



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

**YOUR HEALTH IDAHO BOARD
MINUTES
FRIDAY, JUNE 28, 2019**

1. BOARD MEMBERS PRESENT

- Mr. Stephen Weeg, Chair
- Ms. Karen Vauk, Vice Chair
- Mr. Kevin Settles, Treasurer
- Mr. Hyatt Erstad, Secretary
- Mr. Tom Shores
- Dr. John Rusche
- Dr. John Livingston
- Ms. Margaret Henbest
- Mr. Jerry Edgington
- Ms. Janice Fulkerson
- Mr. Greg Donaca
- Ms. Carolyn Lodge
- Ms. Heidi Hart
- Mr. Paul Zurlo
- Rep. Sage Dixon
- Rep. Mat Erpelding
- Ms. Kathy McGill (for Director Dean Cameron)

2. OTHERS PRESENT

- Mr. Pat Kelly, Your Health Idaho
- Mr. Kevin Reddish, Your Health Idaho
- Mr. Layne Bell, Your Health Idaho
- Ms. Alanee DeRouen, Your Health Idaho
- Ms. Meghan McMartin, Your Health Idaho
- Ms. Haley Winstead, Your Health Idaho
- Ms. Stephanie Husler, Your Health Idaho
- Mr. Steven Sumter, Your Health Idaho
- Ms. Wanda Smith, Your Health Idaho
- Ms. Frances Nagashima, Your Health Idaho
- Mr. Joshua Travis, Your Health Idaho
- Ms. Cheryl Fulton, Your Health Idaho
- Mr. Mike Stoddard, Hawley Troxell
- Ms. Moriah Nelson, Idaho Primary Care Assoc.
- Ms. Tresa Ball, HR Precision
- Ms. Emily Hunter, Risch Pisca
- Mr. Norm Varin, Pacific Source Health Plans
- Ms. Sherry Jansen, Blue Cross of Idaho
- Mr. Mike Reynoldson, Blue Cross of Idaho
- Ms. Sara Stover, Office of the Governor

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 9:00 a.m., Friday, June 28, 2019, at the State Capitol Building, Room WW17. In accordance with Idaho Code §74-203 (1), the meeting was held in an open public forum and was streamed in audio format on the Idaho Public Television 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, Rep. Dixon, Rep. Erpelding, and Ms. McGill (for Director Cameron) were present, resulting in a quorum. Mr. Settles arrived at 9:54 a.m. Senator Rice and Director Jeppesen were absent.

5. PUBLIC COMMENT PERIOD

The Chair asked for public comments and there were none.

6. PRIOR MEETING MINUTES

Motion: Mr. Erstad moved to approve the meeting minutes from the March 15, 2019, Board meeting as presented today. **Second:** Mr. Shores. **The motion carried.**

7. REVIEW AGENDA

There were no changes made to the agenda.

8. NEW BOARD MEMBER WELCOME

Chairman Weeg reminded the Board members that the Annual Conflict Disclosure is due today and asked that those that have not completed the form, to please do so by the end of the day today and hand them or send them via email to Ms. Fulton. The Chair introduced the new Board members and introductions were made around the table.

9. EXECUTIVE SUMMARY

Mr. Kelly said the health policy space remains active at both the federal and state level. He touched on a few key issues that Your Health Idaho is currently monitoring.

Federally, the ACA lawsuit that was filed in Texas is now pending the appeals court in New Orleans. Should the appeals court uphold the Texas ruling, one would expect it to make its way to the Supreme Court, meaning the runway for any specific action in Idaho would be fairly long. However, if the Supreme court were to also rule in favor of the Texas ruling and the ACA be ruled unconstitutional, Your Health Idaho would implement a managed disenrollment process with guidance from our local partners. Yesterday, there were a few news stories around who could defend the lawsuit and we will continue to watch this latest development with the hearings expected to begin on July 9th.

At the local level, state-based plans are being finalized by the Idaho Department of Insurance. Once their guidance is released, Your Health Idaho will wait for formal approval from CMS before exploring options to offer those plans on the exchange.

Proposed and temporary rules for Enhanced Short Term plans are expected to be released in the next week or so. Once they are available, Your Health Idaho will work with the carriers and our technology partner, GetInsured, to understand the technology requirements, development timelines and cost. Due to the heavy lift in the technology space and coordination with carriers and DOI, the earliest these plans could be available on the exchange would be the first half of calendar year 2020.

For Medicaid expansion, traditional expansion would make everyone from 0-138 percent of the federal poverty level eligible for Medicaid. Meaning those that are currently at 100-138 percent FPL and enrolled on the exchange would move to Medicaid. Estimates put that number at approximately 18,000 enrollments.

