



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

**YOUR HEALTH IDAHO BOARD  
MINUTES  
FRIDAY, APRIL 3, 2020**

**1. BOARD MEMBERS PRESENT**

- Mr. Stephen Weeg, Chair (via teleconference)
- Ms. Karen Vauk, Vice Chair (via teleconference)
- Mr. Kevin Settles, Treasurer (via teleconference)
- Mr. Hyatt Erstad, Secretary (via teleconference)
- Mr. Tom Shores (via teleconference)
- Dr. John Rusche (via teleconference)
- Dr. John Livingston (via teleconference)
- Ms. Margaret Henbest (via teleconference)
- Mr. Jerry Edgington (via teleconference)
- Ms. Janice Fulkerson (via teleconference)
- Mr. Greg Donaca (via teleconference)
- Ms. Carolyn Lodge (via teleconference)
- Ms. Heidi Hart (via teleconference)
- Mr. Paul Zurlo (via teleconference)
- Senator Jim Rice (via teleconference)
- Rep. Sage Dixon (via teleconference)
- Senator David Nelson (via teleconference)
- Director Dean Cameron (via teleconference)

**2. OTHERS PRESENT**

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

**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 (Chair), at 9:02 a.m., Friday, April 3, 2020, via teleconference. In accordance with Idaho Code §74-203 (1), the meeting was held in web and audio conference format. Members of the public could access the audio by dialing into a telephone number that was included in the notice of meeting posted on the Exchange Board's Web site.

**4. ROLL CALL**

Mr. Erstad called roll and determined that the Chair, Ms. Vauk, Mr. Settles, Mr. Shores, Dr. Rusche, Dr. Livingston, Ms. Henbest, Mr. Edgington, Ms. Fulkerson, Mr. Donaca, Ms. Lodge,

Ms. Hart, Mr. Zurlo, Senator Rice, Senator Nelson, and Director Cameron, were present (via teleconference), resulting in a quorum. Rep. Dixon joined at 8:04. Director Jeppesen was absent.

## **5. PUBLIC COMMENT PERIOD**

The Chair said there is no mechanism for public comment but asked Mr. Kelly to explain how the technology will work for Board members to ask questions and interact in this meeting today.

## **6. BOARD TRANSITIONS**

The Chair thanked Mr. Shores and Ms. Vauk for their service on the Your Health Idaho Board of Directors as they transition off the Board following this meeting.

## **7. PRIOR MEETING MINUTES**

The Chair noted a minor change on the last page of the minutes changing p.m. to a.m.

**Motion:** Ms. Fulkerson moved to approve the meeting minutes from the December 13, 2019, Board meeting with the change as presented today. **Second:** Dr. Rusche. **The motion carried.**

## **8. REVIEW AGENDA**

The Chair requested to move the Executive Session from the end of the meeting to the beginning.

**Motion:** Dr. Livingston moved to approve the change to the agenda as requested. **Second:** Ms. Henbest. **The motion carried.**

## **9. EXECUTIVE SESSION**

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

**Executive Session Roll Call:** Mr. Erstad called roll and asked for agreement to enter Executive Session and the following voted yes: Chair Weeg, Ms. Vauk, Mr. Settles, Mr. Shores, Dr. Rusche, Dr. Livingston, Ms. Henbest, Mr. Edgington, Ms. Fulkerson, Mr. Donaca, Ms. Lodge, Ms. Hart, Mr. Zurlo, Senator Rice, Senator Nelson, and Rep. Dixon all via teleconference, resulting in a quorum.

The Board entered into Executive Session at 9:15 a.m. and reconvened at 11:07 a.m. No final actions nor decisions were made while in Executive Session.

## **10. EXECUTIVE SUMMARY**

Mr. Kelly said the Coronavirus outbreak has changed how YHI does business. While YHI has been able to communicate well with partners, there is still work to be done to improve communications with consumers, agents/brokers and enrollment counselors. While those

challenges are primarily centered around moving to a remote workforce status, YHI is committed to fixing these challenges to help improve in that space.

