

HEALTHTRUST, INC.
FINANCE & PERSONNEL COMMITTEE
Minutes of November 16, 2023

COMMITTEE MEMBERS PRESENT:

Dunn, Scott, Town Admin, Gilford, <i>Chair</i>	Dean, Russell, Town Manager, Exeter
Clark, Michelle, Business Admin, SAU #66	Rossner, Daniel, Business Admin, SAU #48 <i>ex officio</i>

COMMITTEE MEMBERS UNABLE TO ATTEND:

Ford, Duane, Business Admin, SAU #67	
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BOARD MEMBERS IN ATTENDANCE:

Hilchey, Susan, Director of HR, SAU #25	Trahan, Sarah, Teacher, Winnacunnet High School
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STAFF PRESENT:

Bodwell, Erica, Benefits & Coverage Counsel	Kalgren, Jason, Chief Information Officer
DeRoche, Scott, Acting Deputy Director	Parker, Wendy, Executive Director
Herrick, Jeanne, General Counsel	Tsiopras, George, Chief Financial Officer

Committee Chair, Scott Dunn opened the meeting at 9:28 a.m.

Minutes of September 21, 2023 Finance & Personnel Committee Meeting

Scott Dunn asked if Committee members had reviewed the minutes and if there were any recommended revisions. No changes were recommended for the minutes.

MOTION by Michelle Clark, seconded by Daniel Rossner to accept the minutes of the September 21, 2023 HealthTrust, Inc. Finance & Personnel Committee meeting.

MOTION passed unanimously.

Financial Update

George Tsiopras provided an overview of the results from the first quarter plus October. Total claims for the period were \$148.5M, up .2% as compared to \$148.2M for the same period last year. In addition, he reported that revenues were up by 4.5% and overall drug coverage results are similarly improved. Investment losses, however, continue due to volatility in the market and geopolitical events. Overall net position increased from \$23.7M at 6/30/23 to \$29.8M at the end of October which was an increase of approximately 26%. Discussion ensued regarding results and the underlying causes both with respect to medical and drug coverage.

Mr. Rossner inquired about the Premium Deficiency Reserve and amortization of it in the FY2024 financial statements to date. Mr. Tsiopras stated that the results are only slightly better than the amortized amounts, which suggests that the actuary's estimate thus far is an accurate projection of the need. Mr. Tsiopras provided projections for CY2024 and FY2025 revenue and impact on net position.

MOTION by Daniel Rossner, seconded by Michelle Clark, to accept the HealthTrust Financials for FY2024 Year-to-Date through October 31, 2023, as presented, with gratitude.

MOTION passed unanimously.

Member Group Renewal Update

Wendy Parker provided an overview of activities related to renewals. She noted that January 1 and April 1 are typical times when groups cancel. The public hearings this year presented the first opportunity to provide Member

Groups a deeper understanding of the cost drivers for the increases and the need for the 5% capital risk charge and those who were not able to attend received phone calls. All Member Groups received calls after the Board finalized rates. Several groups requested HealthTrust support to appear in person before boards or committees or to meet in person with other key personnel. Several Member Groups requested claims or census information. This information helps groups understand the reasons for their group-specific rates and provides HealthTrust with some indication of the groups that may be at risk of leaving the medical program pool.

Ms. Parker reported that the January 1 renewal commitments were coming in at a rate consistent with past years. She noted that the Town of Meredith had recently joined for all lines of coverage and that three set for renewal went out to bid and have renewed. Ms. Parker remarked that the going out to bid is often a positive educational experience for groups as it deepens their understanding of what drives rates.

Further discussion and questions ensued regarding life, long- and short-term disability lines of coverage.

Investment Policy Review and Recommended Changes Discussion

George Tsiopras reported that staff and HealthTrust's investment advisor recently reviewed the investment policy to ensure that it is consistent with current needs and best practices. He highlighted the four sections in need of attention: 1) standards and benchmarks need updating; 2) the term "equities" needs to be updated to "risk assets" to broaden opportunities (consistent with other risk pools); 3) the description of investment allocation (rather than min, target, max use a range) – duration to average life to better indicate liquidity; and 4) clarifying language with respect to authority. Chair Dunn requested that staff prepare a memorandum explaining the need for any recommended changes and how they relate to standards or best practices.

Next Mr. Tsiopras discussed liquidity and reviewed with the committee a cash management tracking tool that has been developed by the finance department. He specifically review projections and expectations with respect to compliance with policy over the next few months. Discussion ensued regarding the best opportunity for dealing with the projected need for cash assets in January 2024.

Michelle Clark left the meeting at 10:30 a.m.

Compliance, Risk & Control Report

Scott Dunn invited Suzy Easterling-Wood, HealthTrust's Compliance, Risk and Control Officer, to share her internal audit report. Ms. Easterling-Wood gave a brief overview of the report and invited any questions. Discussion ensued.

MOTION by Michelle Clark, seconded by Daniel Rossner, to recommend the full board adopt the FY2024 Q1 Payroll Continuous Evaluation, as presented.

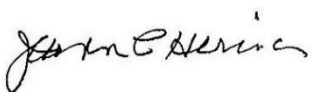
MOTION passed unanimously.

Other Business

Chair Scott Dunn asked the Committee if there was any other business. No other business was brought forth.

Scott Dunn declared the meeting adjourned at 10:40 a.m.

Respectfully submitted,



Jeanne Herrick, General Counsel