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STATE OF NEW HAMPSHIRE

GRAFTON COUNTY SUPERIOR COURT

DOCKET NO. 215-2026-CV-00494

LEBANON SCHOOL DISTRICT

v.

NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION,
d/b/a SCHOOLCARE

JURY TRIAL DEMANDED

COMPLAINT

NOW COMES Plaintiff, the Lebanon School District ("the District"), by and through its undersigned counsel, Shaheen & Gordon, P.A., and complain against the defendant, New Hampshire School Health Care Coalition d/b/a SchoolCare ("SchoolCare"), as follows:

Introduction

1. At its core, this case is simple. SchoolCare expressly promised to provide healthcare coverage for Lebanon School District employees, spouses, dependents, and retirees from July 1, 2025, to June 30, 2026 ("the 2025-2026 coverage year"), advertising "firm and final rates," and then, after running short on funds over a period of years, issued Lebanon (and other districts) unanticipated, unbudgeted for "contribution assessments", in direct contravention of SchoolCare's contractual promises and its own policies.

2. SchoolCare unfairly leveraged the healthcare of District employees, spouses, dependents, and retirees to force payment. SchoolCare expressly and unequivocally threatened to stop paying claims after May 1, 2026, unless the unlawful contribution assessment was paid by the District.

3. Further, in response to related litigation, SchoolCare continues to pressure Districts into compliance with its demands.

4. SchoolCare had never issued member assessments before. Its September 2025 assessments directly contravened its existing express policy against using member assessments to fund SchoolCare.

5. SchoolCare's actions constitute breaches of contract, breaches of the implied covenant of good faith and fair dealing, and unfair or deceptive acts contravening New Hampshire's Consumer Protection Act (RSA chapter 358-A), as outlined below.

The Parties

6. Plaintiff Lebanon School District ("the District") is a duly organized school district in New Hampshire with an address of 20 Seminary Hill Road, West Lebanon, New Hampshire 03784.

7. Defendant New Hampshire School Health Care Coalition is a New Hampshire corporation with an address of 370 Harvey Road, Suite 4, Manchester, N.H. 03103. The New Hampshire School Health Care Corporation operates under the trade name "SchoolCare".

Jurisdiction and Venue

8. This Court has general jurisdiction over civil claims pursuant to RSA 491:7.

9. Plaintiff's Complaint is not asserting violations of RSA chapter 5-B or in any way seeking enforcement of RSA chapter 5-B[1].

10. Venue in Superior Court is appropriate for both of the following reasons:

[1] See *Dover Sch. Dist. v. New Hampshire Sch. Health Care Coal.* (Order on Mot. to Dismiss, June 23, 2026), Judge Curran's order regarding Subject Matter Jurisdiction in a similar action brought against SchoolCare by the Dover School District, attached as Ex. 1.

a. This is an action asserting common law breach of contract claims, cognizable in the Superior Court and its exercise of "judicial power", N.H. Const. pt. II art. 72-a;

b. The Consumer Protection Act claims asserted herein are, by statute, remediable only in Superior Court, *see* RSA 358-A:10; *see also* RSA 358-A:4, :6, :7, :8, :9, :10-a, 13 (all referencing only Court enforcement).

11. As the New Hampshire Supreme Court made plain in *New Hampshire Municipal Association v. New Hampshire Department of State*, 2015 N.H. LEXIS 268 (June 22, 2015) (non-precedential Order), the Superior Court has authority and jurisdiction to adjudicate a private dispute between a voluntary corporation (such as SchoolCare) and its member (such as the District). *New Hampshire Municipal Association*, 2015 N.H. LEXIS, *7.

12. Venue is appropriate in Grafton County given the District is located in Grafton County. *See* RSA 507:9.

13. Personal jurisdiction lies in New Hampshire as to all parties. All parties are domiciled and located in New Hampshire. The events giving rise to this matter all occurred in New Hampshire.

Facts Common to all Counts

Background of SchoolCare and Its Express 2008 No-Assessment Policy

14. SchoolCare provides health coverage to the individuals enrolled through many member school districts across New Hampshire.

15. Health coverage is about far more than money—it is about the ability of individual human beings to timely receive necessary medical care.

16. Currently, hundreds of District employees, numerous District retirees, and numerous spouses and dependents all rely on SchoolCare for health coverage.

17. SchoolCare operates as a governmental risk pool, with ninety member school districts as of June 30, 2025, of which the District is one.

18. Members of governmental risk pools are not inherently subject to member assessments.

19. SchoolCare is a part of a national risk pool industry association, the Association of Governmental Risk Pools (AGRiP), whose prescribed "best practices" SchoolCare holds itself out as following (and being certified as following), which requires as follows, from AGRiP's "Advisory Standards for Recognition" (2018) (*available at*: https://www.agrip.org/best-practices/advisory-standards):

I-A.4 Formation, governance, and/or other membership documents (whether in single or multiple source documents), include at a minimum provisions regarding:

- Membership eligibility
- Membership obligation
- Membership termination
- Membership voting rights
- Selection procedures and qualifications for the pool's governing body
- Powers and duties of the pool's governing body and any committees
- Indemnification for liability of members of the governing body, officers, committee members and pool staff
- Requirements for annual actuarial reviews
- Requirements for annual financial audits
- How pool financial information will be shared with pool members
- Dissolution of the pool
- Distribution of pool assets and liabilities upon dissolution
- How dividends or other distribution of pool assets upon circumstances other than dissolution are determined and allocated among members
- If assessments are authorized, circumstances for determining the assessment and allocating it among members are defined
- Whether members are jointly and severally liable within the pool
- Provisions under which a member can leave the pool, and associated notice provisions the member must give the pool
- Whether a member remains responsible for any portion of its losses, or is eligible for any; and, distribution of pool assets, upon departure from the pool

20. As illustrated above, AGRiP underscores that risk pools must decide, and make very clear in their governing documents, if and how member assessments can occur.

21. SchoolCare in fact has an express Board policy requiring that SchoolCare maintain membership in AGRiP and ensure that SchoolCare's policies and practices comply with AGRiP's recommendations. *See* Ex. 2, Excerpts of SchoolCare Policy Manual.

22. SchoolCare has declared itself to be a non-assessable risk pool. On June 3, 2008, SchoolCare's Board adopted an express policy against using member assessments. *See* Ex. 2.

23. SchoolCare has applied for and received AGRiP recognition, presumably in part based on its 2008 no-assessment policy.

24. Until September 2025, SchoolCare has consistently followed its 2008 no-assessment policy, issuing no member assessments.

25. Consistent with its no-assessment policy, there is no right of member assessment stated in SchoolCare's current Articles of Agreement or in SchoolCare's By-Laws. *See* Ex. 3, Articles of Agreement; Ex. 4, By-Laws.

26. As advertised prominently on SchoolCare's website: "SchoolCare provides firm rates to our members by December 1st for the following July 1st, to enable timely budget preparations and negotiations."

27. "The common meaning of 'firm' is 'fixed.'" *United States v. Rodriguez-Pena*, 1995 U.S. App. LEXIS 10432, *13 (1st Cir. May 11, 1995); *see also*, *e.g.*, *Dalton v. Cessna Aircraft Co.*, 98 F.3d 1298, 1304 (Fed. Cir. 1996) (discussing "firm fixed-price services contract").

28. In addition to SchoolCare' express promises of coverage/payment made directly to individuals who enroll in SchoolCare, as mentioned above, SchoolCare's characterization of its premiums as "firm" only further underscores that SchoolCare assumed the risk of paying claims. *See Lakeshore Eng'g Servs. v. United States*, 748 F.3d 1341, 1347 (Fed. Cir. 2014)

("The essence of a firm fixed-price contract is that the contractor, not the government, assumes the risk of unexpected costs.").

29. The District's membership with SchoolCare dates back a number of years. The membership agreement continues on a yearly basis, provided the District accepts SchoolCare's rates each year and remains a member.

30. On November 5, 2024, SchoolCare sent the District a letter along with its quoted rates for the District for the coming July 1, 2025, through June 30, 2026, coverage year, describing the rates as "firm and final." *See* Ex. 5, Renewal Letter.

31. The same letter explained the drop in SchoolCare's reserves and noted that the "firm and final" rates "include 1.8% for rebuilding the reserve to the actuarily recommended level." Ex. 5. SchoolCare's letter acknowledged its financial position and expressly represented that the "firm and final" rates it was quoting would be sufficient to replenish SchoolCare's reserves.

32. The District timely accepted the "firm and final" rates and renewed its membership for the July 1, 2025, through June 30, 2026, coverage year.

33. SchoolCare is a "risk pool", meaning a pooled collection of risks. SchoolCare is not simply a third-party administrator—it is the pool of collected risks.

34. SchoolCare's Articles of Agreement provide for a "pooled risk management program." *See* Ex. 2.

35. SchoolCare's marketed product is "quality health care." SchoolCare holds itself out on its website as follows: "Our mission is to . . . enable the purchase of quality health care in a cost effective manner."

36. SchoolCare's audited financial statements observe that SchoolCare (not its members) is the "direct insurer of the risk." *See*, *e.g.*, Ex. 6, 2025 Audited Financial Statement, at 20.

37. Scholarly literature concurs -- members transfer risk to the risk pool. *See Note and Commentary: Wading in the Pool: Interlocal Cooperation in Municipal Insurance and the State Regulation of Public Entity Risk Sharing Pools--A Survey*, 8 Conn. Ins. L.J. 533, 537 (2001-2002) ("Pools are structured as both risk-financing and risk-transfer mechanisms. The member entities of the pools transfer their exposure for financial loss to the pool, sharing with others in the transfer of related risks."); M. Mendoza, *Reinsurance as Governance: Governmental Risk Management Pools as a Case Study in the Governance Role Played by Reinsurance Institutions*, 21 Connecticut Ins. Journal 53, 56 (2014) (observing same).

38. Records show that SchoolCare mismanaged its finances, reserves, and annual rate-setting over a period of years, resulting in a self-inflicted financial crisis that SchoolCare only started to address in August and September of 2025.

39. SchoolCare was operating with advice to have an "actuarially recommended reserve of $31 million. This reserve plays a critical role in supporting future stability." *See* Ex. 5.

40. SchoolCare's audited financial statements speak for themselves:

a. As of June 30, 2023, SchoolCare had $29,918,552 in reserves. *See* Ex. Ex. 7, 2023 Audited Financial Statement at 6.

b. As of June 30, 2024, SchoolCare's reserves had reduced to $20,414,767. *See* Ex. 8, 2024 Audited Financial Statement, at 6. It was at least at this point (sometime during the 2023-2024 coverage year) that reserve depletion raised red flags, along

with broader industry trends of higher claims, which SchoolCare effectively ignored.

c. As of June 30, 2025, SchoolCare's reserve position had dipped negative: -$4,730,545. Ex. 6 at 5.

41. Audited financials for 2023, 2024, and 2025 all made reference to "higher than anticipated claims". *See* Ex. 7, 2023 Financial Statements, at 6; Ex. 8, 2024 Financial Statements at 6; Ex 6, 2025 Financial Statements, at 6.

42. After three consecutive years of so-called "higher than anticipated claims experience", SchoolCare could began anticipating higher claims and acting accordingly to achieve the "actuarially recommended reserve of $31 million." This was an industry-wide trend.

43. From 2023 to 2025, SchoolCare could have, but apparently chose not to, take one or a combination of any other means to responsibly protect its financial position and actuarially recommended reserve level, such as: (i) setting high-enough premiums sufficient to replenish reserves in the necessary time frame, in the face of continually rising claims; and/or (ii) procuring sufficient reinsurance or stop-loss policies or excess risk pool coverage to protect against unexpectedly high claims; and/or (iii) procuring credit, debt, bonds, or similar credit facilities to provide temporary liquidity.

44. On information and belief, SchoolCare avoided raising annual premiums higher out of fear of losing membership/business to competitors or insurers.

45. SchoolCare's rates, however, turned into a bait-and-switch once SchoolCare's gamble failed, the claims trend did not reverse, and SchoolCare then resorted to issuing member assessments in September 2025.

46. At some point in the summer of 2025, SchoolCare learned that its financial position was continuing to worsen such that SchoolCare may not be able to pay claims for the entirety of the 2025-2026 coverage year. SchoolCare perceived a possible need for an infusion of money related to the possibility of SchoolCare's funds running out at some point closer to the end of the 2025-2026 coverage year.

47. In August 2025 SchoolCare's Board began considering possible member assessments as a means of infusing a lump sum of financial reserves into SchoolCare.

48. On August 20, 2025, September 3, 2025, and September 11, 2025, SchoolCare's Board met to discuss the possibility of issuing member assessments in response to SchoolCare's worsening financial condition. *See* Ex. 9, Minutes.

49. At the August 20, 2025, Board meeting SchoolCare's staff and Board either ignored the 2008 no-assessment policy or did not know about it, questioning whether they had a right to issue any member assessments. *See* Ex. 9.

50. On September 21, 2025, SchoolCare's Board met and purported to adopt a total of $30,000,000 member assessments in 2025. *See* Ex. 9.

51. Contrary to the requirements of RSA chapter 91-A, it appears the September 21, 2025, SchoolCare Board meeting was not posted publicly and a physical quorum of the SchoolCare Board was not present. *See* Ex 9.

52. The assessments aimed to re-fill its coffers and years of mismanagement in one fell swoop, irrespective of the disruption that would cause its member school districts, who had already planned and adopted annual budgets.

53. SchoolCare's $30,000,000 assessment directly contravened the long-standing, still in effect, 2008 no-assessment policy.

54. SchoolCare's determination of the amount and methodology of member assessments were wholly left to the SchoolCare Board's fiat, without member input or any guardrails.

55. On October 1, 2025, SchoolCare issued the District an invoice for the portion of the $30,000,000 that SchoolCare had determined the District must pay as a mid-year "contribution assessment" in the amount of $1,033,216.68. *See* Ex. 10, Invoice.

56. And, instead of just issuing an invoice, SchoolCare's October 1, 2025, assessment and transmittal email imposed the following express, unequivocal threats, that if the District did not pay, SchoolCare would charge interest, suspend claim payments, and ultimately deny claims for District employees, spouses, dependents, and retirees:

Payment terms:

- **Due upon receipt.**
- **Grace period:** No interest if paid by December 31, 2025.
- **Interest:** Beginning January 1, 2026, 0.5% per month on unpaid balances.

- **Claims processing:** If no payment plan or intent to pay is in place by May 1, 2026, claim payments will be suspended.
- **Final deadline:** If unpaid by July 15, 2026, claims will be denied and covered individuals will be responsible for costs.

This assessment is both a statutory and contractual obligation under RSA 5-B and your entity's SchoolCare Membership Participation Agreement.

See Ex. 11, Transmittal Email Accompanying Invoice.

57. SchoolCare made these threats without any basis in its contracts with the District as a means of unfairly holding individuals' healthcare hostage to leverage payment.

58. Because of these threats, not wanting to risk the healthcare of its employees, spouses, dependents, and retirees, the District entered into an agreement with SchoolCare to pay the assessments on a payment plan. *See* Ex. 12, Agreement.

59. A material term of the agreement was SchoolCare's threat: "The Member acknowledges and agrees that by entering into this Agreement and paying the Assessment in full in accordance with the Payment Plan, SchoolCare is agreeing not to hold or deny claims during such period. If the Member fails to make any Assessment payments when due under the Payment Plan (subject to the Grace Period), including accrued interest, SchoolCare will implement a "claims hold" with respect to any claims of employees dependents of the Member pending as of, or arising from and after the later of (i) May 1, 2026, or (ii) the date of such payment failure. The effect of the claims hold will be to retain claims in pending status without processing, but it will not impact access to care for any employee or dependent. In the event that the Member fails too pay any remaining Assessment amount, including accrued interest, by July 15, 2026, any held claims under this Section and/or any new claims arising on or after such date shall be denied. In the event of such claim denials, the employee and his or her dependents shall become responsible for any payments due to providers for services provided with respect to such claims." *See* Ex. 12

60. In fear of these threats, the District paid the $1,033,216.68 assessment by SchoolCare in full, via payments made on December 19, 2025[2], March 27, 2026, and June 19, 2026. *See* Ex. 13, Payments.

Count I
Breach of Contract

[2] The December 19, 2025, installment was paid alongside the District's regular monthly premium, which is reflected in the receipt for that date.

61. Plaintiffs reallege and reincorporate by reference all prior paragraphs of this Complaint as though fully set forth herein.

62. The District's 2025-2026 "firm and final" rate renewal comprised a valid, binding, definite, enforceable contract with SchoolCare supported by adequate mutual consideration, which SchoolCare has breached as stated herein.

63. SchoolCare breached its contract with the District because SchoolCare lacked any contractual right to issue the $1,033,216.68 assessment to the District or to condition already-promised and relied-upon health coverage of District employees, spouses, dependents, and retirees for the 2025-2026 coverage year on any payment of the assessment at all (or within any time period unilaterally imposed by SchoolCare).

64. To the contrary, SchoolCare's Board enacted a no-assessment policy in 2008, which was in effect and followed for almost 18 years without issuing any member assessments. The 2008 no-assessment policy was in effect at the inception of the 2025-2026 coverage year. C*f. Langlois v. Association Canado-Americaine*, 79 N.H. 264 (1919) (holding that mid-year by-law change of a mutual insurance company could not subject policyholder to assessments).

65. Moreover, SchoolCare expressly characterized the District's 2025-2026 premium rates as "firm and final." This language underscores SchoolCare's breach of contract and forecloses SchoolCare from later attempting to make the premium due variable and subject to unilaterally announced increases such as SchoolCare's $1,033,216.68 assessment to the District. SchoolCare's imposition of this assessment is functionally an unconsented-to rate increase in that SchoolCare is purporting to require the District to pay significantly more money than was contractually agreed upon for the 2025-2026 coverage year, despite being packaged or characterized as an "assessment."

66. The District has paid, and intends to pay, to SchoolCare all required premiums consistent with the 2025-2026 rate renewal with SchoolCare.

67. The District has paid the $1,033,216.68 assessment in fear of SchoolCare's threats to deny coverage.

68. SchoolCare's $1,033,216.68 assessment to the District was in breach of the District's membership agreement and the 2025-2026 rate renewal.

69. SchoolCare's threats to eventually deny claims and disclaim coverage are individually and collectively clear, unequivocal, material, breaches of the District's contract with SchoolCare

70. The District requests an award of damages in an amount to be proven at trial to include the $1,033,216.68 coerced out of the District by SchoolCare, together with prejudgment interest and allowable costs taxed in favor of the District.

Count II
Breach of Duty of Good Faith and Fair Dealing

71. Under New Hampshire law, parties to a contract are under an implied duty of good faith and fair dealing.

72. The implied duty of good faith and fair dealing "exclude[s] behavior inconsistent with common standards of decency, fairness, and reasonableness, and with the parties' agreed-upon common purposes and justified expectations…". *See Centronics Corp. v. Genicom Corp.*, 132 N.H. 133, 140 (1989).

73. SchoolCare has employed unfair, indecent, and/or unreasonable practices in coercing Plaintiff to make payments totaling $1,033,216.68.

74. SchoolCare coerced Plaintiff into making these payments my making threats, as detailed above, related to denying claims.

75. SchoolCare's actions also breached the implied covenant of good faith and fair dealing in the District's membership agreement by: (i) adopting a higher-than-necessary assessment amount attempting to recover multiple years of reserve depletion at once; (ii) discussing, developing, and purporting to approve the assessment without communication to members and pursuant to meetings out of compliance with RSA chapter 91-A; (iii) using covered individuals' health coverage unfairly and coercively through time-based threats of non-performance, *see Lawton v. Great Southwest Fire Ins. Co.*, 118 N.H. 607, 612 (1978) ("Where the defendant's failure to make prompt payment under the policy is to coerce the insured into accepting less than full performance of the insurer's contractual obligations, as is alleged here, there is a breach of this covenant."); and (iv) adopting a 2008 no-assessment policy and, without warning, failing to adhere to the 2008 no-assessment policy.

76. SchoolCare acted in a commercially unreasonable manner.

77. As a result of SchoolCare's unreasonable, indecent, and unfair behavior, Plaintiff made coerced payments of $1,033,216.68.

78. This constitutes a breach of Defendant's duty of good faith and fair dealing.

79. Plaintiff claims all damages to which it is entitled under this cause of action as a result of SchoolCare's conduct.

Count III
Consumer Protection Act (N.H. RSA chapter 358-A)

80. Plaintiffs reallege and reincorporate by reference all prior paragraphs of this Complaint as though fully set forth herein.

81. The District is a "person" within the meaning of RSA 358-A:1.

82. SchoolCare is a corporation and therefore a "person" within the meaning of RSA 358-A:1, I.

83. RSA 358-A:2 makes it unlawful "for any person to use any . . . unfair or deceptive act or practice in the conduct of any trade or commerce within the state."

84. SchoolCare's provision of contracted health coverage with the plaintiffs is "the conduct of . . . trade or commerce within this state," RSA 358-A:2, I. *See also* RSA 358-A:1, II (defining "trade" and "commerce").

85. SchoolCare's conduct, as alleged herein, is "unfair or deceptive" within the meaning of RSA 358-A:2 and not merely a common breach of contract.

86. The New Hampshire Supreme Court has held that while "[a]n ordinary breach of contract claim . . . is not a violation of the CPA", a breach may rise to that level if "the objectionable conduct . . . attain[s] a level of rascality that would raise an eyebrow of someone inured to the rough and tumble of the world of commerce." *Axenics, Inc. v. Turner Constr. Co.*, 164 N.H. 659, 675-676 (2013).

87. With respect to Massachusetts' Consumer Protection Act, which New Hampshire often looks to for guidance, *see Milford Lumber Co. v. RcB Realty*, 147 N.H. 15, 17 (2001)[3], Courts have held that a breach of contract is actionable if "the breach [is] knowing and intended to secure 'unbargained-for' benefits to the detriment of the other party", "rising . . . to the level of commercial extortion or a similar degree of culpable conduct." *City of Revere v. Boston Logan Airport Assocs*., 416 F. Supp. 2d 200, 209 (D. Mass. 2005) (quotation omitted) (collecting case law).

88. By analogy to the context of mutual insurance companies, New Hampshire requires: "Every policy issued by any such company shall clearly state whether or not the holder

[3] *See also Berlin Station, LLC v. Babcock & Wilcox Constr. Co.*, 2015 N.H. Super. LEXIS 6, *26 (Merrimack Super. June 1, 2015) ("The Massachusetts statute is the model for the New Hampshire Consumer Protection Act, RSA 358-A, and the New Hampshire Supreme Court has considered cases decided under it persuasive authority.").

of such policy is subject to liability for assessment." RSA 402:2, IV. SchoolCare cannot point to any document or contract enabling member assessments and, in fact, all documents as alleged herein point to the contrary, including SchoolCare's 2008 no-assessment policy.

89. As alleged above, at the time SchoolCare purported to adopt the $30,000,000 assessment in September 2025:

a. Nothing in SchoolCare's Articles of Agreement, By-Laws, member agreement with the District, individual benefits booklets and related documents, or any other such document provided for member assessments or conditioned health coverage on payment of member assessments.

b. To the contrary, since 2008 (and at the time of the September 2025 Board vote to adopt the $30,000,000 member assessments), SchoolCare had an express no-assessment policy in place which, on information and belief, SchoolCare submitted to AGRiP to demonstrate SchoolCare's compliance with AGRiP's best practices.

c. SchoolCare had never issued a member assessment until September 2025.

d. SchoolCare violated RSA 91-A when it purported to adopt the $30,000,000 assessment on September 21, 2025 by failing to have a quorum of the SchoolCare Board physically present, by failing to record required "emergency" and "not reasonably practical" findings in the minutes of that meeting, and by later taking the unlawful position that the minutes of the September 21, 2025 meeting were somehow confidential with no basis in law, all in an apparent effort to deprive the public of its right to know and significantly undermining the procedural fairness of the assessment process itself.

e. SchoolCare appears to have also violated RSA 91-A by failing to post any public notice of its meetings on August 20, 2025, September 3, 2025, and September 21, 2025, depriving the public of its right to know and casting a pall over the entire member assessment process.

90. By imposing the $1,033,216.68 assessment against the District, SchoolCare's conduct "attain[ed] a level of rascality that would raise an eyebrow of someone inured to the rough and tumble of the world of commerce," *Axenics, Inc.*, 164 N.H. at 675-676, thereby committing an unfair or deceptive act or practice prohibited by RSA 358-A:2, for which SchoolCare is not exempt, *see* RSA 358-A:3, I (SchoolCare's trade or commerce is not subject to any of the regulators listed in paragraph I of this statute).

91. By imposing the $1,033,216.68 assessment against the District, SchoolCare knowingly and intentionally breached its membership agreement with the District in order for SchoolCare to secure unbargained-for benefits, SchoolCare's conduct "attain[ed] a level of rascality that would raise an eyebrow of someone inured to the rough and tumble of the world of commerce," *Axenics, Inc.*, 164 N.H. at 675-676, thereby committing and unfair or deceptive act or practice prohibited by RSA 358-A:2.

92. Put another way, SchoolCare's breaches were extortionate or of sufficiently similar culpability because, not only did SchoolCare issue the assessment for $1,033,216.68, but SchoolCare coupled that breach with unfair, deceptive, heavy-handed, baseless threats of stopping claims payment and eventually coverage unless the $1,033,216.68 assessment were paid within SchoolCare's unilaterally-determined schedule.

93. SchoolCare cavalierly used individuals' relied-upon health coverage, promised through June 30, 2026, as a bargaining chip or means of leveraging payment of an unbargained-for $1,033,216.68 during the 2025-2026 coverage year.

94. By analogy, the operative statute spelling out unfair or deceptive insurance practices illustrates it is patently unfair or deceptive for an insurer to charge "premium or charge for insurance any sum in excess of . . . the premium or charge applicable to such insurance and as specified in the policy." RSA 417:4, XII.

95. As allowed by RSA 358-A:10, I, the District requests for the Court to award the District damages in an amount to be proven at trial to include $1,033,216.68, interest payments coerced out of the District by SchoolCare, together with prejudgment interest and allowable costs taxed in favor of the District.

96. SchoolCare's unfair or deceptive acts were willful and/or knowing, entitling the District to double or treble damages, as allowed by RSA 358-A:10, I.

97. The District also requests an award of costs and attorney's fees as allowed by RSA 358-A:10, I.

WHEREFORE, Plaintiff prays for the following relief:

A. Schedule a jury trial on all claims so triable, to the extent a trial is necessary;

B. Award plaintiffs all remedies alleged in each Count above; and

C. Grant such other relief as the Court deems just, equitable, and proper.

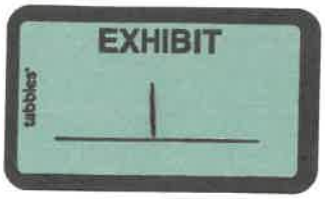
Respectfully submitted,
Lebanon School District

By and through its attorneys,
SHAHEEN & GORDON, P.A.

Dated: November 20, 2026

By: /s/ Timothy S. Mainella

Anthony M. Carr, Esq.
N.H. Bar No. 267623
Timothy S. Mainella, Esq.
NH Bar No. 278206
Shaheen & Gordon
353 Central Ave, Suite 200
Dover, NH 03820
603-749-5000
acarr@shaheengordon.com
tmainella@shaheengordon.com



THE STATE OF NEW HAMPSHIRE
JUDICIAL BRANCH

STRAFFORD, SS. SUPERIOR COURT

Dover School District, *et al.*

v.

New Hampshire School Health Care Coalition

Docket No. 219-2026-CV-194

ORDER ON MOTIONS TO DISMISS (INDEX #35 & #46), MOTION TO QUASH (INDEX #64) & MOTION FOR LEAVE TO FILE A SURREPLY (INDEX #66)

Dover School District (the "District") and Dr. Christine Boston pursue eight claims against New Hampshire School Health Care Coalition d/b/a SchoolCare ("SchoolCare"): Index #1, *passim*. SchoolCare moves to dismiss: Index #35. *See also* Index #52 (πs' Objection). New Hampshire Secretary of State David M. Scanlan (the "Secretary"/ "SOS") has intervened[1], *see* Index #45, and also moves to dismiss this case: Index #46. *See also* Index #53 (πs' Objection) & Index #58 (SOS's Response). Following the court's preliminary hearing of April 24, 2026, the parties submitted supplemental pleadings. *See* Index #56–57. The court considers the complaint's factual averments, the parties' arguments and the applicable law in adjudicating this and related motions. *See infra*.

Facts: The court draws the following facts from the complaint: The Dover School District and its Superintendent, Dr. Christine Boston, *see* index #1 ¶¶ 7–8, bring suit against SchoolCare, a governmental risk pool that provides health coverage to individuals enrolled through its member school districts across New Hampshire. *See id*. ¶ 15. The District is one of SchoolCare's approximately 90 member school districts. *See id*. ¶ 16. SchoolCare provides health coverage for hundreds of District employees, including Dr. Boston, retirees, spouses, and dependents. *See id*. The District became a SchoolCare member in 2018 via its membership agreement. *See id*. ¶ 33. That agreement provides for yearly renewals, with rates to be set on or before December 1st for the

[1] Additional parties have also intervened in this case: The National Education Association-New Hampshire (Index #37), the City of Portsmouth (Index #47), and HealthTrust, Inc. (Index #60).

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following year. *See id.* ¶¶ 33–34. SchoolCare described these yearly rates as "firm and final[,]" *id.* ¶¶ 35–36, and the District accepted these rates for the 2025-2026 coverage year. *See id.* ¶ 38. Dr. Boston enrolled in SchoolCare's coverage for the 2025-2026 coverage year. *See id.* ¶ 59.

In August 2025, SchoolCare's Board began considering the possibility of member assessments to address depleted reserve levels. *See id.* ¶¶ 73–74. At its August 20, 2025, meeting, the Board discussed whether it had the ability to issue member assessments. *See id.* ¶ 75. On September 3, 2025, and September 11, 2025, the Board met again and further discussed the possibility of issuing member assessments. *See id.* ¶ 76. On September 21, 2025, the Board met and adopted a total of $30,000,000 in member assessments. *See id.* ¶ 79. Years prior, SchoolCare had adopted a policy against the practice of issuing member assessments and prior to September 2025, had never issued any. *See id.* ¶¶ 24, 29.

On October 1, 2025, SchoolCare issued the District an invoice for a mid-year contribution assessment in the amount of $1,697,939.99. *See id.* ¶ 83. SchoolCare provided the following terms to the District for paying the assessment:

> **Payment terms**:
> - **Due upon receipt**.
> - **Grace period**: No interest if paid by December 31, 2025.
> - **Interest**: Beginning January 1, 2026, 0.5% per month on unpaid balances.
> - **Claims processing**: If no payment plan or intent to pay is in place by May 1, 2026, claim payments will be suspended.
> - **Final deadline**: If unpaid by July 15, 2026, claims will be denied and covered individuals will be responsible for costs.

Id. ¶ 84. The District has not paid the October 1, 2025 assessment. *See id.* ¶ 90. The plaintiffs filed their complaint on April 6, 2026. *See* Index #1. The court granted the plaintiffs' motion for preliminary injunction on April 30, 2026, staying cessation of claims acceptance and payments. *See* Index #62.

Standard of Review: "Generally, in ruling upon a motion to dismiss, the trial court must determine whether the allegations contained in the plaintiff's pleading sufficiently establish a basis upon which relief may be granted." *Richard v. Governor*, 177 N.H. 11, 14 (2024). "However, when a motion to dismiss challenges the plaintiff's standing to sue, the trial court must look beyond the

plaintiff's unsubstantiated allegations and determine, based upon the facts, whether the plaintiff has sufficiently demonstrated his right to claim relief." *Id.* at 14–15.

Analysis: SchoolCare and the Secretary (collectively, the "movants") move to dismiss, arguing that this court lacks subject matter jurisdiction over these claims and that the plaintiffs have failed to exhaust available administrative remedies. The movants contend that this precise jurisdictional question has previously been decided by the New Hampshire Supreme Court in *Appeal of Town of Salem*, 168 N.H. 572 (2016). They argue that the plaintiffs' claims "devolve to the same issue: whether SchoolCare had the legal authority, under RSA Chapter 5-B, to issue its special assessment against members." Index #35 ¶ 33; *see also* Index #46 ¶ 18 (arguing that the plaintiffs "artfully" omitted any reference to RSA chapter 5-B, and asserting that the plaintiffs' claims concern "SchoolCare's issuance of an assessment, the lawfulness of such an assessment, and SchoolCare's general handling of such assessment—all issues that relate to the nature and operation of a risk pool with respect to self-funding, reserve practices, and risk-sharing, and that fall squarely in the Bureau's bailiwick"). The plaintiffs object to both motions and argue that *Appeal of Town of Salem* does not divest this court of jurisdiction. *See* Index #52 ¶ 32; Index #53 ¶ 40. The court addresses the parties' respective arguments in turn.

I. Subject Matter Jurisdiction

The court first considers whether it has subject matter jurisdiction over the plaintiffs' claims. Subject matter jurisdiction concerns "a tribunal's authority to adjudicate the type of controversy involved in the action. A tribunal lacks power to hear or determine a case that concerns subject matter over which it has no jurisdiction." *Lonergan v. Town of Sanbornton*, 175 N.H. 772, 775 (2023) (internal citation omitted). In New Hampshire, the Superior Court is "a court of general jurisdiction and has authority to entertain actions in equity, when there is no adequate remedy at law, as well as civil actions and pleas, real, personal, and mixed, according to the course of the common law." *Rogers v. Rogers*, 171 N.H. 738, 743 (2019) (quotation and internal citation omitted).

"Administrative agencies are granted only limited and special subject matter jurisdiction." *Appeal of Brown*, 171 N.H. 468, 473 (2018) (quotation omitted). "That jurisdiction is dependent entirely upon the statutes vesting the agency with power and the agency cannot confer jurisdiction upon itself." *Id.* (quotation omitted). Determining whether an administrative agency has exclusive jurisdiction over a matter requires the court to engage in statutory interpretation. *See id.* When engaging in statutory interpretation, the court "look[s] to the language of the statute itself, and, if possible, construe[s] that language according to its plain and ordinary meaning." *State v. Pinault*, 168 N.H. 28, 31 (2015). This court "will not consider what the legislature might have said or add language it did not see fit to include" and will consider the statutory language "in the context of the overall statutory scheme and not in isolation." *Id.*

The court begins by considering RSA 5-B:4-a, which provides:

> I. Notwithstanding any other provision of law, the secretary of state shall have exclusive authority and jurisdiction:
> (a) To bring administrative actions to enforce this chapter.
> (b) To investigate and impose penalties for violations of this chapter, including but not limited to:
> (1) Fines.
> (2) Rescission, restitution, or disgorgement.
> II. The secretary of state shall have all powers specifically granted or reasonably implied in order to perform the substantive responsibilities imposed by this chapter.

Decisions made by the Secretary under this statute may be appealed to the supreme court. RSA 5-B:4-a, VIII.

The parties disagree as to the applicability of *Appeal of Town of Salem*. That case involved consolidated appeals of several actions brought by New Hampshire towns in which the municipalities sought to share surplus funds from defendants who were designated RSA 5-B risk pools. *See Appeal of Town of Salem*, 168 N.H. at 574. The appeal included direct actions brought in the superior court. *See id.* The plaintiffs in the Superior Court action alleged that the defendants were "companies and corporations offering products and services governed by RSA 5–B" and brought claims for breach of contract, implied-in-fact contract, and breach of fiduciary duty. *See id.* at 575-76. The trial court

granted the defendants' motion to dismiss, concluding that the remedies provided by RSA 5-B:4-a were intended to be exclusive. *See id.*

On appeal, our state Supreme Court considered whether "RSA 5-B:4-a vests exclusive jurisdiction relating to overcharges in the Secretary of State and provides exclusive remedies therefore." *Id.* at 577 (quotation marks omitted). The plaintiffs argued that RSA 5-B:4-a simply gave the Secretary the exclusive right to bring administrative actions and that the trial court erred by inferring that the statute abrogated the plaintiffs' common law actions brought outside of the agency. *See id.* The supreme court rejected the latter argument, interpreting the statute's plain language as granting the Secretary "'exclusive authority and jurisdiction' to enforce RSA chapter 5–B and to address violation of its provisions by means including '[r]escission, restitution, or disgorgement.'" *Id.* at 578 (quoting RSA 5-B:4-a). The *Appeal of Town of Salem* Court held that RSA 5-B:4-a "clearly expresses the intention to supplant any common law claim *within that realm* and provide instead an administrative enforcement mechanism with the right of appeal to this court." *Id.* (emphasis added). Our state Supreme Court then examined the amended complaint to determine whether the claims fell "within that realm." *Id.*

The *Appeal of Town of Salem* Court differentiated between the plaintiffs' claims that "by their terms, attempt[ed] to enforce the statute, and thus plainly fall within the secretary's exclusive jurisdiction[,]" and those claims "for breach of the participation and membership agreements." *Id.* The Court that "a common law contractual claim for the return of surplus funds as alleged by the plaintiffs is *inextricably entwined* with RSA chapter 5–B and cannot exist alongside the administrative mechanism created in that chapter." *Id.* (emphasis added). Otherwise, parties could wholly avoid the Secretary's exclusive jurisdiction by incorporating statutory provisions into their contracts. *See id.* The plaintiffs argued that this interpretation was contrary to RSA 5-B:6, II, which expressly contemplates risk pool programs being sued and entering into contracts. *See id.* at 579. Our state Supreme Court rejected that argument, reasoning:

> Our holding above is not inconsistent with this provision. RSA chapter 5–B contemplates that pooled risk management programs may make—and be sued upon—all manner of private contracts unrelated to the matters governed by that chapter. Such programs could, for instance, contract for goods and services such as rental space or office supplies, and nothing herein holds that breaches of those agreements could not be remedied through private lawsuits.

Id.

Placing heavy emphasis on *Appeal of Town of Salem*, the movants argue that the Secretary has exclusive jurisdiction over the instant gravamen. SchoolCare asserts that the plaintiffs' claims "all relate back to the application of RSA Chapter 5-B." Index #35 ¶ 34; *see also id.* ¶ 35 ("Plaintiffs' claims are precisely within the ambit of the Secretary's exclusive authority to interpret RSA Chapter 5-B in a manner necessary to protect risk pool assets and the continued viability of the risk pool itself."). In particular, SchoolCare cites to RSA 5-B:3 as "providing the authority for the 'pooling of self-insurance reserves, *risks, claims and losses*' (emphasis added)." Index #35 ¶ 38 (quoting RSA 5-B:3, I). The Secretary argues that the District's allegations "are inextricably entwined with RSA chapter 5-B and cannot exist alongside the Bureau's administrative enforcement mechanism." Index #46 ¶ 18.

The plaintiffs argue that none of their claims attempt to enforce a provision of RSA chapter 5-B or otherwise allege a violation of the chapter. *See* Index #53 ¶¶ 42–43. They seek to differentiate *Appeal of Town of Salem* by focusing on the nature of the claims -- which sought the return of surplus funds from the risk pool programs -- such right to surplus funds being expressly provided-for in RSA 5-B:5, I(c). *See id.* ¶ 29.

Additionally, the plaintiffs argue that this case is instead similar to *New Hampshire Municipal Association v. New Hampshire Department of State*, 2015 WL 11071548 (N.H. June 22, 2015) (non-precedential Order). In that case, the New Hampshire Department of State, in moving to dismiss, argued that it had exclusive jurisdiction under RSA 5-B:4-a to decide whether a risk pool's corporate reorganization violated RSA chapter 292. *See id.* at *3. The trial court rejected this argument, and the supreme court affirmed, concluding that the issue was a pure question of law fit for judicial determination. *Id.* The plaintiffs argue this case stands for the proposition that private actions relying

on different legal frameworks and not enforcing the requirements of RSA chapter 5-B are not within the Secretary's exclusive jurisdiction. *See* Index #52 ¶ 30–31. The movants disagree as to that case's import, arguing that the plaintiffs' claims here do not raise pure questions of law. *See* Index #35 ¶¶ 37–38; *see also* Index #58 ¶ 8.