While the team works on challenges in those areas, enrollments remain on track, with just 13K lower than this same time last year. The agency portal is on track and will be deployed to a pilot group at the end of April and deployment to the remaining agents and brokers later this summer. Technology enhancements are moving forward as well. Many of YHI's outreach events have been cancelled or postponed and will be rescheduled.

Mr. Kelly said YHI's new office space renovation is on track despite a slight delay in some permitting and we hope to move sometime in mid-June.

## **11. MARKETPLACE**

Mr. Edgington, Chair of the Marketplace Committee, said at the last Marketplace Committee meeting they reviewed the 2020 enrollments and noted that YHI saw a higher than expected enrollment with a shift towards lower cost plans. The Committee discussed how YHI can identify where the 25 percent of new enrollments came from and those who increased their income to avoid moving to Medicaid. Preparations are underway for utilizing a new online training platform and a new customer service center team structure to help serve Idahoan's better and technology updates for the agency portal are slated for this spring. The Committee reviewed the paid media campaign that had a flat budget year-over-year but saw an overall increase in impressions and customer actions over last year. Outreach activities are on hold due to the COVID-19 outbreak, but most large-scale events have been rescheduled for later in the year. Finally, the Idahoan's Experience goal was reviewed, and the Committee was supportive of maintaining this goal for next year.

### **a. PY20 Open Enrollment Highlights**

Mr. Kelly said YHI ended the enrollment period with just over 89,000 Idahoan's enrolled. About 25 percent of those were from new enrollments. It was anticipated that about 18,000 Idahoans would move to Medicaid due to expansion. YHI only saw about two-thirds of those individuals move to Medicaid, but the remaining one-third maintained their tax credit by increasing their income and maintaining their enrollment on the exchange.

Mr. Kelly discussed wins and opportunities from this years' Open Enrollment. Wins consisted of clean messaging around expansion, enrollment events which reached parts of the state where YHI presence was not strong, and consumer connector training was consolidated, streamlined and brought in-house with over 800 consumer connectors getting certified. Opportunities for next year are centered on the technology platforms and how to improve the online consumer connector certification. YHI is also looking at the cadence of the tax form preparation and mailing and looking at ways to continue to improve that process. Live Q&A's and public webinars are also being looked at and with consumers moving to communication via text, this is also an area YHI is looking to improve.

Mr. Kelly said at the beginning of March, YHI had over 80,000 enrollments. And with the Medicaid expansion impact included, YHI is exactly 13,000 enrollments lower than at this same point last year. YHI saw a small shift from BCI and Mountain Health Coop to Select Health.

There was also a continued shift from gold and silver to bronze plans resulting from consumer cost sensitivity and the impacts from Medicaid expansion. Overall, YHI expected a premium increase from December of 2019 to January of 2020 and with the mix shift from silver to bronze, the average premium remained flat. YHI does expect Assessment Fee revenue to be above the budget for FY20 despite that impact to average premiums. The call center saw lower call volumes this period compared to the prior year. Overall, call volumes were down about 10 percent year-over-year resulting from two things: lower inventory of tickets prior to the start of open enrollment and timely hiring and training of the seasonal workforce. Impacts from these two areas have also been seen in Turn Around Time and First Call Resolution metrics.

Mr. Kelly noted that appeal volumes for January and February were on par with the prior year but were driven by different things this year, the most evident being the timeliness of the enrollment activity and overwhelming volumes of applications to process in the latter part of 2019. YHI also saw a higher percentage of overturned appeals in January as a result of this delay in applications. There are two appeal hearings pending that will be heard later this month and one federal appeal hearing was held in March.

Mr. Kelly shared that YHI has a new tool for consumer connector training called Tovuti. It is a learning management system with a local presence that will help with more accurate and timely support. It has great webinar capabilities, online learning tools, and dashboard tracking. This is being test driven at the same time as the agency portal in April. YHI is also using this platform for internal trainings including the movement to the new payroll system and knowledge-based training modules. Proposed dates for consumer connector training fall in the month of September and those dates are included in the supplemental Board materials.

