Edwards, seconded by Ms. Heaton, by roll call it was*
VOTED: *To exit from Executive Session at 10:06 a.m.*

	<u>Yes</u>	<u>No</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>	Absent	
<i>Susan Tenney</i>	X	
<i>Wendy Wright, DNP</i>	X	
<i>Harold Young</i>	X	

9. Adjournment

Hearing no additional comments or questions, Ms. Tenney asked for a motion to adjourn.

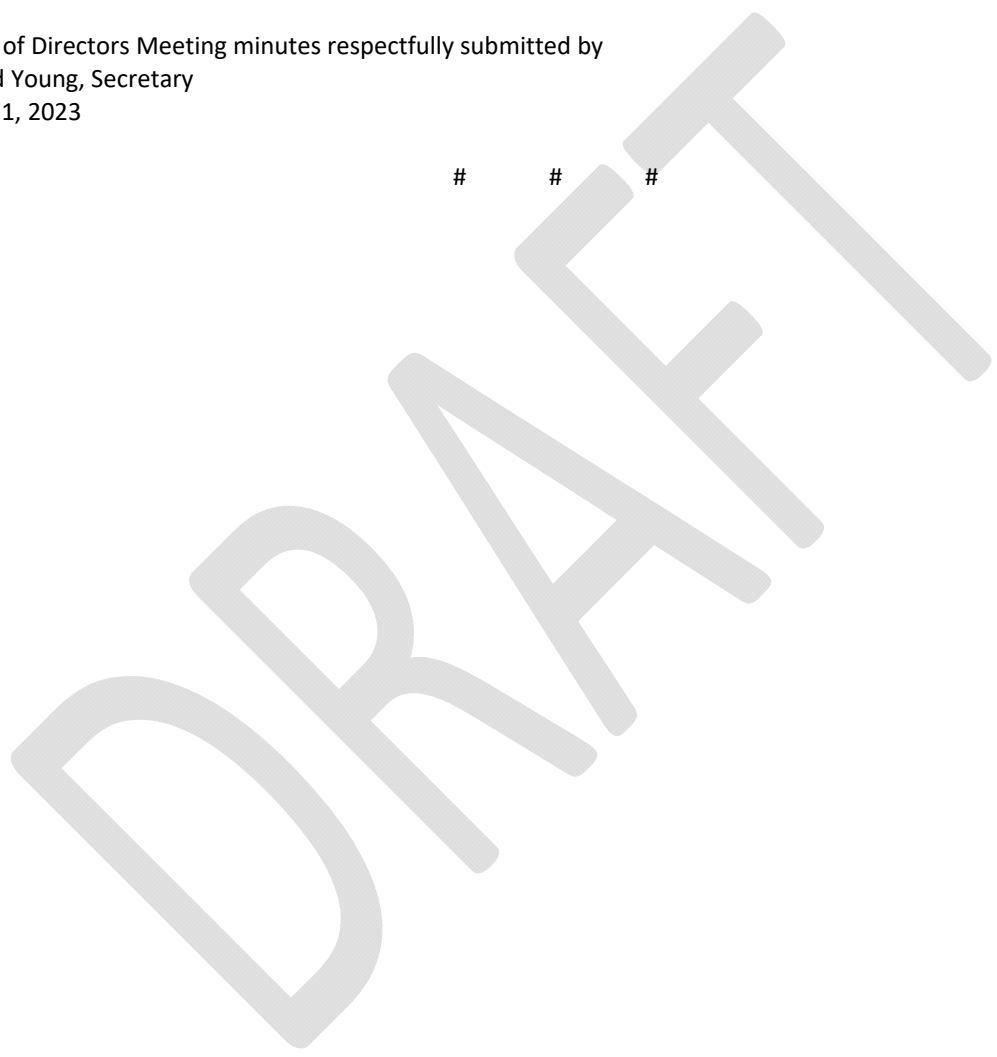
VOTE RECORDED: *On a motion by Ms. Heaton, seconded by Ms. Wright, by roll call it was*
VOTED: *To adjourn the meeting at 10:07 a.m.*

	<u>Yes</u>	<u>No</u>
<i>Patricia Edwards, MD</i>	X	

384	<i>Marc Fournier</i>	X
385	<i>Michelle Heaton</i>	X
386	<i>Jason Margus</i>	X
387	<i>Anne Marie Mercuri</i>	X
388	<i>Edward Moran</i>	X
389	<i>Lorraine Radick, RPh</i>	Absent
390	<i>Susan Tenney</i>	X
391	<i>Wendy Wright, DNP</i>	X
392	<i>Harold Young</i>	X

393
 394 Board of Directors Meeting minutes respectfully submitted by
 395 Harold Young, Secretary
 396 June 21, 2023

397
 398 # # #



CY2024 Rate Setting

NHVA Board Meeting

September 20, 2023

Revised September 18, 2023 (slides 11, 13, 17, 18, 26)

Subject to Additional Updates Prior to Meeting

Contents

1. Process
2. Historical Trends
3. NH DHHS Data and NHVA Administrative Budget for Assessment Process
4. Rate Assumptions and Assessment Rate Model

1. Process

Assessment Process Development History

CY2024	CY2023	CY2022	CY2021	CY2020	CY2019
<ul style="list-style-type: none"> • Covered Lives Stabilized • DHHS Request Increased • COVID Costs Included • Reserves Reevaluated 	<ul style="list-style-type: none"> • Year 2 of New Model • TRICARE Specific Assessments Have Concluded • Covered Lives Continue to Decline • DHHS Request Increased • Lack of Clarity on PHE End Date 	<ul style="list-style-type: none"> • Addressed Swings in Payments to NH DHHS • Addressed Conclusion of TRICARE Specific Assessments • Simplified Model Back-End Tool 	<ul style="list-style-type: none"> • Assumed COVID-19 Covered Lives Adjustment Factors • Reduced Funds Held by NH DHHS to Zero 	<ul style="list-style-type: none"> • Appropriated \$5M Reserve Fund • Accounted for TRICARE Administrative Payment in Model 	<ul style="list-style-type: none"> • Helms Simplified Prior Process • Added TRICARE Lives to Assessment Process • One Time Administrator Change Costs Absorbed • Multi-Year Cash Flow / Assessment Rate Model Developed

CY2024 Assessment Rate Setting Process Timeline

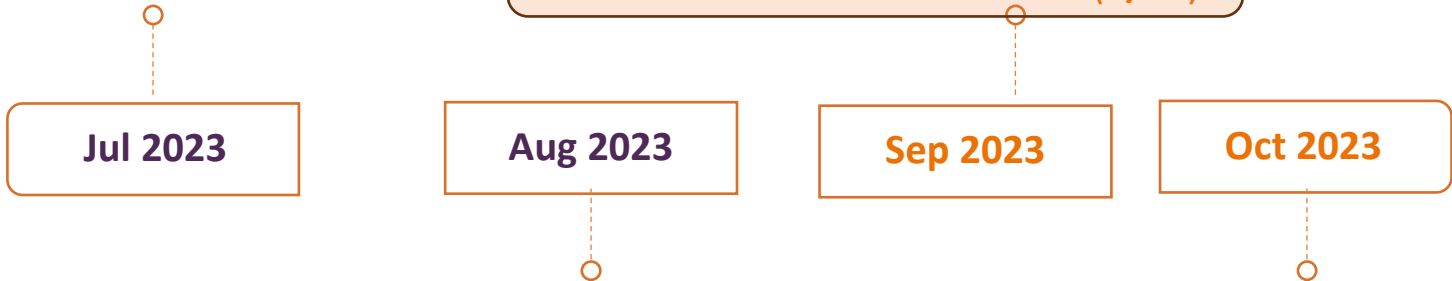
= completed milestone
 = future milestone

