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Secretary of State David M. Scanlan Will Intervene if HealthTrust Board Ceases Coverage

Secretary Scanlan will continue to work in the best interest of political subdivisions following recent statements made by the largest pooled risk management program in the state.

CONCORD, NH (March 28, 2025): New Hampshire Secretary of State David M. Scanlan, who has oversight responsibilities of pooled risk management programs under RSA 5-B, as delegated by the Legislature, sent the following statement to political subdivisions today in response to HealthTrust's most recent statement:

Recent statements by HealthTrust about the supposed impact of SB 297 on their political subdivision members amount to scare tactics and are violative of their fiduciary responsibilities to their members. HealthTrust, through a vote of its Board of Directors, does not have the authority to wholly discontinue the operation of its pooled risk management program without the input and tacit approval of their members. On the contrary, HealthTrust's program was created by member political subdivisions and must be dissolved, if at all, the same way. To permit dissolution without the membership's approval would deprive the political subdivision members of the governance structure that was created by them for the purpose of maintaining their bargained-for benefits through the program.

The Board's lack of authority makes their threat ring hollow. However, should the Board attempt to follow through on their threatened action, my office will intervene to make sure the political subdivision members, and their active and retired employees are protected.

The proposed legislation does not justify the irrational decision of the HealthTrust Board. The bill is intended to address their current financial distress in the least impactful way and to put them on sound financial footing moving forward. HealthTrust has yet to produce financial statements to support their opposition to the concerns raised by their regulator.

HealthTrust is claiming they are like an insurance company. They are not. This is the same attitude that has cost the members' taxpayers and employees millions of dollars in the past.

SB 297 is a reasonable, actuarially supported fix to address HealthTrust's and another pooled risk management program's shaky financial position. It also provides necessary

accountability. As this issue continues to play out over the next few weeks, additional important information will become available. I urge the members of HealthTrust not to panic based on questionable information disseminated by HealthTrust.

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