



IDAHO HEALTH INSURANCE EXCHANGE  
DBA YOUR HEALTH IDAHO

FINANCE COMMITTEE MINUTES  
THURSDAY, MARCH 5, 2020

1. COMMITTEE MEMBERS PRESENT

- Mr. Kevin Settles, Chair
- Mr. Greg Donaca
- Dr. John Livingston
- Dr. John Rusche (via teleconference)

2. OTHERS PRESENT

- Ms. Heidi Stockert, Your Health Idaho
- Mr. Pat Kelly, Your Health Idaho
- Mr. Kevin Reddish, Your Health Idaho
- Ms. Wanda Smith, Your Health Idaho
- Ms. Mandi Shawcroft, Your Health Idaho
- Ms. Cheryl Fulton, Your Health Idaho

3. CALL TO ORDER

Following proper notice in accordance with Idaho Code §74-204, the Finance Committee meeting of the Idaho Health Insurance Exchange (Exchange) was called to order by Mr. Kevin Settles, Chair of the Committee (the Chair), at 9:03 a.m., Thursday, March 5, 2020, at the offices of Hawley Troxell Ennis & Hawley, 877 W Main Street, Suite 1000, Boise, Idaho. In accordance with Idaho Code §41-6104 (8), the meeting was held in an open public forum and was streamed in audio format. Members of the public could access the audio stream by dialing into a telephone number that was included in the notice of meeting posted on the Exchange Board's Web site and at the meeting location.

4. ROLL CALL

The Chair called roll and determined that Mr. Donaca, Dr. Livingston, and Dr. Rusche (via teleconference), were present, resulting in a quorum. Rep. Dixon, Senator Rice, and Director Jeppesen were absent.

5. PRIOR MEETING MINUTES

**Motion:** Dr. Livingston moved to approve the meeting minutes from the December 2, 2020, Finance Committee meeting as presented today. **Second:** Mr. Donaca. **The motion carried.**

6. REVIEW AGENDA

The Chair reviewed the Agenda and there were no changes.

## 7. REVIEW ROADMAP

The Chair reviewed the Roadmap and there were no changes.

## 8. FINANCIAL RESULTS THROUGH DECEMBER 31, 2019 (9:15)

Ms. Stockert said YHI ended the second quarter in a favorable position to budget. Year to date operating expenses are favorable to budget by \$607k and net income is \$1.3M which is favorable to budget by \$395k. The balance sheet continues to stay strong with no debt obligations and a healthy cash flow. YHI's cash balance ended the period at \$14.4M.

Revenue came in at 6.4 percent under budget, with total Assessment Fee revenue for the month of December of \$945k, resulting in year to date Assessment Fee revenue right above \$6M. Total members for the month of December were 90,188. Year to date average monthly premiums were \$481 per member at the close of Plan Year '19, which is about what was expected.

Ms. Stockert reviewed the Income Statement and noted that total expenses were favorable by about \$607k primarily driven by favorability in employee and related costs, outreach and education, and the DHW eligibility shared services.

Ms. Stockert said the enrollments over time analysis shows consistency over plan years 2019 and 2018 as well as year over year growth at 3 percent. The impacts of Medicaid expansion to 2020 enrollments were estimated at 18k moving off the exchange, but only about 13k moved to Medicaid as of January 1. Overall, for PY 2020, approximately 75 percent of YHI enrollments were those that renewed their coverage while 25 percent of all enrollments were new customers.

Ms. Stockert noted that average monthly premiums are forecasted to have a decline of about 7 percent due to Medicaid expansion and shift from silver to bronze and are forecasted through the end of PY20 at \$454 on average per member.

**Motion:** Dr. Livingston moved that the Finance Committee, recommend to the Board, approval of the financial results through December 31, 2019, as presented today. **Second:** Mr. Donaca.  
**The motion carried.**

## 9. FINANCIAL FORECAST (9:27)

Ms. Stockert reviewed the FY20 Forecast versus budget. For revenue there is slight favorability in assessment fee revenue and anticipated income of \$11.4M compared to budget of \$11.1M, anticipated favorability of \$323.6K. For operating expenses, favorability in the same areas as in prior months are expected, including employee and related costs, outreach and education, and DHW eligibility shared services with total spend of \$9.3M to budget of \$9.9M leaving a favorability at \$575k. The forecasted net position at the end of FY20 is positive \$1.9M.

