IDaho Health Insurance Exchange
DBA Your Health Idaho

Your Health Idaho Board
Minutes
Friday, June 18, 2021

1. Board Members Present
   - Mr. Stephen Weeg, Chair
   - Ms. Janice Fulkerson, Vice Chair (via videoconference)
   - Mr. Kevin Settles, Treasurer
   - Mr. Hyatt Erstad, Secretary
   - Dr. Cynthia Fairfax
   - Ms. Margaret Henbest
   - Mr. Jerry Edgington
   - Mr. Greg Donaca
   - Ms. Carolyn Lodge (via videoconference)
   - Ms. Heidi Hart
   - Mr. Peter Sorensen
   - Ms. Karan Tucker (via videoconference)
   - Mr. Brett Thomas (via videoconference)
   - Ms. Tara Malek (via videoconference)
   - Representative Sage Dixon (via videoconference)
   - Senator Jim Rice
   - Mr. Weston Trexler for Director Dean Cameron (via videoconference)
   - Ms. Julie Hammon 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
   - Ms. Meghan McMartin, Your Health Idaho
   - Ms. Alanee Thomas, Your Health Idaho
   - Ms. Frances Nagashima, Your Health Idaho
   - Ms. Cheryl Fulton, 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 Board of Directors meeting of the Idaho Health Insurance Exchange (Exchange) was called to order by Mr. Stephen Weeg (the Chair), at 8:30 a.m., Friday, June 18, 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, Mr. Settles, Dr. Fairfax, Ms. Henbest, Mr. Edgington, Mr. Donaca, Ms. Lodge (via videoconference), Ms. Hart, Mr. Sorensen, Ms. Tucker (via videoconference), Mr. Thomas (via videoconference), Ms. Malek (via videoconference), Senator Rice, Mr. Weston Trexler for Director Cameron (via videoconference), and Ms. Hammon for Director Jeppesen (via videoconference), were present, resulting in a quorum. Senator Nelson was absent. Representative Dixon joined via videoconference at 8:45 a.m. and Ms. Fulkerson joined via videoconference at 8:55 a.m.

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. Erstad moved to approve the meeting minutes from the March 19, 2021, Board meeting. **Second:** Mr. Edgington. **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. **WELCOME – NEW BOARD MEMBERS**

Chairman Weeg introduced two new Board members: Dr. Cynthia Fairfax and Mr. Peter Sorensen. Dr. Fairfax replaces Dr. Livingston as a healthcare provider and Mr. Sorensen took the seat vacated by Mr. Zurlo representing insurance carriers. Dr. Fairfax has agreed to a seat on the Finance Committee and Mr. Sorensen will join the Marketplace Committee.

**Motion:** Mr. Erstad moved that the Board confirm the appointments of Dr. Fairfax to the Finance Committee and Mr. Sorensen to the Marketplace Committee. **Second:** Senator Rice. **The motion carried.**

*Rep. Dixon (via videoconference) joined at 8:45 a.m.*

10. **EXECUTIVE SUMMARY**

Mr. Kelly said the Your Health Idaho team returned to the office on April 5, 2021, and we continue to follow CDC guidelines and we have not experienced any significant risk exposures. The team has adjusted well and there has been tremendous energy and collaboration. As an added thank you to the team for working hard throughout the pandemic in a remote environment,
we have implemented summer hours where the office will close early on Fridays for the months of June, July, and August so they can get a head start on connecting with friends and family since they have not had that opportunity over the past year.

Mr. Kelly said open enrollment preparations are underway and with the changes to enhanced subsidies and the potential for new enrollments, we wanted to ensure we were targeting the right people with the right messages. As discussed at the March Board meeting, Your Health Idaho has engaged GS Strategies, Drake Cooper, with an assist from Ms. Lodge to conduct market research and test messaging strategies. So far, the results have been encouraging and are reinforcing key concepts around messaging and target audiences. Other open enrollment preparations include finalizing headcount and the hiring timeline for seasonal workers. Training schedules have been finalized for our Consumer Connectors and material development is underway.

I am also pleased to share that come this open enrollment season Idahoans will have even more carrier choice than ever before. Molina Healthcare and EMI Health have filed with the Department of Insurance to join and offer plans for plan year 2022.

We are excited for the potential that this open enrollment period holds as it may be the biggest opportunity we have had since 2014 and look forward to sharing our progress with you along the way. The Supreme Court ruling yesterday has also energized us for what will come this open enrollment.

11. MARKETPLACE

Mr. Edgington, Chair of the Marketplace Committee, welcomed Mr. Sorensen to the Marketplace Committee and said he will be a good addition with good insight and his added perspective.

Overall, the enhanced subsidies were good, and it created interest and engagement from a slice of the population that would not be well served otherwise. The Committee reviewed the customer service levels through May and were pleased to see that although calls and emails increased during the special enrollment periods, appeals were actually down year over year. The Net Promoter Score (NPS) has remained consistent despite the fact the Your Health Idaho did not hire any seasonal workers for the special enrollment periods.

For 2022 preparations, the Committee reviewed the open enrollment timeline, the technology roadmap, and the training schedule. After the success of training last year, the committee was supportive of moving to virtual training for this coming year.

There were a few Statements of Work (SOW) to review, and the Committee recommended both the Risch Pisca and Drake Cooper SOW’s, along with the DHW MOU, and voted to recommend the Enrollment Entity RFA, as we do every year.

Finally, the APTC Eligibility proposal was reviewed, and the Committee was supportive of the APTC Eligibility work being handled in-house by Your Health Idaho for the coming enrollment period and beyond.

