



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

**YOUR HEALTH IDAHO BOARD
MINUTES
FRIDAY, MARCH 19, 2021**

1. BOARD MEMBERS PRESENT

- Mr. Stephen Weeg, Chair (via videoconference)
- Ms. Janice Fulkerson (via videoconference)
- Mr. Kevin Settles, Treasurer (via videoconference)
- Mr. Hyatt Erstad, Secretary (via videoconference)
- Dr. John Livingston
- Ms. Margaret Henbest (via videoconference)
- Mr. Jerry Edgington (via videoconference)
- Mr. Greg Donaca (via videoconference)
- Ms. Carolyn Lodge (via videoconference)
- Ms. Heidi Hart (via videoconference)
- Mr. Paul Zurlo (via videoconference)
- Ms. Karan Tucker (via videoconference)
- Mr. Brett Thomas (via videoconference)
- Ms. Tara Malek (via videoconference)
- Senator David Nelson (via videoconference)
- Director Dean Cameron (via videoconference)
- Ms. Lori Wolf for Director Dave Jeppesen (via videoconference)

2. OTHERS PRESENT

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

3. CALL TO ORDER

Following proper notice in accordance with Idaho Code §74-204, the Board of Directors meeting of the Idaho Health Insurance Exchange (Exchange) was called to order by Mr. Stephen Weeg (the Chair), at 8:35 a.m., Friday, March 19, 2021, at the offices of Your Health Idaho. In accordance with Idaho Code §74-203 (1), the meeting was open to the public and streamed in videoconference format via GoToMeeting and the Idaho Public Television web site.

4. ROLL CALL

Mr. Erstad called roll and determined that the Chair, Ms. Fulkerson, Mr. Settles, Dr. Livingston (in-person), Ms. Henbest, Mr. Edgington, Mr. Donaca, Ms. Lodge, Ms. Hart, Mr. Zurlo, Ms. Tucker, Mr. Thomas, Ms. Malek, Senator Nelson, Director Cameron, and Ms. Wolf for Director Jeppesen, were present (via videoconference), resulting in a quorum. Senator Rice and Representative Dixon were absent.

5. PUBLIC COMMENT PERIOD

There were no comments.

6. PRIOR MEETING MINUTES

The Chair asked if there were any changes to the minutes from the prior meeting and there were none.

Motion: Mr. Settles moved to approve the meeting minutes from the December 18, 2020, Board meeting. **Second:** Mr. Erstad. **The motion carried.**

7. REVIEW AGENDA

The Chair reviewed the agenda, and no changes were made.

8. REVIEW ROADMAP

The Chair reviewed the Roadmap, and no changes were made.

9. EXECUTIVE SUMMARY

Mr. Kelly thanked the Your Health Idaho team and partners that have worked so hard to assist Idahoans during March's uninsured special enrollment period. The Department of Insurance, Department of Health and Welfare, GetInsured and our critically important agents, brokers and enrollment counselors met the challenge, and we reopened an uninsured enrollment period for Idahoans on March 1st. We will walk through details of our Uninsured SEP in just a few minutes, but happy to report that enrollments are on track to meet expectations.

On March 11th, President Biden signed the American Rescue Plan Act. While the Act contains many different initiatives, it provides additional subsidies for ACA plans through the implementation of income limits and for the first time those with income above 400 percent of the Federal Poverty Level will be eligible for those tax credits. Your Health Idaho will continue enrollment through April 30 to ensure Idahoans can take advantage of the enhanced subsidies. We will discuss this in more detail later this morning.

After one year of primarily remote work, we are on track to welcome the Your Health Idaho team back onsite beginning April 5th. While a few team members have expressed some concern, overwhelmingly the response has been positive.

Finally, Your Health Idaho is pleased to announce that Molina Healthcare will be joining the exchange for plan year 2022. Kick off meetings were held earlier this year and our operations teams are actively working to ensure a smooth partnership.

10. MARKETPLACE

Mr. Edgington, Chair of the Marketplace Committee, said relative to the uninsured Special Enrollment Period (SEP) the Marketplace Committee discussed that it is currently in motion resulting in increased call volumes, an increase in website activity, and an estimated six hundred incremental enrollments are expected. The Committee also discussed the American Rescue Plan Act and how that might affect Your Health Idaho and its stakeholders. At the time of the Committee meeting, the Bill had not passed the Senate and Mr. Kelly will provide additional details on that topic. The Committee also reviewed the 2020 enrollments which were lower than expected due to the continued impacts of protected Medicaid, COVID-19, and Medicaid Expansion. The Committee also reviewed 2021 enrollments with 85 percent of enrollments returning from prior years, and 15 percent of enrollments being new. The Your Health Idaho team was able to maintain service levels throughout open enrollment and in a remote environment, resulting in a Net Promoter Score that continues to exceed expectations. The Committee also reviewed the paid advertising for open enrollment 2021 and discussed the outreach activities that have been tried during this challenging time. And finally, the Committee reviewed the plans for technology updates this year which center around the various channels they support, the QHP timeline for the coming year, the 2020 Goals, and the 2022 goals, for which the Committee was supportive.

Mr. Kelly said after collaboration with the Idaho Department of Insurance, Department of Health and Welfare and our carrier partners, Your Health Idaho opened an enrollment period for Uninsured Idahoans. Response has been steady and as of this morning, we have just over 800 enrollments for the uninsured special enrollment period. Effectuation rates are consistent month to date for the uninsured special enrollment period and regular special enrollments. While it is too early to know for sure, preliminary estimates for time to cash, which is when Your Health Idaho reaches its breakeven point on the incremental investment during the uninsured special enrollment period, is less now than five months.

