

**HEALTHTRUST, INC. BOARD OF DIRECTORS**  
**Minutes of April 16, 2025**

**BOARD OF DIRECTORS PARTICIPATING:**

Rossner, Daniel, Business Administrator, SAU #48, <i>Chair</i>	Rapp, Brian, Deputy Chief, Claremont Fire Dept.
Hilchey, Susan, Director of HR, SAU #25, <i>Vice Chair</i>	Ruehr, Timothy, Chief Financial Officer, SAU #29
Brown, Troy, Town Manager, Littleton	Sheing, Jill, Human Resources/Payroll Coordinator, Strafford County
Dean, Russell, Town Manager, Exeter	Williams, Katie, Director of Human Resources, Town of Hanover
Kivikoski, Alison, Senior Director of Human Resources, Rockingham County	

**BOARD MEMBERS UNABLE TO PARTICIPATE:**

Clark, Michelle, Business Administrator, SAU #66	Trahan, Sarah, Teacher, Winnacunnet High School
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**OTHERS PRESENT:**

Ferrari, Christina, Legal Counsel for the Secretary of State	Scanlan, David, Secretary of State
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**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
Kalgren, Jason, Chief Information Officer	

Chair Daniel Rossner opened the HealthTrust Board meeting at 9:01 a.m. and welcomed the Secretary of State, David Scanlan, and staff to the meeting and provided opening remarks. He then invited Secretary Scanlan to come forward to address the Board. Secretary Scanlan was joined by Attorney Christina Ferrari.

**Statement from the Secretary of State**

Secretary Scanlan began by thanking Chairman Rossner and the Board for agreeing to meet. He advised the comments he will make are the same he has made elsewhere.

He provided an overview of how Senate Bill 297 (SB297) was developed, stating he had been approached by HealthTrust staff who self-reported some concerns of financial position. Secretary Scanlan stated he wanted to work with the risk pool to resolve the issue in a constructive way. He stated his office requested a meeting two years ago with staff and actuaries from both teams to better understand the situation and how to address it, however, the HealthTrust Executive Director at the time did not show up and he feels there continues to be little cooperation. He continued by noting the Secretary of State's actuaries have been reporting to him regarding financial concerns of the other three risk pools and have had difficulty receiving information from the risk pools to help resolve these issues. Secretary Scanlan stated this has been costing taxpayers so he approached the Senate President to draft a bill that would help resolve these concerns.

Secretary Scanlan then provided an explanation of how SB297 would work. He stated it simply puts a range of where reserves held by risk pools should be maintained and if the level of funds drops to a certain level, assessments are put in to bring reserve levels up to avoid insolvency. He added that their actuaries believe if funds are held within that range there would be a 5% chance that assessment would have to be made. Secretary Scanlan also recognized the

concerns of mid-year assessments and the issues this could cause in respect to budgets but felt it can be resolved by political subdivisions establishing a fund at the local level of 4% to be built up over time. Secretary Scanlan stated this is not an additional cost to the towns and felt it was a good thing for political subdivisions to manage their own funds. He also noted that SB297 does state that if no action is taken and reserves fall below the 4% level, the Secretary of State can step in and request a receivership. He also added that SB297 has nothing to do with risk pool management and has no say in products or prescription programs that are offered, it simply provides a mechanism for financial stability. Secretary Scanlan stated two of the risk pools have been operating historically within the threshold ranges that are suggested in the bill and have had no issues. The other risk pool, NHIT, came out last week stating they are ending their operations end of June and his office is in the process of reviewing that decision and any actions they will take as regulator. Secretary Scanlan feels this situation validates the concerns raised by their actuaries. He concluded by stating he is still looking to be cooperative as long as it is reciprocated and asked that the Board take a closer look at SB297 and the materials that they have provided and come to the realization that the bill is a good bill.

Chair Rossner then stated that staff has been asking questions regarding SB297 for quite some time and has not received responses. As such, he is hopeful that staff can first receive answers to their questions and invited Scott DeRoche to address the Secretary of State on behalf of the Board.

