

**BOARD MEETING MINTUES**  
**MONTANA REINSURANCE ASSOCIATION**

July 8, 2021; 1:00 pm

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  
Collette Hanson-Blue Cross Blue Shield  
Richard Daniels-Allegiance  
Erik Wood-PacificSource

**Board Members Not Present**

Tony Pfaff – Cypress Health

**Others Present**

Sean Slanger- Jackson, Murdo & Grant  
Mary Belcher-CSI  
Laren Walker, River 9  
Diane Kopecky, River 9  
Staci Litschauer-CSI  
Nick Racine-Blue Cross Blue Shield  
Ashley Perez-CSI  
Bruce Spencer-Mountain Health Co-op  
Lisa Kelly-Blue Cross Blue Shield  
Jason Lindstrom-Eide Bailly  
Jodi Daugherty-Eide Bailly

Welcome and Call to Order – Richard Miltenberger, Chair

Due to an unforeseen circumstance the business part of the meeting was postponed until 1:30. The zoom meeting was opened and anyone that dialed in was allowed into the meeting at 1:00 to meet public meeting requirements.

**1. Approval of the Minutes**

*A motion was made by Collette Hanson to approve the minutes of the May 7, 2021 meeting. The motion was seconded by Richard Miltenberger and carried.*

## **2. Audited Financial Statement Presentation**

Jodi Daugherty, from Eide Bailly, discussed the financial statement beginning with the fact these are full accrual GAAP financials where the association is showing a substantial loss due to the lag in claims payment, also known as Incurred But Not Reported, or "IBNR". Laren made the recommendation of a supplemental schedule showing that although there is a loss, when claims are paid, revenue will be shown. There is an eligibility for the revenue to be recognized and since claims are not paid it cannot be recognized until they are paid. The discussion continued but it was determined that changes to the notes will be done. Laren, Rich Daniels and Jodi Daugherty of Eide Bailly will work together and get something to the Board, and Sean Slanger will assist with a cover letter.

Jodi Daugherty then discussed some points of the audit noting first the opinion that the financials are represented fairly according to GAAP. She also noted that the 2019 numbers were not audited by Eide Bailly and that they were a Review.

She continued to discuss the footnotes with the Board, along with the schedules.

She also discussed the finding of deficiency in internal control, this is a normal deficiency that is seen in these types of programs. Mary discussed the River 9 contract and Laren responded to this deficiency and it was determined by Richard that he will work with Laren and Diane to correct this going forward.

The Board will approve the financials at a later date when the cover letter and footnote changes are completed.

## **3. Quarterly Operations report**

Laren discussed the Quarterly Operations Report for the quarter ending June 30, 2021. The discussion was brief as no claims have yet been paid. He then discussed page 4, the Statistical Information of Projected funding, and expenses for 2020/2021 and 2022. This gives the carriers a general information of what the reductions in claims payments may be.

## **4. Operational and Finance Report Status**

Laren reported that the Operational and Finance Report was delivered to CSI & EAIC on June 30th. The audited financial statements, when finalized, will be presented to CSI and EAIC by Richard in September.

## **5. Finalize Plan of Operation**

The Plan of Operation was approved at the last Board meeting and forwarded to CSI for its review. CSI identified further changes to the Plan of Operations, including incorporation of certain recommendations from the Board's payment parameters subgroup, two changes to the reinsurance statutes made in the 2021 legislative session, and technical changes.

*A motion was made by Collette Hanson to approve the redline version of the Plan of Operations. The motion was seconded by Erik Wood and carried.*

*River 9 will send the approved Plan of Operation to the CSI for review and approval. Once approved, the amended plan will be posted on the reinsurance website and set to carriers.*

**6. Annual Calendar Review**

Laren went through the Annual Calendar updating the Board on the items below among others.

**7. Update on Claims Reimbursements**

The cutoff date for claims paid was June 30<sup>th</sup>. Carriers are working on getting their claims to River 9 by August 15, River 9 held working sessions with the carriers. A meeting will be scheduled to go over the process with CSI in the near future.

**8. Update on Public Forum**

Laren noted that the Public Forum was held on May 19<sup>th</sup> and while no members of the public participated, the notes were distributed to the Board.

**9. 1332 Q2 Report**

Laren will be working with Mary and CSI on the report that is due August 31<sup>st</sup>.

Laren will be working on the Budget for 2022. Mary identified that the amended plan of Operation continues to require the Board to set a budget for the program for each policy year, but no longer requires the budget to be set by December 31.

**10. 2020 Annual Report 1332 Waiver update**

The annual 1332 report for 2020 has been accepted by CMS.

**11. Actuary RFP**

We are in need of an Actuary for the Pass-Through Report, and it has been determined that it would be best to conduct an RFP and then use the same firm for all actuary engagements. The Board members will send Laren their suggestions of actuaries to include, along with public notice, of the request for proposals.

*Motion was made by Erik Wood to have River 9 send out RFP's for Actuary services. The motion was seconded by Collette Hanson and carried.*

**12. Other Business/Legislative Updates**

No Legislative updates or other business.

**13. Public Comment**

No public comment

**14. Next Meeting Date**

Laren and Richard will discuss when a special meeting with proper notification will be required. The next quarterly meeting is scheduled for November 12, 2021.

**15. Wrap-up and adjourn.**

The meeting adjourned at 2:40.

Respectfully Submitted,

River 9 Consulting, Inc.