

MAINE GUARANTEED ACCESS REINSURANCE ASSOCIATION
Minutes of the Board of Directors
June 17, 2024

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. on June 17, 2024. Attendance is reflected in the record of attendance set forth below:

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

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), and Tom Murawski of Milliman, Inc. (actuary to the Association); and Bob Carey, Superintendent of Insurance, and Marti Hooper, Life and Health Actuary with the Maine Bureau of Insurance (the “Bureau”).

There was a single item on the agenda for the meeting: Whether to reconsider the previously-approved MGARA 2025 reinsurance thresholds in light of (i) finalization of the 2024 1332 Waiver Grant pass-through payment amount and (ii) the 2023 claims runout estimates.

Mr. Howard reminded participants that at its May 6 meeting, the Board voted to set MGARA’s 2025 reinsurance parameters at \$135,000/\$275,000 with a 55% coinsurance rate. Since that time, the Centers for Medicare and Medicaid Services (CMS) has confirmed the amount of its 1332 Waiver Grant award for 2025, which was preliminary as of May 6; and MGARA has received carriers’ estimates of 2023 runout, which are favorable to projections in the amount of \$11.6MM.

Mr. Murawski presented a revised set of MGARA financial projections, utilizing the same format presented at MGARA’s May 6 Board meeting but incorporating the above-described updates and a broader set of possible reinsurance parameters and corresponding projected results. He noted that the updated projections carry forward the more robust 1332 Waiver Grant level reflected in the 2025 grant amount.

A discussion ensued. Mr. Murawski emphasized that, as reflected in the projections, any value to MGARA in excess of 5% requires leveraging surplus, which is not financially sustainable over multiple years. Several participants expressed concern that without clarity as to why the 2025 1332 Waiver Grant amount increased so substantially over 2024, it is not possible to assess whether the increase is likely to be sustained in future years. Participants revisited the question of how to maximize positive rate impact while maintaining MGARA’s long-term stability, in light of the updated data. Following

consideration, a consensus emerged around a scenario that reflects a 7% value of MGARA under the updated projections. Accordingly, on a motion duly made and seconded, it was

RESOLVED: To revise MGARA's 2025 reinsurance parameters to be set at \$135,000/\$275,000 with a 75% coinsurance rate.

Participants briefly discussed the operational steps to promptly alert the carriers of the updated parameters, and it was agreed that River 9 would share that communication with the Board for awareness.

Mr. Howard noted that the Plan of Operation has now been updated to address the implementation and operation of the High Priced Items and Services (HPIS) program required by 24-A MRS Chapter 54-A, and amended version will be filed with the Bureau reflecting both the HPIS program and the above change in reinsurance parameters.

The Board determined there was no need for an executive session.

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



Duly Authorized Officer