

Section 1332 of the Patient Protection and Affordable Care Act (PPACA)

State Innovation Waivers – Reinsurance Waiver Quarterly Report

Reporting Instructions: Use the following template to capture data for quarterly 1332 waiver grant reporting, as specified in 45 CFR 155.1324(a), and referenced in your grant specific terms and conditions (STC). Quarterly reports are due 60 days following the end of each calendar quarter.

STATE:

A. GRANTEE INFORMATION			
1. Reporting Period End Date 3/31/2025		2. Report Due Date 5/30/2025	
3. 1st Quarterly Report <input checked="" type="radio"/>	2nd Quarterly Report <input type="radio"/>	3rd Quarterly Report <input type="radio"/>	4. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight (CCIIO)
5. Federal Grant Number Assigned by Federal Agency SIWIW200014		6a. DUNS Number 082406534	6b. EIN 81-0302402
7. Recipient Organization Name Montana State Auditor, Commissioner of Securities and Insurance			
Address Line 1 840 Helena Avenue			
Address Line 2			
Address Line 3			
City Helena		State MT	Zip Code 59601
Zip Extension		8. Grant Period Start Date January 1, 2020	
9. Grant Period End Date December 31, 2029			
10. Other Attachments (attach other documents as needed or as instructed by the awarding Federal agency) Montana Reinsurance Program Quarterly Operational Report as of 3/31/2025			

Section 1332 of the Patient Protection and Affordable Care Act (PPACA) State Innovation Waivers – Reinsurance Waiver Quarterly Report

B. REPORT CERTIFICATION	
11. Certification: I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purposes set forth in the award documents.	
11a. Typed or printed name and title of Authorized Certifying Official Mark Mattioli, Interim Chief Legal Counsel	11b. Signature of Authorized Certifying Official
11c. Telephone (area code, number, and extension) (406) 444-2406	11d. E-mail address Mark.Mattioli@mt.gov
11e. Date report submitted (month/day/year) 05/29/2025	
C. PROGRESS OF SECTION 1332 WAIVER - General	
<p>12. Provide an update on progress made in implementing and/or operating the approved 1332 waiver.</p> <p>(1) Operational Expenses - All 2025 operational expenses have been paid from draws on the federal grant. Please refer to attached Quarterly Operational Report for details.</p> <p>Eligible carriers must submit their reimbursement requests for the 2024 benefit year by August 15, 2025. After careful review of those submissions, reimbursement for claims will be paid in the fourth quarter using a combination of state funds and federal grant funds.</p> <p>(2) Updates to the Plan of Operation - There were no changes to the Plan of Operations during first quarter 2025. Updates to the Plan of Operation are expected to be included in the second quarter report. The Montana Reinsurance Board did approve 2026 reinsurance parameters at a May 28, 2025 board meeting. The 2026 parameters will be added to the Plan of Operations as follows:</p> <ul style="list-style-type: none"> * Attachment point: \$40,000 * Reinsurance cap: \$75,000 * Coinsurance: 60% <p>(3) Update to 2024 BY Reinsurance Claims Estimates - At an April 22, 2025 MRA Board of Directors meeting, its appointed actuary, Wakely, notified the Board of a material change in the expected amount of 2024 BY reinsurance claims from \$51,974,780 to \$58,350,089. This is a 12.27% increase in expected reinsurance payments, which Wakely actuaries believe is due to higher than expected Medicaid disenrollments and higher than anticipated 2024 medical loss ratios. As a result, CSI and the Board are</p>	

Section 1332 of the Patient Protection and Affordable Care Act (PPACA) State Innovation Waivers – Reinsurance Waiver Quarterly Report

expecting an estimated \$4.8 million funding shortfall for 2024 BY reinsurance payments and 2025 administrative expenses. Reinsurance payments for BY 2024 will be reduced by a prorata amount, if necessary, based on funding available.

(4) Cost Containment - The Office of the State Auditor (SAO) requires health insurers doing business in Montana to file an annual report disclosing their utilization review plan and activities. This report is due March 1st of each year. A summary of the agency's review of the filed reports was provided in the annual report filed March 28, 2025.

(5) Montana Legislative Updates: Two actions were taken by the 2025 Montana Legislature that favorably impact the Montana Reinsurance Program. **(1) Approval of supplemental budget request:** As noted in the 2024 annual report, due to a biannual statutory appropriation limit, payment for 2023 reinsurance claims was short by \$3,506,676. The 2025 Legislature and Governor Gianforte approved a supplemental budget request for this same amount. **(2) Approval of request to move to a statutory appropriation method (MT HB 281):** The Legislature and Governor Gianforte approved CSI to move to a statutory appropriation method with regards to the association member assessments, the state funding used in the administration of the Section 1332 Waiver Grant. This appropriation type allows the CSI more flexibility in requesting additional spending authority, mitigating future delays in payment due to appropriation shortfalls.

(6) CSI Staffing Changes - CSI said good-bye to Kate Ellis, CSI's Interim Chief Legal Counsel and designated contact for the Section 1332 Waiver. Mark Mattioli has replaced Kate as Interim Chief Legal Counsel and as designated contact for the Section 1332 Waiver Program. Required notifications have been made to CMS.

13. Describe any implementation and/or operational challenges, including plans for and results of associated corrective actions. After the first quarter, only report on changes and/or updates, as appropriate.

The Montana Reinsurance Association has not faced implementation or operational challenges in Q1 2025.

Section 1332 of the Patient Protection and Affordable Care Act (PPACA) State Innovation Waivers – Reinsurance Waiver Quarterly Report

D. POST-AWARD FORUM <i>(for Quarter Post-Award Forum was held)</i>	
14. Was the date, time, and location of the Post-Award Forum advertised 30 days in advance?	<input type="radio"/> Yes <input checked="" type="radio"/> No
15. State website address where Post-Award Forum was advertised	not applicable
16. Date Post-Award Forum took place	The post-award forum will be scheduled within 60 days of the 2025 Notice of Award.
17. Summary of Post-Award Forum, held in accordance with §155.1320(c), including all public comments received and actions taken in response to concerns or comments.	SAO and MRA have not yet received this year's notice of award, but will schedule the post-award forum when that is received. The Non-Competing Continuing Application was submitted through GrantSolutions per the Departments' new policy on April 29, 2024.
18. Other Attachments (attach other documents as needed pertaining to Post-Award Form	