

**HEALTHTRUST, INC.**  
**BOARD OF DIRECTORS**  
**Minutes of February 6, 2025**

**BOARD OF DIRECTORS PARTICIPATING:**

Rossner, Daniel, Business Administrator, SAU #48, <i>Chair</i>	Kivikoski, Alison, Senior Director of Human Resources, Rockingham County
Hilchey, Susan, Director of HR, SAU #25, <i>Vice Chair</i>	Ruehr, Timothy, Chief Financial Officer, SAU #29 ( <i>virtual</i> )
Brown, Troy, Town Manager, Littleton	Sheing, Jill, HR/Payroll Coordinator, Strafford County ( <i>virtual</i> )
Clark, Michelle, Business Administrator, SAU #66 ( <i>virtual</i> )	Trahan, Sarah, Teacher, Winnacunnet High School
Dean, Russell, Town Manager, Exeter	Williams, Katie, Director of Human Resources, Town of Hanover

**BOARD MEMBERS UNABLE TO PARTICIPATE:**

Rapp, Brian, Deputy Chief, Claremont Fire Dept.	
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**OTHERS PRESENT:**

Barkdoll, Director of Human Resources, Pelham School District	Mahoney, Deborah, Business Administrator, Pelham School District
Chamberlain, Steven, Assistant Superintendent, SAU #39	McGee, Eric, Superintendent, Pelham School District

**STAFF PARTICIPATING:**

Bodwell, Erica, Benefits and Coverage Counsel	Thomas, Keri, Executive Assistant
DeRoche, Scott, Executive Director	Tsiopras, George, Deputy Director and Chief Financial Officer
Herrick, Jeanne, General Counsel	Turmel, Lynne, Director of Risk Pool Operations ( <i>virtual</i> )
Kalgren, Jason, Chief Information Officer	

Chair Daniel Rossner opened the HealthTrust Board meeting at 10:08 a.m.

Mr. Rossner noted that Jill Sheing, Michelle Clark and Timothy Ruehr would be participating remotely as it was not reasonably practical for them to attend in-person. When Chair Rossner asked if there was anyone in the room with Ms. Sheing, Ms. Clark, and Mr. Ruehr, they responded, no.

Chair Rossner stated his term as Chair is expiring, and turned the meeting over to Sarah Trahan, Chair of the Governance and Nominating Committee. Ms. Trahan opened the floor for chair nominations. Susan Hilchey asked Mr. Rossner if he would be willing to serve again as chair. Mr. Rossner replied he would be willing.

**MOTION** by Susan Hilchey, seconded by Russell Dean to nominate Daniel Rossner to Board Chair. Ms. Trahan asked if there were any other nominations or discussions, hearing none she closed the nominations and stated that all votes would be taken by roll call.

*Roll call vote*

Daniel Rossner	A	Alison Kivikoski	Y
Susan Hilchey	Y	Timothy Ruehr	Y
Troy Brown	Y	Jill Sheing	Y
Michelle Clark	Y	Sarah Trahan	Y
Russell Dean	Y	Katie Williams	Y

**MOTION** carries, Daniel Rossner elected as Board Chair.

**Minutes of the HealthTrust Board of Directors Meetings on October 8, 2024**

Chair Rossner asked if there were any questions or revisions to the October 8, 2024 meeting minutes. None were raised.

**MOTION** by Troy Brown, seconded by Susan Hilchey to approve the minutes of the October 8, 2024 meeting HealthTrust Board of Directors meeting.

