



Idaho High-Risk Reinsurance Pool Board Meeting

May 3, 2023

On Wednesday, May 3, 2023, BB&A attended the Department of Insurance Idaho High-Risk Reinsurance Pool Board Meeting. Through their meeting, they discussed the High-Risk Pool Report, Mountain Health Co-op Appeal, and the Actuarial Committee.

Loren Walker presented the High-Risk Pool Report to the committee and compared the FY22 report with the FY23 report and discussed what to expect in FY24. The revenue numbers were significantly higher for FY23 than previously because they were awarded \$1M. Ms. Walker also stated that they expect the numbers to grow as the year goes on. She also led the committee through the Mountain Health Co-op appeal that looked at ceding members. The Board received a letter of discouragement from Mountain Health Co-op because the data they received was in the wrong format, and the Mountain Health Co-op program wasn't designed for the format they received. The Board was understanding of the appeal, but Director Cameron stated it would be important to take this up looking long term, but there is a possibility for others to come in and hold this over the board's head since they approved it but would need to approve the action again. The Board then discussed the pros and cons of approving this appeal and ultimately decided to deny the appeal with unanimous support.

The Actuarial Committee began looking at 2024 Projection Scenarios. The Committee agreed to look at two scenarios for 2024 investment. The first is a lower projection scenario that would be based on 95,000 members for consistency with 2023 projections, and the second is a higher projection scenario that would be based on 104,000 members and assumes 2023 state premium taxpayers.

The Idaho Reinsurance program is also doing its first projections for 2024 and is using the background summary in 2023 condition based HRP projections that were completed in October 2022. The projected market impact for 2023 was 12% of the overall individual market premium and the projected 2023 spending on CBHRP assets is \$10.4M. Several changes were made that impacted initial 2024 projections, the Inflation Reduction Act affects individual market subsidies, the Public Health Emergency is ending, and the family glitch ended in December of 2022. The objective for the board was to determine the desired percentage impact of CBHRO on the 2024 market premiums. The reinsurance plan design is to be determined in October 2023. Reinsurance premiums for 22 were 0.94 per ceded life per month and for 2023 it was 0.341 per ceded life per month. There were 73 conditions determined in October 2022 for 2023 and the conditions for 2024 will also be determined in October.

For the modeling process and data collection, they looked at 2023 and 2024 premium tax estimates from the Department of Insurance and JFAC which totaled \$18.2M. Then they looked at enrollment projections from Your Health Idaho which is 2023 the monthly average was 91,000 lives and in 2024 is projected 103,000 lives. The pass-through funding estimate from CMS is \$51.5M for 2023 which is higher than the current estimates of \$47M. The developed scenarios look at 2024 enrollment of 95,000 and 104,000 and then a market reduction of either 12%, 15%, or 18%. When opened to discussion there were concerns about funding in 2025 and a need for Congress to increase subsidies. The board thought that 15% was good and 12% is too low for us to be sitting at but 18% would pose a risk for some as inflation is already a big issue. There was a motion to approve 16% which was approved with a 5-4 vote.

The meeting ended with a legislative update from Director Cameron and Wes Trexler where they said that there was nothing impactful from session, but the Department is being their rules review. The rules will be posted on June 7 and then the hearing for reducing by 20% will be on June 27.

The Actuarial Committee will have its next teleconference on August 22, 2023, at 2 pm and the High-Risk Insurance Board will have its next meeting on September 20, 2023.