The Chair added that this is a year of opportunity for Your Health Idaho beginning with the Supreme Court ruling that came down yesterday. And over the past couple of years, we have struggled through declining enrollments primarily as a result of Medicaid expansion and
protected Medicaid that resulted from the Public Health Emergency. At the same time, Idaho has seen tremendous population growth. Figuring out who is out there, who is uninsured, and how we reach them will become the big focus this year.

Ms. Fulkerson (via videoconference) joined at 8:55 a.m.

a. 2021 Enrollment Highlights

Mr. Kelly shared the overall enrollments for 2021 as compared to the two prior years. The Uninsured (USEP) and the American Rescue Plan Act (ARPA) enrollment periods drove about 8,500 enrollments in the months of March and April which are captured in April and May. Preliminary June enrollments are just shy of 77,000 reflecting a slight decrease from May which is normally seen throughout the year. As of June, we have only 500 enrollments out of our 77,000 enrollments that are in a pending status compared to about 1,000 at this same time last year. This indicates that not only do we have a solid base of enrollments, but it also tells us retention will remain high this year.

One of the things we often question is where people go when they leave Your Health Idaho. Customer survey results show that they obtain coverage elsewhere. One of the other questions we have been asking ourselves is what the impacts of the USEP and ARPA enrollment periods had on our average premiums. We saw was a slight increase in average premiums of about $7 dollars which was primarily driven by people buying up. People were able to buy up during those special enrollment periods because the American Rescue Plan Act delivered a 36 percent savings in net premium. This enabled people to go up to the next metal tier while bringing their premium to a lower dollar amount than the lower metal tier plan. This resulted in a metal tier mix shift compared to open enrollment. The affordability is exactly what the Biden Administration expected from the American Rescue Plan and is comparable to what other states are seeing.

Mr. Sorensen said it appears the biggest shift was in bronze to silver metal tiers and those plans offer lower deductibles and lower co-insurance. Mr. Kelly said since most of Your Health Idaho’s customers were on bronze plans, that is where the biggest shift occurred and were likely driven by those extra benefits as Mr. Sorensen noted. But we also saw some shift from silver to gold plans which was encouraging as they generally offer even bigger savings to the consumer. Mr. Edgington added that as the carriers develop plans that are simpler in design, and as consumers better understand those plans, they will engage in them. He asked Mr. Kelly how many customers that purchase insurance through the exchange have zero-dollar premiums. Mr. Kelly said 42 percent pay no premium. Mr. Sorensen added that nationally, that number is about 36 percent, as reported by the Wall Street Journal last week.

b. Customer Profile

Mr. Kelly said every quarter, Your Health Idaho updates our Customer Profile to get an understanding of who our customers are and identify any trends in behavior. This information not only give us insight into current enrollment demographics, but it also informs on our marketing and outreach strategies and helps up identify areas of opportunity.

This time around we wanted to focus on customer loyalty, or essentially, how stable was the customer’s enrollment throughout their relationship with Your Health Idaho. What we found was that the majority of Steady customers, which means that they had coverage 85-95 percent of the
time they have had a relationship with Your Health Idaho, are age 55-64 and are more likely to enroll during the open enrollment timeframe. These are likely individuals who are retired and need stable, affordable coverage until they are eligible for Medicare at age 65. Alternatively, the majority of unsteady customers, or those that had coverage less than 85 percent of the time, are primarily between the age of 26-34 and are more likely to enroll outside of open enrollment during special enrollment periods. This is likely since customers in this age bracket have a higher propensity for life events. We also looked at Federal Poverty Level (FPL) distributions and we did not see a material difference across these two populations or across the open enrollment or special enrollment period timeframes.

Mr. Kelly said we also looked at customer behavior as it relates to metal tier mix shift over time. We looked at two cohorts of our customers, those with coverage from 2015 to present, and those with coverage from 2018 forward. What we found was that households that began coverage in 2015 saw roughly a 19 percent shift from silver, primarily to bronze in 2018. This was a result of Silver Loading by carriers in response to the elimination of Cost Share Reduction in the fall of 2017. For the 2018 Cohort, we saw the silver plans continue to decrease, dropping 12 percent between 2018 and 2021. We also saw bronze increase by 17 percent over that same timeframe. From this we concluded that regardless of when someone joined the exchange, cost sensitivity exists across all cohorts regardless of whether they were here in the beginning or came in 2018.

c. Customer Experience & Support Center Metrics

Mr. Kelly said as expected, inbound call and email volume did spike during the March and April enrollment periods. This has largely returned to normal levels since the special enrollment periods have closed. Despite this increase in customer activity during those enrollment periods, Your Health Idaho was able to handle the additional volumes through improved processes and leveraging our waterfall process to handle intra-day spikes in volume. Essentially, we hit a peak in volume, bring in other trained team members to handle the spike, and after the spike is handled, they go back to their regular assigned responsibilities. We also encouraged the use of email which allowed us to spread that work out over the day and manage those inbound customer spikes more efficiently. We believe this approach was highly successful as evidenced by our Net Promoter Score of 43, which is a 19 percent increase from the same period last year.

Qualifying Life Event requests by type include loss of Minimum Essential Coverage, change in address, change in financial status, change in household size, and more. In 2021 we saw a much lower life event application volume, primarily resulting from the USEP and ARPA enrollment periods. However, even with that lower volume, we are seeing a higher approval rate for Loss of Minimum Essential Coverage Qualifying Life Event applications, up 3 percent this year compared to 2020.