*Roll call vote*

Daniel Rossner	Y	Alison Kivikoski	A
Susan Hilchey	Y	Timothy Ruehr	Y
Troy Brown	Y	Jill Sheing	Y
Michelle Clark	Y	Sarah Trahan	Y
Russell Dean	Y	Katie Williams	A

**MOTION** carries, October 8, 2024 meeting minutes approved.

Daniel Rossner welcomed Eric “Chip” McGee Superintendent with Pelham School District to speak to the Board. Mr. McGee introduced himself and stated he would be speaking in place of Maura Palmer, Superintendent, SAU #57, who was unable to attend, and on behalf of Member groups Pelham School District, SAU #39, SAU #57, and SAU #106. He introduced others in attendance: Deborah Mahoney, Business Administrator, Pelham School District, Toni Barkdoll, Director of Human Resources, Pelham School District, and Steve Chamberlain, Assistant Superintendent, SAU #39. Mr McGee spoke regarding the price increase of the ABSOS plans and the impact it has on all districts he is representing. Mr. McGee stated that in the past HealthTrust had presented the ABSOS plan as the plan “to get the care you need and pay less” by forcing insurance companies and providers to negotiate. Mr. McGee added, the current rate increase was highest for the ABSOS plan, the program that was designed to slow cost increases. Mr. McGee stated Mr DeRoche indicated the initial price for the plan was set too low and this rate will increase over the next 3 years, which is concerning to the districts. Mr. McGee stated HealthTrust is one of the largest users of the SOS plan offered by Anthem and feels this gives HealthTrust significant leverage to negotiate. Mr. McGee added that he believes the negotiation with St. Joseph Hospital was an excellent start and further asks the Board to be involved in these negotiations Daniel Rossner asked if Scott DeRoche would like to speak to this request. Mr. DeRoche said he has had collaborative conversations with all 4 Member Groups as related to both the relativity study and the overall impact of increasing costs for healthcare. Mr. DeRoche added that the Board will be hearing proposed plans regarding the upcoming renewal with Anthem and CVS later in the meeting. Daniel Rossner addressed Mr. McGee’s comments regarding HealthTrust’s presentation of the benefits of the ABSOS plan stating the intent of the plan continues to be to encourage medical consumerism.

Daniel Rossner asked if the Board had any questions. Timothy Ruehr thanked the Member Groups for coming and presenting to the board, adding this is an issue all groups are experiencing. Mr. Ruehr stated health insurance is the second biggest factor in budgets and robust benefits allow groups to compete with private markets when hiring employees. Mr. Ruehr agreed that the ABSOS plan was sold and designed to cut premium costs through a higher deductible however many Member Groups absorbed the cost of the deductible thereby reducing the incentive for individuals to engage in consumerism. Mr. Ruehr stated he likes the ideas of leveraging the SOS plans and the need for low cost plans and the importance of cost containment.

Chair Rossner asked if there were any further questions. Mr. McGee stated he really appreciates Mr. Ruehr’s comments and added that he agrees with the Board’s plan to restrict deductible funding and understands it was a difficult decision, noting it was one of two major pieces of cost containment. Mr. McGee concluded by encouraging the Board to look at preferred providers.

Daniel Rossner responded by stating this topic could be a very in depth conversation that is likely to occur at Retreat in August but is confident these conversations will be ongoing. Mr. McGee stated he appreciates that the Board and HealthTrust looking into this and looks forward to future updates. Susan Hilchey also thanked Mr. McGee for comments. Daniel Rossner asked Mr. McGee's to email a copy of his statement to Scott DeRoche to have it included with the meeting packet.

*Daniel Rossner recessed meeting at 10:31 for a consult with counsel  
Meeting reconvened at 10:45*

### **Executive Director's Report**

Scott DeRoche began by giving a brief overview of the important and challenging conversations that have occurred between staff and groups regarding the rate increases and changes that have been made. Mr. DeRoche stated the launch of MAPD was the largest coverage change in organizational history and was extremely successful, reporting very few service issues. Mr. DeRoche confirmed stop loss coverage is in place and began on January 1, 2025. Mr. DeRoche stated staff is continuing to work through the exclusion of AOMs and noted a number of challenges in working with CVS since August on these changes. Mr. DeRoche stated preauthorization requirements are in place for FDA-approved indications other than weight loss, notifications have been sent to covered individuals and prescribers, and we are on-track for the March 1, 2025 implementation of the exclusion. Mr. DeRoche also noted CVS's most current estimate indicates that the annual cost for AOMs is expected to increase from \$6M for FY2024 to over \$20M for FY2025.

