

FILED

JUN 30 2025

Department of Insurance  
State of Idaho

**BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE**

**STATE OF IDAHO**

In the Matter of:

GOVERNMENT EMPLOYEES MEDICAL  
PLAN

Idaho Certificate of Registration No. 3823

Docket No. 18-4724-25

**ORDER ADOPTING REPORT  
OF EXAMINATION  
AS OF DECEMBER 31, 2023**

The State of Idaho, Department of Insurance (“Department”), having conducted an examination of the affairs, transactions, records, and assets of the GOVERNMENT EMPLOYEES MEDICAL PLAN (the “Plan”) to ascertain compliance with Title 41, Idaho Code, and related rules, pursuant to Idaho Code §§ 41-4113 and 41-219(1) and (5), as incorporated and made applicable by Idaho Code § 41-4121, hereby alleges the following facts that constitute a basis for issuance of an order, pursuant to Idaho Code § 41-227(5)(a), adopting the Report of Examination of the Plan for the period of January 1, 2019, to December 31, 2023 (“Report”), as filed.

**FINDINGS OF FACT**

1. The Plan is an Idaho-domiciled joint public agency self-funded health care plan, which was duly registered with the Department on September 25, 2007, under Idaho Certificate of Registration No. 3823.

2. The Department completed an examination of the Plan pursuant to Idaho Code §§ 41-4113(1) and 41-219(1) and (5) on or about May 20, 2025. The Department’s examination disclosed no adverse material findings or any adjustments that impacted the Plan’s reported net

assets.

3. Pursuant to Idaho Code § 41-227(4), a copy of the Report, verified under oath by the Department's Deputy Chief Examiner, was filed with the Department on May 20, 2025, and was transmitted to the Plan on the same date. A copy of the verified Report is attached hereto as Exhibit A.

4. Pursuant to Idaho Code § 41-4113(3), the Plan had four (4) weeks from service of the Report within which to review, comment, or request a hearing on the Report. On June 12, 2025, the Department received a "Waiver" from the Plan signed by Ernie Moser, the Plan's chair and authorized signatory. A copy of the Waiver is attached hereto as Exhibit B. By executing the Waiver, the Plan has consented to the Director's immediate entry of a final order adopting the Report without modification. The Plan has also waived its rights to: (1) examine the Report for no longer than four (4) weeks; (2) make written submission or rebuttal to the Report prior to the entry of a final order; (3) request a hearing; and (4) seek reconsideration and appeal from the Director's order adopting the Report.

### **CONCLUSIONS OF LAW**

5. Idaho Code § 41-227(5)(a) provides that, after expiration of "the period allowed for the receipt of written submissions or rebuttals, the Director shall fully consider and review the report, together with any written submissions or rebuttals and relevant portions of the examiner's work papers" and shall enter an order adopting the report of examination as filed or with modifications or corrections.

6. Having fully considered the Report, the Director concludes that, with regard to the matters examined and information provided by the Plan, the comments and recommendations contained in the Report are appropriate and are incorporated herein as if set forth in full.

**ORDER**

NOW, THEREFORE, based on the foregoing, IT IS HEREBY ORDERED that the Report of Examination of the GOVERNMENT EMPLOYEES MEDICAL PLAN for the period of January 1, 2019, to December 31, 2023, is hereby ADOPTED as filed, pursuant to Idaho Code § 41-227(5)(a).

IT IS FURTHER ORDERED, pursuant to Idaho Code § 41-227(8), that the adopted Report is a public record and shall not be subject to the exemptions from disclosure provided in Chapter 1, Title 74, Idaho Code.

IT IS FURTHER ORDERED, pursuant to Idaho Code § 41-227(6)(a), that, within thirty (30) days of the issuance of the adopted Report, the GOVERNMENT EMPLOYEES MEDICAL PLAN shall file with the Department's Deputy Chief Examiner, affidavits executed by each of its trustees or, if none, its principal officers, stating under oath that they have received a copy of the adopted Report and related orders.

