



**IDAHO HEALTH INSURANCE EXCHANGE
DBA YOUR HEALTH IDAHO**

**GOVERNANCE COMMITTEE MINUTES
TUESDAY, MARCH 10, 2020**

1. COMMITTEE MEMBERS PRESENT

- Ms. Margaret Henbest, Chair
- Mr. Hyatt Erstad (via teleconference)
- Ms. Karen Vauk (via teleconference)
- Mr. Paul Zurlo

2. OTHERS PRESENT

- Mr. Pat Kelly, Your Health Idaho
- Mr. Kevin Reddish, Your Health Idaho (via teleconference)
- Ms. Alanee Thomas, Your Health Idaho
- Ms. Meghan McMartin, Your Health Idaho
- Ms. Frances Nagashima, Your Health Idaho
- Ms. Tresa Ball, HR Precision
- Mr. Mike Stoddard, Hawley Troxell
- Ms. Cheryl Fulton, Your Health Idaho

3. CALL TO ORDER

Following proper notice in accordance with Idaho Code §74-204, the Governance Committee meeting of the Idaho Health Insurance Exchange (Exchange) was called to order by Ms. Margaret Henbest, Chair of the Committee (the Chair), at 9:01 a.m., Tuesday, March 10, 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. Erstad (via teleconference), and Ms. Vauk (via teleconference) were present, resulting in a quorum. Mr. Zurlo arrived at 9:05 a.m. Director Cameron was absent.

5. PRIOR MEETING MINUTES

Motion: Mr. Erstad moved to approve the meeting minutes from the December 3, 2020, Governance Committee meeting as presented today. **Second:** Ms. Vauk. **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. FY21 STRATEGIC STAFFING PLAN (9:06)

Mr. Kelly informed the Committee members that YHI has issued two statements to the team around the Coronavirus encouraging a prevention mindset.

Mr. Kelly said the organizational structure remains focused on three key tenants: Customer experience, meaning the right people in the right places and enough people to deliver on the Idahoans' experience goal; fit for purpose in making sure money was being spent in the right places within the organization; and cross-functionality meaning ensuring YHI mitigates silos and encourages cross-functional workstreams.

Post open enrollment organizational changes were driven by the desire for skill-based routing, something YHI has wanted to do for years, but hasn't had a large enough call center to implement it traditionally. However, YHI is able to provide the customer support team with skills which will allow them to take on additional capabilities to help them provide a more comprehensive customer experience without changing roles within the organization. That will create, for the customer calling in, something akin to skill-based routing. This will be driven by knowledge assessments that will be deployed to the customer facing teams that will allow them to achieve different levels of support capabilities within the system. It also allows YHI to more affectively utilize the teams. Team members will be able to choose what areas they would like to test in and are interested in. YHI also modified the ratio of supervisor to team members to allow for better coaching and ensure professional development opportunities are provided and followed up on. YHI is two headcount higher than the budget last year.

Motion: Mr. Erstad moved that the Governance Committee, recommend to the Board, approval of the Strategic Staffing Plan as presented today. **Second:** Ms. Vauk. **The motion carried.**

9. COMPENSATION POLICY (9:12)

Mr. Kelly said YHI's Compensation Policy is very robust, but a few revisions have been made this year based on the Board decisions at the December 2019 meeting. There were updates to the variable pay target payouts, changes to benefit premiums structure for C-Suite team members, and supplemental incentive compensation alternative for a 529 plan contribution for the Executive Director. Other updates included excluding C-Suite team members from recognition programs and in the event of a team members' pay reaches the pay range maximum, annual merit increase may be paid as a lump sum rather than an increase to base pay.