One of the items we always look at are any shifts between carriers and for the March uninsured special enrollment period, we compared carrier mix at the end of open enrollment, special enrollment periods and also the uninsured special enrollment period. Enrollment mix by carrier is relatively consistent across these different enrollment periods. What that means is no carrier is seeing a disproportionate number of uninsured special enrollments compared to the end of open enrollment.

This is the first time in Your Health Idaho history that we have had an uninsured special enrollment period. Once the uninsured enrollment period closes on March 31, we will provide the Board and the Department of Insurance with final reporting including a full return on investment analysis as it relates to Your Health Idaho.

a. 2021 Enrollment Highlights/Customer Experience

Mr. Kelly said 2021 enrollments are declining in year at a much slower pace than previous years. In 2019, our enrollment decline from January to December was about 10 percent compared to

2020 which declined at a much higher rate due to the impacts of COVID-19 and protected Medicaid.

However, in 2021, we are seeing stronger consumer retention with only five percent enrollment decline from the end of Open Enrollment to March compared to nine percent in the previous year. This is really encouraging and yet not a surprise given the high effectuation rates seen at the end of open enrollment.

Mr. Kelly said for enrollments by carrier in 2021, enrollments shifted slightly away from Select Health and Mountain Health CO-OP to Blue Cross of Idaho and Your Health Idaho's newest carrier, Regence. We also saw continued enrollment growth in standalone dental plans. For enrollments by metal tier, the increase in bronze enrollments continued in 2021 which correlates to price sensitivity that continues to permeate consumer behavior on the exchange.

Chair Weeg said most of the move to bronze has been a result of price. Will the enhanced subsidy result in people staying with silver plans instead of moving to bronze? Mr. Kelly said yes. The income limits that are part of the American Rescue Plan Act essentially make the silver plan for those lower income individuals a zero-dollar net premium and we would expect to see some shift from bronze to silver as a result. How much, is yet to be determined, but we would expect to see some shift.

Ms. Henbest asked if in terms of the uninsured special enrollment period, what do we know about the demographics of that group and how is Your Health Idaho targeting marketing to attract them. Mr. Kelly said Your Health Idaho has not yet performed a demographic analysis on the uninsured special enrollment beyond looking at the metal tiers and carriers. Your Health Idaho did provide some regional enrollment data to the Department of Insurance, but beyond that high level analysis, we have not analyzed additional demographics yet. In terms of how Your Health Idaho is targeting people for the uninsured SEP, the combination of broad-based awareness in the digital channels and also targeted advertising has been utilized. Similar to what was done in open enrollment.

Mr. Kelly said at the end of open enrollment, 85 percent of Your Health Idaho's enrollments were returning customers from the prior year. When you look at the breakout of the fifteen percent of new customers, twelve percent were new to the exchange in 2021. The remaining three percent were enrolled with Your Health Idaho in a year prior to 2020. In other words, they were enrolled on the exchange in 2019 or some year earlier. About 24 percent of Your Health Idaho's returning customers have effectuated a plan in all seven years of Your Health Idaho's existence. That really speaks to the importance of the services and the plans that are purchased via Your Health Idaho, as well as the tremendous customer experience which has been such a focus of the Your Health Idaho team.

Enrollments by net premiums are bookended by zero net premiums and those customers who pay greater than \$300 per month. These two groups make up just under half of our enrollments on the exchange. Since these numbers were pulled at the end of open enrollment, we do expect that the number of enrollments at the higher net premiums to go down a little bit as the remaining APTC determinations are finalized. On the right, we see enrollments by Federal Poverty Level. The largest concentration of enrollments is in the groups under 250 percent of the Federal Poverty Level which correlates to the greatest cost saving benefits.

Mr. Kelly shifted to the operational metrics in the support center. He said calls handled are down about 40 percent year over year primarily due to lower enrollments, Medicaid expansion, COVID-19, and protected Medicaid. We also know that we have improved our technology, our internal processes, and turnaround time. Our current customer demographics require fewer touch points, requiring fewer interactions to maintain their account.

Email has also declined, and while the decline is similar to trends in call volumes, the continued shift to electronic communications has buffered some of the overall decline.

We are very excited to announce we achieved a 39 Net Promoter Score during open enrollment and including the months of January and February.

Mr. Kelly said the decrease in appeal volume year over year is largely attributed to the extended open enrollment period. During those last few weeks in December, it allowed consumers more time to change plans and enroll thereby reducing appeals after enrollment closed. Operational and process improvements also drove a 60 percent decrease in appeal turnaround time.

Finally, the State of Emergency in Idaho has been extended and Your Health Idaho continues with relaxed guidelines for verification documents for loss of Minimum Essential Coverage through the end of April.

Mr. Kelly said Your Health Idaho recently entered into a contract with the Sho-Ban tribe. This contract has literally been in the works since 2013 and he congratulated Ms. Nagashima for her tenacity in finally getting this agreement over the line.

Mr. Kelly said in terms of 2021 certifications, we continue to see certifications grow in-year. This is the first year where we have seen growth in the number of consumer connectors and training for the current year continues. In March, we had an uninsured special enrollment period training followed by monthly training on a variety of topics including foreign students and the appeals process. We will also have training specific to the Department of Health and Welfare during the month of June. In July, we will have training around serving our American Indian and Alaska Natives.