- 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)

Today →



- 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)

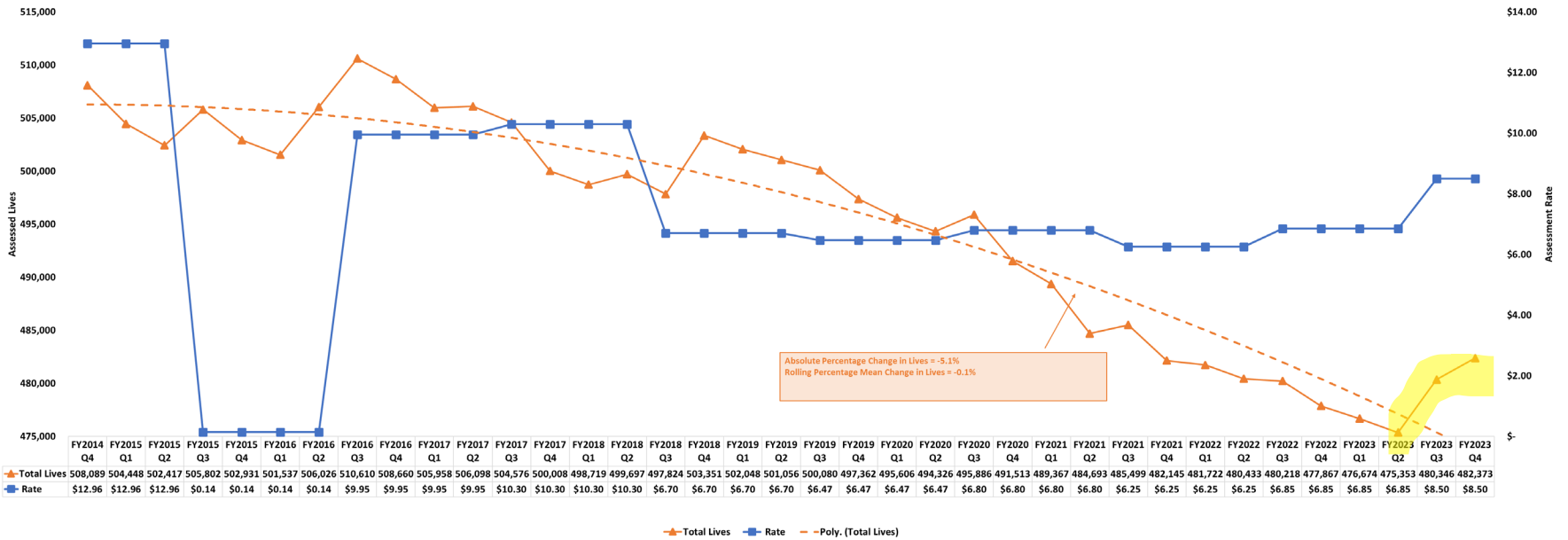
2. Historical Trends

Review of FY2023 Notable Fiscal Events

1. Continued Covered Lives Decline Until Last Two Quarters (Slide 8)
2. Increase in Vaccine Costs (Slide 9)
2. Increase in Interest Rates (Slide 11)

Shrinking Assessed Lives and Historic Variability in Assessed Rate

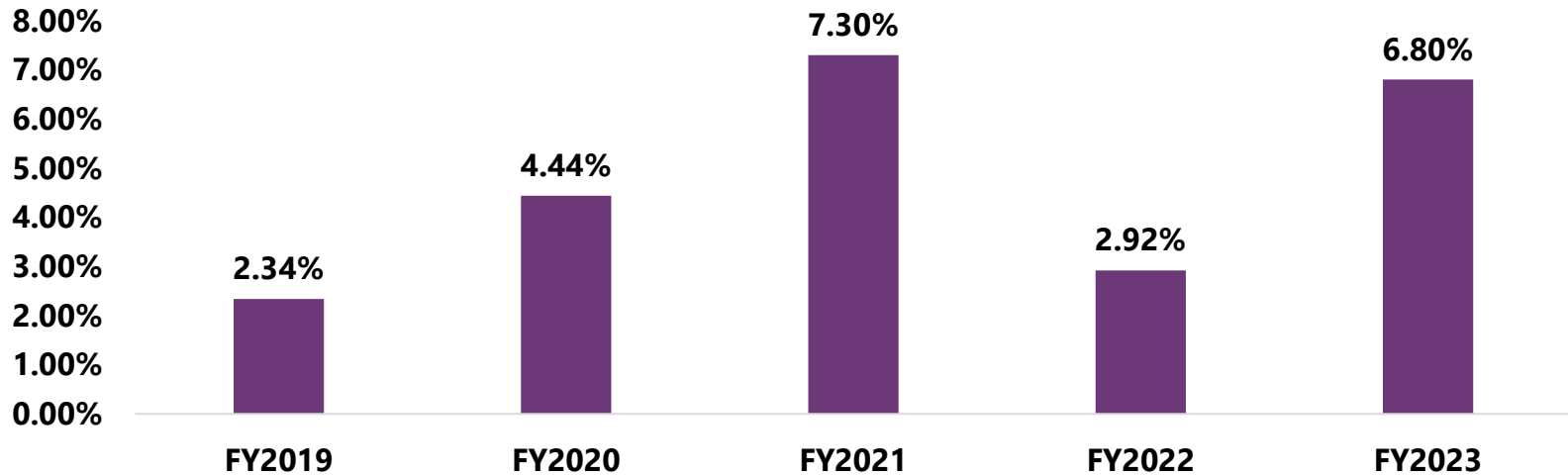
Assessment Rate and Total Number of Assessed Child Lives by CY Quarter
Q4 FY2014 - Q4 FY2023
(As of 09.13.2023)



Source: NHVA KidsVax® reconciliation spreadsheet, 09-06-2018; NHVA Data Through Present
 Note: Total Assessed Lives reflects CY2019 Tufts recovery activity and EBPA refund activity

Increasing Vaccine Costs

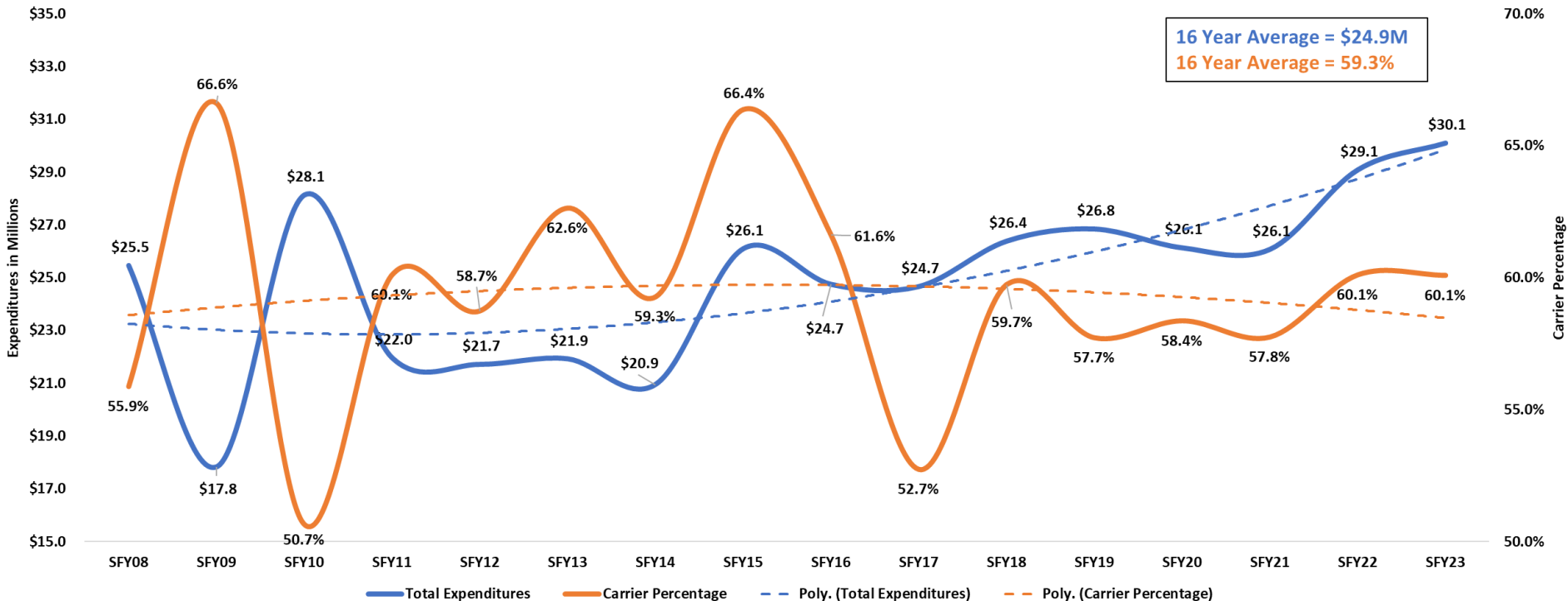
- NH's Annual, Weighted CDC Prices Increases



