



**IDAHO HEALTH INSURANCE EXCHANGE
DBA YOUR HEALTH IDAHO
GOVERNANCE COMMITTEE
MINUTES
THURSDAY, MAY 31, 2018**

1. COMMITTEE MEMBERS PRESENT

- Ms. Margaret Henbest, Chair
- Mr. Hyatt Erstad, Vice Chair
- Mr. Dave Jeppesen
- Ms. Karen Vauk
- Rep. Mat Erpelding (via teleconference)
- Ms. Kathy McGill (for Director Cameron)

2. OTHERS PRESENT

- Mr. Pat Kelly, Your Health Idaho
- Mr. Kevin Reddish, Your Health Idaho
- Ms. Cheryl Fulton, Your Health Idaho
- Ms. Alanee DeRouen, Your Health Idaho
- Mr. Mike Stoddard, Hawley Troxell
- Ms. Tresa Ball, HR Precision

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 (Vice Chair), at 9:04 a.m., Thursday, May 31, 2018, 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 took roll call and determined that Mr. Erstad, Ms. Vauk, Rep. Erpelding (via teleconference), Ms. McGill (for Director Cameron) were present, resulting in a quorum. Mr. Jeppesen arrived at 9:05.

5. APPROVE PRIOR MEETING MINUTES

The Chair noted there were no edits to the February 15, 2018 meeting minutes.

Motion: Mr. Erstad moved to approve the minutes as presented from the February 15, 2018, Governance Committee meeting. **Second**: Ms. Vauk. **The motion carried.**

6. REVIEW AGENDA

There were no changes made to the Agenda.

7. REVIEW COMMITTEE ROADMAP

Mr. Kelly reviewed the Roadmap and said the items listed for today are a mirror of what is on the Agenda, with the exception of the Strategic Goal which was discussed in March with no proposed changes. We will review the Operational Goals with a quick update on this year and proposals for next year. The Conflict Disclosure Form, which is an annual event for Board members, will be reviewed today to see if there are any changes to make. We will then review the Q12 Gallup Employee Engagement survey including next steps, and then Mr. Reddish will walk us through the changes in our voluminous Privacy & Security Policies.

8. ORGANIZATIONAL UPDATE AND EMPLOYEE ENGAGEMENT SURVEY

a) *Organizational Changes*

Mr. Kelly said with the departure of Ms. Haun earlier this month, as with any departure, we revisited workstreams, looked at what work could be consumed by the teams, with opportunities for growth and areas to combine or separate workstreams. As a result of those discussions, Marketing & Communications has been separated from Outreach & Education. YHI is currently sourcing for a Senior Manager of Marketing & Communications, has some great candidates, and plan to hire by the end of June. Robin Donovan, the Manager of Outreach & Education will report directly to the Executive Director. Meghan McMartin, now the Manager of Marketing & Communication will report to the Executive Director during the interim. The Technical Writer has been moved to the Operations team, which aligns better with the communication flow between the Customer Support Center, Escalations and how the Technical Writer is involved with policies and procedures.

b) *Employee Engagement Survey*

Mr. Kelly shared the results of YHI's 3rd Annual Employee Engagement Survey, the Gallup Q12 Survey, which is from the book First Break All The Rules. What they did is look at organizations of different sizes and interviewed over 100,000 managers and these questions were developed from those interviews with the goal of identifying highly engaged teams which provide for highly performing organizations. Over the past two years, YHI focused on three areas from the survey: *Someone at Work Encourages My*

Development, At Work My Opinions Seem to Count, and I Know What is Expected of Me at Work.

YHI focused on these three through the Employee Engagement Task Force (EETF), which is a group of five or six cross-functional team members at YHI. This group looked at these areas and identified ways to improve these areas. The good news is, not only did the survey increase overall with a grandmean score increase of 3 percent to 4.17, but the percentile rank went from 74th to 87th percentile. The increases in the areas of focus are also worth noting. Development and Opinions both increased 6 percent, while Know What is Expected increased by a smaller amount, likely because the baseline was already high to begin with. There are other areas that improved as well, but these three areas were focused on.

Mr. Kelly pointed out that while the average score improved by 3 percent, question zero, which represents overall satisfaction went down slightly. Reading through the explanations of what each question means, the average score of 4.17 is an indicator of engagement of management with their respective teams, because the direct manager has the highest ability to influence engagement. The overall satisfaction score is more likely to be indicative of external factors like the noise in the policy space, the repeal and replace and the ambiguity around the future of the ACA. To be right at 4 is still pretty good, but we will look to see if there is anything that can be done to improve in that area.

Chair Henbest asked about the scores in *Materials and Equipment* and *Committed to Quality* and asked for Mr. Kelly to explain why those might have decreased slightly. Mr. Kelly said it was surprising to see *Materials and Equipment* going down and said YHI did a workshop around workplace ergonomics and how to utilize what is available, as opposed to going to purchase new equipment. Mr. Kelly is not sure if that affected it. This area will be looked into even though the cause is not known. *Committed to Quality* is relative to those that one works with. This is another area where functional areas will be visited and if there is an area that is particularly low, the direct manager will be asked to focus in that space. It may also be an area that the EETF focuses on as it is concerning that it went down.