#### **b. Technology Update**

For technology, Mr. Kelly said there are a number of roadmap items including the agency portal in April, the Quality Rating System (QRS) required by CMS, typical annual maintenance, and additional enhancements that are under consideration.

#### **c. Outreach & Education/Marketing & Communications Update**

Mr. Kelly said for paid media, YHI had a flat budget for FY20, but saw a significant increase in both impressions (13%) and clicks (14%) over the prior year. YHI had a new landing page on the website this year that provided more insight into next steps and information on how to enroll. This proved to be extremely helpful in increasing the conversion rate which was six percent higher than in the previous year. Although most of YHI's events have been cancelled or postponed, the outreach team continues to build those relationships and will reschedule events as those new dates are communicated.

Mr. Kelly said now that open enrollment is over, the team has pivoted to Special Enrollment Periods (SEPs) and print, digital, and collateral materials have been revamped. The team also redesigned the SEP web page for ease of use, simplified navigation and the addition of a web-based form for people to report their life events directly. In the coming year, Search Engine Optimization (SEO) will continue to be improved with enhanced web content and potentially leveraging text messaging campaigns.

## **12. GOVERNANCE**

Ms. Henbest, Chair of the Governance Committee, said the Governance Committee met on March 10 and discussed, and will be recommending today, the Strategic Staffing Plan, Compensation Plan, and Compensation Policy. There was some discussion at the Committee level around the lump sum merit increase for those employees who have reached the top of their pay ranges and the Committee suggested that if it should become a common occurrence, they will revisit it and that the employees position should be reevaluated. There were two new policies to align with the congressional action for the COVID-19 outbreak that will be looked at this morning. In terms of operational goals, the Committee reviewed the FY20 goals and expected payout dates and also the FY21 operational goals metrics were presented in draft format and will be reviewed and finalized at the June meeting. In terms of Board training, the Committee reviewed the content, but it has now been postponed to the June meeting when the Board meets in person. The Board and Committee surveys and assessments, which until now have been out of synch, were discussed and the Committee suggests aligning these on a 12-month cadence to be performed in the summer months and results shared at the Board meeting in September. Finally, the Committee reviewed the annual Executive Director review process and timeline which are similar to last year.

### ***a. Employee Engagement***

Mr. Kelly said YHI did get the results back from Idaho Best Places to Work. The team took the survey in early February, had 100 percent participation from the YHI team, and achieved “Honorable Mention” with detailed reports coming in mid-April.

### ***b. FY21 Strategic Staffing Plan***

Mr. Kelly said the team reviews the Strategic Staffing Plan as part of annual budget preparations. There are three key tenets to the plan. The first is does it provide the right resources to ensure a good customer experience, does it align with YHI’s Low Cost Promise, and does it encourage cross-functional workgroups and mitigate silos.

YHI’s plan accomplishes those three key tenets while also providing opportunities for existing team members. YHI has implemented knowledge-based assessments for the customer facing groups which will allow them to gain additional skills for serving customers without having to change positions. Career pathing and opportunities for professional development will round out those organizational goals. Overall, the headcount is two higher than the current budget.

### ***c. Compensation Policy***

Mr. Kelly said a number of revisions were made related to the December Board meeting actions including updates the YHI’s variable pay plan, benefits structure, and alternate incentive compensation. Removing C-suite team members from the recognition programs and how to handle team members who have maxed out in their pay range were also discussed. All of these changes were included in the redline version in the packet for review prior to the meeting.

### ***d. FY21 Compensation Plan***

Mr. Kelly said updates to the compensation plan as they relate to the FY21 budget include a merit pool assumed at three percent and a market pool of \$48k. The last compensation survey was done in 2018 by Ms. Ball and it still applies in the Treasure Valley with the exception of a few specific positions or skillsets. The benefit structure was also reviewed and determined to still be competitive. The recognition structure was revisited, and adjustments were made to the criteria, but not the budget amounts. YHI will implement the flexi-Friday schedule in April through September as business needs allow.