YHI is also keeping a close eye on the Coverage Choice Waiver that was created as a result of the Medicaid expansion sideboard bill that was passed by the legislature. The Coverage Choice waiver would give Idahoans at 100-138 percent FPL the option to enroll with a tax credit on the exchange or decline their tax credit and instead choose to enroll in Medicaid.

Your Health Idaho continues to work with our partners at DOI and DHW to plan for all possible scenarios and minimize confusion for the consumer. Timelines and other details will be discussed later this morning.

Chairman Weeg said over the years, YHI has taken a very strong “business as usual” approach as so many things have swirled around that could affect YHI. At the same time, YHI has always added scenario planning to the mix.

Mr. Shores asked about the waiver and if children that in the past who qualified for Medicaid with parents that were on the exchange, would they be given the opportunity of choice as well? Mr. Kelly said it is his understanding that the waiver would apply only to adults, there are no changes to Medicaid eligibility for children.

10. MARKETPLACE

Mr. Edgington, Chair of the Marketplace Committee, said at the last Marketplace Committee meeting there was a robust discussion around monthly Net Premium amounts and what they can tell us about current and potential customers. Mr. Kelly will share more specifics in a few moments, but the Committee was encouraged by the work being done to understand and leverage this new information. Preparations for Plan Year 2020 are focused on understanding and mitigating the effects of Medicaid expansion. YHI is working with DOI and DHW to understand technology needs for Medicaid expansion and to ensure Consumer Connectors are trained on current system interfaces. The 2020 Consumer Connector certification training is scheduled and will include participation from key stakeholders.

Also of note, Randy and Kerri Gardner with Wind Rivers will no longer contract with YHI to support training needs. The YHI training team is ready and able to take on the training program

in-house and preparations are well underway. More visibility into current enrollment data is helping to inform on messaging and identify target audiences for open enrollment 2020. The more that is known, the easier it is to reach out to those populations.

Mr. Edgington said the Committee reviewed and will be recommending Statements of Work for Risch Pisca and Drake Cooper, along with the Department of Health and Welfare Memorandum of Understanding. The Committee also voted to release the Enrollment Entity RFA, which upon board approval, will be issued in July.

The Committee discussed the proposed FY20 Operational Goals for Idahoans' Experience and Retention and Enrollment. The Committee was supportive of the goal measurements but had questions about how to gauge success in what could be a tumultuous enrollment season. Those same concerns were shared by the Governance Committee and Committee members look forward to more discussion with the larger group today.

a. PY19 Enrollment Update, Customer Experience, and Appeals

Mr. Kelly said effectuations are holding strong compared to this time last year. There have been no material shifts between metal levels or carriers since the end of Open Enrollment and the distribution is expected to remain relatively consistent throughout the remainder of the year. The average monthly premium is about \$484 which is slightly lower than expected due to some carrier reconciliation activity that took place over the last few months. While monthly premiums are down, effectuations are higher than anticipated and the financial impacts of those results will be discussed in more detail during the finance update.

Chairman Weeg asked if the average premium was representative of just QHPs. Mr. Kelly said it is everything including QHPs and QDPs on the exchange.

Preliminary effectuations are holding steady at just above 95-thousand. While a decrease in effectuations is expected as the year progresses, it is encouraging as there is less of a decline compared to last year. This tells us people are happy with their coverage, they are finding value, and they are choosing to stay enrolled.

Over the past few months, our team has been working hard to understand our customers better. Since cost is the ultimate driver behind decision making, one of the key pieces to our analysis was to find out just how much YHI's customers are paying for their monthly premiums. Mr. Kelly shared the graphs that represent net premium amounts as of May 2019. Another graph shows the number of enrollees by net premium. Nearly 25,000 enrollments have a \$0 premium – that's 24 percent of all Idahoans enrolled on the exchange. He also shared the breakdown of net premium amounts by metal tier, which shows the largest concentration of \$0 premiums in the bronze metal tier.

YHI is in the process of tying the net premium analysis with FPL data. That analysis should be completed in July and YHI will share the highlights in a Board update with the full analysis in September.

This information highlights just how price sensitive YHI's customers are and YHI will be using it to prioritize and inform on messaging for Open Enrollment.

Ms. Henbest asked about the age distribution within bronze, silver, and gold. Mr. Kelly said he didn't have that information with him, but he will follow up after the meeting.

Dr. Rusche said the premium cost for those that don't qualify for an APTC continues to be an issue. Some states have gone to subsidized reinsurance to bring those costs down on those policies. Has there been any action around that in Idaho with the DOI and/or carriers? Mr. Erstad said the high-risk pool has been turned into a reinsurance mechanism tied to diagnosis codes. Currently six codes are mandated and should affect the rates by about one or two percent when the rates are approved by the DOI. Approximately \$18-20M is designated for this reinsurance program. Chairman Weeg added that the 1332 waivers can be used to aid in this area. Mr. Erstad added that the high-risk pools in most states have been eliminated when the ACA went into effect, because there is really no need for them. Idaho maintained its high risk pool and then three years ago, changed the makeup, took it to the legislature, it passed, and is now being used as a reinsurance mechanism.