IT IS SO ORDERED.

DATED this 30 day of June 2025.

STATE OF IDAHO  
DEPARTMENT OF INSURANCE



DEAN L. CAMERON  
Director

### **NOTIFICATION OF RIGHTS**

This Order constitutes a final order of the Director. Any party may file a motion for reconsideration of this final order within fourteen (14) days of the service date of this order. The Director will dispose of the petition for reconsideration within twenty-one (21) days of its receipt, or the petition will be considered denied by operation of law. *See*, Idaho Code § 67-5246(4).

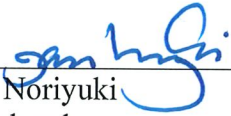
Pursuant to Idaho Code §§ 67-5270 and 67-5272, any party aggrieved by this final order may appeal it by filing a petition for judicial review in the district court of the county in which: (1) the hearing was held; or (2) the final agency action was taken; or (3) the aggrieved party resides or operates its principal place of business in Idaho; or (4) the real property or personal property that was the subject of the agency decision is located. An appeal must be filed within twenty-eight (28) days of: (a) the service date of this final order; or (b) an order denying a petition for reconsideration; or (c) the failure within twenty-one (21) days to grant or deny a petition for reconsideration, whichever is later. *See*, Idaho Code § 67-5273. The filing of a petition for judicial review does not itself stay the effectiveness or enforcement of the order under appeal.



**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that, on this 30<sup>th</sup> day of June 2025, I caused a true and correct copy of the foregoing ORDER ADOPTING REPORT OF EXAMINATION AS OF DECEMBER 31, 2023, to be served upon the following by the designated means:

Government Employees Medical Plan B.J. Helterbrand 1575 Baldy Ave Pocatello, ID 83201-7117	<input type="checkbox"/> First Class Mail <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Facsimile <input type="checkbox"/> Email:
James Anderson Deputy Chief Examiner Idaho Department of Insurance 700 W. State Street, 3 <sup>rd</sup> Floor P.O. Box 83720 Boise, ID 83720-0043	<input type="checkbox"/> First Class Mail <input type="checkbox"/> Certified Mail <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Facsimile <input checked="" type="checkbox"/> Email: <a href="mailto:james.anderson@doi.idaho.gov">james.anderson@doi.idaho.gov</a>

  
\_\_\_\_\_  
Jan Noriyuki  
Paralegal

DEPARTMENT OF INSURANCE

STATE OF IDAHO



REPORT OF EXAMINATION

Of

GOVERNMENT EMPLOYEES MEDICAL PLAN  
(a Joint Public Agency Self- Funded Health Care Plan)

as of

December 31, 2023

**EXHIBIT**

**A**

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Pocatello, Idaho

May 20, 2025

The Honorable Dean L. Cameron  
Director of Insurance  
State of Idaho  
700 West State Street  
P.O. Box 83720  
Boise, Idaho 83720-0043

Dear Director:

Pursuant to your instructions, in compliance with Idaho Code § 41-219(1) and in accordance with the practices and procedures promulgated by the National Association of Insurance Commissioners (NAIC), we have conducted an examination as of December 31, 2023, of the financial condition and corporate affairs of:

Government Employees Medical Plan  
1575 Baldy Avenue  
Pocatello, Idaho 83201-7117

Hereinafter referred to as (the “Plan” or “GemPlan”). The following report of examination is respectfully submitted.



## SCOPE OF EXAMINATION

### *Period Covered*

We have performed our single state examination of Government Employees Medical Plan. The prior exam was completed as of December 31, 2018. This examination covers the period of January 1, 2019, through December 31, 2023, and subsequent.

### *Examination Procedures Employed*

Our examination was conducted in accordance with Idaho Code §§ 41-219(1) and 41-4113. Due to the nature of the Plan, the examination was conducted as a modified risk-focused examination; key exhibits from the NAIC *Financial Condition Examiners Handbook* were utilized and customized as appropriate for this examination.