Susan Hilchey questioned the projected trend for AOMs in 2025. Scott DeRoche stated the growth has been staggering. Daniel Rossner stated he was interested to know if providers are going to change prescriptions to state a qualifying condition. Scott DeRoche stated prior authorizations are in place that are tied to FDA approvals. Mr. Rossner asked if there were further questions, none were asked.

Mr. DeRoche acknowledged Cathy Ann Stacey's retirement from the Board and was asked by Ms. Stacey to thank the Board on her behalf.

### **MAPD Updates**

Scott DeRoche provided a further update on MAPD, noting this was a full organizational effort. He was happy to report enrollment was accepted by Anthem and the Centers for Medicare and Medicaid Services (CMS), and there were no systemic issues. Anthem stated it was the smoothest implementation they have ever done Mr. DeRoche stated we have received a few one-off calls. Most common were individuals who stated their provider will not accept MAPD however, Anthem has contacted the providers, educated about the plan, and resolved the issues. Daniel Rossner asked if the issues were for retirees in Florida. Scott DeRoche replied he knew of one case that was in Florida and that as of now only 4 providers nationally have refused to accept the plan Mr. DeRoche also mentioned the plan requires prescription pre-authorizations for certain medications and had been set up to fill the first prescription allowing for time to get the pre-authorization in place. Mr. DeRoche acknowledged some medications have increased on the MAPD plan but overall the program is still a significant savings to our retirees, also noting the program grew more than anticipated.

Mr. DeRoche provided an update on the MCNRX plan noting he anticipates the next enrollment will have more movement.

Susan Hilchey also stated she believes there will be more movement next year. Timothy Ruehr stated one of the challenges with switching plans was with retirees who were receiving support with their premiums. Scott DeRoche stated plan premiums exceeded NHRS subsidies, however agreed that most issues were raised by retirees whose former employers were paying for their coverage and, therefore, the retiree did not realize the savings in premium contributions. Daniel Rossner stated his district was thrilled with the new plan and expressed his appreciation to staff for getting this done.

### SmartShopper Updates

Scott DeRoche began by confirming a termination letter was sent to SmartShopper as previously approved by the Board. Mr. DeRoche stated he received a request from one of the original founders to meet with staff to discuss our concerns, and to present a proposal. Mr. DeRoche presented highlights from the proposal and asked the Board if they have an interest in entertaining a further partnership. Mr. DeRoche stated, if desired, staff could work with SmartShopper to design a program and present it to the Strategic Planning committee before going to the Board for a final decision. Daniel Rosser felt it was an aggressive schedule, trying to implement a revised program before the 6/30/2025 termination date. Scott DeRoche agreed. Daniel Rossner asked if staff was looking for the Board to support a presentation going to the Strategic Planning Committee. Scott DeRoche advised he is seeking feedback from the Board as to whether they would like to entertain a further partnership with SmartShopper.

Alison Kivikoski said Rockingham County has considered a partnership with SmartShopper in the past but did not pursue. Susan Hilchey asked if the new design would cost less money. Scott DeRoche stated it would depend on the program design selected.

Timothy Ruehr stated his frustrations with this program and would not like to rush into anything adding he would like to see what other programs are available.

Sarah Trahan stated she agrees with Mr. Ruehr that it is time to move on and look at other options.

Susan Hilchey added the program does not work for some groups because of limited options due to their location and feels SmartShopper's efforts to work with us now are too late. Scott DeRoche told the Board he agrees and informed SmartShopper that this was exactly the level of engagement we were looking for in June when we were evaluating the program.

Russell Dean stated he also likes the idea of seeing what else is out there.

Alison Kivikoski suggested pausing for a year to allow for options to be evaluated.

Timothy Ruehr voiced concerns with the communication to members. He stated he would like for it to be positive and that research is being done to find a better program.

