

Leveraging the Power of Community



2024 ANNUAL REPORT

July 1, 2023 – June 30, 2024 (FY2024)



Welcome from the Executive Director

HealthTrust is all about community support. It's why we exist – to serve New Hampshire's municipalities, schools and public sector employers, employees, their families, and retirees. These individuals educate our children, keep us safe, provide invaluable support services, and enhance our community-based quality of life. We, in turn, provide the healthcare plans, well-being programs, and personalized service to help keep them healthy.

As a risk pool, we use data-driven, transparent processes to set the rates needed to cover claims, reserves, and administration. Our operating model as a self-insured entity with non-assessable coverages meets the unique needs of the public sector in the Granite State. This includes protecting the political subdivisions from risk and providing coverages to all eligible Groups, never declining to quote even those Groups who are unable to obtain coverage elsewhere.

For 40 years, HealthTrust has provided these services with the never-wavering mission to deliver high-quality benefits at the lowest price possible. By its nature, healthcare is expensive. Increased utilization, provider consolidations, for-profit hospital mergers, increasingly high prices of procedures, new treatments, and prescription drugs have fueled more claims volatility in recent years.

Several important changes studied in Fiscal Year 2024 and subsequently approved are expected to mitigate the impacts of claims volatility and price increases. They include:

- **Medicare Advantage with Prescription Drug (MAPD) Plan Implementation:** The MAPD plan replaces the Medcomp with Prescription Drug supplemental plan and is expected to deliver nearly 50% in premium savings for covered Retirees and Groups that fund Retiree coverage.
- **New Medical Rate Issuance Process:** Final medical rates for July renewing Members are now issued in October, replacing the previous Guaranteed Maximum Rate (GMR) process.
- **Deductible Funding Limitations:** A new policy, which limits employer contributions to a maximum of 50% of the medical deductible across all HealthTrust medical plans (excluding fully credible Groups over 1,000 Enrollees). This ensures plans operate as intended.
- **Exclusion of Anti-Obesity Medications (AOMs):** A decision was made to exclude coverage of AOMs for plans with CVS Caremark prescription drug coverage, effective March 1, 2025. This aligns all HealthTrust medical plans, which have long-standing exclusions for AOMs, and further aligns with many public sector plans. Impacted medications, including GLP-1s, continue to be covered for other FDA-approved conditions including diabetes and certain heart conditions.
- **Capital Adequacy Reserve (CAR) and High-Cost Claims Adjustments:** The Board increased the CAR target from \$90 million to \$122.5 million as of June 30, 2024, to ensure sufficient reserves to manage unexpected claim surges. It also increased the high-cost claims cutoff amount from \$150,000 to \$175,000, reflecting the increase in healthcare prices.
- **Reinsurance Market Evaluation:** HealthTrust has assessed the reinsurance market to identify opportunities for additional protection against volatility and has purchased reinsurance for FY2025.
- **Well-Being Program Evaluation:** HealthTrust conducted a comprehensive review of our well-being programs to evaluate claim savings and return on investment.

Every decision made by HealthTrust's Board is guided by our mission to support Members and promote the well-being of Covered Individuals. We remain committed to meeting the evolving needs of New Hampshire's public sector and believe the work accomplished in FY2024 will benefit our communities for years to come.

— **Scott DeRoche**
Executive Director

Overview

Founded in 1985 to exclusively serve New Hampshire's public sector, HealthTrust is a nonprofit Member-governed and Member-focused provider of medical, prescription drug, dental, life, and disability benefit plans, health-boosting well-being programs, and exceptional Member and Enrollee services.

Ensuring covered employees, retirees and dependents receive high-quality, cost-effective healthcare is the constant focus of HealthTrust and its Board of Directors. This includes proactive well-being programs and preventative care initiatives. Members are also able to take advantage of dental, disability and life coverages, or participate in additional services including Flexible Spending Account and Health Reimbursement Account administration, and COBRA and retiree billing services.

We believe that access to HealthTrust's high-quality healthcare coverage and well-being programs can broadly improve population health and reduce overall claims costs. Combined with the exceptional service delivered by our staff, HealthTrust offers significant value in the New Hampshire public sector employee benefits marketplace.

