

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

**Board of Directors Minutes**

Department of Insurance

February 28, 2024

**Board Members Present**

Hyatt Erstad, Chair, Erstad & Company  
Dean Cameron, Director Idaho Department of Insurance (arrived at 12:38pm)  
Wes Trexler, (In Lieu of the Director) Idaho Department of Insurance  
Norm Varin, PacificSource  
David Pankey, Regence BlueShield of Idaho  
Janice Fulkerson, Board Secretary, Consumer Representative  
Dr. Chris Pickford, Consumer Representative  
Trent Nate, Select Health  
Mike Reynoldson, BlueCross of Idaho  
Senator Jim Guthrie, Idaho State Senate (arrived at 12:35pm)

**Board Members Not Present**

Representative Rod Furniss, Idaho House Representative

**Others In Attendance**

Laren Walker, River 9  
Diane Kopecky, River 9  
Jason Lindstrom, Eide Bailly  
Kailee Holt, Eide Bailly  
Kilee Lane, YHI  
Shannon Hohl, Department of Insurance  
Will Coon, Department of Insurance  
Ann Ibrahim, Regence Blue Shield  
Robert Schmidt, Milliman  
Bruce Mohr, Buffington, Mohr, McNeal  
Alan Vandagriff, St. Luke's Health Plan  
Troy Pritchett, Mountain Health Co-Op  
Stephanie Guyon, Idaho Attorney General's Office  
Addy Binkley, Moda Health

- 1. Hyatt Erstad called the meeting to order at 12:14 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 the December 14, 2023 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 passed unanimously.*

#### **5. Actuarial Committee-IBNR Presentation**

Robert Schmidt presented the actuarial committee minutes from the meeting on February 13, 2024, to establish the IBNR for the Grandfathered Pool and the Condition Based Pool. He first reviewed the 2022 estimates for the Grandfathered Pool noting that the actual IBNR was \$325, compared to the estimate of \$20,000. Based on the numbers submitted for 2023 from the two remaining carriers in the Grandfathered Pool the committee determined that the 2023 IBNR would be \$50,000. This creates an estimated Loss Ratio of 552%.

The discussion continued to the Condition Based Pool and the committee reviewed the 2022 actuals of \$1,976,751, was lower than the estimated \$3,250,000. The actual premium IBNR was \$264,000, slightly higher than the estimated \$250,000. The IBNR estimates submitted by the 8 carriers for their 2023 claims totaled just over \$12,000,000. The Actuarial Committee is recommending an IBNR amount for 2023 claims of \$12,500,000; and a premium IBNR amount of \$1,500,000. These estimates are in the draft financial statements to be presented by Eide Bailly.

Robert reported that between this meeting and the next meeting of the Board there will be an actuarial study to review the 2025 market impact. The Board will need to make decisions based on this study for the carriers to establish their 2025 market rates. Milliman will have its annual report with the estimates and scenarios ready for the next meeting. The Actuarial Committee will meet on April 18<sup>th</sup> and is asking the next Board meeting to be late April or early May. There was a discussion regarding the impact percentage for the Pool for the 2025 estimates. Hyatt stated the 16% represented a good number. The Board asked Robert to model scenarios that range from 16% to 21% for consideration.

*A motion was made to approve the minutes from February 13, 2024 Actuarial Committee. The motion was seconded and passed unanimously.*

*A motion was made to approve the Actuarial Committee's recommendation to set the Grandfathered IBNR at \$50,000. The motion was seconded and passed unanimously.*

*A motion was made to approve the Actuarial Committee's recommendation to set the Condition Based Claims IBNR at \$12,500,000 and the Premium IBNR at \$1,500,000. The motion was seconded and passed unanimously.*

#### **6. Audit Review**

Jason Lindstrom and Kailee Holt, from Eide Bailly, presented the results of the audits they conducted. He began with the Idaho Small Employer Program.

The Idaho Small Employer Program is currently in a dormant state with no activity. Eide Bailly was asked to perform a compilation review instead of a full audit. He presented this to the Board noting that the Net Position as of 12/31/2023 was \$5050. This is the bank balance.