Upon consideration of RSA chapter 5-B, the relevant cases and the parties' arguments, the court agrees with the plaintiffs and concludes that the claims now before this court are not within the "realm" of the Secretary's exclusive jurisdiction and are not "inextricably entwined" with the provisions of RSA chapter 5-B. The claims at issue in *Appeal of Town of Salem* are meaningfully distinct from the claims at bar. Underpinning the Court's analysis in *Appeal of Town of Salem* was the express provision of RSA 5-B:5, I (c), which provides: "Each pooled risk management program . . . shall: . . . (c) Return all earnings and surplus in excess of any amounts required for administration, claims, reserves, and purchase of excess insurance to the participating political subdivisions." The plaintiffs in *Appeal of Town of Salem* sought money damages for the various risk pools' failure to distribute surplus funds back to its members. 168 N.H. at 576. The supreme court upheld the dismissal of all claims, which were either "by their terms, attempts to enforce the statute," or otherwise "inextricably entwined with RSA chapter 5–B and [could not] exist alongside the administrative mechanism created in that chapter." *Id.* at 578.

The court does not read *Appeal of Town of Salem* to sweep as broadly as the movants suggest. In its decision, our state Supreme Court did not determine that RSA 5-B:4-a requires all claims related to the operation of risk pools to be brought before the Secretary. Instead, it limited its holding to claims within the realm of enforcing the provisions of RSA chapter 5-B and remedying violations of the chapter. *See id.* ("We conclude that this language clearly expresses the intention to supplant any common law claim *within that realm*[.]" (emphasis added)). The *Appeal of Town of Salem* Court directly contemplated that risk pools could be sued in "all manners of private contract unrelated to the matters governed by that chapter" and used "contract[s] for goods and services such as rental space or office supplies" as examples. *Id.* at 579.

While the plaintiffs' claims here are not so undeniably unrelated to RSA chapter 5-B as contracts for office supplies, the court nonetheless concludes that the claims are not "within the realm" of the Secretary's exclusive jurisdiction. *Id.* at 578. Here, unlike the plaintiffs in *Appeal of Town of Salem*, who relied upon the express provision of RSA 5-B:5, I(c) to seek reimbursement of surplus funds, the plaintiffs' claims are not dependent on any express provision of RSA chapter 5-B. This court respectfully disagrees with the movants' argument that all of the plaintiffs' claims require the application of RSA chapter 5-B. In their motions, the movants make general, unspecific allusions to the provisions of RSA chapter 5-B. *See, e.g.*, Index #35 ¶ 33 ("[T]heir claims all effectively devolve to the same issue: whether SchoolCare had the legal authority, under RSA Chapter 5-B, to issue its special assessment against members."); Index #46 ("the District's allegations center around . . . issues that relate to the nature and operation of a risk pool with respect to self-funding, reserve practices, and risk-sharing, and that fall squarely in the Bureau's bailiwick."). However, in the undersigned judicial officer's view, generalized arguments about how the plaintiffs' claims *may* impact risk allocation among risk pools and shift risk among members does not "inextricably entwine" the claims with the provisions of RSA chapter 5-B. The movants' generalized arguments about RSA chapter 5-B stand in stark contrast with the claims at issue in *Appeal of Town of Salem*, which sought, either explicitly or through incorporating the statute into their contracts, to enforce the express requirements of RSA 5-B-5, I(c). *See* 168 N.H. at 578–79.

Short of sufficient detail, the movants posit RSA 5-B:3 as the relevant statutory provision with respect to the Secretary's exclusive authority in this case. This statutory provision provides, in pertinent part: "Agreements made pursuant to this paragraph may provide for pooling of self-insurance reserves, risks, claims and losses, and of administrative services and expenses associated with them among political subdivisions." RSA 5-B:3, I. The movants do not articulate how any of the plaintiffs' claims are "inextricably entwined" with this section of RSA chapter 5-B. This provision does not speak to the overarching issue of whether risk pools are empowered to issue member assessments. Interpreting and considering the plain language of the statute, the provision at issue,

RSA 5-B:3, I, by its own terms, is optional. Agreements made pursuant to RSA 5-B:3, I "may" provide for pooling, or they may not. In contrast, RSA 5-B:5, I(c) provides that the risk pool "shall" return surplus funds to members.

The court concludes that the plaintiffs' claims are wholly independent from the enforcement—and do not allege a violation—of RSA chapter 5-B. Their claims rely on common law theories of recovery, as well as violations of entirely separate statutes, namely RSA chapter 358-A[2] and RSA chapter 91-A. *See generally* Index #1; *see also Appeal of Town of Salem*, 168 N.H. at 579. The claims do not rely on RSA chapter 5-B, either explicitly or implicitly. As previously stated, this court does not interpret *Appeal of Town of Salem*, or RSA 5-b:4-a, as broadly as the movants suggest. The movants' expansive view, seeking for the Secretary to have exclusive jurisdiction over all claims that "relate back to the application of RSA Chapter 5-B[,]" Index #35 ¶ 34, or that "fall squarely in the Bureau's bailiwick[,]" Index #46 ¶ 18, is inconsistent with this court's reading of *Appeal of Town of Salem*.[3] For these reasons, the court concludes that it has subject matter jurisdiction over the plaintiffs' claims.

II. Exhaustion of Administrative Remedies

The court next considers whether the plaintiffs failed to exhaust available administrative remedies. "Generally, parties must exhaust their administrative remedies before appealing to the courts." *McNamara v. Hersh*, 157 N.H. 72, 74 (2008). One exception to this general rule arises when "the action raises a question that is peculiarly suited to judicial rather than administrative treatment and no other adequate remedy is available." *Id.* (quotation omitted). "Judicial treatment may be particularly suitable when . . . the agency at issue lacks the authority to act." *Id.*

[2] At the preliminary hearing held on April 24, 2026, SchoolCare argued that the plaintiffs' CPA claim fell into the exemption provided by RSA 358-A:3, I, exempting "[t]rade or commerce that is subject to the jurisdiction of . . . the director of securities regulation[.]" The plaintiffs and SchoolCare briefed the issue after the hearing. *See* Indexes ##56–57. Upon consideration, the court agrees with the plaintiffs that said exemption is inapplicable to their claim, as risk pools are not securities, and the director of securities regulation has no jurisdiction over risk pools via statute.

[3] Additionally, the movants do not advance any arguments with respect to the claims brought by Dr. Boston individually. The movants offer no argument with respect to Dr. Boston's asserted constitutional right to a jury trial. *See* Index #1 ¶ 8.

Here, consistent with the above analysis, the court concludes that the plaintiffs were not required to exhaust administrative remedies, as the Secretary "lacks the authority to act" on the breadth of the plaintiffs' claims. *Id.* Because the plaintiffs' claims do not seek to enforce the requirements of RSA chapter 5-B or seek to otherwise rectify an alleged violation of that chapter, the Secretary has no authority or jurisdiction to adjudicate these particular claims. *See* RSA 5-B:4-a, I. Accordingly, the plaintiffs cannot be required to exhaust unavailable administrative remedies. *See, e.g.*, *Wisniewski v. Gemmill*, 123 N.H. 701, 706 (1983) (concluding that the plaintiffs were not required to exhaust their administrative remedies when the water resources board lacked jurisdiction over the dispute); *cf. Appeal of Brown*, 171 N.H. at 473 ("Administrative agencies are granted only limited and special subject matter jurisdiction.").

Index #35 & #46: For the foregoing reasons, the court DENIES SchoolCare's motion to dismiss, index #35, and similarly, DENIES the SOS's motion to dismiss: Index #46.

Index #64: Having denied the motions to dismiss, the court deems the SOS's motion to quash the school district's requests for admissions to be moot and therefore GRANTS the requested relief because the plaintiffs concede that such discovery requests constitute "a limited set of requests for admissions [RFAs] ... focused on jurisdictionally-related facts," index #65 at 2, resolved herein.

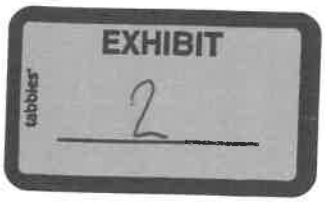
Index #66: Similarly, given the dispositive relief denied today, the plaintiff's request to file a sur-reply to the SOS's reply to their objection to his motion to dismiss is likewise moot and therefore DENIED.

So Ordered.

June 22, 2026

Honorable John A. Curran
Associate Justice

Clerk's Notice of Decision
Document Sent to Parties
on 06/23/2026



NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION

SCHOOLCARE

POLICY MANUAL

Sept 1, 2025

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II. Governance

A. Governing Documents

1. The Coalition governing documents shall comply with applicable laws, and the Coalition shall maintain a signed original Member Participation Agreement with every Member.

    a. Articles of Agreement
    b. Bylaws
    c. Member Participation Agreement

2. These documents shall contain provisions that address:

    a. Membership eligibility criteria
    b. Obligations of members
    c. Membership termination
    d. Selection procedures and qualifications for the Board of Directors and Membership Council
    e. Powers and duties of the Board and its committees
    f. Indemnification for liability of members of the Board, officers, committee members and staff
    g. Use and ownership of assets of the Coalition and how it may distribute surplus to its members
    h. Assessments are not to be used by the Coalition
    i. Actuarial reviews
    j. Financial audits
    k. Dissolution of the pool

3. The policies, practices and operations of the Coalition shall be in compliance with these documents.

II. Governance

B. Board Responsibilities

The Board of Directors and staff of the Coalition owe two basic duties to the organization, the Duty of Care and the Duty of Loyalty. A Director shall discharge his or her duties as a director, including his or her duties as a member of a Coalition committee:

1. In good faith;
2. With the care an ordinary prudent lay person in a like position would exercise under similar circumstances; and
3. In a manner the Director reasonably believes to be in the best interests of the Coalition.

1. Accordingly, the Coalition is committed to the following principles:

   a. The highest ideals of honor, integrity, and due diligence so that the Coalition (along with its officers, employees and agents) may merit respect and public confidence in all its dealings.
   b. The concepts of democratic, effective and efficient governance by responsible, knowledgeable elected and appointed officials with an understanding that official decisions made and actions taken by the Coalition are always to be made in the best interests of the Coalition's Members, as represented by the Membership Council.
   c. The Coalition's Board of Directors is ultimately responsible for establishing the Coalition's goals and objectives and in making policy decisions on behalf of the Coalition's Members. This responsibility cannot be transferred or delegated. The Coalition Board shall establish written rules regulating its affairs and the conduct of its members.
   d. Staff should consistently seek guidance and direction from the Board of Directors on matters of Coalition policy.
   e. Staff should be expected to provide policy proposals and recommendations to the Coalition's Board of Directors and Membership Council, and provide Directors with information and advice on matters of policy as a basis for making decisions. Once the Board has acted, staff shall be responsible for implementing and upholding all official policies and decisions adopted by the Coalition governing bodies, without interference.
   f. The continual improvement of the professional abilities and expertise of the Coalition's Board of Directors, Membership Council and staff in matters relating to Coalition governance and the Coalition management or administration.
   g. The responsibility to communicate with the Coalition's membership regarding the Coalition's objectives/activities/outcomes and seek to improve the quality and image of the Coalition at all times.
   h. All matters of procurement, personnel administration and outside contracting are administered on the basis of merit so that fairness and impartiality govern all governance and management decisions.

i. No member of the Board of Directors body or staff should ever solicit or accept a personal gift of substantial value or economic benefit from any third-party performing work on behalf of or in any way associated (or potentially associated) with the Coalition.
j. Conflicts of interest (defined in Section II. – I.) shall be avoided and where present shall be fully disclosed. This includes situations when a member of the Coalition's Board of Directors or staff has personal interests (including those of his/her family) that are contrary to his/her loyalty to the Coalition.
k. Individual directors further acknowledge that communications about Coalition operations with outside third parties, including but not limited to, real or potential competitors, partners and vendors, shall not take place without the express authority of the Board, and such communication shall be limited to the extent permitted by the Board acting as a whole.

2. And operating principles:

a. The major ongoing concerns of the Board shall be careful consideration of the Coalition's reason for existence, its values, vision and mission. All other concerns, however legitimate, shall be made routine as much as possible to allow the Board to spend most of its time focused on the Coalition's Goals.
b. The Board shall cultivate a sense of group responsibility. The Board, not the Executive Director , shall be responsible for governing with excellence. The Board shall use the expertise of individual Directors to enhance the ability of the Board as a body, but the Board may not substitute judgments of individual Directors for the Board's collective values. The Board shall work in partnership with the Executive Director and staff.
c. The Board shall hold itself accountable for governing with excellence. This self-discipline shall apply to matters such as attendance, preparation for meetings, adherence to policymaking principles, respect of roles, and ensuring effective governance capability into the future.
d. The Board shall direct, control and inspire the organization through the careful establishment of written policies reflecting the Board's values and perspectives. The Board's major policy focus shall be on the intended long-term benefits for its members, not on the administrative or programmatic means of attaining those benefits. The Board shall attend to current and short-term issues only (a) as a temporary expedient; (b) in monitoring the Executive Director Executive Director's performance; or (c) as a device to maintain grassroots understanding. No issue shall consume Board time that has not first been determined to be a Board issue. Board meetings shall be disciplined by this principle.
e. The responsibilities of the Board of Directors shall be clearly distinguished from those of the Executive Director .

3. Board Job Description

The job of the Board is to represent its Members and lead the organization by determining and demanding appropriate and excellent organizational

performance. To distinguish the Board's own unique job from the jobs of the Executive Director and staff, the Board shall concentrate its efforts on the following:

a. Develop written policies for the Coalition that:
   i. Establish goals in accordance with long-term mission, vision and values
   ii. Establish the practical, ethical and legal boundaries within which all executive activity and decision-making shall take place.
   iii. Determine how the Board shall conceive, carry out and monitor its own work.
   iv. Establish the Executive Director Executive Director's role, authority and accountability.
b. Act as fiduciaries for the interests of the Members
c. Annually appoint an independent financial auditor for the Coalition and cause an internal review of financial transactions. The audit report is to be presented at the September Board Meeting, and the Annual Membership Council Meeting.
d. Establish an annual budget and work plan
e. Set rates annually
f. Evaluate the benefit plans offered and seek the optimum combination of benefits and services
g. Appoint committees from the Board on an as needed basis
h. Approve contracts for services to the Coalition
i. Retain independent services of consultants and/or lawyers as deemed necessary and annually adopt a specific budget line item to provide funding
j. Maintain communications with the Members through the Membership Council to determine their concerns and needs
k. Attend up to six meetings per year of the Board
l. Monitor the Board governance process and Board-Staff Relationship Policies to determine if the Board fulfills its own policy commitments and to assure the continued relevancy and currency of the policies.

II. Governance

J. b., Committees, Finance-Audit Committee

PURPOSE A – Investment Management Oversight
The Finance-Audit Committee is a standing committee of the Board of Directors of the Coalition. One of the functions of the Finance-Audit Committee is to assist the Board of Directors in fulfilling their investment management oversight responsibility to the Coalition's Members. Consistent with this function, the Committee should encourage continuous improvement of and should foster adherence to the Coalition's investment policies, procedures and practices at all levels. To this end, the Committee's investment management duties and responsibilities are to:

i. Establish an Investment Policy for the Coalition's cash and marketable securities.
ii. Monitor investment transactions and performance compared to external benchmarks for the Coalition's cash and marketable securities.
iii. Implement appropriate changes to improve performance as necessary

PURPOSE B - Fiduciary Oversight

The second function of the Finance-Audit Committee is to assist the Board of Directors in fulfilling their fiduciary oversight responsibility to the Coalition's Members.

Consistent with these functions, the Committee should encourage continuous improvement of and should foster adherence to the Coalitions' policies, procedures and practices at all levels.

The Committee will fulfill these Purposes by carrying out the activities enumerated in the Responsibilities and Duties Section.

MEMBERSHIP

The Committee shall be comprised of three or more Directors as determined by the Board of Directors, or a committee thereof, each of whom:

i. Shall not have participated in the preparation of the financial statements of the Coalition at any time during the past three years, and
ii. Shall be free from any relationship that would interfere with the exercise of his or her independent judgment as a member of the Committee.

Other than in the Director's capacity as a member of the Board of Directors and any Board committee, no member of the Committee shall

i. Accept any consulting, advisory or other compensatory fee from the Coalition; or
ii. Be an affiliated person of the Coalition.

All members appointed to the Committee shall either:

II. Governance

M. AGRiP Recognition Standards Compliance

The Coalition is committed to carrying out its mission of service to its members. It shall access the best resources available to promote effective governance and administration and shall demonstrate its compliance with industry best practices. Accordingly, the Coalition shall:

1. Maintain membership in AGRiP and participate in its education programs and conferences.

2. Ensure that Coalition policies and practices are in compliance with recommended AGRiP Advisory Standards.

3. Apply for and maintain approved status under the AGRiP Recognition Program

State of New Hampshire

Department of State

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David M. Scanlan
Secretary of State
State of New Hampshire

Form NP-3
RSA 292:7

EXHIBIT
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3

AFFIDAVIT OF AMENDMENT
OF

NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION

A NEW HAMPSHIRE NONPROFIT CORPORATION

I, **Lisa J Duquette**, the undersigned, being the **Executive Director** (Note 1) of the above named New Hampshire nonprofit corporation, do hereby certify that a meeting was held for the purpose of amending the articles of agreement and the following amendment(s) were approved by a majority vote of the corporation's **Board of Directors** (Note 2)

MEMBERSHIP AND PARTICIPATION: **See attached Amended Articles of Agreement.**
DISPOSITION OF ASSETS: **See attached Amended Articles of Agreement.**
CAPITAL STOCK, SHARES OR CERTIFICATES: **See attached Amended Articles of Agreement.**
PROVISION OF PERSONAL LIABILITY: **See attached Amended Articles of Agreement.**
MAILING ADDRESS: **370 Harvey Road, Suite 4, Manchester, NH, 03103, USA**
OTHER MATTERS (Attached)

Title: **Chief Executive Officer**
Signature: **Lisa J Duquette**
Name of Signer: **Lisa J Duquette**
Date signed: **06/01/2022**
Effective Date: **06/01/2022 02:53:00 PM**

Notes: 1: Clerk, secretary or other officer.
2: Enter either "Board of Directors" or "Trustees".

DISCLAIMER: All documents filed with the Corporation Division become public records and will be available for public inspection in either tangible or electronic form.

AMENDED ARTICLES OF AGREEMENT
OF
NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION

ARTICLE I

The name of the corporation shall be: New Hampshire School Health Care Coalition (the "Corporation").

ARTICLE II

The objects for which the Corporation is established are as follows:

This Corporation is established as an RSA 292 voluntary corporation by 2 or more political subdivisions of the State of New Hampshire and shall operate solely to exercise certain essential governmental functions as a pooled risk management program pursuant to RSA 5-B. All earnings and surplus in excess of any amounts required for administration, claims, reserves, and purchase of excess insurance shall accrue to the benefit of the members of the Corporation. In order to effectuate its purposes, the Corporation shall hold, commingle, and collectively invest and reinvest funds contributed thereto by each of the members thereof, which activities shall include arranging for, and supervising the performance by independent contractors of, investment services related thereto. In addition, but without limiting the generality of the foregoing and consistent with its status as an organization organized and operated exclusively for nonprofit, governmental purposes, the Corporation shall have the following powers and objects:

(1) To establish one or more corporations, trusts, or other legal entities to provide employee health and accident insurance and other insurances, for the purpose of reducing its members' costs of exercising this essential governmental function.

(2) To buy, lease, create, construct, or otherwise acquire any and all kinds of property, real or personal, and rights necessary or essential to, or convenient for the carrying on of, the business of the Corporation.

(3) To borrow money and, from time to time, to make, accept, execute and deliver bonds, debentures, promissory notes, bills, and other obligations of the Corporation for monies borrowed or in payment for property acquired or for services rendered or for any other objects or purposes of the Corporation or its business, and to secure the payment of any such obligations by mortgage, pledge, deed, indenture, agreement, or other instrument of trust or by lien, assignment of, or any agreement in regard to all or any of the property, rights, or privileges of the Corporation wherever situated whether now owned or hereafter to be acquired.

(4) In addition to the objects listed above, but without limiting the generality of the foregoing, the Corporation shall have the power to carry on any other business and to do all and everything necessary, suitable, and proper for the accomplishment of any of the purposes or the attainment of any of the objects or the furthering of any of the purposes thereof, either alone or in association with other corporations, trusts, entities or individuals as principal or agent; and to do all such other acts or things incidental or pertinent to or growing out of or connected with the aforesaid business or powers, or any part or parts thereof not prohibited by law, in accordance with the general powers or privileges granted to voluntary corporations generally by RSA Ch.292, and consistent with RSA Ch. 5-B as both may be amended from time to time.

This Corporation is established by instrumentalities of certain political subdivisions of the State of New Hampshire and, therefore, is organized and operated exclusively to perform certain essential governmental functions of such subdivisions within the meaning of Section 115 of the Internal Revenue Code of 1986, as amended. Notwithstanding any other provisions of these Articles, the Corporation shall not carry on any other activities not permitted to be carried on by an organization exempt from federal taxation under Section 115 of the Internal Revenue Code of 1986, as amended, or the corresponding provision of any future United States Internal Revenue law.

ARTICLE III

The provisions for establishing membership and participation in the Corporation are as follows:

Membership in this Corporation shall be limited to political subdivisions of the State of New Hampshire. The management of the Corporation shall be entrusted to a Board of Directors. The collective powers of the membership shall be vested in the Membership Council, which shall elect certain members of the Board of Directors and act in an advisory capacity thereto, all as specified in the Bylaws of the Corporation. Each member shall be entitled to two (2) voting representatives in the Membership Council, one to be appointed by the member's governing board, and the other to be elected by the employees of the member at such time and place and in such manner as may be prescribed by the employee organization or organizations representing the member's employees in collective bargaining with the member or, if none, by the governing board, provided that each employee of each member shall have a reasonable and equal opportunity to participate in such election, and such appointment and election shall in all cases and in all respects be consistent with applicable law, these Articles and the Bylaws of the Corporation. Each representative shall be an elected or appointed public official, officer or employee, and each representative elected by the employees of a member shall be an active employee of that member who is eligible by local policy for employee health benefits. Each representative shall be entitled to cast one (1) vote, in person or by proxy, in the Membership Council, provided that any action to repeal or change any Board action to alter, amend or repeal the Bylaws shall be taken by a vote of a two-thirds (2/3)

majority of the members, with each member casting one (l) vote and the representatives of each member determining between themselves whether and the manner in which that vote shall be cast. The signers of these Articles shall adopt the Bylaws of the Corporation, and shall also elect the initial Board of Directors and generally act in the place and stead of the Membership Council until such time as the Corporation has members.

ARTICLE IV

The provisions for disposition of corporate assets in the event of dissolution of the Corporation are as follows:

If, at any time, the normal operations of the Corporation are suspended or discontinued for any reason, after the payment, satisfaction or discharge of the debts, liabilities and obligations of the Corporation or the making of appropriate arrangements for the same, upon the affirmative vote of three-fourths (3/4) of the incumbent members of the Board of Directors, the assets of the Corporation shall be distributed to the members.

ARTICLE V

The address at which the business of the Corporation is to be carried on is 370 Harvey Road, Suite 4, Manchester, NH 03103.

ARTICLE VI

This Corporation is organized without capital stock or shares. A Membership Agreement, in such form and upon such terms and conditions as the Bylaws and the Board of Directors may provide, shall be signed by each member. Said Membership Agreements shall be signed by such officers of the Corporation as the Bylaws may provide.

ARTICLE VII

The provisions eliminating or limiting the personal liability of a director, officer, or both, to the Corporation or its members for monetary damages for breach of fiduciary duty as director, officer, or both, are as follows:

No director or officer of the Corporation (including any entity wholly owned by the Corporation) shall be personally liable to the Corporation or its members, and such personal liability shall be eliminated to the fullest extent permitted by RSA 292:2, V-a, except with respect to (1) any breach of the director's or officer's duty of loyalty to the Corporation or its members, (2) acts or omissions which are not in good faith or which involve intentional

misconduct or a knowing violation of law, and (3) any transaction from which such director, officer, or both, derived an improper personal benefit.

ARTICLE VIII

These Articles of Agreement may be amended upon a majority vote of the Corporation's Board of Directors.

ARTICLE IX

The incorporators remain unchanged as on file with the NH Secretary of State.

Adopted by the Board of Directors effective as of May 23, 2022.

A true copy

Attest: 
Norman Guillotte, Chair

Amended Bd. Mt. May 3, 2002
Approved by M.C. Nov. 7, 2002



BYLAWS
of
NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION

ARTICLE I
Name, Objects and Location

The name, objects, membership and location of the principal office of this Corporation shall be as set forth in the Articles of Agreement.

ARTICLE II
Meetings of the Membership Council

2.1. Annual Meetings. The annual meeting of the Membership Council shall be held within the State of New Hampshire on a date and at a time and place designated by the Board of Directors.

2.2. Special Meetings. Special meetings of the Membership Council shall be called by the Clerk upon the written request of (a) the Chair, (b) a majority of the Board of Directors, or (c) twenty percent (20%) of the Membership Council representatives entitled to vote, designating the date, time, place and purpose of such meeting.

2.3. Notices. Notice of all meetings, annual and special, of the Membership Council, stating the date, time and place thereof and, in the case of special meetings, the purpose for which the meeting is called, shall be sent to each member representative entitled to vote at said meeting by hand delivery to the representative's residence or usual place of business, or by mailing the same, postage prepaid, to the representative at this address as it appears on the books of the Corporation, at least five (5) days before such meeting. If mailed, such notice shall be deemed to be delivered when it appears in the records of the Corporation as having been mailed, postage prepaid. Notice of any regular or special meeting may be dispensed with if every member representative entitled to vote, or his attorney thereunto authorized, by writing filed with the records of the meeting, waives such notice. Any meeting at which all member representatives entitled to vote are present, either in person or by proxy, or of which those who are not present have waived notice in writing, shall be valid without prior notice.

2.4. Quorum. At any meeting of the Membership Council, a majority of the designated voting representatives of members, represented in person or by proxy, shall constitute a quorum for the transaction of business. The representatives so present at a duly convened meeting may continue to transact business until adjournment, notwithstanding the withdrawal of sufficient representatives that a quorum is no longer present. At all meetings of the Membership Council, a quorum may adjourn the meeting to a definite time and place, and any business which could have been legally transacted at such meeting may be transacted at any adjournment thereof without new notification.

2.5. Voting. Each designated voting representative to the Membership Council shall have one (1) vote. At all meetings of the Membership Council, member representatives may vote by proxy executed in writing by the representative or by the member's duly authorized attorney-in-fact. Such proxy shall be filed with the Clerk of the Corporation at or prior to the time of the meeting. The affirmative vote of a majority of the Membership Council representatives voting, a quorum being present, shall constitute the action of the Membership Council and of the members of the Corporation, unless applicable law, the Articles of Agreement or these Bylaws otherwise require.

2.6. Powers. The Membership Council shall have the power to elect certain members of the Board of Directors as herein prescribed, to advise the Board from time to time concerning the operations of the Corporation, and in all other respects to exercise the collective power and authority of the membership under applicable law, the Articles of Agreement and these Bylaws.

2.7. Nominating Committee. The Membership Council shall, at its initial meeting, elect a Nominating Committee consisting of two (2) Membership Council representatives designated by the governing boards of the members and two (2) Membership Council representatives elected by employees of the members. The Committee members shall serve until the succeeding annual meeting of the Membership Council or until their respective successors are elected and shall have qualified. Any or all of the Committee members may be removed for cause by vote of the Membership Council or Board of Directors. Committee members may be removed without cause only by vote of the Membership Council. Any vacancy on the Committee due to death, resignation, removal, disqualification or otherwise, shall be filled by vote of the Board of Directors until the next annual meeting of the Membership Council. The Committee shall be responsible for nominating candidates for election to the Board of Directors and for candidates for election to the Nominating Committee at the next annual Membership Council meeting, in addition to any candidates nominated for these positions from the floor at the annual meeting.

ARTICLE III
Directors

3.1. Number and Powers. The management of the Corporation shall be entrusted to a Board of Directors. The Board of Directors shall consist of four (4) elected Directors from Membership Council representatives who are elected or appointed public officials or officers and designated by the governing boards of the members, four (4) elected Directors from Membership Council representatives who are employees and elected by employees of the members, and two (2) appointed Directors, one (1) representing the interests of the governing boards of the members, and one (1) representing the interests of employees of the members. The Board shall have and exercise all the powers of the Corporation, except such as are conferred upon the members and the Membership Council by law, the Articles of Agreement or these Bylaws.

3.2. Election and Appointment. The eight (8) elected Directors shall be elected by the Membership Council from its members at their annual meeting. The two (2) appointed Directors shall by appointed annually by the newly elected Board of Directors.

Of the Board of Directors elected at the first annual Membership Council meeting, two (2) shall be elected for a term of one (1) year, three (3) shall be elected for a term of two (2) years, and three (3) shall be elected for a term of three (3) years, with the expiration of such terms to be arranged so as to maintain at all times the distribution of Board membership prescribed in Section 3.1 hereof. All such Directors shall thereafter be elected for terms of three (3) years, provided that all Directors shall hold office until their respective successors are elected and shall have qualified.

3.3. Removal; Vacancies. Any or all of the Directors may be removed for cause by votes of the Membership Council or by action of the Board. Directors may be removed without cause only by vote of the Membership Council. A Director may resign at any time for any or no reason. Any vacancy in the Board of Directors due to death, resignation, removal, disqualification or otherwise may be filled by vote of the remaining directors, though less than a quorum, until the next annual meeting of the Membership Council.

3.4. Meetings. Meetings of the Board of Directors may be held within or outside the State of New Hampshire.

3.4.1. Regular. A regular meeting of the Board of Directors shall be held without notice immediately after and at the same place as the annual meeting of the Membership Council. Regular meetings of the Board may be held at such other times and at such places as the Board may by vote from time to time determine and, if so determined, no notice thereof need be given.

3.4.2. Special. Special meetings of the Board may be held at any time and place when called by the Chair, the Treasurer, or three (3) or more Directors upon written notice given in

hand or mailed to each Director, postage prepaid, at his or her usual place of residence or business not less than three (3) days before the day of such meetings; by communication by telephone, facsimile or electronic mail at least seventy-two (72) hours before the time of such meetings; or at any time without call or formal notice provided all the directors are present or waive notice thereof by a writing filed with the records of the meeting. Any meeting held without prior notice at which two or more Directors are present shall be legal if the absent Director or Directors subsequently assent in writing to the recorded proceedings of the meeting. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

3.5. Quorum; Voting. A majority of the Board of Directors shall constitute a quorum for the transaction of business; provided that a lesser number may adjourn any meeting from time to time and the meeting may be held as adjourned without further notice. When a quorum is present at any meeting, the affirmative vote of a majority of the Directors in attendance shall decide any question brought before such meeting, unless applicable law, the Articles of Agreement or these Bylaws otherwise require. A Director of the Corporation who is present at a meeting of the Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his or her dissent shall be entered in the minutes of the meeting, or unless he or she shall file written dissent to such action with the person acting as the Clerk of the meeting before the adjournment thereof, or shall forward such dissent by certified or registered mail to the Clerk of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

3.6. Action by Consent Without a Meeting. Any action permitted or required by applicable law, the Articles of Agreement or these Bylaws to be taken at a meeting of the Board of Directors may be taken without a meeting if consent in writing setting forth the action so taken shall be approved by a majority of the Board of Directors.

3.7. Compensation; Expenses. No compensation shall be paid to Directors for their services, but by resolution of the Board a fixed sum and expenses for actual attendance at each regular or special meeting of the Board may be authorized. Nothing herein contained shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving compensation therefore.

ARTICLE IV
Officers

4.1. Chair. The Chair shall be chosen by the Board of Directors from among the membership of the Board at its first meeting, and thereafter at the first Board meeting following the annual Membership Council meeting. The initial Chair chosen by the Board shall be a Membership Council representative designated by a governing board of a member. In subsequent years the office of Chair shall alternate at two (2) year intervals between representatives so designated and Membership Council representatives elected by the employees of the members. The Chair shall be the chief executive officer of the Corporation, unless otherwise ordered by the Board of Directors. The Chair shall preside at all meetings of the Membership Council and Board of Directors, may sign Membership Agreements and shall perform such other duties as are imposed by applicable law, the Articles of Agreement or these Bylaws, or as may from time to time be prescribed by the Board of Directors.

4.2. Vice Chair. The Vice Chair shall be chosen in the same manner and for the same term as the Chair. The initial Vice Chair chosen by the Board shall be a Membership Council representative elected by the employees of a member. In subsequent years the office of Vice Chair shall alternate at two (2) year intervals between representatives so elected and Membership Council representatives designated by the governing boards of the members. The Vice Chair shall exercise

all the powers of the Chair during the absence or disability of the Chair and shall perform such other duties as the Board of Directors may from time to time prescribe.

4.3. Treasurer. The Treasurer shall be chosen in the same manner and for the same term as the Chair. The Treasurer shall, subject to the discretion and under the supervision of the Board of Directors, have the care and custody of the funds, books and valuable papers of the Corporation, except his or her own bond; shall have power to endorse for deposit or collection, all notes, drafts, checks and other obligations for the payment of money payable to the Corporation or its order; and to sign notes and drafts and checks and other obligations for the payment of money payable to the Corporation or its order, and to sign notes, drafts and checks drawn upon any bank account of the Corporation. The Treasurer shall keep accurate books of account, which shall be the property of the Corporation, and shall provide for an annual certified audit in a manner agreeable to RSA 5-B:5, I (d), to be presented at the annual Membership Council meeting. The Treasurer shall collect all monies from time to time due and owing to the Corporation, and shall keep and disburse the same pursuant to the contracts and obligations of the Corporation, or by order of the Board of Directors. The Treasurer shall have power to accept for, in the name and on behalf of the Corporation promissory notes, drafts and checks in the ordinary course of business. The Treasurer shall execute and deliver in behalf of the Corporation any such instruments as may be ordered by the Board of Directors, unless their execution and delivery is otherwise specifically provided for, may sign Membership Agreements issued by the Corporation, and shall perform such other duties as the Board of Directors may from time to time prescribe. The Treasurer shall give a bond in such sum and with such sureties as the Board of Directors may require.

4.4. Clerk. The Clerk shall be chosen in the same manner and for the same term as the Chair. The Clerk shall be and continue as an inhabitant of the State of New Hampshire and shall maintain an office therein. The Clerk, or an Assistant Clerk or Clerk pro tempore chosen by the Board of Directors, shall attend all meetings of the Membership Council and Board of Directors and record the proceedings thereof. The Clerk shall be the custodian of the Corporation's records and of any seal adopted by the Board of Directors for the Corporation. The Clerk shall notify the Membership Council and Board of Directors of their meetings, in accordance with the Bylaws, and shall perform such other duties as are required by applicable law, the Articles of Agreement or these Bylaws, or as the Board of Directors may from time to time prescribe.

ARTICLE V
Compensation and Loans

5.1. Compensation. The salaries of the officers of the Corporation shall be fixed from time to time by the Board of Directors, provided that no officer shall be prevented from receiving such compensation by reason of the fact that he or she is also a Director of the Corporation.

5.2 Loans. No loans shall be contracted on behalf of the Corporation, and no evidence of indebtedness shall be issued in its name, unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances. No loans shall be made by the Corporation to its officers, Directors, employees or members.

ARTICLE VI
Membership Agreements

Membership Agreements shall be in such form, not inconsistent with law, as the Board of Directors shall prescribe.

ARTICLE VII
Fiscal Year

The fiscal year of the corporation shall begin on the first day of July in each year, unless and until otherwise determined by the Board of Directors.

ARTICLE VIII
Execution of Papers

Except in cases where the Board of Directors authorizes the execution thereof in some other manner, or as otherwise provided in these Bylaws, all deeds, transfers, contracts, bonds, notes, drafts and other obligations for the payment of money made, accepted or endorsed by the Corporation shall be signed by the Chair or the Treasurer. The Board of Directors may delegate in writing to any other officer the authority to execute such documents as the Board may deem necessary or convenient to carry out the business of the Corporation.

ARTICLE IX
Indemnification

The Corporation shall, to the fullest extent permitted by law, indemnify any director or officer from and against any and all claims, damages, losses, expenses, and liabilities arising out of any breach of his or her fiduciary duty as a director, officer, or both. The indemnification provided for herein shall not be deemed exclusive of any other rights to which any individual so indemnified may be otherwise entitled, both as to action in his or her official capacity and as to action in another capacity while holding such office; shall continue as to a person who has ceased to be a director and/or officer; and shall inure to the benefit of the heirs, executors, and administrators of that individual.

The right of reimbursement for liabilities and expenses so imposed or incurred shall include the right to receive such reimbursement in advance of the final disposition of any such action, suit or proceeding upon the Corporation's receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall be ultimately adjudicated that he or she is not entitled to be indemnified by the Corporation pursuant to applicable law or this Article.

Neither the amendment nor repeal of this Article, nor the adoption of any provisions of the Bylaws inconsistent with this Article, shall eliminate or reduce the effect of this Article in respect of any matter occurring, or any cause of action, suit or claim that, but for this Article would accrue or arise, prior to such amendment, repeal or adoption.

ARTICLE X
Amendments

These Bylaws may be altered, amended or repealed by the Board of Directors, subject to repeal or change by action of a two-thirds (2/3rds) majority of the holders of membership certificates at any annual meeting of the Membership Council or at any special meeting of the Council called for that purpose, in the notice of which the subject matter of the proposed alterations, amendment or repeal, or the Articles to be affected thereby, shall be specified. In such event each member shall cast one (1) vote, as determined by agreement of its membership Council representatives; but if they cannot agree no vote shall be cast for that member with respect to that action.

SERVING NH 25+ YEARS SCHOOLCARE HEALTH BENEFIT PLANS

of the New Hampshire School Health Care Coalition

EXHIBIT 5

November 5, 2024

Dear Valued SCHOOLCARE Member:

We are pleased to present the rates for July 1, 2025, along with highlights from the past year.

SCHOOLCARE is built on a foundation of collaboration between employees and employers, a partnership essential to ensuring healthcare solutions that balance financial sustainability with the diverse needs of our members.

The past year brought both challenges and opportunities. Although SchoolCare's financial position was impacted by increased medical claims, it remains robust. Our net position decreased from $29.9 million to $20.4 million in FY 2024-25, approximately $11 million below the actuarially recommended reserve of $31 million. This reserve plays a critical role in supporting future stability.

This year's greatest opportunity emerged through a Focus Group, established as part of the Board's strategic planning process to strengthen relationships with both employers and employees. Meeting twice, the Focus Group provided valuable feedback, ideas, and guidance for the future. Their contributions, alongside the Membership Council's approval of the Action Items in the attached Annual Meeting Report, underscore the success of our labor/management collaboration.

Enclosed is Exhibit B to the Member Participation Agreement, detailing firm and final renewal rates for current coverage options, along with alternative lower-cost medical plan offerings.

Medical

The medical billing rate increases on July 1, 2025 are between 3% to 15% with an **average increase of 9.9%**. This includes 1.8% for rebuilding the reserve to the actuarially recommended level. There is no Premium Holiday for the first time in over a decade.