Our Mission



To provide high-quality, cost-effective, employee benefit products and services for public employers and employees in New Hampshire in order to reduce costs through pooling strategies with a commitment to education, health promotion, and disease prevention.

Our Vision



New Hampshire communities' most trusted partner in achieving optimum health through a culture of wellness.

Our Values



- Integrity
- Service
- Innovation
- Collaboration

Our Core Services



Medical



Dental



Prescription
Drug



Well-Being
Programs



Disability



Benefit
Advantage



Support
Services

Board Membership and HealthTrust Executive Leadership

HealthTrust is governed by a Board of Directors who represent New Hampshire's municipalities, schools, counties, and other public entities. Our Board, along with everyone on our staff, cares deeply about doing their part to keep our communities strong, healthy, and thriving.



Daniel Rossner, Chair
Business Administrator
SAU #48 - Plymouth Schools

HealthTrust Board of Directors



Susan Hilchey, Vice Chair
Director of Human Resources
SAU #25 - Bedford Schools



Troy Brown
Town Manager
Town of Littleton



Michelle Clark
Business Administrator
SAU #66 - Hopkinton Schools



Russell Dean
Town Manager
Town of Exeter



Brian Rapp
Deputy Chief
Claremont Fire Department



Timothy Ruehr
Chief Financial Officer
SAU #29 - Keene



Jill Sheing
HR Payroll Coordinator
Strafford County



Cathy Ann Stacey
Register of Deeds
Rockingham County



Sarah Trahan
Social Studies Teacher
Winnacunnet High School

Board composition as of June 30, 2024

HealthTrust Leadership Team

The HealthTrust Leadership Team members bring many years of industry experience and expertise to the organization, and are passionate about helping our Members, Covered Individuals, and New Hampshire's entire public sector. They work together with the HealthTrust Board of Directors to set strategic goals for the organization and lead the team in achieving those goals and fulfilling our mission.