Daniel Rossner expressed his concerns on the impact this will have on enrollees when the program is cancelled.

Susan Hilchey stated the need to look at all the things being taken away as far as coverages and benefits because she feels they bring a value to HealthTrust and to Groups.

Timothy Ruehr asked if enrollees thought they were saving money by going to these locations and receiving an incentive.

Scott DeRoche said he believes that the program was designed to change behaviors, but once you change the behavior you are paying for the incentive without further behavior change and SmartShopper recognized this. Mr. DeRoche noted that HealthTrust staff has drafted communications to enrollees that are in line with Mr. Ruehr's suggestions.

Daniel Rossner asked how difficult would it be to design a program in house. Jason Kalgren stated it could be done but we do not have clinical staff and we would have to do it with help from clinical partners.

Daniel Rossner stated what he is hearing from the Board is not to consider moving forward with SmartShopper at this time and to be positive in our communications with enrollees and have staff continue to evaluate options.

## January Renewal Update

Lynne Turmel provided an overview of the January renewal stating overall it was a very positive and successful renewal with Benefits Advisors working hand in hand with Groups to navigate the changes to deductible plans, the termination of AOM coverage, and reviewing the relativity studies. Ms. Turmel reviewed the changes in Groups that added and terminated coverages. She noted the number of enrollees stayed about the same adding the decline of medical enrollees was largely due to the MAPD shift.

Daniel Rossner noted Milford had terminated and Scott DeRoche stated it was the only large group that has left. Timothy Ruehr asked where the termed groups moved to. Scott DeRoche stated most termed groups were small groups and went to NHIT. As they were small groups, they would not have been rated on their own claims experience.

Daniel Rossner asked if there were any questions and thanked Lynne Turmel for her presentation.

## Financial Update

George Tsiopras provided an overview of the financials for the first 6 month of FY2025 ending December 31, 2024 explaining revenues exceed expenses resulting in an overall change in net position of +\$2M. Mr. Tsiopras stated the investment income is driving the overall change in net position. He continued by advising January's renewal is not performing well due to a \$ 1.8M claim that was received at the end of December, before stop-loss coverage was in place.

Mr. Tsiopras presented the key metrics for medical for the prior 12 month period compared to 2023. He noted the medical trend is up but HealthTrust is still performing better than the benchmarks. Mr. Tsiopras then compared the first 6 month period for FY2024 to the first 6 month period of FY2023 showing the PMPM trend increased to 11.5% but is still lower than the benchmark trend increases noting the industry as a whole is rising.

Scott DeRoche agreed that benchmarks are going up adding HealthTrust is significantly out performing these benchmarks.

George Tsiopras continued his presentation by comparing the prescription trend for calendar year 2024 to 2023 showing the gross trend of 12.2% exceeds our peer groups' trend at 8.2%, with specialty gross trend up 9.9% and non-specialty up 15.1%. He then presented a table comparing the first 6 months of the fiscal years FY2025 and FY2024 showing the gross trend increases to 22.7% exceeding the peer trend of 8.2%, with specialty gross trend up 12.4% and non-specialty drugs trending to 36.5%. Mr. Tsiopras stated the top contributor to this increase is anti-obesity medication contributing 10% to the overall trend, adding he expects to see lower numbers after the AOM exclusion goes into effect on March 1, 2025.

George Tsiopras also provided an overview of the current operating budget, explaining we are approximately 7% under budget for the first six months due to turnover and delays in hiring, and timing of projects. He then provided an update on investments noting the total unrealized loss on the fixed income security portfolio at the end of December had improved slightly from the previous fiscal year end. Mr. Tsiopras continued with a cash management update, stating we are in a healthy position with cash and cash equivalents, adding staff monitors cash levels on a daily basis to ensure we are maintaining compliance. He advised staff is currently working with advisors on evaluating options to improve investment returns.