**Motion:** Ms. Henbest moved that the Board, as recommended by the Governance Committee, approve the Strategic Staffing Plan for FY21 as presented today. **Second:** Ms. Hart. **The motion carried.**

**Motion:** Ms. Henbest moved that the Board, as recommended by the Governance Committee, approve the revisions to the Compensation Policy as presented today. **Second:** Mr. Erstad. **The motion carried.**

**Motion:** Ms. Henbest moved that the Board, as recommended by the Governance Committee, approve the Compensation Plan for FY21 as presented today. **Second:** Ms. Fulkerson. **The motion carried.**

***e. Families First Coronavirus Response Act Leave Policies***

Mr. Kelly said the Families First Coronavirus Response Act had two elements of HR policy. The first is the Emergency Paid Sick Leave which provides eligible employees with 80 hours of paid sick leave for reasons specific to COVID-19. This policy refers to two different groups. The first is an employee that is subject to a quarantine, isolation, or experiencing symptoms. This group would be compensated at the regular rate of pay up to a cap of \$511 per day. The second group is those caring for other individuals who are experiencing symptoms or has childcare responsibilities or something substantially similar. The Act recommends that these individuals be compensated at 2/3 the regular rate of pay up to a \$200 per day cap. At this point, YHI is researching whether this will be reimbursed via a payroll tax credit and the Board will be updated as soon as the team knows. At this point, YHI is recommending that employees are paid at regular rate for ALL Emergency paid sick leave.

The second component of the Families First Coronavirus Response Act is Expanded Family Medical Leave Act (EFMLA) which expands on the existing Family Medical Leave Act on a temporary basis to allow employees up to 12 weeks of EFMLA. This is provided for people who are experiencing loss of childcare or is a caregiver to someone with COVID-19. The Congressional action states that it is unpaid for the first 10 days, and then paid at 2/3 the regular rate of pay up to a daily cap of \$200. This is also being researched regarding the potential for reimbursement via payroll tax credit. YHI is recommending compensating employees per the EFMLA guidelines at 2/3 the regular rate of pay up to a daily cap of \$200.

The Chair reminded the Board that this did not go through the Governance Committee and asked if there were any questions or thoughts. There were none.

**Motion:** Ms. Henbest moved that the Board approve the Emergency Paid Sick Leave and Expanded FMLA policies as presented today. **Second:** Mr. Erstad. **The motion carried.**

***f. FY20 and FY21 Strategic and Operational Goals Update***

Mr. Kelly reviewed the FY20 Goals. Idahoans Experience was paid out at 96 percent (First Call Resolution and Turn Around Time achieved the 100 percent threshold and Net Promoter Score achieved the 80 percent threshold). Risk Management, which centers around phishing campaigns and education, was paid out at 100 percent. Retention and Enrollment is trending towards the 100 percent threshold and will be measured in April. Low Cost Promise is trending north of 85 percent and is paid out following the audit in August. Finally, Employee Engagement is a two-part goal and includes COMPASS card participation which is trending towards 100 percent achievement and results from the annual employee engagement survey which will take place in May. The specific goals for next year will be presented at the June meeting

***g. Board and Committee Surveys***

Mr. Kelly said the discussion around Board and Committee surveys was held in the Governance Committee meeting in March and concluded with aligning the Board survey with the Committee self-assessments in July and August and shared with the Board in September.

**13. FINANCE**

Mr. Settles, Chair of the Finance Committee, said the Finance Committee met twice in March as it takes two meetings to get all the work done around budgets. Revenue is slightly down due to lower than expected enrollments and there was a slight change in metal tiers, but overall YHI will see positive income relative to the budget due to savings in operations. For FY21 budget, YHI is projecting \$10.4M for the year in Assessment Fee revenues, which includes Medicaid expansion impacts, premium increase of three percent, and a one percent decrease in enrollments. Milliman presented their annual projections and YHI came out lower in projected revenue than the Milliman projection indicating YHI's commitment to a conservative approach. Operating expenses are budgeted at \$9.9M which is an increase over FY20 primarily driven by employee and employee related costs resulting from open positions. Capital expenditures was budgeted at \$1M and cash reserves, even with the purchase of the building, will remain above \$6.6M. Since the budget was prepared over the prior months, impacts from the pandemic were not assumed. The Committee decided to go ahead with the budget recommendations while remaining aware that there could be impacts down the road.

