

HEALTHTRUST, INC.
BOARD OF DIRECTORS
WHITEFIELD, NH
Minutes of August 11, 2023

BOARD OF DIRECTORS PRESENT:

Rossner, Daniel, Bus Admin, SAU #48, <i>Chair</i>	Hilchey, Susan, Director of HR, SAU #25
Dunn, Scott, Town Admin, Gilford, Vice <i>Chair</i>	Sheing, Jill, HR/Payroll Coord, Strafford Cnty
Clark, Michelle, Bus Admin, SAU #66	Stacey, Cathy Ann, Reg of Deeds, Rockingham Cnty (<i>phone</i>)
Codling, Brigitte, Town Manager, Haverhill	Trahan, Sarah, Teacher, Winnacunnet H. School
Dean, Russell, Town Manager, Exeter (<i>phone</i>)	

BOARD MEMBERS UNABLE TO PARTICIPATE

Ford, Duane, Business Admin, SAU #67	Rapp, Brian, Deputy Chief, Claremont Fire Depart
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STAFF PRESENT:

Bodwell, Erica, Benefits & Coverage Counsel	Parker, Wendy, Executive Director
DeRoche, Scott, Member & Enrollee Services Mgr	Saucier, Pamela, Executive Assistant
Herrick, Jeanne, General Counsel	Simmons, Darlene, Engagement Manager
Kalgren, Jason, Reporting & Data Manager	Tsiopras, George, Chief Financial Officer

Daniel Rossner, Chair of the Board opened August 11, 2023 meeting of the HealthTrust Board of Directors at 9:00 a.m. Mr. Rossner welcomed everyone and thanked staff for putting together the retreat. He noted that Russell Dean and Cathy Ann Stacey were participating remotely as it was not reasonably practical for them to attend in-person. When Mr. Rossner asked if there was anyone in the room with Ms. Stacey, she responded, no. When Mr. Rossner asked if there was anyone in the room with Mr. Dean, he responded, no. Chair Rossner stated that all votes would be taken by roll call.

Minutes of the May 25, 2022 HealthTrust Board of Directors Meeting

Chair Rossner asked if there were any questions regarding the minutes. None were raised.

MOTION by Scott Dunn, seconded by Michelle Clark, to accept both public and non-public unsealed minutes of the May 25, 2023 HealthTrust Board of Directors meeting.

Roll Call Vote

Clark, Michelle	Y	Dunn, Scott	Y	Sheing, Jill	Y
Codling, Brigitte	Y	Hilchey, Susan	Y	Stacey, Cathy Ann	Y
Dean, Russell	Y	Rossner, Daniel	Y	Trahan, Sarah	Y

MOTION passed unanimously.

Regulatory Update:

Jeanne Herrick provided a brief update that after the BSR visited HealthTrust in June, there was no follow-up until a lengthy request for additional information including a detailed listing of Members who have joined HealthTrust and who have left HealthTrust during the last 10 fiscal years and information packages provided to HealthTrust Board and Finance and Personnel Committee that during the last 4 year that was received on Friday August 4, 2023. Due to the volume of information and intervening vacations, Ms. Herrick reported that she does not anticipate that it is likely that information will be provided until after Labor Day.

Financials –May & Preliminary Year-End FY2023

George Tsiopras reviewed the preliminary financials, in detail and offered to answer any questions.

MOTION by Michelle Clark, seconded by Brigitte Codling to accept the HealthTrust Financials for May and preliminary FY2023 Year-End, as presented.

Roll Call Vote

Clark, Michelle	Y	Dunn, Scott	Y	Sheing, Jill	Y
Codling, Brigitte	Y	Hilchey, Susan	Y	Stacey, Cathy Ann	Y
Dean, Russell	Y	Rossner, Daniel	Y	Trahan, Sarah	Y

MOTION passed unanimously.

Investment Portfolio Update

Daniel Rossner invited George Tsiopras to continue with an update on the Investment Portfolio. Mr. Tsiopras started with a review of HealthTrust’s investment policy and the requirements for Cash & Cash Equivalents. He then discussed the year-end financials noting that as a result of higher claims activity than projected in the rating, Cash and Cash Equivalents were reduced to \$13.5M as compared to \$45.7M at the beginning of the fiscal year. He reported that \$13.5M was less than the policy required, which currently is \$20.9M. To remedy the compliance issue, Mr. Tsiopras met with the Investment Advisor and Managers to review options to raise the additional cash required. The investment advisor at Strategic Asset Alliance recommended the liquidation of the equity portfolio to raise the additional cash required. After informing the Chair of the Board and the Chair of the Finance and Personnel Committee, Mr. Tsiopras directed the liquidation of the equity portfolio resulting in proceeds of approximately \$14M and the recognition of a realized gain on the sale of approximately \$8M. A brief discussion ensued with respect to the Investment Policy waiver required relating to the recent credit downgrade of US government backed debt. Mr. Tsiopras provided additional background information regarding the impact of a recent rating downgrade of U.S. Government backed bonds.

MOTION by Scott Dunn, seconded by Sarah Trahan to temporarily waive the requirements in section 5.8 of the Investment Policy with regards to commercial securities backed by US gov. until the full Board contemplates permanent changes to the HealthTrust investment policy at an upcoming meeting.