### **Statement from the Executive Director**

Scott DeRoche began by stating that when the bill was introduced, it was alleged that the bill was required due to HealthTrust's "danger of insolvency." Mr. DeRoche provided a financial update through March 2025 noting current net position is at approximately \$40M year to date which is a \$5.6M gain, and the updated rebuild plan aims to end this year at the \$42M mark. He asked the Secretary to explain why he has stated that HealthTrust is in danger of insolvency and what specific information was looked at.

Secretary Scanlan stated the information came from actuarial materials provided by Mr. Li, noting the reserve levels were projected to be low and if some catastrophic event occurred that resulted in an increase in claims, there was a possibility HealthTrust would be in danger of insolvency. He then referenced NHIT's current situation.

Scott DeRoche continued, it has been asserted by the regulator that HealthTrust is losing \$2.5m per month, and it is unclear where this number came from. Further, it has been stated by the regulator that the next four months are going to be challenging, and asked if this was based on the Year-to-Date financials or if a separate actuarial analysis was completed to project this year-end position.

Secretary Scanlan stated he believes there was a separate analysis completed and stated the concern is based on the trend that has occurred over the last couple of years. He advised he will get this specific information from the actuary and present it to HealthTrust.

Scott DeRoche stated it would be great to have this analysis to review.

Scott DeRoche then stated that it has been requested and HealthTrust has voluntarily provided monthly financials, for well over a year and asked if the Secretary has been receiving monthly financials from the other health risk pools, SchoolCare and NHIT.

Christina Ferrari stated the answer to the question goes into a current administrative enforcement action against one risk pool and she is unable to discuss this.

Scott DeRoche continued noting that, as recently as last Thursday, it was stated by the regulator that HealthTrust was in a poor financial position and SchoolCare is in an excellent financial position. It is staff's understanding that both organizations are at a net position of approximately 8% of contributions and both have adopted a plan to rebuild to 14% of contributions by the end of FY2026. He asked why the financial position of both pools, HealthTrust and SchoolCare, are portrayed differently.

Secretary Scanlan asked Mr. DeRoche where this information was from.

Scott DeRoche advised the information was taken from the financial statements that are posted on SchoolCare's website and gave a brief explanation of his understanding of the statements. Noting what he can see from this information is SchoolCare started the year with approximately 9% of claims and is currently experiencing a challenging year, much like HealthTrust did a couple years ago, and they are likely at about 8% of contributions, similar to HealthTrust.

Secretary Scanlan stated he is not in a position to comment on those details other than his statements have been based on actuarial reports.

Scott DeRoche then asked if the Secretary feels SchoolCare is in a different financial position.

Secretary Scanlan stated based on what he has heard from his actuaries, they are in a stable position.

Scott DeRoche stated HealthTrust has a mutual respect with SchoolCare and is in no way trying to be disparaging. He noted there are waves of claims coming through the healthcare industry and when those claims come through it is important to rate correctly and the reserves are there to buffer. He added that it is his intent to try and understand why HealthTrust is being characterized as being in a poor financial position and SchoolCare is not when both organizations seem to be at approximately the same contingency level and both have similar plans to rebuild. He asked if there are different metrics being used or if there are some additional concerns for HealthTrust.

Secretary Scanlan stated SchoolCare follows actuarial advice and, based on reviews by his actuaries, he believes HealthTrust's Board listens to their actuarial advice but does not act on it completely, and that is the concern. He then stated that HealthTrust has not been assessing rates at an actuarial level to maintain reserve levels. He said he understands the concern about competition and market share but those should be secondary to making sure groups are protected financially.

Scott DeRoche stated that it is his understanding that both SchoolCare and HealthTrust adopt rates based on actuarial advice.

Mr. DeRoche moved on referencing a statement that was made by the regulator last Thursday that HealthTrust was not required to return surplus after COVID, rather it was an operational decision to give back these funds. He asked for an explanation of this statement based on the regulator's long held position that HealthTrust maintain no more than 15% of claims reserves.

Secretary Scanlan asked for clarification on the statement Mr. DeRoche was referencing.

