



## Important Statement from the HealthTrust Board of Directors Regarding Financials and SB297

Recent statements and the rationale for SB297 are extremely troubling. Overly simplistic narratives have been combined with misleading and false information to disguise and rush through harmful legislation that would negatively and unnecessarily impact New Hampshire's public sector cities, towns, schools, counties and others we serve.

### Financials

HealthTrust is not insolvent nor is it currently facing near-term insolvency. It is extraordinarily troubling that false information about our financial position is being spread. Here are the facts:

1. HealthTrust experienced a \$10M gain in FY2024.
2. HealthTrust experienced a \$2M gain in FY2025 to date, from July through February.
3. HealthTrust is actuarially projected to end FY2025 with a gain.
4. HealthTrust rates have been actuarially determined to cover expected claims.
5. HealthTrust cash flow is exceptional.
6. HealthTrust has fully funded Incurred But Not Reported (IBNR) claim and administration reserves.
7. HealthTrust has a contingency reserve currently funded at \$35.7M.
8. HealthTrust is well above the assessment thresholds contained in SB297.

When this bill was introduced, it was incorrectly stated that HealthTrust "is losing \$2.5M per month." This is false. It was then incorrectly stated that HealthTrust was projected to lose \$12.5M this fiscal year. This is also false. Our external actuarial projection shows a gain for FY2025. Lately, more misinformation has been spread that HealthTrust is insolvent. **This misinformation is blatantly and demonstrably false and extremely harmful to the public sector employers and employees we serve. Furthermore, it fuels an erroneous sense that there is an urgent need for corrective action.**

As we have publicly shared, HealthTrust is in the midst of an actuarially-modeled, Board approved capital rebuild plan over a three year period. In recent years we were required to return \$57M of surplus to our Member Groups due to underutilization during the pandemic and now need to raise approximately \$60M to replenish reserves due to much greater post-pandemic utilization. It is not hard to see a correlation between the requirement to return surplus and the need to replenish reserves. Our regulator's own projections show that the rebuild plan is more than sufficient to rebuild reserves, stating that SB297 would have "no impact" on HealthTrust's rates. To say otherwise is irresponsible and false.

HealthTrust, as always, posted its audited FY2024 financial statement on its public website, along with actuarial reports. We provided financial statements through the first half of FY2025 along with a 10-year history and the actuarial rebuild plan in our SB297 testimony packet, and have also posted that packet to our public website. In the face of these facts and our thorough transparency, it must be asked why these rumors are being spread, and for what purpose.

## Our Organization

HealthTrust exists to serve the public sector of New Hampshire and we have proudly done so for 40 years. We currently serve 356 Member Groups including 191 municipalities, 6 counties, 85 school groups, and 74 other governmental entities such as water districts, libraries, and fire districts. In total, we cover over 72,000 individuals between all coverage lines.

In 1987, NH RSA 5-B was enacted because the commercial market did not meet the needs of the public sector. We operate in a free market, competing with other risk pools and with the commercial market. However, the vast majority of New Hampshire's political subdivisions still choose HealthTrust for their coverage. **We remain the only organization (including commercial carriers and other risk pools) that never declines to quote an eligible Group.** We are here to serve all who need us, and the need is as strong, or stronger, than it was in 1987.

## SB297

HealthTrust is a nonprofit organization that exists to serve the public sector. As we testified at the Senate Finance Committee Hearing, SB297 will cause serious harm to the public sector and is a fatally flawed bill for multiple reasons.

We as a Board have a fiduciary duty and cannot knowingly engage in a system that will bring harm to those we serve. This is about much more than reserve levels. The dictates of SB297 lack the systems and standards (actuarial and otherwise) needed to maintain an effective health pooled risk management program.

Risk pooling is an incredibly complex and nuanced system that requires careful and thoughtful regulation. This is particularly true in a volatile health care market. The impacts and ramifications of SB297 run far beyond an overly simplistic application of reserve requirements.

**As a result, we are saddened to say that after careful review and discussion, we the HealthTrust Board of Directors voted at yesterday's March 20th meeting that if SB297 passes in its current form we will be forced to end our coverages and services effective December 31, 2025 for January Groups and June 30, 2026 for July Groups. HealthTrust will fulfill all obligations through those dates, in addition to full administration of run-out services. After the full run-out occurs, HealthTrust will distribute remaining surplus funds back to the Member Groups that we have proudly served.**

To be clear and to be ahead of mischaracterizations, this decision has **nothing** to do with HealthTrust's finances. We are viable and would otherwise continue to be. This has **everything** to do with the

extraordinarily flawed SB297 that has been rushed through the legislative process without reasonable and objective scrutiny.

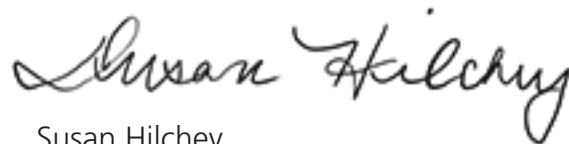
## In Closing

HealthTrust supports reasonable standards and regulation and will continue to work to amend SB297. We believe that risk pools fulfill an essential function for the political subdivisions of New Hampshire and without them Member Groups will be forced to turn to the commercial market, at a higher cost for taxpayers and with less services for the public sector. Regardless of outcome, it has been, and remains, our honor and privilege to serve the exceptional public sector of New Hampshire.

Sincerely,



Daniel Rossner  
Business Administrator,  
School Administrative Unit #48  
Chair, HealthTrust Board of Directors



Susan Hilchey  
Director of Human Resources,  
School Administrative Unit #25  
Vice Chair, HealthTrust Board of Directors

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Business Administrator  
SAU #48 – Plymouth Schools

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