## 10. FY21 PRELIMINARY BUDGET REVIEW (9:42)

Ms. Stockert said the FY21 budget review today will cover the proposed operating expenses for the period July 1, 2020, through June 30, 2021 as well as the CAPEX proposed budget for the same time period. The building operating expenses will be presented at the March 19 meeting as the property management company that YHI selected is currently developing that budget. In

between these meeting will be the Governance Committee meeting where they will be reviewing, and hopefully the Strategic Staffing and Compensation Plans that will be integrated into the budget. At the March 19 meeting, YHI will be proposing the FY21 budget for revenue and assessment fees; as well as include a presentation by Milliman. Any changes to OPEX resulting from these discussions today will also be updated in the budget and presented at the March 19 meeting. The FY21 budget will then be recommended to the Board on April 3 for review and approval.

The budget process came about through strategic planning over the course of the past three months and using a bottoms-up approach in each functional area by each budget owner.

Budget assumptions in the finance and operations space include salaries and wages which include merit increases, market rate adjustments, the variable pay plan, and additional positions added due to the reorganization. It also includes budget assumptions for employees and related costs (benefits and payroll taxes), CPI increases for business insurance and professional fees, facilities and infrastructure, and decreases in DHW eligibility shared services relative to the FY20 budget.

In the IT/privacy and security space, IT subscriptions and maintenance and other various expenses were reviewed and included the addition of co-location, a compliance noticing contingency, and a slight increase in the contractual obligation with GetInsured.

Assumptions for Policy & Operations included the addition of a tribal contract, a CPI adjustment for the IPA contract, and a reduction in temporary staffing based on this years' experience.

Finally, assumptions for Marketing and Communications include a 3 percent increase in outreach and education expenses, and in advertising and production for continued engagement in Open Enrollment activities.

***a) Operating Expenses***

Ms. Stockert said the Budget by location does show a total of \$9.9M total OPEX spend and this does compare to the proposed 2020 budget of \$9.8M, with an increase over last year's budget of \$100k. The forecast for 2020 is \$9.3M resulting in an increase being proposed for FY21 of \$694k.

***b) Sustainability Analysis***

Ms. Stockert said cash flows are predicted to remain above \$8.9M while covering the OPEX budget with cash flows also remaining above the reserve floor of \$6.6M. The five-year cash forecast is projected at \$9.6M through June of 26. Cash flows at the new building are projected at \$297k over six years, net of reserves, vacancy allowances and operating expenses. YHI's leaseback will include \$190k annually.

***c) Commercial Real Estate Expenses***

Ms. Stockert reminded the Committee that the View Pointe Operating budget will be presented at the March 19 meeting.

**11. DEVELOPMENT VS. CAPEX**

Ms. Stockert said Development versus CAPEX budget is for the GetInsured (GI) contractual obligations. YHI proposes and anticipates based on contract with GI is \$1M based on the roadmap with GI. YHI anticipates having \$849K contractually obligated for development with a \$150K balance for contingency.

**12. COMMERCIAL REAL ESTATE UPDATE (10:22)**

Mr. Kelly said Thornton Oliver Keller has been selected as the building management company. They are currently working on a building operating budget and will also recommend capital investments. Idaho First will hold the operating checking account. Tenant Improvements are ongoing with Vertical Corp and are waiting on some permitting. Notice has been given to YHI's current landlords and will be out of the current building by June 30.


**13. NEXT MEETING**

The Chair noted that the next meeting will be held on March 19.

**14. ADJOURN**

There being no further business before the Committee, the Chair adjourned the meeting at 10:28 a.m.

Signed and respectfully submitted,

  
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Kevin Settles, Committee Chair