- Reasons for Increases
 - New Vaccines
 - Combination Vaccines
 - Supply Chain Inflation

Increasing State Vaccine Expenditures with Stability in Fund Source Split (State/Payers)

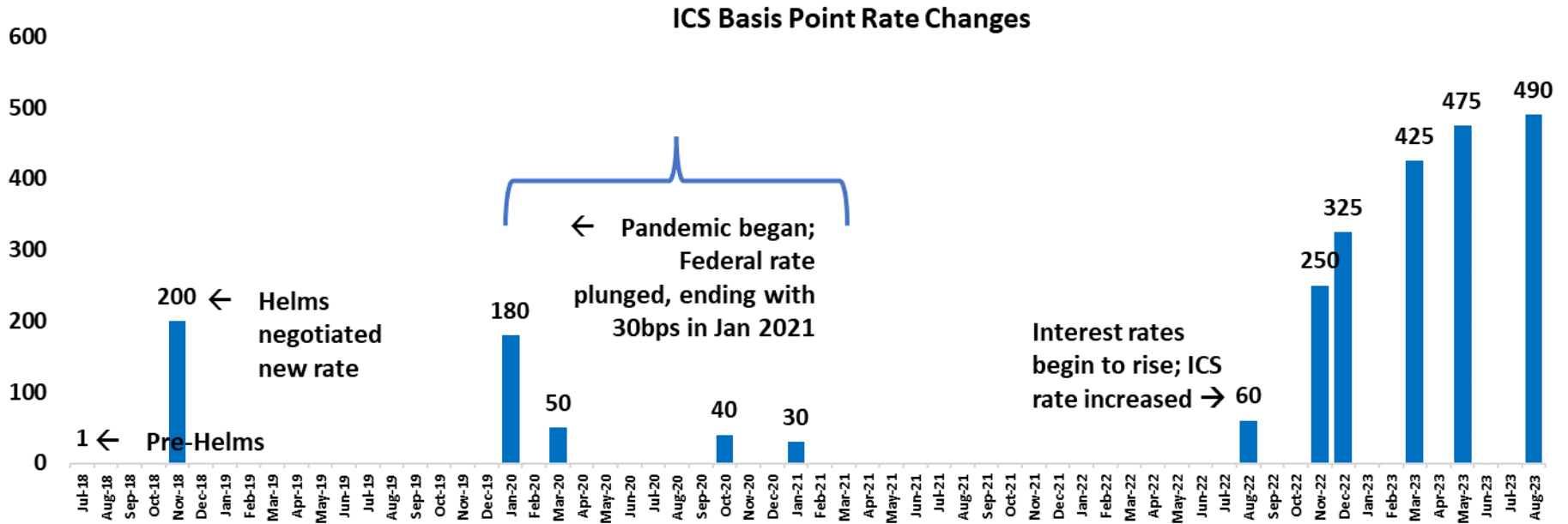
Total State Vaccine Expenditure Request and Carrier Percentage by SFY
(\$=millions)



Source: NH DHHS annual spreadsheets Tab D; NHVA Historical Data

Cash and Investments (as of August 31, 2023)

1. Checking \$50,000 + ICS (Cash) \$6,284,086 as of 8/31/2023

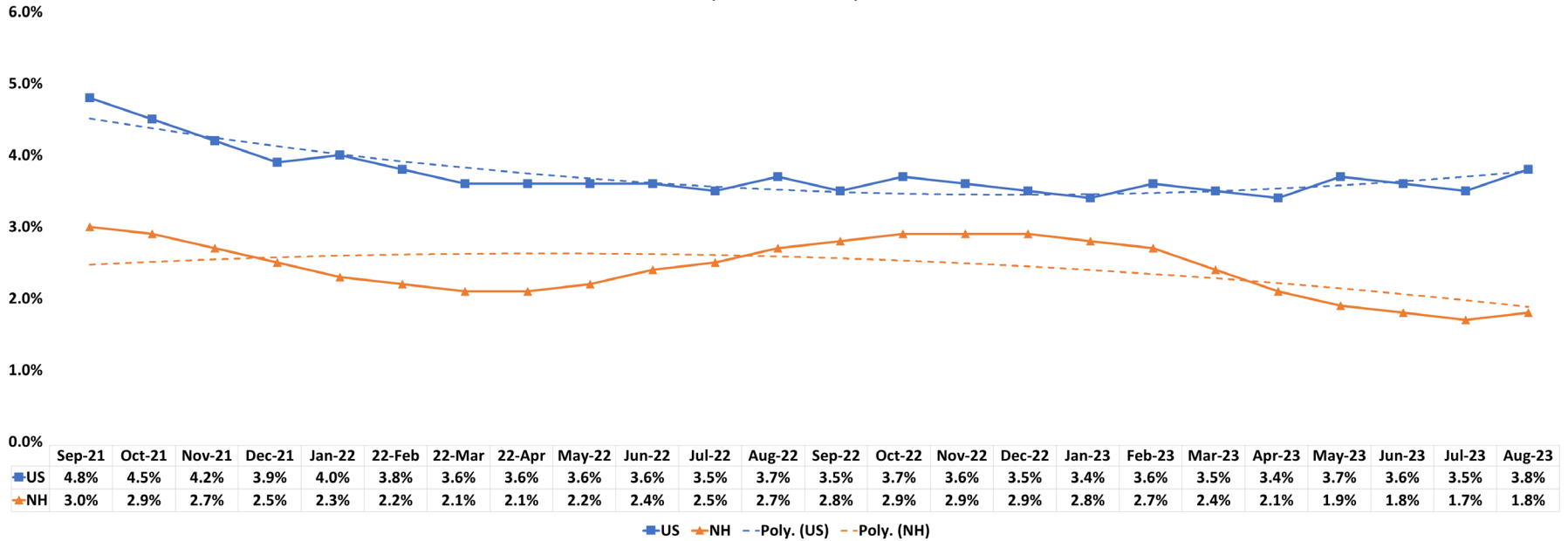


2. Laddered CD Portfolio at \$4,499,562 as of August 31, 2023 with CDs Coming Due Between 2023-2027; Reserve Targets May Result in Calling CDs Earlier Than Due And/Or Negotiating a Line of Credit

Below Pre-Pandemic
Levels

US and NH Unemployment Trends

U.S. and New Hampshire Unemployment Rates, Seasonally Adjusted
September 2021 - August 2023
(as of 09.12.2023)



