

State of Idaho
Small Employer Health Reinsurance Program &
Individual High-Risk Reinsurance Pool

Board of Directors Minutes

Department of Insurance

February 26, 2025

Board Members Present

Hyatt Erstad, Chair, Erstad & Company
Dean Cameron, Director Idaho Department of Insurance
Norm Varin, Vice Chair, PacificSource
Janice Fulkerson, Board Secretary, Consumer Representative
Trent Nate, SelectHealth
Wes Trexler (Idaho Department of Insurance
Mike Reynoldson, BlueCross of Idaho
Senator Jim Guthrie, Idaho State Senate (arrived late)

Board Members Not Present

Representative Rod Furniss, Idaho House Representative
Dr. Chris Pickford, Consumer Representative

Others In Attendance

Laren Walker, River 9
James Winfield, River 9
Diane Kopecky, River 9
Will Coon, Idaho Department of Insurance
Shannon Hohl, Department of Insurance
Robert Schmidt, Milliman
Eric Walters, Milliman
Jason Lindstrom, Eide Bailly
Kali Holt, Eide Bailly
Michael Witny, Idaho Attorney General's Office
Monty Borrowman, SelectHealth
Kevin Reddish, YHI
Tony Valdez, SelectHealth
Andrea Puopolo, Buffington Mohr
Michael Lang, Buffington Mohr
Kilee Lane, YHI

- 1. Hyatt Erstad called the meeting to order at 12:09 pm.**
- 2. A roll call was conducted, a quorum established.**
- 3. The meeting agenda was reviewed.**

4. Minutes of the Previous Meeting

A motion was made to approve the minutes of November 14, 2024, meeting of the Board of the Idaho Small Employer Reinsurance Program ("Program") and Idaho Individual High-Risk Reinsurance Pool ("Pool"). The motion was seconded and carried.

5. Claims Appeal, 2025

Monty Borrowman from SelectHealth requested an appeal to the Board of Directors for claims that were denied by River 9 due to being greater than 90 days from the date paid. They are referring to section 9.7.10 and logging an appeal to this section. SelectHealth appealed the 90 days from the date paid is not sufficient since carriers only report monthly. The goal of the Board and the Pool is to use the money for this program and reimburse the carriers. The Board may review this in the future to evaluate the 90-day requirement. The Board will also review the time constraints on enrollments in the Plan of Operation at a future board meeting.

Motion to deny the claims appeal was made, seconded and carried. Trent Nate abstained from the vote.

6. Actuarial Committee Meeting

Robert Schmidt presented the minutes of the Actuarial Committee meeting held on February 12, 2025. The committee recommended the Grandfathered High Risk IBNR to be \$25,000 for claims, the Condition-Based Pool to be \$25,000,000 for claims and \$600,000 for premiums. With these recommendations for 2024 the loss ratio will increase to 1571% for the Condition-Based Pool, this is higher than historical loss ratios due to the carrier reinsurance premiums being reduced to \$100 per member per month. The discussion continued regarding the calculations of the loss ratio, and if the committee should change the income side to include more than just the premiums.

Motion to accept the Actuarial Committee minutes was made, seconded and carried. The loss ratio tables and references to the loss ratios will be removed for both the Grandfathered Pool and Condition-Based Pool Noting the there was no discussion during the meeting on Actuarial Committee the 12th regarding the loss ratios.

Motion to accept the recommended IBNRs was made, seconded and carried.

7. Audited Financial Statements

Jason Lindstrom and Kali Holt from Eide Bailly were in attendance to discuss the results of the Financial, Carrier and Single Audits for the combined Grandfathered High Risk and Condition-Based Pool and the Compilation for the Small Employer Program.

Small Employer Program is a compilation report showing very little financial activity and no enrollment. Legislation is in process to repeal the program starting July 1, 2025. The Board will need to consider what will happen with the remaining funds.

Jason Lindstrom then discussed the combined High Risk and Condition-Based Pool Audit. The Auditors' opinion is an unmodified opinion.

- **Balance Sheet:** There was an increase in grant receivable from \$3.8 million to \$27.1 million and decrease overall of assets of \$4 million
- **Revenue Statement:** There was an increase in claims incurred from \$89.8 million to \$140.3 million, grant revenue increased for 2024 along with a slight increase in the Premium Tax collect. Overall, there is a restricted Net Position of \$39.3 million.
- **Footnote disclosures:** A significant disclosure was Note 5 for IBNR. Jason stated that Eide Bailly was comfortable with the estimates from the actuary committee and the increase makes sense.
- **Single Audit:** Kali Holt discussed the Single Audit. This is the audit that is required due to the grant funds received. She stated there were no deficiencies, and no noncompliance.
- **Section I -Summary of Auditor's Results:** Kali reviewed this section noting there were no Material weaknesses. The audit will continue to have the Write up of the deficiency noting that Eide Bailly creates the financial statements and completes the audit.

A motion to accept the Audited High Risk Financial Statements and Compilation was made. The motion was seconded and passed unanimously. Eide Bally will deliver a hard copy to the Department of Insurance and electronic copies to River 9 for distribution.

8. Supplemental Information

Laren Walker reported the supplemental information from the High Risk Pool financials noting everything is flowing as expected.

9. Milliman Scope of Work

Robert Schmidt discussed the 2025 Scope of work. Items 1-4 are for the Grandfathered Plans and items 5-8 are for the Conditioned-Based Pool. Robert discussed the increase costs estimates due to the ARPA enhanced subsidies being eliminated and the second is the potential for Medicaid expansion being repealed in Idaho. At this time it is anticipated there will be extra analysis required.

Motion to approve the services outlined was made, seconded and carried. Legislatively if things change, the Board can revisit what services need to be completed or can be eliminated. The Board has approved these so they are all in place.

10. Other information

Laren and his wife Caralee have been asked by their church to see over a mission southern Italy. They will be leaving for three (3) years come June 2025. Laren introduced James Winfield, who will be taking care of a lot of his duties while gone. Laren will, of course, still be available.

Update on the 1332 Waiver Grant, everyone is moving forward as if it is all going to continue. The Payment Management System was down for a couple of days this last month, but it did not cause any trouble for the program. Laren stated where the Idaho program is financially sound and has reserve to sustain the program.

11. Update from the DOI

Working on the dissolution of the Small Employer Program with the help of Representative Furniss and Senator Guthrie. More information will follow in the coming months. Depending on the state of the

1332 Waiver Grant with the changes happening, the Department may need to reapply or follow some type of direction from CMS to continue the 1332 Waiver Grant.

12. Update from Buffington Mohr

Andera Puopolo from Buffington Mohr provided a brief update. She stated the market has seen subtle rate movements over the past 12 months resulting in a slight gain in the Individual High Risk portfolio. Additionally, interest income was up per the financial statement. They will continue to monitor fluctuations to interest rates as well as evaluating the ever-changing economic environment.

Next Meeting:

The next regular Board meeting is scheduled for May 1, 2025 at 12:00 pm, at the Department of Insurance Conference Room A.

There being no further business, on motion duly made, seconded, and carried, the meeting was adjourned at 2:30 PM MDT.

Respectfully Submitted,
River 9 Consulting, Inc.