Scott DeRoche
Executive Director

George Tsiopras
Deputy Director and
Chief Financial
Officer

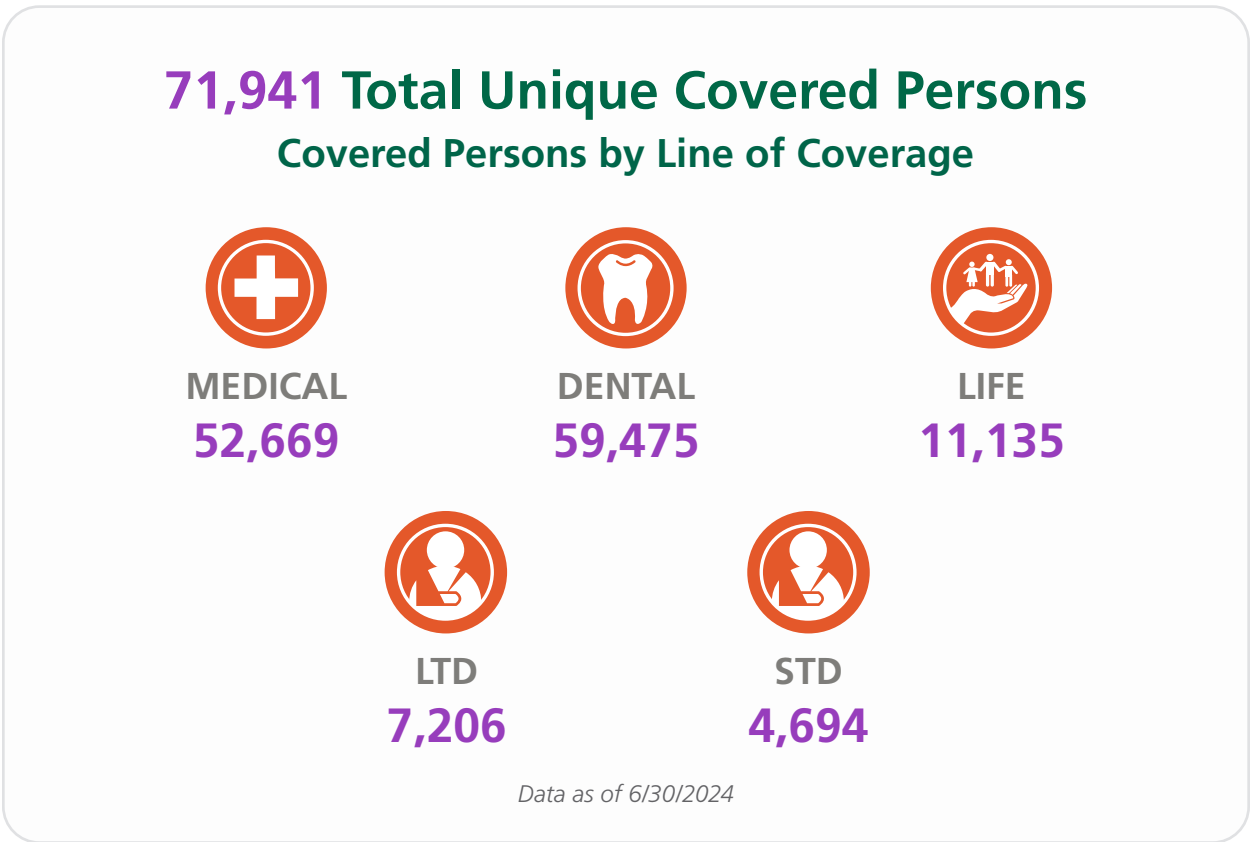
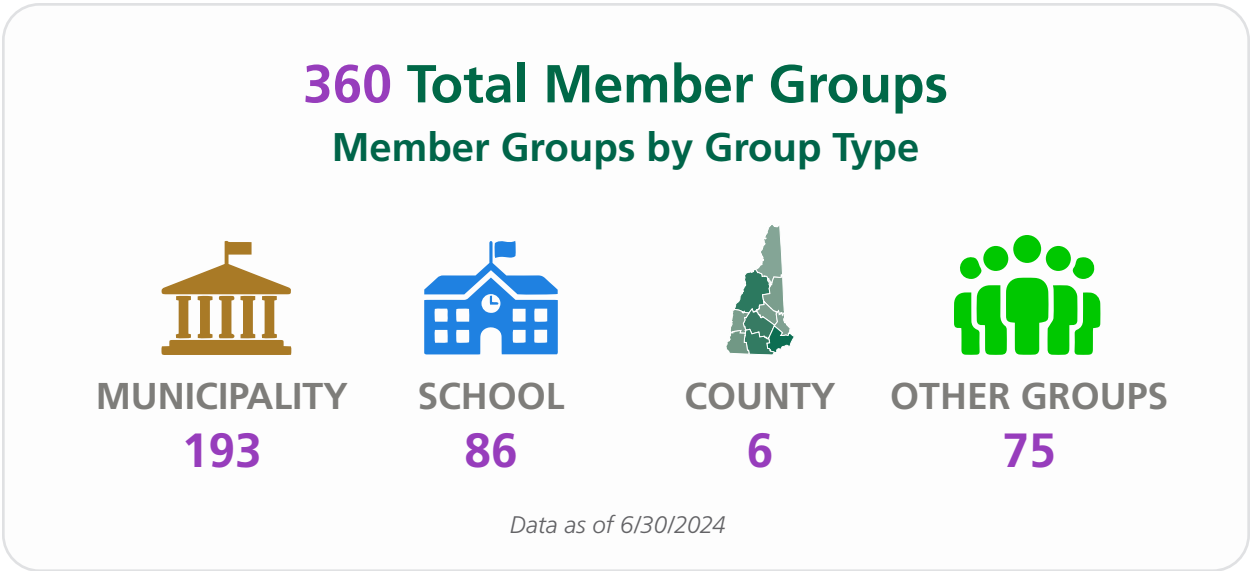
Jeanne Herrick
General Counsel

Jason Kalgren
Chief Information
Officer

Lynne Turmel
Director of Risk Pool
Operations

Serving New Hampshire's Communities

Membership: As of June 30, 2024, HealthTrust provided coverage for 71,941 unique Covered Individuals participating in at least one of our coverage lines. These Covered Individuals live in nearly every New Hampshire community and represent employees, retirees, spouses, and dependents.