Retiree Medical

Medicare eligible retiree plans renew annually on January 1st. The Advantage plan, offered through United Healthcare has a break in the 3-year rate lock with an increase of 25.2% due to federal legislative changes in 2025. The Traditional plan, offered through United American has a 2.7% increase on January 1, 2025. The Traditional plan with Express Scripts prescription coverage (*a grandfathered plan*) is decreasing 9.3%.

Dental

Participating Members will see dental rate increases on July 1, 2025 ranging from 0% to 6% based on claims utilization and trend with an **average dental increase of 4%**.

Vision

Vision is a hardware-only (eyeglasses/contacts) coverage through VSP. The rates which were set July 1, 2023 remain the same through June 30, 2027.

Life & Disability

Life and disability coverages have been offered in partnership with Mutual of Omaha since 2019. Members benefited from at least 10% savings upon enrollment with an initial two-year rate guarantee. Most participating members will once again have no rate change on July 1, 2025.

As we look to the future, the Board and staff are extremely focused on the importance of quality benefits, excellence in service, stable rates and being a trusted partner. Please reach out to Your SchoolCare Team with any comments or questions.

In good health,

Lisa J. Duquette
Executive Director

Enclosures

SERVING NH 25+ YEARS SCHOOLCARE HEALTH BENEFIT PLANS

2024 Annual Meeting Summary

On Friday, November 1, 2024, the SCHOOLCARE Board of Directors held its 29th Annual Meeting with Membership Council, partners and guests. The agenda included a review of fiscal year 2023-24, health care trend discussion, review of the preliminary rate projections for fiscal year 2025-26, election of Board and Nominating Committee members and voting on three action items relative to optional weight loss medication coverage and plan design changes.

Attendees also heard from Keynote Speakers Wendy MacDougall, Director of Service Solutions and Peter Birrell, Director of Digital Strategy and Implementation, both of Cigna. Ms. MacDougall and Mr. Birrell gave an insightful presentation on how Cigna is using technology, including predictive artificial intelligence, to help create a personalized, data-driven healthcare experience to save participants money and improve health outcomes.

BUSINESS MEETING

The Business Meeting opened with Board Clerk Katie Krauss announcing a quorum with 80 votes and two proxies present out of a total 124 voting members.

SCHOOLCARE Associate Executive Director Melissa Perreault presented the operating expenses, medical claims utilization and trends, and audited financial statements for 2023-24. Ms. Perreault highlighted challenges created by higher-than-expected claims driven by inflation, catastrophic claims and high-cost medications. She reiterated that SCHOOLCARE is financially stable with $20 million in its contingency reserve.

The audited financial statements for fiscal year 2023-24 and listing of the Board of Directors is available at www.schoolcare.org/about-governance.

SCHOOLCARE Executive Director Lisa Duquette shifted the focus to the future, with an overview of this year's rate-setting process and the measures being taken to rebuild the contingent reserve that was used to address 2023-24's unanticipated claims expenditures. She indicated that at the direction of the Board, no group will receive higher than a 15% medical rate increase this year, with an average increase of less than 10%, and an average dental rate increase of 4% with no group receiving more than 6%.

BOARD ELECTIONS & PLAN DESIGN CHANGES

The Membership Council voted to elect members to the Nominating Committee as well as re-electing three members to the Board of Directors, and one new member to serve the balance of a term vacated earlier this year. Elected were Employer Representatives Brian Cisneros, Business Administrator for Portsmouth School Department, and Katie Krauss, Business Administrator for Somersworth School District and Employee Representatives Terry Burlingame and Erich Ingelfinger, educators from Gilmanton and Somersworth School Districts, respectively.

A panel of Focus Group participants – Jen Burk, past-Employer Representative to the Board from Hudson School District; Derek Pappaceno, an educator from Alton School District; and Lisa Simko, an Employee Representative on the Board from Dover School District – assisted staff in providing an overview of work done between May and September to arrive at three recommendations for plan design changes relative to adding coverage for weight loss medication, updates to the Yellow and Orange plans and sunsetting four low copay/enrollment Red and Green plans.

These recommendations and the actions taken are outlined on the back of this page.

Changes Approved by Membership Council

Action Item 1

Add optional coverage for GLP-1 weight loss medication effective 7/1/25 as follows:

- Implement EncircleRx, a GLP-1 weight loss medication benefit, in conjunction with Omada's lifestyle management program for employer group(s) that have 50 or more enrolled subscribers
- Employer group(s) electing EncircleRx will have a 6% rate load added to their 7/1/25 increase
- Requires approval of employer group(s') governing board

This program requires participants meet specific BMI criteria documented by their provider and enroll/actively participate in the Omada lifestyle change program to receive a prior authorization to fill a GLP-1 prescription for weight loss purposes.

After a voice vote was too close to call, a roll call vote was taken and the Membership Council approved with 44 in favor, 41 opposed and one abstention.

Action Item 2

Update/replace existing Yellow and Orange plans:

- Plans priced 4% less than current versions, effective July 1, 2025
- Existing plans sunset 6/30/2026 for all non-collective bargaining groups
- Existing plans sunset 6/30/26 or with the expiration of the currently in-force collective bargaining agreement on 7/1/25, whichever is later

Yellow 2.0 and Orange 2.0 plans reflect increases to the deductibles and out-of-pocket maximums only. There is no change to the Choice Fund/HRA on the Yellow Plan 2.0 with Choice Fund.

After a voice vote was too close to call, a roll call vote was taken and the Membership Council approved with 43 in favor and 40 opposed.

	Current Yellow	Yellow 2.0	Current Orange	Orange 2.0
Deductible (single/family)	$1,250/$2,500	$1,500/$3,000	$2,000/$4,000	$2,500/$5,000
OOP Max (single/family)	$2,000/$4,000	$3,000/$6,000	$4,000/$8,000	$5,000/$10,000

Action Item 3

Sunset the Green and Red plans with lowest copays/enrollment on June 30, 2026, as follows:

- Green $5 OV; $5/15/25 RX
- Green $10 OV; $5/15/35 RX
- Green $10 OV; $10/30/65 RX (no enrollment)
- Red $5/15/35 RX

This will impact only the Green and Red plans indicated. Green $20 OV; $10/30/65 RX, Green $30 OV; $10/30/65 RX and Red $10/30/65 RX, will remain in place and may still be offered alongside each other for employee choice.

A majority of the Membership Council approved by voice vote.

SCHOOLCARE HEALTH BENEFIT PLANS

Exhibit B

Lebanon School District

(the "MEMBER")

MONTHLY RATES

MEDICAL: July 1, 2025 - June 30, 2026

CURRENT PLAN(S)	SINGLE	TWO-PERSON	FAMILY	% INCREASE
Green OV $10, RX $5/15/35	$1,419.50	$2,839.00	$3,832.50	8.9%
Yellow with Choice Fund	$1,242.00	$2,484.00	$3,353.50	8.9%

ALTERNATIVE PLAN(S)	SINGLE	TWO-PERSON	FAMILY	% INCREASE
Green OV $20, RX $10/30/65	$1,364.00	$2,728.00	$3,683.00	n/a
Green OV $30, RX $10/30/65	$1,348.50	$2,697.00	$3,641.00	n/a
Red RX $10/30/65	$1,282.50	$2,565.00	$3,463.00	n/a
Yellow 2.0 with Choice Fund	$1,192.50	$2,385.00	$3,220.00	n/a
Yellow 2.0	$1,045.00	$2,090.00	$2,821.50	n/a
Orange 2.0	$920.00	$1,840.00	$2,484.00	n/a

RETIREE MEDICAL: January 1, 2025 - December 31, 2025

PLAN	ADVANTAGE	TRADITIONAL WITH PRESCRIPTION*	TRADITIONAL
Medicare Eligible	$398.00	$458.20	$192.00

*Not available for new Medicare-eligible retirees beginning January 1, 2023.

DENTAL: July 1, 2025 - June 30, 2026

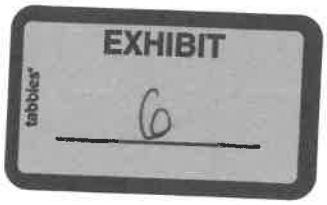
PLAN	SINGLE	TWO-PERSON	FAMILY	% INCREASE
DP6	$50.77	$95.27	$159.75	0.0%

PREMIUM HOLIDAY: N/A

The Lebanon School District accepts the rates provided above as replacement to Exhibit B of the MEMBER Participation Agreement and agrees to participate as a MEMBER of the Coalition for the plan year July 1, 2025, through June 30, 2026. Please email response to mperreault@schoolcare.org **before February 1, 2025.**

Authorized Signature _____ Date_____

Print Name _____ Title _____



NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION

FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION

JUNE 30, 2025 AND 2024

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Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
New Hampshire School Health Care Coalition

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the New Hampshire School Health Care Coalition (the Coalition), as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Coalition's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Coalition, as of June 30, 2025 and 2024, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Coalition, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Coalition's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Coalition's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Coalition's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and Schedules 1 and 2 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated February 2, 2026 on our consideration of the Coalition's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Coalition's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Coalition's internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

West Hartford, Connecticut
February 2, 2026

NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025

The New Hampshire School Health Care Coalition (the Coalition), a public entity risk pool, presents the following overview and analysis of its financial operations for the fiscal year ended June 30, 2025, to be reviewed and considered in conjunction with the more detailed statements, schedules, and notes in this report.

Executive Summary

The Coalition concluded FY2024–25 amid significant claims volatility, sustained medical and pharmacy inflation, and changing utilization patterns. The organization recorded an operating loss of approximately $25 million for the year ended June 30, 2025, primarily due to higher-than-expected claims activity and a shortfall in pharmacy considerations (rebates). To align future resources with projected obligations, management recorded a premium deficiency reserve (PDR) of $12.1 million, resulting in a projected contingent reserve deficit of approximately $4.7 million versus an actuarially recommended target of $34 million for the FY2025–26 plan year. In response, the Board and management have initiated a coordinated financial and operational strategy—including a $30 million assessment, targeted expense controls, expanded claims mitigation programs, and formulary enhancements—to stabilize liquidity, rebuild reserves, and support long-term sustainability while continuing to deliver high-quality benefits and services to Members.

Overview of the Financial Statements

The Coalition's fiscal year is July 1 through June 30.

The annual financial report consists of three parts:

- Management's Discussion and Analysis
- Financial Statements and Note Disclosures
- Required Supplementary Information

Management's discussion and analysis provides a narrative overview of the statements and comments on significant developments during the reporting period. The intention is to present a financial summary of operations for the past fiscal year and discuss the outlook for the ensuing year.

The Statements of Net Position contain information regarding the assets and liabilities of the Coalition. The Coalition reports in accordance with GASB Statement No. 65 which requires deferred outflows of resources and deferred inflows of resources to be reported in separate sections of the Statement of Net Position. The Coalition has not reported any deferred outflows but does report deferred revenue as a deferred inflow.

The Statements of Revenues, Expenses and Changes in Net Position show the operating activities for the year, revenues and expenses. As required by the GASB, investment income is considered non-operating revenue. The net result of operations for the fiscal year is the change in net position from year to year.

The Statements of Cash Flows report the cash flow resulting from operating, investing and financing activities of the Coalition showing how the financial resources were used during the course of the year.

Notes to the Financial Statements provide explanations of the accounting principles followed and of key items in the financial statements. They include tables with more detailed analysis of certain accounts.

The Required Supplementary Information includes the ten-year schedule of claims development and a three-year comparative reconciliation of claims liabilities.

Analysis of Financial Information Presented in the Statements

Statements of Net Position

The following table summarizes the Statements of Net Position:

	June 30, 2025	June 30, 2024	Percentage Change	June 30, 2023	Percentage Change
Cash and cash equivalents	$ 6,884,830	$ 9,992,106	-31%	$ 12,507,261	-20%
Investments	16,212,566	31,909,848	-49%	34,652,370	-8%
Other assets	5,348,577	5,903,440	-9%	5,402,519	9%
Total assets	28,445,973	47,805,394	-40%	52,562,150	-9%
Claims payable	3,040,384	3,698,706	-18%	2,443,184	51%
Claims reserves	15,361,000	12,988,034	18%	12,047,115	8%
Premium holiday payable	-	3,183,248	-100%	5,113,031	-38%
Premium deficiency reserve	12,114,148	5,573,053		-	
Other liabilities	856,991	878,442	-2%	883,603	-1%
Total liabilities	31,372,523	26,321,483	19%	20,486,933	28%
Deferred inflows of resources	1,803,995	1,069,144	69%	2,156,665	-50%
Net position:					
Invested in capital assets	345,488	353,420	-2%	357,552	-1%
Unrestricted	(5,076,033)	20,061,347	-125%	29,561,000	-32%
Total net position	$ (4,730,545)	$ 20,414,767	-123%	$ 29,918,552	-32%

Total assets for FY2025, FY2024, and FY2023 are $28,445,974, $47,805,394, and $52,562,150, respectively. The decrease in assets from FY2024 to FY2025 is primarily attributable to lower cash balances due to higher than anticipated claims experience as well as lower investment balances due to a number of cash drawdowns throughout the 2024-2025 fiscal year. The decrease in assets from FY2023 to FY2024 was primarily due to higher than anticipated claims experience as well as lower investment balances due to a decrease in investments as a result of a drawdown in the spring of 2024.

Total liabilities for FY2025, FY2024, and FY2023, are $31,372,524, $26,321,483, and $20,486,933 respectively. The increase in liabilities from FY2025 and FY2024 is primarily attributable to a premium deficiency reserve.

In accordance with GASB Statement No. 30, "Risk Financing Omnibus," premium deficiencies are required to be calculated and reported by public entity risk pools. As GASB is not specific to healthcare entities, in establishing a premium deficiency reserve, the Coalition also looks to generally accepted accounting principles issued by the Financial Accounting Standards Board (FASB) as well as applicable National Association of Insurance Commissioners (NAIC) relative to prepaid health care services contracts. Such guidance provides premium deficiency reserve guidance specific to health insurance entities and has been used by SchoolCare to clarify and supplement GASB GAAP guidance issued within GASB Statement No. 30 which is specific to property liability insurance coverage. A premium deficiency can result when expected costs for coverage obligations as of the financial statement date exceed expected contributions (based on rates set prior to the financial statement date) for such coverage. As further described in Note 1, the Coalition recorded a premium deficiency reserve of $12.1 million as of June 30, 2025, following a premium deficiency reserve for FY2024 of $5.5 million. There was no premium deficiency reserve required for FY2023.

Unrestricted net position decreased over the prior year by $25,137,380 in the medical contingent reserve largely due to higher than anticipated claims experience, increased medical trend and a premium deficiency reserve. Due to high claims experience, the medical contingent reserve is not fully funded to the actuarial recommendation of $31 million. The increase in medical contingent reserve was calculated using a 8.6% melded trend for projected 2025-26 claims. This trend increased from 8.5% in the prior year.

Statements of Revenues, Expenses and Changes in Net Position

The following table summarizes the Statements of Revenues, Expenses and Changes in Net Position:

	June 30, 2025	June 30, 2024	Percentage Change	June 30, 2023	Percentage Change
Operating revenues:					
Member contributions	$ 232,178,076	$ 220,199,740	5%	$ 211,243,950	4%
Other	8,893,820	10,854,104	-18%	10,171,264	7%
Total operating revenues	241,071,896	231,053,844	4%	221,415,214	4%
Operating expenses:					
Claims expense	231,491,244	208,891,605	11%	187,782,165	11%
Insurance premiums	18,549,692	17,201,009	8%	18,088,116	-5%
Claims administration	5,125,998	5,096,389	1%	5,094,293	0%
Self-insured pool assessments	1,946,623	1,835,013	6%	1,646,927	11%
Health and wellness benefits	2,106,663	2,086,832	1%	2,734,764	-24%
Administration	2,554,485	2,324,916	10%	2,219,125	5%
Change in premium deficiency reserve	6,541,095	5,573,053	17%	-	100%
Other	53,511	50,889	5%	49,734	2%
Total operating expenses	268,369,310	243,059,706	10%	217,615,124	12%
Operating loss	(27,297,414)	(12,005,862)	127%	3,800,090	-416%
Nonoperating revenues:					
Premium holiday credits	-	-	0%	(3,183,249)	-100%
Earnings on investments	2,152,102	2,502,077	-14%	979,349	155%
Change in net position	(25,145,312)	(9,503,785)	165%	1,596,190	-695%
Beginning net position, July 1	20,414,767	29,918,552	-32%	28,322,362	6%
Ending net position, June 30	$ (4,730,545)	$ 20,414,767	-123%	$ 29,918,552	-32%

Revenues - Total operating revenues for FY2025, FY2024, and FY2023, were $241,071,896, $231,053,844, and $221,415,214, respectively. The increase in Member contributions from FY2024 to FY2025 is mostly attributable to a 9.9% rate increase in the medical plan coupled with an approximately 10% increase in enrollment. The increase in Member contributions from FY2023 to FY2024 is mostly attributable to a 6.4% rate increase in the medical plan with consistent enrollment year over year.

Expenses - Total operating expenses for FY2025, FY2024, and FY2023 were $268,369,310, $243,059,706 and $217,615,124, respectively. FY2025 and FY2024 saw elevated claims throughout the year with claims experience exceeding projections impacting both claims and premium deficiency expenses. For FY2023, operating expenses increased largely due to increased claims utilization towards the latter part of the year.

Operating expenses as a percentage of contributions earned from Member Groups are as follows for the years ended June 30:

	2025	2024	2023
Claims Incurred	108.6%	103.6%	98.8%
Premium deficiency expense (gain)	2.8%	2.5%	0.0%
Return of Surplus	0.0%	0.0%	-1.5%
Administrative fees paid	2.2%	2.3%	2.4%
Administrative expenses	2.0%	1.9%	1.9%

Investment and Capital Position

The Coalition engages Strategic Asset Alliance (SAA) as investment consultant and advisor to the Board and organization. Asset Allocation and Management Company (AAM) provides investment management and accounting services, and US Bank serves as the custodian of Coalition funds.

Portfolio Values and Liquidity Actions

- June 30, 2025: Investment portfolio valued at $16,350,234.
- June 30, 2024: Investment portfolio valued at $31,909,848.
- June 30, 2023: Investment portfolio valued at $34,652,370.

Decreases in portfolio value reflect withdrawals totaling $20.2 million since spring 2024 to support operating cash needs arising from higher-than-anticipated medical claims payments.

In FY2024, the Coalition's investments were compliant with municipal requirements under NH RSA 35:9, with the exception of an aggregate amount of 4.57%, which is compliant with RSA 402:28. This aggregate amount includes the Coalition's cash, cash equivalents, and other non-REIT investments.

The Coalition held securities non-compliant with NH RSA 35:9 of $22 as of June 30, 2025; $1,915,214 as of June 30, 2024; and $2,514,638 as of June 30, 2023. The decrease reflects liquidation to meet operating cash requirements.

The portfolio previously included one Real Estate Investment Trust (REIT), which was sold in December 2023 for $26,741.65. The REIT balance was $0 as of June 30, 2025 and June 30, 2024, and $55,393 as of June 30, 2023.

Capital Assets and Debt

The Coalition's property and equipment were valued at $345,488 as of June 30, 2025, compared with $353,420 as of June 30, 2024 and $357,552 as of June 30, 2023. The FY2025 change reflects $25,642 in depreciation and $17,709 in capital additions. The Coalition has no long-term debt.

Financial Outlook and Strategic Response

FY2025 Operating Results and Reserves

As of June 30, 2025, SchoolCare reported an operating loss of approximately $25 million, driven by increased claims in the second half of the fiscal year and sustained elevated utilization. A secondary driver was a $4.5 million (35%) shortfall in pharmacy considerations (rebates) versus expectations, primarily due to utilization shifts associated with the introduction of biosimilars and a greater mix of non-rebated specialty medications.

To reflect expected future claims, administrative costs, and required reserves exceeding anticipated contributions for the upcoming plan year, management recorded an actuarially determined premium deficiency reserve (PDR) of $12.1 million. The PDR further reduced unrestricted net position, resulting in a projected contingent reserve of approximately ($4.7) million as of June 30, 2025, compared with an actuarial target of $34 million for the FY2025–26 plan year.

Trends and Claims Dynamics

- FY2023–24 actual trend: 10.9% (medical and pharmacy), driven by inflationary pressures, higher utilization, catastrophic claims, and rising specialty pharmacy costs. Musculoskeletal conditions were the leading large-claim category, followed by neoplasms (cancer). Contribution rates were developed using a 7.17% melded trend plus a 1% claims margin, which proved below actual experience.
- FY2024–25 actual trend: 13.3%, with medical spend up 14% and pharmacy spend up 10.9%. Contribution rate development assumed 6.79%, a 1% claims margin, and a 1.8% reserve rebuild factor—again below realized experience in a persistently inflationary environment.
- Large-claim activity: Claimants exceeding $100,000 increased 18% year-over-year. These members represented 1.6% of total covered individuals yet accounted for 31% of total claims expenditures. Several catastrophic claims exceeding $550,000 triggered stop-loss recoveries.
- Stop-loss performance: Recoveries in FY2024–25 exceeded $5.7 million, surpassing premiums paid and demonstrating the ongoing effectiveness of the stop-loss program in mitigating catastrophic risk.

Board-Approved Plans and Strategies

To address liquidity, rebuild reserves, and align rates with experience while safeguarding member affordability, management and the Board have adopted the following measures:

1. $30 Million Assessment to Members Participating as of June 30, 2025 to materially improve liquidity and rebuild the contingent reserve.
    - Approved: September 21, 2025.
    - Allocation: Pro-rata based on each group's FY2024–25 contributions (consistent with contribution-holiday methodology), approximating 1.5 months of contributions.
    - Invoicing and Terms: Issued October 1, 2025, due upon receipt. Member groups needing additional time may defer payment until July 15, 2026, by entering a Contribution Assessment Payment Plan Agreement by May 1, 2026. A 0.5% monthly interest applies to unpaid balances beginning January 2026.

2. Targeted Expense Controls to reduce total operating expenses by nearly $230,000 in FY 2025-26 while preserving essential services.

   - Hiring Freeze: Board-approved freeze on open positions for FY2025–26, including an Accounting Specialist (vacant since July 2025), a Member Care Associate (vacated late July 2025), and the planned replacement of the Senior Projects Advisor (retiring December 31, 2025) with a Group Relations Specialist—to be reevaluated in spring 2026.
   - Estimated Savings: Approximately $190,000 annually (salary and benefits).
   - Travel Reductions: Suspension of non-essential staff and Board travel not directly tied to member service. Of the $80,000 travel budget for FY2025–26, management targets a 50% reduction (~$40,000).

3. Claims Mitigation and Care Management Enhancements

   - Enhanced Case Management & Analytics: Expansion of internal and external analytics to identify high-risk members earlier, apply predictive modeling, and coordinate interventions to avert high-cost events.
   - Cigna "Health Matters" Enhancement: Effective July 1, 2026, Cigna will add a dedicated Personal Health Team at no additional cost to the plan, broadening outreach and enabling earlier engagement in clinical care management.
   - Member Education & Preventive Health: Increased campaigns to promote preventive care, condition management, and use of high-value services to reduce avoidable ER and inpatient utilization.

4. Biosimilar Adoption in the Drug Formulary

   - In alignment with Cigna's national pharmacy strategy, biosimilars are being incorporated to replace higher-cost specialty medications (e.g., Humira followed by Stelara, with additional classes as new biosimilars are approved).
   - Effective July 1, 2025, SchoolCare's pharmacy contract was updated to include rebate eligibility for biosimilars. These provisions are expected to generate approximately $700,000 in additional revenue during FY2025–26, offsetting pharmacy claim costs and supporting rate adequacy.

5. Net Asset Policy Revisions

   - In consultation with legal counsel, management is drafting updates to strengthen reserve requirements and formalize a designated Assessment Reserve, with enhanced financial communications to Member groups. A draft was presented to the Board in October and is scheduled for final review during the current fiscal year.

6. Rate-Setting Analysis and Discussion

   - Preliminary indication from WTW for the July 1, 2026 renewal is a 17.5% needed increase, reflecting 9% medical trend, 11% pharmacy trend, and 9.44% composite trend. Management and the Board are evaluating contribution strategies to balance fiscal stability with affordability.

7. Non-Renewal of Harvard Pilgrim Groups (January 1 and July 1, 2026)

- To simplify administration and improve rate predictability, the Board approved non-renewal of Harvard Pilgrim plans effective January 1, 2026 and July 1, 2026. Affected groups will be offered renewal with Cigna and moved to the July renewal pool, streamlining underwriting and enhancing stability.

Looking Ahead

Inflation remains a key driver of medical trend. Management will continue to evaluate and deploy cost-mitigation initiatives, including ongoing promotion of Omada Complete and Hinge Health to improve outcomes—particularly for members managing multiple comorbidities. The organization began an infrastructure reorganization effective July 1, 2024, including hiring a Director of Finance and Director of Member Engagement to build depth and breadth of expertise, consistent with the five-year strategic plan approved October 2023. The Board and staff remain focused on delivering quality benefits, excellent service, stable rates, and trusted partnership to Members.

Membership and Member Services

Membership Overview

Exceptional service to existing Members remains a cornerstone of the Coalition's mission. Membership in the Coalition's medical and dental plans increased by approximately 10% in FY2025, in part due to the closure of another New Hampshire–based risk pool. Staff continue to deliver the highest standard of service to current Members while expanding outreach to prospective clients through educational events and marketing initiatives. Many of these opportunities have transitioned to hybrid formats—combining live, recorded, and in-person options—to accommodate Member preferences and enhance engagement.

Member Services and Administrative Offerings

The Coalition provides a comprehensive suite of administrative services designed to deliver flexibility, convenience, and expert guidance for Member groups and Participants:

- Retiree Administration Services that include medical and dental billing administration, including contribution collection and coordination with the New Hampshire Retirement System (NHRS). Staff also provide direct assistance to retirees and Member groups regarding coverage and claims.
- COBRA Administration Services for required COBRA notifications, billing, and payment collection on behalf of Members. The Coalition maintains a certified COBRA administrator on staff, ensuring compliance with all federal requirements.
- Dependent Benefit Protection that extends 12 months of COBRA medical and dental coverage at no cost to dependents of an employee who passes away, regardless of cause. As of June 30, 2025, one two-party and one family group were covered under this provision.
- Onsite Services and Education - providing benefit education sessions, Employee Assistance Program (EAP) seminars, and the annual Well-Being Recharge event, promoting holistic health and well-being among Member organizations.
- Claims Advocacy is a defining differentiator between the Coalition and traditional insurance products, the Member Services Team assists Participants with complex claim issues, payment disputes, and approvals. Staff act as advocates, helping Participants navigate healthcare and understand their benefits through direct education and personalized support.

Regulatory Compliance and Oversight

Federal Healthcare Legislation

The Patient Protection and Affordable Care Act (PPACA) and the Consolidated Appropriations Act (CAA) continue to influence Coalition operations and Member responsibilities. The Coalition remains fully compliant with both laws and maintains a proactive approach to monitoring regulatory changes and implementing required updates.

PPACA Compliance

All Coalition medical plans remain compliant with PPACA mandates, including Sections 6055 and 6056 reporting obligations. The Coalition continues to pay the Comparative Effectiveness Research (CER) fee on behalf of Members. Although originally set to expire in 2020, this fee has been extended through June 30, 2029 (for fiscal-year plans), with a final payment due by July 31, 2030.

CAA Compliance

The CAA introduced new transparency and administrative requirements, including:

- Transparency in Coverage (TiC) disclosures,
- Prescription Drug Data Collection (RxDC) reporting, and
- Mental Health Parity and Addiction Equity Act (MHPAEA) comparative analyses.

Coalition staff collaborate with vendors and strategic partners to collect and submit required data, maintain compliance documentation, and communicate regulatory developments to Member groups. These activities reinforce SchoolCare's commitment to transparency, compliance, and education across its Membership base.

Medical Cost Trends and Member Engagement

Cost Drivers and National Context

Healthcare cost growth remains elevated nationwide, with persistent inflation and increasing utilization across multiple service categories. Although a large portion of Members are enrolled in Consumer Driven Plans (CDPs), these broader trends have continued to drive year-over-year cost increases. Economic uncertainty and inflationary pressures underscore the need for continued vigilance in cost management, plan design optimization, and Member education.

Consumerism and Plan Participation

As of July 2025, approximately 83% of SchoolCare's covered population participates in a Consumer Driven Plan. This ongoing shift underscores the growing importance of consumerism—empowering Participants to make informed, cost-effective decisions about their care.

Education and Communication Initiatives

The Coalition emphasizes education as a key component of cost containment and Member engagement. Initiatives include:

- Annual claims analyses that identify cost drivers and utilization trends for each Member group.
- Employer support in evaluating plan design alternatives and cost-benefit analyses.
- Regular educational outreach through newsletters, webinars, social media, and live or virtual presentations promoting preventive care and cost awareness.

Member Feedback and Plan Design Evolution

In FY2024, the Board and Staff worked closely with Membership Council Representatives to gather feedback on future benefit design and network strategies. Two focus group sessions informed upcoming plan transitions, culminating in the Membership Council's vote on November 1, 2024, to discontinue the $10 office visit copay plans and transition to Consumer Driven 2.0 Plans, effective July 1, 2025. This shift demonstrates Coalition's responsiveness to Member input, alignment with market trends, and commitment to fostering healthcare consumerism and long-term cost sustainability.

Governance and Regulatory Environment

The Coalition operates as a pooled risk management program under RSA 5-B, regulated by the New Hampshire Secretary of State's Bureau of Securities Regulation (BSR). Coalition staff provide periodic operational updates and promptly respond to all inquiries and requests for information from the BSR. This governance framework ensures continued transparency, accountability, and adherence to statutory requirements.

Requests for Information

For additional information, please contact:
New Hampshire School Health Care Coalition
370 Harvey Road
Manchester, NH 03103
(603) 836-5031 Ext.318

NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
STATEMENTS OF NET POSITION
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	June 30, 2025	June 30, 2024
ASSETS:		
Cash and cash equivalents	$ 6,884,830	$ 9,992,106
Investments	16,212,566	31,909,848
Member receivables	1,730,698	2,252,585
Accounts receivable	3,114,065	2,989,641
Accrued interest receivable	101,901	172,324
Prepaid expenses	56,425	135,470
Total current assets	28,100,485	47,451,974
Property and equipment, net	345,488	353,420
Total assets	$ 28,445,973	$ 47,805,394
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
LIABILITIES:		
Accounts payable	$ 690,932	$ 716,774
Accrued expenses	166,059	161,667
Claims payable	3,040,384	3,698,706
Claims reserves	15,361,000	12,988,034
Premium holiday payable	-	3,183,248
Premium deficiency reserve	12,114,148	5,573,053
Total current liabilities	31,372,524	26,321,482
DEFERRED INFLOWS OF RESOURCES:		
Deferred revenue	1,803,995	1,069,144
NET POSITION:		
Invested in capital assets	345,488	353,420
Unrestricted	(5,076,033)	20,061,347
Total net position	(4,730,545)	20,414,768
Total liabilities, deferred inflows of resources and net position	$ 28,445,974	$ 47,805,394

The accompanying notes are an integral part of these financial statements

NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	June 30, 2025	June 30, 2024
Operating revenues:		
Member contributions	$ 232,178,076	$ 220,199,740
Other income	8,893,820	10,854,104
Total operating revenues	241,071,896	231,053,844
Operating expenses:		
Claims expense	231,491,244	208,891,605
Insurance stop-loss	5,416,178	5,202,423
Insurance premiums	13,133,514	11,998,586
Claims administration	5,125,998	5,096,389
Contractual services	379,480	543,898
Affordable Care Act fees	53,511	50,051
Self-insured pool assessments	1,946,623	1,835,013
Administration	2,159,895	1,766,326
Change in premium deficiency reserve	6,541,095	5,573,053
Health and wellness benefits	2,106,663	2,086,832
Conference expenses	15,109	15,530
Total operating expenses	268,369,310	243,059,706
Operating loss	(27,297,414)	(12,005,862)
Nonoperating revenues:		
Premium holiday credits	-	-
Earnings on investments	2,152,102	2,502,077
Change in net position	(25,145,312)	(9,503,785)
Beginning net position, July 1	20,414,767	29,918,552
Ending net position, June 30	$ (4,730,545)	$ 20,414,767

The accompanying notes are an integral part of these financial statements

NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	June 30, 2025	June 30, 2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from members	$ 230,251,566	$ 216,844,413
Subsidies and refund received	8,769,396	10,775,885
Payments to suppliers	(28,500,405)	(27,276,692)
Payments of claims	(229,776,600)	(206,695,164)
Payments to employees	(1,751,266)	(1,388,596)
Net cash and cash equivalents used in operating activities	(21,007,309)	(7,740,154)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Purchase of property and equipment	(19,773)	(20,748)
Net cash and cash equivalents used in capital and financing activitie	(19,773)	(20,748)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from maturities and sales, net of purchases	16,657,941	4,054,488
Interest and dividend income	1,261,864	1,191,259
Net cash and cash equivalents provided by investing activities	17,919,805	5,245,747
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,107,276)	(2,515,155)
CASH AND CASH EQUIVALENTS, beginning of year	9,992,106	12,507,261
CASH AND CASH EQUIVALENTS, end of year	$ 6,884,830	$ 9,992,106
RECONCILIATION OF OPERATING INCOME TO		
NET CASH USED IN OPERATING ACTIVITIES:		
Operating income	$ (27,297,414)	$ (12,005,862)
Adjustments to reconcile operating income to		
net cash and cash equivalents used in operating activities -		
Depreciation expense	27,705	24,880
Premium holiday credit	-	-
Decrease (increase) in assets:		
Member receivables	521,887	(338,023)
Accounts receivable	(124,424)	(78,219)
Prepaid expenses	79,045	(89,958)
(Decrease) increase in liabilities:		
Accounts payable	(25,842)	13,895
Claims payable	(658,322)	1,255,522
Premium deficiency reserve	6,541,095	5,573,053
Accrued expenses	4,392	(19,057)
Claims reserves	2,372,966	940,919
Premium holiday payable	(3,183,248)	(1,929,783)
Increase in deferred revenue:	734,851	(1,087,521)
Total adjustments	6,290,105	4,265,708
Net cash and cash equivalents used in operating activities	$ (21,007,309)	$ (7,740,154)
SUPPLEMENTAL NON-CASH DISCLOSURE		
Change in unrealized loss on investments	$ (379,281)	$ 611,758

The accompanying notes are an integral part of these financial statements

NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

1. Organization and significant accounting policies:

A. Organization and reporting entity – The New Hampshire School Health Care Coalition (the Coalition), was created in 1995 as a non-profit, tax-exempt corporation. The Coalition is a cooperative service organization of political subdivisions authorized by the New Hampshire General Court to establish and operate one or more pooled risk management programs under the requirements of New Hampshire RSA Chapter 5-B for the benefit of political subdivisions of the State of New Hampshire. Its mission is to provide education and training for public employees and employers to become informed health consumers with healthier life styles, and enable the purchase of quality health care in a cost-effective manner. The Coalition was founded by the New Hampshire School Boards Association, the New Hampshire Association of School Business Officials, the New Hampshire School Administrators Association, the New Hampshire School Boards Insurance Trust, and the National Education Association-New Hampshire.

Prior to July 1, 2003, the Coalition entered into agreements with insurers to fully insure HMO, POS, indemnity, and Medicare supplement health benefit options, collectively known as the SchoolCare Plan (SchoolCare), and accordingly, the insurance risks were not retained by the Coalition under these plans. The Coalition provided prescription drug coverage to retired Members on Medicare under a self-funded arrangement beginning on July 1, 2002.

Beginning July 1, 2003, the Coalition entered into a self-insured arrangement with Connecticut General Life for the HMO and POS health benefit options. Connecticut General provides complete claims administration services and management reports.

Beginning July 1, 2010, the Coalition entered into a fully-insured arrangement with Connecticut General Life for DPO (dental provider organization) dental benefit options. The dental program transitioned to a self-insured arrangement on July 1, 2013.

Beginning July 1, 2011, the Coalition entered into an updated self-funded arrangement with Cigna Health and Life Insurance Company (formally Connecticut General Life) for both health benefit and dental benefit options.

Beginning January 1, 2014, the Coalition transitioned its existing SchoolCare 65+ prescription plan from self-funded to a fully insured Medicare Part D Employer Group Waiver Program (EGWP) with Express Scripts.

Beginning July 1, 2019, the Coalition began offering fully insured life, long term disability and short-term disability plans in partnership with Mutual of Omaha. The Coalition also began offering a hardware only, voluntary vision plan in partnership with VSP Vision.

Beginning January 1, 2023, the Coalition entered into a fully insured arrangement with United Healthcare to provide a Medicare Advantage Prescription Drug Plan (MAPD) to its 65+ retiree population.

B. Membership – Membership is limited to political subdivisions of the State of New Hampshire. Membership was 93 as of June 30, 2025 and 90 as of June 30, 2024.

1. Organization and significant accounting policies (continued):

C. Basis of accounting – The accompanying financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) as applied to proprietary funds of governmental units. The Coalition meets the requirements as a public entity risk pool under Governmental Accounting Standards Board (GASB) statements, and accounts for its activities in accordance with the applicable statements.

D. Cash and cash equivalents – The Coalition considers all deposit accounts with banks and money market accounts held by the Coalition's investment advisor in the Coalition's name to be cash and cash equivalents. The Coalition's accounts are insured or collateralized as of June 30, 2025 and June 30, 2024.

E. Investments – The Coalition accounts for its investments in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools (Statement No. 31). Statement No. 31 establishes fair value standards on accounting for all investments held by governmental external investment pools and governmental entities. All investment income, including changes in the fair value of investments, is recognized in the statements of revenues, expenses, and changes in net position. Realized gains and losses on the sale of investments are recognized on the specific identification basis to determine the costs of the investments sold. Realized gains and losses on investments that had been held for more than one year and sold in the current year were included as a change in the fair value of investments reported in the prior years and the current year. Investment purchases are recognized on the trade date. Investments are stated at fair value based on quoted market prices or through a recognized pricing service.

In accordance with GASB Statement No. 40, Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3, certain disclosures regarding deposit and investment risks have been provided in Note 2, Investments.

The Coalition measures its investments in accordance with GASB Statement No. 72, Fair Value Measurements and Application (Statement No. 72), which defines fair value, provides a framework for measuring fair value and requires certain disclosures about fair value measurements. The definition of fair value under Statement No. 72 focuses on the price that would be received to sell the asset, which is referred to as the exit price. Statement No. 72 provides guidance on how to measure fair value, when required, under existing accounting standards. Statement No. 72 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into broad levels as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs - other than quoted prices - included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in markets that are not active
- Inputs other than quoted prices that are observable for the asset or liability, such as:
  - (1) Interest rates and yield curves observable at commonly quoted intervals
  - (2) Implied volatilities
  - (3) Credit spreads
- Market-corroborated inputs.

1. Organization and significant accounting policies (continued):

Level 3 - Inputs are unobservable inputs, such as management's assumption of the default rate among underlying mortgages of a mortgage-backed security.

The Coalition has recorded its investments at fair value, as more fully described in Note 2.

The fair values of investments are measured using quoted market prices or dealer quotations, when available. When quoted market prices are not available, fair value is measured using quoted market prices for similar securities.