The Plan retained the services of a certified public accounting firm, Rudd & Company to audit its financial records for the years under examination. The firm provided the examiner with access to requested work papers prepared in connection with its audit. The external audit work was relied upon where deemed appropriate.

All accounts and activities of the Plan were considered during the examination process. The initial phase of the examination focused on evaluating the Plan's corporate governance and control environment, as well as a business approach, in order to develop an examination plan tailored to the Plan's individual operating profile.

An interview was held with the General Manager at Mutual Insurance Associates, Inc. ("MIA"), to gain an understanding of the entity's operating profile and control environment.

The examination relied on the findings of the actuarial firm, Lewis & Ellis, Inc., contracted by the Idaho Department of Insurance (the "Department") to review the Plan's Incurred But Not Reported (IBNR) liability.

A letter of representation certifying that administrative staff disclosed all significant matters and records was obtained from the Trust Chairperson and the General Manager and was included in the examination work papers.

### *Status of Prior Examination Findings*

Our examination included a review to determine the status of any previous examination findings in our preceding Report of Examination, adopted May 4, 2021, which covered the period from January 1, 2014, through December 31, 2018. There were no findings or recommendations in the previous Report of Examination.

## **SUMMARY OF SIGNIFICANT FINDINGS**

Our examination did not disclose any material adverse findings or any adjustments that impacted the Plan's report net assets.

## **SUBSEQUENT EVENTS**

We noted no significant subsequent events as of the date of this report.

## **PLAN HISTORY**

### *General*

The Plan was registered as a joint public agency self-funded health care plan under Title 41, Chapter 41, Idaho Code, effective September 25, 2007. The Plan was formed during 2002, prior to statutory guidance being in place for self-funded counties, by county commissioners approving and signing a Joint Powers Agreement ("JPA's") in accordance with Title 67, Chapter 23, Idaho Code. Self-funded medical, dental, and vision benefits are provided to eligible employees of participating Idaho counties and their eligible dependents. GemPlan benefits are funded by contributions from the participating counties and, if so provided, eligible employees.

The GemPlan started operations in 2004 with five member counties and approximately 400 beneficiaries. The Plan's past and current JPA's designate counties as either small or large (200 or more beneficiaries) counties. Small counties pool their contributions and share claims whereas large counties do not pool their contributions and instead pay their contributions and claims to the Plan's third-party health care administrator. As of December 31, 2023, there were twenty-seven member counties (two large and 25 small) and approximately 7,900 beneficiaries.

### *Dividends and Capital Contributions*

There were no dividends or capital contributions.

### *Mergers and Acquisitions*

There were no mergers or acquisitions.

### *Surplus Debentures*

There were no surplus debentures.

## **PLAN RECORDS**

The Plan operates in accordance with the terms of the Joint Power Agreement's and the Trust Agreement's in place with the participating counties. Management of the Plan is delegated to a Board of Trustees (the "Board").

The meetings of the Board were conducted on a quarterly basis for all the years under examination. Board member terms are for two years and there is no limit to terms served. The Chairman is appointed by the Board. The minutes of the meetings were detailed and included discussion and approval of investments, financial statements, actuarial opinions, and legal matters pertaining to the Plan.

The Prior Examination Report as of December 31, 2018, was distributed to and reviewed by the Board on April 22, 2021, in accordance with Idaho Code § 41-227(6)(a).

## **MANAGEMENT AND CORPORATE GOVERNANCE**

Per the Joint Powers Agreement and Trust Agreement in place as of December 31, 2023, the Plan is governed by the Board, that consists of up to fifteen elected public officials of participating counties, with no more than nine of whom shall be county commissioners and no more than seven of whom shall hold elected office in other political subdivisions.

