

MAINE GUARANTEED ACCESS REINSURANCE ASSOCIATION
Minutes of the Board of Directors
January 22, 2024

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

Terry Brann	Ben Johnston (<i>absent</i>)
Scott Cremens	Kevin Lewis
Dan Demeritt	Jim Lyon
Dr. David Howes	Bruce Nicholson
Jolan F. Ippolito, Chair	David Regan
Eric Jermyn	Ellen Schneider

Also in attendance were Laren Walker of River 9 (administrator), Chris Howard and Emily Cooke of Pierce Atwood LLP (counsel to the Association), Tom Murawski and Jeremy Siborg of Milliman, Inc. (actuary to the Association), and Marti Hooper, Life & Health Actuary of the Maine Bureau of Insurance (the “Bureau”). A set of meeting materials was distributed to all Board members prior to the meeting.

1. Approval of Minutes

The Board reviewed the minutes of the Board meeting of November 27, 2023 (the “Minutes”). On a motion duly made and seconded, it was

RESOLVED: To approve the Minutes as presented.

2. Operations Update

Mr. Walker shared that no formal Quarterly Operational Report for the fourth quarter is yet available, as fourth quarter claims have just been received and will be processed over the next two weeks. He added that River Nine is also working with Milliman to process 2023 IBNR, and the audit is underway with Eide Bailly.

3. HPIS Program Implementation Update

Mr. Howard reported that MGARA has received helpful feedback from the carriers on MGARA’s draft proposal for operationalizing the High-Priced Item or Service (HPIS) program. This feedback has been incorporated into proposed amendments to MGARA’s Plan of Operation, which are included in the meeting materials, for proposed adoption by the Board’s February quarterly meeting.

Mr. Howard summarized three principal areas of input received from the carriers.

First, carriers encouraged MGARA to adopt an annual, versus quarterly, reporting and reconciliation cycle to be implemented at the same time as the final claims reconciliation.

MGARA can accommodate this feedback and it has been incorporated into the draft Plan of Operation amendments.

Second, carriers requested that MGARA develop (1) a crosswalk between the appropriate procedure codes that correspond to the APC codes MGARA has selected for the HPIS program; and (2) a crosswalk to Medicare allowable charges for the selected codes. Mr. Howard reported that MGARA likely (subject to confirming feasibility) can develop a crosswalk from its selected HPIA Code Sets to applicable procedure codes; but it is not feasible for MGARA to develop a crosswalk to Medicare allowable charges for the HPIS Code Sets. While MGARA would be willing to do so, Milliman lacks the technical capability to build that crosswalk, and so MGARA would need to identify another source (and dedicate the requisite financial resources) to do so.

Third, carriers recommended that the 200% of Medicare allowable charge should set on an annual basis (e.g., in effect as of the 1st of the applicable calendar year). MGARA can accommodate this feedback and it has been incorporated into the draft Plan of Operation amendments.

Based on the above, Mr. Howard summarized, the only remaining open item from the carriers' feedback is exploration of what's feasible in terms of developing the requested crosswalks.

4. Report re MGARA “Future State” Discussion

Mr. Howard reported on the latest in the “MGARA future state” working group consisting of Mr. Howard, Commissioner Lambrew, Beth Beausang, Senior Policy Advisory to the Governor, representatives of the Bureau, and Meg Garrett-Reed from the Maine Office of Affordable Health Care. He reported that the working group's scheduled January meeting was rescheduled to a to-be-determined date in early February. He added that two realistic paths for (at least temporarily) stabilizing MGARA's trend lines are emerging from the working group's discussions: the use of an inflation adjustment mechanism, and the use of MGARA's net loss assessment authority. He acknowledged that it is difficult for the Board to make decisions without more details about a possible inflation adjuster.

Ms. Ippolito asked whether there would be a problematic time lag between any implementation of a net loss assessment and actual impact. Mr. Howard replied that this should likely not be a problem given the timing of MGARA's fiscal cycle.

Mr. Nicholson made a motion, duly seconded, that, in light of MGARA's net loss in 2022 and projected net loss in 2023, the Board exercise its \$2pmpm statutory net loss assessment authority as expeditiously as possible.

A discussion ensued. In response to a question from Mr. Demeritt, Mr. Nicholson clarified that the proposal is for the Board to act now, exercising the authority that is currently within its control, rather than waiting for policy developments on the inflation adjustment mechanism. Ms. Ippolito inquired about the specific steps to implement a net loss assessment; Mr. Howard replied that the first step would be to analyze the impact of such an assessment on MGARA's financials. Mr. Lewis expressed a preference to table the motion and do that work before revisiting the question in February and made a motion to that effect. Mr. Regan inquired whether adequate additional information would be available by then; Mr. Walker confirmed that it would. Ms. Schneider

emphasized the need to avoid dragging out a decision. The Board discussed the wisdom of reaching out to interested parties for input prior to making a decision in the matter.

At this time, on a motion duly made and seconded, it was

RESOLVED: To table discussion on the motion made by Mr. Nicholson to exercise MGARA's \$2ppm statutory net loss assessment, until the Board's February meeting and the development of specific data on the financial impact to MGARA of such an assessment and outreach to interested parties for input.

Mr. Howard summarized next steps: he, Mr. Walker, and Milliman will collaborate to develop a more granular analysis and proposal for the Board's consideration at its February meeting. In the meantime, he added, the working group will meet, and the fact that there is a motion on the table will highlight the seriousness of the issue from the Board's perspective.

5. Executive Session

The Board entered Executive Session at 4:00.

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



Duly Authorized Officer