

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

April 23, 2024; 11:00 a.m. to 12:00 p.m.

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

**Board Members Present**

- Richard Miltenberger (Mountain Health Co-op)
- Erik Wood (PacificSource) Left early
- Tony Pfaff (Cypress Health)
- Lisa Kelley (BCBSMT) Left early

**Board Members Not Present**

- Richard Daniels (Allegiance)

**Others Present**

- Raelynn Williams (MRA Executive Director)
- Wakely (Lydia Tolman, Julie Peper)
- Sean Slinger (Jackson, Murdo & Grant)
- CSI (Drew Cziok, Erin Snyder, Amber Thorvilson)
- River 9 (Laren Walker and Diane Kopecky)
- BCBSMT (Nick Racine)
- Eide Bailly (Jason Lindstrom, Kailey Holt)
- Clara Combs (PacificSource)
- Bruce Spencer (Mountain Health Co-op, Spencer Law Offices)
- Kyla Johnson (Powell County Medical Foundation)

**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 1st meeting, with the change to the last sentence in #6 to say claims do not fall under the benefit year, were approved.

*A motion was made by Tony Pfaff to approve the minutes. The motion was seconded by Erik Wood and carried.*

### **3. Audited Financial Statements**

Jason Lindstrom from Eide Bailly presented the Draft of the Audited Financial Statements for the Board review. He first introduced Kailey Holt, who will present the results of the 1332 Single Audit.

Jason discussed the opinion letter which is consistent with what they presented last year, they intend to issue a modified or clean opinion in accordance with GAAP. There were no audit adjustments needed, and the financials are free of material misstatements. He reiterated that these are for the Association, not the State of Montana. On the statement of Net Position, he noted that the bulk of the balance is IBNR. This is an estimate that will be increased by approximately 500K as Wakely provided an update prior to the meeting. There will also be a net deficit just as in previous years. This deficit is due to revenue being recognized when cash is received so there is always a timing difference. Jason noted that expenses are consistent year over year and moved to the footnote disclosures. Note 3 addresses the IBNR, the most significant number on the financials. Attention was called to the unfavorable change since this year's claims were in excess of last year's estimate.

The statistical information page, although not audited, does provide good information on the status of the program. There will be some adjustments to this page as a result of updated information from Wakely.

Kailey Holt then reported on internal controls, there is a significant deficiency this year as well as prior years since Eide Bailly is preparing the financial statements. This is a required disclosure.

The single audit also has a reportable finding related to internal controls which is on the low end of severity. The finding is related to the compliance area of cash management. This finding was due to a lag in the releasing of funds to the carriers. Procedures will be updated to ensure this timing difference will not happen again.

*A motion was made by Erik Wood to accept the draft of the audited Financial Statement with the updated IBNR from Wakely. The motion was seconded by Lisa Kelley and carried.*

#### **4. Board Member update**

Richard Daniels has been a Board member since the early stages of the inception of the Association. He is retiring from Allegiance April 1st. Allegiance is recruiting for a new CFO and Richard's replacement will likely act as the new board member.

#### **5. Election of the Board Chair**

Opportunity to serve as the Board Chair, Secretary/Treasurer.

Richard notes that he will be retiring within the next 12 months but will serve until he retires.

*Tony Pfaff made a motion that Richard Miltenberger continue as Chairman of the Board and Erik Wood will act as Secretary/Treasurer. This was seconded by Lisa Kelley and carried.*

#### **6. Operational Report**

Laren Walker presented the 1st Quarter 2024 Operations Report. Since there are no claims payments at this time, there is not much information that has not been reported in the audited financials. He pointed out Note 4 which shows the grant funds showing there is still \$30,048,012 remaining. This is only from the federal funds and does not include the state funds. CMS does not have the estimated Pass-through funding as of yet, they are hoping it will be shortly.

#### **7. Financial Update and Statutory appropriation**

Amber Thorvilson noted that in the next legislative session CSI will very likely have to submit a supplemental appropriation request for the claims payment due in December 2024 for Plan Year 2023 claims. There are two separate and distinct appropriations, one for the state special revenue fund, which holds the 1.2% assessment funds, and one for the federal special revenue fund, which relates to the 1332 waiver federal grant funds. While the appropriation authority combined would be enough, the two funding sources must be treated separately. The CSI feels there will likely not be enough authority in the state special revenue fund. If the authority is not enough for distribution in December, CSI will process as much as possible based on the remaining appropriation authority available, and will submit the request for the additional authority needed to the 2025 legislature. CSI is very confident the request will be approved. The remaining payment would be made upon approval by the legislature, likely in late February or March. In addition, CSI is working to hopefully change the state special revenue fund appropriation to a statutory appropriation instead of being within HB 2, allowing more flexibility in requesting needed budget amendments. CSI will also request a larger increase in HB 2 authority for the next biennium in case the statutory appropriation change is not

approved. The CSI intends to address this issue this next session and believes there will be adequate authority going forward and this will not be a problem.

**8. Parameters for 2025/2025 Budget**

Lydia Tolman skipped over 2023 and moved to 2024. She noted that enrollment is much higher than projected due to Medicaid Redetermination enrollment. The federal pass-through funding should come in slightly higher than predicted. So, they feel there should not be a shortfall. She proceeded to go over historical and recommended Parameter Options for 2025. Richard Miltenberger opened the discussion to the Board members for setting the 2025 parameters at 91,000.

Nick Racine would like time to review this internally, so he requested no motion be made today. He requested a special meeting to be held the second week of May, date to be determined via email.

**9. 1332 Waiver Renewal**

Lydia Tolman discussed the waiver extension analysis for the extension with the Best parameters. If a different choice is picked they will update the report for the extension.

Drew Cziok requested feedback on the preliminary report that is included in the binder. He did ask carriers to please submit any letters of support, they were helpful in the past.

A motion will be addressed at the special meeting the second week of May, date to be determined via email.

**10. Procurement Policy**

Due to no longer having a quorum this has been tabled.

**11. Crossover Claims**

Due to no longer having a quorum this has been tabled.

**12. Upcoming RFP's**

Due to no longer having a quorum this has been tabled.

**13. Public Comment**

No public comment

**14. Next Meeting Date**

The next quarterly meeting will be determined via email.

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

The meeting was adjourned at 12:35 p.m.