

BOARD MEETING MINUTES
MONTANA REINSURANCE ASSOCIATION

May 28th, 2025; 2:30-3:30 MST

Virtual Meeting

Board Members Present

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

Board Members Not Present

- None

Others Present

- Raelynn Williams (MRA Executive Director)
- Dave Sedlock (MRA Director of IT Operations)
- BCBSMT (Courtney Ehlert, Kate Elli, Suzanne Trainor)
- Bruce Spencer (Mountain Health Co-op, Spencer Law Offices)
- Wakely (Lydia Tolman, Jenna Hegemann)
- Nic Ramey (Leif)
- CSI (Erin Snyder, Amber Long-Thorvilson, Mark Mattioli, Ashley Perez, Karen Pocha-Melba)
- Troy Pritchett (Mountain Health Co-op)
- Clara Comes (PacificSource)

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 28th and March 21st 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. First Quarter Operational Report

RaeLynn provided an overview of the first quarter operational report noting activity during January–March 2025 was limited. The financials remained stable with cash consistent year-over-year. Accounts receivable reflected pending funding and bank fees; claims payable included a \$58M IBNR adjustment carried forward from the 2024 audit. Expenses were primarily professional and administrative in nature, with a reduction in comparison to 2024 due to the end of River 9's administrative contract.

5. Recast of Reinsurance Recoveries 2024/2025

Lydia provided an update on 2025 pass-through funding. Funding from CMS was higher than projected, reducing the expected payment decrement from 15% to 7%. 2024–25 shortfalls were largely due to higher-than-expected enrollment following Medicaid disenrollment.

6. Parameters for 2026/2026 Budget

Lydia continued with a Federal policy discussions including the possible end of ARP subsidies and funding for CSRs.

2026 scenarios modeled:

- Best scenario: ARP subsidies discontinued, CSRs funded.
- Low scenario: Both unfunded.

Factors influencing projections included APTC changes, silver loading, and potential enrollment losses.

Key risks: Legislative uncertainty, shifting enrollment, and claims volatility.

Board discussion reflected consensus toward a conservative approach assuming lower enrollment. Board Chair, Drew Cziok noted his company's actuarial guidance supported adopting Wakely's 'best' scenario, but members favored the low-enrollment option.

A motion was made to adopt the low (more conservative) scenario for the 2026 parameters, setting the reinsurance cap at \$75,000 with the 40K attachment point and 60% coinsurance rate. Board Chair Drew Cziok opposed, and all other board members approved. Motion carried.

7. Plan of Operations

Drew Cziok reviewed the proposed changes to the Plan of Operations including clarification of required reporting to be in compliance with the specific terms and conditions, clarification of the CSI and MRA roles in grant management, updates to reflect the internal administration of the MRA, minor grammatical edits and the addition of the 2026 parameters to reflect the \$75,000 reinsurance cap.

A motion was made by Beau Larson to adopt the updated Plan of Operations, second by Blair Fjeseth. All board members approved unanimously.

8. Financial Update and Statutory Appropriation

Amber shared that House Bill 281 passed and was signed by the Governor on May 12, 2025, implementing a statutory appropriation for the reinsurance fund. A sunset clause was added, effective December 2029, which coincides with the end of the current grant. Budget setup is underway, ensuring stable access to state funding for future claim distributions.

9. Open Forum

No discussion

10. Public Comments

No public comments

11. Wrap-up and Adjourn

Meeting adjourned at 3:25 pm