

**HEALTHTRUST, INC.**  
**FINANCE & PERSONNEL COMMITTEE**  
**Minutes of July 27, 2022**

**COMMITTEE MEMBERS PRESENT:**

Rossner, Daniel, <i>Chair</i> , Business Admin, SAU #48	Ford, Duane, Business Admin, SAU #67
Clark, Michelle, Business Admin, SAU #66	Stacey, Cathy Ann, Reg of Deeds, Rockingham Cnty

**STAFF PRESENT:**

DeRoche, Scott, Mgr, Member & Enrollee Svcs	Parker, Wendy, Executive Director
Fox, Kathleen, Controller	Thompson, Jennifer, Risk & Control Officer
Herrick, Jeanne, General Counsel	Tsiopras, George, Chief Financial Officer

**CONSULTANTS PRESENT:**

Buzby, Eric, Actuary, Milliman ( <i>video</i> )	Murphy-Barron, Catherine, Actuary, Milliman ( <i>video</i> )
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Daniel Rossner opened the meeting at 9:01 a.m. He welcomed everyone and noted that Catherine Murphy-Barron and Eric Buzby were participating via video.

**Minutes of April 21, 2022 Finance & Personnel Committee Meeting**

Mr. Rossner asked Committee members if they had any recommended revisions to the minutes. None were made.

**MOTION** by Cathy Ann Stacey, seconded by Michelle Clark, to accept the minutes of the April 21, 2022 HealthTrust, Inc. Finance & Personnel Committee meeting.

**MOTION** passed unanimously. Michelle Clark and Duane Ford abstained.

**Review and Action on Capital Adequacy Reserve as of June 30, 2022**

Catherine Murphy-Barron gave a high level overview of the Milliman report on the recommended capital adequacy reserve as of June 30, 2022. Ms. Murphy-Barron explained that Milliman used the same actuarial methodology and stochastic model that it has since 2013. She added that changes were made to model assumptions and explained that the assumptions for change in competitive position and mispricing of products were adjusted to reflect HealthTrust's experience. She also noted that the assumptions for catastrophic claims have been adjusted to reflect the experience of the pandemic to include this rare event and its impact. The Milliman report recommends that HealthTrust needs a Capital Adequacy Reserve for the protection of its beneficiaries, of between \$85 million and \$135 million as of June 30, 2022. Discussion ensued.

**MOTION** by Cathy Ann Stacey, seconded by Michelle Clark, to recommend that the full board at their meeting on August 5, 2022 accept the Recommended Capital Adequacy Reserve Report as of June 30, 2022, as presented, and to set a capital adequacy reserve target of \$85 million.

**MOTION** passed unanimously.

*Catherine Murphy-Barron and Eric Buzby left the meeting at 9:40 a.m.*

Mr. Rossner noted the committee's appreciation for the work of Ms. Murphy-Barron and the Milliman team on the Capital Adequacy Reserve report this year.

**Investment Policy Waiver Extension**

George Tsiopras reviewed staff's recommendation to authorize a waiver of the Investment Policy through October 31, 2022 regarding the portfolios existing allocation maximums with respect to asset class. This will

allow sufficient time to bring the portfolio into compliance by liquidating the required amounts from the equity account and moving them into fixed income securities. Discussion ensued.

**MOTION** by Cathy Ann Stacey, seconded by Michelle Clark, to recommend the HealthTrust Board grant a waiver of the Investment Policy through October 31, 2022 regarding the portfolios existing allocation maximums with respect to asset class, at their meeting on August 5, 2022.

**MOTION** passed unanimously.

#### **Personnel Handbook Revision Recommendation**

Daniel Rossner invited Wendy Parker to review the recommended changes to the HealthTrust Personnel Handbook. Ms. Parker proceeded to explain the rationale around the recommended revisions as outlined in the memo sent to the Committee regarding Section 6; Subsection E, reimbursement of meals. Discussion ensued.

**MOTION** by Michelle Clark, seconded by Cathy Ann Stacey, to recommend the full board adopt the proposed changes to the HealthTrust Personnel Handbook, Section 6; Subsection E, regarding reimbursement of meals, at their meeting on August 5, 2022.

**MOTION** passed unanimously.

#### **Internal Audit Reports**

##### *Short-Term Disability Follow-up Report*

Daniel Rossner invited Jennifer Thompson, HealthTrust's Risk and Control Officer, to share her Internal Audit Reports. Ms. Thompson gave a brief overview of the Short-Term Disability Follow-up Report and invited any questions. Discussion ensued.

**MOTION** by Cathy Ann Stacey, seconded by Duane Ford, to recommend the full board adopt the Short-Term Disability Follow-up Report, as presented.

**MOTION** passed unanimously.

##### *Annual Inventory Audit Report*

Ms. Thompson gave a brief overview of the report and invited any questions. Discussion ensued.

**MOTION** by Duane Ford, seconded by Michelle Clark, to recommend the full board adopt the Annual Inventory Audit, as presented.

**MOTION** passed unanimously.

##### *FY2022 Q3 & Q4 Continuous Evaluation*

Ms. Thompson gave a brief overview of the report and invited any questions. Discussion ensued.

**MOTION** by Michelle Clark, seconded by Cathy Ann Stacey, to recommend the full board adopt the FY2022 Q3 & Q4 Continuous Evaluations, as presented.

**MOTION** passed unanimously.

##### *FY2023 Q1 Payroll Continuous Evaluation*

Ms. Thompson gave a brief overview of the report and invited any questions. Discussion ensued.

**MOTION** by Michelle Clark, seconded by Duane Ford, to recommend the full board adopt the FY2023 Q1 Payroll Continuous Evaluation, as presented.

**MOTION** passed unanimously.

Daniel Rossner thanked Ms. Thompson for her service to HealthTrust.

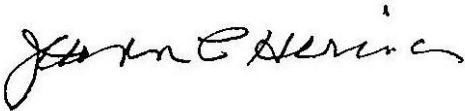
**Other Business**

Chair Rossner asked if there was other business to discuss. Nothing additional was brought forward.

**MOTION** by Cathy Ann Stacey, seconded by Michelle Clark, to adjourn the meeting.

**MOTION** passed unanimously at 10:26 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jeanne Herrick". The signature is fluid and cursive, with a small mark above the "e" in "Herrick".

Jeanne Herrick, General Counsel