***a. Financial Results through December 31, 2019***

Mr. Kelly said December ended with just over 90,000 effectuations and year-to-date assessment fee income is just over \$6M, or roughly \$225k below budget primarily driven by lower than expected effectuations. The income statement year to date December 31 shows total revenue just over \$200k unfavorable to plan, however operational expenses are showing favorability of \$607K. That favorability is primarily driven by employee and related costs at \$232K and is generally associated with open positions and the associated costs. Outreach, Marketing, and Communications contributed \$120K in favorability resulting from bringing training in house and related efficiencies. Eligibility Support Services with DHW provides favorability of about \$273K. There is some slight unfavorability in facility and infrastructure and that is primarily driven by GetInsured costs and the WIP account related to that the same. There is also some favorability in the CAPEX which is a timing issue of when YHI deploys releases.



Overall, net income for the year through December 31, 2019 is \$1.3M which is almost \$400K favorable to budget.

***b. FY21 Budget Recommendations***

Mr. Kelly said for the Fiscal Year 2021 budget, YHI assumed a 3 percent increase to average premiums and a slight decrease in plan year 2021 enrollments. One of the challenges YHI has each year is that the fiscal year crosses two plan years. Assessment Fee revenue for Plan Year 2021 is down about 8 percent to \$10.4M and that is a result of the lower enrollment projection and the full year impacts of Medicaid expansion.

In terms from the operating budget, YHI is proposing \$9.9M in operating expenses. Some of the increases are in the employee and employee related costs, increase in business insurance, professional fees, and other areas with historical increases. In areas without strong historical trends, a three percent CPI increase was assumed. There were some increases in the IT space around new security and password software, as well as additional costs for offsite disaster recovery. Some additional areas like tribal engagement and community outreach have moderate increases.

Finally, YHI is proposing a CAPEX budget around \$1M. About \$850,000 is related to YHI's contractual obligations with GetInsured and \$150K for CAPEX contingency.

The monthly P&L shows the seasonality of YHI's expenses as we spend more leading up to and going through open enrollment with a decline in the spring. It also shows that the Net Ordinary Income for this budget is projected to be over \$550K positive.

Mr. Kelly shared the sustainability analysis, which is a view of YHI's cash balance. In these projections, YHI remains above the minimum cash reserve of \$6.6M. Various assessment fee effects on cash balance were considered and the Finance Committee recommended that YHI maintain the current assessment fee of 2.29 percent. FFM states have an assessment fee of three percent. Mr. Kelly shared the Sensitivities Analysis and reminded that assessment fee revenues and effectuations are the two most sensitive areas.

Ms. Henbest asked about potential impacts from COVID-19. Mr. Kelly said one of the reasons YHI maintains that cash reserve is for unforeseen issues like COVID-19, and currently there are no indicators of enrollment declines or additional headcount needs at this time.

**Motion:** Mr. Settles moved that the Board, as recommended by the Finance Committee, approve the financial results through December 31, 2019, as presented today. **Second:** Mr. Donaca. **The motion carried.**

**Motion:** Mr. Settles moved that the Board, as recommended by the Finance Committee, approve to maintain an Assessment Fee of 2.29% for Plan Year 2021. **Second:** Dr. Rusche. **The motion carried.**

**Motion:** Mr. Settles moved that the Board, as recommended by the Finance Committee, approve the Fiscal Year 2021 Operating Expense Budget at a not-to-exceed amount of \$9,981,585 as presented today. **Second:** Ms. Fulkerson. **The motion carried.**



**Motion:** Mr. Settles moved that the Board, as recommended by the Finance Committee, approve the Fiscal Year 2021 CAPEX Budget at a not-to-exceed amount of \$1,000,000 as presented today. **Second:** Senator Rice. **The motion carried.**

Mr. Kelly reviewed the View Pointe Budgets that were prepared by YHI's property management company TOK. Revenue was aligned with existing leases or the estoppel certificates that were signed at close. Operating expenses follow historical experience for that building or a comparable building of that same size and age. Those historical results are worked into the budget and increased by three percent for CPI. There are a few one-time repairs shown in the budget and YHI received a credit at close for those repairs. The budget also assumes two traditional reserve requirements including a vacancy reserve of five percent and a CAPEX reserve of two percent. One of the key assumptions is that YHI receives and owner draw in the amount equal to our rent payments.

