

**MAINE GUARANTEED ACCESS REINSURANCE ASSOCIATION**  
**Minutes of the Board of Directors**  
**July 25, 2022**

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

Terry Brann	Jim Lyon ( <i>absent</i> )
Dr. David Howes ( <i>absent</i> )	Bruce Nicholson ( <i>absent</i> )
Jolan F. Ippolito, Chair	Katherine Pelletreau
Eric Jermyn	Ellen Schneiter
Ben Johnston	Bill Whitmore
Kevin Lewis ( <i>absent</i> )	

Also in attendance were Laren Walker and Diane Kopecky of River 9 (administrator), Chris Howard and Emily Cooke of Pierce Atwood LLP (counsel to the Association), Sean Hilton of Milliman, Inc. (actuary to the Association), and Marti Hooper and Benjamin Yardley of the Maine Bureau of Insurance (the “Bureau”).

**1. Approval of Minutes**

The Board reviewed the minutes of the May 23, 2022 Board meetings (the “Minutes”). On a motion duly made and seconded, it was

RESOLVED: To approve the Minutes as presented.

**2. Report on Operations Status**

Mr. Walker provided a brief operations report, noting that the deadline for receipt of carriers’ second quarter claims has just passed, so those claims will be processed over the next several weeks. River 9 met with KeyBanc last week and discussed updates to the Association’s investment profile to accommodate the small-group market merger and resulting changes in MGARA’s cashflow needs. Overall, he reported, MGARA’s investment profile is in good shape, with maturities that align with anticipated cashflow needs.

The next Quarterly Operations Report will take place at the Board’s next meeting on August 22.

**3. Next Steps on Small-Group Merger**

With the recent approval by the federal Centers for Medicare and Medicaid Services of the 1332 Waiver amendment application to accommodate Maine’s small-group market merger, the Board turned to an update on operational steps associated with the transition to a merged market. Mr. Walker reported next steps, including obtaining from the Bureau an updated list of carriers. He added that one item that will require some attention is how to harmonize MGARA’s calendar-year cycle with the fact that many small-group plans are on a non-calendar-year cycle. Mr.

Hilton noted that the Milliman team has been considering potential implications of this, including whether it will require carriers to adjudicate two program calendars every year, and whether carriers have set their rates on a different premise. Mr. Walker commented that the calendar-year approach, which has the benefit of simplicity, is expected to have a potentially adverse impact for the carrier only in a plan's initial year, and Mr. Howard noted that this effect is not expected to disproportionately disadvantage any individual carrier.

Mr. Howard invited participants to communicate any other input or operational issue-spotting they may have regarding MGARA's transition to operating in a merged market.

#### **4. Status of Work on High Priced Items and Services**

Mr. Howard reported that, in connection with the "high cost items and services" (HCIS) statutory framework, the Maine Health Data Organization (MHDO) has identified roughly 30 high-cost procedures, applying the following criteria identified through consultation with Maine's Department of Health and Human Services (DHHS) and the Bureau:

- Total annual payments of at least \$100,000 to Maine-based providers
- At least 350 distinct procedures performed in the state
- Performed by at least four billing providers in the state
- Data source MHDO claims data (commercial only) for calendar year 2020

MHDO's interactive dashboard is available for MGARA's use in reviewing the identified conditions. The next step would then be for MGARA to narrow that list to a manageable subset suitable for a pilot program, to start in January 2024.

A discussion ensued. Ms. Schneiter expressed concern about the criteria used to develop the list, given the likelihood that certain of them – and in particular the "at least four billing providers" prong – may be too narrow/exclusionary. She added that it might be more comprehensive to utilize data from the repricing datasets that MHDO receives from the RAND Corporation. Mr. Howard commented that one important objective is to produce a list of conditions that is both meaningful and manageable, and DHHS and MGARA share the view that a pilot program that starts with a relatively short list of conditions is a good way to do this. Ms. Schneiter observed that MHDO's four criteria necessarily foreclose some options, and the only way to re-incorporate those in the future will be to re-run large data queries.

Ms. Pelletreau sought clarification of the \$100,000 threshold, noting the complexity of determining the aggregate cost of a given episode or procedure. Mr. Howard responded that MHDO uses established bundling logic to determine the aggregate cost of a procedure. He added that the parameters themselves were developed in consultation among MGARA, DHHS, MHDO, and the Bureau, with the objective of developing a sound pilot with a good "test base" of conditions. Ms. Pelletreau recommended that MGARA invite Karynlee Harrington, Executive Director of MHDO, to attend a future Board meeting to present and answer questions about the data.

5. **Any Other Business**

Mr. Howard reminded the Board that there remains a Board vacancy for a carrier member in the wake of Geoff Shannon's departure from Aetna. Thus far, Aetna has not responded to MGARA's outreach regarding a potential replacement candidate.

Ms. Hooper provided the brief update that the Bureau will be pleased to provide a list of carriers as mentioned in Mr. Walker's report; and noted that the Bureau is still in the process of reviewing rates. She affirmed that the small-group carrier 2023 rate submissions do incorporate MGARA's reinsurance program.

At this time, the representatives of the Bureau departed the meeting.

Mr. Hilton solicited clarity as to whether the Board is looking to Milliman to conduct various comparative analyses regarding the small-group and individual markets in anticipation of the market merger. A brief discussion ensued, during which it was agreed that these types of market-based demographic differences are important to keep in mind in preparing for future program years, but there is no immediate need for additional analyses at this time for calendar year 2023.

At this time, the Milliman and River 9 representatives departed the meeting and the Board entered Executive Session.

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

A handwritten signature in black ink, consisting of a large, stylized initial 'A' followed by a smaller, less distinct signature.

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Duly Authorized Officer