Ms. Vauk commented on the large improvement in the scoring on the *Recognition* question. Mr. Kelly said this increase is in large part due to the rollout of our COMPASS program combined with the monthly one on one coaching sessions.

9. FY18 AND FY19 OPERATIONAL GOALS

a) FY18 Operational Goals

Mr. Kelly said as a quick refresher, FY18 is the year we are currently in that will end on June 30. There are five Operational Goals that are tied to the variable pay plan. Some of

these goals have been completed, some are partially complete, and some are still being determined.

- Idahoans Experience includes two components: 1095 timeliness and accuracy which was met at 100 percent accuracy on that component. Case resolution timeliness, which is measured through the end of June, is currently trending at the 60-80 percent mark.
- Retention and Enrollment was paid at 100 percent with a little over 92,000 effectuated enrollments as of April 1.
- Risk Management was focused on protecting YHI's brand and protecting PII. Both of those performed very well and were paid out at 100 percent.
- Low Cost Promise will not be paid until August or September upon a clean audit, but measures how much cash YHI has in the bank and trending above YHI's sustainability projections, toward the 100% threshold.
- Employee Engagement is tied to the survey that was just reviewed and improved just over 3 percent and was paid out at 84 percent.

b) FY19 Proposed Goals

Mr. Kelly said these goals will be in place from July 1, 2018 through June 30, 2019. He said the specific goals run through the germane Committees. Idahoans Experience and Retention and Enrollment goals were vetted through the Marketplace Committee and the Low Cost Promise will go through Finance tomorrow. Governance has purview over all the goals.

- Idahoans Experience: We are proposing a two-part goal to reduce the number of tickets related to account linking. This was the largest reason for customer escalations in the last Open Enrollment period. The first part is moving to a static field (date of birth and last four of the Social Security Number) which will allow a stronger match and greatly improve the linking. The second part of this goal is the implementation of a Net Promoter Score (NPS) to measure overall satisfaction. Net Promoter Score was implemented to measure overall customer satisfaction and identify real time customer experience to technology updates and operational process changes. This is a commonly used rating in call center environments. The 100 percent goal is to move the score from the baseline by 10 percent. The 80 and 60 percent thresholds are 7 and 5 percent, respectively. Mr. Kelly said for every customer interaction, a ticket is created, and whenever that ticket is closed, an email goes out to the customer and the response rate has been good so far while we are setting our baseline. Mr. Jeppesen said he is a huge fan of NPS, the concern is this is a massively large goal and he is concerned team members can't reach it. Mr. Kelly said this goal can be adjusted once we set the baseline. Chair Henbest said this is likely a stretch goal on a new goal that is still being explored. Mr. Kelly said this is a critical goal and a large percentage of the team has a heavy weighting on this. The weighting would be consistent as it is based on roles in the company, but the target can be adjusted if this Committee so desires.
- Retention & Enrollment goals, more than any other goal, are prone to a number of external factors that contribute to enrollment numbers. YHI can control some of what

goes into this goal, but there remains much that is completely out of YHI's control. Philosophically it is difficult not to have an enrollment goal as it is the most visible measure of how YHI is doing. The enrollment numbers are the most heavily influenced by outside factors. YHI can advertise, can make sure there are strong enrollment efforts, keep up good and broad relationships with enrollment counselors, perform great training, improve the front end of the website, improve the flows on the back end of the website, but ultimately the policy decisions that YHI doesn't control can have more impact on enrollments than any internal efforts. YHI leadership met and discussed this goal and recommend that the goal remain, but that variable pay is not tied to it because it can be difficult to hold the team accountable for the enrollment results considering the outside factors. However, YHI can control renewal efforts, specifically the automation of those renewals and have set a goal of 100% renewals. Mr. Erstad asked what the Marketplace Committee came back with regarding the changes being faced in 2019, and he said with the mandate going away in 2019, he expects enrollment to go down. Mr. Kelly said when YHI looked at the numbers and the baseline already had the mandate factored into it, these numbers reflect an additional 1, 2, and 3 percent decline based on association health plans and short term limited duration plans. It does not account for any impact from the state-based plans because there isn't enough known about those yet. Marketplace agreed with these numbers that are based on what we know today and agreed to no compensation being tied to these goals. Mr. Erstad asked how many receive a tax credit. Mr. Stoddard asked about the goals and asked how many are tied to compensation. Mr. Kelly said there are five goals, four of which will be tied to compensation.

