

BOARD MEETING MINTUES
MONTANA REINSURANCE ASSOCIATION

April 30, 2021; 11:00 a.m. to 12:00 a.m.

Via Zoom: (669) 900-6833 Meeting ID: 931 155 4655

Board Members: Richard Miltenberger, Richard Daniels, Tony Pfaff,
Collette Hanson, Erik Wood

Board Members Present

Richard Miltenberger-Mountain Health Co-op
Richard Daniels-Allegiance
Collette Hanson-Blue Cross Blue Shield
Erik Wood-PacificSource
Tony Pfaff – Cypress Health

Board Members Not Present

Others Present

Mark Florian-Pacificsource
Laren Walker, River 9
Diane Kopecky, River 9
Staci Litschauer-CSI
Nick Racine-Blue Cross Blue Shield
Lisa Kelley-Blue Cross Blue Shield
Nic Ramey-Leif Associates
Julie Peper-Wakely
Commissioner Downing-CSI
Jackie Jones-CSI
Jen Hensley-PacificSource

Welcome and Call to Order – Richard Miltenberger, Chair

1. Approval of the Minutes

A motion was made by Collette Hanson to approve the minutes of the March 30, 2021 meeting. The motion was seconded by Rich Daniels and carried.

2. Wakely Report

Laren briefed the Board on the Wakely Report and Julie Peper from Wakely was on the call to share and discuss the draft report. On a high level the Montana market is fairly stable over the last few years. The pass through for 2021 has gone up a small amount. Julie then discussed the key inputs and estimates for the 2022 benefit year. There was a discussion on the best estimate of total Non-Group enrollment and the Board feels that the 53,322 may be a bit too high. She then explained more of her report and the estimates, noting their estimate for the pass through was \$36.3, increasing funding to \$49.30 million, or \$48.95 with the reduction for Operational costs. Mary noted that Section 33-22-1314 requires that the attachment point must be set by the board at \$40,000 or more. She also stated that Section 33-22-1308 requires that the Board set the reinsurance parameters no later than May 1 (for the following year), but due to the newly enacted American Rescue Plan, the Board may establish the parameters for 2022 by May 15 of this year.

Julie will provide a revised report by Tuesday/Wednesday of next week.

This will be discussed at the next meeting.

3. Operational Report

First Laren discussed the fact that working with the auditors, it would be best to move to a cash basis accounting. He spoke with a few people at CMS, and they confirmed a large number of retrospective programs are using a cash basis. The discussion continued with many questions from members of the Board. Laren will provide the Board and the CSI with copies of other associations financial statements on a cash basis as a reference. The CSI will advise the Board if it has concerns with the recommendation to move to a cash-basis accounting.

This will need to be discussed at the next meeting and Laren will provide sample financials from other associations.

Laren briefly presented the Operational Report for the month of March, noting that all revenue is from the grant and expenses are all operational.

4. Legislative Updates

Mary confirmed that the Montana legislature changed the MLR look-back from three years to one year and the claims disbursement from August 15 to (no later than) December 31 of each year. Both changes take effect on July 1, 2021. Since the effective date is July 1, 2021, per Mary and Sean, the three-year lookback will continue to apply for 2020 claims. Per Collette's request,

the Board agreed to place the lookback period for 2020 claims on the July 14 meeting agenda for discussion.

5. Tax Status

Sean feels that the association meets the IRC 115 and are exempt. He mentioned the Board could consider a private letter ruling as an option since there is more administrative work to become a 501(c)(3). Sean will also check on obtaining an opinion from a tax attorney regarding exempt status.

Motion was made by Rich Daniels to move forward with a private letter ruling. The motion was seconded by Collette Hanson and carried.

6. Plan of Operation

Laren discussed the redlining of the Plan of Operation that he sent to the Board. The Reinsurance Parameters in 13.5 state the cut off date to be June 30 of each year, claims are to be submitted to the administrator by August 15th, and then be reimbursed by December 31st. These dates were at the suggestion of the carriers at the last carrier implementation meeting. The MLR calculation is in this section also, but it refers to the legislative code, which is where the date would come in. Mary and her team are working on the definition of premium for assessments so the plan will be updated as necessary.

This will be included on the agenda for next week's meeting to discuss.

7. Other Business

Per Section 33-22-1308, Mary reminded the Board that it is required to prepare an annual report on operations and finance and submit the same to the Economic Affairs Interim Committee and the Commissioner by June 30, 2021 (in addition to the CPA audit).

8. Public Forum

Notice of the Public Forum was posted on the reinsurance website on April 19, 2021. The Public Forum will be held on May 19, 2021 at 10:00 am.

9. Public Comment

No public comment

10. Next Meeting Date

The next meeting will be on Friday May 7th at 8:00 am.

11. Wrap-up and Adjourn.

The meeting adjourned at 12:15pm.

Respectfully Submitted,

River 9 Consulting, Inc.