In addition to the budgets, YHI created a financial policy which aligns with the property management legal agreement and the traditional Delegation of Authority. In short, TOK acts on YHI's behalf to collect rents and pay operating expenses. There is a specific bank account used for these purposes and YHI does have access to that account. If there is an expense greater than \$3K, TOK is required to get approval from YHI before expenditure and there will be monthly financial reporting.

#### *c. Financial Policies Update*

Mr. Kelly said YHI also completed a review of other financial policies to ensure alignment. That included the Fraud, Waste and Abuse Policy, the Revenue Policy, and the overall Financial Policy. These were primarily updated to reflect YHI's organizational structure. The Fraud policy was updated to include internal controls around the ACH process, the Revenue Policy was updated to reflect the assessment fee of 2.29 percent, and the overall Financial Policy was adjusted to include fixed assets as customized software and brought prepaids thresholds consistent with capital expenditure thresholds.

The Committee had some discussion about possible affects from the COVID-19 pandemic. Mr. Kelly said YHI has been in contact with the property management company and there is an established process for any potential rent relief requests. No requests have been made to date.

**Motion:** Mr. Settles moved that the Board, as recommended by the Finance Committee, approve the View Pointe Operating Expense Budget for April – June 30, 2020 at a not-to-exceed amount of \$113,884 as presented today. **Second:** Senator Rice. **The motion carried.**

**Motion:** Mr. Settles moved that the Board, as recommended by the Finance Committee, approve the View Pointe Operating Expense Budget for fiscal year 2021 at a not-to-exceed amount of \$250,450 as presented today. **Second:** Senator Rice. **The motion carried.**

**Motion:** Mr. Settles moved that the Board, as recommended by the Finance Committee, approve the implementation of the Landlord Financial Policy (FPL) as presented today. **Second:** Mr. Donaca. **The motion carried.**

**Motion:** Mr. Settles moved that the Board, as recommended by the Finance Committee, approve the changes to the Fraud, Waste, and Abuse Policy, the Revenue, and Financial Policy as presented today. **Second:** Senator Rice. **The motion carried.**

Ms. Henbest suggested that the Board delegate authority to Mr. Kelly in the event any change in direction from a policy standpoint should come down from the Governor or the DOI around the pandemic that impacts YHI operationally.

**Motion:** Mr. Settles moved that the Board authorize the Chairman and the Executive Director to take such actions within their discretion they deem necessary for YHI to establish a special enrollment period or periods as may be directed by the Governor and the Director of Department of Insurance and to work with the Governor and Director on any matters related thereto. **Second:** Mr. Erstad. **The motion carried.**

Mr. Kelly added that this mostly relates to the financial policies and potential financial impacts once the Governor or the DOI determines an SEP should be established.

#### 14. CONTRACTS RENEWALS

**Motion:** Ms. Henbest moved that the Board, as recommended by the Governance Committee, approve 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:** Ms. Henbest moved that the Board, as recommended by the Governance Committee, approve 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:** Mr. Erstad. **The motion carried.**

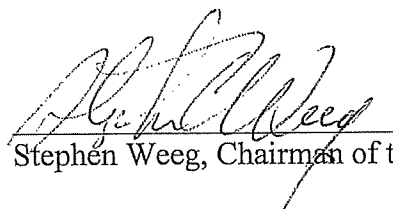
#### 15. NEXT MEETING

The Chair said the next meeting will be held on June 19, 2020.

#### 16. ADJOURN

There being no further business before the Board, the Chair adjourned the meeting at 12:27 p.m.

Signed and respectfully submitted,

  
Stephen Weeg, Chairman of the Board