

MAINE GUARANTEED ACCESS REINSURANCE ASSOCIATION
Minutes of the Board of Directors
August 10, 2018

A special meeting of the Board of Directors of the Maine Guaranteed Access Reinsurance Association (“MGARA” or the “Association”) was held at 254 Commercial Street, Portland, Maine 04101 at 8:00 a.m. Attendance is reflected in the record of attendance set forth below:

Jennifer Juke	Edward J. Kane
Katherine Pelletreau	David Howes
William M. Whitmore	Jolan F. Ippolito, Chair
Joel Allumbaugh	Dana Kempton
Kevin Lewis	James Koelbl
Bruce Nicholson	Jim Lyon

Also in attendance were Chris Howard and Emily Cooke of Pierce Atwood LLP, counsel to the Association and representatives of Milliman, Inc., the Association’s actuary (“Milliman”).

1. Effect on Bronze Plan Policyholders

Milliman presented its analysis of (i) the impact of a 1332 Waiver-based MGARA restart on Bronze policyholders and (ii) the impact of (a) assessment revenue, (b) rate changes (based on existing 2019 filings) and (c) Anthem’s re-entry into the market. Items highlighted included the following:

- Impact on Bronze Plans: Overall, the analysis projects an adverse impact on the cost of lowest-cost Bronze plans in the population between 200-400% of the federal poverty level.
- MGARA Results: Based on the most recent rate filings, and assuming Anthem re-enters the market, although MGARA assessment revenues are reduced, that loss in revenue is projected to be more than offset by a resulting reduction in APTC subsidy and corresponding increase the federal pass-through funding, which generates a significant net gain in MGARA revenues for 2019, resulting in a \$19 million contribution to fund balance based on current attachment points. The additional pass-through dollars would permit an adjustment of attachment points downward to \$34,500 and \$64,500, while still sustaining a 2019 year-end surplus of \$8.6 million.

A lengthy discussion ensued regarding the mission of MGARA and the market and political ramifications of a restart, in the context of the projected effect on Bronze plans, and the fact that some Bronze policyholders would be harmed by a MGARA restart while others would benefit.

In light of these concerns, a motion was made to work with the Maine Bureau of Insurance to develop a revised model for MGARA with the goal of re-commencing operations as of January 1, 2020.

Eric Cioppa, Superintendent of the Maine Bureau of Insurance (the “Bureau”), and Robert Wake, the Bureau’s General Counsel, then joined the meeting via telephone and were requested to provide the Bureau’s reaction to the projected effect on Bronze plans. The Superintendent commented that the projected effect on some low-cost Bronze plans results from the unintended Silver-loading caused by the federal government’s non-payment of cost-sharing reductions, and should be interpreted in that context. He further urged the Board that, in light of time constraints and the imminent rate approval deadline, a restart decision must unavoidably be made quickly. The Bureau participants then left the meeting.

Following further discussion, on a motion duly made and seconded it was

RESOLVED: To work with the Maine Bureau of Insurance to develop a revised model for MGARA with the goal of re-commencing operations as of January 1, 2020.

Participants then briefly discussed next steps. It was agreed that the next regular meeting of the Board would focus on the results of the Milliman analysis and implications for a 2020 restart of operations.

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



Duly Authorized Officer