Scott DeRoche stated it was his understanding that at the Secretary's recent meeting with the NEA, a question was asked about the return of surplus and if HealthTrust was required to give back approximately \$57M during the two COVID years, noting this is a key concern from member groups. Mr. DeRoche said it was his understanding that the answer given by the regulator was it was an operational decision by the Board and not required by the regulator.

Secretary Scanlan stated he will have to get this information from his actuary. Christina Ferrari added that generally, for all risk pools under 5-B any surplus has to be returned to members, noting this would not change under SB297.

Scott DeRoche then moved on to questions regarding the structure and governance of this bill. Mr. DeRoche stated that at the Senate hearing there was a question raised by the Senators if a risk pool can operate as a nonprofit corporation and there was a request for the Attorney General to look into HealthTrust's structure. He stated HealthTrust has operated for several decades in this structure and is in good standing with the Secretary of State's office. He asked if any information was obtained and if SB297 requires a change in HealthTrust's organizational structure.

Secretary Scanlan stated SB297 does not require a change in structure but believes there is a fundamental disagreement on how staff views HealthTrust as an organization and he has concerns with statements being made that HealthTrust operates like an insurance company and assumes the risk if there was insolvency. Secretary Scanlan added that he does

not believe that is allowed under the 5-B statute as it is a self-insurance program made up by political subdivisions that shares the risk collectively, not HealthTrust.

Scott DeRoche stated that recently HealthTrust received a letter from the Secretary's office requiring staff to answer a complaint that HealthTrust is not able to retire benefits, adjust plans, or implement rules such as deductible funding limitations, and asked how HealthTrust is able to prudently manage benefits under this bill.

Christina Ferrari asked for clarification on which complaint Mr. DeRoche was referencing.

Scott DeRoche stated staff received a complaint forwarded by the Bureau of Securities Regulation from a third-party entity alleging changes made to retiree benefit plans and adjusting AOM coverage were violations and HealthTrust cannot make such changes. He stated that staff is trying to understand how to prudently manage operations if they cannot make these types of changes.

Christina Ferrari stated there is more than one complaint and asked if Mr. DeRoche was referring to the complaint from the Professional Fire Fighters. She added that HealthTrust's response was received last evening and she has not had a chance to review. She stated her willingness to discuss further after she has a chance to review.

Scott DeRoche asked if it was their understanding that HealthTrust could make changes to benefit plans and offerings as a nonprofit corporation administering an RSA 5-B risk pool.

Ms. Ferrari declined to respond, stating that this issue is currently being investigated due to the complaint and feels they can provide a more formal response to that after they conclude their review.

Scott DeRoche stated it is staff's understanding that SchoolCare has also retired plans and asked if they have had a similar requirement to explain the retirement of their plans and if there were any concern on how their plans were retired.

Christina Ferrari stated she is unaware of any complaints to the Secretary of State's office in respect to SchoolCare retiring benefits but she will look into it.

Scott DeRoche stated SB297 adds language such as requirements that organizations have a fiduciary duty to each individual member group and that groups are responsible for losses, and asked if the regulator sees a need for HealthTrust to change their organizational structure, governance, or operating processes. He noted there have been a number of questions and comments made over time regarding the organization's ability to change benefit plans and if HealthTrust is somehow obligated by the collective bargaining agreements member groups may enter in to. He added that staff is trying to understand the additional wording in this bill and if it may create a situation that HealthTrust is not able to effectively manage.

Secretary Scanlan stated from their prospective, this bill does nothing to change organizational structure.

Scott DeRoche then moved on to ask several questions in respect to member group risk. He stated staff has received numerous questions from groups asking if the risk to member groups is limited to 4% and believes groups are trying to understand their risk exposure and reserve requirements. He stated it was his understanding that groups are not limited to 4% under SB297 and asked for clarification.

Christina Ferrari asked if Mr. DeRoche was referencing the 4% stabilization fund.

Scott DeRoche stated he believes the groups are asking if their exposure is limited to the 4%. Staff has been advising that they believe it is not limited to 4%, noting if a bad year or series of bad years occurs there could be multiple assessments in a single year.