For Your Health Idaho's 2022 certification timeline, which begins in August with our online certification training. In September we will perform live-virtual certification training. The training will conclude in September which correlates with the beginning of Medicare open enrollment on October 1. In addition to Your Health Idaho training, we will also host sessions with the Department of Health and Welfare and the Department of Insurance. Training this year will leverage both online and live-virtual courses. This particularly helps with rural agents who have a difficult time attending in-person training.

b. Technology Roadmap

Mr. Kelly said for the technology roadmap and enhancements planned for this year, many of the items that Your Health Idaho has envisioned over the years and worked closely with GetInsured on, have ended up in the roadmap. That means that much of the technology enhancements have also been deployed in other states that are using the same platform. We have several consumer experience updates including two that will improve the special enrollment period process. We

are particularly excited about the Shop While You Wait which will allow a consumer to choose a plan while their Qualifying Life Event is being validated. This will allow agents and brokers to have one meeting with their client to select a plan after the Qualifying Life Event validation is complete. We will also deploy a login credential enhancement that will let the consumer know if the credentials they use to login to the HIX have been compromised on another site. With the prevalence of credential reuse, this will provide greater security for both the consumer and Your Health Idaho.

We are also discussing a Broker Mobile app that will allow agents and brokers to manage their book of business while on the go. Not listed here is an enhancement known as Consumer Connector Callback (C3). This will allow Your Health Idaho to directly connect consumers who call our support center directly with a live agent. We had been working with GetInsured on this functionality, but the cost didn't pencil out for us. And in true Your Health Idaho fashion, Mr. Reddish identified an off the shelf solution which will be piloted with a handful of agents across the state during the coming weeks. Additional enhancements will improve the reconciliation process and operational efficiencies. For the first time, Your Health Idaho will be able to self-serve notice changes and message to consumer directly from the HIX.

c. PY22 QHP Timeline

Mr. Kelly shared the Qualified Health Plan (QHP) timeline for plan year 2022. The activities are similar to prior years and the dates are similar as well. Carriers will be notifying the Department of Insurance of their intent to offer 2022 QHPs today (March 19) and on July 30 DOI will release preliminary rate increases on their website. At our September Board meeting, the Department of Insurance will provide QHP recommendations to Your Health Idaho and the Board will certify plans for 2022. Final rates will be released on October 1 which coincides with the beginning of anonymous shopping on the exchange. Finally, open enrollment begins on November 1 and will end on December 15.

Senator Nelson left the meeting at 9:17 a.m. The Board maintained its quorum.

d. Marketing and Outreach Update

Mr. Kelly said the 2021 paid media campaign includes the extension through December 31. The campaign had a combination of traditional media and digital advertising. The digital space is primarily focused on driving consumers to our website and encouraging them to take action. Our core messages continue to do well with "Bones Break, So Do Bank Accounts" being the most successful messaging again this year. The breakout of impressions by channel show display ads and social media capturing the most impressions while outdoor and traditional media captured the second largest number of impressions. Overall, we had almost 29 million impressions during the open enrollment campaign.

As you are aware, on March 1, YHI opened an uninsured special enrollment period. On very short notice, our partners at Drake Cooper and Ms. McMartin delivered a full slate of marketing and outreach efforts including direct outreach via email and for the first time we utilized a text campaign targeting just over 100,000 Idahoans. Initial results for that campaign show a 1.6 percent click rate and just below a three percent opt out rate and we will share a more

comprehensive analysis and the return on investment once the Uninsured SEP closes on March 31.

Mr. Kelly said paid media content was similar to open enrollment, but we focused solely on digital channels given the short turnaround time to deploy messaging. In addition to paid media, we also deployed a new webpage with FAQs and other high-level information. Other updates included social media posts, web banners, digital toolkits and collateral that were shared with our partners.

Paid media campaign performance for the first two weeks of the uninsured special enrollment period is shown in the graphs on the right. The cost per click and cost per action are shown in the lower right with a comparison between the uninsured special enrollment period and open enrollment. We do expect the cost per action to decline as we approach the March 31 deadline. In the first two weeks of our campaign, the paid media performed well while display ads and earned media drove the highest impressions. These two channels are driving awareness whereas the highest conversions are coming from paid search which is no surprise as these consumers are intent on taking action on our website.

The Chair said we had estimated 600 plus enrollments from this uninsured special enrollment period and as of this week we are at 800. Is that correct and do we then expect to exceed our projections? Mr. Kelly said yes those numbers are correct. However, the 800 are for plan selections and we don't yet know how many will effectuate. The 600 is effectuations. It is difficult to know what will happen over the next two weeks, as daily enrollments vary greatly from day to day, but we expect to at least meet, if not slightly exceed, that projection.

Mr. Kelly shifted gears a bit to questions that are raised in most of our committee and board meetings: What is the uninsured rate in Idaho and Why aren't Your Health Idaho enrollments growing with the population of Idaho? To answer the first question, I have included the uninsured rate for Idaho and the national average from the 2019 Census report and the full Census report was included in your Board materials. It shows that we have made significant progress in lowering the uninsured rate since 2010 but the report did not include data post Medicaid expansion. However, if we extrapolate the rates from the report, and assume about two million people live in Idaho, there were approximately 200,000 Idahoan's who were uninsured in 2019. Currently, there are about 100,000 Idahoans enrolled with Medicaid expansion which means there are approximately 100,000 uninsured. So why has YHI enrollment been relative flat the last few years?