F. Property and equipment – Property and equipment are stated at cost and depreciated using the straight-line method over their estimated useful lives. On January 14, 2012 the Board adopted a formal policy, Capitalization for the Acquisition, Management and Disposition of Fixed Assets. The following is the guideline on how each type of fixed asset should be depreciated:

	Minimum Capitalized Cost	Estimated Useful Life
Office furniture and equipment	$ 3,000	7 years
Computer equipment	$ 3,000	5 years
Computer software	$ 5,000	10 years
computer - other equipment	$ 3,000	5 years
Buildings and improvements	All purchase costs	30 years
Building equipment	All purchase costs	20 years
Vehicles	All purchase costs	5 years

G. Member contributions – Member contributions are based on the program experience and trends as determined by qualified actuaries and are set by the Board annually. The contributions cover all expenses of the Coalition including claims payments and administration, reserves, stop-loss insurance, health and wellness programs, and the Coalition's administration. The rates are effective through June 30, 2025.

I. Net position – The Coalition reports two classifications of net position, invested in capital assets and unrestricted. Unrestricted net position is defined as that portion of net position that is intended to be used by the Coalition for specific purposes as authorized by the Board of Directors. Undesignated net position would be the residual classification of net position and would include all amounts not otherwise restricted or designated. The Coalition does not report an undesignated net position. Residual amounts are reported as contribution holiday payable as the Coalition is required to return any undesignated amount to Members. Upon dissolution of the organization, the net position is to be distributed to Members.

1. Organization and significant accounting policies (continued):

The following table represents the components of the net position:

	2025	2024
Invested in capital assets	$ 345,488	$ 353,420
Unrestricted - medical contingent reserve	(5,076,033)	20,061,347
Unrestricted - dental contingent reserve	-	-
Unrestricted net position	(5,076,033)	20,061,347
Total net position	$ (4,730,545)	$ 20,414,767

J. Income taxes – The Coalition has been recognized as having tax exempt status under Code Section 115 by the Internal Revenue Service.

K. Marketing – The Coalition expenses marketing and advertising costs when incurred.

L. Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred outflows/inflows of resources as well as disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

M. Unpaid claims liabilities – The Coalition establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Estimated amounts of excess insurance recoverable on unpaid claims are deducted from the liability for unpaid claims. The process used in computing claims liabilities does not necessarily result in an exact amount. Claims liabilities are recomputed periodically using the development actuarial method which assumes that past patterns of lag between the date a service is received and the date the claim is paid for the service will continue in the future and other economic factors. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

N. Excess insurance – The Coalition purchases an individual insurance policy in excess of predetermined levels of retained losses or self-insurance. The excess insurance program may change each coverage year to accommodate increased Membership and changing insurance market conditions. Excess insurance permits recovery of a portion of losses from excess insurers, although it does not discharge the primary liability of the Coalition as direct insurer of the risks. The Coalition does not report risks covered by excess insurance as liabilities unless it is probable that those risks will not be covered by the excess insurers and is refunded by excess insurers. Premiums paid to excess insurers for the years ended June 30, 2025 and 2024 were $5,416,178 and $5,202,423 respectively. There was $5,126,240 and $926,363 recovered from excess insurers and deducted from claims paid for fiscal years ended June 30, 2025 and 2024, respectively.

1. Organization and significant accounting policies (continued):

Third party health coverage was purchased from Optum for the 2024 program year subject to individual losses in excess of $550,000 per covered enrollee for loss year 2024 with an aggregating deductible of $125,000. These thresholds remained in place for FY2025. The Coalition does not currently purchase aggregate excess insurance. The Medigap portion of the Coalition's SchoolCare 65+ program is fully insured through the United American Insurance Company, and the prescription drug program is fully insured through Express Scripts. The Medicare Advantage Plan offered through UnitedHealthCare is also fully insured. The dental insurance benefit option was self-funded through Cigna beginning July 1, 2013. All ancillary coverages are fully insured through Mutual of Omaha and VSP Vision.

O. Deferred revenue – Financials are presented in accordance with GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. In addition to assets and liabilities, deferred outflows of resources (previously reported as assets) and deferred inflows of resources (previously reported as liabilities), are reported as separate sections in the statement of net position. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources in the current period. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources in the current period. The Coalition does not currently report any deferred outflows of resources. The Coalition reports deferred revenue which represents Members' contributions received in advance of the month of coverage as deferred inflows of resources.

P. Premium deficiency reserve – In accordance with GASB Statement No. 30, "Risk Financing Omnibus," premium deficiencies are required to be calculated and reported by public entity risk pools. A premium deficiency can result when expected costs for coverage obligations as of the financial statement date exceed expected contributions (based on rates set prior to the financial statement date) for such coverage. There was a premium deficiency reserve recorded for June 30, 2025 in the amount of $12,114,148. For June 30, 2024, the premium deficiency reserve recorded was in the amount of $5,573,053. Investment income was included as part of the calculation in determining if a premium deficiency existed.

Q. Liquidity and Going Concern - As of June 30, 2025 the Pool reported a net deficit of $4,730,545 caused by elevated claims and a premium deficiency reserve. These conditions raised substantial doubt about the Coalition's ability to continue as a going concern within one year of the issuance of these financial statements. Subsequent to year-end, the Board approved a member assessment of $30,000,000 (Note R). In addition, Cigna contract negotiations resulted in over $6 million of annualized savings through decreases in claims administration fees along with enhanced prescription drug discounts and rebates. Management believes these plans are probable of being effectively implemented and sufficient to mitigate the conditions. Accordingly, management concluded that the substantial doubt has been alleviated. The financial statements do not include any adjustments that might be necessary if the Coalition were unable to continue as a going concern.

R. Subsequent events – Subsequent to June 30, 2025, on September 21, 2025, the Board approved a member contribution assessment totaling $30,000,000 under the Coalition's Member Participation Agreements. The assessment is intended to fund the deficit and substantially rebuild the contingent reserve, which arose from elevated claims and the premium deficiency reserve. The assessment was invoiced on October 1, 2025 and the majority of collections are expected during fiscal year 2026, but no later than July 15, 2026. This event is not recognized in these fiscal year 2025 financial statements.

1. Organization and significant accounting policies (continued):

S. New accounting pronouncements – During the year ended June 30, 2025, the Coalition implemented the following Governmental Accounting Standards Board (GASB) statements: GASB Statement No. 101, Compensated Absences. Statement No. 101 updates the recognition and measurement guidance for liabilities for compensated absences. The requirements are effective for fiscal years beginning after December 15, 2023. Changes adopted at transition to conform to the provisions of this Statement should be reported as a change in accounting principle in accordance with GASB Statement No. 100. The implementation of this Statement did not have a material effect on the Coalition's financial statements. GASB Statement No. 102, Certain Risk Disclosures. Statement No. 102 requires disclosure of certain concentrations and constraints that may make the Coalition vulnerable to the risk of a substantial impact. The requirements are effective for fiscal years beginning after June 15, 2024. Any required presentation, recognition, measurement, and disclosure changes resulting from implementation have been reflected in the accompanying financial statements, as applicable.

2. Investments:

Investments are reported at fair value using quoted market prices. Net realized and unrealized gains and losses are included in the accompanying Statements of Revenues, Expenses and Changes in Net Position in earnings on investments under non-operating revenues and expenses. The Coalition's investments are subject to regulatory compliance requirements and various investment risks. The Coalition's investment policy, as approved by the Board of Directors, contains certain provisions and limitations intended to insure regulatory compliance and to mitigate the Coalition's exposure to investment risks.

The Coalition engages Strategic Asset Alliance (SAA) as an investment consultant and advisor to the Board and organization. Asset Allocation and Management Company (AAM) provides investment management and accounting services. US Bank acts as the custodian of Coalition funds.

The Coalition's investment portfolio on June 30, 2025 was valued at $16,212,566. The portfolio on June 30, 2024 was valued at $31,909,848. The June 30, 2023 value of the investment portfolio was $34,652,370. The Coalition's Risk Pool Practices Agreement with the NH Secretary of State expired as of April 25, 2017. Although the agreement is no longer in effect, operations and policies adopted as a result of its execution remain in place. The Coalition's investments are compliant with the requirements imposed upon municipalities pursuant to NH RSA 35:9, with the exception of an aggregate amount of 4.57% which is compliant with RSA 402:28. This aggregate amount includes the Coalition's cash, cash equivalents, and other investments. The Coalition held securities that are non-complaint with NH RSA 35:9 in the amount of $22 as of June 30, 2025, $1,915,214 as of June 30, 2024, and $2,461,155 as of June 30, 2023.

Custodial credit risk – Custodial credit risk is the risk that, in the event of failure of the counterparty to a transaction, the Coalition will not be able to recover the value of its investments or collateral securities that are in the possession of another party. Investments other than the real estate investment trusts were held by US Bank as of June 30, 2025 and June 30, 2024.

2. Investments (continued):

The Coalition's investments, including compliance consisted of the following as of June 30, 2025:

Category	Amount of Investment Portfolio	Percentage of Investment Portfolio	Non-Compliant Municipal Law RSA 35:9 Investments	Percentage of Municpal Law RSA 35:9 Non-compliant Investments	Non-Compliant Insurance Law 402:28:I Investments	Percentage of Insurance Law 402:28:I Non-compliant Investments
Corporate Bonds	$ 5,375,182	23.27%	$ 22	0.00%	$ -	0.00%
Municipal Bonds	1,689,172	7.31%	-	0.00%	-	0.00%
Asset Backed Corporate	2,290,843	9.92%	-	0.00%	-	0.00%
Mortgage Backed Corporate	1,184,964	5.13%	-	0.00%	-	0.00%
Mortgage Backed Residential	4,755,042	20.59%	-	0.00%	-	0.00%
Exchange Traded Funds	155,584	0.67%	-	0.00%	-	0.00%
REITs	-	0.00%	-	0.00%	-	0.00%
US Treasuries	761,779	3.30%	-	0.00%	-	0.00%
Total Investments	16,212,566	70.19%	-	0.00%	-	0.00%
Cash and Money Markets	6,884,830	29.81%	-	0.00%	-	0.00%
Total Investment Portfolio	**$ 23,097,396**	**100%**	-	0.00%	-	0.00%
Total Out of Compliance			**$ 22**	**0.00%**	**$ -**	**0.00%**

The Coalition's investments, including compliance, consisted of the following as of June 30, 2024:

Category	Amount of Investment Portfolio	Percentage of Investment Portfolio	Non-Compliant Municipal Law RSA 35:9 Investments	Percentage of Municpal Law RSA 35:9 Non-compliant Investments	Non-Compliant Insurance Law 402:28:I Investments	Percentage of Insurance Law 402:28:I Non-compliant Investments
Corporate Bonds	$ 9,396,822	19.93%	$ 1,915,214	4.57%	$ -	0.00%
Municipal Bonds	4,031,472	8.55%	-	0.00%	-	0.00%
Asset Backed Corporate	2,605,012	5.52%	-	0.00%	-	0.00%
Mortgage Backed Corporate	1,878,013	3.98%	-	0.00%	-	0.00%
Mortgage Backed Residential	6,186,831	13.12%	-	0.00%	-	0.00%
Exchange Traded Funds	5,470,192	11.60%	-	0.00%	-	0.00%
REITs	-	0.00%	-	0.00%	-	0.00%
US Treasuries	2,341,506	4.97%	-	0.00%	-	0.00%
Total Investments	31,909,848	67.66%	-	0.00%	-	0.00%
Cash and Money Markets	9,992,106	21.19%	-	0.00%	-	0.00%
Total Investment Portfolio	**$ 41,901,954**	**100%**	-	0.00%	-	0.00%
Total Out of Compliance			**$ 1,915,214**	**4.57%**	**$ -**	**0.00%**

Interest rate risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in the market interest rates. The Coalition mitigates the risk that the market value of securities will fall due to changes in general interest rates by structuring the portfolio with allocations across asset class sectors to position the portfolio to take advantage of changes in the interest rate environment.

2. Investments (continued):

Maturities of interest earning investments as of June 30, 2025 are as follows:

	Fair Value	Less than One Year	1 to 5 Years	6 to 10 Years	After 10 Years
US Treasuries	$ 761,779	$ -	$ -	$ 761,779	$ -
Corporate bonds	5,375,183	178,124	1,417,689	3,258,332	521,038
Municipal bonds	1,689,172	194,664	1,249,246	181,000	64,262
Asset backed	2,290,843	-	1,081,362	1,087,401	122,080
Mortgage backed	5,940,006	8,927	242,780	205,423	5,482,876
	$ 16,056,983	$ 381,715	$ 3,991,077	$ 5,493,935	$ 6,190,256

Maturities of interest earning investments as of June 30, 2024 are as follows:

	Fair Value	Less than One Year	1 to 5 Years	6 to 10 Years	After 10 Years
US Treasuries	$ 2,341,506	$ 1,019,813	$ 710,068	$ 611,625	$ -
Corporate bonds	9,396,822	818,187	3,913,260	4,665,375	-
Municipal bonds	4,031,472	489,238	2,996,947	483,413	61,874
Asset backed	2,605,012	619,977	1,274,625	580,506	129,904
Mortgage backed	8,064,844	508,954	1,207,229	850,852	5,497,809
	$ 26,439,656	$ 3,456,169	$ 10,102,129	$ 7,191,771	$ 5,689,587

Credit risk – Credit risk is the risk that an issuer of or counterparty to an investment will not fulfill its obligations. Concentration of credit risk is the risk of loss attributed to the magnitude of an investor's investment in a single issuer. Except for the concentration of investments in Mutual Funds, the Coalition investments are diversified.

2. Investments (continued):

The tables below outline third party credit ratings of the Coalition's fixed maturity securities as of June 30, 2025 and 2024:

2025	U.S. Treasuries	Corporate Bonds	Municipal Bonds	Asset Backed	Mortgage Backed	Totals
AAA	$ -	$ 210,391	$ 478,343	$ 1,437,337	$ 223,654	$ 2,349,725
AA+	761,779	411,078	339,726	-	4,185,808	5,698,391
AA	-	82,480	379,160	-	-	461,640
AA-	-	864,735	237,284	-	-	1,102,019
A+	-	897,072	-	-	-	897,072
A	-	1,129,769	-	-	-	1,129,769
A-	-	1,779,658	-	-	-	1,779,658
BBB+	-	-	-	-	-	-
BBB	-	-	-	-	-	-
BBB-	-	-	-	-	-	-
BB	-	-	-	-	-	-
NA	-	-	254,659	853,506	1,530,544	2,638,709
NR	-	-	-	-	-	-
	$ 761,779	$ 5,375,183	$ 1,689,172	$ 2,290,843	$ 5,940,006	$ 16,056,983

2024	U.S. Treasuries	Corporate Bonds	Municipal Bonds	Asset Backed	Mortgage Backed	Totals
AAA	$ -	$ 332,019	$ 1,401,108	$ 2,136,049	$ 711,786	$ 4,580,962
AA+	2,341,506	103,366	794,084	-	5,131,976	8,370,932
AA	-	373,307	444,066	-	-	817,373
AA-	-	373,192	451,786	-	-	824,978
A+	-	1,640,274	221,033	-	-	1,861,307
A	-	2,785,026	-	-	-	2,785,026
A-	-	2,855,924	-	-	-	2,855,924
BBB+	-	605,116	-	-	-	605,116
BBB	-	328,598	-	-	-	328,598
BBB-	-	-	-	-	-	-
BB	-	-	-	-	-	-
NA	-	-	430,454	468,963	2,221,082	3,120,499
NR	-	-	288,941	-	-	288,941
	$ 2,341,506	$ 9,396,822	$ 4,031,472	$ 2,605,012	$ 8,064,844	$ 26,439,656

2. Investments (continued):

Marketable equity securities were recorded using Level 1 fair values based on observable quoted market prices from national securities exchanges. Corporate bonds and government bonds were recorded using Level 2 fair values are priced using standard inputs, when available, which include: benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, bids, offers, and reference data. Inputs used also take into consideration market indicators, industry, and economic events.

The following table sets forth by level, within the fair value hierarchy, the Coalition's investments at fair value as of June 30, 2025 and 2024:

June 30, 2025	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Corporate Bonds	$ -	$ 5,375,182	$ -
Municipal Bonds	-	1,689,172	-
Asset Backed Corporate	-	2,290,843	-
Mortgage Backed Corporate	-	1,184,964	-
Mortgage Backed Residential	-	4,755,042	-
Exchange Traded Funds	155,584	-	-
REITs	-	-	-
US Treasuries	-	761,779	-
Total Investments	$ 155,584	$ 16,056,982	$ -

June 30, 2024	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Corporate Bonds	$ -	$ 9,396,822	$ -
Municipal Bonds	-	4,031,472	-
Asset Backed Corporate	-	2,605,012	-
Mortgage Backed Corporate	-	1,878,013	-
Mortgage Backed Residential	-	6,186,831	-
Exchange Traded Funds	5,470,192	-	-
REITs	-	-	-
US Treasuries	-	2,341,506	-
Total Investments	$ 5,470,192	$ 26,439,656	$ -

2. Investments (continued):

Earnings on investments for the years ended June 30, 2025 and 2024, is summarized as follows:

	June 30, 2025	June 30, 2024
Interest income, net	$ 1,214,835	$ 1,381,082
Amortization expense	(11,898)	(62,450)
Realized gains	1,328,446	571,687
Earnings on investments	2,531,383	1,890,319
Unrealized (losses) gains	(379,281)	611,758
Earnings on investments (with unrealized gains)	$ 2,152,102	$ 2,502,077

3. Property and equipment:

Property and equipment consisted of the following at year end:

	Balance June 30, 2024	Increases	Decreases	Balance June 30, 2025
Capital assets, being depreciated				
Buildings and improvements	$ 642,571	$ -	$ -	$ 642,571
Furniture and equipment	133,273	19,773	-	153,046
Total capital assets being depreciated	775,844	19,773	-	795,617
Less: accumulated depreciation for:				
Buildings and improvements	(299,250)	(20,976)	-	(320,226)
Furniture and equipment	(123,173)	(6,730)	-	(129,903)
Total accumulated depreciation	(422,423)	(27,706)	-	(450,129)
Total capital assets being depreciated, net	$ 353,420	$ (7,933)	$ -	$ 345,488

Depreciation expense was $27,706 and $24,880 for the years ended June 30, 2025 and 2024, respectively.

4. Unpaid claims liabilities:

As discussed in Note 1. A., the Coalition started pooling the risk for the health benefit options on July 1, 2003. The Coalition also started pooling the risk for the dental benefit options as of July 1, 2013. The Coalition establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses, both allocated and unallocated.

The following represents changes in those aggregate liabilities for the Coalition for the years ended June 30, 2025, 2024, and 2023:

	June 30, 2025	June 30, 2024	June 30, 2023
Unpaid claims and allocated claims adjustment expenses at beginning of year	$ 16,686,740	$ 14,490,299	$ 15,008,700
Incurred claims and allocated claim adjustment expenses:			
Provision for insured events of current fiscal year	230,565,787	208,760,552	188,028,202
Changes in the provision for insured events of prior fiscal years	925,457	131,054	(246,036)
Claims administration expenses, current year	5,125,998	5,096,389	5,094,293
Total incurred claims and claim adjustment expenses	236,617,242	213,987,994	192,876,459
Claim and allocated claim adjustment expense payments:			
Attributable to insured events of current fiscal year	212,164,402	192,073,811	173,537,903
Attributable to insured events of prior fiscal years	17,612,197	14,621,352	14,762,664
Claims administration expenses, current year	5,125,998	5,096,389	5,094,293
Total payments	234,902,597	211,791,553	193,394,860
Total unpaid claims and claim adjustment expenses at end of the year	$ 18,401,385	$ 16,686,740	$ 14,490,299

As a result of changes in estimates of insured events in prior years, incurred losses and loss adjustment expenses increased by $925,457 and $131,054 in 2025 and 2024, respectively, due to unfavorable loss development.

5. Annual Return of Surplus:

On April 25, 2012, the Coalition entered into a Risk Pool Practices Agreement (the Agreement) with the New Hampshire Secretary of State. The Agreement was effective through April 25, 2017. The provisions of the Agreement significantly changed two areas of the Coalition's operations - return of surplus and investments.

Return of surplus - From inception in 1995 to 2013, the Coalition returned surplus to its Members through rate stabilization to reduce rate increases. The New Hampshire Secretary of State, Bureau of Securities Regulation, during its 2012 on-site examination, noted the Coalition's documentation of rate stabilization procedures and designation of surplus for this purpose. However, the Secretary of State, as a policy matter, did not agree that the use of rate stabilization as described is compliant with NH RSA 5-B and required the Coalition to return surplus to its Members through a "Contribution Holiday". The below chart has been updated to illustrate total Contribution Holiday amounts paid to both former and current Members by year.

Date of Contribution Holiday		Total Amount of Contribution Holiday
December 1, 2012	$	4,250,000
December 1, 2013	$	4,250,000
July 1, 2014	$	21,697,052
July 1, 2015	$	4,308,814
July 1, 2016	$	1,221,078
July 1, 2017	$	4,636,390
July 1, 2018	$	6,128,691
July 1, 2019	$	11,081,915
July 1, 2020	$	11,967,897
July 1, 2021	$	13,138,415
July 1, 2022	$	10,831,066
July 1, 2023	$	1,973,545
July 1, 2024	$	3,183,248
July 1, 2025	$	-

This practice of return of surplus through a Contribution Holiday was considered a change in accounting policy implemented in the year ended June 30, 2012.

Contribution Holiday - Contribution Holiday is paid to former Members by June 30th of each fiscal year and current Members as a Contribution Holiday Credit on July 1st invoices. Current Member groups also have the option of receiving Contribution Holiday via invoice credits or checks.

As of June 30, 2025 and June 30, 2024 there was no surplus returned to members via a Contribution Holiday due to operating losses and an unfunded and underfunded Contingent Reserve, respectively.

Investments - The Board of Directors currently has an investment policy based on the "prudent person" standard whereby investments are made with judgment and care considering the probable safety of the investment as well as the expected income to be derived. This investment policy is reviewed annually by the Board.

5. Annual Return of Surplus (continued):

The Coalition engages Strategic Asset Alliance (SAA) as an investment consultant and advisor to the Board and organization. Asset Allocation and Management Company (AAM) provides investment management and accounting services. US Bank acts as the custodian of Coalition funds.

The Coalition's investment portfolio on June 30, 2025 was valued at $16,212,566. The portfolio on June 30, 2024 was valued at $31,909,848. The June 30, 2023 value of the investment portfolio was $34,652,370. The Coalition's Risk Pool Practices Agreement with the NH Secretary of State expired as of April 25, 2017. Although the agreement is no longer in effect, operations and policies adopted as a result of its execution remain in place. The Coalition's investments are compliant with the requirements imposed upon municipalities pursuant to NH RSA 35:9. The Coalition held securities that are non-complaint with NH RSA 35:9 in the amount of $22 as of June 30, 2025, $1,915,214 as of June 30, 2024 and $2,461,155 as of June 30, 2023.

The last remaining Real Estate Investment Trust (REIT) in the Coalition's portfolio was sold in December of 2023 for $26,742. The REIT balance was $53,483 as of June 30, 2023.

6. Net position:

Unrestricted net position - The medical contingent reserve is determined annually with advice of the Coalition's actuaries using a stochastic modeling methodology at the 95% confidence level and is held as under unrestricted net position as a designated contingent reserve for all business risks not included in loss reserves. Due to unfavorable loss development, the medical contingent reserve was unfunded on June 30, 2025. Subsequent to year end, the Board approved a $30 million assessment effective October 1, 2025 to substantially rebuild the medical contingent reserve. The Coalition does not retain an undesignated net position.

7. Health care reform:

On March 23, 2010, the Patient Protection and Affordable Care Act (PPACA) made significant changes impacting group health plans, including the SchoolCare Medical Plans. Since 2010, the Coalition has continued to monitor and assist Members with the implementation of changes required by the PPACA.

In 2023, the Coalition accrued fees of approximately $47,000, representing the Coalition's annual assessment under the Act for the Comparative Effectiveness Research (CER) Fee. The CER Fee was originally expected to sunset with a final payment date of July 31, 2020; however, these fees have been extended through June 30, 2029, with a final payment date of July 31, 2030 for SchoolCare.

Each year, the SchoolCare Medical Plans are amended to reflect benefit changes required by the PPACA, such as those related to lifetime limits and preventive services. In addition, the Health Benefits Booklet is updated annually to include these benefit changes as well as other federal requirements, including but not limited to eligibility criteria and claims appeals procedures.

7. Health care reform (continued):

The Coalition also continues to monitor and implement requirements under the Consolidated Appropriations Act (CAA). The CAA introduced several transparency and compliance mandates impacting group health plans, including provisions related to surprise billing protections, prescription drug reporting, and transparency in coverage. The Coalition assists Members in meeting these requirements through regular plan updates, vendor coordination, and communication of compliance obligations to ensure continued adherence with federal health care reform legislation.

8. Certain risk disclosures:

During the fiscal year ended June 30, 2025, the Coalition implemented GASB Statement No. 102, Certain Risk Disclosures. GASB Statement No. 102 requires disclosure of certain concentrations and constraints that may make the Coalition vulnerable to the risk of a substantial impact. Concentrations - The Coalition is exposed to concentration risk primarily related to its third-party claims administrator and certain fully insured carriers. These concentrations could subject the Coalition to the risk of a substantial impact in the event of nonperformance by, or a significant adverse change in the terms, financial condition, or availability of services from, these parties. Management monitors these relationships through contract provisions, performance oversight, and ongoing evaluation of alternative service providers and carriers, as applicable. Constraints - The Coalition is also subject to constraints on investment activities under New Hampshire law (RSA 35:9 and RSA 402:28). These constraints limit the types of investments available to the Coalition and may affect the Coalition's ability to respond to changes in market conditions. Management believes that, based on current operations and the investment and risk management practices described in these financial statements, concentrations and constraints do not materially impair operations beyond those disclosed.

NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
RECONCILIATION OF CLAIMS LIABILITIES BY TYPE OF CONTRACT
FOR THE YEARS ENDED JUNE 30, 2025 2024, and 2023
Schedule 1

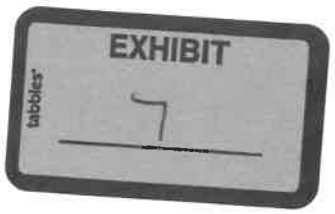
	SchoolCare-Medical			SchoolCare - Dental		
	6/30/2025	6/30/2024	6/30/2023	6/30/2025	6/30/2024	6/30/2023
Unpaid claims and allocated claims adjustment expenses at beginning of year	$ 16,494,712	$14,206,614	$ 14,778,653	$ 192,028	$ 283,685	$ 230,047
Incurred claims and allocated claim adjustment expenses:						
Provision for insured events of current fiscal year	225,317,896	203,705,443	183,129,960	5,247,891	5,055,109	4,898,241
Changes in the provision for insured events of prior fiscal year	977,641	195,611	(267,550)	(52,184)	(64,557)	21,514
Claims administration expenses, current year	4,954,718	4,926,010	4,923,497	171,280	170,379	170,796
Total incurred claims and claim adjustment expenses	231,250,255	208,827,064	187,785,907	5,366,987	5,160,931	5,090,551
Claim and allocated claim adjustment expense payments:						
Attributable to insured events of current fiscal year	207,093,511	187,210,731	168,923,347	5,070,891	4,863,081	4,614,556
Attributable to insured events of prior fiscal years	17,472,353	14,402,225	14,511,102	139,844	219,128	251,561
Claims administration expenses, current year	4,954,718	4,926,010	4,923,497	171,280	170,379	170,796
Total payments	229,520,582	206,538,966	188,357,946	5,382,015	5,252,588	5,036,913
Total unpaid claims and claim adjustment expenses at the years ended June 30, 2025, 2024 and 2023	$ 18,224,385	$16,494,712	$ 14,206,614	$ 177,000	$ 192,028	$ 283,685

NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
COMPARATIVE SCHEDULE OF CLAIM DEVELOPMENT,
EARNED ASSESSMENTS AND UNALLOCATED EXPENSES
JUNE 30, 2025
Schedule 2
(Page 1 of 2)

The following table illustrates how the Coalition's earned revenue (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Coalition as of the end of each of the previous nine years. The rows of the table are defined as follows: (1) This line shows the total of the fiscal year's gross earned contribution revenue and investment revenue, contribution revenue ceded to reinsurers, and net earned contribution revenue and reported investment revenue. (2) This line shows the fiscal year's other operating costs of the Coalition including overhead and claims expense not allocable to individual claims. This operating cost has been updated to reflect administrative costs without inclusion of the SchoolCare 65+ fully-insured Medicare supplement plans or the fully insured ancillary products. (3) This line shows the Coalition's gross incurred claims and allocated claim adjustment expenses, claims assumed by reinsurers and net incurred claims and allocated adjustment expenses (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (called policy year). (4) This section of ten rows shows the cumulative net amounts paid as of the end of successive years of each policy year. (5) This line shows the latest re-estimated amount of claims assumed by reinsurers as of the end of the current year for each policy year. (6) This section of ten rows shows how each policy year's net incurred claims increased or decreased as of the end of successive years. (This annual re-estimation results from new information received on known claims, reevaluation of existing information on known claims, and emergence of new claims not previously known). (7) This line compares the latest re-estimated net incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of net claims cost is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and re-estimated amounts commonly is used to evaluate the accuracy of net incurred claims currently recognized in less mature policy years. The columns of the table show data for successive policy years.

NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
COMPARATIVE SCHEDULE OF CLAIM DEVELOPMENT, EARNED ASSESSMENTS AND UNALLOCATED EXPENSES
JUNE 30, 2025
Schedule 2 (Page 2 of 2)

	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025
(1) Required contribution and investment revenue:										
Earned	$ 162,438,317	$ 160,616,072	$ 169,000,654	$ 177,144,772	$ 183,041,953	$ 189,820,156	$ 191,135,502	$ 198,608,444	$ 210,472,595	$ 220,921,439
Ceded	1,460,836	1,608,270	1,631,254	1,830,356	2,596,101	3,120,755	4,236,624	4,791,687	5,202,423	5,416,178
Net earned	160,977,481	159,007,802	167,369,400	175,314,415	180,445,852	186,699,400	186,898,878	193,816,757	205,270,172	215,505,261
(2) Unallocated expenses	11,208,816	10,275,523	10,134,359	10,588,285	15,276,340	9,788,440	9,140,421	11,383,059	16,657,125	18,002,910
(3) Estimated claims and expenses, end of policy year										
Incurred	152,415,558	149,135,224	150,533,600	159,597,904	160,002,913	179,337,920	187,949,857	189,648,831	209,686,915	235,692,027
Ceded	175,325	623,032	1,808,003	227,784	1,181,929	938,441	1,995,704	1,620,629	926,363	5,126,240
Net incurred	152,240,233	148,512,192	148,725,597	159,370,120	158,820,984	178,399,479	185,954,153	188,028,202	208,760,552	230,565,787
(4) Net paid (cumulative) as of:										
End of the policy year	137,642,784	134,970,770	133,624,242	144,306,429	145,073,100	164,813,925	170,945,452	173,537,903	192,073,812	212,164,402
One year later	150,426,323	146,901,477	146,635,188	156,841,769	156,243,344	178,251,767				
Two years later	150,426,323	146,901,477	146,635,188	156,841,769	156,243,344					
Three years later	150,426,323	146,901,477	146,635,188	156,841,769						
Four years later	150,426,323	146,901,477	146,635,188							
Five years later	150,426,323	146,901,477								
Six years later	150,426,323									
Seven years later										
Eight years later										
Nine years later										
(5) Re-estimated ceded claims and expenses	257,907	790,968	3,333,399	863,082	2,258,451	967,621	1,995,704	1,620,629	926,363	5,126,240
(6) Re-estimated net incurred claims and expenses:										
End of the policy year	152,240,233	148,512,192	148,725,597	159,370,120	158,820,984	178,399,479	185,954,153	188,028,202	208,760,552	230,565,787
One year later	150,426,323	146,901,477	146,635,187	156,841,769	156,243,344	178,251,767	185,708,116	188,159,256		
Two years later	150,426,323	146,901,477	146,635,187	156,841,769	156,243,344	178,251,767	185,708,116			
Three years later	150,426,323	146,901,477	146,635,187	156,841,769	156,243,344	178,251,767				
Four years later	150,426,323	146,901,477	146,635,187	156,841,769	156,243,344					
Five years later	150,426,323	146,901,477	146,635,187	156,841,769						
Six years later	150,426,323	146,901,477	146,635,187							
Seven years later	150,426,323	146,901,477								
Eight years later	150,426,323									
Nine years later										
(7) Increase (decrease) in estimated net incurred claims and expenses from end of the policy year	(1,813,910)	(1,610,715)	(2,090,410)	(2,528,351)	(2,577,640)	(147,712)	(246,037)	131,054	935,457	-



NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION

FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION

JUNE 30, 2023 AND 2022

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Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
New Hampshire School Health Care Coalition

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the New Hampshire School Heath Care Coalition (the Coalition), as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Coalition's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Coalition, as of June 30, 2023 and 2022, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Coalition, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Coalition's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Coalition's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Coalition's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis in Schedules 1 and 2 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated October 19, 2023 on our consideration of the Coalition's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Coalition's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Coalition's internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

West Hartford, Connecticut
October 19, 2023

NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

The New Hampshire School Health Care Coalition (the Coalition), a public entity risk pool, presents the following overview and analysis of its financial operations for the fiscal year ended June 30, 2023, to be reviewed and considered in conjunction with the more detailed statements, schedules, and notes in this report.

Financial Highlights:

- Assets exceeded liabilities and deferred inflows of resources by $29,918,552 at June 30, 2023; this net position consisted of the Coalition's investment in property and equipment of $357,552 and the unrestricted amounts for the medical contingent reserve of $28,734,000 and the dental contingent reserve of $827,000. The Coalition did not retain any unrestricted or undesignated surplus.

- The Coalition has reported a liability at June 30, 2023 of $5,113,031 described as a premium holiday payable in accordance with guidance from the New Hampshire Secretary of State, Bureau of Securities Regulation (BSR). Premium holiday credits totaling $1,973,545 were paid to former Members in June 2023 or applied to Member contribution invoices as of July 1, 2023. Current Member groups also have the option of receiving premium holiday credits via invoice credits or checks. The remaining premium holiday payable of $3,183,248 is the surplus at June 30, 2023 to be applied to Member contribution invoices as of July 1, 2024. If a group terminates before July 2024, their premium holiday is paid out via check. There is no dental premium holiday for fiscal year 2023.

- The Coalition has included an additional disclosure regarding operating expenses related to Operating expenses as a percentage of Member contributions.

Overview of the Financial Statements:

The Coalition's fiscal year is July 1 through June 30.

The annual financial report consists of three parts:

- Management's Discussion and Analysis
- Financial Statements and Note Disclosures
- Required Supplementary Information

Management's discussion and analysis provides a narrative overview of the statements and comments on significant developments during the reporting period. The intention is to present a financial summary of operations for the past fiscal year and discuss the outlook for the ensuing year.

The Statements of Net Position contain information regarding the assets and liabilities of the Coalition. The Coalition reports in accordance with GASB Statement No. 65 which requires deferred outflows of resources and deferred inflows of resources to be reported in separate sections of the Statement of Net Position. The Coalition has not reported any deferred outflows but does report deferred revenue as a deferred inflow.

The Statements of Revenues, Expenses and Changes in Net Position show the operating activities for the year, revenues and expenses. As required by the GASB, investment income is considered non-operating revenue. The net result of operations for the fiscal year is the change in net position from year to year.

The Statements of Cash Flows report the cash flow resulting from operating, investing and financing activities of the Coalition showing how the financial resources were used during the course of the year.

Notes to the Financial Statements provide explanations of the accounting principles followed and of key items in the financial statements. They include tables with more detailed analysis of certain accounts.

The Required Supplementary Information includes the ten-year schedule of claims development and a three-year comparative reconciliation of claims liabilities.

Analysis of Financial Information Presented in the Statements:

Statements of Net Position:

The following table summarizes the Statements of Net Position:

	June 30, 2023	June 30, 2022	Percentage Change	June 30, 2021	Percentage Change
Cash and cash equivalents	$ 12,507,261	$ 12,363,690	1%	$ 20,321,815	-39%
Investments	34,652,370	38,256,070	-9%	44,120,867	-13%
Other assets	5,402,519	7,412,996	-27%	5,468,514	36%
Total assets	52,562,150	58,032,756	-9%	69,911,196	-17%
Claims payable	2,443,184	2,650,127	-8%	2,502,680	6%
Claims reserves	12,047,115	12,358,573	-3%	11,082,874	12%
Premium holiday payable	5,113,031	12,585,758	-59%	23,754,534	-47%
Premium deficiency reserve	-	-		2,391,482	
Other liabilities	883,603	1,369,916	-35%	1,500,968	-9%
Total liabilities	20,486,933	28,964,374	-29%	41,232,537	-30%
Deferred inflows of resources	2,156,665	746,020	189%	681,450	9%
Net position:					
Invested in capital assets	357,552	365,362	-2%	380,210	-4%
Unrestricted	29,561,000	27,957,000	6%	27,617,000	1%
Total net position	$ 29,918,552	$ 28,322,362	6%	$ 27,997,210	1%

Total assets for FY2023, FY2022, and FY2021 are $52,562,150, $58,032,756, and $69,911,196, respectively. The decrease in assets from FY2022 to FY2023 is primarily due to a decrease in investments due to a drawdown in the summer of 2022. The decrease in assets from FY2021 to FY2022 is primarily because of decreased cash balances due to higher than anticipated claims experience in the latter part of the year due to the COVID-19 pandemic. It is also due to unrealized financial statement losses from the declining market value of investments.

Total liabilities for FY2023, FY2022, and FY2021, are $20,486,933, $28,964,374 and $41,232,537 respectively. The decrease in liabilities from FY2023 and FY2022 is largely due to a decrease in premium holiday payable. The decrease in liabilities from FY2021 to FY2022 is also largely due to both a decrease in premium holiday payable and elimination of the premium deficiency reserve.

Unrestricted net position increased over the prior year by $1,556,000 in the medical contingent reserve and $48,000 in the dental contingent reserve. The increase in medical contingent reserve was calculated using a 7.9% melded trend for projected 2023-24 claims. This trend was consistent with the trend in the prior year and recent claims experience. The increase in dental contingent reserve was calculated by considering an estimated two months of projected 2023-24 claims.

Statements of Revenues, Expenses and Changes in Net Position:

The following table summarizes the Statements of Revenues, Expenses and Changes in Net Position:

	June 30, 2023	June 30, 2022	Percentage Change	June 30, 2021	Percentage Change
Operating revenues:					
Member contributions	$ 211,243,950	$ 209,240,411	1%	$ 202,167,690	3%
Other	10,171,264	10,545,825	-4%	9,044,801	17%
Total operating revenues	221,415,214	219,786,236	1%	211,212,491	4%
Operating expenses:					
Claims expense	187,782,165	185,806,441	1%	175,821,838	6%
Insurance premiums	18,088,116	19,069,962	-5%	17,900,988	7%
Claims administration	5,094,293	5,235,783	-3%	5,132,741	2%
Self-insured pool assessments	1,646,927	1,641,165	0%	1,354,921	21%
Health and wellness benefits	2,734,764	2,808,455	-3%	3,029,185	-7%
Administration	2,219,125	2,135,730	4%	2,080,572	3%
Premium deficiency gain	-	(2,391,482)	-100%	(1,524,569)	57%
Other	49,734	45,000	11%	43,406	4%
Total operating expenses	217,615,124	214,351,054	2%	203,839,082	5%
Operating gain	3,800,090	5,435,182	-30%	7,373,409	-26%
Nonoperating revenues:					
Premium holiday credits	(3,183,249)	(1,973,545)	61%	(10,831,066)	-82%
Earnings on investments	979,349	(3,136,485)	-131%	2,760,509	-214%
Change in net position	1,596,190	325,152	391%	(697,148)	-147%
Beginning net position, July 1	28,322,362	27,997,210	1%	28,694,358	-2%
Ending net position, June 30	$ 29,918,552	$ 28,322,362	6%	$ 27,997,210	1%

Revenues - Total operating revenues for FY2023, FY2022, and FY2021, were $221,415,214, $219,786,236 and $211,212,491, respectively. The increase in Member contributions from FY2022 to FY2023 is mostly attributable to a 5.5% rate increase in the medical plan coupled with a approximate 2% decline in enrollment. The increase in Member contributions from FY2021 to FY2022 is mostly attributable to a 5.1% rate increase in the medical plan and growth in ancillary product participation such as life, disability, and vision.