Ms. Vauk asked if the lump sum is treated like a bonus when taxed. Mr. Kelly said yes. Ms. Vauk asked how it is determined that someone is at the top of their pay range. Mr. Kelly said the last compensation survey was in 2018. During that survey, YHI does a comprehensive review of the valley – government, non-profits, private companies – to come up with a pay range for each

of YHI's job categories. Each of those have a minimum, a mid-point, and a maximum. When an employee has been in a position for a while and has received pay increases over time, and they reach that maximum pay, that is the situation being described. This also assume that there is no ability to be promoted into the next pay grade because of the job responsibilities. Ms. Ball added that it is common when someone reaches that maximum pay, that there are no additional increases. This will not be a common occurrence. Ms. Vauk asked if there is a reason to not pay above the range for specific individuals and Ms. Ball said it is a company compensation philosophy to not pay above the range. Mr. Zurlo said he has seen this in practice, and it is important to ensure that the person is in the right place or should if they should be moved into a different role, particularly if it happens more than once.

Motion: Mr. Zurlo moved that the Governance Committee, recommend to the Board, revisions of the Compensation Policy as presented today. **Second:** Mr. Erstad. **The motion carried.**

10. FY21 COMPENSATION PLAN (9:23)

Mr. Kelly said the Finance Committee met on March 5th and primarily focused on operating expenses. Based on those outcomes, YHI's current budget assumptions include a merit pool of three percent for FY21. The benefits structure was evaluated and was deemed to be competitive in the valley. Recognition programs remain in place and the budget was unchanged. Market review was done in 2018, revisited in 2019, and continues to be accurate. YHI proposed a market adjustment of \$48,000 for certain positions where compensation in the Treasure Valley has adjusted outside of market norms. The team loved flexi-Fridays which will be in effect starting in April and running through September.

Motion: Ms. Vauk moved that the Governance Committee, recommend to the Board, approval of the Compensation Plan for FY21, as presented today. **Second:** Mr. Zurlo. **The motion carried.**

11. STRATEGIC AND OPERATIONAL GOALS (9:28)

Mr. Kelly said YHI's overall Strategic Goal is to provide a Flawless Customer Experience and has been in place since 2017. This is achieved when less than five percent of customers require three or more touches to resolve their issue. This has been achieved for the last 8 or 9 quarters. During the most recent open enrollment, only 3.4 percent of customers required three or more contacts. This goal is a "true north" goal and reinforces the notion of resolving issues quickly. He recommended keeping this as YHI's strategic goal.

For the Idahoans' Experience Goal, which covered October 1st through January 31st, there are three components to this goal including Net Promoter Score (NPS). NPS had a final outcome of 32 which achieved the 80 percent goal threshold. The second part of the goal is turnaround time and focused on customers that takes longer than three days to resolve their issue. During the goal period, only 2.8 percent of our customer inquiries required longer than three days to resolve and achieved the 100% threshold. The third part of this goal is first contact resolution and focused on reducing the percentage of customers that require three or more contacts to resolve their issue. During the goal period, only 3.2 percent of our customers required more than three contacts to resolve their issue which also achieved the 100% threshold. These goals were adjusted for Medicaid Expansion and overall the goal achieved 96 percent of the goal threshold.

For Retention and Enrollment, there was no compensation tied to this goal due to Medicaid Expansion. As of the March 1, YHI had 82,000 effectuations and it is on track for 100 percent achievement.

Risk Management was focused on phishing campaigns and educating team members on how to identify and report them. Over the five phishing campaigns deployed to the team, the average click rate was four percent and average reporting rate was 92 percent, resulting in the goal meeting the 100 percent threshold.

Low Cost Promise, which focuses on operating expense savings, is trending just above 80 percent achievement.

The last Goal is Employee Engagement and is a two-part goal focusing on COMPASS cards and the Gallup survey. COMPASS is YHI's cultural guiding principles and includes peer to peer recognition. Between 60 and 70 percent of team members participated in this goal which means YHI is trending at the 100 percent goal threshold. The second part of the goal is the Gallup Q12 survey. The survey will be taken in May of 2020 and will be measured at that time.