Scott DeRoche spoke on the HealthTrust Capital Adequacy Reserve (CAR) Rebuild Plan chart included with the packet. He explained he attempted to map out the time tables, targets, etc. for board reference noting a number of changes on a long timetable. He stated staff has asked Milliman to develop an updated projection to have a better picture of where we expect to end the fiscal year.

Timothy Ruehr asked if we had a projection showing we will end in the positive. George Tsiopras stated the latest projection, provided in the fall, was based on rating data through April 2024 and paid through May 2024 and that the external actuaries are working to update the year end projection with the latest data available from May to December 2024. If the current year to date results were straight-lined, we would land at about \$4M positive but that is not likely the case given the seasonality in the second half of the fiscal year. The new projection is also expected to account for

the impact of MAPD, AOM removal, and groups that have left. Mr. Ruehr asked if this information will be available for the next Board meeting. Mr. Tsiopras stated staff will push to have an update for the March Meeting.

**MOTION** by Russell Dean, seconded by Susan Hilchey to approve the Financial Report.

*Roll call vote*

Daniel Rossner	Y	Alison Kivikoski	Y
Susan Hilchey	Y	Timothy Ruehr	Y
Troy Brown	Y	Jill Sheing	Y
Michelle Clark	Y	Sarah Trahan	Y
Russell Dean	Y	Katie Williams	Y

**MOTION** carries, Financial Report approved.

**Lines of Coverage Contracting Presentation**

Scott DeRoche stated major contracts with Medical, Prescription Drug, and Dental administration are nearing the ends of their contracts and provided an overview of the lines of coverage. Mr. DeRoche noted Anthem and Delta Dental have been with us for 40 years and Caremark for 18 years. He reviewed the timeline for renewal by 6/30/2026, the end of the current contracts. He stated discussions with Anthem and CVS have begun in hopes to enter into an agreed upon contract by June 2025 which will provide us accurate administrative fees, trend projections, etc. in time for the 2026 rating process.

He noted many vendors and coverages are interrelated and there has been a massive consolidation in the market place over the last decade. Susan Hilchey asked if this is like a bundle package (home, auto etc.). Scott DeRoche replied yes and stated costs, operational efficiencies, service experience and population health management may be better managed when coverages are considered together.

He added this is not just a vendor search but an opportunity to look at the structure of the overall relationship. Mr. DeRoche noted the difference in newer models being offered (including transparent, upside/downside risk, trend guarantees, PMPM cost guarantees, etc.) versus a traditional model. He advised that such relationships are appearing in the marketplace, reviewing a notable example with CalPERS.

Daniel Rossner stated he is supportive of cost containment models. He added, the small changes that were made recently have received the most pushback and was worried about further pushback with another change in benefit structure.

Alison Kivikoski asked about carve in drug rebates. Scott DeRoche replied under the current contract we don't receive rebates for the carve-in program, we do, however, receive point of sale rebates under the CVS contract.

Scott DeRoche proposed to negotiate a dental renewal in 2025 and negotiate a 1-year extension with Anthem and with CVS. Further, he proposed issuing an RFP for an external consultant to assist in issuing an large RFP for Medical, Prescription, and MAPD lines of coverage and related services, adding this would allow us to look at all options in totality. Mr. DeRoche stated this would be a very large undertaking, which would include evaluating and modeling both traditional and alternative models to be able to go live in July 2027 with new contracts.

Daniel Rossner questioned if the timeline was missing a year. Scott DeRoche replied we would work with a consultant to implement new contracts by 7/1/27 adding the timeline would be aggressive as vendors would ideally be next June to allow for rating and implementation. He does not want to strain relationships with current vendor partners and has had initial conversations and received positive reception from Anthem, adding Included Health has also come forward, which was unexpected. Mr. DeRoche believes they could have great partnerships noting vendors are understanding of the RFP process and excited for new potential arrangements, citing they believe they can outperform their competitors. He is looking for support from the Board for the proposal.

Daniel Rossner said we need to go down this road based on members, regulators, and financial concerns and feels we need to explore all options. Russell Dean stated he agrees.

