

BOARD MEETING MINTUES

MONTANA REINSURANCE ASSOCIATION

February 1, 2024; 11:30 a.m. to 12:30 p.m.

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

Board Members Present

- Richard Miltenberger (Mountain Health Co-op)
- Erik Wood (PacificSource)
- Tony Pfaff (Cypress Health)

Board Members Not Present

- Lisa Kelley (BCBSMT)
- Richard Daniels (Allegiance)

Others Present

- Raelynn Williams (MRA Executive Director)
- Wakely (Lydia Tolman, Julie Peper)
- Sean Slanger (Jackson, Murdo & Grant)
- Nic Ramey (Leif)
- CSI (Drew Cziok, Erin Snyder, Amber Long-Thorvilson)
- River 9 (Laren Walker and Diane Kopecky)
- BCBSMT (Nick Racine)
- Mark Florian (PacificSource)
- Eide Bailly (Jason Lindstrom, Kailey Holt)
- Clara Combs

Welcome and Call to Order – Richard Miltenberger, Chair

1. Changes to the Agenda

No changes to the agenda.

Add the discussion of the upcoming modeling/recommendation of the 2025 reinsurance parameters by Wakely. They have a proposed timeline and other materials available.

2. Approval of the Minutes

Minutes from the February meeting were approved.

A motion was made by Richard Daniels to approve the minutes. The motion was seconded by Erik Wood and carried.

3. Board Member Update

Blue Cross and Blue Shield of MT has an open seat on the Board due to Collette Hanson's retirement. BCBSMT recommended Lisa Kelley to fill that position.

A motion was made by Erik Wood to accept Lisa Kelley as the Blue Cross Representative. The motion was seconded by Richard Daniels and carried.

Ms. Kelley did not participate in the vote.

4. Operational Report

Laren Walker presented the preliminary 4th Quarter Operations Report noting that some financial information is missing since the report is under audit. At the next meeting the final 2023 financials will be reviewed. Laren noted the 12/6 draw of 33.5M was for 2022 claims and the remaining balance of 30M is available for the 2023 claims. The program was under accrued for 2022 claims in the amount of \$1.5 million. He then showed the past 3 years of claim and member statistics. It was noted that Wakely will be updating the statistical information shortly.

5. Financial Update and Statutory appropriation

- There were findings in the Legislative Audit Report. There were seven findings and recommendations. There were not any questioned costs. The findings were compliance related and did not result in any unaccounted for or misspent funds. Amber created a tracking document with recommendations and corrective actions and steps taken. Amber will forward the corrective action plan to the Board and noted that no fund or procedures were handled incorrectly, no board action is required.
- There was a change last session to move the Single Audit for the State of Montana to annual instead of biannual. Montana was one of only two or three states that still completed the Single Audit every two years.

Part of the Single Audit guidelines as to how major federal programs are determined allows for low risk Type A programs to be moved to an alternate schedule as opposed to a full audit every year. The Montana Reinsurance Program is a Type A major federal program. However, it would be a good candidate to be classified as a low risk Type A, allowing for an alternate audit schedule.

- The hope is that the audit can be moved back to every other year after there is a clean audit report.
- One of the issues noted related to the definition of a sub recipient. MRA is considered a sub recipient of the grant and any requirements of a sub recipient would apply. Drew will send the related requirements to Sean for review.

- Amber also filled the board in with the difficulties encountered with funding claims due to appropriations authority. Because this budget is internal and restricted in HB2, they had to put in a request to the budget office and have funds appropriated to 2024 instead of 2025. 2.43M from 2025 was move to 2024. The program may be short again for 2025 so a supplemental appropriation request to allow for more flexibility may be submitted. There was additional discussion regarding the statutory regulations surrounding how dollars can be paid from both the state and the federal funds.

6. Crossover Claims

- Crossover claims, where an inpatient stay crosses over to the next year, is up for discussion. The EDGE system considers a claim as a whole and recognizes it in the year of the discharge and payment. For purposes of the Plan of Operations (PoO), the MRA slices off those claims that fall in the next year because the PoO states claims are restricted to the benefit year. Erin and Drew have done some research and the MRA does not have the ability to follow the EDGE methodology since the PoO is based on statute. Statutorily, we are not allowed to consider claims that do not fall under the benefit year.
- The group had a robust discussion regarding the possible approaches and concluded further investigation is warranted. Richard believes a committee is the best option to research and present a recommendation at the next board meeting. Richard will be appointing a committee.

A motion to explore the changes to the statute was made by Erik Wood. Motion was not addressed since a committee will be established.

7. Procurement Policy

Sean will be sending out the procurement policy and it will be presented for adoption at the next meeting. Laren noted that the lack of a procurement policy was a finding in last year's single audit and will probably be again this year.

8. 1332 Waiver Renewal

Drew discussed the specific requirements for the Waiver Extension Application with CMS. There are 6 items included on the list which was provided in the binder. Drew walked through each requirement and the group engaged in a rich discussion surrounding the requirements. Lydia Tolman noted that Wakely can provide what is needed for the actuarial components under a new SOW. Drew noted that requirements 5 and 6 will require more information and planning and CSI will ensure these steps are completed.

Drew will continue working on this extension and keep the Board informed.

9. 2025 Reinsurance Parameters

Lydia provided the timeline for the 2025 reinsurance parameters. Her timeline is: 2/16 data request, return on 3/15, a draft by 4/5 with the discussion at the April Board meeting. Wakely noted they may have additional data requests this time related to Medicaid redeterminations and high-cost drugs.

10. Other Business/Legislative Updates

No other updates

11. Public Comment

No public comment

12. Next Meeting Date

The next quarterly meeting will be determined via email.

13. Wrap-up and adjourn.

The meeting adjourned at 12:55 p.m.