FY2024 Financial Highlights

During FY2024, claims remained at elevated levels but, importantly, were closely aligned to the updated actuarial predictions. The Premium Deficiency Reserve (PDR) appropriately accounted for the increased claims volume and, along with the Capital Risk Charge implemented to begin rebuilding reserves, resulted in an operating gain for FY2024 in the amount of nearly \$7 million. Combined with investment gains of \$3 million, the overall net position for FY2024 increased \$10 million from \$23.7 million to \$33.7 million. This is higher than the \$26 million forecast by our actuaries in the Capital Adequacy Reserve rebuild plan. Additionally, the actuarial analysis completed at the end of FY2024 indicated that rates for FY2025 are sufficient to cover expected claims and that there was no need to record a PDR.

These results indicate that rating disruptions during the COVID and post-COVID periods have normalized, rates are sufficient, and the rebuild plan should continue to progress as modeled.

Net Position and Changes in Net Position:

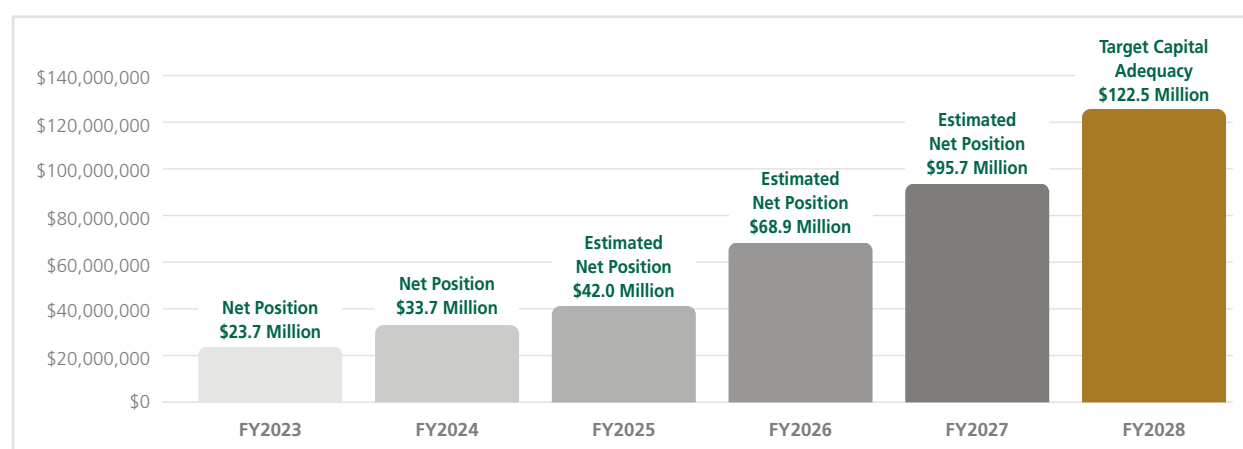
The following table shows HealthTrust's condensed Net Position as of June 30, 2024:

	FY2024	FY2023	% Chg
Assets	\$ 70,519,059	\$ 84,693,828	(17)%
Property and equipment, net	276,067	98,503	180%
Subscription and right of use assets	3,333,147	4,535,254	(27)%
Investment in Center at Triangle Park, Inc.	4,795,744	4,960,990	(3)%
Total Assets	78,924,017	94,288,575	(16)%
Deferred Outflows of Resources	2,602,782	3,472,514	(25)%
Liabilities	43,889,898	69,869,802	(37)%
Subscription and lease liabilities	2,075,400	3,004,208	(31)%
Total Liabilities	45,965,298	72,874,010	(37)%
Deferred Inflows of Resources	1,806,739	1,158,272	56%
Unrestricted net position	27,425,204	17,138,268	60%
Majority interest in Center at Triangle Park, Inc.	4,795,744	4,960,990	(3)%
Investment in capital assets, net	1,533,814	1,629,549	(6)%
Total Net Position	\$ 33,754,762	\$ 23,728,807	42%

