

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

Special Board meeting Board of Directors Minutes

Department of Insurance

February 10, 2022

Board Members Present

Hyatt Erstad, Chairman, Erstad & Company
Norm Varin, Vice Chairman, PacificSource Health Plans
Janice Fulkerson, Board Secretary, Consumer Representative
Dr. Chris Pickford, Consumer Representative
Senator Jim Guthrie, Idaho State Senate
David Pankey, Regence BlueShield of Idaho
Dean Cameron, Director, Idaho Department of Insurance
Mike Reynoldson, BlueCross of Idaho
Trent Nate, Select Health
Rod Furniss, Idaho House Representative (arrived late/left early)

Board Members Not Present

NA

Others In Attendance

Laren Walker, River 9
Diane Kopecky, River 9
Bret Busacker, Holland & Hart
Kathy McGill, Department of Insurance
Wes Trexler, Department of Insurance
Robert Schmidt, Milliman
Paul Houchens, Milliman
Clara Comes, PacificSource
Dave Hutchins, BlueCross
Erik Wheeler, BlueCross
Shannon Hohl, Department of Insurance

1. Minutes of the Previous Meeting

This being a special meeting, the minutes of the prior meeting were not presented. They will be presented at the regularly scheduled meeting on February 28, 2022.

2. Discussion of potential 1332 Waiver

Board Endorsement

Director Cameron and Wes Trexler discussed the legislation that is being introduced this week that will give the Idaho Department of Insurance the authority to prepare and submit a Section 1332 Waiver relating to the Idaho Individual High Risk Pool. The legislation would allocate an extra \$25 million appropriation in FY2023 to the HRP. In order to submit the 1332 Waiver to CMS, it requires the appropriation, the authorizing legislation, and actuarial studies completed.

The 1332 Waiver, if approved, is a 5-year waiver program that may be renewed by submission of a subsequent application.

Hyatt inquired as to the options the Board may consider if the 1332 Waiver is not approved by CMS. Director Cameron believes the 1332 Waiver application being prepared for submission is very similar to what has been approved in other states. The Department is confident CMS will approve Idaho's submission this time. If successful, the expected savings to the Idaho consumers is estimated to be 5-7% in overall premiums.

Director Cameron stated that the sponsoring legislators have their work cut out to get this approved and that there may be push back due to taking federal funds. Wes added that there is some concern about the timing of the 1332 Waiver submission to CMS in order to realize the savings to the consumer in 2023. In order to achieve the anticipated premium rate savings in the 2023 published rates, it is important to get the CMS approval as soon as possible, before the rate filings are due from the carriers in June 2022. Robert estimates the actuarial study will take approximately a month to complete.

The Board engaged the Director and Mr. Trexler with several questions regarding the legislation. The consensus of the Board was the legislation and the approved 1332 Waiver would be beneficial to the Idaho consumers and consistent with the Pool's objectives.

A motion was made that the Idaho High Risk Reinsurance Board of Directors endorses legislation RS29519 since it will benefit the Idaho citizens who will be purchasing insurance and provide a significant premium discount if the 1332 Waiver is successful; the motion was seconded, and after further discussion carried unanimously.

Authorizing Milliman to Begin 1332 Related Report

The Board reviewed the proposed Statement of Work (SOW) submitted by Milliman related to creating the actuarial study and subsequent report necessary to submit the 1332 Waiver application. The Board discussed the need to get the report completed quickly to meet the 1332 Waiver application timeline and the 2023 premium rate filing due in 2022, to be available to the consumers in 2023. In light of the length of time needed to prepare the conduct the actuarial study and prepare the report, and the time needed to communicate premium related changes to the carriers, the Board agreed to engage Milliman once the legislation has made sufficient progress in the legislation process.

A motion was made to approve engaging Milliman to conduct the actuarial study to support the 1332 Waiver application process, contingent upon RS29519 being printed, and the legislation making sufficient progress through the legislative process. The motion was seconded, and carried unanimously.

3. Actuarial Committee Report

Robert Schmidt presented the minutes from the February 8, 2022, Actuarial Committee Meeting. The Committee discussed the Statement of Work (SOW) relating to the Section 1332 Waiver

initiative. The SOW will focus on the application processes and establishing the overall market impact by using information from River 9 and the Department of Insurance.

A motion was made to approve the Actuarial Committee Meeting minutes from February 8, 2022; the motion was seconded, and carried unanimously.

Next Meeting

The next meeting will be February 28, 2022, at 12:00, at the Department of Insurance Conference Room 3.

There being no further business, on motion duly made, seconded, and carried, the meeting was adjourned at 4:20 PM MDT.

Respectfully Submitted,

River 9 Consulting, Inc.

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