DOI Phone Conference Notes

Date: September 3, 2026
Time: 9:35 a.m.

Present:

- Jake Massey
- Jessica Grantham
- Brook Cunningham
- Eric Fletcher, Idaho Department of Insurance (DOI), via telephone

Payment Deadline and Blue Cross Surplus Note

- Jake Massey expressed concerns regarding the September 10 deadline for districts to notify ISBT and DOI whether they intend to make payments in installments or as one lump-sum payment.
- Eric explained that Blue Cross will be issuing a surplus note to cover outstanding claims.
- Before Blue Cross will provide the funding, it needs to know each district's payment commitment.
- Blue Cross will not make the loan until it has received a secured commitment letter from each district by September 10.
- A commitment letter submitted by September 10 is acceptable; payment is due by September 30.
- Payments made under protest will be accepted.
- The surplus note carries 6% interest, and the amount of interest will be reduced for districts that pay earlier.

Outstanding Claims and Stop-Loss Coverage

- Blue Cross is currently not paying claims.
- Blue Cross is also the stop-loss carrier.
- Approximately $13 million is needed before stop-loss coverage takes effect.
- Once stop-loss coverage begins, districts will not be responsible for additional amounts covered under the stop-loss coverage. **(This was stated twice during the conversation: we would not be charged *more* than the $645k/$705k because $13m is the amount required to get to our stop-loss coverage).**
- Providers have contacted some members throughout the state regarding outstanding claims.

DOI Examination and Public Information

- DOI will issue a public examination report explaining how the Trust became insolvent and the circumstances that led to the current situation.
- The report will be available to the public and Trust members as soon as possible, though it's not promised it can be available prior to September 30th.
- Eric stated that DOI was not informed of the Trust's financial condition until June 23. (we interpret this as actual financial insolvency... as there is other information to indicate they did know about the decreasing balance)
- DOI is also developing a website to make as much information as possible available to the public and members.

Trust Expenses and Compensation

- When asked about the Trust's operating and payroll expenses, Eric stated that:
  - The Trust has numerous vendors.
  - The Trust has one direct employee, Debbie Hienke.
  - Trustees do not receive compensation.

Districts That Previously Left the Trust

- Jake asked whether districts that previously left the Trust had outstanding claims that continued to be paid by the Trust after their departure.
- DOI is reviewing this issue and will determine whether action against any former districts is appropriate.
- At this time, nothing suggests that this has occurred.
- DOI is also reviewing the Trust's membership rosters from the past several years.

Accounting of Each District's Amount Owed

- Jake asked whether districts would receive an accounting explaining how the amount owed by each district was calculated.
- Eric confirmed that an accounting will be provided and shared with the public and every member district.
- Blue Cross is currently preparing a census of all members and dependents for each district.
- Eric confirmed that they will provide a historical membership roster.

Appointment of DOI as Official Rehabilitator

- Jake asked when DOI would officially be named the rehabilitator.
- Eric stated that a petition was filed approximately one week ago on an urgent basis.
- DOI is hoping to receive a determination by Friday, September 4, 2026