Appeal volumes are also lower as a result of the March and April enrollment periods. The appeals team, primarily Ms. Bauer, invested a significant amount of time and effort to increase the efficiency of our appeals process. This focus has reduced the average turnaround time by 68 percent compared to last year, from 19 days in 2020 to 6 days in 2021.

Senator Rice added that less are going to an actual hearing which speaks volumes about how the team has improved around figuring out resolutions.
Mr. Kelly said for Consumer Connectors, in April we launched a pilot of the Your Health Idaho Agent Line, or YAL, as we like to call it. This is opportunity is for consumers who call us to be connected to an agent or broker in real time. This is a true lead generation tool for Consumer Connectors all across the state and feedback has been overwhelmingly positive.

In the past, Your Health Idaho has been limited to assisting callers to one case per call. We are happy to share that we are piloting a multi-case process currently and expect to fully deploy this in the fall. This will increase efficiencies in that area.

Finally, Your Health Idaho will be partnering with the Department of Health and Welfare (DHW) to improve the communications and training processes that will be done this fall with annual certification training.

Mr. Thomas said although he has not been involved in the pilot personally, he has agents in his office that have been involved and it has been very well received. They have provided feedback to Ms. Nagashima on improving the process and she has been very responsive. Mr. Erstad added that he generally gauges success by how many agents call him with complaints and he has not had one call.

d. Technology Update

Mr. Kelly said our June release, which is scheduled for June 30, will include updates to enhance the customer experience around the special enrollment period multi-doc upload and how we manage those documents. In addition, changes to the tax credit estimator around usability for our consumers and updates to the technology around the provider search process which should yield more accurate results.

The September release will now include the Compromised Credential Check. The initial design did not meet our expectations, so this was moved from June to September to ensure it is done correctly. Other updates include ticket management improvements and changes to the messaging capabilities in the HIX.

In January, we will deploy additional tools for our team to resolve multiple households in real time and also to deploy Shop While You Wait to increase efficiency with Special Enrollments.

Finally, in March, Your Health Idaho will be able to create and update notice content in-house. We are also considering an agent/broker mobile application, but that functionality is still being worked out and depending on where we land with that, it may be delayed.

We do have a user conference with GetInsured in July, and we are excited for the opportunity to influence the future of not only Idaho, but other states during that conference.

e. Policy Integration & Training Update

Mr. Kelly said Consumer Connector training is done each fall and even with the move back to in-person events, Consumer Connector training will be delivered in a live-virtual format. Last year, we learned that the virtual format enabled greater attendance for those consumer connectors in more rural areas without diminishing the quality of the training. As in past years, all training will include CEUs and be completed prior to October 1 when Medicare enrollment begins.
f. Marketing & Outreach Update

The American Rescue Plan Act (ARPA) paid media campaign ran from April 1 through April 30 and was solely focused on digital channels like social media, banner display, and paid search. Overall, the campaign received 2.4 million impressions, nearly 10,000 clicks and 5,000 conversions.

Paid search continues to be our best performing channel primarily because those consumers are motivated to search for us and are actively seeking information. As you can see in the bottom right graph, cost per click was relatively low for this campaign at $2.64 compared to open enrollment at $3.61.

During ARPA, we conducted several email campaigns to current and potential consumers informing them that they could be eligible for greater savings under the new rules. We also engaged in promotion of the enrollment period via traditional earned media efforts. Press releases were issued and picked up across the state promoting ARPA and Mr. Kelly joined Doug Petcash for a taping of KTVB’s Viewpoint to talk more in-depth about ARPA and these enhanced subsidies.

Updates to the website were made for both USEP and ARPA and included updated consumer information, frequently asked questions, as well as other enrollment periods resources. Web activity was very healthy with user sessions up almost 65 percent from the same time last year.

g. CMS & Policy Update

Mr. Kelly said for the federal policy update, we continue to wait for CMS to release rules that will update the 2022 Notice of Benefit and Payment Parameters. The original rules were released in the waning days of the Trump administration and the new rules that we are waiting for are expected to change some of those rules that were issued by the Trump Administration. As mentioned in March, we expect the Biden administration to increase Assessment Fees for healthcare.gov states as well as state-based exchanges leveraging healthcare.gov for enrollments. While not these fees do not directly impact Idaho, it does ensure that our current fee is substantially lower than the federal fee.

Senator Rice said that is something that should be reported back to the legislature. When they do make those changes, it highlights the soundness of Idaho’s decision to run our own exchange. Mr. Kelly said in our annual update to the legislature, we always quote our savings, and as of the end of 2022 will be at $38M. Senator Rice suggested sending that information out to the individual legislators since most of them are not on that Committee that hears the update each year. Mr. Erstad asked for clarification on the $38M in savings. He asked if that reflects the savings from our assessment fees as compared to the federal assessment fee. Mr. Kelly said that is correct.

We also expect changes in the updated rules around the Enhanced Direct Enrollment and 1332 Waiver guidance. We anticipate another week or so before we see these updated rules.

There is also significant discussion around a potential extension of open enrollment dates. The date we hear most frequently is January 15. It is unclear to us what the guidance will say in terms
of state-based exchanges. Once this rule is issued, I will work with the carriers, Director Cameron, and the Governor’s office to determine if Idaho has an opportunity to change our open enrollment dates. We of course have the flexibility, but it is a complicated process, and we need to collaborate with all our state partners to ensure it works for everyone.

Mr. Erstad asked if the federally based marketplaces are still allowing open enrollments or has that been cut off yet. Mr. Kelly said that Healthcare.gov states are still currently open through August 15 and state-based exchanges are all over the board. Many are August 15, some are December 31, and a few in between. Idaho is the only state that is currently not open for enrollments.

