

BOARD MEETING MINUTES
MONTANA REINSURANCE ASSOCIATION

October 9, 2024; 11:00 to 12:30 p.m.

Via Zoom: (309) 205 3325, Meeting ID: 883 7837 4275, Passcode: 378008

<https://us06web.zoom.us/j/88378374275?pwd=A6MJXjurZMk2vwU5Zrbo3Op9X7v2wt.1>

Board Members Present

- Richard Miltenberger (Mountain Health Co-op)
- Erik Wood (PacificSource)
- Lisa Kelley (BCBSMT)
- Beau Larson (Allegiance/Cigna)

Board Members Not Present

- Tony Pfaff (Cypress Health)

Others Present

- Raelynn Williams (MRA Executive Director)
- Dave Sedlock (MRA Director of IT Operations)
- Wakely (Lydia Tolman, Michael Cohen)
- Sean Slanger (Jackson, Murdo & Grant)
- CSI (Ashley Perez, Amber Thorvilson)
- Nic Ramey (Leif)
- River 9 (Laren Walker and Diane Kopecky)
- BCBSMT (Drew Cziok, Jay Hashop)
- Clara Combs (PacificSource)
- Bruce Spencer (Mountain Health Co-op, Spencer Law Offices)

Welcome and Call to Order – Richard Miltenberger, Chair, 11:04 am

1. Changes to the Agenda

No changes to the agenda.

2. Approval of the Minutes

Minutes from the May 07, 2024, meeting were approved.

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

3. Board member update

Richard introduced Beau Larson, CFO of Allegiance, as the new board member who is replacing Rich Daniels.

4. MRA Employee Update

Richard introduced Dave Sedlock as the new IT Director. Sean and Richard noted that Raelynn works for Express Scripts, a Cigna company, and Dave Sedlock works for BCBSMT. It was noted that there could be the appearance of a conflicts-of-interest, and this was notification of such to the Board.

No concerns were raised by the Board.

5. River 9 Transition Announcement

Richard thanked River 9, Diane, and Laren for their support. He thanked them for getting MRA off the ground and running the program smoothly since its inception, acknowledging the great work done by River 9, especially during the transition. Laren likewise thanked the MRA for the great work they are doing and noted River 9 will work through the 2024 audit even though their contract is officially ending the end of October.

6. Operational Report

Laren Walker presented the 3rd Quarter 2024 Operations Report. Claims payable in the amount of 38,315,404 reflects the recently processed claims for calendar year 2023. It was also noted that the 2023 claims are currently being audited by the CSI. Laren further noted that the remaining IBNR is reflected as a negative as the actual claims payable are slightly higher than the original estimated IBNR. Finally, the negative 38M fund balance will be offset from state and federal funds which will be drawn at the time of the claims settlement. The claim settlement is scheduled to be paid by the end of October before the end of the River 9 contract.

7. Financial Update and Statutory Appropriations & Claim Settlement Update

Amber noted that they will have to do a supplemental appropriations request with the upcoming legislature as the current appropriations authority is 3.5M short. Amber has drafted a memo that is due to the governor's office and does not anticipate any issues with the legislature because the funds are available. If approved, it is anticipated that the remaining funds will be distributed in late February or early March.

The current shortfall will be allocated amongst the carriers based upon the percentage of total funds that will be distributed. The Board would like to have the distribution done by October 25th before the River 9 contract ends. Richard mentioned a possible contract extension should be considered, if needed.

Sean suggested a resolution to address the possible contract extension.
Raelynn suggested a resolution to approve the claim settlement amount.

A resolution was made to pay up to the amount of Claims Payable less the proportional amount pending legislative approval.

Erik Wood made the motion to approve, and Lisa Kelley seconded the motion. There was no discussion or questions.

A motion was made that at the discretion of the Chairman, the River 9 contract can be extended for one month upon mutual agreement of the parties.

Erik Wood made the motion to approve, and Lisa Kelley seconded the motion. There was no discussion or questions.

8. Pass-Through Draft Report – Wakely

This is an unusual year in that Medicaid expansion is set to expire in June 2025 and all carriers assumed Medicaid would be extended. Michael Cohen suggested that estimates should be developed assuming the law will expire. Wakely prepared estimates under both scenarios and can prepare the Pass-Through reports under both scenarios. It was noted that under both scenarios they are seeing more funding available than originally expected when setting the parameters. Sean suggested that MRA start a conversation right away with CMS.

Lisa Kelley made the motion to prepare the Pass-Through report assuming Medicaid expansion will not continue and to reach out to CMS as soon as practical for guidance. Beau Larson seconded the motion. There was no discussion or questions.

9. River 9 to MRA Transition Overview

The CSI requested policies and procedures and noted that Cyber Security and Conflict of Interest policies are the most important. Richard noted that we will be analyzing the need for Cyber Security Insurance and will bring this topic back to the next board meeting. RaeLynn noted that we will be sharing the conflict-of-interest policy with the CSI to review prior to the employees signing their individual forms. Once signed, the individual conflict-of-interest policies will be reviewed by the board.

Laren also noted that they will need to be removed from the bank account prior to the termination of the River 9 contract October 31st.

10. Plan of Operations Updates

RaeLynn covered the three changes to the Plan of Operations that were outlined in the board packet and noted that we will be making additional adjustments at the next board meeting to reflect the change in administrator.

Lisa Kelley made the motion to accept the changes. Erik Wood seconded the motion. There was no discussion or questions.

11. Update on 1332 Waiver Renewal

Amber noted that we received approval from CMS for the MRA 1332 waiver renewal and the Commissioner signed the updated STC. She thanked all who were involved in the renewal. All paperwork will be finalized next week as it is due October 17th.

12. Public Comments

No comments

13. Wrap-up and adjourn

Richard noted that he will eventually be rolling off the Board. He believes Jacalyn Boyle will take his place. He also noted that a new Chair will need to be named with his departure.

Beau Larson made a motion to adjourn the meeting at 12:08 p.m.