Mr. Kelly said call volumes continue to match the seasonal trends, although they are consistently lower year over year. The reduction in calls is attributed to systems enhancements, technology updates, reconciliation efforts with carrier partners, and improved systems to assist YHI's team members and consumer connectors.

YHI's Net Promoter Score, or NPS, average in May was 40 which is well above industry standards. While it is encouraging to see such positive feedback, there is more work to be done. Since bringing the customer support center in-house three years ago, the Your Health Idaho support team has matured in both experience and expertise. Now it's time to move on from the low hanging fruit and focus our efforts on understanding the customer experience beyond the operational impacts. For Your Health Idaho, that means investigating options for a new Quality Management Program, which will give us visibility into customer service levels in real-time. Technology and operational requirements for a QM program are being verified and would allow screen recordings and voice recordings of support center calls for quality assurance reviews and training.

Mr. Kelly said in the appeals space, a downward volume trend continues compared to prior years. He shared a graph that shows a year over year increase in upheld decisions, meaning our customer support team is giving the right answer the first time. We hope to see this trend continue and plan to implement system and staffing improvements which will include a full-time Quality Assurance position. This role will work closely with the policy team to ensure the training is consistent and fit for purpose. A second key piece to supporting the appeals space is to revamp our Consumer Connector training program and optimize the in-person sessions. Details on that will be shared a bit later.

b. PY20 Open Enrollment Preparations

Mr. Kelly said preparations are well underway for Plan Year 2020, YHI's seventh open enrollment.

- *PY20 Key Dates*

Mr. Kelly shared key dates that have been outlined for Open Enrollment. You'll notice the open enrollment deadline has shifted one day to the 16th of December, that is due to the 15th falling on a Sunday.

Other dates remain consistent with prior years with anonymous shopping beginning on October 1st, Open enrollment starts November 1st and 1095-A tax forms will be sent prior to the January 31 deadline.

- *Technology Update*

Mr. Kelly said there are three releases scheduled to support Open Enrollment activities. The naming conventions of the release are represented by the year and the month of the release.

The 19.7 Update will occur in July of 2019 and includes enhancements to the User Interface (UI) Changes, or changes to the "look and feel" of the HIX, to improve the overall Consumer experience and align with last year's Front end website redesign. Also being implemented is the Google Tag Manager (GTM) and this enhancement will allow YHI to follow the Customer's experience from start to finish. There are also a number of Lesson Learned Enhancements as a result of YHI's post Open Enrollment lessons learned, cross-functional meetings, and the Open Enrollment Summit. And finally, the Prior Year Anonymous Shopping enhancement will allow Customers to browse plans from the prior plan year.

The 19.9 Update will occur in September of 2019 and includes required system changes as a result of Medicaid expansion that will impact YHI's renewal processes. Year over Year Plan Comparison is another enhancement providing Consumers the ability to compare their current enrolled plan to those being offered during the upcoming Open Enrollment period. Anonymous Shopping enhancements will allow Customers to anonymously shop and compare plans within current plan year as well as upcoming Open Enrollment period. Finally, various enhancements to YHI's notices to include consolidation of noticing, verbiage changes aimed to reduce confusion, reduce calls to the Support Center, and to improve the overall Consumer experience.

Mr. Shores asked if this release is in September and after the agent training takes place, how will the agents know how to utilize the changes? Mr. Kelly said the current changes are in the sandbox environment and YHI uses that environment to capture the screen shots that will then be added to the training modules that agents will go through in September in-person training.

Mr. Kelly said the 19.12 Update will include 1095 Updates which are the annual changes to the IRS 1095-A form as well as the XML used to electronically send tax data to the IRS.

Based on conversations during the last board meeting and the feedback received during the Open Enrollment Summit in April, there was a very clear need to create an agency portal option to better support our agents and brokers. This new portal would create a shared book of business for an agency and would allow more than one person to be logged into the same book of business at any given time. This upgrade also includes the option to add an agency

assistant role for support and administrative staff. The control levels would look slightly different for the different roles, but they would still be able to help service customers. Your Health Idaho is working with the Department of Insurance to understand any compliance concerns and align the system access for the agency assistant role.

While we had hoped to implement this prior to Open Enrollment, technology and compliance requirements have pushed back our release date. At this time, it is expected to roll this out in the early part of calendar year 2020.