Mr. Kelly said for state policy, the primary bill that has been discussed in the Your Health Idaho committee meetings as it relates to our governance structure is Senate bill 1086. This was passed during the most recent session and essentially requires state agencies, including independent bodies corporate and politic, to obtain a certificate from their contractors that states the contractor will not boycott goods or services from Israel or territories under Israel’s control. We have been working with our legal counsel Mr. Stoddard and others at Hawley Troxell to incorporate language into our contracts as they come up for renewal. The SOWs that we will review later this morning do include language to address this bill. Questions around who will manage this and ensure compliance and what the penalties would be for non-compliance remain largely unanswered, but the penalties for non-compliance would result in a contract being voided. This is precisely why we have taken the more conservative approach and inserted this language into all of our contracts as they come up for renewal.

h. Public Affairs SOW

Mr. Kelly said Risch Pisca provides our legislative and regulatory affairs support. We have been utilizing them for many years now and they have been a tremendous help in us understanding what is going on both at the state and federal level and inform us on specific policies and allow us to provide feedback from an operational perspective. Statement of Work #5 remains consistent with the prior year at a not-to-exceed amount of $48,000, which is included in the approved FY22 budget.

**Motion:** Mr. Edgington moved that the Board, as recommended by the Marketplace Committee, approve the Risch Pisca SOW #5 in an amount not to exceed $48,000. This amount is included in the FY22 Budget. **Second:** Senator Rice. **The motion carried.**

i. DHW MOU

Mr. Kelly said the Department of Health & Welfare provides critical services to Your Health Idaho that center around APTC eligibility and support. They are also highly involved in the renewal process done each fall around redeterminations and renewals for our enrollments. This amendment would extend the current term to July 31, 2022, and costs are included in the approved FY22 budget.

**Motion:** Mr. Edgington moved that the Board, as recommended by the Marketplace Committee, approve the DHW MOU in an amount consistent with the FY22 Budget. **Second:** Mr. Settles. **The motion carried.**
j. Creative Services SOW

Mr. Kelly said Drake Cooper provides creative services including campaign strategy, advertising design, media services, and metrics reporting. Statement of Work #9 is at a not-to-exceed amount of $570,000, which is included in the approved FY22 budget. It is important to note that the $500,000 incremental spend that was approved at the March Board meeting for paid media is not included in this SOW. That incremental amount will be spent as we find appropriate areas that will provide a strong return on investment.

Motion: Mr. Edgington moved that the Board, as recommended by the Marketplace Committee, approve the Drake Cooper SOW #9 in an amount not to exceed $570,000. This amount is included in the approved FY22 budget. Second: Ms. Lodge. The motion carried.

k. Enrollment Entity RFA

Mr. Kelly said enrollment entities provide enrollment counselors for underserved communities across the state. Our current enrollment entities include Idaho Primary Care Association and St, Luke’s. Through their organizations and their sub-contractors, they provide help with the application process all the way up to plan selection, at which time we encourage them to hand the consumer off to a licensed agent or broker to finalize the plans. The annual Request for Application will be issued in July for a total amount not to exceed $298,860 which is included in the approved FY22 budget.

Motion: Mr. Edgington moved that the Board, as recommended by the Marketplace Committee, approve the release of the Enrollment Entity RFA and request the Board authorize the RFA Review Team to select the enrollment entities and authorize the Executive Director and the Marketplace Committee Chairman to execute the Enrollment Entity contracts at an amount not to exceed $298,860 collectively. This amount is included in the approved FY22 budget. Second: Ms. Fulkerson. Ms. Hart disclosed a potential conflict of interest as they are sub-recipients of a current provider that has a contract with Your Health Idaho and abstained from voting. The motion carried.

12. GOVERNANCE

Ms. Henbest, Chair of the Governance Committee, said the Committee met on May 27 and reviewed information related to employee engagement, the Compensation Policy, the operational and strategic goals for both FY21 and FY22, and received a privacy & security update. In terms of employee engagement, we received surprising news that in spite of the pandemic and the challenges around remote work while keeping everyone engaged in their work and feeling like a team, the results from the annual Gallup survey showed a record high engagement score. There was a little fall in the survey response rate, and we feel confident that the score represents the organization. The Committee reviewed the plan for growth and development of the team and are in support of the purchase of the Pryor+ platform for enhanced professional development opportunities.

The Committee is also supportive of changes to the Compensation Policy as it relates to team member recognition. We see these changes as allowing greater flexibility for team recognition and will recommend that for approval by the Board today. The Committee also reviewed the
remaining FY21 Goals as well as the FY22 Strategic and Operational goals which will be presented by Mr. Kelly later this morning. The Committee was supportive of the small changes in the goal measurement periods and measurement thresholds. The Committee also received a Privacy & Security update, and the Committee reviewed the minor changes to a few of the policies and are in support of those changes.

a. Employee Engagement

Mr. Kelly said Your Health Idaho deployed our annual employee engagement survey in May of 2021. It was deployed about a month after our return to the office. The Gallup Q12 survey is the gold standard for measuring employee engagement and Your Health Idaho has been using this survey since 2016. It is made up of twelve questions and team members rate these questions on a scale of one to five, with one being strongly disagree and five being strongly agree.

Our most recent results represent a new high score of 4.35, which is a five percent increase from the previous year. The darker green boxes on the results page indicate higher team member engagement for that particular question, while a lighter color indicates lower engagement.

