

MAINE GUARANTEED ACCESS REINSURANCE ASSOCIATION
Minutes of the Board of Directors
May 6, 2019

A special meeting of the Board of Directors of the Maine Guaranteed Access Reinsurance Association (“MGARA” or the “Association”) was held via teleconference at 3:00 p.m. Attendance is reflected in the record of attendance set forth below:

Joel Allumbaugh (absent)	Marybeth Liang
Dr. David Howes	Jim Lyon (absent)
Jolan F. Ippolito, Chair	Bruce Nicholson
Dana Kempton	Katherine Pelletreau
Kevin Lewis	Dan Rachfalski

Also in attendance were Laren Walker (administrator) and Chris Howard and Emily Cooke of Pierce Atwood LLP (counsel to the Association).

1. Board Vacancy

Chris Howard reported that Bill Whitmore submitted his resignation from the Board, as he is leaving Anthem. Consistent with the Board’s approach to recent carrier seat vacancies, Mr. Howard and Ms. Ippolito have communicated with representatives of Anthem regarding the vacancy created by Bill’s departure, and Anthem has suggested a possible replacement. It was agreed that Ms. Ippolito and/or Mr. Howard will obtain supporting documentation about this prospective candidate and report back to the Board.

Following brief discussion, the Board agreed to recognize the contributions of long-serving MGARA Board members who have transitioned off the Board, by presenting them with a letter of thanks or similar token of gratitude.

2. Approval of Minutes

The Board reviewed the minutes of the April 9, 2019 Board meeting (the “Minutes”). On motion duly made and seconded, with Ms. Pelletreau abstaining, it was

RESOLVED: To approve the Minutes as presented.

The members of the Board representing carrier members reviewed the minutes of the April 9, 2019 Annual Meeting of the members (the “Member Minutes”). On motion duly made and seconded, with Ms. Pelletreau abstaining, the carrier members

RESOLVED: To approve the Member Minutes as presented.

3. Report re 1332 Grant Transfer and Funding

Mr. Howard reported that the Department of the Treasury's final administrative determination of Maine's pass-through funding amount (the "Final Determination") was sent to the Bureau of Insurance (the "Bureau") as of April 26. The final pass-through funding amount of \$62,298,300 represented a modest, and immaterial, adjustment to the expected pass-through amount. Now that the Final Determination has been made, the next step in the Section 1332 Waiver process is the transfer of the award from the State of Maine to MGARA, ultimately to be followed by funding of the account within the federal Payment Management System ("PMS"). The grant transfer itself is expected to take approximately two more weeks, so the process is in a holding pattern until then.

Mr. Howard further reported that it has been confirmed that the PMS account will not be denominated in the name of the Bureau, but will be in MGARA's name from inception, which aligns with the Bureau's preferred approach.

Participants briefly discussed MGARA's current approach of waiting to pay any expenses until the PMS account is funded, in order to efficiently utilize federal funds for operations. It was agreed that this approach would be reevaluated if no significant developments have occurred by **Monday, May 20**, to assure that MGARA continues to timely meet all of its financial obligations.

Laren Walker reported that River 9 continues to receive questions about claims for pre-1/1/2019 services, and reminded participants that services prior to 1/1/2019 are not reimbursable by MGARA. On a related note, he reported that MGARA occasionally receives lump-sum claims that are not broken out by dates of service, but include pre-1/1/2019 dates (for example, a 3-week hospital stay ending with a 1/15/2019 discharge for which a single lump sum is billed). He explained that MGARA's current approach to such claims is to reimburse on a prorated basis based on the number of days in the stay. It was generally agreed that this approach is appropriate.

Ms. Pelletreau offered the observation that for self-insured entities, assessments are paid directly by the entity, but ceding is handled by the carrier, which administers the benefit – meaning that assessments and ceding occur independently. Mr. Howard concurred, adding that mid-year renewal cycles mean assessments may not be paid until a mid-year renewal, while ceding is available retroactive to the beginning of the calendar year, and that the way the Plan of Operation is drafted, these things are independent.

4. LD 1650 – Report re New Bill

Mr. Howard apprised the Board on LD 1650, which was introduced in the Maine Legislature last week. LD 1650 would amend MGARA's enabling legislation to reassign responsibility for Board appointments and impose additional public access obligations on MGARA, including making all MGARA Board meetings open to the public and treat them as public proceedings as provided in 1 M.R.S. chapter 13. Mr. Howard noted that the background on the proposed legislation is not known.

The Board reviewed and provided comments on a draft letter to the Legislature’s Joint Standing Committee On Health Coverage, Insurance and Financial Services (the “Committee”). There was a general consensus that (1) MGARA is currently subject to numerous operational requirements that generate visibility into its operations and financial condition; (2) MGARA’s ability to effectively and efficiently accomplish its mission is enhanced by its status as a private non-profit corporation, which status would be compromised by the proposed legislation; and (3) the work of the MGARA Board is highly technical, and assuring that Board members have the backgrounds and qualifications suited to this endeavor is critical to MGARA’s success. It was agreed that the draft letter would be updated consistent with the Board’s feedback and submitted to the Committee in short order.

5. Board Meeting Schedule Confirmation

Mr. Howard confirmed that the Board’s regularly scheduled in-person quarterly meetings, as previously discussed, are reflected in each meeting agenda and are posted on MGARA’s website. Participants agreed to keep open the regular Monday 3:00 p.m. slot for telephonic meetings on an as-needed basis, with the expectation that these may become less frequent as the initial steps of the 1332 Waiver process are completed.

There being no further business to come before the Board, the meeting was adjourned.

A handwritten signature in black ink, appearing to be a stylized 'A' or similar character, positioned above a horizontal line.

Duly Authorized Officer