- ***Training Update***

Mr. Kelly said in previous years, Consumer Connector training was conducted over several months and required individuals to attend two separate in-person events. Based on feedback from the Consumer Connector survey, Your Health Idaho has consolidated the training schedule for 2020 to a single month. The training will still be offered in several locations around the state, but it will be structured a bit differently. The early morning sessions will focus on supporting our newer Consumer Connectors with policy, procedures, and Your Health Idaho basics. In the afternoon, our more seasoned Consumer Connectors will join the group for training on Medicaid expansion, DOI and DHW processes, and Your Health Idaho system updates. The day will close with networking and best practices.

Mr. Donaca said most of the agents/consumer connectors know the plans, but is there any training related to the differences in the plans that is discussed? Mr. Kelly said that training is conducted with the carriers, YHI does not train on the details of plans, only on how to work with them in the system.

The training for 2020 will also look a bit different in that it will not be facilitated by Randy and Kerri Gardner with Wind Rivers, who have been conducting training since 2013. While they will be missed, this was always part of the plan. Your Health Idaho has the resources and knowledge to bring the training program in-house. We all appreciate the many years of hard work and dedication from Wind Rivers and wish Randy and Kerri the very best.

Mr. Kelly said key dates for our Consumer Connectors training is mid-August for the online certification and September for in-person training. Registration has opened online for the in-person trainings and close to 300 Consumer Connectors have already registered. The in-person training will be completed before October 1 which aligns with the beginning of Medicare open enrollment.

- ***Outreach and Marketing Update***

Mr. Kelly said over the past few months our Outreach team has been busy promoting Special Enrollment Periods and general exchange awareness. Throughout the year, YHI tries to maintain a quarterly schedule that includes one large awareness event such as the Experience Idaho Expo or Famous Potato Marathon and a handful of supplemental community education opportunities. Events like the Famous Potato Marathon are meant to get the Your Health Idaho brand in front of as many people as possible. It is a chance for our Outreach team and volunteers to engage with community members and share general knowledge about Your Health Idaho.

The educational and community awareness events offer Your Health Idaho the chance to engage with individuals and professionals who are likely aware of Your Health Idaho and are looking for more specific details. Your Health Idaho has also been exploring more collateral opportunities in lieu of attending events in person. A system for tracking engagement at those events is still being developed, but so far have received positive feedback.

Mr. Shores asked when those materials might be ready. Mr. Kelly deferred to Ms. McMartin who has confirmed it is ready and a bulletin will go out in July with the links for accessing the request form for those materials which is on the partner tools section of the website.

Mr. Kelly said one of YHI's goals in preparation for open enrollment is to understand our customers better, both current and potential. Based on current enrollment data, two key regions within the state were identified where our enrollments are under penetrated in relation to the population. Those two areas of interest are Region 2 and Region 5. The Outreach team is currently working to engage local community groups in these areas as well as seek out partnerships with consumer connectors and tribal health groups. Market research consistently indicates that Idahoans rely on friends and family when making decisions on important items like health insurance, so we want to get as many boots on the ground as possible advocating for Your Health Idaho in these areas. This data is also being used to create messaging and targeting of paid advertising for open enrollment.

Mr. Shores said those two areas are heavily agricultural and estimating a subsidy for farmers is extremely difficult, resulting in less penetration in those areas. Dr. Livingston disagreed and said farmers and ranchers are very capable in determining their income for the coming year. The difference is that they don't have the availability of an agent nearby. Mr. Kelly said both those areas are very rural and present challenges which is why we are working to grow those areas so they can develop a working relationship with consumer connectors and customers. Those agent relationships have proven very successful for YHI in the past.

Mr. Kelly said armed with this new enrollment data and the net premium information shared earlier, the team met with Drake Cooper in mid-May for the official kickoff of the Open Enrollment 2020 paid advertising campaign. While there are eligible Idahoans out there YHI has yet to reach, it is also key that YHI maintain as many of its current enrollments as possible in order to mitigate the enrollment loss due to Medicaid expansion.

There is also a lot of confusion surrounding open enrollment 2020 with Medicaid expansion and consistency in messaging will be key. YHI is working with carrier partners to ensure deadline messages are in alignment, as well as any open enrollment engagement overlap with consumer communications.

Our team is also working to enhance the online experience when consumers visit YourHealthIdaho.org. In addition to the technology enhancements mentioned earlier, several front end updates are planned to include more clarification around the enrollment process flow and how to use the access codes. YHI is also working to improve Search Engine Optimization, or SEO, through enhanced content and more consistent key words. The hope is that these enhancements will contribute to the overall consumer experience and help us reach more eligible Idahoans.

Chairman Weeg added that YHI is essentially planning what happens if everyone leaves because of Medicaid Expansion, especially with the waivers in limbo. If the Coverage Choice waiver passes, there is a lot of work that needs to be done with technology. This will be a very fluid year for YHI as it may not be known in time for open enrollment. All YHI can do is prepare for the different scenarios and assume that this will affect enrollments.