Timothy Ruehr stated he likes the idea of going out and being competitive however, he does not like the upside/downside risk model in the example. He feels we can save as much or more with changes we can make. He also felt no company will take on greater risk without greater reward and is skeptical to jump into this. Mr. Ruehr said we need to save money on fees now and change behavior with plan designs. Scott DeRoche stated this was a valid concern and he was not advocating for this he was simply showing an example of what options may be available. Timothy Ruehr stated he believes we can do more to affect our rates than anyone but agrees with trying to look at other options.

Daniel Rossner asked what the cost estimate was for a consultant. Scott DeRoche stated he does not have an estimate today for a consultant of this level but will most likely be in the 6-figure range. Mr. DeRoche noted an RFP does not mean we have to move forward with the proposals but we won't know the cost until we issue the RFP.

Alison Kivikoski stated a 40 year partnership is outstanding, adding Rockingham County is seeing trends very high on their pharmacy end as well and they are trying to figure out how to handle this. She also thinks it is great to issue an RFP because you are not committed to anything. Ms. Kivikoski feels the Board is being transparent, hearing groups concerns and making an effort to make changes.

Daniel Rossner stated he believes the more information we have, the better decisions we can make.

Scott DeRoche suggested negotiating a 1-year extension, and to issue an RFP for a consultant. He believes vendors will come with creative solutions.

Daniel Rossner asked if Board action was needed to move forward with a 1-year extensions under the current agreement, for now.

Timothy Ruehr questioned the 1-year extension.

Jeanne Herrick explained the current contract expires on 06/30/2026 and a 1-year extension would get us through 6/30/2027. Scott DeRoche stated he does not feel comfortable negotiating for longer than a 1-year extension.

Timothy Ruehr asked for clarification on negotiations and implementation dates

Daniel Rossner said coverage would take us though the end of FY2027.

Michelle Clark stated she thinks it is worthwhile to try and negotiate

Daniel Rossner asked for a motion to negotiate a 1-year agreement at favorable terms with CVS and Anthem as well as a standard Dental agreement with Delta Dental.

**MOTION** by Sarah Trahan, seconded by Susan Hilchey to negotiate a 1-year agreement

*Roll call vote*

Daniel Rossner	Y	Alison Kivikoski	Y
Susan Hilchey	Y	Timothy Ruehr	Y
Troy Brown	Y	Jill Sheing	Y
Michelle Clark	Y	Sarah Trahan	Y
Russell Dean	Y	Katie Williams	Y

**MOTION** carries, to negotiate a 1-year agreement

### **Legal Duties of a Director Annual Review**

Jeanne Herrick provided an overview of the roles and responsibilities of the Board and their fiduciary duties. Ms. Herrick noted the Board shall comply with provisions of RSA 15-A. She reviewed the 3 primary legal duties – care, loyalty and obedience - how to carry out their role and responsibilities as Board members and avoid conflicts of interest.

Daniel Rossner asked if the Board had any questions, none were asked.

### **Conflict of Interest Policy and Form Annual Review**

Jeanne Herrick provided an overview of the Conflict of Interest policy.

Daniel Rossner asked if the Board had any questions or suggested changes. No suggestions for revisions.

### **Board Commitment Letter Annual Review**

Jeanne Herrick provided a brief overview of the Commitment Letter, noting we had received copies for all Board members.

### **HealthTrust Committee Vacancies**

Daniel Rossner noted there were 3 current committee vacancies and asked the new board members to reach out to him this month with any interests.

### **December 5, 2024 – Annual Meeting Minutes**

Daniel Rossner asked if the Board had any comments or changes to the minutes, no changes were made.

### **Boardvantage Update**

Scott DeRoche stated the Boardvantage Portal was live and advised the Board to reach out to Keri Thomas if they would like any further training or had any trouble accessing their account.

Daniel Rossner declared the meeting adjourned at 12:54 p.m.

Respectfully submitted,

*Keri Thomas*

Keri Thomas, HealthTrust Executive Assistant