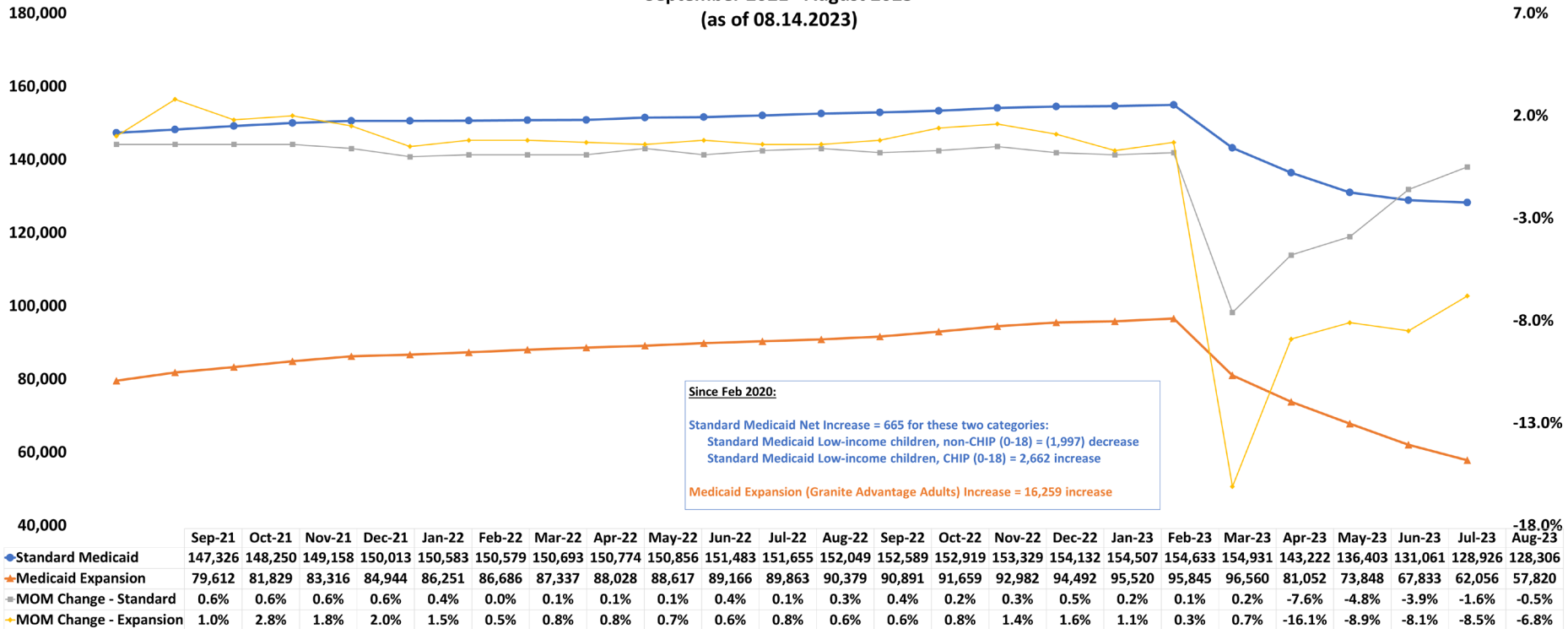
<https://www.nhes.nh.gov/elmi/statistics/laus-data.htm>

Medicaid Child Enrollment is Leveling Off and Closer to Pre-Pandemic

NH Medicaid Enrollment

NH Medicaid Enrollment
September 2021 - August 2023
(as of 08.14.2023)

<https://www.dhhs.nh.gov/sites/g/files/ehbemt476/files/documents2/bpq-da-medicaid-enrollment.pdf>



Source: NH DHHS

3. NH DHHS Data and NHVA Administrative Budget for Assessment Process

			SFY23	SFY22	SFY21	SFY20	SFY19	SFY18	SFY17	SFY16
		Source	2022/2023	2021/2022	2020/2021	2019/2020	2018/2019	2017/2018	2016/2017	2015/2016
Actual Total exp		4+7	\$ 30,094,717	\$ 29,080,442	\$ 26,067,468	\$ 26,126,101	\$ 26,837,646	\$ 26,377,918	\$ 24,657,418	\$ 24,741,423
VFC	1	CDC Mon Rpt	\$ 11,900,982	\$ 11,493,322	\$ 10,907,515	\$ 10,773,619	\$ 11,071,713	\$ 10,329,733	\$ 11,259,750	\$ 9,194,539
317 - not used for children	2	CDC Mon Rpt	not provided	not provided	not provided	not provided	not provided	not provided	not provided	not provided
State Funds	3	St. Ap(5178-513)	\$ 111,150	\$ 108,251	\$ 105,300	\$ 103,178	\$ 273,969	\$ 293,211	\$ 392,339	\$ 302,821
TOTAL GOV'T EXPENDED	4	1+2+3	\$ 12,012,132	\$ 11,601,573	\$ 11,012,815	\$ 10,876,797	\$ 11,345,682	\$ 10,622,944	\$ 11,652,089	\$ 9,497,360
beg balance	5	State Approp	\$ 289,469	\$ -	\$ 3,224,124	\$ 6,722,035	\$ 12,979,343	\$ 9,915,172	\$ 3,267,370	\$ (1,107,266)
revenue from NHVA*	6	State Approp	\$ 17,850,929	\$ 17,777,373	\$ 11,830,529	\$ 11,751,393	\$ 9,234,656	\$ 18,819,145	\$ 19,653,132	\$ 19,618,699
Vaccine Insurers expended	7	State Approp	\$ 18,082,585	\$ 17,777,373	\$ 15,054,653	\$ 15,249,304	\$ 15,491,964	\$ 15,754,974	\$ 13,005,330	\$ 15,244,063
year end encumbered	8	State Approp	\$ 128,055	\$ 298,469	\$ 3,734,347	\$ 3,284,045	\$ 214,014	\$ 4,119,258	\$ 3,912,837	\$ 5,360,641
year end cash	9	State Approp	\$ (66,848)	\$ 35	\$ (3,734,347)	\$ (59,921)	\$ 6,508,021	\$ 8,860,085	\$ 6,002,336	\$ (2,093,271)
TOTAL BAL FORWARD	10	(5+6) -7	\$ 66,849	\$ 289,469	\$ -	\$ 3,224,124	\$ 6,722,035	\$ 12,979,343	\$ 9,915,172	\$ 3,267,370
CDC end of fiscal year credit	11	CDC Vtracks	Avail Oct 2023	\$1,391,250	\$2,823,837	\$2,804,834	\$ 1,856,544	\$ 4,282,619	\$ 3,564,068	\$ 4,377,668
Reimbursement from Providers and Excise Tax	6A	State Approp							\$ 19,863	\$ 13,916
Added into this account										
Note: NHVA as % of total budget			60.09%	60.11%	57.75%	58.37%	57.72%	59.73%	52.74%	61.61%