Mr. Shores said one thing that will help is if there is a list somewhere on which physicians accept Medicaid and which do not, that will help the agents and customers with making the decision. Dr. Rusche added that there are some clinics that only accept a certain number of Medicaid patients and that is then capped, so that would simply add to the confusion. Dr. Livingston said the state of California did this and it turned out to be very complicated as the list is fluid. Mr. Kelly added that this would fall under the purview of the Department of Health and Welfare, but he does see an issue with the information becoming stale quite quickly.

Mr. Kelly said before he gets into the SOW's and other contracts, Drake Cooper won a Rockies Award for the television ads they produced last year which include the "Don't Get KaChinged" and the "Some Plans Are Better" ads.

- ***Public Affairs SOW***

Mr. Kelly said the first contract addendum up for approval is YHI's public affairs vendor, Risch Pisca. They serve as a liaison for state and federal policy and regulations. Their services have proven particularly valuable as YHI navigates the ever changing policy landscape both at the state and federal level. This third SOW extends their contract through June 30, 2020. Costs are flat year over year at \$60,000 and those funds are included in the approved FY20 budget.

Motion: Mr. Edgington moved that the Board, as recommended by the Marketplace Committee, approve Risch Pisca SOW #3 in an amount not to exceed \$60,000.00. This amount is included in the approved FY20 budget. **Second:** Ms. Fulkerson. **The motion carried.**

- ***DHW MOU***

Mr. Kelly said the Department of Health and Welfare is a critical partner for Your Health Idaho and performs APTC eligibility determinations, and related work, under this MOU. The proposed amendment extends the current term to July 31, 2020 and the costs are included in the approved FY20 budget.

Motion: Mr. Edgington moved that the Board, as recommended by the Marketplace Committee, approve the DHW MOU in an amount consistent with the FY20 budget. **Second:** Ms. Hart. **The motion carried.**

- ***Enrollment Entities RFA***

Mr. Kelly said the next item is the Request For Applications, or RFA, associated with YHI's enrollment counselor entities. Assuming Board approval today, this RFA will be issued in

July and applicants will be chosen with a Proposal Evaluation Team in August with contracts in place by September 30. While CMS changed the requirement from two entities to only one, YHI has kept the costs in the budget flat year over year. This will afford the maximum flexibility when evaluating applicants for the coming year. The total cost is \$301,200 and is included in the approved FY20 budget.

Motion: Mr. Edgington moved that the Board, as recommended by the Marketplace Committee, release of the Enrollment Entity RFA and authorize the RFA Review Team to select the enrollment entities and authorize the Executive Director and the Marketplace Committee Chair to execute the Enrollment Entity contracts at an amount not to exceed \$301,200 collectively. This amount is included in the approved FY20 budget. **Second:** Rep. Erpelding. **The motion carried.**

- *Creative Services SOW*

Mr. Kelly moved on to the updated SOW for YHI's creative partner, Drake Cooper. Drake Cooper provides creative services, media purchasing, and message strategy support. The term is extended for another year, through June 30, 2020. The total cost for this coming year is \$549,000 with \$50,000 allocated for new content related to Medicaid expansion. These funds are included in the approved FY20 budget.

Motion: Mr. Edgington moved that the Board, as recommended by the Marketplace Committee, approve Drake Cooper SOW #3 in an amount not to exceed \$549,000. This amount is included in the approved FY20 budget. **Second:** Ms. Lodge. **The motion carried.**

Mr. Shores requested an acronym sheet for the new Board members. Mr. Kelly agreed and said he would send that out soon.

c. CMS and Policy Updates

Mr. Kelly said earlier this month, the administration released final rules around Health Reimbursement Accounts, or HRAs. The FFM is expected to deploy these plans in 2020, however, Your Health Idaho and other State-based Marketplaces have the option to delay implementation. Your Health Idaho is currently evaluating impacts and technology requirements to determine scope and cost. It is highly unlikely YHI would be ready to deploy these plans in 2020. YHI's strategy of going second may prove valuable in this case.

In May, the US House passed the Protecting Americans with Preexisting Conditions Act. In addition to the bullet points listed, the bill also included reinsurance funding, a delay of the health insurance tax, Short Term Limited Duration Insurance plan restrictions, reestablishment of outreach funding, and funding for new State Based Marketplaces. It is highly unlikely this bill will get any traction beyond the House.

The most likely pieces of legislation to get bi-partisan support will be centered around surprise billing, cost transparency, and prescription drug costs. There has been some movement on these items this week and will continue to monitor this space and provide any updates as they are available.