Expenses - Total operating expenses for FY2023, FY2022, and FY2021 were $217,615,124, $214,351,054 and $203,839,082, respectively. For FY2023 and FY2022, operating expenses increased largely due to increased claims utilization towards the latter part of each year respectively. For FY2022 the self-insured pool assessments increased due to a full year's worth of assessment fees for the NHHP Reinsurance Program. The NHHP Reinsurance Program fee began as of January 1, 2021.

Operating expenses as a percentage of contributions earned from Member Groups are as follows for the years ended June 30:

	2023	2022	2021
Claims Incurred	99.7%	99.3%	97.3%
Premium deficiency expense (gain)	0.0%	-1.1%	-5.4%
Return of Surplus	-1.5%	-0.9%	-0.8%
Administrative fees paid	2.4%	2.5%	2.5%
Administrative expenses	1.9%	1.8%	1.7%

Other matters:

Investment Portfolio

The Coalition engages Strategic Asset Alliance (SAA) as an investment consultant and advisor to the Board and organization. Asset Allocation and Management Company (AAM) provides investment management and accounting services. US Bank acts as the custodian of Coalition funds.

The Coalition's investment portfolio on June 30, 2023 was valued at $34,652,370. The June 30, 2022 value of the investment portfolio was $38,256,070. The June 30, 2021 value of the investment portfolio was $44,120,867. The Coalition's Risk Pool Practices Agreement with the NH Secretary of State expired as of April 25, 2017. Although the agreement is no longer in effect, operations and policies adopted as a result of its execution remain in place. The Coalition's investments are compliant with the requirements imposed upon municipalities pursuant to NH RSA 35:9, with the exception of an aggregate amount of 3.31% which is compliant with RSA 402:28. This aggregate amount includes the Coalition's cash, cash equivalents, and other non-REIT investments. The Coalition held securities that are non-complaint with NH RSA 35:9 in the amount of $2,461,155 at June 30, 2023, $2,701,911 at June 30, 2022, and $371,534 at June 30, 2021. The increase in these securities is mostly attributable to investment in high yield bonds to further diversify the portfolio.

There remains one (1) Real Estate Investment Trust (REIT) in the Coalition's portfolio as of June 2023. The REIT balance was $53,483 at June 30, 2023, $55,393 at June 30, 2022 and $53,483 at June 30, 2021. The Coalition temporarily retains the non-compliant investment and intends to liquidate as soon as practicable to do so without incurring penalties or breakage fees.

Capital Assets and Debt

The Coalition's property and equipment at June 30, 2023 was valued at $357,552 compared to $365,362 at June 30, 2022 and $380,210 at June 30, 2021. The change at June 30, 2023 was due to a depreciation amount of $24,138 and an increase of $17,488 in capital assets. The Coalition has no long-term debt.

Outlook / Economic Factors:

The Organization's mission statement to provide education and training for employees and employers to become informed health consumers with healthier life styles, and enable the purchase of quality health care in a cost-effective manner remained at the forefront of all operations as the organization continued to delivery information and education through a combination of telephone, virtual and in-person meetings to meet each Member group's unique needs. Choice continues to be an important cornerstone to the Coalition whether that choice comes through benefit offerings, meeting with groups or operational excellence.

Fiscal year 2023 brought a return to pre-pandemic utilization trends for the Coalition. The SchoolCare Health Benefit Plans experienced normalization in overall claims costs throughout the fiscal year. Actuaries from WTW indicated that the Coalition's claims curve reached a high point in its claims history in June of 2022. This was due to an uptick in health care usage after the pandemic as individuals were more comfortable returning to their medical providers. Coalition utilization reports showed an increase in preventive screenings for this fiscal year with an overall increase per member per month in plan spend of 2.7%. This is significantly lower than market trend of approximately 7%. This is due primarily to a return to more normalized utilization trends as mentioned earlier in conjunction with a reduction in catastrophic claims spend and Cigna's robust clinical management. The 2022-23 top three conditions by spend were musculoskeletal, neoplasms (cancer), and gastrointestinal. Although there was a slight increase of 1% in well visits, Staff will continue emphasizing the importance of preventive screenings and visits with the goal of early disease detection and treatment. In addition, virtual care continues to be an important benefit with 24% participant utilization and 81% of those visits for behavioral health. Staff and consultants continue to monitor claims and utilization closely to analyze, recommend programs as appropriate and communicate these programs to members and individual groups.

A focus on holistic health continues to be the driver behind supporting Coalition participants on their personal well-being journey. The holistic approach to health includes physical, mental, emotional, social aspects. 37% of participants are living with a behavioral health diagnosis compared to a national rate of 25%. The Coalition recognizes the impacts that the pandemic has had both on mental and physical health and provides mental health resources as part of its communication strategy. These mental health resources include both in-person and virtual support for Participants and their households. The top presenting conditions are stress, anxiety and depression. 62% of Participants with depression have other chronic condition comorbidities. The connection between mental health and overall quality of life is tremendous and the importance of holistic health will be an ongoing focus for years to come. The Coalition also continues to support its Membership through its fully integrated ***Good for You!*** Well-Being Program. This program is offered to Participants on myCigna.com to encourage self-care, stress management and holistic health management. FY2023 saw a participation rate of 58.6% compared to 50.5% in FY2022. The increase was largely due to preventive screening completions bouncing back after the pandemic.

SchoolCare's primary strategic goal is ongoing commitment to improving the quality of care for all covered Participants, expanding benefits where possible and reducing costs over the long term. To accomplish these goals, a number of value-added programs have been added to coverage. On July 27, 2022 the Board unanimously approved a new retiree health plan option that launched January 1, 2023 after much research, vetting and discussion. In partnership with United Healthcare, retirees are now offered a custom, group Medicare Advantage plan is providing approximately $3 million in annual saving for the SchoolCare retiree population reduced premiums and out-of-pocket costs. The plan also offers enhanced benefits such as coverage for vision exams and hearing aids as well as a retiree-focused wellness program. The newly launched Hinge Health musculoskeletal program continues to be well received and a great addition to the organization's value added programs. Various other programs through Cigna designed to support and treat conditions have saved SchoolCare Members approximately $4 million year over year. The ROI, comparing overall Cigna fees to savings can vary by program but was 7.68:1 for SchoolCare in 2022-23. The Board and Staff are also currently reviewing additional programs that would add to the participant's experience while also addressing the top claims spends.

To further support participants and communicate programs available while also targeting areas of higher claims drivers, the Coalition conducted a Well-Being Recharge event in January/February 2023. The purpose of this event was to reach the Coalition's entire subscriber and spouse population with assistance from its Member Groups. Staff conducted a three week-long event that included incentives for reading communications and engaging in programs. The program included a partnership with Member groups sending emails to participants directly in an effort to reach a greater audience. The program was well received, and analytics showed the effectiveness of both SchoolCare and Member groups partnering in this effort. Staff will continue to conduct this program in the future while aligning with claims utilization as a fun way to create awareness in programs and bring overall costs down.

In May of 2023 the Board engaged a strategic consultant to guide the Coalition's Board of Directors and staff in developing the next three-to-five-year strategic goals and objectives. In July 2023, a Board and staff 1½ day strategic retreat was held with the purpose of brainstorming, identifying goals, critical success factors and barrier. The Board and staff are extremely focused on the importance of quality benefits, excellence in service, stable rates and being a trusted partner. The strategic plan will reflect this focus as well as various themes such as inclusivity, succession planning, cyber security and more.

In the coming months and years, the Coalition will continue to be responsive to Member needs as they arise allowing for quick transitions as needed while always keeping its mission front and center. The Coalition remains strong financially and well positioned to support Member groups and Participants now and in the future.

Membership

The exceptional service to our existing Membership is a cornerstone of the Coalition's mission. The Coalition's Membership in medical and dental plans decreased by approximately 2% in FY23 due to Raymond School District and Town of Bennington exiting the program. Staff continue to service current Members to the highest standard possible while marketing to prospective clients through educational opportunities and events. These opportunities have now shifted to hybrid formats and Staff has modeled either live or recorded presentations as well as in person opportunities to meet Member's needs.

Membership Services

The Coalition offers many administrative services to its Member groups to provide flexibility, education, convenience and time saving options through expert Coalition Staff:

- Retiree Administration Services - Member groups are provided with this service option which offers Retiree medical and dental billing administration, collecting payments and coordination with the New Hampshire Retirement System. Coalition Staff also assist both Members and individual retirees with any questions or concerns they may have regarding coverage or claims.
- COBRA Administration Services - The Coalition administers various required COBRA notices along with issuance of invoices and collection of COBRA payments on its Members' behalf. In addition, the Coalition Staff has three (3) certified COBRA administrators knowledgeable in the intricacies and regulations of the law.
- Dependent Benefit Protection – In the unfortunate instance of an employee's death, the Coalition provides extended medical and dental benefits at no cost to dependents of the employee for the first twelve (12) months of COBRA continuation coverage, no matter the cause of death. As of June 30, 2023, one individual and two families were covered for medical benefits.
- Onsite Services – Benefit education is offered through the Coalition to Member groups through various onsite events and presentations. In addition, the Coalition provides various value-added services including but not limited to biometric screenings, flu shot clinics and Employee Assistance Program seminars all in an effort to support holistic health.
- Claims Advocates – One of the key differentiators between the Coalition and traditional insurance products is having key advocates when the need arises. If a Participant is experiencing issues with claims payments or approvals in general, Coalition staff may act as an advocate on behalf of a Participant to resolve related issues. Knowledgeable staff help to navigate Participants through the sometimes-confusing world of health care through both education and solutions.

Patient Protection and Affordable Care Act (PPACA)

The Patient Protection and Affordable Care Act also referred to as health care reform continues to affect both the Coalition's operations and its Membership, although to a lesser extent than in the past. Staff regularly monitors, educates and assists Members with the implementation of changes required by PPACA. All Coalition medical plans are in compliance with health care reform provisions. In addition to this, Coalition staff continues to assist Members with various reporting requirements under PPACA including 6055 and 6056 reporting.

Although PPACA continues to be monitored by Staff, there are few fees and upcoming deadlines remaining. The Excise Tax previously scheduled for a 2022 start was repealed on December 20, 2019. From an administrative perspective, the Coalition paid the Comparative Effectiveness Research PPACA fee on its Members behalf during the fiscal year. The Comparative Effectiveness Research fee was originally expected to sunset with a final payment date of July 31, 2020. The fee has been extended through June 30, 2029 for fiscal year health plans such as SchoolCare with a final payment date of July 31, 2030.

Medical Costs

Medical cost trends specific to the Coalition have stabilized in recent years mostly due to a large Membership population on the Consumer Driven Plan products. While the Coalition has seen stable trends, market volatility has increased due to inflation and uncertainty. Medical trend projections vary widely by location and carrier with some projections indicating trends in the high single digits to low teens. There are still many unknowns as to the effect of delayed services such as preventive care on health and costs in years to come as well as mental health and long-term effects. Now more than ever, consumerism will be key for both Participants as well as Staff communications. 82% of SchoolCare's population is enrolled in a consumer driven plan as of July 2023. SchoolCare continues to work with employers and employees to educate and identify alternative options/locations for care that may provide cost savings. Staff also will support any employer efforts for quotes on lower cost plans and cost/benefit analysis as needed.

As part of the Coalition's mission statement, the organization believes that education of its Member groups is of the utmost importance to train and inform Members and Participants of cost saving alternatives and options. With the large shift to Consumer Driven Plans over the years, the Coalition believes that education must continue each year to empower each Participant to be their own health advocate. As such, Staff continues to deliver quality materials via news articles, Facebook live events and webinars while supporting cost containment measures at the local level whenever possible. Staff has also compiled annual detailed claim reports in conjunction with Cigna to be sure Members understand the primary drivers behind medical costs each year.

Regulatory environment

The Coalition is a pooled risk management program under RSA 5-B and as such is regulated by the New Hampshire Secretary of State, Bureau of Securities (BSR). The Coalition staff provides periodic updates to the BSR on Coalition operations as they become available and promptly responds to all inquiries/request for information.

Requests for Information:

For additional information, please contact the New Hampshire School Health Care Coalition, 370 Harvey Road, Manchester, NH 03103; telephone 603-836-5031 x304.

NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
STATEMENTS OF NET POSITION
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	June 30, 2023	June 30, 2022
ASSETS:		
Cash and cash equivalents	$ 12,507,261	$ 12,363,690
Investments	34,652,370	38,256,070
Member receivables	1,914,562	3,692,136
Accounts receivable	2,911,422	3,165,933
Accrued interest receivable	173,471	154,705
Prepaid expenses	45,512	34,860
Total current assets	52,204,598	57,667,394
Property and equipment, net	357,552	365,362
Total assets	$ 52,562,150	$ 58,032,756
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
LIABILITIES:		
Accounts payable	$ 702,879	$ 1,155,380
Accrued expenses	180,724	214,536
Claims payable	2,443,184	2,650,127
Claims reserves	12,047,115	12,358,573
Premium holiday payable	5,113,031	12,585,758
Total current liabilities	20,486,933	28,964,374
DEFERRED INFLOWS OF RESOURCES:		
Deferred revenue	2,156,665	746,020
NET POSITION:		
Invested in capital assets	357,552	365,362
Unrestricted	29,561,000	27,957,000
Total net position	29,918,552	28,322,362
Total liabilities, deferred inflows of resources and net position	$ 52,562,150	$ 58,032,756

The accompanying notes are an integral part of these financial statements

NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	June 30, 2023	June 30, 2022
Operating revenues:		
Member contributions	$ 211,243,950	$ 209,240,411
Other income	10,171,264	10,545,825
Total operating revenues	221,415,214	219,786,236
Operating expenses:		
Claims expense	187,782,165	185,806,441
Insurance stop-loss	4,791,687	4,236,624
Insurance premiums	13,296,429	14,833,338
Claims administration	5,094,293	5,235,783
Contractual services	528,815	530,440
Affordable Care Act fees	46,958	45,000
Self-insured pool assessments	1,646,927	1,641,165
Administration	1,681,622	1,600,314
Premium deficiency gain	-	(2,391,482)
Health and wellness benefits	2,734,764	2,808,455
Conference expenses	11,464	4,976
Total operating expenses	217,615,124	214,351,054
Operating gain	3,800,090	5,435,182
Nonoperating revenues:		
Premium holiday credits	(3,183,249)	(1,973,545)
Earnings on investments	979,349	(3,136,485)
Change in net position	1,596,190	325,152
Beginning net position, July 1	28,322,362	27,997,210
Ending net position, June 30	$ 29,918,552	$ 28,322,362

The accompanying notes are an integral part of these financial statements

NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	June 30, 2023	June 30, 2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from members	$ 203,776,193	$ 194,789,377
Subsidies and refund received	10,425,775	9,943,720
Payments to suppliers	(29,009,994)	(27,383,072)
Payments of claims	(188,300,566)	(186,774,777)
Payments to employees	(1,295,792)	(1,257,349)
Net cash and cash equivalents used in operating activities	(4,404,384)	(10,682,101)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Purchase of property and equipment	(16,328)	(7,822)
Net cash and cash equivalents used in capital and financing activities	(16,328)	(7,822)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from maturities and sales, net of purchases	3,330,253	1,715,116
Interest and dividend income	1,234,030	1,016,682
Net cash and cash equivalents provided by investing activities	4,564,283	2,731,798
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	143,571	(7,958,125)
CASH AND CASH EQUIVALENTS, beginning of year	12,363,690	20,321,815
CASH AND CASH EQUIVALENTS, end of year	$ 12,507,261	$ 12,363,690
RECONCILIATION OF OPERATING INCOME TO		
NET CASH USED IN OPERATING ACTIVITIES:		
Operating income	$ 3,800,090	$ 5,435,182
Adjustments to reconcile operating income to		
net cash and cash equivalents used in operating activities -		
Depreciation expense	24,138	22,670
Premium holiday credit	(3,183,249)	(1,973,545)
Decrease (increase) in assets:		
Member receivables	1,777,574	(1,373,284)
Accounts receivable	254,511	(602,105)
Prepaid expenses	(10,652)	12,573
(Decrease) increase in liabilities:		
Accounts payable	(452,501)	(151,598)
Claims payable	(206,943)	147,447
Premium deficiency reserve	-	(2,391,482)
Accrued expenses	(33,812)	20,546
Claims reserves	(311,458)	1,275,699
Premium holiday payable	(7,472,727)	(11,168,776)
Increase in deferred revenue:	1,410,645	64,570
Total adjustments	(8,204,474)	(16,117,283)
Net cash and cash equivalents used in operating activities	$ (4,404,384)	$ (10,682,101)
SUPPLEMENTAL NON-CASH DISCLOSURE		
Change in unrealized loss on investments	$ (738,682)	$ (4,516,257)

The accompanying notes are an integral part of these financial statements

NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

1. Organization and significant accounting policies:

A. Organization and reporting entity - The New Hampshire School Health Care Coalition (the Coalition), was created in 1995 as a non-profit, tax-exempt corporation. The Coalition is a cooperative service organization of political subdivisions authorized by the New Hampshire General Court to establish and operate one or more pooled risk management programs under the requirements of New Hampshire RSA Chapter 5-B for the benefit of political subdivisions of the State of New Hampshire. Its mission is to provide education and training for public employees and employers to become informed health consumers with healthier life styles, and enable the purchase of quality health care in a cost effective manner. The Coalition was founded by the New Hampshire School Boards Association, the New Hampshire Association of School Business Officials, the New Hampshire School Administrators Association, the New Hampshire School Boards Insurance Trust, and the National Education Association-New Hampshire.

Prior to July 1, 2003, the Coalition entered into agreements with insurers to fully insure HMO, POS, indemnity, and Medicare supplement health benefit options, collectively known as the SchoolCare Plan (SchoolCare), and accordingly, the insurance risks were not retained by the Coalition under these plans. The Coalition provided prescription drug coverage to retired Members on Medicare under a self-funded arrangement beginning on July 1, 2002.

Beginning July 1, 2003, the Coalition entered into a self-insured arrangement with Connecticut General Life for the HMO and POS health benefit options. Connecticut General provides complete claims administration services and management reports.

Beginning July 1, 2010, the Coalition entered into a fully-insured arrangement with Connecticut General Life for DPO (dental provider organization) dental benefit options. The dental program transitioned to a self-insured arrangement on July 1, 2013.

Beginning July 1, 2011, the Coalition entered into an updated self-funded arrangement with Cigna Health and Life Insurance Company (formally Connecticut General Life) for both health benefit and dental benefit options.

Beginning January 1, 2014, the Coalition transitioned its existing SchoolCare 65+ prescription plan from self-funded to a fully insured Medicare Part D Employer Group Waiver Program (EGWP) with Express Scripts.

Beginning July 1, 2019, the Coalition began offering fully insured life, long term disability and short-term disability plans in partnership with Mutual of Omaha. The Coalition also began offering a hardware only, voluntary vision plan in partnership with VSP Vision.

Beginning January 1, 2023, the Coalition entered into a fully insured arrangement with United Healthcare to provide a Medicare Advantage Prescription Drug Plan (MAPD) to its 65+ retiree population.

B. Membership - Membership is limited to political subdivisions of the State of New Hampshire. Membership was 89 at June 30, 2023 and 90 at June 30, 2022.

1. Organization and significant accounting policies (continued):

C. Basis of accounting - The accompanying financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) as applied to proprietary funds of governmental units. The Coalition meets the requirements as a public entity risk pool under Governmental Accounting Standards Board (GASB) statements, and accounts for its activities in accordance with the applicable statements.

D. Cash and cash equivalents - The Coalition considers all deposit accounts with banks and money market accounts held by the Coalition's investment advisor in the Coalition's name to be cash and cash equivalents. The Coalition's accounts are insured or collateralized at June 30, 2023 and June 30, 2022.

E. Investments - The Coalition accounts for its investments in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools (Statement No. 31). Statement No. 31 establishes fair value standards on accounting for all investments held by governmental external investment pools and governmental entities. All investment income, including changes in the fair value of investments, is recognized in the statements of revenues, expenses, and changes in net position. Realized gains and losses on the sale of investments are recognized on the specific identification basis to determine the costs of the investments sold. Realized gains and losses on investments that had been held for more than one year and sold in the current year were included as a change in the fair value of investments reported in the prior years and the current year. Investment purchases are recognized on the trade date. Investments are stated at fair value based on quoted market prices or through a recognized pricing service.

In accordance with GASB Statement No. 40, Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3, certain disclosures regarding deposit and investment risks have been provided in Note 2, Investments.

The Coalition measures its investments in accordance with GASB Statement No. 72, Fair Value Measurements and Application (Statement No. 72), which defines fair value, provides a framework for measuring fair value and requires certain disclosures about fair value measurements. The definition of fair value under Statement No. 72 focuses on the price that would be received to sell the asset, which is referred to as the exit price. Statement No. 72 provides guidance on how to measure fair value, when required, under existing accounting standards. Statement No. 72 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into broad levels as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs - other than quoted prices - included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in markets that are not active
- Inputs other than quoted prices that are observable for the asset or liability, such as:
  - (1) Interest rates and yield curves observable at commonly quoted intervals
  - (2) Implied volatilities
  - (3) Credit spreads
- Market-corroborated inputs.

1. Organization and significant accounting policies (continued):

Level 3 - Inputs are unobservable inputs, such as management's assumption of the default rate among underlying mortgages of a mortgage-backed security.

The Coalition has recorded its investments at fair value, as more fully described in Note 2.

The fair values of investments are measured using quoted market prices or dealer quotations, when available. When quoted market prices are not available, fair value is measured using quoted market prices for similar securities.

F. Property and equipment - Property and equipment are stated at cost and depreciated using the straight-line method over their estimated useful lives. On January 14, 2012 the Board adopted a formal policy, Capitalization for the Acquisition, Management and Disposition of Fixed Assets. The following is the guideline on how each type of fixed asset should be depreciated:

	Minimum Capitalized Cost	Estimated Useful Life
Office furniture and equipment	$ 3,000	7 years
Computer equipment	$ 3,000	5 years
Computer software	$ 5,000	10 years
computer - other equipment	$ 3,000	5 years
Buildings and improvements	All purchase costs	30 years
Building equipment	All purchase costs	20 years
Vehicles	All purchase costs	5 years

G. Member contributions - Member contributions are based on the program experience and trends as determined by qualified actuaries and are set by the Board annually. The contributions cover all expenses of the Coalition including claims payments and administration, reserves, stop-loss insurance, health and wellness programs, and the Coalition's administration. The rates are effective through June 30, 2023.

H. Net position - The Coalition reports two classifications of net position, invested in capital assets and unrestricted. Unrestricted net position is defined as that portion of net position that is intended to be used by the Coalition for specific purposes as authorized by the Board of Directors. Undesignated net position would be the residual classification of net position and would include all amounts not otherwise restricted or designated. The Coalition does not report an undesignated net position. Residual amounts are reported as premium holiday payable as the Coalition is required to return any undesignated amount to Members. Upon dissolution of the organization, the net position is to be distributed to Members.

1. Organization and significant accounting policies (continued):

The following table represents the components of the net position:

	2023	2022
Invested in capital assets	$ 357,552	$ 365,362
Unrestricted - medical contingent reserve	28,734,000	27,178,000
Unrestricted - dental contingent reserve	827,000	779,000
Unrestricted net position	29,561,000	27,957,000
Total net position	$ 29,918,552	$ 28,322,362

I. Income taxes - The Coalition has been recognized as having tax exempt status under Code Section 115 by the Internal Revenue Service.

J. Marketing - The Coalition expenses marketing and advertising costs when incurred.

K. Estimates - The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred outflows/inflows of resources as well as disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

L. Unpaid claims liabilities - The Coalition establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Estimated amounts of excess insurance recoverable on unpaid claims are deducted from the liability for unpaid claims. The process used in computing claims liabilities does not necessarily result in an exact amount. Claims liabilities are recomputed periodically using the development actuarial method which assumes that past patterns of lag between the date a service is received and the date the claim is paid for the service will continue in the future and other economic factors. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

M. Excess insurance - The Coalition purchases an individual insurance policy in excess of predetermined levels of retained losses or self-insurance. The excess insurance program may change each coverage year to accommodate increased Membership and changing insurance market conditions. Excess insurance permits recovery of a portion of losses from excess insurers, although it does not discharge the primary liability of the Coalition as direct insurer of the risks. The Coalition does not report risks covered by excess insurance as liabilities unless it is probable that those risks will not be covered by the excess insurers and is refunded by excess insurers. Premiums paid to excess insurers for the years ended June 30, 2023 and 2022 were $4,791,687 and $4,236,624 respectively. There was $1,620,629 and $1,995,704 recovered from excess insurers and deducted from claims paid for fiscal years ended June 30, 2023 and 2022, respectively.

1. Organization and significant accounting policies (continued):

Third party health coverage was purchased from Optum for the 2023 program year subject to individual losses in excess of $550,000 per covered enrollee for loss year 2023 with an aggregating deductible of $125,000. The Coalition does not currently purchase aggregate excess insurance. The Medigap portion of the Coalition's SchoolCare 65+ program is fully insured through the United American Insurance Company, and the prescription drug program is fully insured through Express Scripts. The Medicare Advantage Plan offered through UnitedHealthCare is also fully insured. The dental insurance benefit option was self-funded through Cigna beginning July 1, 2013. All ancillary coverages are fully insured through Mutual of Omaha and VSP Vision.

N. Deferred revenue - Financials are presented in accordance with GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. In addition to assets and liabilities, deferred outflows of resources (previously reported as assets) and deferred inflows of resources (previously reported as liabilities), are reported as separate sections in the statement of net position. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources in the current period. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources in the current period. The Coalition does not currently report any deferred outflows of resources. The Coalition reports deferred revenue which represents Members' contributions received in advance of the month of coverage as deferred inflows of resources.

O. Premium deficiency reserve - In accordance with GASB Statement No. 30, "Risk Financing Omnibus," premium deficiencies are required to be calculated and reported by public entity risk pools. A premium deficiency can result when expected costs for coverage obligations as of the financial statement date exceed expected contributions (based on rates set prior to the financial statement date) for such coverage. There is no premium deficiency reserve recorded for June 30, 2023 or June 30, 2022. Investment income was included as part of the calculation in determining if a premium deficiency existed.

P. Subsequent events - The Coalition has evaluated subsequent events through October 19, 2023, which is the date the financial statements were available to be issued.

2. Investments:

Investments are reported at fair value using quoted market prices. Net realized and unrealized gains and losses are included in the accompanying Statements of Revenues, Expenses and Changes in Net Position in earnings on investments under non-operating revenues and expenses. The Coalition's investments are subject to regulatory compliance requirements and various investment risks. The Coalition's investment policy, as approved by the Board of Directors, contains certain provisions and limitations intended to insure regulatory compliance and to mitigate the Coalition's exposure to investment risks.

2. Investments (continued):

The Coalition engages Strategic Asset Alliance (SAA) as an investment consultant and advisor to the Board and organization. Asset Allocation and Management Company (AAM) provides investment management and accounting services. US Bank acts as the custodian of Coalition funds.

The Coalition's investment portfolio on June 30, 2023 was valued at $34,652,370. The June 30, 2022 value of the investment portfolio was $38,256,070. The June 30, 2021 value of the investment portfolio was $44,120,867. The Coalition's Risk Pool Practices Agreement with the NH Secretary of State expired as of April 25, 2017. Although the agreement is no longer in effect, operations and policies adopted as a result of its execution remain in place. The Coalition's investments are compliant with the requirements imposed upon municipalities pursuant to NH RSA 35:9, with the exception of an aggregate amount of 3.31% which is compliant with RSA 402:28. This aggregate amount includes the Coalition's cash, cash equivalents, and other non-REIT investments. The Coalition held securities that are non-complaint with NH RSA 35:9 in the amount of $2,461,155 at June 30, 2023, $2,701,912 at June 30, 2022, and $371,534 at June 30, 2021. The increase in these securities is mostly attributable to investment in high yield bonds to further diversify the portfolio.

There remains one (1) Real Estate Investment Trust (REIT) in the Coalition's portfolio as of June 2023. The REIT balance was $53,483 at June 30, 2023, $55,393 at June 30, 2022 and $53,483 at June 30, 2021. The Coalition temporarily retains the non-compliant investment and intends to liquidate as soon as practicable to do so without incurring penalties or breakage fees.

Custodial credit risk - Custodial credit risk is the risk that, in the event of failure of the counterparty to a transaction, the Coalition will not be able to recover the value of its investments or collateral securities that are in the possession of another party. Investments other than the real estate investment trusts were held by US Bank at June 30, 2023 and June 30, 2022.

The Coalition's investments, including compliance consisted of the following as of June 30, 2023:

Category	Amount of Investment Portfolio	Percentage of Investment Portfolio	Non-Compliant Municipal Law RSA 35:9 Investments	Percentage of Municpal Law RSA 35:9 Non-compliant Investments	Non-Compliant Insurance Law 402:28:I Investments	Percentage of Insurance Law 402:28:I Non-compliant Investments
Corporate Bonds	$ 11,618,822	24.64%	$ 2,461,155	5.22%	$ -	0.00%
Municipal Bonds	4,568,050	9.69%	-	0.00%	-	0.00%
Asset Backed Corporate	3,338,467	7.08%	-	0.00%	-	0.00%
Mortgage Backed Corporate	1,941,501	4.12%	-	0.00%	-	0.00%
Mortgage Backed Residential	5,048,799	10.71%	-	0.00%	-	0.00%
Exchange Traded Funds	6,021,511	12.77%	-	0.00%	-	0.00%
REITs	53,483	0.11%	53,483	0.11%	53,483	0.11%
US Treasuries	2,061,737	4.37%	-	0.00%	-	0.00%
Total Investments	34,652,370	73.48%	-	0.00%	-	0.00%
Cash and Money Markets	12,507,261	26.52%	-	0.00%	-	0.00%
Total Investment Portfolio	**$47,159,631**	**100%**	-	0.00%	-	0.00%
Total Out of Compliance			**$2,514,638**	**5.33%**	**$ 53,483**	**0.11%**

2. Investments (continued):

The Coalition's investments, including compliance consisted of the following as of June 30, 2022:

Category	Amount of Investment Portfolio	Percentage of Investment Portfolio	Non-Compliant Municipal Law RSA 35:9 Investments	Percentage of Municpal Law RSA 35:9 Non-compliant Investments	Non-Compliant Insurance Law 402:28:I Investments	Percentage of Insurance Law 402:28:I Non-compliant Investments
Corporate Bonds	$ 11,081,960	21.89%	$ 2,701,912	5.34%	$ -	0.00%
Municipal Bonds	5,136,294	10.15%	-	0.00%	-	0.00%
Asset Backed Corporate	4,437,883	8.77%	-	0.00%	-	0.00%
Mortgage Backed Corporate	8,533,223	16.86%	-	0.00%	-	0.00%
Exchange Traded Funds	6,777,523	13.39%	-	0.00%	-	0.00%
REITs	55,393	0.11%	55,393	0.11%	55,393	0.11%
US Treasuries	2,233,794	4.41%	-	0.00%	-	0.00%
Total Investments	38,256,070	75.58%	-	0.00%	-	0.00%
Cash and Money Markets	12,363,690	24.42%	-	0.00%	-	0.00%
Total Investment Portfolio	**$50,619,760**	**100%**	-	0.00%	-	0.00%
Total Out of Compliance			**$ 2,757,305**	**5.45%**	**$ 55,393**	**0.11%**

Interest rate risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally the longer the maturity of an investment the greater the sensitivity of its fair value to changes in the market interest rates. The Coalition mitigates the risk that the market value of securities will fall due to changes in general interest rates by structuring the portfolio with allocations across asset class sectors to position the portfolio to take advantage of changes in the interest rate environment.

Maturities of interest earning investments at June 30, 2023 are as follows:

	Fair Value	Less than One Year	1 to 5 Years	6 to 10 Years	After 10 Years
US Treasuries	$ 2,061,737	$ -	$ 1,684,018	$ 231,680	$ 146,039
Corporate bonds	11,618,822	-	4,205,484	6,066,744	1,346,594
Municipal bonds	4,568,050	-	2,592,999	1,884,582	90,469
Asset backed	3,338,467	-	2,417,909	638,560	281,998
Mortgage backed	6,990,300	-	1,839,183	358,088	4,793,029
	$ 28,577,376	$ -	$ 12,739,593	$ 9,179,654	$ 6,658,129

2. Investments (continued):

Maturities of interest earning investments at June 30, 2022 are as follows:

	Fair Value	Less than One Year	1 to 5 Years	6 to 10 Years	After 10 Years
US Treasuries	$ 2,233,794	$ -	$ 1,945,747	$ 288,047	$ -
Corporate bonds	11,081,960	848,779	4,169,945	5,750,610	312,626
Municipal bonds	5,136,294	399,980	2,127,430	2,513,623	95,261
Asset backed	4,437,883	200,012	3,534,526	325,695	377,650
Mortgage backed	8,533,223	399,232	1,849,658	993,633	5,290,700
	$ 31,423,154	$ 1,848,003	$ 13,627,306	$ 9,871,608	$ 6,076,237

Credit risk - Credit risk is the risk that an issuer of or counterparty to an investment will not fulfill its obligations. Concentration of credit risk is the risk of loss attributed to the magnitude of an investor's investment in a single issuer. Except for the concentration of investments in Mutual Funds, the Coalition investments are diversified.

The table below outlines third party credit ratings of the Coalition's fixed maturity securities at June 30, 2023:

	U.S. Treasuries	Corporate Bonds	Municipal Bonds	Asset Backed	Mortgage Backed	Totals
AAA	$ -	$ 600,578	$ 1,894,696	$ 2,904,935	$ 4,152,231	$ 9,552,440
AA+	2,061,737	103,575	1,137,399	-	571,507	3,874,218
AA	-	364,988	458,224	-	-	823,212
AA-	-	508,816	441,483	-	-	950,299
A+	-	2,396,865	217,013	-	-	2,613,878
A	-	2,921,237	-	-	-	2,921,237
A-	-	4,055,168	-	-	-	4,055,168
BBB+	-	-	-	-	-	-
BBB	-	321,628	-	-	-	321,628
BBB-	-	-	-	-	-	-
BB	-	-	-	-	-	-
NA	-	345,967	419,235	433,532	2,266,562	3,465,296
NR	-	-	-	-	-	-
	$ 2,061,737	$ 11,618,822	$ 4,568,050	$ 3,338,467	$ 6,990,300	$ 28,577,376

2. Investments (continued):

The table below outlines the third party credit ratings of the Coalition's fixed maturity securities at June 30, 2022:

	U.S. Treasuries	Corporate Bonds	Municipal Bonds	Asset Backed	Mortgage Backed	Totals
AAA	$ -	$ 401,358	$ 2,317,394	$ 3,660,827	$ 1,235,230	$ 7,614,809
AA+	2,233,794	105,215	1,072,845	-	4,122,519	7,534,373
AA	-	370,724	660,360	-	-	1,031,084
AA-	-	691,783	-	-	-	691,783
A+	-	3,270,391	452,779	-	-	3,723,170
A	-	2,031,113	-	-	-	2,031,113
A-	-	3,891,064	-	-	-	3,891,064
BBB+	-	-	-	-	-	-
BBB	-	320,312	-	-	-	320,312
BBB-	-	-	-	-	-	-
BB	-	-	-	-	-	-
NA	-	-	632,916	777,056	3,175,474	4,585,446
NR	-	-	-	-	-	-
	$ 2,233,794	$ 11,081,960	$ 5,136,294	$ 4,437,883	$ 8,533,223	$ 31,423,154

Marketable equity securities were recorded using Level 1 fair values based on observable quoted market prices from national securities exchanges. Corporate bonds and government bonds were recorded using Level 2 fair values are priced using standard inputs, when available, which include: benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, bids, offers, and reference data. Inputs used also take into consideration market indicators, industry, and economic events. REITS classified as Level 3 are valued using discounted cash flow techniques.

2. Investments (continued):

The following table sets forth by level, within the fair value hierarchy, the Coalition's investments at fair value as of June 30, 2023 and 2022:

June 30, 2023	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Corporate Bonds	$ -	$ 11,618,822	$ -
Municipal Bonds	-	4,568,050	-
Asset Backed Corporate	-	3,338,467	-
Mortgage Backed Corporate	-	1,941,501	-
Mortgage Backed Residential	-	5,048,799	-
Exchange Traded Funds	6,021,511	-	-
REITs	-	-	53,483
US Treasuries	-	2,061,737	-
Total Investments	$ 6,021,511	$ 28,577,376	$ 53,483

June 30, 2022	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Corporate Bonds	$ -	$ 11,081,960	$ -
Municipal Bonds	-	5,136,294	-
Asset Backed Corporate	-	4,437,883	-
Mortgage Backed Corporate	-	8,533,223	-
Exchange Traded Funds	6,777,523	-	-
REITs	-	-	55,393
US Treasuries	-	2,233,794	-
	$ 6,777,523	$ 31,423,154	$ 55,393

2. Investments (continued):

Earnings on investments for the years ended June 30, 2023 and 2022, is summarized as follows:

	June 30, 2023	June 30, 2022
Interest income, net	$ 1,252,796	$ 1,013,196
Amortization expense	(101,931)	(133,599)
Realized gains	569,076	498,265
Earnings on investments	1,719,941	1,377,862
Unrealized (losses) gains	(740,592)	(4,514,347)
Earnings on investments (with unrealized gains)	$ 979,349	$ (3,136,485)

3. Property and equipment:

Property and equipment consisted of the following at year end:

	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023
Capital assets, being depreciated				
Buildings and improvements	$ 608,762	$ 13,060	$ -	$ 621,822
Furniture and equipment	130,395	4,428	(1,550)	133,273
Total capital assets being depreciated	739,157	17,488	(1,550)	755,095
Less: accumulated depreciation for:				
Buildings and improvements	(257,761)	(20,514)	-	(278,275)
Furniture and equipment	(116,033)	(3,624)	389	(119,268)
Total accumulated depreciation	(373,794)	(24,138)	389	(397,543)
Total capital assets being depreciated, net	$ 365,362	$ (6,650)	$ (1,161)	$ 357,552

Depreciation expense was $24,138 and $22,670 for the years ended June 30, 2023 and 2022, respectively.

4. Unpaid claims liabilities:

As discussed in Note 1. A., the Coalition started pooling the risk for prescription drug coverage for retired Members under the Express Scripts Plan on July 1, 2002 through December 31, 2013 and started pooling the risk for the health benefit options on July 1, 2003. The Coalition also started pooling the risk for the dental benefit options as of July 1, 2013. The Coalition establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses, both allocated and unallocated.