<u>Name</u>	<u>County</u>	<u>County Position</u>	<u>District</u>
Mark Bair, Chair*	Bingham	Commissioner	Member At Large
Glenda Poston	Boundary	Clerk	District 1
Kathy Ackerman	Idaho	Clerk	District 2
Joe Iveson	Adams	Commissioner	District 3
Jared Orton	Minidoka	Commissioner	District 4
Bryce Somsen	Caribou	Commissioner	District 5
Greg Shenton	Clark	Commissioner	District 6
Ernie Moser**	Bannock	Commissioner	Self-Funded

*\*No longer Chair as of 9/30/2024*

*\*\*Appointed Chair during the 12/12/2024 Board meeting.*

### *Committees*

The Board does not have separate committees.

### *Agreements and Contracts*

GemPlan had the following agreements in effect on December 31, 2023:

#### Claims Administrator

For all periods under examination, Blue Cross of Idaho, Inc. served as the claims administrator for GemPlan's medical plans. The administrative service agreements provide members with claims management, benefit summaries, reporting, and data maintenance related to claims and beneficiaries.

### General Manager Agreement

Effective October 1, 2003, the Plan entered into a General Manager Agreement with Mutual Insurance Associates, Inc. (MIA). Under the agreement, MIA agrees, under the direction of the Board of Trustees, to manage the day-to-day business functions of GemPlan. On January 18, 2019, the Plan updated their General Manager Agreement to reflect that MIA is a registered third-party administrator in the State of Idaho.

### Joint Powers Agreements

Each participating county executed a JPA with the Plan pursuant to Idaho Code § 67-2326 through 67-2333. The original JPA was approved by the Board of Trustees and, subsequently, the Department through the registration process effective September 25, 2007. On August 23, 2019, the GemPlan Board approved a new JPA. In October 2019, the Plan had fully executed JPA's, with consistent language, on file for all member counties. Benewah, Latah, Lewis, Nez Perce, and Shoshone counties joined the Plan during the examination period.

### Other Agreements and Contracts

The Plan maintains a legal agreement for attorney services with Borton Lakey Law Offices.

## **FIDELITY BOND**

Insurance coverage for the protection of the Plan was maintained throughout the period under examination. Coverages in effect as of December 31, 2023, included property, general liability, and employee dishonesty. The insurance companies providing the coverages to the Plan were licensed or otherwise authorized in the State of Idaho.

## **PLAN OF OPERATION**

The Plan was registered with the Idaho Department of Insurance as a Joint Public Agency Self-Funded Health Care Plan on September 25, 2007. Certificate of Registration Number 3823 was granted to GemPlan to transact business in the State of Idaho. Operations of the Plan are conducted at the general manager's office in Pocatello, Idaho.

During the period under examination, the following counties participated in the Plan: Adams, Bannock, Bear Lake, Benewah, Bingham, Blaine, Boise, Boundary, Butte, Caribou, Canyon, Clark, Clearwater, Custer, Gem, Idaho, Latah, Lemhi, Lewis, Lincoln, Minidoka, Nez Perce, Owyhee, Payette, Power, Shoshone, Valley and Washington.

## **GROWTH OF THE PLAN**

A summary of significant financial data for the years covered by the examination is presented below. The information is based on the audited financial statements filed by the Plan with the Department. In 2019, the Director approved a request from the Plan to repay the surplus note held by MIA in the amount of \$1,302,081. The repayment took place at the end of 2019.

<u>Year</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Net Assets</u>	<u>Change in Net Assets</u>
2019	14,753,172	3,299,475	11,453,697	(332,113)
2020	17,247,192	2,520,999	14,726,193	3,272,496
2021	17,210,380	3,088,089	14,122,291	(603,902)
2022	16,246,147	3,579,126	12,667,021	(1,455,270)
2023	18,873,372	4,450,968	14,422,404	1,755,383

## **EXCESS OF LOSS COVERAGE**

The Plan maintained specific excess loss and aggregate excess loss insurance for all periods of the examination. The insurance carrier through December 31, 2023, was Blue Cross of Idaho Health Services, Inc. ("BCI"). As of December 31, 2023, the contract provided Specific Excess of Loss Coverage in the amount of \$125,000 for a monthly fee per enrollee. In addition, BCI provided Aggregate Excess of Loss for a fee per enrollee per month for covered services that exceeded the aggregate excess loss amount. The aggregate excess loss amount equals the sum of the aggregate loss factor times the number of enrollees for each month of the agreement period.