Jason then discussed the High Risk Pool reporting the financial statements present fairly, in all material respects. Jason described the information on the Balance Sheet (Statement of Net Position) and on the Income Statement noting the increase from 2022 to 2023 which is expected due to the increase in ceded lives. Jason covered the footnotes in the audit report, highlighting that Note 9 is new this year due to the implementation of the 1332 waiver.

Kailee then discussed the Schedule of Findings and Questioned Costs. Due to the dollar amount the 1332 Waiver represents; a Single Audit is required. The 'Yes' that is reported on page 22 represents the deficiencies that is reported each year by having Eide Bailly prepares the financials statements. Kailee noted that their audit shows no findings to report for the Single Audit, which is impressive for a first-year program. Kailee does have one best practice recommendation and that is to get the 72-hour payment requirement by the Federal Government written into a policy. Laren responded that River 9 is in process to do so.

*A motion was made to accept the Small Employer Compilation report presented by Eide Bailey. The motion was seconded and passed unanimously.*

*A motion was made to accept the Audited Financial Statements as presented by Eide Bailly for the Idaho High Risk Pool. The motion was seconded and passed unanimously.*

## **7. Operational Report Supplemental Reporting**

Laren Walker presented the Board with the December Supplemental Information for the High-Risk Pool ("Pool").

- **Grant:** Laren noted that the last draw on the grant funds was done in January 2024. We drew the last \$3.8 million. He did note that the grant will not be available until later towards May so we will draw on the \$25 million and the reserves until the 2024 funds are available in June.
- **Enrollment:** The grandfathered program has enrollment of 16, the condition based is currently at -0- since all members are termed at year end. There are 8 carriers in the pool.
- **2023 ICD-10 Report:** Currently the report is showing the largest dollar amount of claims for HCC 8 covering Metastatic Cancer in the amount of \$9,231,009, the largest enrollment is in HCC 130, Heart Failure, with 717 members.

## **8. Procurement Policy**

Stephanie Guyon from the Idaho Attorney General's Office reports they recommend that the Board implement a procurement policy and use the Idaho State Procurement Policy to keep the processes consistent. The discussion continued regarding the best approach for the Pool and the Board. A procurement policy is required for the 1332 Waiver and the Single Audit. The Director stated that we can use the Department of Administration for assistance with the 4 service contracts. Wes questions the Department of Administrations ability to meet the Board and Pools timelines as required, as their processes are complex with extended timelines. Director Cameron recommends the Board adopt the State's Department of Administration today, evaluate the process, making future modifications as needed.

*A motion was made to adopt the Idaho State Procurement Policy to comply with the Federal Policy. The motion was seconded and passed with one abstention.*

**9. MOA – Legal services**

Stephanie Guyon then presented the Memorandum of Agreement (MOA) for Legal Services for 2024. The MOA is the same as the 2023 agreement.

*A motion was made to accept the 2024 Memorandum of Agreement for Legal Services for the Small Employer Program and the High Risk Reinsurance Pool. The motion was seconded and passed unanimously.*

Hyatt will sign the 2024 legal services agreement.

**10. 1332 Grant Update**

Laren reported the Grant information during the financial presentation.

**11. Legislative Update from the DOI**

Director Cameron stated that there are more bills than ever that have been introduced. There are cyber security bills moving forward, the sunset of the immunization board, and the possible property wildfire reinsurance program. There are also some health and welfare bills, choice waiver and Medicare waivers that may be pushed forward. The joint committee has approved the Departments budget.

**12. Other information**

Norm wanted to mention to the Board about Cross over claims, where a member would be admitted on December 29<sup>th</sup> but not released until some time in January. This is something that will need to be brought up at the next meeting.

**Next Meeting**

The next regular Board meeting is scheduled for April 24, 2024, at 12:00pm, 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 2:08 PM MDT.

Respectfully Submitted,  
River 9 Consulting, Inc.