Secretary Scanlan confirmed Mr. DeRoche was correct in his understanding.

Scott DeRoche then asked if a group is able to participate in the risk pool if they are not able to fund the reserve as required. Also, if a January group participates but in March voters decline to create and/or fund the reserve account, would they have to leave mid-year.

Secretary Scanlan stated his office is aware of these concerns and language has been submitted to an amendment, which may not be in formal draft form yet, but he will provide HealthTrust with the language.

Scott DeRoche then asked if a risk pool is at 8% and pool may want to rebuild to 16% max, would any groups who leave have to repay 8% capital replenishment charge or just the 4% capital replenishment charge to get them to the 12% minimum requirement.

Christina Ferrari referred to the language of the bill which states at the end of a fiscal year, if reserve levels fall below 12%, the difference would need to be made up and replenishment must be collected from groups who participated when the shortfall occurred. As such, she believes they would be required to pay the 4% capital replenishment charge.

Scott DeRoche asked if there was an actuarial study completed to arrive at 12-16% range for the contingency reserve.

Secretary Scanlan stated there was.

Scott DeRoche noted that staff is again requesting to see the actuarial studies and the list of sources used to determine the 12-16% range in SB297. He shared that staff verbally requested this information prior to the senate hearing and several times after and have not received any information to date. Staff has received requests from member groups asking to evaluate the impact of this bill which cannot be evaluated without reviewing the studies (including the actuarial assumptions and results of the modeling) used to make this determination.

Christina Ferrari stated it was her understanding that the reasoning behind 12-16% has been provided but will make sure it is provided.

Scott DeRoche stated staff has not received this information, an actuarial report, or any information about the footnote “per industry sources” on Mr. Li’s presentation to understand who was referenced. Staff is looking for methodology, assumptions, and confidence intervals, for example, to have a better understanding of how this range was determined. He stated that Mr. Li verbally referenced a report several times but staff believes he was actually referencing a report that HealthTrust shared with the regulator last spring with respect to capital adequacy projection through FY2025 and that is being incorrectly interpreted by the regulator.

Christina Ferrari stated she would ask Mr. Li, however, he was currently out of the county and believes there is additional information supporting the 12-16% range and will make sure HealthTrust receives this information.

Scott DeRoche stated staff does not have this information and this topic is a key concern of groups. Having access to the full actuarial report is necessary to understand the impacts of operating within that fixed range and if it is sufficient.

Scott DeRoche then asked if the contingency reserve range was built off of 12 month time frame. He stated it was his understanding the SchoolCare’s current operating range is based off of a report that is created in August to determine the amount of reserves needed to get through the current fiscal year, and if that was the model used to build SB297.

Christina Ferrari stated she will ask their actuaries for clarification.

Scott DeRoche then asked, if the model is based on a 12-month range, what happens if there is a second bad 12-month period. He noted a rebuild plan would be derailed if a second bad year were to occur while rates are already set. When a bad year occurs, the organization is already part-way through the second year before the financials are closed, and the organization can’t shift rates until the next rating cycle. That is why HealthTrust looks at a reserve as a minimum of a three-year endeavor. Mr. DeRoche stated he has great respect for both organizations but it was his understanding that NHIT and SchoolCare operates in a model similar to the model within SB297. He added that both

pools gave back a returns of surplus two years ago and now NHIT has announced it is closing and SchoolCare ended FY2024 with net position below the contingency reserve levels they identified as needed to get through the current year with a high degree of confidence. He asked if these are signs that the reserve range in SB297 are too low.

Christina Ferrari stated she will bring back to actuaries and get a response.

Scott DeRoche asked which states were reviewed that require risk pools to operate in the 12-16% range adding staff would like to understand what modeling had been performed to determine this range. He also asked if modeling was done to determine the likelihood of an assessment being needed in a given year.

Secretary Scanlan stated that these are all great questions for the actuary and offered to set up a separate meeting with him to discuss.