## **ACCOUNTS AND RECORDS**

The Plan's accounting records and financial reports were maintained and produced by the general manager's accounting and information systems. Claims data were maintained by its claims service administrator BCI. The accounting firm Rudd & Company performed the financial statement audit for all years during the examination period. Actuarial services were provided by Philip Castevens, ASA, MAAA, at Actuarial Work-Products, Inc. The Plan responded to requests for documentation and information in a timely manner.

## **FINANCIAL STATEMENTS**

The following financial statements are based on the audited financials filed by the Plan with the Department and present the financial condition of the Plan for the period ending December 31, 2023.

The financial section of this report contains the following statements:

Statement of Net Assets

Statement of Revenues, Expenses, and Changes in Net Assets

Reconciliation of Changes in Net Assets



## Statement of Net Assets

### Assets

#### Current Assets

Cash and cash equivalents	\$	10,590,041
Investments		5,479,923
Prepaid expense		448,475
Receivable from counties		537,552
Rebate receivable		1,817,381
Total Current Assets		<u>18,873,372</u>
<b>Total Assets</b>	<b>\$</b>	<b><u>18,873,372</u></b>

### Liabilities and Net Assets

#### Current Liabilities

IBNR Liability	\$	3,282,086
Rx rebate payable		337,200
Unearned county payments		666,687
Administration payable		164,995
Total Current Liabilities		<u>4,450,968</u>
Total Liabilities		4,450,968

#### Net Assets

Unrestricted		<u>14,422,404</u>
<b>Total Liabilities and Net Assets</b>	<b>\$</b>	<b><u>18,873,372</u></b>

## Statement of Revenues, Expenses, and Changes in Net Assets

Operating Revenues	
Payments	\$ 36,957,231
Formulary rebate	<u>2,518,296</u>
<b>Total Operating Revenues</b>	<u><b>39,475,527</b></u>
Operating Expenses	
Claims expense	27,694,662
Service fees/reinsurance	5,065,706
IBNR liability expense	3,282,086
General overhead expenses	1,981,365
EAP expense	<u>55,075</u>
<b>Total Operating Expenses</b>	<u><b>38,078,894</b></u>
Income (loss) from Operations	<u><b>1,396,633</b></u>
Non-Operating Revenues and Expenses	
Gain (loss) on investment	<u>358,750</u>
<b>Total Non-Operating Revenues and Expenses</b>	<u><b>358,750</b></u>
Change In Net Assets	<u><b>1,755,383</b></u>
Net Assets January 1	<u><b>12,667,021</b></u>
<b>Total Net Assets, December 31</b>	<u><b>\$ 14,422,404</b></u>

### Reconciliation of Changes in Net Assets

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Net assets, end of previous year	\$ 11,785,810	\$ 11,453,697	\$ 14,726,193	\$ 14,122,291	\$ 12,667,021
Net changes in assets	(332,113)	3,272,496	(603,902)	(1,455,270)	1,755,383
Net assets, end of current year	\$ 11,453,697	\$ 14,726,193	\$ 14,122,291	\$ 12,667,021	\$ 14,422,404

Analysis of Changes in Financial Statements Resulting from Examination

There were no changes to the notes to the financial statements as a result of this examination.

Comments on Financial Statement Items

There were no adverse findings or material changes to the financial statements resulting from the examination.

**SUMMARY OF RECOMMENDATIONS**

There were no material findings or recommendations rising to the level deemed necessary for inclusion into this report of examination.

## ACKNOWLEDGEMENT

Mike Mayberry, MAAA, MSA, of Lewis & Ellis, Inc. performed the actuarial phases of the examination. He joins the undersigned in acknowledging the assistance and cooperation extended during the course of the examination by representatives of the Plan.