Mr. Kelly said at the state level, YHI continues to work with its partners at the Department of Insurance and Department of Health and Welfare on the Coverage Choice Waiver. Included in the appendix is a full timeline for the waiver process. Key dates include the posting for public comment of the 1332 waiver on May 31. There is a 30-day public comment period, followed by two weeks to incorporate feedback from those public comments, which means the earliest the 1332 waiver can be submitted to CCIIO and the Department of Treasury is July 17th. CCIIO and Treasury then have 45 days to determine if the application is complete which would take us to August 31st. This is a key date as redetermination and renewal work begins in earnest on September 1st. It is important to note that CCIIO and Treasury have 180 days to respond to the waiver application.

Your Health Idaho continues to work with our partners to understand technology needs and build as much flexibility into both our technology and operational processes to be able to effectively pivot given the uncertainty around the waiver approval and the timing. Mitigating consumer confusion is a top priority as well and the team is actively working through messaging to help consumers understand the process, options, and key dates. YHI expects the temporary/proposed rules on Enhanced Short-Term plans to be shared in the coming weeks.

Dr. Rusche asked for those individuals that continue to have private insurance, what happens to their cost-sharing reductions. Will Idaho as a state pick up that tab or has anyone even figured that out yet? Mr. Kelly said if he understands the question correctly, those people that choose to remain on the exchange with a tax credit will continue to receive their CSR benefits.

Your Health Idaho has worked with its federal partners to confirm that Your Health Idaho can offer these plans on the exchange. While it will be a separate shopping experience, a great deal of our existing infrastructure can be leveraged. YHI will also be working with our carrier partners on technology requirements. Given the significant development work, Your Health Idaho believes the earliest Enhanced Short Term Plans can be deployed on the exchange is the first half of 2020.

11. GOVERNANCE

Ms. Henbest, Chair of the Governance Committee, said the Governance Committee met on June 12 and reviewed the Employee Engagement Survey and were very happy to see that 100 percent of the employees participated and that there was an increase in the average score. This year there was an open-ended question at the end and the results of that centered around compensation and benefits. The Committee spent a good deal of time discussing what could be done and there will be something coming forward as recommended by the Committee to address that.

The Committee also reviewed the FY20 Operational Goals, which are always highly focused on the Idahoan's experience. As in previous years the Committee is cautious about goals that are outside YHI's control, and this year there are more policy changes than at any other time in YHI's history. Quite a bit of time was spent discussing the potential consumer confusion that may result from all the policy changes and there was even more concern that setting operational goals that were potentially unachievable regardless of how the team performed. The Committee decided that goals would be set but would be revisited towards the end of the year after open enrollment.

The Committee also reviewed the proposed updates to the YHI Privacy and Security Policies and confirmed the changes were mainly focused on dates and grammar rather than content and the Committee will be recommending those changes for approval today.

Finally, Mr. Kelly shared a brief update on the status of new product offerings and results of the Real Estate RFQ and the selection of Colliers of Idaho. Because of the fiduciary nature of a new building purchase or lease, this item will move to the Finance Committee for oversight going forward.

a. Employee Engagement Survey/PTO

Mr. Kelly shared the results from the Employee Engagement Survey and said the organization saw a 1 percent increase in the grandmean and moved into the 91st percentile of all companies that take the Gallup Q12 survey. YHI had 100 percent participation in the survey and are very pleased with these results, our best to date.

The two questions that are highlighted, *materials and equipment* and *quality*, were the questions the Employee Engagement Task Force focused on this past year. Both areas of focus, saw scores increase between almost 1% and 8%.

This year, an open-ended question was added to the survey: *If I had to make ONE change at our organization to make it a great place to work, it would be.* There was lots of feedback on this question and they were categorized into themes. 25 percent of responses were centered on compensation. This was anticipated and YHI had already set aside additional budget for market adjustments. And about 20 percent were related to benefits, primarily Paid Time Off.

As Ms. Henbest mentioned, during the Governance Committee meeting there was robust discussion around possible solutions and the Committee landed on the proposal shown here. The goals of this proposal are twofold: First, increase PTO for less tenured members and second to simplify the accrual bands from five to three. For team members in their first year of service, they would receive an accrual for three weeks of PTO, for those team members with 1 -6 years of service it would be four weeks, and team members with more than six years of service would still accrue at five weeks. As a reminder, PTO includes all personal leave including vacation, personal leave, and sick leave.

Mr. Donaca congratulated the team on the results of the survey and said there are two things to consider. The first is joining Best Places in Idaho to Work, and although there is a fee for joining, it seems to be very meaningful to the employees. Secondly, the PTO accrual is fairly standard with the private industry, but he questioned the elimination of the bank at time of hire. He said most companies now are offering a bank of time off at hire for all employees, and as a smaller company, it is difficult to compete with the larger companies and that is one thing that can be done to increase the richness of the benefits.