Scott DeRoche again stated there are a number of concerns regarding the 12-16% reserve range noting HealthTrust operates in a different model and this range and impact to groups is a key concern. He provided a brief explanation on how HealthTrust's actuaries determine the capital adequacy reserve target by running many different scenarios, modeling 10,000 potential years every rating cycle, and he is curious if that modeling was done and what the results were. He noted it is extremely difficult to weigh in on bill without further information and that it has already made it through one chamber of the legislature and we still don't have information on what they based it on.

Mr. DeRoche asked if political subdivisions feedback was sought prior to drafting this bill.

Secretary Scanlan stated he does not believe feedback was sought. He added he recognized the issue and thought this was the best way to deal with insolvency.

Scott DeRoche stated there is concerns that SB297 could restrict our services and operations such as the wellbeing programs, the in-house contact center, FSA/HRA services, retiree billing services, and COBRA administrative services - and asked if this bill would restrict HealthTrust's ability to offer these services.

Secretary Scanlan stated that as long as the services are permitted under RSA 5-B then they would not be impacted by this bill.

Scott DeRoche added there is a new narrow definition of "reasonable" in 5-BSB297 and staff is trying to gain understanding if Secretary Scanlan saw these services as reasonable or if there would be some concern under this bill with any of the services we offer.

Christina Ferrari provided an explanation of the definition of administration as contained in SB297 and advised the determination of "reasonability" would be determined through examination and discussion if a dispute arises.

Scott DeRoche stated that staff has concerns with some of language in the bill, such as individual fiduciary duties and administrative services, noting there are concerns the bill would move HealthTrust to more of a third-party administrator (TPA) arrangement. He said the services HealthTrust performs currently, on the group's behalf, may not be offered through a TPA arrangement and the group would now be responsible for those services.

Christina Ferrari stated that if the service is permitted under statute, they would have to understand if the service was in line with 5-B, noting it is hard to say right now without review but they do not see the language in the bill as prohibiting these services.

Scott DeRoche asked if it is their understanding that, in general, the bill looks solely at the reserve levels and is not written to weigh in on services being offered or organizational changes.

Secretary Scanlan stated there is no desire or intent to change structures, adding the bill was written to try to keep finances healthy.

Scott DeRoche thanked Secretary Scanlan and Christina Ferrari.

Chair Rossner asked the Board if they had any questions for the Secretary.

### **Questions from HealthTrust Board Members**

Timothy Ruehr stated he appreciates Secretary Scanlan being there, adding, there has been a lot of talk about cooperation and working together but, since his brief time on Board he hasn't seen a lot of working together and when he looks back at conversations he wouldn't call it cooperative. Mr. Ruehr noted the real losers in this are the people of New Hampshire and the whole reason these pools exist is to share risk because the private market didn't meet the needs of all entities. He asked if it was possible for the Board and Secretary to come together to protect the services that are offered. Mr. Ruehr noted the current Board is working really hard to fix past issues and feels they are stronger now than they were two years ago. Mr. Ruehr noted the bill could be destroying the benefits being offered and stated he did not believe that was the Secretary's intent, adding he would love the opportunity to work together to better understand where the Secretary was coming from and if he would be open to being more collaborative. He advised that School Administrative Units cannot have reserve accounts and the whole idea behind RSA 5-B was to share risk for the smaller groups. He is trying to better understand the bill to see if this model is salvageable.

Secretary Scanlan stated he appreciated where Mr. Ruehr was coming from and welcomed any member of Board to walk in to his office at any time to have a conversation. Secretary Scanlan noted his long history in government and he has always worked for a solution to a problem adding, if people are willing, you can accomplish results. Secretary Scanlan noted a past history that he and Scott DeRoche were not directly involved in but, 10 years later history is repeating itself which is not his desire and would like to find a way to move through this.

Secretary Scanlan invited Timothy Ruehr to set up a meeting.

Alison Kivikoski asked how soon the information that was requested today by staff would be available from the actuaries to continue these discussions. She added that the legislative process is moving forward, and the information is needed to assess the bill.

Secretary Scanlan said he will work with Mr. Li as soon as he is back from vacation.

Susan Hilchey stated as a Board they would like to be united not divided and be open to conversation. She said that members are afraid and their benefits are important and she hopes they can work through this together.

