**BOARD MEETING MINUTES**

**montana reinsurance Association**

February 28th, 2025; 11:00 to 12:00 MT

Virtual Meeting

**Board Members Present**

* Blair Fjeseth (Mountain Health Co-op)
* Erik Wood (PacificSource)
* Andrew (Drew) Cziok (BCBSMT)
* Tony Pfaff (Cypress Health)
* Beau Larson (Allegiance/Cigna)

**Board Members Not Present**

* None

**Others Present**

* Raelynn Williams (MRA Executive Director)
* Dave Sedlock (MRA Director of IT Operations)
* CSI (Erin Snyder, Karen Pocha-Melby, Amber Thorvilson, Kate Ellis, Ashley Perez)
* Courtney Ehlert (BCBSMT)
* Clara Comes (PacificSource)
* Bruce Spencer (Mountain Health Co-op, Spencer Law Offices)
* Tony Pritchett (Mountain Health Co-op)

1. **Welcome and Call to Order – Drew Cziok, Chair, 11:08 am**

1. **Changes to the Agenda**

No changes were noted

1. **Approval of the Minutes**

Minutes from December 20th, 2024, meeting were approved.

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

1. **Letter of CSI Concerns**

Drew informed the Board that he received a letter from the CSI noting some concerns related to the MRA’s compliance with federal grant rules along with some aggressive timelines for resolution. There are some technical requirements we need to follow where there is opportunity to shore up policies to make sure we are compliant with the federal regulation. There are not necessarily concerns with non-compliance, but policies are needed. Drew gave a recap of the major components of the letter noting that we need to work with an attorney to bring the MRA into compliance. Erik noted a sense of urgency from the letter and Drew noted he is committed to move as quickly as possible on this as soon as an attorney is under contract. Drew also noted that he will be seeking an extension from the CSI.

1. **Legal Support**

BCBSMT hired MRA’s previous attorney, Sean Slanger, leaving the MRA without legal counsel. In the meantime, the MRA has been using the exception in the procurement policy for some small legal spending on an ad hoc basis with a local attorney. The support needed for the resolution of the CSI’s concerns will be a larger set of expenses that would fall under our limited solicitation policy within the procurement policy.

We have sent out solicitations but have yet to receive any responses. Drew is hoping to bring proposals to the Board in the next few weeks for a vote.

1. **Actuarial Contract**

The MRA did an RFP for actuarial services and there were potential issues with the procurement policy and the RFP that could have left the MRA open to having their decision contested and a delay in the services needed. We went back and looked at our contract with Wakely and we were able extend our contract. We think this is the fastest and most compliant way to address actuarial services.

*A motion was made by Tony Pfaff to extend the Wakely contract under the same terms as last year. The motion was seconded by Beau Larson and carried.*

1. **Financial Update and Statutory Appropriation**

Amber shared that House bill 3 with the supplemental appropriations passed the House and went over to the Senate with a hearing last week with very few questions asked. It appears that it passed through the Senate Finance and Claims committees and is moving slower than we thought it would. We will get the remaining payments out to the carriers as soon as it is signed.

The CSI also put forth a bill to move it to a statutory appropriation in the future (HB 281). CSI also requested a larger appropriation in HB2 in case this bill does not pass. If HB 281 passes, the HB 2 authority will be removed.

1. **Draft Operational Report**

RaeLynn provided an overview of the draft 2024 year-end operational report and noted that the large IBNR adjustment will be provided by Wakely in the next few months. RaeLynn walked through the balance sheet details and noted that unlike previous years there is a claims payable amount due to the appropriations shortage. The remaining pages were reviewed along with an explanation of the footnotes.

Amber asked for clarification regarding the state funding amount of 7.5M on page 8 as it seems lower than it should be. RaeLynn clarified that page 8 reflects earned revenue, not collected funding.

1. **Open Forum**

Erik asked if there were any concerns with the recent news of federal government funding cutbacks. Drew is anxious about this considering many federal departments are losing staffing and funding but noted that there is a lot of advocacy going on. Drew will continue to share anything he is hearing. Erik also asked if we know what the impact to premium would be? Erin noted it is 9.5-10% historically.

Amber noted that the CSI applied for another grant and that grant was cancelled and the CSI is also watching this closely noting that we would still have state funds but that is small in comparison to federal funds.

Drew also noted that Medicaid expansion is expected to move forward and HB245 would remove the sunset. In MT we also have a trigger law which states that if the cost share changes between state and federal then Medicaid expansion is repealed. The Administration is looking to save money and if it changes the cost sharing it repeals Medicaid expansion in MT. Legislators are aware of this and there is no bill to directly address this in MT right now.

Erin also noted in this section that our last passthrough report assumed the sunsetting of Medicaid expansion so we will need to approach CMS about this.

1. **Public Comment**

No public comments

1. **Wrap-up and adjourn**

*Drew Cziok* *adjourned the meeting at 11:42 am.*