			SFY15	SFY14	SFY13	SFY12	SFY11	SFY10	SFY09	SFY08
		Source	2014/2015	2013/2014	2012/2013	2011/2012	2010/2011	2009/2010	2008/2009	2007/2008
Actual Total exp		4+7	\$ 26,092,637	\$ 20,945,469	\$ 21,918,042	\$ 21,707,838	\$ 21,961,081	\$ 28,121,414	\$ 17,820,721	\$ 25,454,043
VFC	1	CDC Mon Rpt	\$ 8,570,780	\$ 8,070,843	\$ 7,551,690	\$ 7,715,921	\$ 7,549,887	\$ 11,624,679	\$ 5,002,497	\$ 8,588,458
317 - not used for children	2	CDC Mon Rpt	not provided	not provided	\$ 156,375	\$ 920,358	\$ 720,612	\$ 1,676,638	\$ 735,871	\$ 2,219,343
State Funds	3	St. Ap(5178-513)	\$ 206,762	\$ 460,501	\$ 482,467	\$ 320,494	\$ 492,762	\$ 573,306	\$ 213,821	\$ 422,798
TOTAL GOV'T EXPENDED	4	1+2+3	\$ 8,777,542	\$ 8,531,344	\$ 8,190,532	\$ 8,956,773	\$ 8,763,261	\$ 13,874,623	\$ 5,952,189	\$ 11,230,599
beg balance	5	State Approp	\$ 3,797,531	\$ 207,631	\$ 3,042,624	\$ 6,102,932	\$ 7,039,214	\$ 12,293,560	\$ 7,759,278	\$ 4,919,231
revenue from NHVA*	6	State Approp	\$ 12,410,298	\$ 16,004,025	\$ 10,892,517	\$ 9,690,757	\$ 12,261,538	\$ 8,992,444	\$ 16,402,814	\$ 17,063,492
Vaccine Insurers expended	7	State Approp	\$ 17,315,095	\$ 12,414,125	\$ 13,727,510	\$ 12,751,065	\$ 13,197,820	\$ 14,246,791	\$ 11,868,532	\$ 14,223,444
year end encumbered	8	State Approp	\$ (1,217,018)	\$ 4,922,400	\$ 2,278,387	\$ 3,498,954	\$ 4,183,155	\$ 2,658,211	\$ 2,636,659	\$ 5,038,824
year end cash	9	State Approp	0	\$ 1,124,869	\$ (2,070,756)	\$ (456,331)	\$ 1,919,776	\$ 4,381,002	\$ 9,656,901	\$ 2,720,454
TOTAL BAL FORWARD	10	(5+6) -7	\$ (1,107,266)	\$ 3,797,531	\$ 207,631	\$ 3,042,624	\$ 6,102,932	\$ 7,039,213	\$ 12,293,560	\$ 7,759,279
CDC end of fiscal year credit	11	CDC Vtracks	not provided	not provided	not provided	N/A	N/A	N/A	N/A	N/A
Reimbursement from Providers and Excise Tax	6A	State Approp	\$ 37,311	\$ 29,970	\$ 119,460					
Added into this account										
Note: NHVA as % of total budget			66.36%	59.27%	62.63%	58.74%	60.10%	50.66%	66.60%	55.88%



DHHS Increases in Projected Costs Attributed to Six Factors:

1. 2023 population estimates of a 2.7% increase in 0-18 years of age.
2. The formula for calculating the projected cost is estimated on the prior year's order. For routine vaccinations, the SFY24 estimate (\$33,766,966) is higher than the SFY23 estimate (\$32,127,731.00) due to the inclusion of COVID vaccines. Without COVID vaccines, it would be closer to \$1.6M less, which suggests a leveling out following pandemic catch up. DHHS has also reduced the number of influenza doses that have been pre-booked to adjust for current rates of vaccination uptake.
3. The CDC credit is being removed from the cost projection estimate calculation as the CDC credit is the cash value of NH's vaccine inventory at the CDC Depot at the FFY close (Sept 30th) and is not a financial transaction (there are no funds returned to the state). Maintaining enough inventory to cover 60% of 3 months (NHVA share) of NH provider orders is recommended to ensure adequate supply to fill NH provider orders.
4. The price of vaccines continues to increase annually by 3-8%. Last year the average cost of routine vaccinations was increased by 7% and cost of influenza vaccine was increased by 6.8%. This price increase along with an increase in the number of recommended means that it is 26% (\$640) more expensive to vaccinate each child today than it was 5 years ago.
5. The increased use of combo vaccines. While these combo vaccines are more widely accepted by parents due to fewer injections, these vaccines are also more expensive than the previously used formulas.
6. This year's cost projection includes COVID-19 vaccine for the first time. The cost projections were developed based on anticipated CDC pricing and 38% uptake.



Expense	Description	Total Cost	Amount Requested from NHVA
Immunization Information System	System utilized to order vaccines, document individual doses administered and show insurance coverage for individuals vaccinated. System also provides quality assurance measures with vaccine forecasting and reminder/recall abilities.	\$360,063.00	\$216,037.80
Vaccine Accountability Coordinator	Responsible for the purchase and distribution of all vaccines within the program. This position manages Vaccine For Children (VFC), 317, and state/local vaccine funding. This individual tracks vaccine inventory, vaccine distribution and administration, vaccine wastage, trends, all of which informs forecasting. This position plays a key role during the influenza season by closely tracking flu vaccine expenditures and distribution to ensure the vaccines are in the right quantities and the right location, allowing for successful clinic outcomes. This position works directly with the Public Health Regions to plan vaccine distribution for Pandemic Exercises or vaccine-preventable disease outbreaks. The position collaborates with the Immunization Information System (IIS), Vaccine Data Coordinator to provide vaccine ordering management system training for health care provider staff (vaccine managers, assistant vaccine managers) to assure accountability across the > 300 enrolled provider practices.	\$113,753.88	\$68,252.33
Vaccine Quality Specialist	Conducts VFC site visits with enrolled health care providers. Conducts on-site training for new Vaccine Managers; offers educational programs related to overall vaccine management, including storage and handling. Reviews all health care provider vaccine management (including emergency) plans; coordinates annual vaccine provider enrollment process, reviewing all health care provider agreements.	\$99,864.71	\$59,918.83
Program Specialist II	Under the direction of the Vaccine Accountability Coordinator, adhering to the standards of vaccine accountability and the VFC Operations Policy & Procedures, this position is responsible for working in the Vaccine Ordering Management System (VOMS/IIS); working with health care provider vaccine ordering-related documents, including vaccine orders, temperature logs and applicable reports. This position works directly with health care providers and staff related to overall vaccine management, including assistance with temperature excursions, vaccine ordering questions, VOMS Help Desk questions and VOMS education and training.	\$108,669.16	\$65,201.50
Immunization Information System Staff (2)	This positions perform HL7 onboarding, conductes provider trainings and operates the technical support Help Desk for the Vaccine Ordering Management System. Interacts with VTrckS (CDC vaccine ordering system) as it relates to the ExIS connection (VOMS) that passes information between the two systems. Works with both systems to assure data quality and vaccine ordering accountability. Works directly with medical health care provider practices to assure education for staff. Develops interoperabilty processes to inform evidence-based strategies.	\$236,933.45	\$142,160.07
Total		\$919,284.21	\$551,570.53

ATTACHED NOTE:

“[Administrative cost] Request is based on the principle that approximately 60% of the vaccines that the New Hampshire Immunization Section orders and assures the quality of, is NHVA purchased vaccine. Oversight includes bi-annual site visits of all enrolled health care provider practices to review vaccine accountability practices (i.e., federally required documentation, NHIP required documentation; vaccine storage and handling, vaccine emergency management plan); monthly review of > 300 health care practice temperature logs to assure proper cold chain management; additional site visits, as indicated; technical support.”

