

BOARD MEETING MINUTES
MONTANA REINSURANCE ASSOCIATION
May 29th, 2026, 11:00 a.m. MST
Virtual Meeting

Board Members Present

- Stephen Tahta, MD (Allegiance/Cigna)
- Blair Fjeseth (Mountain Health Co-op)
- Erik Wood (PacificSource)
- Tony Pfaff (Cypress Health)
- Kate Ellis (BCSBMT)

Board Members Not Present

- None

Others Present

- Raelynn Williams (MRA Executive Director)
- Dave Sedlock (MRA Director of IT Operations)
- Jay Hashop (BCSBMT)
- CSI (Erin Snyder, Amber Long-Thorvilson, Ashley Perez, Molly VandeVoort)
- Mark Walters (Mountain Health Co-op)
- Wakely (Lydia Tolman, Jenna Hegemann)

1. Welcome and Call to Order

Chair Blair Fjeseth called the meeting to order at 11:03 a.m. and confirmed a quorum was present.

2. Public Comments

No public comments were received.

3. Changes to the Agenda

No changes were preposed.

4. Approval of May 12th Minutes

A motion to approve the May 12, 2026 meeting minutes was made by Tony Pfaff and seconded by Erik Wood. The Board did not propose any edits or corrections.

The motion passed unanimously.

5. First Quarter Operational Report

RaeLynn Williams presented the First Quarter 2026 Operational Report. Cash balances, waiver receivables, accounts payable, grant activity, and IBNR reserves were reviewed. IBNR was reported at approximately \$68.8 million compared to \$58.3 million in the prior year. Grant revenues and expenditures were aligned, resulting in no change in fund balance. Board members received a review of accounts payable, professional fees, historical claim payment schedules, grant funding activity, and revenue sources. No significant variances or operational concerns were identified.

6. Parameters for 2027/2027 Budget

Lydia Tolman and Jenna Hegemann of Wakely presented updated actuarial projections and recommendations for the 2027 reinsurance program parameters. Updated enrollment data through May 2026 narrowed the projected enrollment range and eliminated the previously modeled low-enrollment scenario as a likely outcome. Wakely reviewed anticipated impacts from federal eligibility verification requirements, subsidy enrollment trends, pass-through funding levels, and other regulatory uncertainties affecting the 2027 market.

The Board discussed projected enrollment ranges, premium reduction estimates, and the relationship between enrollment assumptions and overall program funding. Wakely emphasized the importance of aligning carrier pricing assumptions with the projected premium impact of the reinsurance program to avoid unintended reductions in federal pass-through funding.

Mark Walters raised concerns regarding the continued reduction of the reinsurance cap and suggested evaluating alternative approaches, including increasing the attachment point and modifying coinsurance levels. Discussion focused on maintaining the long-term effectiveness of the program and preserving a meaningful range of claims eligible for reimbursement. Wakely confirmed that alternative parameter structures could be modeled within statutory constraints and agreed to prepare additional scenarios for Board review.

Board members discussed the relative merits of the high, best-estimate, and low enrollment scenarios. Several participants expressed the view that the low scenario appeared less likely based on current enrollment experience. However, the Board determined that additional modeling information would be beneficial before selecting final parameters. No formal action was taken. Wakely agreed to provide supplemental modeling, and the Board agreed to reconvene prior to filing deadlines to finalize program parameters and enrollment assumptions.

7. Open Forum

Discussion centered on the timeline required to support carrier filing deadlines. Carrier representatives noted that timely Board decisions regarding enrollment assumptions and final parameter selections would assist with rate development and filings. Board members agreed that a follow-up meeting should be scheduled as soon as updated modeling results become available. The Board also discussed whether enrollment assumptions should be selected separately from final parameter decisions and ultimately concluded that all related decisions should be considered together after reviewing the additional analysis.

8. Wrap-up and Adjourn

The Board directed staff to coordinate a special meeting during the following week, with Tuesday identified as the preferred target date if updated modeling results were available.

There being no further business, Chair Blair Fjeseth adjourned the meeting at 11:48 a.m.