The following represents changes in those aggregate liabilities for the Coalition for the years ended June 30, 2023, 2022 and 2021:

	June 30, 2023	June 30, 2022	June 30, 2021
Unpaid claims and allocated claims adjustment expenses at beginning of year	$ 15,008,700	$ 13,585,554	$ 13,747,884
Incurred claims and allocated claim adjustment expenses:			
Provision for insured events of current fiscal year	188,028,202	185,954,152	178,399,479
Changes in the provision for insured events of prior fiscal years	(246,036)	(147,712)	(2,577,641)
Claims administration expenses, current year	5,094,293	5,235,783	5,132,741
Total incurred claims and claim adjustment expenses	192,876,459	191,042,223	180,954,579
Claim and allocated claim adjustment expense payments:			
Attributable to insured events of current fiscal year	173,537,903	170,945,452	164,813,925
Attributable to insured events of prior fiscal years	14,762,664	13,437,842	11,170,243
Claims administration expenses, current year	5,094,293	5,235,783	5,132,741
Total payments	193,394,860	189,619,077	181,116,909
Total unpaid claims and claim adjustment expenses at end of the year	$ 14,490,299	$ 15,008,700	$ 13,585,554

As a result of changes in estimates of insured events in prior years, incurred losses and loss adjustment expenses decreased by $246,036 and $147,712 in 2023 and 2022, respectively, due to favorable loss development.

5. Risk Pool Practices Agreement:

On April 25, 2012, the Coalition entered into a Risk Pool Practices Agreement (the Agreement) with the New Hampshire Secretary of State. The Agreement was effective through April 25, 2017. The provisions of the Agreement significantly changed two areas of the Coalition's operations - return of surplus and investments.

5. Risk pool practices agreement (continued):

Return of surplus - From inception in 1995 to 2013, the Coalition returned surplus to its Members through rate stabilization to reduce rate increases. The New Hampshire Secretary of State, Bureau of Securities Regulation, during its 2012 on-site examination, noted the Coalition's documentation of rate stabilization procedures and designation of surplus for this purpose. However, the Secretary of State, as a policy matter, did not agree that the use of rate stabilization as described is compliant with NH RSA 5-B and required the Coalition to return surplus to its Members through a "Premium Holiday". The below chart has been updated to illustrate total Premium Holiday amounts paid to both former and current Members by year. Premium Holiday is paid to former Members by June 30th of each fiscal year and current Members as a Premium Holiday Credit on July 1st invoices. Current Member groups also have the option of receiving premium holiday credits via invoice credits or checks.

Date of Premium Holiday	Total Amount of Premium Holiday	
December 1, 2012	$	4,250,000
December 1, 2013	$	4,250,000
July 1, 2014	$	21,697,052
July 1, 2015	$	4,308,814
July 1, 2016	$	1,221,078
July 1, 2017	$	4,636,390
July 1, 2018	$	6,128,691
July 1, 2019	$	11,081,915
July 1, 2020	$	11,967,897
July 1, 2021	$	13,138,415
July 1, 2022	$	10,831,066
July 1, 2023	$	1,973,545

This practice of return of surplus through a Premium Holiday was considered a change in accounting policy implemented in the year ended June 30, 2012.

Investments - The Board of Directors currently has an investment policy based on the "prudent person" standard whereby investments are made with judgment and care considering the probable safety of the investment as well as the expected income to be derived. This investment policy is reviewed annually by the Board.

The Coalition engages Strategic Asset Alliance (SAA) as an investment consultant and advisor to the Board and organization. Asset Allocation and Management Company (AAM) provides investment management and accounting services. US Bank acts as the custodian of Coalition funds.

5. Risk pool practices agreement (continued):

The Coalition's investment portfolio on June 30, 2023 was valued at $34,652,370. The June 30, 2022 value of the investment portfolio was $38,256,070. The June 30, 2021 value of the investment portfolio was $44,120,867. The Coalition's Risk Pool Practices Agreement with the NH Secretary of State expired as of April 25, 2017. Although the agreement is no longer in effect, operations and policies adopted as a result of its execution remain in place. The Coalition's investments are compliant with the requirements imposed upon municipalities pursuant to NH RSA 35:9, with the exception of an aggregate amount of 3.31% which is compliant with RSA 402:28. This aggregate amount includes the Coalition's cash, cash equivalents, and other non-REIT investments. The Coalition held securities that are non-complaint with NH RSA 35:9 in the amount of $2,461,155 at June 30, 2023, $2,701,912 at June 30, 2022, and $371,534 at June 30, 2021. The increase in these securities is mostly attributable to investment in high yield bonds to further diversify the portfolio.

There remains one (1) Real Estate Investment Trust (REIT) in the Coalition's portfolio as of June 2023. The REIT balance was $53,483 at June 30, 2023, $55,393 at June 30, 2022 and $53,483 at June 30, 2021. The Coalition temporarily retains the non-compliant investment and intends to liquidate as soon as practicable to do so without incurring penalties or breakage fees.

6. Net position:

Unrestricted net position - The medical contingent reserve is determined annually with advice of the Coalition's actuaries using a stochastic modeling methodology at the 95% confidence level and is held as under unrestricted net position as a designated contingent reserve for all business risks not included in loss reserves. The dental contingent reserve is also determined annually with advice of the Coalition's actuaries using two months projected claims payments. This is used instead of stochastic modeling due to both the size of the program as well as the predictability of claims payments. The Coalition does not retain an undesignated net position.

7. Health care reform:

On March 23, 2010, the Patient Protection and Affordable Care Act (PPACA) made significant changes impacting group health plans including the SchoolCare Medical Plans. Since 2010, the Coalition continues to monitor and assist Members with the implementation of changes required by PPACA. In 2023, the Coalition has accrued fees of approximately $47,000 which represent the Coalition's annual assessment under the Act for the Comparative Effectiveness Research Fee. The Comparative Effectiveness Research fee was originally expected to sunset with a final payment date of July 31, 2020. The fees have been extended through June 30, 2029 for SchoolCare with a final payment date of July 31, 2030.

Annually the SchoolCare Medical Plans are amended to reflect benefit changes required by PPACA such as lifetime limits and preventive services. In addition, the Health Benefits Booklet has been updated with these benefit changes as well as other federal requirements including but not limited to eligibility criteria and the claims appeals procedures.

NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
RECONCILIATION OF CLAIMS LIABILITIES BY TYPE OF CONTRACT
FOR THE YEARS ENDED JUNE 30, 2023, 2022 and 2021
Schedule 1

	SchoolCare-Medical			SchoolCare - Dental		
	6/30/2023	6/30/2022	6/30/2021	6/30/2023	6/30/2022	6/30/2021
Unpaid claims and allocated claims adjustment expenses at beginning of year	$ 14,778,653	$ 13,380,615	$ 13,471,962	$ 230,047	$ 204,939	$ 275,922
Incurred claims and allocated claim adjustment expenses:						
Provision for insured events of current fiscal year	183,129,960	181,591,852	174,048,873	4,898,241	4,362,301	4,350,606
Changes in the provision for insured events of prior fiscal year	(267,550)	(136,553)	(2,529,162)	21,514	(11,159)	(48,478)
Claims administration expenses, current year	4,923,497	5,075,834	4,978,085	170,796	159,949	154,655
Total incurred claims and claim adjustment expense	187,785,907	186,531,133	176,497,796	5,090,551	4,511,091	4,456,783
Claim and allocated claim adjustment expense payments:						
Attributable to insured events of current fiscal year	168,923,347	166,813,199	160,668,259	4,614,556	4,132,254	4,145,667
Attributable to insured events of prior fiscal years	14,511,102	13,244,062	10,942,799	251,561	193,780	227,444
Claims administration expenses, current year	4,923,497	5,075,834	4,978,085	170,796	159,949	154,655
Total payments	188,357,946	185,133,095	176,589,143	5,036,913	4,485,983	4,527,766
Total unpaid claims and claim adjustment expenses at the years ended June 30, 2022, 2021 and 2020	$ 14,206,614	$ 14,778,653	$ 13,380,615	$ 283,685	$ 230,047	$ 204,939

NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
COMPARATIVE SCHEDULE OF CLAIM DEVELOPMENT,
EARNED ASSESSMENTS AND UNALLOCATED EXPENSES
JUNE 30, 2023
Schedule 2
(Page 1 of 2)

The following table illustrates how the Coalition's earned revenue (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Coalition as of the end of each of the previous nine years. The rows of the table are defined as follows: (1) This line shows the total of the fiscal year's gross earned contribution revenue and investment revenue, contribution revenue ceded to reinsurers, and net earned contribution revenue and reported investment revenue. (2) This line shows the fiscal year's other operating costs of the Coalition including overhead and claims expense not allocable to individual claims. This operating cost has been updated to reflect administrative costs without inclusion of the SchoolCare 65+ fully-insured Medicare supplement plans or the fully insured ancillary products. (3) This line shows the Coalition's gross incurred claims and allocated claim adjustment expenses, claims assumed by reinsurers and net incurred claims and allocated adjustment expenses (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (called policy year). (4) This section of ten rows shows the cumulative net amounts paid as of the end of successive years of each policy year. (5) This line shows the latest reestimated amount of claims assumed by reinsurers as of the end of the current year for each policy year. (6) This section of ten rows shows how each policy year's net incurred claims increased or decreased as of the end of successive years. (This annual reestimation results from new information received on known claims, reevaluation of existing information on known claims, and emergence of new claims not previously known). (7) This line compares the latest reestimated net incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of net claims cost is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and reestimated amounts commonly is used to evaluate the accuracy of net incurred claims currently recognized in less mature policy years. The columns of the table show data for successive policy years.

NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
COMPARATIVE SCHEDULE OF CLAIM DEVELOPMENT, EARNED ASSESSMENTS AND UNALLOCATED EXPENSES
JUNE 30, 2023
Schedule 2 (Page 2 of 2)

Fiscal and Policy Year Ended

	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023
(1) Required contribution and investment revenue:										
Earned	$ 145,505,569	$ 159,063,635	$ 162,438,317	$ 160,616,072	$ 169,000,654	$ 177,144,772	$ 183,041,953	$ 189,820,156	$ 191,135,502	$ 198,608,444
Ceded	1,974,516	2,206,484	1,460,836	1,608,270	1,631,254	1,830,356	2,596,101	3,120,755	4,236,624	4,791,687
Net earned	143,531,053	156,857,151	160,977,481	159,007,802	167,369,400	175,314,415	180,445,852	186,699,400	186,898,878	193,816,757
(2) Unallocated expenses	8,834,804	9,907,428	11,208,816	10,275,523	10,134,359	10,588,285	15,276,340	9,788,440	9,140,421	11,383,059
(3) Estimated claims and expenses, end of policy year										
Incurred	133,348,065	146,332,109	152,415,558	149,135,224	150,533,600	159,597,904	160,002,913	179,337,920	187,949,857	189,648,831
Ceded	1,045,871	418,193	175,325	623,032	1,808,003	227,784	1,181,929	938,441	1,995,704	1,620,629
Net incurred	132,302,194	145,913,916	152,240,233	148,512,192	148,725,597	159,370,120	158,820,984	178,399,479	185,954,153	188,028,202
(4) Net paid (cumulative) as of:										
End of the policy year	118,853,463	131,745,711	137,642,784	134,970,770	133,624,242	144,306,429	145,073,100	164,813,925	170,945,452	173,537,903
One year later	129,827,079	142,862,668	150,426,323	146,901,477	146,635,188	156,841,769	156,243,344	178,251,767		
Two years later	129,827,079	142,862,668	150,426,323	146,901,477	146,635,188	156,841,769	156,243,344			
Three years later	129,827,079	142,862,668	150,426,323	146,901,477	146,635,188	156,841,769				
Four years later	129,827,079	142,862,668	150,426,323	146,901,477	146,635,188					
Five years later	129,827,079	142,862,668	150,426,323	146,901,477						
Six years later	129,827,079	142,862,668	150,426,323							
Seven years later	129,827,079	142,862,668								
Eight years later	129,827,079									
Nine years later										
(5) Re-estimated ceded claims and expens	1,195,297	649,305	257,907	790,968	3,333,399	863,082	2,258,451	967,621	1,995,704	1,620,629
(6) Re-estimated net incurred claims and expenses:										
End of the policy year	132,302,194	145,913,916	152,240,233	148,512,192	148,725,597	159,370,120	158,820,984	178,399,479	185,954,153	188,028,202
One year later	129,827,079	142,862,667	150,426,323	146,901,477	146,635,187	156,841,769	156,243,344	178,251,767	185,708,116	
Two years later	129,827,079	142,862,667	150,426,323	146,901,477	146,635,187	156,841,769	156,243,344	178,251,767		
Three years later	129,827,079	142,862,667	150,426,323	146,901,477	146,635,187	156,841,769	156,243,344			
Four years later	129,827,079	142,862,667	150,426,323	146,901,477	146,635,187	156,841,769				
Five years later	129,827,079	142,862,667	150,426,323	146,901,477	146,635,187					
Six years later	129,827,079	142,862,667	150,426,323	146,901,477						
Seven years later	129,827,079	142,862,667	150,426,323							
Eight years later	129,827,079	142,862,667								
Nine years later	129,827,079									
(7) Increase (decrease) in estimated net incurred claims and expenses from end of the policy year	(1,060,171)	(3,051,249)	(1,813,910)	(1,610,715)	(2,090,410)	(2,528,351)	(2,577,640)	(147,712)	(246,037)	-

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
New Hampshire School of Health Care Coalition

In planning and performing our audit of the financial statements of New Hampshire School Health Care Coalition ("the Coalition") as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we considered the Coalition's internal control over financial reporting ("internal control") as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Coalition's internal control. Accordingly, we do not express an opinion on the effectiveness of the Coalition's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

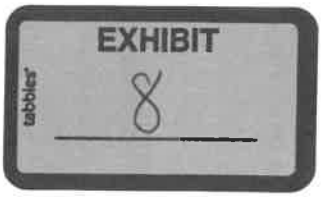
This communication is intended solely for the information and use of management, others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Crowe LLP

Crowe LLP

West Hartford, Connecticut
October 19, 2023

The engagement partner, Joe Pieksza, has served in that capacity with respect to the Coalition since 2015.



NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION

FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION

JUNE 30, 2024 AND 2023

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Crowe LLP
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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
New Hampshire School Health Care Coalition

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the New Hampshire School Heath Care Coalition (the Coalition), as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Coalition's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Coalition, as of June 30, 2024 and 2023, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Coalition, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Coalition's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Coalition's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Coalition's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis in Schedules 1 and 2 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated October 18, 2024 on our consideration of the Coalition's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Coalition's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Coalition's internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

West Hartford, Connecticut
October 18, 2024

NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

The New Hampshire School Health Care Coalition (the Coalition), a public entity risk pool, presents the following overview and analysis of its financial operations for the fiscal year ended June 30, 2024, to be reviewed and considered in conjunction with the more detailed statements, schedules, and notes in this report.

Financial Highlights:

- The net position decreased from $29,918,552 on June 30, 2023 to $20,414,767 at June 30, 2024, The net position consisted of the Coalition's investment in property and equipment of $353,420 and the unrestricted amount for the medical contingent reserve of $20,061,347. The $9.5 million decrease was due to escalated medical related expenses including actual claims paid, premium deficiency reserve, and medical contingent reserve. The dental contingent reserve of $827,000 was eliminated as of June 30, 2024 after discussion with actuarial and underwriting consultants in consideration of the lower risk of claims volatility associated with dental plans. The Coalition did not retain any unrestricted or undesignated surplus.

- The Coalition has reported a liability at June 30, 2024 of $3,183,248 described as a premium holiday payable in accordance with guidance from the New Hampshire Secretary of State, Bureau of Securities Regulation (BSR). This is surplus from FY 23 that was applied to Member invoices as of July 1, 2024. There is no premium holiday for fiscal year 2024 due to higher than projected claims experience.

Overview of the Financial Statements:

The Coalition's fiscal year is July 1 through June 30.

The annual financial report consists of three parts:

- Management's Discussion and Analysis
- Financial Statements and Note Disclosures
- Required Supplementary Information

Management's discussion and analysis provides a narrative overview of the statements and comments on significant developments during the reporting period. The intention is to present a financial summary of operations for the past fiscal year and discuss the outlook for the ensuing year.

The Statements of Net Position contain information regarding the assets and liabilities of the Coalition. The Coalition reports in accordance with GASB Statement No. 65 which requires deferred outflows of resources and deferred inflows of resources to be reported in separate sections of the Statement of Net Position. The Coalition has not reported any deferred outflows but does report deferred revenue as a deferred inflow.

The Statements of Revenues, Expenses and Changes in Net Position show the operating activities for the year, revenues and expenses. As required by the GASB, investment income is considered non-operating revenue. The net result of operations for the fiscal year is the change in net position from year to year.

The Statements of Cash Flows report the cash flow resulting from operating, investing and financing activities of the Coalition showing how the financial resources were used during the course of the year.

Notes to the Financial Statements provide explanations of the accounting principles followed and of key items in the financial statements. They include tables with more detailed analysis of certain accounts.

The Required Supplementary Information includes the ten-year schedule of claims development and a three-year comparative reconciliation of claims liabilities.

Analysis of Financial Information Presented in the Statements:

Statements of Net Position:

The following table summarizes the Statements of Net Position:

	June 30, 2024	June 30, 2023	Percentage Change	June 30, 2022	Percentage Change
Cash and cash equivalents	$ 9,992,106	$ 12,507,261	-20%	$ 12,363,690	1%
Investments	31,909,848	34,652,370	-8%	38,256,070	-9%
Other assets	5,903,440	5,402,519	9%	7,412,996	-27%
Total assets	47,805,394	52,562,150	-9%	58,032,756	-9%
Claims payable	3,698,706	2,443,184	51%	2,650,127	-8%
Claims reserves	12,988,034	12,047,115	8%	12,358,573	-3%
Premium holiday payable	3,183,248	5,113,031	-38%	12,585,758	-59%
Premium deficiency reserve	5,573,053	-		-	
Other liabilities	878,442	883,603	-1%	1,369,916	-35%
Total liabilities	26,321,483	20,486,933	28%	28,964,374	-29%
Deferred inflows of resources	1,069,144	2,156,665	-50%	746,020	189%
Net position:					
Invested in capital assets	353,420	357,552	-1%	365,362	-2%
Unrestricted	20,061,347	29,561,000	-32%	27,957,000	6%
Total net position	$ 20,414,767	$ 29,918,552	-32%	$ 28,322,362	6%

Total assets for FY2024, FY2023, and FY2022 are $47,805,394, $52,562,150, and $58,032,756, respectively. The decrease in assets from FY2023 to FY2024 is largely attributable to lower cash balances due to higher than anticipated claims experience as well as lower investment balances due to cash draw down in the spring of 2024. The decrease in assets from FY2022 to FY2023 is primarily due to a decrease in investments due to a drawdown in the summer of 2022.

Total liabilities for FY2024, FY2023, and FY2022, are $26,321,483, $20,486,933, and $28,964,374 respectively. The increase in liabilities from FY2023 to FY2024 is mostly attributable to a premium deficiency reserve. The decrease in liabilities from FY2022 and FY2023 is largely due to a decrease in premium holiday payable.

In accordance with GASB Statement No. 30, "Risk Financing Omnibus," premium deficiencies are required to be calculated and reported by public entity risk pools. As GASB is not specific to healthcare entities, in establishing a premium deficiency reserve, SchoolCare also looks to generally accepted accounting principles issued by the Financial Accounting Standards Board (FASB) as well as applicable National Association of Insurance Commissioners (NAIC) relative to prepaid health care services contracts. Such guidance provides premium deficiency reserve guidance specific to health insurance entities and has been used by schoolcare to clarify and supplement GASB GAAP guidance issued within GASB Statement No. 30 which is specific to property liability insurance coverage. A premium deficiency can result when expected costs for coverage obligations as of the financial statement date exceed expected contributions (based on rates set prior to the financial statement date) for such coverage. As further described in Note 1.O, schoolcare recorded a premium deficiency reserve of $5.5 million as of June 30, 2024, whereas there was no premium deficiency reserve required for FY2023 or FY2022. There was a premium deficiency last recorded as of June 30, 2021.

Unrestricted net position decreased over the prior year by $8,672,653 in the medical contingent reserve largely due to higher than anticipated claims experience, increased medical trend and a premium deficiency reserve. The dental contingent reserve of $827,000 was eliminated as of June 30, 2024. Due to high claims experience, the medical contingent reserve is not fully funded to the actuarial recommendation of $31 million. The medical contingent reserve was calculated using an 8.5% melded trend for projected 2024-25 claims. This trend increased from 7.9% in the prior year and is consistent with trend in recent claims experience.

Statements of Revenues, Expenses and Changes in Net Position:

The following table summarizes the Statements of Revenues, Expenses and Changes in Net Position:

	June 30, 2024	June 30, 2023	Percentage Change	June 30, 2022	Percentage Change
Operating revenues:					
Member contributions	$ 220,199,740	$ 211,243,950	4%	$ 209,240,411	1%
Other	10,854,104	10,171,264	7%	10,545,825	-4%
Total operating revenues	231,053,844	221,415,214	4%	219,786,236	1%
Operating expenses:					
Claims expense	208,891,605	187,782,165	11%	185,806,441	1%
Insurance premiums	17,201,009	18,088,116	-5%	19,069,962	-5%
Claims administration	5,096,389	5,094,293	0%	5,235,783	-3%
Self-insured pool assessments	1,835,013	1,646,927	11%	1,641,165	0%
Health and wellness benefits	2,086,832	2,734,764	-24%	2,808,455	-3%
Administration	2,324,916	2,219,125	5%	2,135,730	4%
Premium deficiency expense (gain)	5,573,053	-	100%	(2,391,482)	-100%
Other	50,889	49,734	2%	45,000	11%
Total operating expenses	243,059,706	217,615,124	12%	214,351,054	2%
Operating (loss) gain	(12,005,862)	3,800,090	-416%	5,435,182	-30%
Nonoperating revenues:					
Premium holiday credits	-	(3,183,249)	-100%	(1,973,545)	61%
Earnings on investments	2,502,077	979,349	155%	(3,136,485)	-131%
Change in net position	(9,503,785)	1,596,190	-695%	325,152	391%
Beginning net position, July 1	29,918,552	28,322,362	6%	27,997,210	1%
Ending net position, June 30	$ 20,414,767	$ 29,918,552	-32%	$ 28,322,362	6%

Revenues - Total operating revenues for FY2024, FY2023, and FY2022, were $231,053,844, $221,415,214, and $219,786,236, respectively. The increase in Member contributions from FY2023 to FY2024 is mostly attributable to a 6.4% rate increase in the medical plan with consistent enrollment year over year. The increase in Member contributions from FY2022 to FY2023 is mostly attributable to a 5.5% rate increase in the medical plan coupled with an approximate 2% decline in enrollment.

Expenses - Total operating expenses for FY2024, FY2023, and FY2022 were $243,059,706, $217,615,124, and $214,351,054, respectively. FY2024 saw elevated claims throughout the year with claims experience exceeding projections in March through June impacting both Claims and Premium Deficiency expenses. For FY2023 and FY2022, operating expenses increased largely due to increased claims utilization towards the latter part of each year respectively. For FY2022 the self-insured pool assessments increased due to a full year's worth of assessment fees for the NHHP Reinsurance Program

Operating expenses as a percentage of contributions earned from Member Groups are as follows for the years ended June 30:

	2024	2023	2022
Claims Incurred	103.6%	98.8%	99.3%
Premium deficiency expense (gain)	2.5%	0.0%	-1.1%
Return of Surplus	0.0%	-1.5%	-0.9%
Administrative fees paid	2.3%	2.4%	2.5%
Administrative expenses	1.9%	1.9%	1.8%

Other matters:

Investment Portfolio

The Coalition engages Strategic Asset Alliance (SAA) as an investment consultant and advisor to the Board and organization. Asset Allocation and Management Company (AAM) provides investment management and accounting services. US Bank acts as the custodian of Coalition funds.

The Coalition's investment portfolio on June 30, 2024 was valued at $32,100,818. The portfolio on June 30, 2023 was valued at $34,652,370. The decrease was a result of withdrawing a total of $5 million in May and June 2024 to offset the drawdown on operating cash balances due to the higher than anticipated medical claims payments. The June 30, 2022 value of the investment portfolio was $38,256,070. The Coalition's Risk Pool Practices Agreement with the NH Secretary of State expired as of April 25, 2017. Although the agreement is no longer in effect, operations and policies adopted as a result of its execution remain in place. The Coalition's investments are compliant with the requirements imposed upon municipalities pursuant to NH RSA 35:9, with the exception of an aggregate amount of 4.57% which is compliant with RSA 402:28. This aggregate amount includes the Coalition's cash, cash equivalents, and other investments. The Coalition held securities that are non-complaint with NH RSA 35:9 in the amount of $1,915,214 at June 30, 2024, $2,461,155 at June 30, 2023 and $2,701,911 at June 30, 2022.

The last remaining Real Estate Investment Trust (REIT) in the Coalition's portfolio was sold in December of 2023 for $26,742. The REIT balance was $53,483 at June 30, 2023 and $55,393 at June 30, 2022.

Capital Assets and Debt

The Coalition's property and equipment at June 30, 2024 was valued at $353,420 compared to June 30, 2023 at $357,552, and $365,362 at June 30, 2022. The change at June 30, 2024 was due to a depreciation amount of $24,881 and an increase of $20,749 in capital assets. The Coalition has no long-term debt.

Outlook / Economic Factors:

Financial statements on June 30, 2024 reflect a loss of approximately $9.5 million. The primary driver of the loss is increased claims in the 4th quarter of the fiscal year as well as elevated claims throughout the entire year. The higher claims impacted projections into fiscal year 2024-25 requiring an actuarially determined premium deficiency reserve of $5.5 million on June 30, 2024. These factors have resulted in an $11 million underfunding of the actuarially recommended contingent reserve.

Fiscal year 2023-24 saw an annual melded trend of 10.9% largely due to inflation, increased utilization, catastrophic claims and specialty pharmacy. Musculoskeletal claims lead plan large claim spends with neoplasms close behind. In comparison, rates were set using a 7.17% melded trend. Financials through August 2024 show claims are trending at a lower level. Fiscal year 2023-24 continues to see elevated claims paid in the run out period for medical, indicative of increased utilization, catastrophic and specialty pharmacy claims.

Management and the Board have taken steps to strengthen the organization's financial position and continue to explore further opportunities. These steps include the following:

- Monitor and recommend programs to mitigate claim costs.
  - Hinge Health is a digital solution for joint and muscle pain to help people get moving and keep them moving to reduce unnecessary surgeries and opioid use. At a recent Annual Business Review, Hinge reported since inception of January 2023 over 14,000 physical therapy sessions completed with 79% of participants reporting a clinically significant reduction in pain. This resulted in an estimated net savings of approximately $779,000 through avoidance of surgeries and medications.
  - Omada Diabetes Prevention Program was expanded on January 1, 2024 to Omada Complete to include management of chronic conditions including diabetes and hypertension. Enrollment all time in Omada stands at 2,784 individuals with 2,633 in the prevention program and 151 in Omada Complete. More data is expected in the coming months around the Complete program.
  - Cigna Pathwell Specialty is a new network that excludes high-cost providers and guides participations to high performing, in-network providers for specialty infusion/injection medication. This was effective as of July 1, 2024 with an estimated plan savings of approximately $500,000.
  - Embarc Benefit Protection was implemented January 1, 2024 to protect the pool against the high cost of breakthrough gene therapy drugs while continuing to offer this coverage. In some cases, these technological advances can cure lifetime ailments, improving quality of life of individuals while also providing for cost containment in what would otherwise be a lifetime claim for the pool.
- Biosimilar adoption to drug formulary in lieu of specialty drugs to save both the plan and individuals.

- In July 2024, Cigna added biosimilars to its formulary to compete with Humira. Voluntary adoption by 25% of utilizers has been seen through September 2024. Beginning July 1, 2025, Humira will be excluded from Cigna's standard formulary.
- Looking to July 2025 Cigna will be adding a biosimilar for Stelara.

- Rebuild the investment portfolio through a strategic, generative, and long-term framework.
  - On July 31, 2024, the Board, on the recommendation of management and its investment advisor/manager, took a long-term strategic approach in strengthening the fixed income portfolio's book yield and annual investment income. This was accomplished by leveraging the current economic conditions and selling holdings with a 1.68% book yield and repurchasing bonds with an average 4.53% book yield. This resulted in a $570 thousand realized loss (offsetting the $1.2 million realized gain on equity securities on July 15, 2024), with a 2.8-year repayment.
  - In July 2024, the Board suspended the asset allocation targets and ranges within the Investment Policy Statement (IPS) through October 31, 2024 to generate required cash proceeds. Management regularly monitors cash to determine if excess operating funds are available for reinvestment in risk assets. The Finance-Audit Committee also reviews the IPS on a quarterly basis for compliance.
- Request the State of New Hampshire consider an ARPA State Fiscal Recovery Funds grant program.
  - The Board authorized the Executive Director on August 28, 2024, to send a letter to NH Governor's Office for Emergency Relief and Recovery (GOFERR) requesting consideration of an ARPA SFRF Grant Program for NH RSA 5-B risk management organizations to provide relief for health care costs due to COVID. There is no guarantee of funds to be received but it is yet another option that could assist in a rebuild of financial strength.

Looking forward, inflation continues to be a driver of trend. Management will continue to monitor any programs or recommendations around mitigating costs. The ongoing promotion of programs such as Omada Complete and Hinge Health will also be critical to reaching participants and promoting the importance of addressing health care concerns, particularly around comorbidities.

The organization also began an infrastructure reorganization effective July 1, 2024, which included the hiring of a Director of Finance and Director of Member Engagement to build depth and a breadth of knowledge within staff. These changes were a part of a five-year strategic plan approved by the Board of Directors in October of 2023. Management is confident these changes are necessary as part of the evolution and future of SCHOOLCARE. The Board and staff are also extremely focused on the importance of quality benefits, excellence in service, stable rates and being a trusted partner.

In the coming months and years, the Coalition will continue to be responsive to Member needs as they arise. The Coalition remains well positioned to support Member groups and Participants now and in the future and continues to look for opportunities to evolve to meet the challenges of the current health care climate whether through the hiring of additional expert staff or through programs and opportunities with its strategic partners.

Membership

The exceptional service to our existing Membership is a cornerstone of the Coalition's mission. The Coalition's Membership in medical and dental plans remained consistent with the prior year. Staff continue to service current Members to the highest standard possible while marketing to prospective clients through educational opportunities and events. These opportunities have now shifted to hybrid formats and Staff has modeled either live or recorded presentations as well as in person opportunities to meet Member's needs.

Membership Services

The Coalition offers many administrative services to its Member groups to provide flexibility, education, convenience and time saving options through expert Coalition Staff:

- Retiree Administration Services - Member groups are provided with this service option which offers Retiree medical and dental billing administration, collecting payments and coordination with the New Hampshire Retirement System. Coalition Staff also assist both Members and individual retirees with any questions or concerns they may have regarding coverage or claims.
- COBRA Administration Services - The Coalition administers various required COBRA notices along with issuance of invoices and collection of COBRA payments on its Members' behalf. In addition, the Coalition Staff has three (3) certified COBRA administrators knowledgeable in the intricacies and regulations of the law.
- Dependent Benefit Protection – In the unfortunate instance of an employee's death, the Coalition provides extended medical and dental benefits at no cost to dependents of the employee for the first twelve (12) months of COBRA continuation coverage, no matter the cause of death. As of June 30, 2024, one individual and two families were covered for medical benefits.
- Onsite Services – Benefit education is offered through the Coalition to Member groups through various onsite events and presentations. In addition, the Coalition provides various value-added services including but not limited to its well-being program, vaccine clinics Employee Assistance Program seminars all in an effort to support holistic health.
- Claims Advocates – One of the key differentiators between the Coalition and traditional insurance products is having key advocates when the need arises. If a Participant is experiencing issues with claims payments or approvals in general, Coalition staff may act as an advocate on behalf of a Participant to resolve related issues. Knowledgeable staff help to navigate Participants through the sometimes-confusing world of health care through both education and solutions.

Patient Protection and Affordable Care Act (PPACA)

The Patient Protection and Affordable Care Act also referred to as health care reform continues to affect both the Coalition's operations and its Membership, although to a lesser extent than in the past. Staff regularly monitors, educates and assists Members with the implementation of changes required by PPACA. All Coalition medical plans are in compliance with health care reform provisions. In addition to this, Coalition staff continues to assist Members with various reporting requirements under PPACA including 6055 and 6056 reporting.

Although PPACA continues to be monitored by Staff, there are few fees and upcoming deadlines remaining. From an administrative perspective, the Coalition pays the Comparative Effectiveness Research PPACA fee on its Members behalf during the fiscal year. The Comparative Effectiveness Research fee was originally expected to sunset with a final payment date of July 31, 2020. The fee has been extended through June 30, 2029 for fiscal year health plans such as SCHOOLCARE with a final payment date of July 31, 2030.

Medical Costs

Medical cost trends specific to the Coalition increased in fiscal year largely due to inflation, increased utilization, and a variety of catastrophic claims. Consumerism is for both Participants and Member Groups. Over 83% of SCHOOLCARE 's population is enrolled in a consumer driven plan as of July 2024. SCHOOLCARE continues to work with employers and employees to educate and identify alternative options/locations for care that may provide cost savings. Staff annually compiles detailed claim reports which provide Members with insights to the primary drivers behind their group's medical costs. Staff also support all employer efforts for quotes on lower cost plans and cost/benefit analysis as needed.

As part of the Coalition's mission statement, the organization believes that education of its Member groups and also feedback from those groups is of the utmost importance to train and inform Members and Participants of cost saving alternatives and options as well as to gather information and thoughts from those same groups. With rising inflation, particularly in trends this past fiscal year, there is a continuous effort to look at both consumerism in health care as well as the possibility of changes in plan design to bend the cost curve where possible.

Staff facilitated two (2) meetings with Membership Council Representatives forming a Focus Group in accordance with the Board's approved strategic plan and in working with its strategic partners as it considers next generation plans, benefits and networks in accordance with thoughts and feedback. The Focus Group along with results of a survey sent to all Membership Council Representatives in June 2024 will be guiding Board actions and recommendations for the coming years.

Regulatory environment

The Coalition is a pooled risk management program under RSA 5-B and as such is regulated by the New Hampshire Secretary of State, Bureau of Securities (BSR). The Coalition staff provides periodic updates to the BSR on Coalition operations as they become available and promptly responds to all inquiries/request for information.

Requests for Information:

For additional information, please contact the New Hampshire School Health Care Coalition, 370 Harvey Road, Manchester, NH 03103; telephone 603-836-5031 x304.

NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
STATEMENTS OF NET POSITION
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	June 30, 2024	June 30, 2023
ASSETS:		
Cash and cash equivalents	$ 9,992,106	$ 12,507,261
Investments	31,909,848	34,652,370
Member receivables	2,252,585	1,914,562
Accounts receivable	2,989,641	2,911,422
Accrued interest receivable	172,324	173,471
Prepaid expenses	135,470	45,512
Total current assets	47,451,974	52,204,598
Property and equipment, net	353,420	357,552
Total assets	$ 47,805,394	$ 52,562,150
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
LIABILITIES:		
Accounts payable	$ 716,774	$ 702,879
Accrued expenses	161,667	180,724
Claims payable	3,698,706	2,443,184
Claims reserves	12,988,034	12,047,115
Premium holiday payable	3,183,248	5,113,031
Premium deficiency reserve	5,573,053	-
Total current liabilities	26,321,482	20,486,933
DEFERRED INFLOWS OF RESOURCES:		
Deferred revenue	1,069,144	2,156,665
NET POSITION:		
Invested in capital assets	353,420	357,552
Unrestricted	20,061,347	29,561,000
Total net position	20,414,768	29,918,552
Total liabilities, deferred inflows of resources and net position	$ 47,805,394	$ 52,562,150

The accompanying notes are an integral part of these financial statements

NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	June 30, 2024	June 30, 2023
Operating revenues:		
Member contributions	$ 220,199,740	$ 211,243,950
Other income	10,854,104	10,171,264
Total operating revenues	231,053,844	221,415,214
Operating expenses:		
Claims expense	208,891,605	187,782,165
Insurance stop-loss	5,202,423	4,791,687
Insurance premiums	11,998,586	13,296,429
Claims administration	5,096,389	5,094,293
Contractual services	543,898	528,815
Affordable Care Act fees	50,051	46,958
Self-insured pool assessments	1,835,013	1,646,927
Administration	1,766,326	1,681,622
Premium deficiency expense (gain)	5,573,053	-
Health and wellness benefits	2,086,832	2,734,764
Conference expenses	15,530	11,464
Total operating expenses	243,059,706	217,615,124
Operating (loss) gain	(12,005,862)	3,800,090
Nonoperating revenues:		
Premium holiday credits	-	(3,183,249)
Earnings on investments	2,502,077	979,349
Change in net position	(9,503,785)	1,596,190
Beginning net position, July 1	29,918,552	28,322,362
Ending net position, June 30	$ 20,414,767	$ 29,918,552

The accompanying notes are an integral part of these financial statements

NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	June 30, 2024	June 30, 2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from members	$ 216,844,413	$ 203,776,193
Subsidies and refund received	10,775,885	10,425,775
Payments to suppliers	(27,276,692)	(29,009,994)
Payments of claims	(206,695,164)	(188,300,566)
Payments to employees	(1,388,596)	(1,295,792)
Net cash and cash equivalents used in operating activities	(7,740,154)	(4,404,384)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Purchase of property and equipment	(20,748)	(16,328)
Net cash and cash equivalents used in capital and financing activities	(20,748)	(16,328)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from maturities and sales, net of purchases	4,054,488	3,330,253
Interest and dividend income	1,382,229	1,234,030
Net cash and cash equivalents provided by investing activities	5,436,717	4,564,283
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,324,185)	143,571
CASH AND CASH EQUIVALENTS, beginning of year	12,507,261	12,363,690
CASH AND CASH EQUIVALENTS, end of year	$ 10,183,076	$ 12,507,261
RECONCILIATION OF OPERATING INCOME TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating (loss) income	$ (12,005,862)	$ 3,800,090
Adjustments to reconcile operating income to net cash and cash equivalents used in operating activities -		
Depreciation expense	24,880	24,138
Premium holiday credit	-	(3,183,249)
(Increase) decrease in assets:		
Member receivables	(338,023)	1,777,574
Accounts receivable	(78,219)	254,511
Prepaid expenses	(89,958)	(10,652)
Increase (decrease) in liabilities:		
Accounts payable	13,895	(452,501)
Claims payable	1,255,522	(206,943)
Premium deficiency reserve	5,573,053	-
Accrued expenses	(19,057)	(33,812)
Claims reserves	940,919	(311,458)
Premium holiday payable	(1,929,783)	(7,472,727)
Increase in deferred revenue:	(1,087,521)	1,410,645
Total adjustments	4,265,708	(8,204,474)
Net cash and cash equivalents used in operating activities	$ (7,740,154)	$ (4,404,384)
SUPPLEMENTAL NON-CASH DISCLOSURE		
Change in unrealized loss on investments	$ 611,758	$ (738,682)

The accompanying notes are an integral part of these financial statements

NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

1. Organization and significant accounting policies:

A. Organization and reporting entity - The New Hampshire School Health Care Coalition (the Coalition), was created in 1995 as a non-profit, tax-exempt corporation. The Coalition is a cooperative service organization of political subdivisions authorized by the New Hampshire General Court to establish and operate one or more pooled risk management programs under the requirements of New Hampshire RSA Chapter 5-B for the benefit of political subdivisions of the State of New Hampshire. Its mission is to provide education and training for public employees and employers to become informed health consumers with healthier life styles, and enable the purchase of quality health care in a cost effective manner. The Coalition was founded by the New Hampshire School Boards Association, the New Hampshire Association of School Business Officials, the New Hampshire School Administrators Association, the New Hampshire School Boards Insurance Trust, and the National Education Association-New Hampshire.

Prior to July 1, 2003, the Coalition entered into agreements with insurers to fully insure HMO, POS, indemnity, and Medicare supplement health benefit options, collectively known as the SCHOOLCARE Plan (SCHOOLCARE), and accordingly, the insurance risks were not retained by the Coalition under these plans. The Coalition provided prescription drug coverage to retired Members on Medicare under a self-funded arrangement beginning on July 1, 2002.