While we understand there are many contributing factors, we took a step back and looked at overall marketing spend over time compared to average enrollments. Marketing spend began decline in 2016 and then leveled out in 2017 and beyond. At the same time, YHI's enrollments plateaued. At a macro level, this would indicate a correlation between enrollments and marketing spend. With the reduction in overall spend, we also shifted spend away from awareness to a more targeted approach to drive customers to our website and to take action. This is certainly a contributing factor but simply putting more money behind our advertising will not necessarily increase enrollments. This week, I asked Drake Cooper to rethink our approach, spend and identify what is working, what may need adjustments and where to focus our spend for the coming year. To support these efforts, we will deploy a messaging survey in April that will be

used to inform our creative approach for open enrollment 2022. I am very excited to add that Ms. Lodge has graciously agreed to join in the discussions around our messaging survey.

We discussed an additional investment at length during the Finance Committee meeting on March 10 and after rigorous discussion, the Finance Committee supported investing an additional \$500,000 in marketing and advertising with the understanding that it is not committed in one large scope of work and that it be used in areas that are most likely to drive the highest return on investment. While we do not yet know where or how it will be spent, the Finance Committee agreed that including it in the budget, was a more efficient path and enabled the flexibility needed for open enrollment and to optimize our investment.

Ms. Henbest thanked Mr. Kelly for taking more of a deep dive into figuring out who Your Health Idaho is missing in their targeted marketing and outreach efforts. With Drake Cooper's help in this area, one would assume that Your Health Idaho will be able to target these folks both geographically and demographically. Mr. Kelly said that is correct and Your Health Idaho will engage GS Strategies for the messaging survey, and Drake Cooper and Ms. Lodge will join in that effort as well.

Ms. Lodge added that the survey with GS Strategies will provide us with more information and will help us make more informed decisions around messaging and media mix. Then we can layer in what level of education needs to be shared, who is here that does not know about the exchange, and then target it more directly based on demographics and psychographics. The overall goal is to refresh on strategy and make sure we have current data to work from.

Mr. Edgington added that as a carrier, he appreciates that this is being done. He said that if there are certain plan features, or little things that matter to the population that can be changed in plan design, and that do not affect the actuarial value, that could be very interesting for all the carriers.

Mr. Donaca said the Finance Committee had a really good discussion around the appropriate dollar amount to approve. The one thing that made the committee more comfortable was the survey being performed and the incremental spend after looking at the results. He asked if there are any carrier departures that might affect this. Mr. Kelly said he is unaware of any carriers exiting the exchange. Director Cameron said they have not seen any drop offs but has seen increased interest in joining the exchange in Idaho.

Ms. Fulkerson is interested in keeping Your Health Idaho in the forefront throughout the year and is looking forward to seeing how marketing and advertising might be distributed more evenly throughout the year.

Mr. Settles added that he is not a fan of spending marketing money unless there is a specific need that will result in increased business. He said they walked him through this plan, and he feels comfortable with the additional spend at this time.

Ms. Tucker asked that we are thoughtful around populations that are non-English speakers or have different cultural practices. Mr. Kelly said one of the benefits of this discussion today is that Mr. Vaughn from GS Strategies is on the call and is hearing this discussion to ensure requests like this are heard and integrated into the survey and the marketing plan that comes out of the survey.

e. CMS & Policy Update

Mr. Kelly said for our policy updates we have kept a close eye on activities at the statehouse and to date, the most likely bill to impact Your Health Idaho is House Bill 316. This bill intends to change the eligibility requirement for Catastrophic and Indigent programs. The bill states that an individual who is eligible for insurance is not eligible for the Catastrophic or Indigent programs. This bill is currently awaiting a Senate hearing and we will continue to watch this. If implemented the way it is drafted, it could provide some enrollment opportunities for Your Health Idaho.

Ms. Hart asked if we know what the fiscal note is for the bill? Mr. Kelly said the counties will save an estimated \$12M and those savings will provide funding for the public health districts. Ms. Wolff said the Department of Health and Welfare has been watching this bill as well. Director Cameron added that they too have been watching it. As it is currently drafted, anybody that qualifies for any insurance product would not qualify for indigent care or catastrophic funds, eliminating the catastrophic fund and limiting indigent care for the counties. There are concerns around how the bill is worded and some cost shifts to carriers and consumers that are concerning. It is a pretty monumental shift in policy and there will be impacts in multiple areas. There was additional discussion around this topic.

Mr. Kelly said in the federal policy space, the Biden administration did extend the Public Health Emergency through April and in turn protected Medicaid remains in effect through the end of June. There is a general expectation that the administration will extend the Public Health Emergency through the end of 2021. This means those individuals who are on protected Medicaid would continue to be protected and unable to move to other programs such as Your Health Idaho, regardless of their eligibility.

Separately, we do expect the Biden Administration to issue narrow revisions to the Notice of Benefit and Payment Parameters that were issued at the end of the Trump Administration. It is expected to increase the FFM assessment fee back to previous levels. We are not proposing any changes to YHI's assessment fee.