Secretary Scanlan stated he has been hearing the same concerns from employees at some towns. He said it was unfortunate that messaging went out that HealthTrust would close if this bill passes and he doesn't believe that statement was necessary.

Brian Rapp addressed Scott DeRoche stating he asked if member groups were asked for input on the bill noting the Board voted to close without reaching out to member groups.

Timothy Ruehr reminded Mr. Rapp that the Board is made up of member groups.

Chair Rossner advised the statement and vote was not to lock the doors or close the organization, the vote was regarding the medical coverage and there are other services that HealthTrust offers that was not part of the vote.

Troy Brown offered his comment to Secretary Scanlan stating he is new to the HealthTrust Board, however, he has been in municipal government for over 20 years noting insurance is always on the table in union negotiations. He feels this bill is going to introduce more unknown costs, assessments, and potentially another warrant article. He feels this generates more discussion about health insurance, which taxpayers feel is always increasing, adding groups need more stable, affordable coverage. He would rather not receive a return of surplus if that would help to keep rates stable. He said this situation started because of COVID and there has been some financial struggles but this legislation could change HealthTrust and healthcare.

No further questions were asked.

Chair Rossner thanked the Secretary for attending the meeting.

### **New Business**

Chair Rossner stated that with NHIT's Board voting to end operations as of June 30, 2025, there are 28 member groups that are looking to find coverage. He noted that NHIT has reached out to us requesting we provide quotes to their groups. He noted six of these groups would fall into our two-year lock out rule per our by-laws. The groups are going to issue a formal request to have an exception to this rule. He noted 5 of 6 would be in the under 50 pool and may require new rating. Chair Rossner asked the Board if they are willing to entertain an exemption to the two-year lock out and, if we do, the Board needs to direct staff to request the rating data they need for our actuaries to present accurate rates. Chair Rossner then invited Scott DeRoche to address the Board.

Scott DeRoche stated staff needs to look at the potential adverse impacts if all 28 groups enrolled with HealthTrust, which would be an enrollment shift of 5%. He noted that NHIT has cited a spike in claims experience as the reason for closure and, with a potential enrollment shift of that size, Milliman has been firm that we need to develop new rates and cannot simply quote existing rates through the typical process. Mr. DeRoche gave a brief overview of Milliman's concerns and some potential options for taking on these groups. He advised that staff could request the claim information from NHIT under the direction from the Board and pay Milliman to perform an analysis to determine the rating recommendations to cover expected claims. Mr. DeRoche expressed his concern with timing noting groups are looking for answers today, however, the process could take several weeks to complete.

Alison Kivikoski expressed some of her concerns asking about the group's performance, utilization, and if there are any high cost claimants.

Scott DeRoche provided a high level overview of NHIT's situation noting they cited an increase in claims as the reason for their shut down.

Chair Rossner asked if HealthTrust has the ability to carve out all new groups and provide a surcharge to those groups.

George Tsiopras stated he has had this discussion with the actuaries and they do not recommend dropping them into our existing pool, adding NHIT is made up of both large and small groups. He said once information is received from NHIT and reviewed by our actuaries, we can determine how to properly rate the groups.

Timothy Ruehr stated that not all groups have to come to HealthTrust. He supported developing a separate pool for these groups to provide them coverage that is priced accordingly and then absorb them in over time.

Chair Rossner stated that it is important to note that HealthTrust has never declined to quote and he is in favor of empowering leadership to undertake the evaluation of these groups and to accelerate if needed and come back on May 8th with recommendations to the Finance and Personnel committee to then be brought to the full Board on June 5th.

Timothy Ruehr asked if we would quote these groups if NHIT was not closing.

Scott DeRoche confirmed HealthTrust would quote them, giving a brief explanation of the process. Mr. DeRoche noted that typically it is a fairly quick process when it is a small number of interest groups which can be blended into our current pool rates without an adverse impact but this would require Milliman to do a separate analysis at an additional cost to evaluate.

Alison Kivikoski asked if there are others that have not come forward yet. She advised she has heard there are a lot of groups looking to go private.