Each year, Your Health Idaho’s Employee Engagement Task Force (EETF) focuses on two to three areas for improvement. In 2021 we focused on two questions: “I know what is expected of me at work” which saw an increase of three percent to 4.50 and “My manager, or someone at work, seems to care about me as a person” which saw a six percent increase to 4.65. This shows that the efforts of the EETF to focus in on improving specific areas of the survey were very successful this year.

Over time, the historical trends show our results since 2016 with the green colors showing improvements from the prior year and red showing declines. The 2021 survey saw increases in every category except for two. There was a slight decline in question three and a slight decline in question nine. While not wanting to get too far ahead of our Employee Engagement Task Force, it is safe to say those two questions will be an area of focus for the coming year.

Mr. Sorensen added that statistically, those two questions that declined appear to be inconsequential in the amount of decline.

The Chair agreed but added that we need to give Ms. Thomas and the EETF something to work on this year. He said this is really important work as we cannot succeed without the team remaining happy and working hard together.

Mr. Donaca congratulated the team and Mr. Kelly on the great results, particularly at a time when the job market is hyper-competitive for talent and people are leaving positions in record numbers in the current environment. Things like this show that Your Health Idaho will weather this storm.

Mr. Settles said he uses this same survey at his company and said it is certainly interesting to see when a low rating is given, how many people gave it a low rating. There is a lot of information here and he is excited to see what Your Health Idaho does around the question “My team members are committed to doing quality work” as that is certainly the most problematic area for many companies.
Ms. Thomas added that Your Health Idaho just put in place a new Employee Engagement Task Force and she is very excited to hear some of the questions that will come out of those meetings around how we improve in that area. In prior years, survey results came back from Gallup in a two-page document. Now it comes back with more in-depth reporting and eleven pages of results.

b. Recognition & Compensation Policy

Mr. Kelly said in 2014, Your Health Idaho established an employee recognition program. In 2016, we made some major changes to that program to coincide with the launch of the support center. As with most things, we are constantly evaluating our programs and based on those discussions, we are planning to make modest changes to our employee recognition programs this year. The Compensation policy currently includes a significant level of tactical detail, and we are proposing removing that detail to allow more flexibility in the recognition programs while still requiring that those programs remain within the approved budget. The specific redlines were included in the packet and the Governance Committee reviewed those and recommended this for approval.

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

c. Privacy & Security Policies Update

Mr. Kelly said as part of our annual MARS-E audit, Your Health Idaho’s Privacy and Security Officer reviews each of these policies to ensure alignment with our federal Privacy and Security framework. These policies are also reviewed by our external auditor to ensure compliance.

Updates for these policies include language indicating that team member’s may be liable for loss of damage of Your Health Idaho equipment as it relates to the remote work environment. We are also implementing additional background checks for specific roles at Your Health Idaho based on their Risk Designation. We also made updates to the frequency of logs to align with system capabilities at our new location. There are about 25 Privacy & Security Policies that were reviewed, and all received some updates around dates.

The Chair asked about cyber-security and ransom demands being made on many companies throughout the world. He wondered how secure our systems are. Mr. Reddish said yes, that is becoming a more frequent occurrence. Primarily those types of attacks come in through phishing and social engineering. That is top of mind for us as evidenced by it being a paid goal for the organization. Mr. Fuhrman has been stepping up the trainings and we receive more spam emails to be checked for malicious links than ever before. And we have added numerous internal controls to help combat it. Our team is the first line of defense and acts as a human firewall to help prevent these types of attacks.

Mr. Donaca suggested that Your Health Idaho come up with a plan in case something like this ever happened.
**Motion:** Ms. Henbest moved that the Board, as recommended by the Governance Committee, approve the revisions to the Privacy & Security policies, as presented today. **Second:** Mr. Settles. The motion carried.

d. FY21 Goal Progress

Mr. Kelly said as of today, Your Health Idaho has only one goal remaining: Low Cost Promise. This goal measures savings relative to our operating expenses. The goal was a savings of $385,000 and as of May month end, we were at $377,000 which is 98 percent towards that goal. We anticipate hitting this goal at the end of June. As a reminder, this goal is dependent upon a successful audit which will be completed in August and presented at the September Board meeting.

The second goal to mention is the Employee Engagement goal which was wrapped up this week. With the score of 4.35 on the Gallup survey, the team achieved 100 percent of that portion of the goal. The COMPASS card participation portion of the goal was a bit of a struggle due to the remote work environment over the past year, but the team has rallied and this past month we had over 88 percent participation helping us achieve the 80 percent threshold for this goal.

e. FY22 Operational & Strategic Goals

Mr. Kelly said in 2017, the Board adopted the single strategic goal of providing a flawless customer experience. We define flawless customer experience when five percent or less of customer inquiries require three or more touches to resolve their concern. Since 2017, we have seen an almost 70 percent reduction in the percentage of customers that require three or more touches to resolve their concern. During the most recent open enrollment we saw that only 2.7 percent. This goal is simple, it is easy for team members to understand, and it is a true north for the team. We recommend keeping this as our strategic goal.

Mr. Sorensen asked if we have a first call resolution number. Mr. Kelly said we do track that through reporting and with an assist from Ms. Nagashima, said it was at about 93 percent. Ms. Nagashima added that a lot of that has to do with the technology improvements that we have invested in that helps alleviate some of the load, particularly around links to tax credits and resetting or changing passwords.

Mr. Kelly said for the five operational goals being proposed today, we started working on them last September to ensure these are the right metrics to measure and to set a baseline for reporting, so we knew what to improve from. Some goals changed completely while others received nuanced changes or added a new period of performance outside of open enrollment.

