HealthTrust

September 15, 2014

Mr. Jason Tardiff
Chairman, Board of Selectmen, Town of Allenstown
16 School Street
Allenstown, NH 03275

Dear Mr. Tardiff:

I write to inform you of three important upcoming events that directly impact HealthTrust and its Members. These events are:

Wednesday, October 1 – Public hearing on proposed changes to the HealthTrust Bylaws. The purpose of these changes is to clarify the voting procedures used at the HealthTrust Annual Meeting and help ensure those casting votes on behalf of Members are authorized to do so. A copy of the proposed Bylaw changes is enclosed with this letter. The public hearing will be held at 9:00 a.m. at the HealthTrust office, 25 Triangle Park Drive in Concord. If you cannot attend the hearing, comments can be emailed to HealthTrust Executive Director Peter Bragdon at pbragdon@healthtrustnh.org no later than September 30. The HealthTrust Board of Directors is expected to act on the proposed Bylaw changes immediately following the conclusion of the public hearing.

Thursday, October 9 – Public hearings in Claremont and Concord on proposed rates for the coming coverage years. These hearings provide an opportunity for Members to hear about projected changes in rates and the reasons behind those changes. The hearings also provide an opportunity for Members to comment on the method of surplus returns. The Claremont meeting will begin at 10:00 a.m. at the Claremont Savings Bank Community Center, 152 South Street. The Concord meeting will be held at HealthTrust's office, 25 Triangle Park Drive, beginning at 5:30 p.m. If you cannot attend either public hearing, comments on the proposed rates or the surplus return method can be emailed to HealthTrust Executive Director Peter Bragdon at pbragdon@healthtrustnh.org no later than October 21. The HealthTrust Board of Directors is expected to adopt new rates on October 22.

Wednesday, December 10 – HealthTrust Annual Meeting. The Annual Meeting will be held at HealthTrust's office, 25 Triangle Park Drive, Concord, beginning at 9:30 a.m. In addition to an update on our activities over the past year, and a look ahead to the future, this year's Annual Meeting will feature an exciting presentation on a new HealthTrust product, SmartShopper, to be introduced in 2015. SmartShopper rewards enrollees and their covered family members for being savvy medical consumers. Come join us to hear details about this exciting new product designed to reduce medical costs, thereby reducing the upward pressure on your future rates.

At this meeting, Members will be also electing three (3) directors to the HealthTrust Board of Directors, a governing panel critical to our success. Board members develop HealthTrust's vision and goals, translate Member needs into innovative products and services, and ensure HealthTrust remains accountable to its

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Members. They also bring sound business strategy and financial management to the table. A strong, diverse board is important to our future.

There are three director positions up for election this year, all of which have three-year terms. They are divided as follows:

- One (1) municipal public official;
- One (1) school public official; and
- One (1) municipal, school or county employee (below department-head level).

To be eligible for a "public official" position, a person must be either a publicly elected official or hold an administrative position of department head or higher. At least two-thirds (8) of board members must represent HealthTrust Members actively participating in at least one HealthTrust coverage line.

If you would like to serve on the Board, please complete the enclosed application, which is also available on our website. If you feel someone else you know would be a good candidate, please share this information with them. All applications will be reviewed by our nominating committee, who will then present recommendations at the Annual Meeting.

You will find further detailed information about board service and qualifications on the HealthTrust website at *www.healthtrustnh.org*. Applications must be submitted by Friday, October 19.

Thank you for your thoughtful consideration of these upcoming events. I look forward to seeing many of you in the coming months, especially at the HealthTrust Annual Meeting on December 10.

Sincerely,

Peter Curro

Chair, HealthTrust Board of Directors

HealthTrust

Proposed Amendments to HealthTrust, Inc. Bylaws

Explanation Key:

- Matter added to current Bylaws appears underlined.
- Matter removed from current Bylaws appears with ~~strikethrough.~~

I. Amend Section 3.5 as follows:

SECTION 3.5. Meetings of the Members.

A meeting of the Members shall be held at least annually (the Annual Meeting) for the purposes of receiving reports on the operations of HealthTrust; voting upon nominations for members of the Board of Directors; and transacting any other business which may be transacted at an annual meeting. The time and place of any meeting will be determined by the Board of Directors. Members shall be notified of the time and place of any meeting by at least ten (10) days written notice which may include email notification, provided that the notification for the Annual Meeting shall be governed by Section 6.3 (f) and (g) of these Bylaws. Each Member present shall be entitled to one vote. Any number of Members shall constitute a quorum for the conduct of elections and the transaction of any business. Determination of who may vote at any meeting shall be governed by Section 6.3 (c), (d) and (e) of these Bylaws.

II. Amend Section 6.3 as follows:

SECTION 6.3. Election of Directors; Voting Procedures and Nominations for Directors:

~~The Members shall elect the Directors at the Annual Meeting for the terms specified in Section 6.5. The Governance and Nominating Committee shall recommend a slate of candidates to the Membership. Nominations will also be taken from Members at the annual meeting. Each Member is entitled to one vote. Voting for Directors shall occur in-person at the annual meeting.~~

The following procedures will govern the Members' election of Directors:

(a) The Members shall elect the Directors at the Annual Meeting for the terms specified in Section 6.5.

(b) Each Member shall be entitled to cast one vote for each Director position on the ballot. All votes must be cast in person at the Annual Meeting.

(c) Provided the required forms are submitted pursuant to Section 6.3 (d), the Member's top administrative official (for example, superintendent of schools, town manager, town administrator, etc.) or his or her certified designee shall be entitled to cast the Member's vote, unless the governing board of the Member, by resolution, appoints a different representative to cast the Member's vote, in which case such representative shall be entitled to cast the Member's vote. Governing bodies are encouraged to participate in this fashion.

