

**BOARD MEETING MINUTES**  
**MONTANA REINSURANCE ASSOCIATION**

April 22<sup>nd</sup>, 2025; 9:00 to 10:00 MST  
Virtual Meeting

**Board Members Present**

- Andrew (Drew) Cziok (BCBSMT)
- Beau Larson (Allegiance/Cigna)
- Erik Wood (PacificSource)

**Board Members Not Present**

- Tony Pfaff (Cypress Health)
- Blair (Mountain Health Co-op)

**Others Present**

- Raelynn Williams (MRA Executive Director)
- Dave Sedlock (MRA Director of IT Operations)
- PacificSource (Clara Comes, Benjamin Shea)
- BCBSMT (Courtney Ehlert)
- Eide Bailly (Jason Lindstrom, Kailey Holt)
- Wakely (Lydia Tolman, Jenna Hegemann)
- Nic Ramey (Leif)
- CSI (Erin Snyder, Amber Thorvilson, Mark Mattioli, Ashley Perez)
- Stefan Wall (Wall, McClean & Gallagher, PLLC)
- Bruce Spencer (Mountain Health Co-op, Spencer Law Offices)

**1. Welcome and Call to Order - Drew Cziok, Chair, 9:07 am**

**2. Changes to the Agenda**

No changes were noted

**3. Approval of February 28<sup>th</sup> and March 21<sup>st</sup> Minutes**

No changes were noted

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

#### **4. Audited Financial Statements**

Jason Lindstrom from Eide Bailly reviewed the independent auditors report and noted that it looks similar to last year's report. Eide Bailly will be issuing an unqualified opinion on the financial statements. It was also noted that similar to organizations of similar size, Management has elected to omit the MDNA and ultimately that does not affect the audit opinion on the financial statements.

Jason then reviewed the financial statements and called out the sizable increase in IBNR and the claims payable amount reflecting claims eligible for reimbursement but unpaid due to a lack of appropriations authority. He also noted that there is a new line this year for salaries and wages as River 9's contract has terminated. He concluded with a review of footnote 3 that highlights the unfavorable development in IBNR of \$592K, reflecting underestimated claims from the prior year.

#### **5. Single Audit**

Kailey Holt provided a summary of the Single Audit noting one repeat deficiency which is standard for an entity of this size, and that is that Eide Bailly prepared the financials. She also noted that there is a clean 1332 waiver compliance report and the MRA is maintaining their low-risk auditee status due to two years of clean audits.

#### **6. Recast of Reinsurance Recoveries 2024/2025**

2024 claims came in really high and were much higher than initially expected. Wakely provided a memo explaining the miss in estimates which is attached to the board binder. The main cause of the miss was due to a bigger increase in enrollment than expected, likely due to the large Medicaid disenrollment and a deterioration in claims across the board with a statewide MLR for 2024 of 96% compared to the expected MLR of 88%.

#### **7. Parameters for 2026/2026 Budget**

Wakely provided an overview of projections for 2024 and 2025 with an expected shortfall of 7.7M for 2024 requiring a 13% reduction in payment and a shortfall of 10.5M for 2025 which would require a 15% reduction in payment. If pass-through funding comes in higher, these numbers will be updated and it would mean smaller deficits.

There is still some uncertainty based on ARP status. If ARP continues there will be stable parameters and funding. If ARP ends it will result in reduced subsidies, higher premiums and less federal support. Additionally, the Marketplace Integrity Rule could reduce future pass-throughs due to lower enrollment in subsidy-eligible populations.

Wakely then provided an overview of possible scenarios for the 2026 parameters and the Board determined that they would like to see the pass-through funding before setting the 2026 parameters to ensure the parameters are as accurate as possible. It was decided that another board meeting would be called as soon as the funding is received.

**8. Financial Update and Statutory Appropriation**

Payments to carriers for the remaining reinsurance payments are underway.

The appropriations bill is expected to pass. They amended the bill to add a sunset date and that will be the date of the waiver extension end date. If we renew the waiver again, we will need to go back to the legislature in 2029 for a similar extension.

The CSI has legislative auditors onsite and Amber has provided them with all the information they need.

**9. Open Forum**

Drew noted that we have lawyers working on the policy items right now and we hope to have policies ready for the auditors. The compliance supplement that Amber provided last year is proving very helpful for the attorney's to create the policies.

**10. Public Comments**

No public comments

**11. Wrap-up and Adjourn**

Meeting adjourned at 9:51 am