For Idahoan’s Experience, we are recommending we maintain the same three metrics: Turnaround Time (TAT), First Call Resolution (FCR), and Net Promoter Score (NPS). We are proposing two measurement periods, as noted previously (open enrollment and non-open enrollment periods). For First Call Resolution and Turnaround Time, we are reaching a point of diminishing opportunity due to the performance of these goals. We are proposing an eleven percent increase in turnaround time during open enrollment and a six percent increase outside of open enrollment. Net Promoter Score has seen tremendous success and we are proposing a five percent increase during open enrollment and an eight percent increase outside of open
enrollment. We track these numbers every day, report them weekly in our Dashboard meeting, and Net Promoter Score provides us with real-time feedback.

The next goal is Retention and Enrollment and many years ago when there was turbulence in the policy space, the Board voted to not tie compensation to this goal. We are recommending that most team members not have compensation tied to this goal for those very same reasons. There are three components to this goal: percent of new enrollments, achieving 99 percent or more in auto renewals, and the targeted total number of enrollments expected for the year. We are proposing a seven percent growth in enrollments as compared to budget for effectuated enrollments as of April 1, 2022. The reason we are recommending this is the ARPA and USEP special enrollment periods had not come to fruition when the budget was set, which is what the enrollment goal is based on.

For Risk Management, we stepped back and questioned if this goal was the right goal for the team and we considered a much larger enterprise risk management goal. However, we want goals that each team member can impact, and an enterprise risk management goal would be more difficult for the team to connect with. We also looked at our most significant risks and as mentioned earlier, cyber risk, social engineering, and phishing remain the biggest risk. We are recommending maintaining a focus on social engineering for this goal. There are two components to this goal both of which will have an open-enrollment and non-open enrollment period of performance. The first area of focus will be around the reporting rate which will require that 94 percent are properly reported for each reporting period for this goal. The second part is a response, or click rate which will need to remain below four percent over the entire year both during the open enrollment period and non-open enrollment periods.

Mr. Kelly said the next goal is one we have recommended a complete change to and is based on our most learning from this most recent fiscal year. In the past, we measured operating expenses savings and today we are recommending a change to net operating income performance to budget. There are two primary reasons for this change. First, it captures movement in our revenue as well as expenses. More simply, net operating income is revenue less expenses. We would like to manage to that knowing that if revenue goes down, we can manage our expenses just like we did this year. We also think this goal is much easier for the broader team to correlate to numbers as in its most basic sense, it is someone’s paycheck less their living expenses. We are proposing for this goal that we see a ten percent improvement in net operating income as compared to budget.

The last item is Employee Engagement, and we are recommending the same two components: COMPASS card participation with an improvement of 14 percent and Gallup Survey results with a minor improvement of a half percent increase is proposed (4.35 to 4.37).

Mr. Edgington said premiums have been dropping over the last few years. How do we assess that kind of turbulence in income revenue to our operation with the income moving more than the budget is. Mr. Kelly said there are a lot of outside forces that impact our revenue: average premiums, federal policy, messaging, and advertising. This goal will measure our ability to manage the business relative to rate changes and increases or decreases in enrollments. The dynamics between these become more aligned and put more responsibility on team members to manage to both parts of this goal.
Mr. Settles asked if we will be adding percentages to the balance sheet since it is the percentages we have to track from. Mr. Kelly said the way this goal is envisioned is that we will set the net operating income dollars using assessment fee revenue less operating expenses, and then the improvement is on those dollars.

Mr. Edgington asked for an example of how an employee might see this goal and how they might affect it. Mr. Kelly said for operating expenses, anytime we purchase supplies, make contractual agreements or book travel, they affect hard dollar costs. In addition, we drive a lot of process improvement, and that drives cost savings as well. In terms of the revenue component, when a customer support person is on the phone and they enroll a customer, that has a direct impact on revenue. Similarly, when the IT group ensures less downtime of systems, that directly affects the ability of the team to enroll more customers, and so on. We believe this is a good goal in terms of connecting day to day activity to the outcomes of this goal. Mr. Donaca said he is in favor of this, and he thinks the key to driving it down to the individuals are the monthly budget meetings Ms. Stockert holds to help make that connection.

**Motion:** Ms. Henbest moved that the Board, as recommended by the Governance Committee, approve the FY22 Operational and Strategic Goals, as presented today. **Second:** Ms. Hart. The motion carried.

*The Board took a break at 10:05 a.m. and reconvened at 10:19 a.m.*

13. **FINANCE**

Mr. Settles, Chair of the Finance Committee, said the Committee met on June 4 and welcomed Dr. Fairfax to her first meeting. During the meeting we discussed the financial impacts of the special enrollment periods (USEP and ARPA), and although they increased enrollments, they did not close the gap in the budget, which was set prior to the impacts of COVID. Due to the great fiscal management and cost savings, we are favorable to budget overall at about $124,000 favorable for the year. For fiscal year 2022, we anticipate an increase in assessment fee revenue resulting from the special enrollment periods. We also looked at what it does for our sustainability, and we should have no problem maintaining our $10M in cash reserves which is always in place to we ensure we have enough money to unwind Your Health Idaho should we ever need to, though the threat of that has diminished greatly. This is the second meeting in a row where the team came to the Committee and asked to add $500K+ to the budget. We discussed the proposal to move the tax credit determinations in-house, which is a $550K expected increase to the expenses, with an offsetting decrease in our payments to the Department of Health and Welfare, though we do not yet know by how much. The Committee believes this is the right thing to do. We finished up the meeting with discussions around preparations for the audit which takes place in July, and we will share the results in September.