FY2024 Administrative Budget – Adopted by Board June 14, 2023

													PRIOR FY BUDGETS				
													FY2024 Budget Total	FY2023 Budget Total	FY2022 Budget Total	FY2021 Budget Total	FY2020 Budget Total
EXPENSE	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	Mar 24	Apr 24	May 24	Jun 24					
1 Administrative Fees	\$ 9,292	\$ 9,292	\$ 9,292	\$ 9,583	\$ 9,583	\$ 9,583	\$ 9,583	\$ 9,583	\$ 9,583	\$ 9,583	\$ 9,583	\$ 9,583	\$ 114,123	\$ 110,877	\$ 107,997	\$ 105,000	\$ 100,000
2 Subcontractors																	\$ 1,200
3 Subtotal	\$ 9,292	\$ 9,292	\$ 9,292	\$ 9,583	\$ 9,583	\$ 9,583	\$ 9,583	\$ 9,583	\$ 9,583	\$ 9,583	\$ 9,583	\$ 9,583	\$ 114,123	\$ 110,877	\$ 107,997	\$ 105,000	\$ 101,200
4 Bank Fees														\$ -	\$ -	\$ 2,000	\$ 4,320
5 Board Meeting Expense	\$ -	\$ -	\$ 615	\$ 120	\$ 120	\$ -	\$ 120	\$ -	\$ 120	\$ 95	\$ -	\$ 120	\$ 1,310	\$ 1,310	\$ 910	\$ 910	\$ 600
6 Stationary and Printing	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 420	\$ 420	\$ 420	\$ 420	\$ -
7 Dues and Subscriptions													\$ -	\$ -	\$ -	\$ -	\$ -
8 Insurance (D&O)						\$ 4,250							\$ 4,250	\$ 4,250	\$ 4,250	\$ 4,000	\$ 2,000
9 Licenses and Fees				\$ 75									\$ 75	\$ 75	\$ 75	\$ 75	\$ 75
10 Postage and Shipping	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 120	\$ 120	\$ 120	\$ 120	\$ 480
11 Professional Fees - Audit	\$ 3,500		\$ 2,350									\$ 3,500	\$ 9,350	\$ 9,350	\$ 9,350	\$ 8,500	\$ 8,500
12 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	\$ 25,000	\$ 25,000
13 Public Information Expense													\$ -	\$ -	\$ -	\$ -	\$ -
14 Website			\$ 525										\$ 525	\$ 525	\$ 525	\$ 525	\$ 525
15 Subtotal	\$ 5,628	\$ 2,128	\$ 5,618	\$ 2,323	\$ 2,248	\$ 2,128	\$ 6,498	\$ 2,128	\$ 2,248	\$ 2,223	\$ 5,628	\$ 2,248	\$ 41,050	\$ 41,050	\$ 40,650	\$ 41,550	\$ 41,500
TOTAL EXPENSE	\$ 14,920	\$ 11,420	\$ 14,910	\$ 11,906	\$ 11,831	\$ 11,711	\$ 16,081	\$ 11,711	\$ 11,831	\$ 11,806	\$ 15,211	\$ 11,831	\$ 155,173	\$ 151,927	\$ 148,647	\$ 146,550	\$ 142,700

Budget Notes:

Expense Categories Reflect the Plan of Operation's Exhibit C

- Administrative Fees - October 1, 2023 contract inflator
- Subcontractors - In prior years it was a placeholder for any IT system changes (e.g., TRICARE in 2019); none budgeted for FY24
- Bank Fees - Lockbox was eliminated 01/2020 to reduce expenses and Helms brought it in house
- Board Meeting Expense - Materials; Sept includes \$400 for Zoom Webinar module
- Stationary and Printing - Office printing
- Insurance (D&O) - Same as two prior years; highly variable expense historically
- Licenses and Fees - SOS NH Annual Report filing fee
- Postage and Shipping - Check tracking for dual signatures
- Audit - Same as FY22-FY23; increased from \$8,500 in FY22; no fee increase for FY18-21
- Legal - Same as FY20-FY23
- Website - annual hosting fees

For Reference: Former Approved Budgets by FY

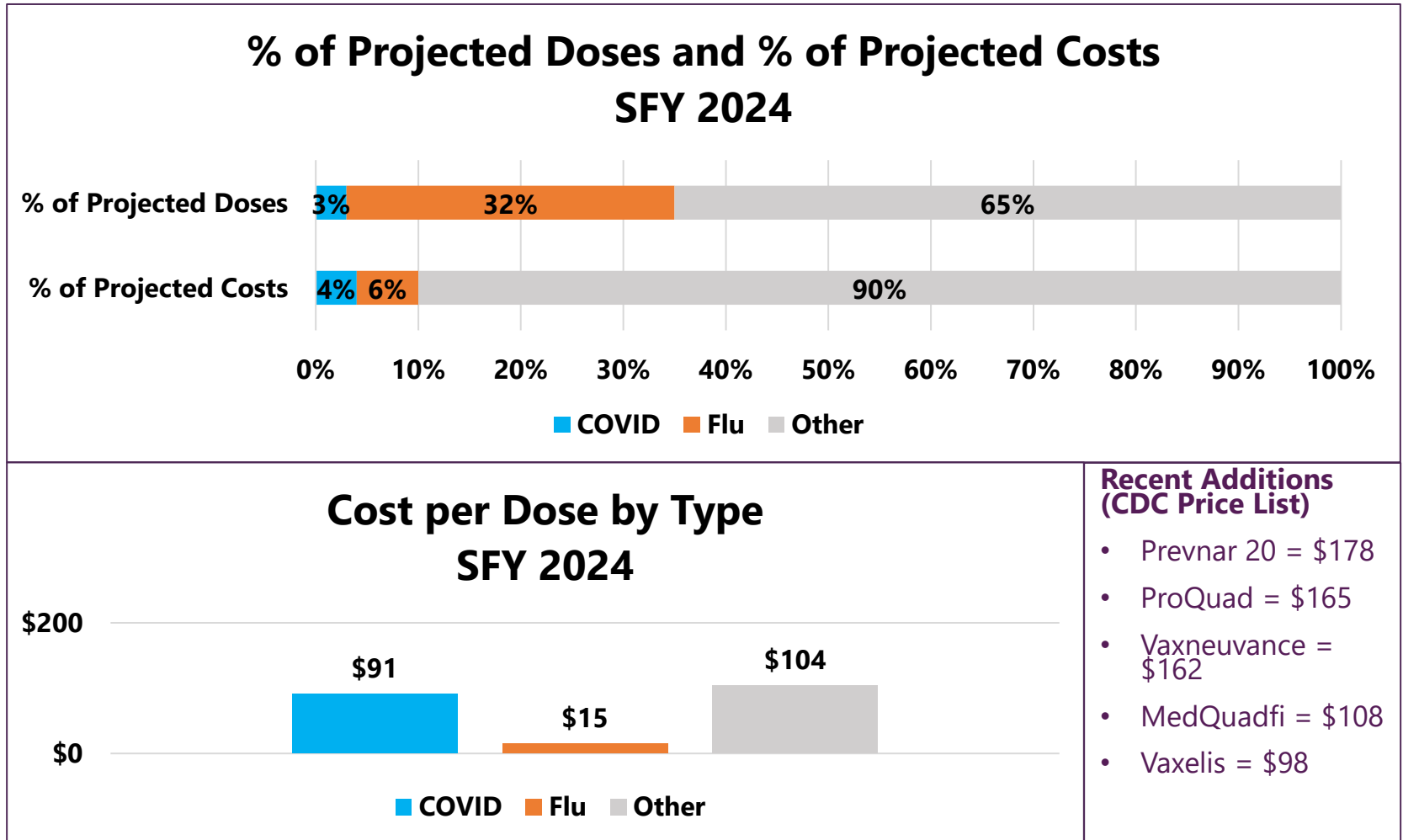
FY	Annual Budget	% Change from Prior Year	Actual Expended	Budget to Actual Difference
FY2017	\$ 162,072		\$ 175,359	8.2%
FY2018	\$ 167,600	3.4%	\$ 178,953	6.8%
FY2019	\$ 320,133	91.0%	\$ 388,786	21.4%
FY2020	\$ 142,700	-55.4%	\$ 127,226	-10.8%
FY2021	\$ 146,550	2.7%	\$ 125,714	-14.2%
FY2022	\$ 148,647	1.4%	\$ 136,150	-8.4%
FY2023	\$ 151,927	2.2%	In Progress	
FY2024	\$ 155,173	2.1%	Future Period	