- Risk Management is focused on the behaviors that we want to encourage and safeguarding Idahoans information. YHI does privacy & security training required by regulation, phishing campaigns, and training around those campaigns. This goal is to formalize that and make it more regular. Deployment has begun, and a baseline is being formulated based on the click-rates on these campaigns. There is one more campaign that will deploy and will then set the baseline. The typical industry click rate is at about 15 percent and our first campaign saw a 6 percent click rate. This first campaign was fairly easy to recognize and subsequent campaigns will get more difficult. Each campaign will result in a teaching opportunity and there is no penalty associated with the campaigns. The goal for 100 percent is to deploy no less than six campaigns during the financial year with no more than an 8 percent click rate. Mr. Jeppesen asked if this metric around a phishing campaign is a good goal or would ensuring that there is not a hole in the server creating a back door a more important goal. Mr. Kelly said that the greatest risk of breach is not through hardware or infrastructure but rather social engineering and these campaigns are specifically designed to educate to the risk of social engineering.
- Low Cost Promise goal will be discussed at Finance Committee tomorrow. Traditionally, this goal has been focused on sustainability and cash in bank. We have had a high level of success with this goal in the past and we are looking to refine it slightly. One of the changes will focus on operational expenses instead of cash. Preliminary discussions have taken place with Mr. Settles around this goal and his initial concerns are resources being restricted to achieve this goal, in turn, affect the

customer experience. With the Customer Experience goal in place, we think that will act as a counter balance to this goal. This is a difficult goal to reach and we anticipate much discussion around this tomorrow.

- Employee Engagement goal is shifting a bit while continuing to use the Q12 Gallup survey and instead of measuring the grand mean, we will focus on the percentile rank, with the goal in the 90's. This will be a difficult lift, but one that can be met. The percentile rank shows where we sit in comparison to all other companies taking the survey.

Motion: Mr. Erstad moved that the Governance Committee, recommend to the Board, approval of the FY19 Operational Goals as presented today. **Second:** Mr. Jeppesen. **The motion carried.**

10. PRIVACY & SECURITY POLICY UPDATE

Mr. Reddish said the policies have been reviewed and there are no substantial changes to the policies. He asked if anyone had any recommendations, questions or concerns.

Chair Henbest asked if there is any opportunity for Board members themselves to make the organizational vulnerable through Board communications from a privacy & security aspect. Mr. Reddish said there is no access to the system, so the only real risk is confidentiality. The Chair said these policies are very thorough and wanted assurance that the board isn't posing a risk. Mr. Kelly asked for those that do interact in the system, it is greater for agents, brokers and carriers on the Board. Mr. Stoddard added that we looked at the insurance policies and worked through it to ensure that potential events would be covered. The only item was the various appeals that go through the members of the appeals panel. Clean Desk Policy contained some vague language that was clarified and Bring your own Device had a dangling sentence that was updated. All the policies have been posted in the file on Hawley Troxell Sharefile.

Motion: Mr. Jeppesen moved that the Governance Committee, recommend to the Board, approval of the revisions to the Privacy & Security Policies as presented today. **Second:** Mr. Erstad. **The motion carried.**

11. ANNUAL CONFLICT DISCLOSURE

Chair Henbest said there are no recommended changes to the Annual Board Conflict Disclosure. Ms. Fulton will send it out in early June, along with last years responses, and it is to be turned in at the Board meeting on June 15, and no later than June 30.

12. EXECUTIVE SESSION

Motion: The Chair moved that the Committee enter into Executive Session pursuant to Idaho Code Section 74-206 (1) to consider the evaluation of employees pursuant to Idaho Code Section §74-206 (1)(b).

Executive Session Roll Call: The Chair called roll and determined that Mr. Erstad, Mr. Jeppesen, and Ms. Vauk, were present, resulting in a quorum.

The Committee entered into Executive Session at 10:09 a.m. and reconvened at 10:31 a.m. No final actions nor decisions were made while in Executive Session.

13. EXECUTIVE DIRECTOR FY19 VARIABLE PAY WEIGHTING

Motion: Chair Henbest moved that the Governance Committee recommend to the Board, the overall FY19 Executive Director Variable Pay Weighting as determined today and subject to approval at the June 15, 2018, Board of Directors meeting. The weighting at 40 percent for Idahoan's Experience, 0 percent for Retention and Enrollment, 20 percent for Risk Management, 20 percent for Low Cost Promise, and 20 percent for Employee Engagement. **Second:** Mr. Erstad.

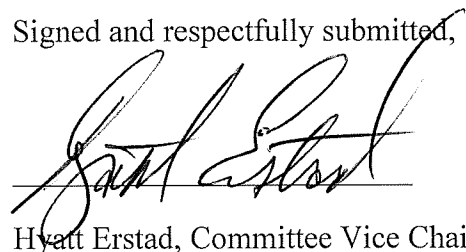
14. NEXT MEETING

The Chair noted the next meeting of the Governance Committee will be held in late August or early September.

15. ADJOURN

The Committee adjourned at 10:34 a.m.

Signed and respectfully submitted,

A handwritten signature in black ink, appearing to read "Hyatt Erstad", is written over a horizontal line.

Hyatt Erstad, Committee Vice Chair