Beginning July 1, 2003, the Coalition entered into a self-insured arrangement with Connecticut General Life for the HMO and POS health benefit options. Connecticut General provides complete claims administration services and management reports.

Beginning July 1, 2010, the Coalition entered into a fully-insured arrangement with Connecticut General Life for DPO (dental provider organization) dental benefit options. The dental program transitioned to a self-insured arrangement on July 1, 2013.

Beginning July 1, 2011, the Coalition entered into an updated self-funded arrangement with Cigna Health and Life Insurance Company (formally Connecticut General Life) for both health benefit and dental benefit options.

Beginning January 1, 2014, the Coalition transitioned its existing SCHOOLCARE 65+ prescription plan from self-funded to a fully insured Medicare Part D Employer Group Waiver Program (EGWP) with Express Scripts.

Beginning July 1, 2019, the Coalition began offering fully insured life, long term disability and short-term disability plans in partnership with Mutual of Omaha. The Coalition also began offering a hardware only, voluntary vision plan in partnership with VSP Vision.

Beginning January 1, 2023, the Coalition entered into a fully insured arrangement with United Healthcare to provide a Medicare Advantage Prescription Drug Plan (MAPD) to its 65+ retiree population.

B. Membership - Membership is limited to political subdivisions of the State of New Hampshire. Membership was 90 at June 30, 2024 and 89 at June 30, 2023.

1. Organization and significant accounting policies (continued):

C. Basis of accounting - The accompanying financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) as applied to proprietary funds of governmental units. The Coalition meets the requirements as a public entity risk pool under Governmental Accounting Standards Board (GASB) statements, and accounts for its activities in accordance with the applicable statements.

D. Cash and cash equivalents - The Coalition considers all deposit accounts with banks and money market accounts held by the Coalition's investment advisor in the Coalition's name to be cash and cash equivalents. The Coalition's accounts are insured or collateralized at June 30, 2024 and June 30, 2023.

E. Investments - The Coalition accounts for its investments in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools (Statement No. 31). Statement No. 31 establishes fair value standards on accounting for all investments held by governmental external investment pools and governmental entities. All investment income, including changes in the fair value of investments, is recognized in the statements of revenues, expenses, and changes in net position. Realized gains and losses on the sale of investments are recognized on the specific identification basis to determine the costs of the investments sold. Realized gains and losses on investments that had been held for more than one year and sold in the current year were included as a change in the fair value of investments reported in the prior years and the current year. Investment purchases are recognized on the trade date. Investments are stated at fair value based on quoted market prices or through a recognized pricing service.

In accordance with GASB Statement No. 40, Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3, certain disclosures regarding deposit and investment risks have been provided in Note 2, Investments.

The Coalition measures its investments in accordance with GASB Statement No. 72, Fair Value Measurements and Application (Statement No. 72), which defines fair value, provides a framework for measuring fair value and requires certain disclosures about fair value measurements. The definition of fair value under Statement No. 72 focuses on the price that would be received to sell the asset, which is referred to as the exit price. Statement No. 72 provides guidance on how to measure fair value, when required, under existing accounting standards. Statement No. 72 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into broad levels as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs - other than quoted prices - included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in markets that are not active
- Inputs other than quoted prices that are observable for the asset or liability, such as:
  - (1) Interest rates and yield curves observable at commonly quoted intervals
  - (2) Implied volatilities
  - (3) Credit spreads
- Market-corroborated inputs.

1. Organization and significant accounting policies (continued):

Level 3 - Inputs are unobservable inputs, such as management's assumption of the default rate among underlying mortgages of a mortgage-backed security.

The Coalition has recorded its investments at fair value, as more fully described in Note 2.

The fair values of investments are measured using quoted market prices or dealer quotations, when available. When quoted market prices are not available, fair value is measured using quoted market prices for similar securities.

F. Property and equipment - Property and equipment are stated at cost and depreciated using the straight-line method over their estimated useful lives. On January 14, 2012 the Board adopted a formal policy, Capitalization for the Acquisition, Management and Disposition of Fixed Assets. The following is the guideline on how each type of fixed asset should be depreciated:

	Minimum Capitalized Cost	Estimated Useful Life
Office furniture and equipment	$ 3,000	7 years
Computer equipment	$ 3,000	5 years
Computer software	$ 5,000	10 years
computer - other equipment	$ 3,000	5 years
Buildings and improvements	All purchase costs	30 years
Building equipment	All purchase costs	20 years
Vehicles	All purchase costs	5 years

G. Member contributions - Member contributions are based on the program experience and trends as determined by qualified actuaries and are set by the Board annually. The contributions cover all expenses of the Coalition including claims payments and administration, reserves, stop-loss insurance, health and wellness programs, and the Coalition's administration. The rates are effective through June 30, 2024.

H. Cigna Rx Considerations - The Coalition receives certain pharmacy rebates from Cigna on behalf of its Members as part of its contractual agreement. These rebates are recorded under "other income" and are the primary source for that line item in the financials.

I. Net position - The Coalition reports two classifications of net position, invested in capital assets and unrestricted. Unrestricted net position is defined as that portion of net position that is intended to be used by the Coalition for specific purposes as authorized by the Board of Directors. Undesignated net position would be the residual classification of net position and would include all amounts not otherwise restricted or designated. The Coalition does not report an undesignated net position. Residual amounts are reported as premium holiday payable as the Coalition is required to return any undesignated amount to Members. Upon dissolution of the organization, the net position is to be distributed to Members.

1. Organization and significant accounting policies (continued):

The following table represents the components of the net position:

	2024	2023
Invested in capital assets	$ 353,420	$ 357,552
Unrestricted - medical contingent reserve	20,061,347	28,734,000
Unrestricted - dental contingent reserve	-	827,000
Unrestricted net position	20,061,347	29,561,000
Total net position	$ 20,414,767	$ 29,918,552

J. Income taxes - The Coalition has been recognized as having tax exempt status under Code Section 115 by the Internal Revenue Service.

K. Marketing - The Coalition expenses marketing and advertising costs when incurred.

L. Estimates - The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred outflows/inflows of resources as well as disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

M. Unpaid claims liabilities - The Coalition establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Estimated amounts of excess insurance recoverable on unpaid claims are deducted from the liability for unpaid claims. The process used in computing claims liabilities does not necessarily result in an exact amount. Claims liabilities are recomputed periodically using the development actuarial method which assumes that past patterns of lag between the date a service is received and the date the claim is paid for the service will continue in the future and other economic factors. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

N. Excess insurance - The Coalition purchases an individual insurance policy in excess of predetermined levels of retained losses or self-insurance. The excess insurance program may change each coverage year to accommodate increased Membership and changing insurance market conditions. Excess insurance permits recovery of a portion of losses from excess insurers, although it does not discharge the primary liability of the Coalition as direct insurer of the risks. The Coalition does not report risks covered by excess insurance as liabilities unless it is probable that those risks will not be covered by the excess insurers and is refunded by excess insurers. Premiums paid to excess insurers for the years ended June 30, 2024 and 2023 were $5,202,423 and $4,791,687 respectively. There was $926,363 and $1,620,629 recovered from excess insurers and deducted from claims paid for fiscal years ended June 30, 2024 and 2023, respectively.

1. Organization and significant accounting policies (continued):

Third party health coverage was purchased from Optum for the 2024 program year subject to individual losses in excess of $550,000 per covered enrollee for loss year 2024 with an aggregating deductible of $125,000. The Coalition does not currently purchase aggregate excess insurance. The Medigap portion of the Coalition's SchoolCare 65+ program is fully insured through the United American Insurance Company, and the prescription drug program is fully insured through Express Scripts. The Medicare Advantage Plan offered through UnitedHealthCare is also fully insured. The dental insurance benefit option was self-funded through Cigna beginning July 1, 2013. All ancillary coverages are fully insured through Mutual of Omaha and VSP Vision.

O. Deferred revenue - Financials are presented in accordance with GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. In addition to assets and liabilities, deferred outflows of resources (previously reported as assets) and deferred inflows of resources (previously reported as liabilities), are reported as separate sections in the statement of net position. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources in the current period. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources in the current period. The Coalition does not currently report any deferred outflows of resources. The Coalition reports deferred revenue which represents Members' contributions received in advance of the month of coverage as deferred inflows of resources.

P. Premium deficiency reserve - In accordance with GASB Statement No. 30, "Risk Financing Omnibus," premium deficiencies are required to be calculated and reported by public entity risk pools. A premium deficiency can result when expected costs for coverage obligations as of the financial statement date exceed expected contributions (based on rates set prior to the financial statement date) for such coverage. There is a premium deficiency reserve recorded for June 30, 2024 in the amount of $5,573,053. Investment income was included as part of the calculation in determining if a premium deficiency existed.

Q. Subsequent events - The Coalition has evaluated subsequent events through <DATE>, which is the date the financial statements were available to be issued.

2. Investments:

Investments are reported at fair value using quoted market prices. Net realized and unrealized gains and losses are included in the accompanying Statements of Revenues, Expenses and Changes in Net Position in earnings on investments under non-operating revenues and expenses. The Coalition's investments are subject to regulatory compliance requirements and various investment risks. The Coalition's investment policy, as approved by the Board of Directors, contains certain provisions and limitations intended to insure regulatory compliance and to mitigate the Coalition's exposure to investment risks.

2. Investments (continued):

The Coalition engages Strategic Asset Alliance (SAA) as an investment consultant and advisor to the Board and organization. Asset Allocation and Management Company (AAM) provides investment management and accounting services. US Bank acts as the custodian of Coalition funds.

The Coalition's investment portfolio on June 30, 2024 was valued at $31,909,848 The portfolio on June 30, 2023 was valued at $34,652,370. The June 30, 2022 value of the investment portfolio was $38,256,070. The Coalition's Risk Pool Practices Agreement with the NH Secretary of State expired as of April 25, 2017. Although the agreement is no longer in effect, operations and policies adopted as a result of its execution remain in place. The Coalition's investments are compliant with the requirements imposed upon municipalities pursuant to NH RSA 35:9, with the exception of an aggregate amount of 4.57% which is compliant with RSA 402:28. This aggregate amount includes the Coalition's cash, cash equivalents, and other investments. The Coalition held securities that are non-complaint with NH RSA 35:9 in the amount of $1,915,214 at June 30, 2024, $2,461,155 at June 30, 2023 and $2,701,911 at June 30, 2022.

The last remaining Real Estate Investment Trust (REIT) in the Coalition's portfolio was sold in December of 2023 for $26,742. The REIT balance was $53,483 at June 30, 2023 and $55,393 at June 30, 2022.

Custodial credit risk - Custodial credit risk is the risk that, in the event of failure of the counterparty to a transaction, the Coalition will not be able to recover the value of its investments or collateral securities that are in the possession of another party. Investments other than the real estate investment trusts were held by US Bank at June 30, 2024 and June 30, 2023.

The Coalition's investments, including compliance consisted of the following as of June 30, 2024:

Category	Amount of Investment Portfolio	Percentage of Investment Portfolio	Non-Compliant Municipal Law RSA 35:9 Investments	Percentage of Municpal Law RSA 35:9 Non-compliant Investments	Non-Compliant Insurance Law 402:28:I Investments	Percentage of Insurance Law 402:28:I Non-compliant Investments
Corporate Bonds	$ 9,396,822	19.93%	$ 1,915,214	4.57%	$ -	0.00%
Municipal Bonds	4,031,472	8.55%	-	0.00%	-	0.00%
Asset Backed Corporate	2,605,012	5.52%	-	0.00%	-	0.00%
Mortgage Backed Corporate	1,878,013	3.98%	-	0.00%	-	0.00%
Mortgage Backed Residential	6,186,831	13.12%	-	0.00%	-	0.00%
Exchange Traded Funds	5,470,192	11.60%	-	0.00%	-	0.00%
REITs	-	0.00%	-	0.00%	-	0.00%
US Treasuries	2,341,506	4.97%	-	0.00%	-	0.00%
Total Investments	31,909,848	67.66%	-	0.00%	-	0.00%
Cash and Money Markets	9,992,106	21.19%	-	0.00%	-	0.00%
Total Investment Portfolio	**$41,901,954**	**100%**	-	0.00%	-	0.00%
Total Out of Compliance			**$1,915,214**	**4.57%**	**$ -**	**0.00%**

2. Investments (continued):

The Coalition's investments, including compliance consisted of the following as of June 30, 2023:

Category	Amount of Investment Portfolio	Percentage of Investment Portfolio	Non-Compliant Municipal Law RSA 35:9 Investments	Percentage of Municpal Law RSA 35:9 Non-compliant Investments	Non-Compliant Insurance Law 402:28:I Investments	Percentage of Insurance Law 402:28:I Non-compliant Investments
Corporate Bonds	$ 11,618,822	24.64%	$ 2,461,155	5.22%	$ -	0.00%
Municipal Bonds	4,568,050	9.69%	-	0.00%	-	0.00%
Asset Backed Corporate	3,338,467	7.08%	-	0.00%	-	0.00%
Mortgage Backed Corporate	1,941,501	4.12%	-	0.00%	-	0.00%
Mortgage Backed Residential	5,048,799	10.71%	-	0.00%	-	0.00%
Exchange Traded Funds	6,021,511	12.77%	-	0.00%	-	0.00%
REITs	53,483	0.11%	53,483	0.11%	53,483	0.11%
US Treasuries	2,061,737	4.37%	-	0.00%	-	0.00%
Total Investments	34,652,370	73.48%	-	0.00%	-	0.00%
Cash and Money Markets	12,507,261	26.52%	-	0.00%	-	0.00%
Total Investment Portfolio	**$47,159,631**	**100%**	-	0.00%	-	0.00%
Total Out of Compliance			**$2,514,638**	**5.33%**	**$ 53,483**	**0.11%**

Interest rate risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally the longer the maturity of an investment the greater the sensitivity of its fair value to changes in the market interest rates. The Coalition mitigates the risk that the market value of securities will fall due to changes in general interest rates by structuring the portfolio with allocations across asset class sectors to position the portfolio to take advantage of changes in the interest rate environment.

Maturities of interest earning investments at June 30, 2024 are as follows:

	Fair Value	Less than One Year	1 to 5 Years	6 to 10 Years	After 10 Years
US Treasuries	$ 2,341,506	$ 1,019,813	$ 710,068	$ 611,625	$ -
Corporate bonds	9,396,822	818,187	3,913,260	4,665,375	-
Municipal bonds	4,031,472	489,238	2,996,947	483,413	61,874
Asset backed	2,605,012	619,977	1,274,625	580,506	129,904
Mortgage backed	8,064,844	508,954	1,207,229	850,852	5,497,809
	$ 26,439,656	$ 3,456,169	$ 10,102,129	$ 7,191,771	$ 5,689,587

2. Investments (continued):

Maturities of interest earning investments at June 30, 2023 are as follows:

	Fair Value	Less than One Year	1 to 5 Years	6 to 10 Years	After 10 Years
US Treasuries	$ 2,061,737	$ -	$ 1,684,018	$ 231,680	$ 146,039
Corporate bonds	11,618,822	-	4,205,484	6,066,744	1,346,594
Municipal bonds	4,568,050	-	2,592,999	1,884,582	90,469
Asset backed	3,338,467	-	2,417,909	638,560	281,998
Mortgage backed	6,990,300	-	1,839,183	358,088	4,793,029
	$ 28,577,376	$ -	$ 12,739,593	$ 9,179,654	$ 6,658,129

Credit risk - Credit risk is the risk that an issuer of or counterparty to an investment will not fulfill its obligations. Concentration of credit risk is the risk of loss attributed to the magnitude of an investor's investment in a single issuer. Except for the concentration of investments in Mutual Funds, the Coalition investments are diversified.

The table below outlines third party credit ratings of the Coalition's fixed maturity securities at June 30, 2024:

	U.S. Treasuries	Corporate Bonds	Municipal Bonds	Asset Backed	Mortgage Backed	Totals
AAA		$ 332,019	$ 1,401,108	$ 2,136,049	$ 711,786	$ 4,580,962
AA+	2,341,506	103,366	794,084		5,131,976	8,370,932
AA		373,307	444,066			817,373
AA-		373,192	451,786			824,978
A+		1,640,274	221,033			1,861,307
A		2,785,026				2,785,026
A-		2,855,924				2,855,924
BBB+		605,116				605,116
BBB		328,598				328,598
BBB-						-
BB						-
NA			430,454	468,963	2,221,082	3,120,499
NR			288,941			288,941
	$ 2,341,506	$ 9,396,822	$ 4,031,472	$ 2,605,012	$ 8,064,844	$ 26,439,656

2. Investments (continued):

The table below outlines the third party credit ratings of the Coalition's fixed maturity securities at June 30, 2023:

	U.S. Treasuries	Corporate Bonds	Municipal Bonds	Asset Backed	Mortgage Backed	Totals
AAA	$ -	$ 600,578	$ 1,894,696	$ 2,904,935	$ 4,152,231	$ 9,552,440
AA+	2,061,737	103,575	1,137,399	-	571,507	3,874,218
AA	-	364,988	458,224	-	-	823,212
AA-	-	508,816	441,483	-	-	950,299
A+	-	2,396,865	217,013	-	-	2,613,878
A	-	2,921,237	-	-	-	2,921,237
A-	-	4,055,168	-	-	-	4,055,168
BBB+	-	-	-	-	-	-
BBB	-	321,628	-	-	-	321,628
BBB-	-	-	-	-	-	-
BB	-	-	-	-	-	-
NA	-	345,967	419,235	433,532	2,266,562	3,465,296
NR	-	-	-	-	-	-
	$ 2,061,737	$ 11,618,822	$ 4,568,050	$ 3,338,467	$ 6,990,300	$ 28,577,376

Marketable equity securities were recorded using Level 1 fair values based on observable quoted market prices from national securities exchanges. Corporate bonds and government bonds were recorded using Level 2 fair values are priced using standard inputs, when available, which include: benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, bids, offers, and reference data. Inputs used also take into consideration market indicators, industry, and economic events. REITS classified as Level 3 are valued using discounted cash flow techniques.

2. Investments (continued):

The following table sets forth by level, within the fair value hierarchy, the Coalition's investments at fair value as of June 30, 2024 and 2023:

June 30, 2024	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Corporate Bonds	$ -	$ 9,396,822	$ -
Municipal Bonds	-	4,031,472	-
Asset Backed Corporate	-	2,605,012	-
Mortgage Backed Corporate	-	1,878,013	-
Mortgage Backed Residential	-	6,186,831	-
Exchange Traded Funds	5,470,192	-	-
REITs	-	-	-
US Treasuries	-	2,341,506	-
Total Investments	$ 5,470,192	$ 26,439,656	$ -

June 30, 2023	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Corporate Bonds	$ -	$ 11,618,822	$ -
Municipal Bonds	-	4,568,050	-
Asset Backed Corporate	-	3,338,467	-
Mortgage Backed Corporate	-	1,941,501	-
Mortgage Backed Residential	-	5,048,799	-
Exchange Traded Funds	6,021,511	-	-
REITs	-	-	53,483
US Treasuries	-	2,061,737	-
Total Investments	$ 6,021,511	$ 28,577,376	$ 53,483

2. Investments (continued):

Earnings on investments for the years ended June 30, 2024 and 2023, is summarized as follows:

	June 30, 2024	June 30, 2023
Interest income, net	$ 1,381,082	$ 1,252,796
Amortization expense	(62,450)	(101,931)
Realized gains	571,687	569,076
Earnings on investments	1,890,319	1,719,941
Unrealized gains (losses)	611,758	(740,592)
Earnings on investments (with unrealized gains)	$ 2,502,077	$ 979,349

3. Property and equipment:

Property and equipment consisted of the following at year end:

	Balance June 30, 2023	Increases	Decreases	Balance June 30, 2024
Capital assets, being depreciated				
Buildings and improvements	$ 621,822	$ 20,748	$ -	$ 642,570
Furniture and equipment	133,273	-	-	133,273
Total capital assets being depreciated	755,095	20,748	-	775,843
Less: accumulated depreciation for:				
Buildings and improvements	(278,275)	(20,975)	-	(299,250)
Furniture and equipment	(119,268)	(3,905)	-	(123,173)
Total accumulated depreciation	(397,543)	(24,880)	-	(422,423)
Total capital assets being depreciated, net	$ 357,552	$ (4,132)	$ -	$ 353,420

Depreciation expense was $24,880 and $24,138 for the years ended June 30, 2024 and 2023, respectively.

4. Unpaid claims liabilities:

As discussed in Note 1. A., the Coalition started pooling the risk for prescription drug coverage for retired Members under the Express Scripts Plan on July 1, 2002 through December 31, 2013 and started pooling the risk for the health benefit options on July 1, 2003. The Coalition also started pooling the risk for the dental benefit options as of July 1, 2013. The Coalition establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses, both allocated and unallocated.

The following represents changes in those aggregate liabilities for the Coalition for the years ended June 30, 2024, 2023, and 2022:

	June 30, 2024	June 30, 2023	June 30, 2022
Unpaid claims and allocated claims adjustment expenses at beginning of year	$ 14,490,299	$ 15,008,700	$ 13,585,554
Incurred claims and allocated claim adjustment expenses:			
Provision for insured events of current fiscal year	208,760,552	188,028,202	185,954,152
Changes in the provision for insured events of prior fiscal years	131,054	(246,036)	(147,712)
Claims administration expenses, current year	5,096,389	5,094,293	5,235,783
Total incurred claims and claim adjustment expenses	213,987,994	192,876,459	191,042,223
Claim and allocated claim adjustment expense payments:			
Attributable to insured events of current fiscal year	192,073,811	173,537,903	170,945,452
Attributable to insured events of prior fiscal years	14,621,352	14,762,664	13,437,842
Claims administration expenses, current year	5,096,389	5,094,293	5,235,783
Total payments	211,791,553	193,394,860	189,619,077
Total unpaid claims and claim adjustment expenses at end of the year	$ 16,686,740	$ 14,490,299	$ 15,008,700

As a result of changes in estimates of insured events in prior years, incurred losses and loss adjustment expenses increased by $131,054 in 2024 and decreased by $246,036 in 2023, respectively.

5. Risk Pool Practices Agreement:

On April 25, 2012, the Coalition entered into a Risk Pool Practices Agreement (the Agreement) with the New Hampshire Secretary of State. The Agreement was effective through April 25, 2017. The provisions of the Agreement significantly changed two areas of the Coalition's operations - return of surplus and investments.

5. Risk pool practices agreement (continued):

Return of surplus - From inception in 1995 to 2013, the Coalition returned surplus to its Members through rate stabilization to reduce rate increases. The New Hampshire Secretary of State, Bureau of Securities Regulation, during its 2012 on-site examination, noted the Coalition's documentation of rate stabilization procedures and designation of surplus for this purpose. However, the Secretary of State, as a policy matter, did not agree that the use of rate stabilization as described is compliant with NH RSA 5-B and required the Coalition to return surplus to its Members through a "Premium Holiday". The below chart has been updated to illustrate total Premium Holiday amounts paid to both former and current Members by year. Premium Holiday is paid to former Members by June 30th of each fiscal year and current Members as a Premium Holiday Credit on July 1st invoices. Current Member groups also have the option of receiving premium holiday credits via invoice credits or checks.

Date of Premium Holiday	Total Amount of Premium Holiday	
December 1, 2012	$	4,250,000
December 1, 2013	$	4,250,000
July 1, 2014	$	21,697,052
July 1, 2015	$	4,308,814
July 1, 2016	$	1,221,078
July 1, 2017	$	4,636,390
July 1, 2018	$	6,128,691
July 1, 2019	$	11,081,915
July 1, 2020	$	11,967,897
July 1, 2021	$	13,138,415
July 1, 2022	$	10,831,066
July 1, 2023	$	1,973,545
July 1, 2024	$	3,183,249

This practice of return of surplus through a Premium Holiday was considered a change in accounting policy implemented in the year ended June 30, 2012.

Investments - The Board of Directors currently has an investment policy based on the "prudent person" standard whereby investments are made with judgment and care considering the probable safety of the investment as well as the expected income to be derived. This investment policy is reviewed annually by the Board.

The Coalition engages Strategic Asset Alliance (SAA) as an investment consultant and advisor to the Board and organization. Asset Allocation and Management Company (AAM) provides investment management and accounting services. US Bank acts as the custodian of Coalition funds.

5. Risk pool practices agreement (continued):

The Coalition's investment portfolio on June 30, 2024 was valued at $31,909,848 The portfolio on June 30, 2023 was valued at $34,652,370. The June 30, 2022 value of the investment portfolio was $38,256,070. The Coalition's Risk Pool Practices Agreement with the NH Secretary of State expired as of April 25, 2017. Although the agreement is no longer in effect, operations and policies adopted as a result of its execution remain in place. The Coalition's investments are compliant with the requirements imposed upon municipalities pursuant to NH RSA 35:9, with the exception of an aggregate amount of 4.57% which is compliant with RSA 402:28. This aggregate amount includes the Coalition's cash, cash equivalents, and other investments. The Coalition held securities that are non-complaint with NH RSA 35:9 in the amount of $1,915,214 at June 30, 2024, $2,461,155 at June 30, 2023 and $2,701,911 at June 30, 2022.

The last remaining Real Estate Investment Trust (REIT) in the Coalition's portfolio was sold in December of 2023 for $26,742. The REIT balance was $53,483 at June 30, 2023 and $55,393 at June 30, 2022.

6. Net position:

Unrestricted net position - The medical contingent reserve is determined annually with advice of the Coalition's actuaries using a stochastic modeling methodology at the 95% confidence level and is held as under unrestricted net position as a designated contingent reserve for all business risks not included in loss reserves. The dental contingent reserve is also determined annually with advice of the Coalition's actuaries using two months projected claims payments. This is used instead of stochastic modeling due to both the size of the program as well as the predictability of claims payments. The Coalition does not retain an undesignated net position.

7. Health care reform:

On March 23, 2010, the Patient Protection and Affordable Care Act (PPACA) made significant changes impacting group health plans including the SCHOOLCARE Medical Plans. Since 2010, the Coalition continues to monitor and assist Members with the implementation of changes required by PPACA. In 2023, the Coalition has accrued fees of approximately $47,000 which represent the Coalition's annual assessment under the Act for the Comparative Effectiveness Research Fee. The Comparative Effectiveness Research fee was originally expected to sunset with a final payment date of July 31, 2020. The fees have been extended through June 30, 2029 for SCHOOLCARE with a final payment date of July 31, 2030.

Annually the SCHOOLCARE Medical Plans are amended to reflect benefit changes required by PPACA such as lifetime limits and preventive services. In addition, the Health Benefits Booklet has been updated with these benefit changes as well as other federal requirements including but not limited to eligibility criteria and the claims appeals procedures.

NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
RECONCILIATION OF CLAIMS LIABILITIES BY TYPE OF CONTRACT
FOR THE YEARS ENDED JUNE 30, 2024 2023, and 2022
Schedule 1

	SchoolCare-Medical			SchoolCare - Dental		
	6/30/2024	6/30/2023	6/30/2022	6/30/2024	6/30/2023	6/30/2022
Unpaid claims and allocated claims adjustment expenses at beginning of year	$ 14,206,614	$ 14,778,653	$ 13,380,615	$ 283,685	$ 230,047	$ 204,939
Incurred claims and allocated claim adjustment expenses:						
Provision for insured events of current fiscal year	203,705,443	183,129,960	181,591,852	5,055,109	4,898,241	4,362,301
Changes in the provision for insured events of prior fiscal year	195,611	(267,550)	(136,553)	(64,557)	21,514	(11,159)
Claims administration expenses, current year	4,926,010	4,923,497	5,075,834	170,379	170,796	159,949
Total incurred claims and claim adjustment expense	208,827,064	187,785,907	186,531,133	5,160,931	5,090,551	4,511,091
Claim and allocated claim adjustment expense payments:						
Attributable to insured events of current fiscal year	187,210,731	168,923,347	166,813,199	4,863,081	4,614,556	4,132,254
Attributable to insured events of prior fiscal years	14,402,225	14,511,102	13,244,062	219,128	251,561	193,780
Claims administration expenses, current year	4,926,010	4,923,497	5,075,834	170,379	170,796	159,949
Total payments	206,538,966	188,357,946	185,133,095	5,252,588	5,036,913	4,485,983
Total unpaid claims and claim adjustment expenses at the years ended June 30, 2024, 2023 and 2022	$ 16,494,712	$ 14,206,614	$ 14,778,653	$ 192,028	$ 283,685	$ 230,047

NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
COMPARATIVE SCHEDULE OF CLAIM DEVELOPMENT,
EARNED ASSESSMENTS AND UNALLOCATED EXPENSES
JUNE 30, 2024
Schedule 2
(Page 1 of 2)

The following table illustrates how the Coalition's earned revenue (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Coalition as of the end of each of the previous nine years. The rows of the table are defined as follows: (1) This line shows the total of the fiscal year's gross earned contribution revenue and investment revenue, contribution revenue ceded to reinsurers, and net earned contribution revenue and reported investment revenue. (2) This line shows the fiscal year's other operating costs of the Coalition including overhead and claims expense not allocable to individual claims. This operating cost has been updated to reflect administrative costs without inclusion of the SchoolCare 65+ fully-insured Medicare supplement plans or the fully insured ancillary products. (3) This line shows the Coalition's gross incurred claims and allocated claim adjustment expenses, claims assumed by reinsurers and net incurred claims and allocated adjustment expenses (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (called policy year). (4) This section of ten rows shows the cumulative net amounts paid as of the end of successive years of each policy year. (5) This line shows the latest reestimated amount of claims assumed by reinsurers as of the end of the current year for each policy year. (6) This section of ten rows shows how each policy year's net incurred claims increased or decreased as of the end of successive years. (This annual reestimation results from new information received on known claims, reevaluation of existing information on known claims, and emergence of new claims not previously known). (7) This line compares the latest reestimated net incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of net claims cost is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and reestimated amounts commonly is used to evaluate the accuracy of net incurred claims currently recognized in less mature policy years. The columns of the table show data for successive policy years.

NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
COMPARATIVE SCHEDULE OF CLAIM DEVELOPMENT, EARNED ASSESSMENTS AND UNALLOCATED EXPENSES
JUNE 30, 2024
Schedule 2 (Page 2 of 2)

	Fiscal and Policy Year Ended										
	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024
(1) Required contribution and investment revenue:											
Earned	$ 145,505,569	$ 159,063,635	$ 162,438,317	$ 160,616,072	$ 169,000,654	$ 177,144,772	$ 183,041,953	$ 189,820,156	$ 191,135,502	$ 198,608,444	$ 210,472,595
Ceded	1,974,516	2,206,484	1,460,836	1,608,270	1,631,254	1,830,356	2,596,101	3,120,755	4,236,624	4,791,687	5,202,423
Net earned	143,531,053	156,857,151	160,977,481	159,007,802	167,369,400	175,314,415	180,445,852	186,699,400	186,898,878	193,816,757	205,270,172
(2) Unallocated expenses	8,834,804	9,907,428	11,208,816	10,275,523	10,134,359	10,588,285	15,276,340	9,788,440	9,140,421	11,383,059	16,657,125
(3) Estimated claims and expenses, end of policy year											
Incurred	133,348,065	146,332,109	152,415,558	149,135,224	150,533,600	159,597,904	160,002,913	179,337,920	187,949,857	189,648,831	209,686,915
Ceded	1,045,871	418,193	175,325	623,032	1,808,003	227,784	1,181,929	938,441	1,995,704	1,620,629	926,363
Net incurred	132,302,194	145,913,916	152,240,233	148,512,192	148,725,597	159,370,120	158,820,984	178,399,479	185,954,153	188,028,202	208,760,552
(4) Net paid (cumulative) as of:											
End of the policy year	118,853,463	131,745,711	137,642,784	134,970,770	133,624,242	144,306,429	145,073,100	164,813,925	170,945,452	173,537,903	192,073,812
One year later	129,827,079	142,862,668	150,426,323	146,901,477	146,635,188	156,841,769	156,243,344	178,251,767			
Two years later	129,827,079	142,862,668	150,426,323	146,901,477	146,635,188	156,841,769	156,243,344				
Three years later	129,827,079	142,862,668	150,426,323	146,901,477	146,635,188	156,841,769					
Four years later	129,827,079	142,862,668	150,426,323	146,901,477	146,635,188						
Five years later	129,827,079	142,862,668	150,426,323	146,901,477							
Six years later	129,827,079	142,862,668	150,426,323								
Seven years later	129,827,079	142,862,668									
Eight years later	129,827,079										
Nine years later											
(5) Re-estimated ceded claims and expens	1,195,297	649,305	257,907	790,968	3,333,399	863,082	2,258,451	967,621	1,995,704	1,620,629	926,363
(6) Re-estimated net incurred claims and expenses:											
End of the policy year	132,302,194	145,913,916	152,240,233	148,512,192	148,725,597	159,370,120	158,820,984	178,399,479	185,954,153	188,028,202	208,760,552
One year later	129,827,079	142,862,667	150,426,323	146,901,477	146,635,187	156,841,769	156,243,344	178,251,767	185,708,116	188,159,256	
Two years later	129,827,079	142,862,667	150,426,323	146,901,477	146,635,187	156,841,769	156,243,344	178,251,767	185,708,116		
Three years later	129,827,079	142,862,667	150,426,323	146,901,477	146,635,187	156,841,769	156,243,344	178,251,767			
Four years later	129,827,079	142,862,667	150,426,323	146,901,477	146,635,187	156,841,769	156,243,344				
Five years later	129,827,079	142,862,667	150,426,323	146,901,477	146,635,187	156,841,769					
Six years later	129,827,079	142,862,667	150,426,323	146,901,477	146,635,187						
Seven years later	129,827,079	142,862,667	150,426,323	146,901,477							
Eight years later	129,827,079	142,862,667	150,426,323								
Nine years later											
(7) Increase (decrease) in estimated net incurred claims and expenses from end of the policy year	(2,475,115)	(3,051,249)	(1,813,910)	(1,610,715)	(2,090,410)	(2,528,351)	(2,577,640)	(147,712)	(246,037)	131,054	-



SERVING NH 25+ YEARS SCHOOLCARE HEALTH BENEFIT PLANS

EMERGENCY Meeting of SCHOOLCARE:	Board of Directors	**Date:**	August 20, 2025
Members Present:	Tonya Angwin, Carole Annach*, Terry Burlingame*, Brian Cisneros, Margaret Hurd*, Erich Ingelfinger*, Katie Krauss*, Kathy O'Blenes, Lisa Simko*, Megan Tuttle*	**Time:**	4:00 p.m.
Members Absent:	N/A	**Adjourned:**	5:58 p.m.
Also Present:	**Staff:** Jen Burk, Lisa Duquette, Mandy Grenier, Jeff Kantorowski, Melissa Perreault	**Next Meeting(s):**	September 3, 2025, at 4:30 p.m.
	Consultants and Guests: Hon. David Scanlon, *NH Secretary of State*, David Lang, *Chief of Staff, SoS*, Eric Forcier*, *Director, BSR*, Tracy Mungeam*, Peter Gallant*, Elody Olsen*, Greg Cistulli*, *WTW*, Chris Lund, *CW Lund Law*, Karen Bracey* and Brian Pettinato, *Cigna*, Joe Pieksza*, *Crowe LLC*		
Location:	**SCHOOLCARE – Training Center** **370 Harvey Rd.** **Manchester, NH 03103** ***Via Microsoft Teams Meeting as permitted by RSA 91-A:2, III (b)**	**Location:**	**SCHOOLCARE – Training Center** **370 Harvey Rd.** **Manchester, NH 03103**

TOPIC	DISCUSSION	ACTION	KEY PERSON/BY WHEN
Adoption of Agenda	The Chair, K. O'Blenes, called the Emergency Board Meeting to order at 4:01 p.m. The Emergency Meeting is constituted per RSA 91-A:2 III (b) for immediate un-delayed action that is imperative. A motion was made by T. Angwin and seconded by B. Cisneros to adopt the agenda as presented.	**Approved unanimously via roll-call vote.**	
Legal Update	L. Duquette stated that staff began researching contribution funding such as "assessments" due to recent high claims. She said that after contacting the law firm Sheehan Phinney Bass + Green to conduct work on the matter, they indicated there is a conflict and that no attorney at that firm could represent the organization. She introduced Chris Lund, who is an attorney and a former member of the SCHOOLCARE Board. He has been contacted to conduct research on		

TOPIC	DISCUSSION	ACTION	KEY PERSON/BY WHEN
Legal Update *(continued)*	permissibility for assessments. He provided a summary of his background and the initial review he has undertaken on the matter. A motion was made T. Angwin and seconded by B. Cisneros for the Executive Director to enter into a fee agreement with Chris Lund for legal work pertaining to the permissibility of assessments.	**Approved unanimously via roll-call vote.**	
Financial Update	L. Duquette reported that July financials are nearly finalized and emphasized the critical timing of this emergency meeting. She noted that preliminary figures from WTW regarding IBNR, PDR, and medical contingent reserves are concerning due to significantly higher-than-expected claims. T. Mungeam stated that WTW has reviewed IBNR, PDR, and reserves for many years and confirmed that current increases are higher than projected. E. Olsen, WTW actuary, presented the IBNR increases for both medical and dental programs, explained the modeling approach for confidence levels, and highlighted that the premium deficiency has grown from $5.5M in FY2025 to a potential $16.2M. As a result, SCHOOLCARE is projected to report a negative net position as of June 30, 2025. L. Duquette inquired about the assumptions in the PDR calculation confirming that new enrollment for July 1, 2025 was incorrectly included. E. Olsen added that WTW will reexamine the calculations and provide revised figures. L. Duquette shared a utilization summary from Cigna, showing July 2025 medical claims trending 29.7% higher than July 2024—an unprecedented increase. She noted that August paid claims appear to be trending at a similar level and reviewed several data points driving the increase. B. Pettinato commented that one month of experience may not be indicative of long-term trends and reported that Cigna is actively reviewing contracts and conducting a deeper analysis of plan spend. He added that the current experience is consistent with other groups. Discussion followed on the potential for inadvertent payment of non-covered benefits; B. Pettinato confirmed that Cigna does not process non-covered claims, and L. Duquette added that regular audits verify claim accuracy. L. Duquette also reported on the first month of claims received for Harvard Pilgrim groups under SchoolCare and reviewed cash flow balances at TD Bank and in investment accounts. She projected that, under a worst-case scenario, SchoolCare could face a $20M cash need by June 2026. She further noted that the Secretary of State has offered to have Segal prepare and independent PDR calculation which will be underway shortly.	No action required.	
Action Planning	L. Duquette stated that, based on current projections, the plan will require additional funds during the current plan year. She reported that a line of credit had been explored with TD Bank to address cash flow needs, but due to the bank's risk tolerance, it is unlikely they will proceed. She then requested the Board's opinion on the authority to issue assessments, asking if any Board member believed SchoolCare could not do so. No concerns were raised.		