American Rescue Plan Enhanced Subsidies

The American Rescue Plan Act, which is President Biden's \$1.9T stimulus plan, does impact Your Health Idaho. The Act provides for enhanced subsidies via the implementation of income limits on top of the existing APTC structure and for the first time extends tax credits to those with income over 400 percent of the Federal Poverty Level. More specifically, the income percentages graduate with the Federal Poverty Levels and cap out at 8.5 percent of income for those at 400 percent and above. Separately, the Act extends the highest level of subsidy to anyone who has received unemployment income in 2021.

Mr. Kelly highlighted that there have been quite a few activities over the past few months and the slide showed Your Health Idaho enrollment dates as well as general guidance on SBE and healthcare.gov activities. Thanks to the hard work and dedication of Julie Hammon at the DHW, and collaboration with Director Cameron and our carrier partners, Your Health Idaho will deploy these enhanced subsidies effective April 1 and will continue enrollment through April 30.

What do these enhanced subsidies mean to Idahoans? Current exchange customers will automatically receive their updated APTC effective April 1 including those who are currently over 400 percent of the Federal Poverty Level. Current exchange customers will not be allowed to change carriers, but they will be allowed to change plans and the carriers are being asked to carry accumulators forward to their new plan. Current off-exchange customers will also be able to enroll on the exchange and may be eligible for tax credits. The Department of Insurance will issue a bulletin with these details in the coming weeks.

Mr. Thomas asked if any of the \$500,000 earmarked for marketing will be targeted towards the uninsured or direct insured as all brokers have a block of consumers that are off exchange but may now qualify for APTC. Mr. Kelly said the short answer is yes, but it will include an overall awareness campaign during open enrollment for those newly eligible. These enhancements will only go to 2022 and only for enrollment on exchange products. Director Cameron added that any individual that qualifies as of April 1, will now be able to come to the exchange through April 30 to enroll on an exchange product and receive a subsidy. In addition, any individual that qualifies for a regular special enrollment period with a qualifying life event will be able to qualify for the enhanced subsidies through the end of the year. And finally, if a person already has a plan on the exchange and receives an APTC, their tax credits will be adjusted, and they will be able to change plans with the same carrier.

Ms. Hart asked if there is some forecasting that estimates how many consumers might be impacted by this change or how much movement we will see in the marketplace. Mr. Kelly said we would expect most of our enrollees would be impacted and would be eligible. In terms of outside the exchange, we do not have those numbers. Director Cameron agreed and said it is a little too early to tell. He added that the addition of Regence to this mix will bring some folks into the exchange that have not been in the past.

Mr. Thomas said he assumes consumers will be able to use the anonymous shopping tool to see if they qualify or will this go straight to the Department of Health and Welfare to see if they are qualified. Mr. Kelly said we will get communications out to the agents and brokers as soon as possible but we do not believe the anonymous shopper will be ready by April 1. Mr. Reddish said it is on the radar, but it will not be implemented until late April which means most will need to go through the Department of Health and Welfare for eligibility.

11. EXECUTIVE SESSION

Motion: The Chair moved that the Board convene in Executive Session to consider records that are exempt from disclosure as trade secrets as provided by law and under YHI's public records policy and Idaho's public records act, pursuant to Idaho Code Section §74-206 (1)(d).

Executive Session Roll Call: Mr. Erstad called roll and determined that the Chair, Ms. Fulkerson, Mr. Settles, Dr. Livingston (in-person), Ms. Henbest, Mr. Edgington, Mr. Donaca, Ms. Lodge, Ms. Hart, Mr. Zurlo, Ms. Tucker, Mr. Thomas, and Ms. Malek, were present (via videoconference), resulting in a quorum.

The Board entered into Executive Session at 10:03 a.m. and reconvened at 10:40 a.m. No final actions nor decisions were made while in Executive Session.

The Board took a break at 10:40 a.m. and reconvened at 10:47 a.m.

12. GOVERNANCE

Ms. Henbest, Chair of the Governance Committee, said the Committee met on March 2nd and received a COVID-19 update centered around the success of the hybrid working model with plans to be back onsite April 5. The Committee reviewed the employee engagement efforts that have been used while in a hybrid work environment, which has been challenging in a remote work environment, but overall has been a positive attempt to keep employees engaged. The Committee also had a robust discussion around Strategic Staffing and Compensation Plan for FY22. Finally, the Committee received an update on the FY21 operational and strategic goals and a preview of the FY22 goals which are very similar to goals in the past. She added that the Board will soon receive outreach from Ms. Ball around the Executive Director review process. The online tool will be different from previous years but the content will be similar.

a. COVID Update & Team Member Engagement

Mr. Kelly provided a quick update on how the team continues to navigate COVID. Our hybrid staffing model for open enrollment was successful in both mitigating COVID risk onsite as well as continuing to deliver a flawless customer experience as evidenced by the Net Promoter Score of 39 that we discussed earlier.

This week, we confirmed our commitment to bringing the team back onsite starting April 5. While the expectation is that all team members return onsite on April 5, we certainly understand that some team members may have extenuating circumstances and we will work directly with those team members to find a path forward as it relates to onsite or remote work.

For Team Member Engagement, Mr. Kelly said in January and February, Your Health Idaho developed and deployed Total Compensation analysis for each team member that included one on one discussions with their manager and Human Resources. The goal was to help team members understand the make-up of their compensation as we have received feedback both the Best Places to Work survey and our Employee Engagement Task Force interviews around what makes up compensation. The response was overwhelmingly positive, and the team members found the information was both helpful and informative. Some Governance Committee members asked if there were any big takeaways and we were most surprised to learn that many team members did not fully understand our Simple IRA retirement plan. We have since provided opportunities for team members to meet with the Simple IRA representative to understand how this plan may fit into their financial planning.