Proposed goal categories for 2021 will remain similar. For Idahoans' Experience, the current NPS approach includes open-ended questions about the customer's experience and YHI found that the responses were not specific enough to translate into actionable items for our team. Because of this, YHI is looking at refining the Net Promoter Score to a Customer Ease of Use score which would ensure the right questions are being asked to zero in on the experience consumers have with YHI. Retention and Enrollment will continue to be tracked and YHI will continue to propose no compensation for this goal. Risk Management will continue to focus on phishing and social engineering but will change to a monthly training as opposed to annual. Low Cost Promise will focus on cash or operating expenses relative to the approved budget. And finally, Employee Engagement will continue to focus on COMPASS cards and the Gallup survey.

12. BOARD TRAINING (9:44)

Mr. Stoddard said the Board training this year will be similar to last year with the addition of Social Media training and any new matters suggested by the Attorney General.

13. BOARD SURVEY (9:48)

Ms. Ball said YHI has performed Board surveys on an 18-month cadence and Committee Charters require annual self-assessments. After much discussion and consideration of Board member tenure, the Committee suggested changing the Board survey to an annual survey and aligning the timing of the Committee self-assessments with the Board survey. Both would be on a 12-month cadence and performed during the summer months with results delivered at the September Board meeting.

The content of the Board Survey includes minor edits and redlines based on earlier Board member feedback. The edits were reviewed and discussed with particular focus on the role of the Board in the strategic planning space.

14. EXECUTIVE DIRECTOR EVALUATION PROCESS (10:03)

Ms. Ball said the Executive Director review process will remain the same utilizing Trakstar for the tool. The review will continue to focus on the strategic and operational goals as well as leadership competencies. The survey will be issued in early May, one on ones with direct reports will be performed around the same time, results will be summarized at the May/June Committee meeting in preparation for the June Board meeting where Board decisions on approvals of Merit and Variable pay will be determined.

15. BEST PLACES TO WORK (10:05)

Ms. Thomas said the survey opened February 3 and closed February 14th and questions focused on satisfaction with the organization. YHI saw 100 percent participation. Summary and detailed reports are expected in mid-April.

16. EXECUTIVE SESSION (10:07)

Motion: The Chair moved that the Committee enter into Executive Session Pursuant to Idaho Code Section 74-206 (1), to consider hiring an individual agent, wherein the respective qualities of individuals are to be evaluated in order to fill a particular need, pursuant to Idaho Code 74-206 (1)(a).

Executive Session Roll Call: The Chair took a roll call vote and determined that Mr. Erstad (via teleconference), Paul Zurlo, and Ms. Vauk (via teleconference), and were present and agreeable, resulting in a quorum.

The Committee entered into Executive Session at 10:09 a.m. and reconvened at 10:25 a.m. No final actions nor decisions were made while in Executive Session.

17. CONTRACTS RENEWAL (10:25)

Motion: Mr. Zurlo moved that the Governance Committee, recommend to the Board, approval to engage with Hawley Troxell, in lieu of issuing a Request for Proposal for legal services as permitted by YHI's Procurement Policy for contracts that have been in place for seven years, through March 2027, which funds are included in the proposed FY21 budget and it is anticipated that the Board will include such funds in each subsequent year's budget. **Second:** Mr. Erstad. **The motion carried.**

Motion: Mr. Zurlo moved that the Governance Committee, recommend to the Board, approval to engage with HR Precision, in lieu of issuing a Request for Proposal for HR Consulting services as permitted by YHI's Procurement Policy for contracts that have been in place for seven years, through March 2027, which funds are included in the proposed FY21 budget and it is anticipated that the Board will include such funds in each subsequent year's budget. **Second:** Ms. Vauk. **The motion carried.**

18. NEXT MEETING

The Chair noted that the next meeting will be held in late May or early June.

19. ADJOURN

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

Signed and respectfully submitted,

Margaret Henbest, Committee Chair

DRAFT