TOPIC	DISCUSSION	ACTION	KEY PERSON/BY WHEN
Action Planning *(continued)*	She noted that expenses could be reduced as part of a mitigation strategy, including liquidation of the remaining investment portfolio, suspension of the well-being program, or other cost-saving measures. The Board discussed these options and emphasized the seriousness of the financial situation. More information was requested regarding third party vendors such as Hinge, Omada, and the Well-Being Program. A motion was made by T. Angwin and seconded by M. Hurd to freeze nonessential Board and Staff Travel as well as implement a hiring freeze. L. Duquette stressed the importance of timely communication with Member groups, noting that waiting until the fall public hearings or Annual Meeting would be too late. The Board discussed the timing, agreeing that notification should occur soon after revised IBNR figures are finalized. D. Lang referenced requirements under RSA 5-B and observed that many Member groups may not be well-versed in pooled-risk management. L. Duquette offered to have staff draft a series of communications for Board review, and the Board concurred that outreach should take place sooner rather than later. The Secretary of State indicated his willingness to speak alongside SCHOOLCARE with political subdivisions if needed and expressed confidence that the organization is in capable hands.	**Approved unanimously via roll-call vote.**	*At 5:45 p.m. M. Tuttle left the meeting.*
Other Business	L. Duquette emphasized that SCHOOLCARE is at a critical juncture and must take proactive steps. She presented three options for the Board's consideration: Option 1: Continue as a self-funded program, issuing assessments, adjusting the program composition, and raising contribution rates to offset claims and rebuild reserves. Option 2: Explore shifting to a fully insured program through one of the carriers, modifying the program composition, limiting plan offerings, and issuing assessments to cover runout. Option 3: Dissolve the program under RSA 292:10-a, which would require a two-thirds vote of the membership and an assessment to cover current claims and runout. She noted that under all options, an assessment would be required to address current claims and runout obligations. Following discussion, the Board directed staff to further explore and vet Options 1 and 2. Regarding Option 2, B. Pettinato and K. Bracey (Cigna) indicated that additional review and analysis would be necessary before they could comment on offering a fully insured option.	No action required.	
Next meeting Date	The next meeting of the Board is scheduled for September 3, 2025, at 4:30 p.m.		
Adjournment	A motion was made by B. Cisneros and seconded by T. Angwin to adjourn the meeting at 5:58 p.m.	**Approved unanimously via roll-call vote.**	

SERVING NH 25+ YEARS SCHOOLCARE HEALTH BENEFIT PLANS

Meeting of SCHOOLCARE:	Board of Directors	**Date:**	September 3, 2025
Members Present:	Tonya Angwin, Carole Annach*, Terry Burlingame*, Brian Cisneros, Margaret Hurd*, Erich Ingelfinger, Katie Krauss*, Kathy O'Blenes, Lisa Simko, Megan Tuttle	**Time:**	4:30 p.m.
Members Absent:	N/A	**Adjourned:**	7:05 p.m.
Also Present:	Staff: Jen Burk, Lisa Duquette, Mandy Grenier, Jeff Kantorowski, Melissa Perreault	**Person Producing Minutes:**	Lisa Duquette
	Consultants and Guests: David Lang, *NH SoS Chief of Staff*, Tracy Mungeam*, Peter Galante*, Elody Olsen*, Greg Cistulli*, *WTW*, Chris Lund, *CW Lund Law*, Karen Bracey* and Brian Pettinato, *Cigna*, Joe Pieksza*, *Crowe LLC*	**Next Meeting(s):**	September 11, 2025, at 3:30 p.m.
Location:	**SCHOOLCARE – Training Center** **370 Harvey Rd.** **Manchester, NH 03103** ***Via Microsoft Teams Meeting as permitted by RSA 91-A:2, III (b)***	**Location:**	**SCHOOLCARE – Training Center** **370 Harvey Rd.** **Manchester, NH 03103**

TOPIC	DISCUSSION	ACTION	KEY PERSON/BY
Adoption of Agenda	The Chair, K. O'Blenes, called the Board Meeting to order at 4:35 p.m. All Board members participating virtually to confirm their location and stated they were alone. A motion was made by M. Tuttle and seconded by B. Cisneros to adopt the agenda as presented.	**Approved unanimously by roll call vote.**	
Consent Agenda	The consent agenda contained the approval of Board Meeting minutes of July 21-22, 2025 and August 20, 2025. A motion was made by B. Cisneros and seconded by E. Ingelfinger to approve the Consent Agenda as presented.	**Approved unanimously by roll call vote.**	

TOPIC	DISCUSSION	ACTION	KEY PERSON/BY
Legal Update	C. Lund referenced the Board packet and summarized his memo on the permissibility of member assessments. He noted that it can be inferred that if surpluses may be returned, deficits can likewise require assessments. His findings indicated that the Member Participation Agreement does not prohibit assessments and includes language supporting payments for claims costs. C. Lund also reported a positive meeting with the Secretary of State's staff and consultants, who expressed support. A motion was made by B. Cisneros and seconded by E. Ingelfinger to accept the report from legal counsel, C. Lund, regarding permissibility of assessments.	**Approved unanimously by roll call vote.**	*C. Lund exited the meeting after the Board's acceptance of the Legal Memo.*
WTW Consulting Update	E. Olsen reported that the Incurred But Not Reported (IBNR) reserve is $15.36 million, an increase of $2.37 million from the prior estimate, due to higher claim volume and prior-year runout. She presented a supporting chart. G. Cistulli presented the Premium Deficiency Reserve (PDR) analysis, updated with claims data through July 2025. Assumptions included an 8% medical trend and an 11% pharmacy trend, both higher than prior calculations. The estimate excluded the new July 2025 population and incorporated updated dental assumptions. He reported a draft PDR of $11.5 million, pending further analysis. E. Olsen then presented the contingency reserve, calculated using a stochastic model at the 95% confidence level. As of June 30, 2025, the reserve was $34.15 million. K. O'Blenes asked about the timing of finalization. L. Duquette responded that staff are conducting a deeper review of projected claims for accuracy and expect to present final figures at the next Board meeting on September 11, 2025.	No action was required.	
WTW/Cigna Claims Discussion	L. Duquette opened the utilization review with slides highlighting key claims trends. She noted that total plan spend is trending at 13.3% and presented charts by medical category, illness, and drug. These highlights provided context for a more detailed analysis led by WTW and Cigna representatives. G. Cistulli presented further analysis. Preventive care showed strong results, with a 3.7% year-over-year increase, exceeding Cigna norms. However, catastrophic claims over $100,000 rose nearly 20% during the past year, led by cancer and musculoskeletal conditions. Pharmacy costs also increased, including specialty prescriptions, which were up 39% despite the Cigna Pathwell program. Supporting slides showed that hypoglycemic spend per member per year (PMPY) rose 35.5%, inpatient catastrophic spend rose 22.5%, and outpatient costs also increased year over year. B. Pettinato added detail on Cigna's cost-management efforts. He reported that Cigna uses multiple programs, including utilization management, prior authorization, and clinical consultation for cancer treatment. In 2025, Cigna's fraud unit recovered over $400,000, and a	No action was required.	

TOPIC	DISCUSSION	ACTION	KEY PERSON/BY
WTW Cigna Claims Discussion *(continued)*	clinical nurse reviewed all 320 claims exceeding $100,000, with 99% referred to case managers to improve care coordination and efficiency. He highlighted additional initiatives that Cigna will present at the upcoming utilization meeting, such as: – *Your Personal Health Team* medical management program – On-demand nurse services for SchoolCare's population – Adjustments to the well-being program to incentivize participation in cost-saving initiatives – Messaging to encourage members to seek appropriate alternatives to the ER when possible Pettinato also noted that increased interest in GLP-1 drugs for weight loss has led to the discovery of previously undiagnosed diabetes, contributing to a rise in GLP-1 prescriptions. L. Duquette concluded that this session marked the beginning of the utilization discussion and noted that staff will meet with Cigna's account team to review the data in more detail. These discussions will help inform next year's rate renewal.		
Financial Update	Preliminary Financials through July 31, 2025: J. Burk presented the Statement of Net Position, noting steady cash levels despite ongoing claims. She reviewed liabilities and net assets, reporting claim reserves of $17.574 million and a deficit net asset position of $5 million. She also reviewed revenues and expenses, noting excess expense over revenue of $1.58 million before adjusting for Premium Deficiency Reserve (PDR). L. Duquette indicated that a revised budget will be presented in the coming month for Board consideration which will include updated assumptions reflecting the current financial information. Cash Flow Projection: L. Duquette presented the Statement of Cash Flow, emphasizing the need to address cash flow relative to claim draws. She reported that staff will present assessment modeling at the next Board meeting and recommended delaying action on assessments until more information is available. She also provided an update on the Claremont School District, noting that the SAU office has been in daily contact, made several payments over the past two weeks, is current on prior months, and has the current month's payment in process. D. Lang suggested monitoring COBRA enrollment as a trend indicator and reviewing seasonality of utilization. He also requested WTW's input on two years of contributions and claims. E.Olsen linked the rising PDR to these trends. Discussion followed on population shifts to lower-cost plans, contribution adequacy, and ongoing claim costs. L. Duquette emphasized reviewing plan decrements to ensure contributions adequately fund each plan. A motion was made by B. Cisneros and seconded by E. Ingelfinger to accept the financial statements through July 31, 2025 as presented.	**Approved unanimously by roll call vote.**	*5: 55 p.m. T. Burlingame joined the meeting.* *6:57 D. Lang left the meeting.*

TOPIC	DISCUSSION	ACTION	KEY PERSON/BY
Action Planning Update	TD Bank Line of Credit Update: L. Duquette reported ongoing discussions with TD Bank, which appears open to considering a line of credit. Third Party Contract Review: Staff are also reviewing third-party contracts for additional solutions and will share updates at a future meeting. Member Communications: L. Duquette reported that the draft communication to member groups outlines the program's financial situation, noting that expenses are outpacing contributions. The message also describes steps being taken to strengthen the program's stability. Members will be invited to contact staff with any questions. A follow-up communication will address assessments and 2026 rate renewal indications. M. Tuttle suggested offering both virtual and in-person meetings statewide. L. Duquette confirmed that meetings will allow for virtual attendance. B. Cisneros recommended emphasizing recent cost-saving measures and clarifying that high claims are not unique to the pool. The Board discussed the timing for its release and subsequent updates.	*No action was required.*	
Insulin Litigation Research	L. Duquette reported that several public entity health plans are joining litigation related to insulin overcharges. She noted that obtaining decades of data from Cigna will require significant effort, but staff are in discussions with lead litigators, who are continuing to gather information. K. Bracey added that Cigna is willing to provide records as available. L. Duquette further reported that the litigation firm emphasized the need for prompt action should the Board wish to sign on to the case. The Board indicated a desire to better understand the potential for recovery before making a decision.	*No action was required.*	
Other Business	The Board held a brief discussion regarding the schedule for upcoming public hearings on rates. A motion was made by L. Simko, seconded by B. Cisneros, to move the public hearing on rates from September 11, 2025, at 5:00 p.m. to September 12, 2025, at 3:00 p.m. Due to the number of meetings and other scheduling factors, the Board agreed to cancel the previously scheduled Governance Committee meeting in September.	**Approved unanimously by roll call vote.**	
Next meeting Date	The next meeting of the Board is scheduled for September 11, 2025, at 3:30 p.m.		
Adjournment	A motion was made by B. Cisneros and seconded by T. Angwin to adjourn the meeting at 7:05 p.m.	**Approved unanimously by roll call vote.**	

SERVING NH 25+ YEARS SCHOOLCARE HEALTH BENEFIT PLANS

Meeting of SCHOOLCARE:	Board of Directors	**Date:**	September 11, 2025
Members Present:	Tonya Angwin, Carole Annach, Terry Burlingame*, Brian Cisneros, Erich Ingelfinger, Katie Krauss, Kathy O'Bienes*, Lisa Simko, Megan Tuttle	**Time:**	3:30 p.m.
Members Absent:	Margaret Hurd	**Adjourned:**	5:34 p.m.
Also Present:	Staff: Jen Burk, Lisa Duquette, Mandy Grenier, Jeff Kantorowski, Melissa Perreault	**Person Producing Minutes:**	Lisa Duquette
	Consultants and Guests: David Lang, *NH SoS Chief of Staff*, Tracy Mungeam, Peter Galante*, Greg Cistulli*, *WTW*, Ted Davis*, *Davis Communication Management*	**Next Meeting(s):**	September 21, 2025, at 6:00 p.m.
Location:	**SCHOOLCARE – Training Center** **370 Harvey Rd.** **Manchester, NH 03103** ***Via Microsoft Teams Meeting as permitted by RSA 91-A:2, III (b)***	**Location:**	**SCHOOLCARE – Training Center** **370 Harvey Rd.** **Manchester, NH 03103**

TOPIC	DISCUSSION	ACTION	KEY PERSON/BY
Adoption of Agenda	The Vice Chair, T. Angwin, called the Board Meeting to order at 3:31 p.m. A motion was made by B. Cisneros and seconded by M. Tuttle to adopt the agenda as presented.	**Approved unanimously.**	
WTW Consulting	T. Mungeam presented an updated and revised Premium Deficiency Reserve (PDR) analysis with a contribution adjustment in the group with fewer than 50 employees. As a result, the deficiency was updated to $12 million. L. Duquette noted that no Board action is requested at this time, as Segal's analysis is still underway. Final figures will be provided at the next meeting. T. Mungeam reported that WTW prepared a projected renewal for the January 1, 2026 Harvard Pilgrim groups, which represent a small number of employees across several employers with limited data. She reviewed assumptions and calculations, noting an average projected increase of 31% compared to current rates when these groups joined the pool on July 1, 2025.		*T. Burlingame joined meeting at 3:38 p.m. indicating she was alone at her location.*

TOPIC	DISCUSSION	ACTION	KEY PERSON/BY
WTW Consulting *(continued)*	L. Duquette explained that all January 1 renewal groups are on six-month contracts. Staff leadership recommends not renewing these contracts and instead offering SCHOOLCARE Cigna plans, requiring transition to a July 1 renewal. She outlined the renewal process, including Public Hearings on Rates scheduled for September 12 at 10:00 a.m. and 3:00 p.m. Following discussion, a motion was made by M. Tuttle and seconded by E. Ingelfinger to accept the preliminary rate indication for the January 1, 2026 Harvard Pilgrim groups from WTW, with the intention not to renew the contract with Harvard Pilgrim and instead to offer Cigna plans as an alternative with a July 1 renewal.	**Approved unanimously by roll call vote.**	*K. O'Blenes joined the meeting at 4:17 p.m. indicating she was alone at her location.*
Financial Update	L. Duquette reported that the program is facing a significant financial shortfall. She and M. Perreault analyzed reserve levels using thresholds outlined in proposed, but not enacted, SB 297 legislation: – Low at 8% ($21.5M) – Middle at 12% ($30M) – High at 16% ($38.6M) M. Perreault noted that contributions would be based on each group's pro rata share rather than claims experience, consistent with past contribution holidays. Staff recommended adopting the middle reserve level of 12% ($30M), equivalent to approximately 1.5 times current monthly contributions. Staff will present a preliminary July 1, 2026 renewal at the September 25 Board meeting.	*No action required.*	
Member Communication Planning	L. Duquette introduced T. Davis of Davis Communications Management, who has been engaged to assist in developing a strategic communications plan. Mr. Davis provided an overview of his background, including more than two decades of experience with public entity risk pools. L. Duquette presented on the need for an assessment, followed by Board discussion of potential scenarios and communication approaches. She noted that cost-sharing decisions with employees would remain at the local level. L. Duquette invited D. Lang to comment on behalf of the regulator. Mr. Lang discussed the role of risk pooling in the state as a self-funded health care program and affirmed the regulator's support for the pool's success within legislative parameters. Staff requested the Board's direction on proceeding with the draft communication plan. The Board unanimously affirmed the strategy developed with T. Davis, while noting concerns about local impacts. Key messages for members will emphasize shared responsibility for surplus or deficit, transparency and fairness, and the importance of protecting the pool's stability to avoid disruption in claims payments.	*No action required.*	

TOPIC	DISCUSSION	ACTION	KEY PERSON/BY
Insulin Litigation Research Update	L. Duquette informed the Board that a court ruling under the Racketeer Influenced and Corrupt Organizations (RICO) Act dismissed certain counts in the case. As a result, any damages from potential legal action would be limited. The attorney staff consulted with indicated to hold and Staff recommended no further action on the matter.	*No action required.*	*E. Ingelfinger exited the meeting at 5:09 p.m.*
Other Business	Potential Paths Forward: L. Duquette reminded the Board of the options presented at the August 20, 2024 meeting: (1) continue with self-funding with an assessment, (2) explore a fully insured option with an assessment still required, or (3) discontinue operations. She stated the Board instructed staff to pursue Options 1 and 2 and asked if their intent was to remove the option of discontinuing operations. Following a brief discussion, a motion by L. Simko, seconded by B. Cisneros, to remove winding down as an option for this year was approved. COBRA Enrollment & Claims Analysis: M. Perreault and L. Duquette presented a memo reviewing COBRA enrollment and claims data. Key observations included: (1) approximately 75% annual turnover, (2) significant claim volatility in FY 2023–24 that has since stabilized, and (3) expected adverse selection associated with COBRA elections. They recommended continuing to monitor this area and providing semi-annual reports to the Board for increased visibility. Cigna Contract Negotiations: L. Duquette reported on recent concessions from Cigna, including renegotiated fees expected to generate significant savings next year. Staff are pursuing early implementation to achieve savings sooner while WTW is performing benchmarking analysis on pharmacy terms. The Board emphasized that these improvements should be communicated to members. Medicare Advantage: L. Duquette updated the Board on a New Hampshire Insurance Department press release and related article regarding the potential exit of Medicare Advantage plans from the state. She reported that staff have had ongoing conversations with UnitedHealthcare (UHC) and reconfirmed that any change in the individual Medicare Advantage market would not affect SchoolCare retirees. SchoolCare offers a group Medicare Advantage plan with prescription drug coverage (MAPD), which is structured, financed, and contracted differently than individual market plans. Staff will consider including a special note in the Open Enrollment letters, scheduled to be mailed in the second half of September, to clarify this distinction for retirees should UHC exit the New Hampshire individual market.	**Approved unanimously by roll-call vote.** *No action required.* *No action required.* *No action required.*	
Next meeting Date	L. Duquette requested an additional Board meeting prior to September 25 to finalize member communications and address any new developments. Following discussion, the Board scheduled the additional meeting for September 21, 2025, at 6:00 p.m.		

TOPIC	DISCUSSION	ACTION	KEY PERSON/BY
Adjournment	A motion was made by M. Tuttle and seconded by L. Simko to adjourn the meeting at 5:33 p.m.	**Approved unanimously by roll-call vote.**	

SERVING NH 25+ YEARS SCHOOLCARE HEALTH BENEFIT PLANS

EMERGENCY Meeting of SCHOOLCARE:	Board of Directors	**Date:**	September 21, 2025
Members Present:	Tonya Angwin*, Carole Annach*, Terry Burlingame*, Brian Cisneros, Margaret Hurd*, Erich Ingelfinger, Katie Krauss*, Kathy O'Blenes, Lisa Simko, Megan Tuttle	**Time:**	6:00 p.m.
Members Absent:	N/A	**Adjourned:**	7:57 p.m.
Also Present:	Staff: Jen Burk*, Lisa Duquette, Mandy Grenier, Jeff Kantorowski, Melissa Perreault	**Minutes Prepared by:**	Lisa Duquette
	Consultants and Guests: David Lang*, *NH SoS Chief of Staff*, Tracy Mungeam*, *WTW*, Ted Davis*, *Davis Communication Management*, Chris Lund*, *CW Lund Law*	**Next Meeting(s):**	September 25, 2025, at 3:30 p.m.
Location:	**SCHOOLCARE – Training Center** **370 Harvey Rd.** **Manchester, NH 03103** ***Via Microsoft Teams Meeting as permitted by RSA 91-A:2, III (b)***	**Location:**	**SCHOOLCARE – Training Center** **370 Harvey Rd.** **Manchester, NH 03103**

TOPIC	DISCUSSION	ACTION	KEY PERSON/BY WHEN
Adoption of Agenda	The Chair, K. O'Blenes, called the Board Meeting to order at 6:01 p.m., declaring an emergency meeting. The Emergency Meeting is constituted due to immediate action per RSA 91-A:2 III (b) for immediate undelayed action that is imperative. All Board Member participating virtually verified they were alone at their location. A motion was made by M. Tuttle and seconded by B. Cisneros to adopt the agenda as presented.	**Approved unanimously via roll call vote.**	
Acceptance of the Actuarial Reports 6/30/25	L. Duquette reported that the actuarial reports are unchanged from the previous meeting. After further review, differences from the Segal calculations were due to new groups added on July 1, 2025, which should be excluded from the analysis. She noted the final Premium Deficiency Reserve is $12.1M.		*At 6:06 p.m. T. Burlingame joined the meeting*

TOPIC	DISCUSSION	ACTION	KEY PERSON/BY WHEN
Acceptance of the Actuarial Reports 6/30/25 *(continued)*	A motion was made by E. Ingelfinger and seconded by M. Hurd to accept the actuarial reports for June 30, 2025.	**Approved unanimously via roll call vote.**	
Seasonality Analysis	T. Mungeam presented the actuarial Seasonality Analysis Report. She explained that claims vary monthly due to seasonality. WTW developed factors based on a four-year claims review to account for these fluctuations, providing a reference for presenting claims and predicting monthly cash flow.	*No action required.*	
Member Communication Strategic Plan	T. Davis provided an overview of preparations for the upcoming assessment announcement, guided by principles of transparency, stewardship, the value of pooling, and future program stability. L. Duquette emphasized the need to accelerate communications as information is already circulating publicly and shared a proposed timeline and plan. The Board reviewed and provided feedback. She noted the assessment would be prorated and represents approximately 1.5 times each group's monthly contribution. D. Lang discussed assessment history and RSA 5-B language. A motion by B. Cisneros, seconded by M. Hurd, authorized $30 Million in assessments to member entities pro-rata based on contributions for FY 2024-25. L. Duquette reviewed Board-recommended edits to the communication plan, which was approved following a motion by B. Cisneros and E. Ingelfinger. The Board also approved moving the second email communication to 3:00 p.m. (from 3:30 p.m.) on a motion by M. Tuttle, seconded by B. Cisneros. The Board discussed their role in responding to inquiries and will receive guidance for employees, colleagues, and media. A motion by L. Simko, seconded by M. Tuttle, approved the accelerated timeline. L. Duquette concluded by outlining details for the Town Hall meeting scheduled for Thursday, September 25, 2025 at 4:00 p.m.	**Approved unanimously via roll-call vote.** **Approved unanimously via roll-call vote.** **Approved unanimously via roll-call vote.** **Approved unanimously via roll-call vote.**	
Other Business	L. Duquette proposed waiving the recent hiring freeze to fill a Member Care Specialist vacancy due to resignation, noting the role's importance during the fall open enrollment period. A motion by K. Oblenes, seconded by L. Simko, to approve of allowing the hiring for the Member Care Specialist vacancy. L. Duquette also presented WTW's initial July 1, 2026 renewal draft for Cigna members, the early indication is ±16% rate increase. At 7:28 p.m., a motion by B. Cisneros, seconded by M. Tuttle, adjourned the meeting to a non-meeting with legal counsel.	**Approved unanimously via roll-call vote.** **Approved unanimously via roll-call vote.**	

TOPIC	DISCUSSION	ACTION	KEY PERSON/BY WHEN
Other Business *(continued)*	At 7:56 p.m., a monition was made by B. Cisneros and seconded by E. Ingelfinger to exit non-meeting and return to the regular meeting.	**Approved unanimously via roll-call vote.**	
Next meeting Date	The next meeting of the Board is scheduled for September 25, 2025, at 3:30 p.m.		
Adjournment	A motion was made by L. Simko and seconded by M. Tuttle to adjourn the meeting at 7:57 p.m.	**Approved unanimously via roll-call vote.**	

Invoice

NH School Health Care Coalition
370 Harvey Rd, Suite 4
Manchester, NH 03103

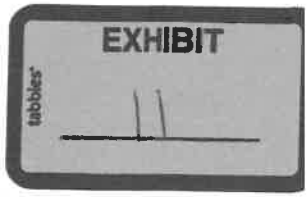
Date	Invoice #
10/1/2025	10029

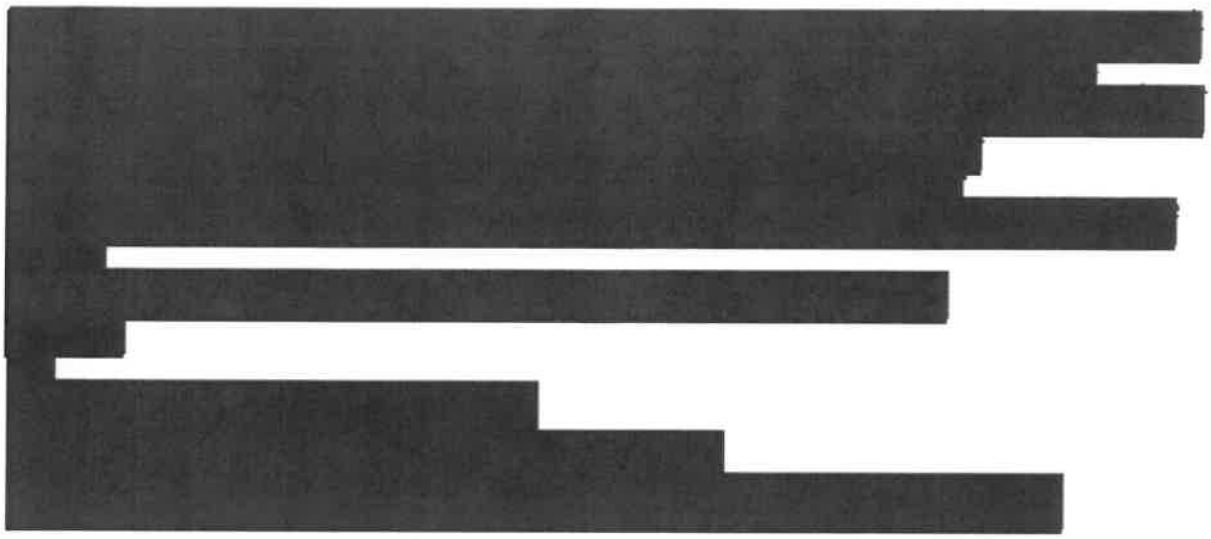


Bill To
Lebanon School District-SAU 88 Attn: Accounts Payable 20 Seminary Hill West Lebanon, NH 03784

Terms
Due On Receipt

Quantity	Description	Rate	Amount
1	CONTRIBUTION ASSESSMENT	1,033,216.68	1,033,216.68
		Total	$1,033,216.68





Assessment Invoice – Enclosed

External
Inbox

accounting@schoolcare.org <accounting@schoolcare.org> Wed, Oct 1, 2025, 8:13 AM

to me, Xavier, aallen@sau88.net

To: SchoolCare Member Business Administrators
Subject: Assessment Invoice – Enclosed

Dear Business Administrator,

Enclosed is your entity's SchoolCare member contribution assessment invoice. As shared last week, this contribution assessment was authorized by the SchoolCare Board of Directors on September 21, 2025 to restore reserves to required levels and ensure the program's stability.

Your entity's share has been calculated based on your entity's percentage of SchoolCare's total member contributions for the fiscal year ending on June 30, 2025. Your invoice reflects that percentage of the $30 million assessment. This is consistent with the method used to calculate past contribution holidays.

Payment terms:

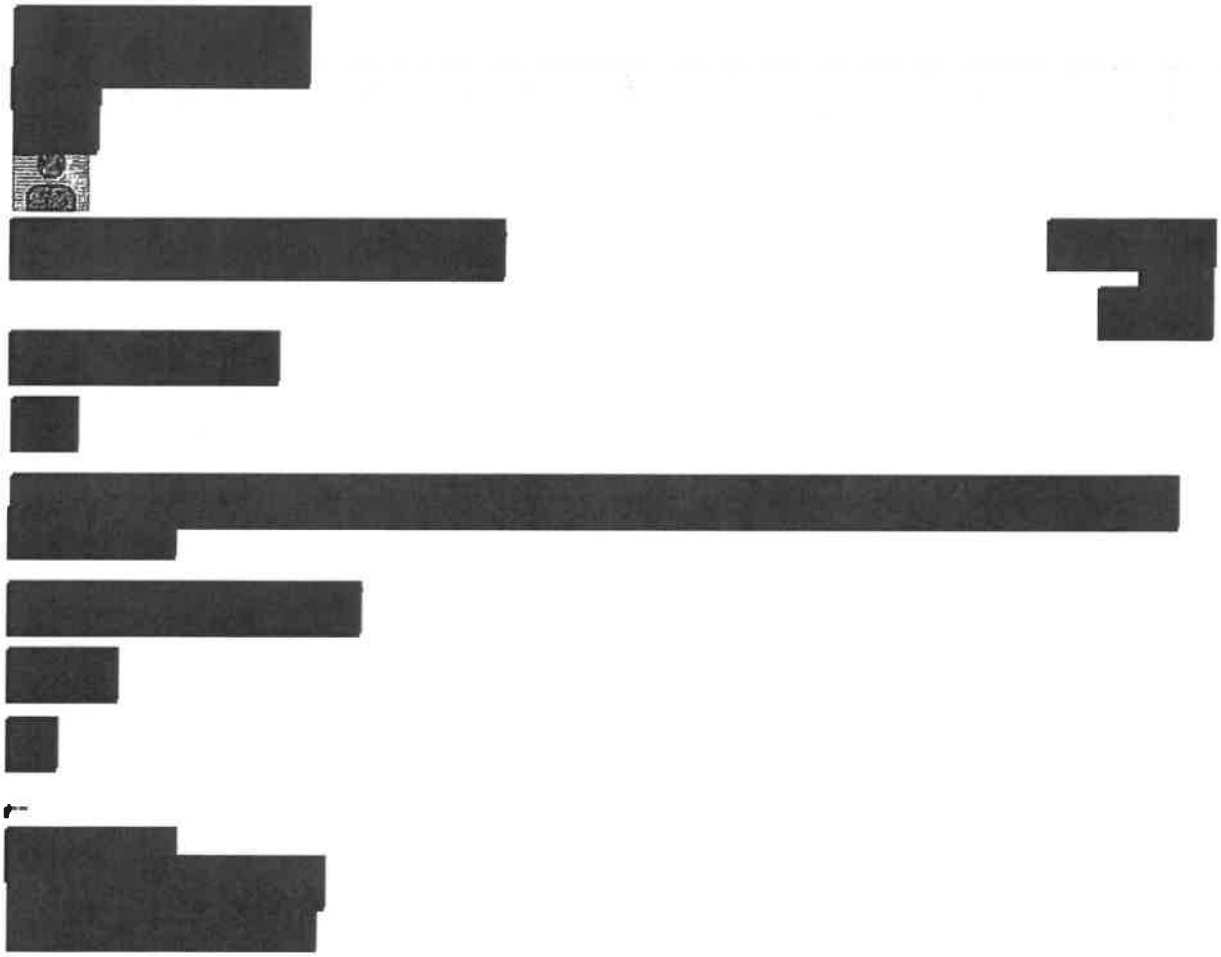
- **Due upon receipt.**
- **Grace period:** No interest if paid by December 31, 2025.
- **Interest:** Beginning January 1, 2026, 0.5% per month on unpaid balances.

- **Claims processing:** If no payment plan or intent to pay is in place by May 1, 2026, claim payments will be suspended.
- **Final deadline:** If unpaid by July 15, 2026, claims will be denied and covered individuals will be responsible for costs.

This assessment is both a statutory and contractual obligation under RSA 5-B and your entity's SchoolCare Membership Participation Agreement.

For questions or to discuss payment arrangements, please contact our Administrative Team at info@schoolcare.org or 603-836-5031. Additional resources including an updated Q& A are available at **www.SchoolCare.org/Employers**.

Thank you for your continued partnership.





SchoolCare
Contribution Assessment Payment Plan Agreement

THIS CONTRIBUTION ASSESSMENT PAYMENT PLAN AGREEMENT (this "Agreement") is entered into as of Dec 4 __, 2025 by New Hampshire School Health Care Coalition d/b/a SchoolCare ("SchoolCare") and SAU 88 (the "Member").

RECITALS

WHEREAS, SchoolCare operates and manages a pooled risk management program on behalf of participating political subdivisions, including the Member, pursuant to NH RSA Chapter 5-B, for hospital, medical, surgical or dental benefits for employees and the dependents of such political subdivisions (the "Risk Pool");

WHEREAS, SchoolCare calculates and maintains contingent reserves for the Risk Pool on an annual basis in accordance with an actuarial assessment (the "Contingent Reserves"), which Contingent Reserves are intended to protect against higher than expected claims losses in a given coverage period;

WHEREAS, notwithstanding the actuarial process for establishing the Contingent Reserves, Risk Pool losses for the 2023-2024, 2024-2025, and projected 2025-26 fiscal years exceeded the Contingent Reserves, resulting in a deficit and jeopardizing the ability of the Risk Pool to continue to meet claims obligations;

WHEREAS, SchoolCare has the right, and the obligation, to impose contribution assessments on Members to ensure the continued financial viability of the Risk Pool for the benefit of such Members;

WHEREAS, SchoolCare notified Members of a special assessment by letter dated September 23, 2025 and a subsequent contribution assessment invoice dated October 1, 2025, in the total amount of $30,000,000, to be paid on a pro rata basis in accordance with each Member's contributions for the 2024-2025 fiscal year (the "Assessment");

WHEREAS, the Assessment amount for each Member is due upon receipt of the notice of Assessment, but SchoolCare has agreed to make certain payment accommodations before a final deadline in exchange for the Member's agreement to adopt a specific payment plan;

WHEREAS, this Agreement establishes the respective obligations of SchoolCare and the Member with respect to the Assessment amount due from the Member in accordance with such payment plan.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the parties hereby agree as follows:

1. **Affirming General Payment Obligation.** The Member acknowledges and affirms its obligation to (i) pay the Assessment, and (ii) make such payment in full not later than on or before July 15, 2026. The Member further acknowledges that this Agreement represents a partial accommodation by SchoolCare with respect to the timing of such payment (which is otherwise due upon receipt of the original Assessment invoice), and that in consideration of such accommodation the Member is agreeing to the terms set forth in this Agreement.

2. **Payment Plan.** The Member agrees to make payments with respect to its Assessment in the amounts and on the dates set forth on Exhibit A hereto (the "Payment Plan"); provided that in all

cases the Member shall be obligated to pay not less than one-third of the total Assessment on or before December 31, 2025. If the Member makes all payments in accordance with the Payment Plan, then no interest shall be payable with respect to the Assessment amount.

3. **Interest Accrual.** If a Member fails to make any payment in accordance with the Payment Plan, subject to a grace period of ten (10) days with respect to each such payment (the "Grace Period"), then the full Assessment amount shall bear interest retroactive to January 1, 2026 at the rate of one-half of one percent (0.5%) per month compounding, calculated on a monthly basis. All accrued interest shall be added to the underlying Assessment amount and shall become immediately due and payable.

4. **Claims Hold and Claims Denials.** The Member acknowledges and agrees that by entering into this Agreement and paying the Assessment in full in accordance with the Payment Plan, SchoolCare is agreeing not to hold or deny claims during such period. If the Member fails to make any Assessment payments when due under the Payment Plan (subject to the Grace Period), including accrued interest, SchoolCare will implement a "claims hold" with respect to any claims of employees or dependents of the Member pending as of, or arising from and after the later of (i) May 1, 2026, or (ii) the date of such payment failure. The effect of the claims hold will be to retain claims in pending status without processing, but it will not impact access to care for any employee or dependent. In the event that the Member fails to pay any remaining Assessment amount, including accrued interest, by July 15, 2026, any held claims under this Section and/or any new claims arising on or after such date shall be denied. In the event of such claim denials, the employee and his or her dependents shall become responsible for any payments due to providers for services provided with respect to such claims.

5. **Miscellaneous Provisions.**

(a) Equitable Relief. The parties hereto agree and declare that legal remedies are inadequate to enforce the provisions of this Agreement and that equitable relief, including specific performance and injunctive relief, may be used to enforce the provisions of this Agreement.

(b) Change and Modifications. This Agreement may not be orally changed, modified or terminated, nor shall any oral waiver of any of its terms be effective. This Agreement may be changed, modified or terminated only by an agreement in writing signed by SchoolCare and the Member.

(c) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New Hampshire without regard to conflict of law principles.

(d) Headings. The headings are intended only for convenience in finding the subject matter and do not constitute part of the text of this Agreement and shall not be considered in the interpretation of this Agreement.

(e) Saving Clause. If any provision(s) of this Agreement shall be determined to be illegal or unenforceable, such determination shall in no manner affect the legality or enforceability of any other provision hereof.

(f) Notices. All notices, requests, consents and other communications shall be in writing and be deemed given when delivered personally, by email or when received if mailed by first class registered or certified mail, postage prepaid. Notices to SchoolCare or the Member shall be addressed as set forth underneath their signatures below, or to such other address or addresses as may have been furnished by such party in writing to the other.

(g) Benefit and Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors, assigns, and legal representatives.

(h) Authority; Binding Agreement. The Member has taken all necessary action to approve this Agreement. The individual signing this Agreement on behalf of Member is duly authorized to do so, and upon execution of this Agreement by the signatory hereto, this Agreement shall be valid and binding on the Member. In the event that any board or other political body is required to approve this Agreement and its execution, the minutes of such meeting (or relevant excerpts thereto) shall be maintained with the record of this Agreement.

(i) Counterparts. For the convenience of the parties and to facilitate execution, this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

IN WITNESS WHEREOF, SchoolCare and the Member have executed this Assessment Payment Plan Agreement as of the date first above written.

SCHOOLCARE

By: Lisa J Duquette
Name:
Title:

Address:

MEMBER:

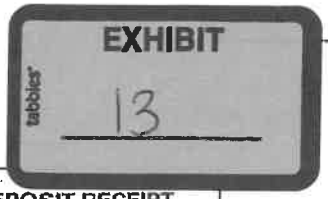
Lebanon School District (SAU88)
[Name of Political Subdivision]
By: Timothy Ball
Title:
Business Administrator

Address:
20 Seminary Hill
W. Lebanon, NH 03784

EXHIBIT A

PAYMENT PLAN

Payment Due Date	Percentage of Total Assessment Due on Due Date
December 30, 2025	33%
March 31, 2026	34%
June 30, 2026	33%



SAU #88 Lebanon
20 Seminary Hill
West Lebanon, NH 03784

DIRECT DEPOSIT RECEIPT

DEPOSIT DATE: 12/19/2025

DIRECT DEPOSIT AMOUNT: ***One Million Thirty Six Thousand Seven Hundred Ten and 49/100 Dollars' $1,036,710.49

N.H. School Health Care Coalition
370 Harvey Rd, Suite 4
Manchester, NH 03103

NON - NEGOTIABLE

Invoice	Purchase Order	Voucher	Amount
10029	24260293	1085	$340,961.50
446052	10260019	1085	$695,748.99

Net Amount: $1,036,710.49

SAU #88 Lebanon
20 Seminary Hill
West Lebanon, NH 03784

DIRECT DEPOSIT RECEIPT

DEPOSIT DATE: 3/27/2026

DIRECT DEPOSIT AMOUNT: ***Three Hundred Fifty One Thousand Two Hundred Ninety Three and 67/1 **$351,293.67**

N.H. School Health Care Coalition
370 Harvey Rd, Suite 4
Manchester, NH 03103

NON - NEGOTIABLE

Invoice	Purchase Order	Voucher	Amount
10029 payment 2	24260293	1141	$351,293.67

Net Amount: $351,293.67

SAU #88 Lebanon
20 Seminary Hill
West Lebanon, NH 03784

DIRECT DEPOSIT RECEIPT

DEPOSIT DATE: 6/19/2026

DIRECT DEPOSIT AMOUNT: ***Three Hundred Forty Thousand Nine Hundred Fifty Four and 68/100 Doll $340,954.68

N.H. School Health Care Coalition
370 Harvey Rd, Suite 4
Manchester, NH 03103

NON - NEGOTIABLE

Invoice	Purchase Order	Voucher	Amount
10029 payment 3	24260293	1191	$340,954.68

Net Amount: $340,954.68