We followed up our Total Compensation conversations with an initiative around growth and development. The goal was twofold, first to help individuals understand what growth and development means at Your Health Idaho and how small to mid-sized companies differ from larger organizations. We are also deploying a survey that will help us understand specific needs of the team. From that, we will develop a plan on how team members can participate in this growth and development opportunity.

Mr. Kelly said many of you have asked how we have maintained some level of team member engagement in a virtual environment. We have tried many different activities and have found

that the simplest items provide the best opportunities for broad engagement. The old adage of *keep it simple* really applies here.

b. FY22 Strategic Staffing Plan & Compensation Plan

Mr. Kelly said as part of the annual budget process, the Governance Committee reviews the strategic staffing plan to ensure that Your Health Idaho has sufficient resources to achieve our goals. Your Health Idaho is guided by three key tenets when it comes to the staffing plan: customer experience, alignment with a low cost promise that works, and cross functional engagement. With those tenets in mind, we are proposing a FY22 budget headcount that is five lower than the FY21 budget. This lower headcount is possible due to improve workflows, automation and process improvement, as well as different customer needs and we do not expect this lower headcount to negatively impact the customer experience.

Mr. Kelly said for the compensation plan, every three years Your Health Idaho conducts a full market survey to help guide pay ranges. Ms. Ball and Ms. Thomas completed the market survey this year using applicable revenue and company size data specific to the Treasure Valley. The analysis was a complete bottoms-up approach for each pay grade and role and accounted for internal equity as well as positions unique to Your Health Idaho. During the Governance Committee, we had a robust discussion about the budget for Market adjustments, particularly as it relates to the Treasure Valley cost of living. In the end, the Committee recommended a small increase to the Market adjustment budget which is included at \$41K or 1.5 percent of total base pay in the proposed FY22 budget.

Merit recommendations for FY22 were also discussed relative to other practices seen in Treasure Valley. Generally speaking, companies fall into three categories. First, where merit is tied directly to overall company performance, which means some years merit is substantial and other years it is zero. Other companies always do merit at three percent regardless of the economic conditions. And third, some companies who would like to do three percent also recognize the economic realities of the past year. After much discussion, the Governance Committee recommended a 2.5 percent merit pool which is included in the proposed FY22 budget.

c. FY21 Goal Progress

Mr. Kelly reviewed the FY21 goals progress. Two of the goals have completed and Idahoans' Experience achieved an 84 percent outcome and Risk Management, which is focused on cyber security, achieved a 90 percent outcome. Of the remaining three goals, we do expect to fall short of our enrollment goal despite achieving strong auto renewals and good customer retention. For Low Cost Promise, we are on track to achieve the 100 percent outcome and have realized savings to date of \$307K. Employee Engagement is still underway and while we initially struggled with COMPASS cards in a virtual environment, we have gained traction the last few months and we are sneaking up on that 60 percent threshold for that portion of the goal. We are on track to deploy our Gallup survey in May and will present the results of that survey at the May and June meetings.

d. FY22 Operational and Strategic Goals

Mr. Kelly said for our FY22 operational and strategic goals, in 2017 the Board adopted a single strategic goal to provide a flawless customer experience. This means when less than five percent of our customers inquiries require three or more touches to resolve their issue, we have achieved a flawless customer experience. Since this goal was adopted in 2017, we have seen a 70 percent reduction in the percentage of customers who require three or more contacts to resolve their concern. In our most recent open enrollment, only 2.7 percent of our customer inquiries required three or more contacts.

We recommend that we maintain this as our strategic goal. It is simple to understand, it influences the right behaviors from our team, and guides their interactions with Idahoans.

Mr. Kelly said for our operational, or variable pay, goals, we began discussions on FY22 goals last September to ensure that we had ample time to evaluate and determine if these were in fact the right goal categories for Your Health Idaho. After many discussions, we feel these are the right categories, however we are recommending a few changes to how these goals are measured.

For Idahoan's Experience, we believe that Turn Around Time, First Contact Resolution and Net Promoter Score are the right metrics, but we want to measure both an open enrollment period of performance, as well as one outside of open enrollment. This will ensure that we maintain our focus on these metrics throughout the year.

Retention and Enrollment will remain a key area of focus and we are recommending no compensation be tied to this goal. It is incredibly challenging to predict enrollments given a new administration, and while we are certainly encouraged by the policy decisions made to date, it is really challenging to predict where those will be throughout the year as we lead into open enrollment.

When it came to Risk Management, we had a long discussion about whether cyber risks were the right area of focus or whether we should expand this goal more broadly. While we do have other risk management tools such as the Risk Register, we felt that continuing to focus on cyber risk not only focused on the right areas of the business but also enabled good team member engagement. In other words, all fifty employees can have an impact on this goal.

For Low Cost Promise, we are proposing a change from measuring operating expense savings to now measure Net Operating Income (revenue less operating expenses). This will allow us to adjust for changes in our enrollment, but also ensures we are spending the right amount of money in the right places. Most importantly, this is more relatable for our team members.

