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

Board of Directors Minutes
Department of Insurance
August 27, 2025

Board Members Present

Hyatt Erstad, Chair, Erstad & Company
Norm Varin, Vice Chair, PacificSource
Janice Fulkerson, Board Secretary, Consumer Representative
Ann Ibrahim, Regence BlueShield of Idaho
Senator Jim Guthrie, Idaho State Senate
Dean Cameron, Director Idaho Department of Insurance, arrived 12:16pm

Board Members Not Present

Mike Reynoldson, Blue Cross of Idaho
Trent Nate, SelectHealth

Others In Attendance

James Winfield, River 9
Diane Kopecky, River 9
Jason Lindstrom, Eide Bailly
Bruce Mohr, EP Wealth Advisors
Will Coon, Department of Insurance
Wes Trexler, Department of Insurance
Robert Schmidt, Milliman
Eric Walters, Milliman
Paul Houchens, Milliman
Kevin Reddish, YHI
Pat Kelly, YHI
Michael Witry, Idaho Attorney General's Office
Rhett Barton, Blue Cross of Idaho
Brad Cooley, Blue Cross of Idaho
Brett Rumbeck, Blue Cross of Idaho
Savvy Blake, Health Markets Insurance

1. **Hyatt called the meeting to order at 12:10 pm.**

2. **A roll call was conducted, a quorum established**.

3. **The meeting agenda was reviewed. No changes were made.**

4. **Minutes of the Previous Meeting**

A motion was made to approve the minutes of the May 1st, June 4th, and July 2nd meetings 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.

After further review of the minutes, an additional motion was made to correct the minutes by removing Representative Rod Furniss and Chris Pickford names from the minutes and correcting the spelling of Michael Witry's name. The motion was seconded and carried. River 9 will make corrections.

5. Blue Cross of Idaho Claims Appeal

Rhett Barton introduced the claims appeal information providing background and context regarding their request. Blue Cross submitted corrected pharmacy claims that were identified as new pharmacy claims submitted to River 9 beyond the 90 days from date paid because they had a new claim number. The original claims were submitted properly and administered within the designated time frame. However, Blue Cross of Idaho reported that they experienced a data issue that required them to correct and reissue the claims with, with a new claim number. Blue Cross of Idaho reported they have identified the data issue and put in place steps to prevent any further issues. After discussion and clarification, the Board determined the appeal approval ensures the data matches the claims, doesn't change the reimbursement, and agreed to allow River 9 to process these claims received outside of the 90 days.

A motion was made to allow the reprocessing of the identified Blue Cross of Idaho pharmacy claims, accepting the claim reversals and corrections. The motion was seconded and carried.

6. 2025 Idaho Small Employer Final Compilation Report

Jason from Eide Bailly presented the Final Small Employer Final Compilation. It was a simple compilation since the program ended. Eide Bailly referenced H0116 in the report stating the closure of the program as of July 1, 2025.

A motion was made to accept the final compilation report as presented. The motion was seconded and carried. Eide Bailly will deliver the report to the Department.

7. Investment Update

Bruce Mohr provided an investment update and report. There have been 5 consecutive meetings of the Federal reserve with no changes in interest rates. The last Fed rate adjustment was a rate cut in December of 2024. There were 3 cuts in the fall of 2024 ending a period of stable short-term interest rates that began in the summer of 2023. Using the 5 year treasury note as a proxy we can look at the impact of Fed rate moves on the broader interest rate market. Since late 2022 the 5 year treasury note interest rate has been stable at around 4%. Portfolio investments will continue to be made within the defined investment guidelines to support funding the programs mission and operations.

8. Operations Report

James Winfield presented the Board with the June Financial Packets for the High-Risk Pool ("Pool"). Since the reports are cumulative, the April and May reports were included in the packet but not discussed.

- **Balance Sheet:** Cash year-to-date approximately $46.5 million. Both the IBNR for Claims and Premiums are listed in full at $25,025,000 and $600,000 respectively.

- **Revenue Statement:** Premiums are at $3.2 million with a projection of $7.6 million. Year-to-date claims for the grandfathered plan are only $34,907 compared to last year's $128,457. Year-to-date for the Conditioned Based pool is $71.9 million at the end of June compared to last year at just under $47 million
- **Federal Grant Status: The program has** drawn approximately $28 million from the 1332 waiver to date, with approximately $120 million still available.
- **Cash Flow Estimates:** The 2023 program saw a surplus of $700,000. In 2024 the program used $13.7 million of the program reserves. For 2025 the program is estimated to use another $14.5 million of program reserves. Robert will discuss this further in his presentation.
- **Lives:** There are still 11 members in the Grandfathered Plan and currently there are 5,087 lives in the Condition Based.

  A motion was made to accept the April, May, and June Operational report as presented. The motion was seconded and carried.

9. Actuarial Committee Report

Robert Schmidt presented the Board with the minutes from the August 20, 2025 meeting, noting the status of IBNR. Due to the minimal enrollment, the committee is planning to review and hold an email vote on the 2026 Grandfathered Plans for recommendation to the Board.

A motion was made to accept minutes of the August 20, 2025 Actuarial Committee as presented. The motion was seconded and carried.

Robert presented the 2026 Model to the Board, sharing the background of the model and an overview of potential scenarios that are impacted by asset funding, reinsurance design, and carrier premium. He began with the actual results of 2023 and the projections for 2024 and 2025. Robert discussed the 4 scenarios noting different deductibles and premiums. The discussion continued regarding the different scenarios presented, and additional potential scenarios to consider. The Board has requested Milliman to provide more scenarios, taking the Annual Gross Medical Claims Trend to 8%, with adjustments to the deductibles and premiums. The discussion will be on the agenda for the September 24th meeting.

10. 1332 Waiver Application Modeling

Wes Trexler reminded the Board that this program is funded by the 1332 waiver, and this allows us to do the reinsurance pool.

H0345 requires the State of Idaho submit an additional 1332 waiver program that would permit individuals with income between 100% and 138% who would otherwise only be eligible for Medicaid expansion coverage, the option of alternatively purchasing a QHP through the state based exchange Your Health Idaho. One requirement of a waiver to for Federal deficit neutrality. Prior attempts for this type of waiver have failed primarily for not meeting this requirement. With the existing 1332 Reinsurance Waiver, the Department is moving forward with a waiver that will include both programs. To renew the existing reinsurance waiver a year early and implement the new waiver by January 1, 2027, the Department would like to submit a completed waiver application by November 2025. The Department believes this is a reasonable timeline to complete the 1332 waiver application given our existing access to the necessary data to complete this project.

The procurement committee will be meeting to determine if we would need to go to bid or if we can have this go under the existing services agreement. Paul Houchens, also from Milliman, then discussed the scope of work proposals and the costs of each item noting that the costs could be reduced if they were more in a review role versus being the lead on this. Director Cameron will meet with Health and Welfare to discuss if they have the resources to assist in this application process. No further action was taken.

11. Update on Grant

James noted that the 2nd quarter CMS report, due 8/30 will be sent to CMS later today, River 9 was just waiting for an approval on the June financials to submit the report.

12. Legislative Update from the DOI

Director Cameron did not have any updates.

Next Meeting:

The next Board meetings are scheduled for September 24th at 12:00 noon, 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 2:37 PM MDT.

Respectfully Submitted,
River 9 Consulting, Inc.