

October 31, 2013

TO: All Licensed New Hampshire Health Maintenance Organizations, Third Party Administrators (“TPAs”), Registered Administrative Services Providers with Respect to Health Insurance, Insurance Companies, and Health Service Corporations (together “Assessable Entities”)

You are receiving this mailing because the records of either the New Hampshire Vaccine Association (“NHVA”) or the New Hampshire Insurance Department reflect that you likely are an “Assessable Entity” under the recently-revised RSA 126-Q. RSA 126-Q is the statute which established and governs NHVA. All assessable entities are required to report to the NHVA on a quarterly basis all “Assessable Lives.” Assessable Lives are defined by statute to be “all children under 19 years of age residing in the state who have assessable coverage written or administered by an Assessable Entity.”

The NHVA, working with KidsVax® as administrator, facilitates universal purchase of vaccines for New Hampshire children. By collecting payments from Assessable Entities and remitting funds to the State of New Hampshire it is possible for:

- physicians, clinics and hospitals to receive state-supplied vaccines at no charge;
- New Hampshire children to have easy access to critical vaccines; and,
- all payers to participate in one of the most efficient, cost-effective systems in the country for purchasing and distributing childhood vaccines.

Previously, certain stop loss and health insurance carriers were obligated to report all covered lives (adult and children) to the New Hampshire Health Plan. From those reports, entities were billed annually by NHVA for vaccine costs for New Hampshire resident children. Those billings typically were issued around this time of year with payment in full due as of February in the succeeding calendar year.

In order to maintain equity among payers for NH childhood vaccine costs, the New Hampshire legislature passed House Bill 664 in June 2013. As a result, the NHVA assessment method changed from an annual all-covered-lives measurement and payment to a quarterly child-covered-lives measurement and payment. Payments henceforth will be due from a much wider base which includes essentially all insured and self-insured plans covering New Hampshire children.

2013-14 is a transitional year. Pursuant to the Interim Plan of Operation now in effect, NHVA will collect all four quarterly assessments for the state fiscal year ending June 30, 2014 in the last quarter of the fiscal year (with payment due May 15, 2014) based upon child covered lives during the first quarter of calendar year 2014 (i.e., January, February, and March). This will allow both NHVA and payers maximum preparation time to adjust to this new payment methodology.

In summary, the first payment under the new statute governing the NHVA will be due on May 15, 2014. The monthly assessment rate for this first payment is \$10.61. The assessment payment due May 15, 2014 will be \$10.61 x 4 x the sum of the number of child covered lives in each month January to March, 2014.

Commencing August 15, 2014, payments will be due each quarter based upon the child covered lives during the preceding quarter end (in that case, April, May, and June of 2014). The assessment rate commencing August 15, 2014 has been set at \$12.96. That rate is expected to remain in effect for each quarterly payment due for the balance of 2014 (i.e., the amount for months July, August, and September, which are due November 15, 2014 and for October, November, and December, which are due February 15, 2015). On or before November 1, 2014, NHVA anticipates mailing to you (and posting to its website) the quarterly assessment rates due for the four quarters of calendar year 2015 (payable on or before 45 days following the close of each calendar quarter).

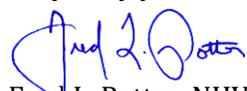
NHVA already has commenced testing of its new assessment system and anticipates holding a series of orientation/training sessions for payer personnel in the months of December 2013 and January 2014. To assure that your compliance staff are made aware of these training opportunities, we encourage each organization receiving this letter to register one or more servicing staff members for e-mail notifications on the NHVA website. The link for that simple e-mail registration is in the lower right-hand corner of the home page (www.NHVaccine.org).

Inevitably there will be a number of organizations receiving this notice who neither pay for nor administer childhood health benefits. Those organizations are still encouraged to register for the training so that they can file a simple "Zero Covered Lives" report to eliminate the need for further compliance follow-up. For example, a specialized TPA offering solely eye care benefit administration would be able to file a one-time permanent Zero Covered Lives report to advise NHVA that it is not subject to the NHVA assessment.

In preparation for this new assessment administration, NHVA already has launched an improved website. That website presently carries over all prior NHVA documentation. That documentation will be updated as further administrative changes are adopted. Also, a number of public access considerations are under development to facilitate your receipt of notices concerning upcoming NHVA events. Already available on the website under the REFERENCE tab are (i) the amended statute governing NHVA, (i.e., RSA 126-Q), (ii) the Interim Plan of Operation recently signed by the Commissioner of Insurance, and, under the "News & Notices" section, (iii) notification of the assessment determination for the initial four quarters (due on May 15, 2014) of this fiscal year and then the remaining three quarters of calendar year 2014.

As always, please do not hesitate to call or e-mail at any time if we can offer further assistance to you. We desire to facilitate your efforts to maintain compliance in this important program which benefits New Hampshire children while also mitigating the rising costs of health care.

Very truly yours,



Fred L. Potter, NHVA Executive Director

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