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

Board of Directors Minutes
Department of Insurance
September 24, 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
Dean Cameron, Director Idaho Department of Insurance
Trent Nate, SelectHealth
Representative Jordan Redman, Idaho House of Representatives
Senator Jim Guthrie, Idaho State Senate (arrived 12:09pm)
Mike Reynoldson, BlueCross of Idaho (arrived 12:15pm)

Others In Attendance

James Winfield, River 9
Diane Kopecky, River 9
Laren Walker, River 9
Kevin Reddish, Your Health Idaho
Shannon Hohl, Idaho Department of Insurance
Bruce Mohr, EP Wealth Advisors
Will Coon, Idaho Department of Insurance
Eric Walters, Milliman
Paul Houchens, Milliman
Michael Witry, Idaho Attorney General's Office

1. **Hyatt called the meeting to order at 12:02 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 August 27th meetings of the Board of the Idaho Small Employer Reinsurance Program ("Program") and Idaho Individual High-Risk Reinsurance Pool ("Pool") after a typo correcting the word "hear" to "year" in Section 10. The motion was seconded and carried.

5. **Investment Update**

Bruce Mohr reported the Federal Reserve cut short term interest rates by 25 basis points at their most recent meeting. Intermediate term interest rates have fallen by a similar amount anticipating additional rate cuts in 2025. Portfolio reinvestment is focused on shorter term maturities anticipating cash needs for program support early in 2026 as the Federal grant funds are used.

6. Operations Report

James Winfield presented the Board with the July Financial Packets for the High-Risk Pool ("Pool").

- **Balance Sheet:** Cash year-to-date approximately $70.5 million. Both the IBNR for Claims and Premiums are listed in full at $25,025,000 and $600,000 respectively.
- **Revenue Statement:** In July the Pool collected the Premium Tax Revenue for the prior year, totaling $23,185,682. Premiums are $4.06 million with an annual projection of $7.6 million. Year-to-date claims for the Grandfathered Plan are 42,292 compared to last year's $188,827. Year-to-date for the Conditioned Based Plan is $86.1 million at the end of July compared to just over $61 million a year ago.
- **Federal Grant Status:** The program has drawn approximately $42.7 million from the 1332 waiver funds to date, with approximately $106 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 assets. For 2025 the program is estimated to use another $14.5 million of program assets.
- **Lives:** There are still 11 members in the Grandfathered Plan and currently 5,515 lives in the Condition Based Plan.

A motion was made to accept the July Operational report as presented with the correction to the equation on the Condition Based Revenue and Expenses for 2024 to reflect $36,565,823 instead of $17,698,561. The motion was seconded and carried.

7. Actuarial Committee Report

Norm presented the Actuarial Committee Minutes. He noted the prior Board meeting requested Milliman to add the projections for 2026using an 8% trend and deductibles of $35k, $40k, $45k and $50k. The committee reviewed the Milliman projections and recommended the board consider all the scenarios except for the $35k deductible.

A motion was made to accept the Minutes from 9/12/24 Actuarial Committee as presented. The motion was seconded and carried.

8. 2026 Projection Scenarios

Eric presented the updated projections to the Board. Eric noted the assumptions and background information are unchanged from the original presentation delivered at the prior Board meeting. Eric reviewed the scenarios for 2026 noting the change in trend at 8%. The Actuarial Committee does not recommend scenario 1 at the $35k deductible and noted scenario 4 at the $50k deductible produces a carrier premium ($10/month) that is likely too low for the Board's prior goals. The committee supported scenario 2 or 3 since they balance changes in deductible and carrier premium. Director Cameron stated that scenario 2 or 3 may be the preferred options for the Pool, noting that he believed scenario 4 was not favorable. The carrier representatives agreed with him.

A motion was made to accept Scenario #3, with the premium at $130 and the deductible $45,000 for the 2026 year. The motion was seconded and carried.

9. Revised 1332 Waiver Application Modeling

Norm summarized the Choice Waiver Application and working with CMS and it was necessary to incorporate the Choice waiver into our existing 1332 Waiver so then instead of our waiver up for renewal in 2028, we would renew a year early and incorporate this into it. If approved, the Choice waiver allows individuals with household income between Federal Poverty Level (FPL) 100%-138% to choose a policy on the exchange instead of remaining on Medicaid.

Paul Houchens presented Milliman's proposal for the actuarial services required for this new portion of the waiver. This was revised from the original proposal at the last board meeting with updated information from the Department. The proposal focuses on the actuarial work necessary to submit the application. This will meet the guidelines and the DOI and DHW are working together to make this happen.

A motion was made to amend the existing scope of work in the current Milliman agreement to include these services as presented today to follow through with the 1332 waiver renewal and incorporation of the Choice Waiver application as directed by the Idaho Legislature. The motion was seconded and carried.

10. Legislative Update from the DOI

Director Cameron stated there is not any new information pertaining to this Board from him regarding the upcoming Legislative session. He noted the Department is incredibly busy and doing well. The Director and Shannon Hohl presented the QHP plans to YHI last week and they were all certified. Janice shared her appreciation for the presentation and collaboration, noting that it was well done and very informative.

11. Executive Session

Chair Erstad moved that the Board, pursuant to Idaho Code Section 74-206(1)(d), convene in Executive Session to consider records that are exempt from disclosure as provided by Idaho law.

Executive Session Roll Call: *A roll call vote was conducted and determined eight Board members were present and agreeable, resulting in a quorum. Representative Redmond abstained.*

The Board entered executive session at 1:09 p.m. and the public meeting was reconvened at 1:36 p.m. No final actions nor decisions were made while in executive session.

A motion was made to enter into contract negotiations with River 9 for administrative services for the next contract period effective January 1, 2026. The motion was seconded and carried.

Next Meeting:

The next Board meeting is scheduled as a virtual meeting for October 20th, 2:00pm. The Idaho Department of Insurance Conference Room A will be reserved for Board and public members who choose to attend in person.

There being no further business, on motion duly made, seconded, and carried, the meeting was adjourned at 1:47 PM MDT.

Respectfully Submitted,
River 9 Consulting, Inc.