Scott DeRoche advised that some groups reached out before NHIT's announcement and we received another wave after the announcement noting he heard that some went to SchoolCare who it appears declined to quote.

Alison Kivikoski stated she would be in favor of going forward to navigate taking on these groups.

Brian Rapp asked about the waiver stating he assumes not all groups will require this exception.

Scott DeRoche advised most do not require a waiver only about five or six require a waiver to the two-year lock out rule, adding some groups had left a while ago, and some have never been with HealthTrust.

Chair Rossner stated there are two July renewals and four January renewals that are subject to the two-year lock out.

Jeanne Herrick advised there are two issues facing the Board: the first is how to deal with the member groups in respect to the two-year lock out and the second is a more complicated issue, deciding how the Board would like to handle these requests due to how late in the rating process it is. Ms. Herrick stated the Board can make a decision today on how to deal with the waiver, more generally, if the Board will even allow these groups to seek a quote. Then save the rating process issue until after staff receives the information needed to do the analysis.

Scott DeRoche stated that as written in the current by-law the Board is allowed to issue a waiver however, it must come in within six months of the group leaving and stated it may be best to do a resolution that is specific to this point due to the circumstances with NHIT closing.

Jeanne Herrick advised adopting a resolution that waives the application of the by-law as these are groups who would have been out for two years but their current carrier is declining to quote.

Troy Brown asked if there are any reason that the Secretary of State would be required to weigh in on this.

Scott DeRoche stated he did not see an issue with the waiver, however, he did see them having a concern with rates not covering claims adding it would be worth hiring Milliman to do a true evaluation on rates for these groups.

Jeanne Herrick also stated she did not think the Secretary of State would have an issue on the waiver as long as the rating requirements for these groups are addressed.

Troy Brown asked if it would make sense that the groups that left HealthTrust within the last two years could incur the cost HealthTrust would incur to rate since they decided to leave for financial gain.

Russell Dean asked if there was a way to pass the costs along to those groups.

Brian Rapp asked if it can be built into their rates.

Jeanne Herrick stated a new administrative expense from Milliman could potentially be incorporated in to those group's rates.

Scott DeRoche stated those groups left due to better rates and those rates did not cover the claims. The waiver would not be issued simply because the groups were experiencing a 36% average increase, it would be an exception due to NHIT ceasing operations. Mr. DeRoche also added that HealthTrust is not taking over for NHIT or assuming any of their obligations.

Chair Rossner asked if the appropriate action for the Board to take today, if willing, would be to adopt a resolution, waiving the two-year lock out restriction for those seeking coverage due to NHIT closing.

Scott DeRoche asked if the direction from the Board is for staff not to quote these groups until we have further evaluation from Milliman.

Chair Rossner stated that is the consensus of the Board.

Timothy Ruehr stated he would like to accept all the groups but feels like the Board should only make the waiver if these groups are going to be in their own pool. He noted this is a migration and is concerned with what the effect on the organization may be.

Chair Rossner stated not all groups may decide to come to us for coverage.

Further discussion ensued.

Jeanne Herrick provided an explanation stating there are two separate and different issues. She stated there are only six small groups who require the waiver from the Board to allow staff to issue a quote. Once the waiver is in place, staff will work with Milliman to determine rates and the impact to the pool.

Scott DeRoche added that the Board can grant a waiver to the six groups and direct staff not to issue quotes for all groups until staff has had a chance to evaluate their rating impact. He said he did not want to pay Milliman to model the six groups, and include their claims data in the model, if the Board was not going to issue the waiver allowing them to potentially come back.

Chair Rossner supported issuing a waiver for the two-year lockout rule and voiced his concerns in respect to the issue of timing and issuing rates, adding he did not see groups waiting much past the May 8th Finance and Personnel meeting to get a rate from us.

Timothy Ruehr asked what would happen if an analysis is completed on all groups and subsequently six decide to obtain coverage elsewhere. He believes it will change the result.

Further discussion ensued regarding the rating process, timing, and the waiver for the six groups.