Finally, we will keep a keen focus on Employee Engagement by measuring our COMPASS cards and the annual Gallup Survey. We do expect to continue with engagement tactics such as the total compensation conversations as well as team member interviews to ensure we keep our eye on employee engagement.

No formal approval of these goals is needed today, and we will bring specific metrics to the June meeting for approval.

Motion: Ms. Henbest moved that the Board, as recommend by the Governance Committee, approve the Strategic Staffing Plan for FY22, as presented today. **Second:** Mr. Erstad. **The motion carried.**

Motion: Ms. Henbest moved that the Board, as recommend by the Governance Committee, approve the Compensation Plan for FY22, as presented today. **Second:** Ms. Fulkerson. **The motion carried.**

e. Executive Director Evaluation Process

Mr. Kelly said finally, we have our annual Executive Director performance review process. The process and timeline are similar to last year and Ms. Ball will be reaching out in May with the online tool for this year's evaluation.

13. FINANCE

Mr. Settles, Chair of the Finance Committee, said the Committee met twice this quarter. Unfortunately, we did not have a quorum for the second meeting which impacted the Committee's ability to make motions but covered the topics quite adequately and feel comfortable with the recommendations coming before the Board today. The Committee talked about how to deal with the drop in enrollments and found about 15 percent of favorability in expenses to ensure YHI remains profitable. For the FY22 budget, we expect revenue to be about \$9.7M which would be about a one percent increase in premiums and a one percent increase in enrollments. We used Milliman's model and then go conservative. On the operating expense side, we came in at \$9.9M and had a robust discussion around the increase of half a million in marketing to ensure we receive value from the added spend. Finally, we looked at capital expenditures, which is primarily for the technology, and came in \$50K lower than in previous years. The View Pointe building has been a fantastic investment for Your Health Idaho, and it will be really fun when the team gets to actually utilize the facility. Cash flow generated about 15 percent over the purchase price and the tenant base is stable. We did discuss the fact that there is not a back up generator should we experience significant loss of power and there is a recommendation in the budget for that. Finally, we talked about the assessment fee and felt that it needed no change.

a) Financial Results through December 31, 2020

Mr. Kelly shared the consolidated financial results through December 31, 2020. Overall, revenue continues to be challenged by lower than expected enrollments and lower interest income due to federal reserve rates at zero. Overall revenue for December was \$2.5M which is unfavorable to budget by \$150,000 driven by a shortfall in assessment fees and a \$36,000 shortfall in interest income. However, those shortfalls are offset by favorability in rent revenue due to tenant billbacks for utilities. Operating expenses came in at \$2.5M which is \$530,000 lower than budget. Favorability in operating expenses is driven by timing of outreach and marketing spend, CSC temporary services, DHW eligibility shared services, and professional fees. While revenue missed budget, we outperformed expenses such that Net Ordinary Income exceeded budget for the quarter by \$380,000. Depreciation remains favorable due to the timing of technology enhancements being brought into service. Capital expenditures were favorable due to the timing of technology releases.

Motion: Mr. Settles moved that the Board, as recommend by the Finance Committee, approve the financial results through December 31, 2020, as presented today. **Second:** Ms. Hart. **The motion carried.**

b) FY21 Financial Forecast

Mr. Kelly said the FY21 forecast vs budget, which is the year we are in that ends June 30, includes actuals through the month of January.

Our revenue is forecasted for the full year and will be short of budget by about \$1M primarily driven by lower than expected enrollments and lower interest income. However, operating expenses have projected favorability of over \$1M. Expense favorability is driven by employee and related costs, CSC temporary services, DHW eligibility services, and professional services. The forecast does include the incremental advertising costs incurred for the uninsured special enrollment period. Despite the revenue shortfall, tight expense management by the budget owners and Ms. Stockert and the related favorability drives positive Net Income budget favorability of \$135,000.

c) FY22 Budget Recommendations

Mr. Kelly said the proposed FY22 budget for Your Health Idaho operations assumes a return to pre-COVID activities. For revenue, we are assuming a one percent increase in enrollments and a one percent increase in premiums. While Your Health Idaho expects operations to return to pre-COVID activities, enrollment projections assume continuation of the Public Health Emergency and in turn protected Medicaid status. While we are optimistic that the new administration's policies will drive increased enrollment, the budget maintains a relatively conservative approach.

Part of our budget review is to compare our enrollment and premium assumptions with the work that Milliman does on our behalf. Milliman is projecting higher premium increases than we are, but based on our historical performance, and the percentage increases we have seen, we are comfortable with Your Health Idaho's assumptions of a one percent premium increase in the budget.

Mr. Kelly said the operating expense budget assumes a return to pre-COVID activities which means the return of travel, outreach events, and team members onsite. Earlier today, we reviewed the salaries and wages and employee related budget items and seasonal temporary staff levels are expected to return to pre-COVID levels with an onboard headcount of 12 seasonals during open enrollment. Marketing and outreach reflects the incremental \$500,000 investment discussed earlier this morning as well as a three percent increase for outreach and education activities. Business insurance is expected to increase by five percent for Errors and Omissions and Directors and Officers insurance. We do expect a more significant increase in Cyber coverage due to increase risk from the remote work environment, and we have assumed a fifteen percent increase in that area. Increases in Information Technology are primarily driven by increases in software license costs and high-speed internet for the View Pointe building. DHW Eligibility services reflect projected enrollment levels and the associated cost allocation. Finally, enrollment counselors and tribal agreements include a three percent increase and one additional tribe as mentioned earlier this morning.