a) **Financial Results through March 31, 2022**

Mr. Kelly said our financial results for the end of the quarter (March 31) show similar trends as previous quarters with a revenue shortfall and expense favorability largely making up for that shortfall in revenue. Specifically for the quarter, Your Health Idaho’s total revenue was $2.6M which was unfavorable to budget by about $470K. This is primarily due to lower than expected enrollments and lower than expected interest rate returns on our cash reserves. However
operating expenses of $2.1M were almost $400K favorable for the quarter. The Operating cost favorability was primarily driven by employee and related costs, professional services, and facility costs. Year to date through March 31 show a similar trend: lower than expected revenue but strong fiscal management delivered offsetting savings in operating expenses. Capital Development in the HIX was also favorable to budget. More detailed financial information can be found in the appendix section of the deck. The View Pointe building purchase continues to perform well and provide a very strong return on investment and positive contributions to our cash reserves.

**Motion**: Mr. Settles moved that the Board, as recommended by the Finance Committee, approve the financial results through March 31, 2021, as presented today. **Second**: Dr. Fairfax. **The motion carried**.

b) **Financial Forecast & Sustainability**

Mr. Kelly reminded the Board that the fiscal year ends on June 30, 2021, which leaves about 12 more days in this fiscal year. The general trends on our forecast, which includes actuals through April, mirror what we just discussed for year to date through March. We will have a revenue shortfall that is more than offset by operating expense savings. For the full year, we are expected to exceed our net income budget by $124K. As Mr. Settles mentioned, we did look into fiscal year 2022 to understand the impacts from the USEP and ARPA special enrollment periods. With 8,500 incremental enrollments, that delivers about $100K in increased revenue for fiscal 22 which starts July 1. There are no additional impacts to fiscal year 2022, except for the impact of bringing APTC eligibility work in-house.

Mr. Kelly said in terms of what this means for cash, despite all the revenue challenges this year, our cash projections remain strong. By the end of FY26, we expect to have about $10M in cash, and while this is higher than our operating cash reserve of about $6.5M (six to nine months of operating expenses), it provides sufficient cash flow should something unexpected occur. More importantly it allows us to have cash reserves for any significant system enhancements should we need to react to either federal or state policy.

The Chair asked if there is a potential at some point that we could consider reducing our assessment fee, or do we need to keep this in reserve for any necessary IT investment. Mr. Kelly said, it depends. Each year when we set our budget, we run different scenarios based on different assessment fee levels. At the time we set the budget in March, we ran those same scenarios and did not recommend a change to plan year 2022. We do this each spring and will revisit in March.

Mr. Sorensen said since our technology is beginning to age, there will undoubtedly be an IT investment at some point in the near future. He said it feels like an appropriate approach to have some extra buffers. Mr. Reddish said we have gotten into a cadence where we do those gradually throughout the year and we need to look at it both from a HIX platform that GI is managing and our local infrastructure here. Ultimately the decision to virtualize extended the life of that asset and we are getting five to seven years out of our infrastructure. We are stretching it as much as we can but will need to upgrade at some point.

Mr. Edgington said he is in favor of where the assessment fee stands now, and the fees are so reasonable that the carriers are accustomed to it and it remains lower than any other fees the
carriers pay. He thinks if we are going to make an investment in the future, the best place to do that would be in trying to get those 100,000 uninsured individuals in our state into coverage.

Mr. Erstad said his concern is around coming out of this COVID crisis and if there will be rate increases down the road as a result and with the average cost being around $91 per month, communicating that to the average Idahoan, as compared to the business cost of plans, that is a huge difference. How we correlate that back is unknown, but perhaps speak to it in our advertising to entice folks.

Mr. Kelly said we are still working through a lot of details in that survey, but we do know people leave Your Health Idaho because the obtain coverage elsewhere. We have also learned that people want insurance, but they do not think they can afford it. With the enhanced subsidies, it is more affordable than ever. The trick now is to convince people that are concerned about making a car payment ensuring they have food for their family, that health insurance should be a part of that discussion as well. That is the challenge for our creative agency in the messaging.

Mr. Erstad added that another issue is when people leave a company and are faced with the costs of COBRA. The fact is, COBRA is only 102 percent of what the employer is paying for that employee's coverage, but it usually comes as a shock to the employee. Perhaps that can be dovetailed into the marketing approach. Customers would see substantial savings and it is a qualifying event. Mr. Kelly said yes, he and Ms. McMartin have been discussing the “always on” marketing strategy with year-round advertising with increased spend leading up to and during open enrollment. There are many components to this discussion but in marketing to the unsteady population which has a propensity for life changes and qualify for an SEP, we believe that is an untapped opportunity for Your Health Idaho.

Ms. Hart asked the carriers in the room if the plan of marketing to this more unsteady population who may move on and off insurance regularly cause any negative downstream affects for carriers. Is it low enough numbers that it does not matter? Mr. Edgington said it is low numbers, but the more people we get insured, the better off we are. If rolling on and off persists, one would hope that word would get around that you can purchase affordable insurance via the exchange during those transitions in life. This group is often part of the healthiest population and if we can pull them in, they help stabilize the pool. Mr. Sorensen said with the recent changes to the federal poverty level, there are simply a lot of people that do not know insurance is as affordable as it is. Finding ways to get to them and helping them understand this could make a real impact. Expanding the market is the key driver to the health and sustainability of Your Health Idaho.

c) FY22 Budget & APTC Eligibility

Mr. Kelly said we stepped back and took a look at some of the potential barriers to enrollment. With help from Ms. Nagashima, we talked with agents and brokers across the state to figure out what our biggest opportunities are. While there were numerous opportunities, the biggest one centered around the efficiencies in APTC eligibility processing. We have been working with the Department of Health and Welfare (DHW) around training, and that will help, but primarily it is around increasing the bandwidth of processing APTC eligibility.