Roll Call Vote

Clark, Michelle	Y	Dunn, Scott	Y	Sheing, Jill	Y
Codling, Brigitte	Y	Hilchey, Susan	Y	Stacey, Cathy Ann	Y
Dean, Russell	Y	Rossner, Daniel	Y	Trahan, Sarah	Y

MOTION passed unanimously.

Investment Portfolio Update

Daniel Rossner gave an update on the target suggested for the Capital Adequacy Reserve reviewed in detail by Cathy Murphy-Barron from Milliman on Thursday.

MOTION by Scott Dunn, seconded by Michelle Clark to accept as presented the Milliman Report on Recommended Capital Adequacy Reserve for HealthTrust, Inc. as of June 30, 2023 of between \$90 and \$150 million and to set the target for Capital Adequacy Reserve at \$90 million for the protection of HealthTrust, Inc. beneficiaries.

Roll Call Vote

Clark, Michelle	Y	Dunn, Scott	Y	Sheing, Jill	Y
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Codling, Brigitte	Y	Hilchey, Susan	Y	Stacey, Cathy Ann	Y
Dean, Russell	Y	Rossner, Daniel	Y	Trahan, Sarah	Y

MOTION passed unanimously.

Other Business

Susan Hilchey, Chair of the Strategic Planning Committee, reviewed updates and recommended changes to the 2024 Slice of Life Program. The recommendation was made to increase the points that can be earned each of the four levels, as well as adjusting the allocated Pulse Cash for level 3 & level 4 increasing the overall maximum amount earned in a Quarterly Game to \$110 Pulse Cash. In addition, the Committee recommended the move from three Key Action Steps to two and to decrease the amount of Pulse Cash earned through Action Steps to hold the maximum yearly earning at \$475. Additionally, the Committee also recommended to discontinue with HealthTrust sponsored Flu Clinics.

Motion by Susan Hilchey, seconded by Brigitte Codling to accept the recommended changes to the Slice of Life Program for 2024, including the discontinuation of the HealthTrust sponsored Flu Clinics as presented.

Roll Call Vote

Clark, Michelle	Y	Dunn, Scott	Y	Sheing, Jill	Y
Codling, Brigitte	Y	Hilchey, Susan	Y	Stacey, Cathy Ann	Y
Dean, Russell	Y	Rossner, Daniel	Y	Trahan, Sarah	N

Motion carried.

Other Business

Daniel Rossner asked if there were any questions or concerns as to the 2024 Board Meeting Draft schedule included in materials.

Wendy Parker provided an update on the request to confirm savings from the Copay Program and ensure that those savings did not include retirees over the age of 65. As of this morning, those numbers from Brown and Brown are not yet available. Daniel Rossner, suggested to delay action on the Copay Program until an accurate review of savings is available and to ensure that both the Copay prescription program and any possible change to retiree programs not be made at the same time for 2025.

Ms. Parker reminded the Board of the importance of communication to Member Groups in regards to the upcoming GMR rates and any other changes decided by the Board in regards to Medicare Advantage with Prescription Drug and the fact that if the Board chose to pursue this option, there would no longer be a Retiree option equivalent to the current Medicare supplemental plan, Medicomp without Rx (MCNRx). Ms. Parker suggested that Retirees enrolled in MCNRx as of December 31, 2024 could be grandfathered to continue enrollment in MCNRx but that otherwise the product would not be available to Retirees.

MOTION: By Susan Hilchey, seconded by Scott Dunn to direct staff to design, develop and take such additional action as necessary to establish a fully insured Medicare Advantage Program with embedded Part D that will be ready for Medicare eligible retiree enrollment on January 1, 2025 and to further direct staff that Medicomp Three without Prescription Drug (MCNRX) enrollees on December 31, 2024 shall be allowed to continue enrollment in the MCNRX program, but except for grandfathered MCNRX enrollees, the entire Medicomp Three program shall be discontinued as of January 1, 2025.

Brief discussion ensued, with a reminder from Ms. Parker that this would have a budget impact of \$50-75K this fiscal year based on additional consulting services relative to implementation.

Roll Call Vote

Clark, Michelle	Y	Dunn, Scott	Y	Sheing, Jill	Y
Codling, Brigitte	Y	Hilchey, Susan	Y	Stacey, Cathy Ann	Y
Dean, Russell	Y	Rossner, Daniel	Y	Trahan, Sarah	Y

MOTION passed unanimously.

Chair Rossner reminded the Board that they needed to make a decision on the high dollar claim threshold as recommended on day 2 of the retreat. Brief discussion and questions ensued.

MOTION by Michelle Clark, seconded by Susan Hilchey to increase the high dollar claims threshold from \$150,000 to \$175,000 and to amend the current high dollar claim averaging over 5-years to exclude the lowest year within the five-year cycle for the development of future rates.

Roll Call Vote

Clark, Michelle	Y	Dunn, Scott	Y	Sheing, Jill	Y
Codling, Brigitte	Y	Hilchey, Susan	Y	Stacey, Cathy Ann	Y
Dean, Russell	Y	Rossner, Daniel	Y	Trahan, Sarah	Y

MOTION passed unanimously.

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

Meeting adjourned at 9:57.

Respectfully submitted,



Pamela Saucier, Executive Assistant