For the income statement, revenues are projected to be \$9.7M, an increase of \$160,000 from our forecast for this year. Operating expenses are proposed at \$9.9M resulting in Net Operating Income of negative \$300,000 which is primarily driven by the incremental investment in marketing. Capital expenditures are projected to be \$950,000 which reflects a \$50,000 decrease compared to the FY21 forecast.

Mr. Kelly said for the View Pointe budget, the overall assumptions are that all current tenants remain in place which equates to full occupancy. Operating expenses generally reflect our experience from our first year with increases due primarily to repair and maintenance activities anticipated in the coming year. Specific increases for elevator maintenance contract of four percent and other line items assume a three percent year over year increase. At the suggestion of the Finance Committee, we have also included \$50,000 for purchase and installation of a backup generator for the Your Health Idaho space. But initial estimates from the electrician indicate that expense may be closer to \$70,000.

Overall, the income statement for View Pointe demonstrates what a solid investment it was. For FY21, we are projecting Net Operating Income of about \$600,000 and we expect similar performance with the FY22 budget with about \$880K in income and \$266K in operating expense.

Mr. Kelly said the proposed budgets enable sufficient funding for Your Health Idaho to achieve its goals and deliver that exceptional customer experience for Idahoans while maintaining cash flows well above our established cash reserves of \$6.6M. Long term cash projections show Your Health Idaho cash of approximately \$10M through the end of fiscal year 2026.

The Chair said Your Health Idaho has always focused on excellence in customer service and financial stability. From what has been presented today, attention to our enrollment growth is of equal importance going forward.

Motion: Mr. Settles moved that the Board, as recommend by the Finance Committee, approve to maintain an Assessment Fee of 2.29 percent for Plan Year 2022. **Second:** Ms. Lodge. **The motion carried.**

Motion: Mr. Settles moved that the Board, as recommend by the Finance Committee, approve the Fiscal Year 2022 Operating Expense Budget at a not-to-exceed amount of \$9,967,386 as presented today. **Second:** Dr. Livingston. **The motion carried.**

Motion: Mr. Settles moved that the Board, as recommend by the Finance Committee, approve the Fiscal Year 2022 CAPEX Budget at a not-to-exceed amount of \$950,000 as presented today. **Second:** Mr. Erstad. **The motion carried.**

Motion: Mr. Settles moved that the Board, as recommend by the Finance Committee, approve the View Pointe FY22 Budget operating expenses at an amount of \$266,500 as presented today. **Second:** Ms. Tucker. **The motion carried.**

Motion: Mr. Settles moved that the Board, as recommend by the Finance Committee, approve the View Pointe FY22 Capital Expense Budget at an amount of \$70,000 as presented today. **Second:** Mr. Edgington. **The motion carried.**

d) Financial Policy Review

Mr. Kelly said as part of our regular policy review, we reviewed the Fraud, Waste, and Abuse policy as well as the overall Financial Policies for Your Health Idaho. Proposed changes to the Fraud, Waste and Abuse policy are to align workstreams and enable electronic submission for expense reports and approvals. There are no proposed changes to the Financial Policy Guidelines.

Motion: Mr. Settles moved that the Board, as recommend by the Finance Committee, approve the Fraud, Waste, and Abuse Policy, as presented today. **Second:** Mr. Erstad. **The motion carried.**

e) Banking & Investment Discussion

Mr. Kelly said our last topic today is related to Your Health Idaho's cash investments. With the lowering of interest rates to zero, the return on the CDARs investments was dismal at 15 basis points. Those investments matured in January and after much discussion, we invested those funds in a secured Money Market account at Idaho First Bank. This was aligned with YHI's Investment Policy, mitigated custodial credit risk and delivered a more robust rate of return of 50 basis points.

During the Finance Committee meeting we discussed different investment options such as returning our funds to the CDARs vehicle, keeping it in the Money Market account or a hybrid approach. After much discussion, the Finance Committee recommended that we maintain the investments in the Money Market accounts for both Your Health Idaho and View Pointe cash accounts. We also discussed this with our auditors to ensure that we will not cause any concerns around custodial credit risks or existing notes to our financial statements. They confirmed that the Money Market accounts would be able to maintain those same notes to the financial statements.

Motion: Mr. Settles moved that the Board, as recommend by the Finance Committee, approve the investment strategy of moving funds from the CDARS account to a Money Market account, as presented today. **Second:** Mr. Edgington. **The motion carried.**

Chairman Weeg thanked Mr. Kelly and the entire Your Health Idaho team for managing and guiding us through an incredible year. He complimented the Board for their expertise and the incredible array of talent that keeps us informed and directs us.

The Chair announced that Dr. Livingston would be retiring from the Board and thanked him for the time and energy he put into the Board. Dr. Livingston said the quality of the Board from the beginning to now has been incredible. He thanked Mr. Stoddard for all the work he did around structure and policies. He added that Mr. Kelly and the team are incredible. He also thanked Margaret Henbest for her example and competency. Finally, the strength of this Board has been its ability to remain apolitical. If that continues, the endeavor will continue to be successful.


14. NEXT MEETING

The Chair said the next meeting will be held on June 18, 2021.

15. ADJOURN

There being no further business before the Board, the Chair adjourned the meeting at 11:53 a.m.

Signed and respectfully submitted,



Stephen Weeg, Chairman of the Board