

BOARD MEETING MINUTES
MONTANA REINSURANCE ASSOCIATION

December 20, 2024; 1:00 to 2:00 MT

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)
- Andrew (Drew) Cziok (BCBSMT)
- Tony Pfaff (Cypress Health)

Board Members Not Present

- Beau Larson (Allegiance/Cigna)

Others Present

- Raelynn Williams (MRA Executive Director)
- Dave Sedlock (MRA Director of IT Operations)
- Sean Slanger (Jackson, Murdo & Grant)
- CSI (Mary Belcher, Erin Snyder, Karen Pocha-Melby, Amber Thorvilson)
- BCBSMT (Jay Hashop)
- Bruce Spencer (Mountain Health Co-op, Spencer Law Offices)
- Blair Fjeseth (Mountain Health Co-op)

Welcome and Call to Order – Richard Miltenberger, Chair, 1:04 pm

1. Changes to the Agenda

- The Plan of Operations updates were removed as the CSI is still reviewing the recommended changes.
- Appointment of a Board Chair was added to the agenda.

2. Approval of the Minutes

Minutes from the October 09th, 2024, meeting were approved.

A motion was made by Drew Cziok to approve the minutes. The motion was seconded by Tony Pfaff and carried.

3. Board member update

Richard announced that Drew Cziok will be the new BCBSMT board member replacing Lisa Kelley. He also announced that this will be his last board meeting as he is moving on to a new opportunity. Blair Fjeseth will be replacing Richard as the Mountain Health Co-op board member.

4. Audit and Actuarial RFP Responses

RaeLynn notified the Board that Eide Bailly was the only firm to respond to the RFP for Audit services despite it being widely distributed. Eide Bailly's costs are in line with previous years and the MRA has had excellent experience with this firm in the past.

Erik Wood made a motion to approve moving forward with Eide Bailly as the MRA audit firm and Drew Cziok seconded the motion. There was no discussion or questions raised.

RaeLynn provided an overview of the numerous actuarial responses received and highlighted the 1332 experience and costs associated with each bidder. Various board members and the CSI shared their respective experience with the bidders and agreed the Chairman should appoint a committee to further evaluate the bidders and bring forth a recommendation, fully documenting how the bidders meet the RFP requirements, and which firm is being recommended along with the rationale for the recommendation. It is recommended that actuarial representatives from each carrier be included in the appointed committee.

Drew will take the lead on this effort as the new Board Chair.

5. Legal Support Update

As of January 6th, Sean Slanger will be leaving Jackson Murdo and Grant and will be joining BCBSMT as their General Counsel. Jacqueline Lenmark, also of Jackson Murdo and Grant, will be stepping in to support the MRA with additional support from Greg Gould, as needed. The Board wishes to thank Sean for his excellent services since the inception of the MRA.

RaeLynn will send a note to the board with the terms of the current legal contract with Jackson Murdo and Grant and when the next RFP will be initiated.

6. Claim Settlement Status Update

Richard notified the Board that the MRA has fully transitioned from River 9 and reminded attendees of RaeLynn's role as Executive Director and Dave's role as the Director of IT Operations. Richard would once again like to thank River 9 for their great work and support of the MRA.

Raelynn gave an update on the Claims settlement and notified the Board that the claim settlement amounts were paid to carriers except for \$3.5M due to the lack of appropriations authority. Erin noted that the actual settlement will be 38,489,801 which is slightly higher than the original estimate. Erin explained that the additional funds were for claims from two carriers that did not make it in the original settlement. It was further noted that Richard approved the additional settlement amount prior to the distribution of funds.

Drew Cziok made the motion to retroactively approve the additional settlement amount. Eric Wood seconded the motion, noting that the total amount will be 38,489,801.

There was no discussion or questions raised.

7. Plan of Operations Updates

Erin noted that with the waiver extension approval by CMS, there are updated Specific Terms and Conditions (STCs) that need to be incorporated into the plan of operations. Sean also noted that changes are needed due to the statute about how the administrator is compensated. These updates are currently being made to the Plan and will be brought to the next board meeting.

8. Personnel / HR Matters

Sean noted that the meeting could be closed to the public. The statute allows the presiding officer to close the meeting related to privacy. This statute depends on how detailed the discussion is. Raelynn agreed to leave the meeting open as the topic will be related to her compensation.

Richard noted that Raelynn has been putting in a lot of hard work and taking on additional responsibilities with the transition from River 9, moving into a management role. Raelynn has taken ownership of the administration of the program and is performing a higher level of work. She is requesting a set monthly salary and Richard is recommending a bonus based on the significant work involved in the successful transition from River 9.

The CSI noted that due to the Federal Grant, there are regulations that the amount paid to employees should be fair and reasonable. It was also noted that there must be a documented process to evaluate bonuses. Drew suggested getting a legal opinion from Jackson Murdo and Grant on what is required from a legal perspective. Amber will provide the Board with a link to the site with the related regulations. Based on the outcome of the legal opinion, the Board may hire an HR firm to ensure compliance. This analysis should be done before January 31st when the audit begins.

9. Appointment of Board Chair

Richard noted that he will be tendering his resignation at the end of the meeting and asked the group for volunteers to replace him as Chair. Tony Pfaff nominated Drew as he feels he personally is the least knowledgeable about the program. Drew noted that he is willing to accept the position of Chairman. It was further noted that adjustments to the bank accounts to remove Richard Miltenberger as signor and add Drew Cziok will be needed.

Tony Pfaff took a moment to acknowledge all the contributions Richard made to the program. All Board members and the CSI expressed their sincere appreciation.

Richard made the motion to nominate Drew Cziok as the Chairman of the Board and seconded the motion.

There was no further input.

10. Public Comments

No comments

11. Wrap-up and adjourn

Eric Wood and Blair Fjeseth left the meeting at 2pm

Richard Miltenberger made the motion to adjourn the meeting at 2:12pm and Drew Cziok seconded the motion.