Chair Rossner stated further conversations need to happen on the rating process after Milliman's analysis is completed however, staff needs direction from the Board today on how to continue.

Russell Dean made a motion to direct staff to hire Milliman to analyze these groups.

Brian Rapp advised a vote on the waiver was needed first.

Russell Dean withdrew his motion.

Chair Rossner stated the Board needs to make a decision on the waiver to the two-year lockout for these six groups.

Timothy Ruehr asked if the Board was voting on just the six groups or all of NHIT's groups.

Chair Rossner stated it does not make sense to analyze these six groups if we are not going to issue the waiver.

**MOTION** by Russell Dean, seconded by Brian Rapp to authorize a waiver to the two-year lockout rule on the six groups impacted by NHIT's closure.

Brian Rapp reminded the Board that a few years back the City of Claremont was not allowed a waiver when it was requested to come back to HealthTrust within six months of signing with Harvard Pilgrim Healthcare.

Susan Hilchey stated this is a different situation as NHIT is closing so they have lost the option to continue.

Jill Sheing stated these groups do not have a choice to continue coverage with NHIT.

Brian Rapp also pointed out the Board allowed Greenland to come back after they chose to go with NHIT stating they could have gone to private market.

Chair Rossner stated a portion of Claremont was still with HealthTrust and just a segment had left, adding every situation calls for an evaluation and Board vote.

Jill Sheing asked why SchoolCare has declined to quote these groups.

Scott DeRoche stated SchoolCare regularly declines to quote as they serve a specific cohort and claims experience plays a large role in their decision. Mr. DeRoche also noted that some of HealthTrust's groups have reached out to SchoolCare and were either declined to quote or told to hold until after SB297 is passed.

Brian Rapp stated it was almost irresponsible to take on groups now with the potential of telling them at the end of the year we are no longer offering medical coverage if this bill passes.

Troy Brown noted for further discussion he is voting in support of this motion because he wants staff to communicate to these six groups with the understanding the Board will have another meeting to understand the financial impact of taking them on before rates are issued.

Susan Hilchey asked if the Board could decide not to take on these groups after we receive Milliman's analysis.

Chair Rossner stated he was in favor of releasing the rates after the analysis is done and wants to be cognizant that refusing to take on these groups would changing the lifelong practice of never declining to quote.

Alison Kivikoski asked if staff was going to receive the data for these groups to determine where the risk is and then make the determination to quote. Ms. Kivikoski added that their rates may need to be higher and may come in at a rate that is more than they can afford.

Chair Rossner stated rates will not be released until after the Board has had a chance to review them. Chair Rossner added that for the sake of timing, the Board could authorize the Finance and Personnel Committee to release rates after their review before going before the whole Board at the June meeting. Chair Rossner asked if anyone needed the motion restated before the vote.

**MOTION** passed, 8-1 in favor of authorizing a waiver to the two-year lockout rule for the six NHIT groups due to NHIT's closure. Timothy Ruehr opposed.

Chair Rossner asked if the Board would authorize the Finance committee to release the rate after their May 8th meeting.

Timothy Rossner stated he was in favor of holding a special Board meeting on May 8<sup>th</sup> since most Board members will be at HealthTrust for committee meetings.

Alison Kivikoski was in favor of a special meeting, adding June is too late to release rates.

Chair Rossner asked Russel Dean, chair of the Finance and Personnel committee, if he would be willing to move his meeting to 8:30. Mr. Dean said he would be willing to move his meeting. Chair Rossner stated the Board meeting will take place following the Finance committee meeting and Strategic Planning committee will be moved to 10:30.

Chair Rossner also informed the Board that Michelle Clark will be retiring from the Board effective June 30<sup>th</sup> as she will be taking a new job and moving out of state. He noted the Board will be looking to elect a new member and could potentially be reviewing applications at retreat in August.

Brian Rapp stated he may need to be remote for the May 8<sup>th</sup> meeting.

Chair Rossner asked if there were any other items that needed to be discussed, hearing none he declared the meeting adjourned at 11:17 a.m.

Respectfully Submitted,

*Keri Thomas*

Keri Thomas, HealthTrust Executive Assistant