4. Rate Assumptions and Assessment Rate Model

CY2024 Model Rate Assumptions

1. No NHVA funds will be held by NH DHHS to recover in June CY2024
2. No reimbursement of NH DHHS Immunization Section administrative cost request of \$551,571 (Tabs C & E)
3. 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
4. The percentage paid by the carriers is 60.0% for CY2024 based on NH DHHS/Federal fund source split
5. 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
6. Total assessed lives assumed to level out at 485,000 in FY2026
7. 2.1% FY2024 administrative budget increase
8. \$1.4M (60% share) of COVID vaccines is included
9. Beyfortus™ RSV monoclonal antibody is not included
10. No late payment interest assessments included
11. The NHVA's payers benefit from a 29% discount from the open market by leveraging CDC pricing through DHHS

The Case for Reserves



Summary Comparison

Options	FY2024	FY2025	FY2026
Rate Option A Rate; Reserve	\$12.00; \$3.2M	\$12.00; \$4.2M	\$12.00; \$4.7M
Rate Option B Rate; Reserve	\$12.50; \$3.4M	\$12.50; \$5.4M	\$12.50; \$6.9M
Rate Option C Rate; Reserve	\$13.00; \$3.7M	\$13.00; \$6.6M	\$13.00; \$9.2M

- Reserves needed due to the volatility of year-to-year asks as a result of:
 - utilization variation,
 - pricing increases, and
 - new vaccines in manufacturer pipelines.

For Discussion **September 20, 2023**
Updated **September 18, 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	477,560	482,000	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	8.50-12.50	12.50-12.50	12.50-12.50
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	\$ 2,165,998	\$ 2,230,978	\$ 2,297,907
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)	(\$3,934,905)	(\$2,038,337)	(\$572,439)
TOTAL EXPENSES								
	\$ 26,837,646	\$ 26,126,101	\$ 26,067,468	\$ 29,080,442	\$ 30,094,717	\$ 36,099,964	\$ 37,182,962	\$ 38,298,451
8 Total Government Expended	\$ 11,345,682	\$ 10,876,797	\$ 11,012,815	\$ 11,601,573	\$ 12,012,132	\$ 14,439,985	\$ 14,873,185	\$ 15,319,381
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	\$ 21,659,978	\$ 22,309,777	\$ 22,979,071
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	\$21,659,978	\$22,309,777	\$22,979,071
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	\$21,815,151	\$22,468,054	\$23,140,513
NHVA INFLOWS								
15 Assessments	\$17,796,407	\$13,390,088	\$13,470,273	\$12,785,174	\$13,877,817	\$18,319,171	\$24,150,000	\$24,250,000
16 Investment Income	\$357,265	\$336,301	\$75,858	(\$224,867)	\$322,083	\$201,684	\$279,602	\$423,340
17 Total Inflows	\$18,153,672	\$13,726,389	\$13,546,131	\$12,560,307	\$14,199,900	\$18,520,854	\$24,429,602	\$24,673,340
NHVA BEGINNING CASH BALANCE								
18	3,953,627	12,481,766	7,514,560	11,448,477	5,294,329	6,775,390	3,481,093	5,442,641
19 Outflows	9,623,442	11,878,619	11,956,242	17,913,523	17,985,604	21,815,151	22,468,054	23,140,513
20 Inflows	18,153,672	13,726,389	13,546,131	12,560,307	14,199,900	18,520,854	24,429,602	24,673,340
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	\$3,481,093	\$5,442,641	\$6,975,468
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

SFY2024-25 Rate Model – Ex. B

(as of Sep 12,
2023)

CY24 - \$12.50
CY25 - \$12.50
CY26 - \$12.50

Contact

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603.225.6633 (o)

NHVA UNAUDITED
Statement of Cash Flow
YTD F Y2024 Q1
Month Ended August 31, 2023

	FY24 - Q1 Actual	FY24 - Q2 Actual	FY24 - Q3 Actual	FY24 - Q4 Actual	FY 2024 YTD Actual	FY 2024 YTD Budget	Difference YTD Act to Budget	FY 2024 Annual Budget
Receipts (Source)								
Assessment Income	\$ 4,032,630	\$ -	\$ -	\$ -	\$ 4,032,630	\$ 4,091,546	\$ (58,917)	\$ 18,319,171
* Accounts Receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Income - Assessments	\$ 220	\$ -	\$ -	\$ -	\$ 220	\$ 17	\$ 203	\$ 450
Interest Income - Bank & Sweep (ICS)	\$ 32,057	\$ -	\$ -	\$ -	\$ 32,057	\$ 27,060	\$ 4,997	\$ 530,345
Interest Income - Investments	\$ 9,032	\$ -	\$ -	\$ -	\$ 9,032	\$ 8,641	\$ 391	\$ 57,039
Dividend Income	\$ 2,221	\$ -	\$ -	\$ -	\$ 2,221	\$ 2,780	\$ (559)	\$ 16,838
Accrued Investment Income	\$ 1,063	\$ -	\$ -	\$ -	\$ 1,063	\$ -	\$ 1,063	\$ -
Investment Advisory fees	\$ (2,876)	\$ -	\$ -	\$ -	\$ (2,876)	\$ (2,881)	\$ 5	\$ (17,326)
Realized Gain or Loss	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ (1)	\$ 1,889
Unrecognized Gain or Loss	\$ 15,521	\$ -	\$ -	\$ -	\$ 15,521	\$ (10,927)	\$ 26,449	\$ 25,490
** Investment - Short term, CDs and Accrual.	\$ (24,961)	\$ -	\$ -	\$ -	\$ (24,961)	\$ -	\$ (24,961)	\$ -
	<u>\$ 4,064,907</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,064,907</u>	<u>\$ 4,116,237</u>	<u>\$ (51,330)</u>	<u>\$ 18,933,897</u>
Disbursements (Use)								
*** Expenses	\$ 27,262	\$ -	\$ -	\$ -	\$ 27,262	\$ 27,049	\$ 213	\$ 155,173
* Prepays & Accrual Changes	\$ (2,910)	\$ -	\$ -	\$ -	\$ (2,910)	\$ -	\$ (2,910)	\$ -
Vaccine Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,655,478
	<u>\$ 24,352</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,352</u>	<u>\$ 27,049</u>	<u>\$ (2,697)</u>	<u>\$ 21,810,651</u>
Increase (Decrease)	\$ 4,040,554	\$ -	\$ -	\$ -	\$ 4,040,554	\$ 4,089,188	\$ (48,633)	\$ (2,876,754)
Cash Balance - Beginning	\$ 2,293,531	\$ 6,334,086	\$ 6,334,086	\$ 6,334,086	\$ 2,293,531	\$ 2,293,531	\$ -	\$ 2,293,531
Cash Balance - Ending	\$ 6,334,086	\$ 6,334,086	\$ 6,334,086	\$ 6,334,086	\$ 6,334,086	\$ 6,382,719	\$ (48,633)	\$ (583,223)

Notes:
* Changes in Balance Sheet accounts are denoted as () = Increases and positive = decrease
** A positive number represents amounts transferred to the ICS account from the Short Term Investments (CDs) account
A negative number represents amounts transferred to the Short Term Investments (CDs) account from the ICS account
*** Budgeted expense includes annual State of NH payment due June 2024

NHVA UNAUDITED
Statement of Financial Position
 YTD FY2024 Q1
 Month Ended August 31, 2023