We looked at numerous ways to improve this process including a dedicated agent line and email to DHW, Your Health Idaho funding seasonal works at DHW, and more, but it came down to
DHW not having the ability to have a team dedicated solely to APTC eligibility. That means they process eligibility alongside every other program which creates inefficiencies in the process.

Mr. Kelly said following this work, we talked internally and with the committees and today we are recommending that Your Health Idaho hire a dedicated team to perform APTC eligibility processing. This team would be trained by the Department, would have access to DHW eligibility systems, but they would sit in our offices and be both Your Health Idaho direct employees and seasonal workers paid for by Your Health Idaho. They would not have Your Health Idaho system access but would have Your Health Idaho email. That is important because it helps keep our MARS-E footprint as is in terms of the audit requirements and does not expand those obligations.

We are still looking at other items like a direct agent line for APTC eligibility and how the transition will happen, along with many other details around this. Essentially, we are proposing a dedicated team of people at Your Health Idaho to work eligibility applications and process them.

Mr. Kelly said we looked at the cost of hiring both direct hires and seasonal workers including fringe, overhead, payroll costs, and a five percent contingency. We estimate the annualized cost of this to be about $550,000. We also know there will be a partial offset in the cost allocation that Your Health Idaho pays to the Department of Health and Welfare, but we are still working through those details. We do not yet know how much it will offset, but it will not be 100 percent and it will also not be zero. Our enabling legislation requires Your Health Idaho to not use state resources, so we are working to ensure the cost allocation aligns with our enabling legislation.

Today we are asking for the full amount knowing that there will be an undetermined offset, but the timing right now is critical as with Board approval, we would begin recruiting for these positions today. We plan to onboard them on August 2, training with the Department would start August 9, and Your Health Idaho would fully take over APTC eligibility on October 1.

Mr. Sorensen asked what kind of ROI this will have. Mr. Kelly said the hard ROI will be the effect on revenues with the soft ROI positively affecting the Customer Experience. There will be no affect on technology as it would be through the DHW systems. Numerous Board members reported their support for this.

**Motion:** Mr. Settles moved that the Board, as recommended by the Finance Committee, approve $550,000 for Your Health Idaho APTC eligibility personnel and related costs, which is not included in the FY22 budget, and authorize the Executive Director to execute any related agreements with DHW and any other party as appropriate, as presented today. **Second:** Mr. Edginton. The motion carried.

d) **Diocese Lease Addendum**

Mr. Kelly said one of our tenants in the tower, the Roman Catholic Diocese of Boise, currently has an initial two-year term on the lease they signed when we purchased the building with two one-year options and all years have a three percent increase. Earlier this year, they approached us about exercising their first one-year option and requested two additional one-year options. The lease addendum articulates those terms as well as the three percent increase for each of those years. No tenant improvements would be included in those additional years.
Motion: Mr. Settles moved that the Board, as recommended by the Finance Committee, approve the addendum to the Diocese lease agreement, as presented today. Second: Senator Rice. The motion carried.

14. EXECUTIVE SESSION

Motion: The Chair moved that the Board convene in Executive Session to consider the evaluation of an employee, pursuant to Idaho Code Section §74-206 (1)(b).

Executive Session Roll Call: Mr. Erstad called roll and determined that the Chair, Ms. Fulkerson, Mr. Settles, Dr. Fairfax, Ms. Henbest, Mr. Edgington, Mr. Donaca, Ms. Lodge, Ms. Hart, Mr. Sorensen, Ms. Tucker, Mr. Thomas, Ms. Malek, and Senator Rice were present and agreeable, resulting in a quorum.

The Board entered into Executive Session at 11:08 a.m. and reconvened at 12:01 p.m. No final actions nor decisions were made while in Executive Session.

15. FY21 EXECUTIVE DIRECTOR MERIT & VARIABLE PAY

Motion: Ms. Henbest moved that the Board delegate to Chair Weeg and Governance Committee Chair Henbest, the annual merit increase for the Executive Director within the approved budget. Second: Mr. Erstad. The motion carried.

Motion: Ms. Henbest moved that the Board approve the variable pay, which is included in the approved fiscal year 2021 budget, for achievement of fiscal year 2021 operational goals for the Executive Director and authorize the Board Chair to release the payment of funds once the goal achievement is reached. Second: Mr. Erstad. The motion carried.

16. FY22 EXECUTIVE DIRECTOR VARIABLE PAY WEIGHTING

Motion: Ms. Henbest moved that the Board, as recommended by the Governance Committee, approve the overall FY22 Executive Director Variable Pay Weighting. That weighting is Idahoans Experience at 35 percent, Retention & Enrollment at 15 percent, Risk Management at 15 percent, Low-Cost Promise at 20 percent, and Employee Engagement at 15 percent. Second: Mr. Erstad. The motion carried.

17. NEXT MEETING

The Chair said the next meeting will be held on September 17, 2021.

18. ADJOURN

There being no further business before the Board, the Chair adjourned the meeting at 12:08 p.m.

Signed and respectfully submitted,

[Signature]

Stephen Weeg, Chairman of the Board