Respectfully submitted,



Heidi Carey, CPA, AFE  
Examiner-in-Charge  
Idaho Department of Insurance



James Anderson, CFE  
Supervising Examiner  
Deputy Chief Examiner  
Idaho Department of Insurance

## AFFIDAVIT OF EXAMINER

State of IDAHO County of ADA

Heidi Carey being duly sworn, deposes and says that they are a duly appointed Examiner for the Department of Insurance of the State of Idaho, that they have made an examination of the affairs and financial condition of Government Employees Medical Plan for the period January 1, 2019, through December 31, 2023, that the information contained in the report consisting of the foregoing pages is true and correct to the best of their knowledge and belief; and that any conclusions and recommendations contained in this report are based on the facts disclosed in the information.

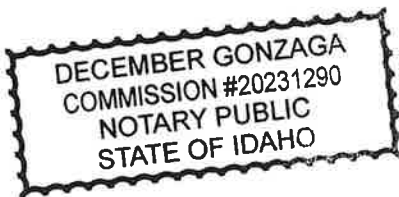


Heidi Carey, CPA, AFE  
Examiner-in-Charge  
Idaho Department of Insurance

Subscribe and sworn to before me the 20<sup>th</sup> day of MAY, 2025, at BOISE  
(City), IDAHO (State).



Notary Public



My Commission Expires: 3/15/29



## AFFIDAVIT OF EXAMINER

State of IDAHO County of ADA

James Anderson, being duly sworn, deposes and says that they are a duly appointed Examiner for the Department of Insurance of the State of Idaho, that they have made an examination of the affairs and financial condition of Government Employees Medical Plan for the period January 1, 2019, through December 31, 2023, that the information contained in the report consisting of the foregoing pages is true and correct to the best of their knowledge and belief; and that any conclusions and recommendations contained in this report are based on the facts disclosed in the information.



James Anderson, CFE  
Supervising Examiner  
Deputy Chief Examiner  
Idaho Department of Insurance

Subscribe and sworn to before me the 20<sup>TH</sup> day of MAY, 2025, at BOISE  
(City), IDAHO (State).

  
Notary Public

My Commission Expires: 3/15/29

*State of Idaho*  
**DEPARTMENT OF INSURANCE**

**BRAD LITTLE**  
Governor

700 West State Street, 3rd Floor  
P.O. Box 83720  
Boise, Idaho 83720-0043  
Phone (208)334-4250  
FAX # (208)334-4398

**DEAN L. CAMERON**  
Director

**WAIVER**

In the matter of the Report of Examination as of D e c e m b e r 31 ,  
2023 of the:

**Government Employees Medical Plan**

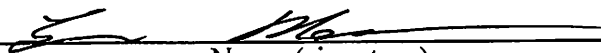
By executing this Waiver, the Plan hereby acknowledges receipt of the above- described examination report, verified as of May 20, 2025, and by this Waiver hereby consents to the immediate entry of a final order by the Director of the Department of Insurance adopting said report without any modifications.

By executing this Waiver, the Plan also hereby waives:

1. its right to examine the report for not more than 4 weeks as provided in Idaho Codesection 41-4113(3),
2. its right, after the date of this waiver, to make a written submission or rebuttal to the report prior to entry of a final order as provided in Idaho Code section 41-227(4) and (5),
3. any right to request a hearing under Idaho Code sections 41-227(5) and (6), 41-232(2)(b), or elsewhere in the Idaho Code, and
4. any right to seek reconsideration and appeal from the Director's order adopting the report as provided by section 41-227(6), Idaho Code, or elsewhere in the Idaho Code.

Dated this 11<sup>TH</sup> day of JUNE, 2025

ERNIE MOSER  
Name (print)

  
Name (signature)

CHAIR  
Title

**EXHIBIT**

B

exhibitsticker.com