	<u>Jun 30, 23</u>	<u>Aug 31, 23</u>	<u>Dec 31, 23</u>	<u>Mar 31, 24</u>	<u>Jun 30, 24</u>
	FYE 23	FY24 - Q1	FY24 - Q2	FY24 - Q3	FY24 - Q4
	Audited	Interim			
ASSETS					
Current Assets					
Checking/Savings					
Bank of NH #851031104	\$ 46,350	\$ 50,000	\$ -	\$ -	\$ -
Bank of NH - ICS	\$ 2,247,181	\$ 6,284,086	\$ -	\$ -	\$ -
Total Checking/Savings	<u>\$ 2,293,531</u>	<u>\$ 6,334,086</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Accounts Receivable					
Accounts Receivable (A/R)	\$ -	\$ -	\$ -	\$ -	\$ -
Allowance for Account Receivable	\$ -	\$ -	\$ -	\$ -	\$ -
Total Accounts Receivable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other Current Assets					
Prepaid Expenses	\$ 1,960	\$ 1,400	\$ -	\$ -	\$ -
Short Term Investments :					
Short Term Investment - FMV	\$ 4,475,664	\$ 4,499,562	\$ -	\$ -	\$ -
Accrued Investment Income	\$ 6,195	\$ 7,259	\$ -	\$ -	\$ -
Total Short Term Investments	<u>\$ 4,481,859</u>	<u>\$ 4,506,820</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Other Current Assets	<u>\$ 4,483,819</u>	<u>\$ 4,508,220</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Current Assets	<u>\$ 6,777,350</u>	<u>\$ 10,842,306</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL ASSETS	<u><u>\$ 6,777,350</u></u>	<u><u>\$ 10,842,306</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
LIABILITIES & EQUITY					
Liabilities					
Current Liabilities					
* Accrued Expenses & Deferred Revenue	\$ -	\$ 2,350	\$ -	\$ -	\$ -
Other Current Liabilities					
Liquidity Reserve	\$ 250,000	\$ 250,000	\$ -	\$ -	\$ -
Total Current Liabilities	<u>\$ 250,000</u>	<u>\$ 252,350</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Liabilities	<u>\$ 250,000</u>	<u>\$ 252,350</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Equity					
Retained Earnings	\$ 8,471,343	\$ 4,681,322	\$ -	\$ -	\$ -
Fund Balance to be Distributed	\$ 1,846,029	\$ 1,846,029	\$ -	\$ -	\$ -
Net Income	\$ (3,790,021)	\$ 4,062,606	\$ -	\$ -	\$ -
Total Equity	<u>\$ 6,527,350</u>	<u>\$ 10,589,956</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL LIABILITIES & EQUITY	<u><u>\$ 6,777,350</u></u>	<u><u>\$ 10,842,306</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Notes: * AP State of New Hampshire Payable (June 2024) Estimate 21,655,478

NHVA UNAUDITED
Statement of Changes in Net Assets
 YTD FY2024 Q1
 Month Ended August 31, 2023

	FY24 - Q1 Actual	FY24 - Q2 Actual	FY24 - Q3 Actual	FY24 - Q4 Actual	FY 2024 YTD Actual	FY 2024 YTD Budget	Difference YTD Act to Bud	FY 2024 Annual Budget
Ordinary Income/Expense	Interim							
Income								
Assessment Income	\$ 4,032,630	\$ -	\$ -	\$ -	\$ 4,032,630	\$ 4,091,546	\$ (58,917)	\$ 18,319,171
Interest Income - Assessments	\$ 220	\$ -	\$ -	\$ -	\$ 220	\$ 17	\$ 203	\$ 450
Interest Income - Bank & Sweep (ICS)	\$ 32,057	\$ -	\$ -	\$ -	\$ 32,057	\$ 27,060	\$ 4,997	\$ 530,345
Return on Investments :								
Interest Income - Investments	\$ 9,032	\$ -	\$ -	\$ -	\$ 9,032	\$ 8,641	\$ 391	\$ 57,039
Dividend Income	\$ 2,221	\$ -	\$ -	\$ -	\$ 2,221	\$ 2,780	\$ (559)	\$ 16,838
Accrued Investment Inc Earned	\$ 1,063	\$ -	\$ -	\$ -	\$ 1,063	\$ 1,096	\$ (33)	\$ -
Investment Advisory fees	\$ (2,876)	\$ -	\$ -	\$ -	\$ (2,876)	\$ (2,881)	\$ 5	\$ (17,326)
Realized Gain or Loss	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ (1)	\$ 1,889
Unrecognized Gain or Loss	\$ 15,521	\$ -	\$ -	\$ -	\$ 15,521	\$ (10,927)	\$ 26,449	\$ 25,490
Total Return on Investments :	\$ 24,961	\$ -	\$ -	\$ -	\$ 24,961	\$ (1,290)	\$ 26,251	\$ 83,931
Total Income	\$ 4,089,868	\$ -	\$ -	\$ -	\$ 4,089,868	\$ 4,117,333	\$ (27,465)	\$ 18,933,897
Expenses								
Vaccine - Annual State Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,655,478
Management Fees	\$ 18,584	\$ -	\$ -	\$ -	\$ 18,584	\$ 18,584	\$ -	\$ 114,123
Professional Fees								
Professional Fees - Legal	\$ 2,203	\$ -	\$ -	\$ -	\$ 2,203	\$ 4,167	\$ (1,964)	\$ 25,000
Professional Fees - Audit	\$ 5,850	\$ -	\$ -	\$ -	\$ 5,850	\$ 3,500	\$ 2,350	\$ 9,350
Total Professional Fees	\$ 8,053	\$ -	\$ -	\$ -	\$ 8,053	\$ 7,667	\$ 386	\$ 34,350
Insurance	\$ 560	\$ -	\$ -	\$ -	\$ 560	\$ 708	\$ (148)	\$ 4,250
Postage & Printing (Office)	\$ 66	\$ -	\$ -	\$ -	\$ 66	\$ 90	\$ (24)	\$ 540
Licenses and Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75
Bank Service Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Website & SubContractors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 525
Board Meetings Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,310
Total Expenses	\$ 27,262	\$ -	\$ -	\$ -	\$ 27,262	\$ 27,049	\$ 213	\$ 21,810,651
Net Ordinary Income	\$ 4,062,606	\$ -	\$ -	\$ -	\$ 4,062,606	\$ 4,090,284	\$ (27,678)	\$ (2,876,754)
Net Income	\$ 4,062,606	\$ -	\$ -	\$ -	\$ 4,062,606	\$ 4,090,284	\$ (27,678)	\$ (2,876,754)
Collection Data:								
Quarter being collected	SFY23 - Q4	SFY24 - Q1	SFY24 - Q2	SFY24 - Q3				
Payment Due Date	08/15/23	11/15/23	02/15/24	05/15/24				
Projected Average Monthly Lives	160,000	-	-	-				
Actual Average Monthly Lives	161,791	-	-	-				
Avg Lives Variance +(-)	1,791	-	-	-				
Approved Assessment Rate	\$ 8.50	\$ 8.50	\$ 8.50	\$ -				

2024

**Board of Directors & Audit Committee Meeting Schedule
Online Via Zoom**

DRAFT 09/20/23 BoD Meeting

Date and Time	Meeting
Wednesday, January 24, 2024 9:00-11:00 am	Board
Wednesday, March 27, 2024 9:00-11:00 am	Board
Wednesday, April 17, 2024 9:00-10:00 am	Audit Committee
Wednesday, June 12, 2024 9:00-11:00 am	Annual Meeting & Board Meeting
Wednesday, August 21, 2024 9:00-11:00 am	Audit Committee
Thursday, September 5, 2024 9:00-11:00 am	Audit Committee (if needed)
Wednesday, September 18, 2024 9:00-11:00 am	Board
Wednesday, October 9, 2024 9:00-11:00 am	Board (if needed)
Wednesday, November 20, 2024 9:00-11:00 am	Board