Mr. Kelly appreciated the input and said he is open to whatever decision the Board makes. The bank of time at hire for exempt employees was initially implemented to attract senior talent when the exchange was small and only had four employees. In making this decision, the PTO balances of the employees at YHI were reviewed and it was determined that there was a fairly big differential between exempt and non-exempt employees, in fact it was almost exactly 40 hours.

With the increased accrual rates, we felt the right way to balance that was to remove the exempt-only PTO bank at hire to make that consistent and then increase the accruals discussed today.

Motion: Ms. Henbest moved that the Board, as recommended by the Governance Committee, approve the changes to the Paid Time Off (PTO) policy as presented today. **Second:** Mr. Erstad. **The motion carried.**

Mr. Erstad suggested that the Board take action on the motion with the thought that the Governance Committee look into the Idaho Best Places to Work for this next year and coordinate that through the HR consultant.

Ms. Hart asked for clarification on how this will affect the higher tenured employees that have been with the organization for a longer time. Mr. Kelly said that people today between years 3 and 5 receive four weeks of PTO, so what we have done is essentially expanded that band down to those employees who have completed their first year. No one has lower accruals through this proposal, they only have higher accruals or maintain the status quo.

b. FY19 Operational Goals Review

Mr. Kelly said significant progress was made over the past year and all goals have either been paid out, or are trending to be paid out, between 90 and 100 percent.

The Idahoans' Experience goal has two primary components, the first of which is the Net Promoter Score. Last year, there was a fair amount of discussion around this as this Board thought it might be too high. The Board was correct and YHI did not attain that goal. However, the linking portion of the goal was knocked out of the park and achieved the 100 percent threshold due to improvements to the linking process. This goal was paid out at 90 percent.

For the Retention and Enrollment goal, it was also achieved at 100 percent as YHI had over 96K effectuations as of April 1, 2019. There is no compensation associated with this goal.

For Risk Management, the goal was centered around the phishing campaigns. The goal itself was to achieve a click rate of no greater than eight percent on final phishing campaign. This goal was paid out at 100 percent achievement with zero percent click rate on final two campaigns.

For the Low Cost Promise, the goal was to achieve a \$400K cash savings from operating expenses. YHI is on track for 100 percent achievement with operating cash savings approaching \$1M. This goal will not be paid out until after the financial audit in late August or early September.

Mr. Kelly said the final goal was Employee Engagement with a goal to achieve 90th to 92nd percentile on the Employee Engagement Survey (Gallup). YHI reached a 90 percent achievement with the May 2019 Gallup survey results ranking YHI in the 91st percentile. The full details of these goals are located in the appendix.

c. FY20 Operational Goals

Mr. Kelly said YHI's strategic goal of delivering a Flawless Customer Experience was established in 2017. This goal is measured by the percentage of customers who require more than

two contacts to resolve their issue. In each of last six quarters, this goal has been achieved. While YHI is doing very well in this space, there are no proposed changes to this goal, especially with the implementation of Medicaid expansion and the possibility of increased customer interactions due to confusion in the marketplace.

For FY20, the goal categories remain the same as last year, however how that success will be measured and the tactics deployed will be different.

With all the confusion in the marketplace, the Customer Experience is shaping up to be less than ideal for open enrollment 2020, and YHI will do all that can be done to mitigate negative impacts to our customers. When we measure the Idahoans' Experience goal, we want to be sure we use benchmarks that are within the control of our team. That is why we continue to focus on key performance indicators like First Call Resolution and Turn Around Time. We will also continue to track our Net Promoter Score, or NPS, as a barometer for our customer service levels and set our goal from the established baseline of 30. There was robust discussion at the Committee level around this goal. We will monitor the waiver process and the impacts from Medicaid expansion and bring back any suggested updates to this goal at the September Committee and Board meetings.

For 2020, the Retention and Enrollment goal assumes clean Medicaid expansion and an 18,000 reduction in enrollments. Some of that loss can be mitigated by focusing on under penetrated markets, uninsured demographics and enhancing targeted marketing strategies. While this is an important goal, with so many unknowns and the recommendation of both the Governance and Marketplace Committees, no compensation will be tied to this goal.

For the Risk Management goal, Your Health Idaho will continue to focus on phishing campaigns while adding a new component around properly reporting when a team member has received a phishing email. Continued education around social engineering and phishing attacks will help to keep the goal top of mind.

Mr. Kelly said the Low Cost Promise goal will again reflect our conservative fiscal values with an emphasis on operating expense management with particular focus on areas of controllable expenses. There are two line items on the balance sheet that are contractually fixed: the DHW MOU and our GetInsured contract. Those two components have been removed from the measurement of this goal and will focus on the remaining expense line items that are more controllable. Discussion at the Committee level was that YHI have a Low Cost Promise that works and that it doesn't hinder our ability to provide a flawless customer experience.