These statements are a condensed version of HealthTrust's financial statements audited by Johnson Lambert LLP. A copy of the complete financial statements, including notes and the report of the independent auditors, is available at: healthtrustnh.tiny.us/FY2024

HealthTrust Capital Rebuild Plan

From 2020 to 2024, HealthTrust witnessed extreme and hard-to-predict volatility in the health insurance market. This includes return of surplus in FY2021 and losses in FY2022 and FY2023 that required HealthTrust to use reserves to maintain stability for Members. To help ensure ongoing financial stability, we implemented several key changes expected to mitigate the impacts of severe claims spikes and are currently rebuilding capital to withstand future volatility. HealthTrust's Net Position improved in FY2024. The chart below denotes the estimated Net Position per the Board's adopted capital rebuild plan. For FY2024, actuaries recommended HealthTrust set a target contingency reserve between \$95 million and \$150 million.



Cash Flows

HealthTrust maintained sufficient cash and investments to meet expenses for the period ending June 30, 2024. All cash is maintained in interest bearing, collateralized accounts at all times. Cash and cash equivalents increased by \$20 million for FY2024 as a result of equity and fixed income portfolio liquidations. As noted from the chart below, HealthTrust's cash and cash equivalents grew during the fiscal year and are at a level sufficient to support the needs of the organization and comply with our policies.

	Quarterly Requirement	Actual	
Quarter Ending	100% Claims & Admin Reserve	Cash, Equivalents & Short-Term Investments	6.1.3 Compliant
Q1 - 9/30/23	\$38,411,243	\$39,335,611	Yes
Q2 - 12/31/23	\$39,360,074	\$45,174,350	Yes
Q3 - 3/31/24	\$40,029,598	\$45,608,153	Yes
Q4 - 6/30/24	\$33,654,507	\$45,143,846	Yes

HealthTrust Well-Being Programs

HealthTrust invests in Well-Being Programs designed to reduce long-term healthcare costs for our Member Groups and Covered Individuals. We are committed to supporting the well-being of our Enrollees, Retirees, and their covered family members by providing comprehensive programs that promote healthier lifestyles, proactive disease and condition management, and informed healthcare choices.

Studies show that preventive health measures – such as wellness initiatives, mental health support, and lifestyle coaching – lead to lower rates of chronic disease, decreased absenteeism, and improved employee engagement. HealthTrust believes that a proactive approach to health reduces medical expenses by addressing potential health issues before they become costly conditions. Our Covered Individuals embrace this approach with a majority active in our Well-Being Programs.

Slice of Life WELLNESS PROGRAM <small>Powered by: ~personify HEALTH™</small>	Medical Care Access	Expert Medical Support	Disease Management	Mental Health
<i>Live Healthy, Earn Rewards</i>	<i>Access Care When and Where You Need It</i>	<i>Take Charge of Your Health</i>	<i>Get Help Managing a Chronic Condition or Disease</i>	<i>Find Support for Everyday and Life-Impacting Issues</i>
Rewards Cash Health Coaching Health Check Survey Social Platform Healthy Habits Trackers ~personify HEALTH™ Transform Weight Management	LiveHealth® ONLINE Anthem® 24/7 NurseLine convenientMD URGENT CARE SmartShopper® <i>Earn Rewards by Making Cost-Effective Healthcare Decisions</i>	Included HEALTH <i>Get a Second Opinion from a World-Class Expert</i> CORIGEN™ Medication Safety Program <i>Discover, through DNA Testing, if the Medications You Take Now – or in the Future – are Right for You</i>	CVS caremark® Transform Diabetes Care® Accordant® CVS specialty nurse care management AWARE RECOVERY CARE Anthem® Health Management Programs lark Diabetes Prevention Program	LifeResources EMPLOYEE ASSISTANCE PROGRAM Powered by: COMPSYCH™ Koa Care 360 LiveHealth® ONLINE (Psychology and Psychiatry) Aspire365 LIVE MORE THINGS WHILE RECOVERING InStride Health™

Slice of Life Quick Facts

 **10,000+** Enrolled in the Slice of Life Program