(d) To vote, upon registration at the meeting, the following forms must be provided to HealthTrust by the person entitled to cast the Member's vote:

(i) For the Member's top administrative official: written certification, signed by the individual certifying that he or she is the Member's top administrative official and entitled to vote on behalf of the Member,

(ii) For the designee of the Member's top administrative official: written certification, signed by the top administrative official, certifying that he or she is the Member's top administrative official, entitled to vote on behalf of the Member and that that he or she designates the specified individual to cast the Member's vote on his or her behalf, together with written certification signed by the designee, that her or she is the named designee and is entitled to vote on behalf of the Member.

(iii) For a representative appointed by the Member's governing board, a copy of the executed resolution of the governing board appointing the representative together with written certification signed by the representative, that her or she is the named representative and is entitled to vote on behalf of the Member.

(e) A single individual shall be entitled to cast the vote of multiple Members provided he or she is duly authorized to vote for each such Member pursuant to Sections 6.3 (c) and (d).

(f) HealthTrust shall provide Members written notice, which may include email notification, of the Annual Meeting at least 60 days in advance of said meeting. HealthTrust shall attempt to send such notice to both the chief administrative officer and the chair of the governing board of each member; however, failure to send the notice to these specific individuals shall not invalidate the results of any election.

(g) Said notice shall include:

(i) the date, place and time of the Annual Meeting;

(ii) information on how to become a candidate for a Director position;

(iii) a copy of the certification forms and sample resolution to be submitted by the person voting on behalf of the Member pursuant to Section 6.3 (d); and

(iv) notice of the date and method by which the Governance and Nominating Committee will notify the Members of its recommended a slate of candidates.

(h) The Governance and Nominating Committee shall recommend a slate of candidates to the Membership at least 30 days prior to the Annual Meeting by written notice, which may include email notification or on-line posting, Nominations will also be taken from Members at the Annual Meeting.

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Expectations of Serving on the HealthTrust, Inc. Board of Directors

- ☐ **Regular board meetings typically occur once a month and are open to the public.** Board members are expected to attend all meetings; repeated absences cause difficulty in consistent communication and understanding of issues.

- ☐ **Special board meetings are needed on occasion**, at which information is shared, input is needed or a vote must be taken on an important issue within a pressing timeframe. Full board participation in special meetings is very important.

- ☐ **A multi-day board retreat may be held during the year.** In 2013, for example, the board held a two-day strategic planning retreat in North Conway in July.

- ☐ **Sub-committees** of the board meet on an as-needed basis at a time and place convenient for those particular members, though an effort is made to schedule these meetings immediately preceding or following a regular board meeting, for convenience.

- ☐ Recently, board meetings have been held on weekday mornings (the first Wednesday of the month) at HealthTrust's office at 25 Triangle Park Drive in Concord, although it is the **board's decision as to when, where and at what time the meetings will occur**. Board meetings are **typically three hours** in length, but can be shorter or longer.

- ☐ Board members may need to **commit time outside of board meetings** for attending public meetings, reviewing documents, communicating with each other and outreach with HealthTrust Members.

- ☐ The board is permitted to and does occasionally go into non-public meetings for limited reasons, such as **personnel and legal issues**.

- ☐ **The board is typically joined by the executive director and other leadership staff**. Staff members participate only if recognized by the board chair and may be asked to leave the meeting if the board wishes to meet without staff present.

- ☐ **Board members are indemnified against legal actions** brought by others pertaining to service on the board. The HealthTrust bylaws provide for board member indemnification. HealthTrust also purchases directors and officers (D and O) insurance to protect board members from any personal liability.

- ☐ HealthTrust has term limits for its board members. Board members may serve only up to three consecutive three-year terms.

- ☐ Board members **must remain objective and independent** in their thinking in order to bring an outside perspective and make the best decisions possible on behalf of the organization.

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Application for HealthTrust, Inc. Board

All applications must be received by HealthTrust, Inc. by October 19, 2014.

Name:

Address:

Phone:

Email:

Municipality, school district or county you would represent, if elected:

Your position at that municipality, school district or county:

To be eligible for a "public official" position, a person must be either a publicly-elected official or hold an administrative position of department head or higher.

Please check the one category that best describes the board position you would fill:

- ☐ Municipal Public Official
- ☐ School Public Official
- ☐ Municipal, School or County Employee (lower than department-head level)

The governmental entity I wish to represent on the HealthTrust Board (check one):

- ☐ Currently participates in at least one HealthTrust coverage line (medical, dental, etc.)
- ☐ Does not currently participate in any HealthTrust coverage lines

Please answer the following questions. Attach additional pages, if necessary.

Why do you want to serve on the HealthTrust Board?

What skills, talents and experience do you feel you would bring to the board?

Are there any potential conflicts of interest you may encounter by serving on the HealthTrust Board? (Example: You or members of your immediate family are in the insurance industry). If so, please describe the potential conflicts. (Note: Having a potential conflict does not necessarily preclude board service, but knowing what they are helps to prepare for them.)

Additional thoughts or comments for consideration by Nominating Committee:

Please attach a resume or provide the following information. Attach additional pages, if necessary.

Education:

Work experience:

Membership or affiliations with other organizations (please specify any leadership positions you currently hold):

Current and former elected or appointed political positions at state or local level:

Please send completed application to the attention of:

Barbara Olson
HealthTrust, Inc.
PO Box 617
Concord, NH 03302-0617
Email: bolson@HealthTrustNH.org