Finally, Employee Engagement will continue with the survey that will now be deployed twice a year for increased transparency within the team. YHI will also continue to focus on its COMPASS values and recognizing our team members who demonstrate them on a consistent basis. The full details of all these goals are located in the appendix.

Motion: Ms. Henbest moved that the Board, as recommended by the Governance Committee, approve the FY20 Operational Goals as presented today. **Second:** Dr. Rusche. **The motion carried.**

The Board took a break at 10:30 a.m. and reconvened at 10:43 a.m.

d. New Product Update

Mr. Kelly said it has been determined that YHI could sell Enhanced Short Term plans on the exchange. And while there are some technology challenges to offering these plans, once the proposed rules are released, YHI will work with the carriers to determine technology needs, process, and costs. The current plans would have shoppers choose either QHP's or Enhanced Short Term plans, which would direct them to separate and distinct platforms for each where they would continue shopping. These are expected to be available on the exchange, assuming the technology details can be worked through, in the first half of 2020.

Chairman Weeg asked if there would be a mechanism for shoppers who don't know which option they want to look at both? Mr. Kelly said that the federal requirement is that is be two separate and distinct paths and shopping experiences. But one could very easily have two browser windows open and compare them that way.

Mr. Shores asked if these enhanced short-term plans would have the same assessment fee tied to them. Mr. Kelly said that the details are still being worked out, but it is expected to be the same fee that is on QHP's today.

Ms. Hart asked what the target market is for Enhanced Short Term plans and how many people are expected to sign up for them. Ms. McGill said the target market would be people who do not have access to group plans, but whose income is such that they also don't qualify for a tax credit and cost-sharing. These plans would be more affordable while providing comprehensive coverage and therefor, people who are currently uninsured and don't qualify for a tax credit, would benefit the most from these plans.

Chairman Weeg asked if these plans would be offered during the normal open enrollment period or if they would have their own open enrollment period. Ms. McGill said the temporary and proposed rule proposes that carriers would be given the choice of how they want to offer short-term plans, but it is assumed they will offer them in the same manner in which QHP's are offered. Carriers do have to offer QHP's in order to offer the enhanced short-term plans. Carriers can also decide to offer these plans year-round.

Ms. Hart asked if there are enrollment projections for these plans. Ms. McGill said she doesn't have that information, but she can see if she can get that information.

Ms. Henbest asked what the benefit structure is for the Enhanced Short Term plans. Ms. McGill said they are less rich and don't require all 10 essential health benefits, but they still have comprehensive benefits.

Rep. Erpelding asked what the real differences are that will drive down the prices. Ms. McGill said she is not prepared to talk about this in great detail, but she will follow up with him and the proposed rule in the July 3 administrative bulletin.

Mr. Zurlo said in response to the potential enrollment numbers, he has seen some estimates that it could be 100,000 to 110,000 Idahoans.

Mr. Edgington added that in addition to the eligible numbers, it is his understanding that these plans may be very attractive to those that do not receive a tax credit if it is in fact less costly, so

those numbers could go higher. Ms. McGill said medical underwriting will be permitted if the carrier chooses to do enrollment on a year round basis. If they choose to do so only during special and open enrollment periods, there will be no medical underwriting according to the proposed rule.

Dr. Rusche asked what the term of the plan is. Ms. McGill said it is not more than 12 months but renewals are permitted twice and cannot exceed 36 months.

Mr. Edgington said this is a fact of life we are dealing with now and will mostly affect young healthy people, but the light in this is that it gets these folks into the market that haven't been in the market previously. The concern is it could dilute the current pool. The hope is there will be some interest of those members to get them into the market.

Mr. Erstad added that these plans that are trying to be added to the market are going to touch those individuals that currently don't have an APTC and are not currently in the market. It would also allow for employees whose employers do not offer coverage, but do provide an offset in cost, to take that money and go purchase a plan on the exchange. These new products, although they may not be perfect, will help us offset some of these 18,000 lives that are lost through Medicaid Expansion.

Ms. Hart asked if this comes through the Board or through Committee first. Chairman Weeg said it would likely come through the Marketplace Committee, but at this point it would be good to wait and see how those rules are written and see what the carriers are interested in doing and not doing and what may be available, and so on, and then see what those impacts may be. Ms. Fulkerson asked for clarification that the DOI will first approve those plans, then it can come through YHI's Marketplace Committee correct? Ms. McGill said that is correct.

Dr. Livingston asked if an employer offers a contribution to an employee who then shops on the marketplace for that plan, there would not be an APTC associated with that correct? Ms. McGill said if the employer offers the individual an HRA, with that employer reimbursement applied towards the premium of the benchmark silver plan, and if that is considered affordable to the employee (based on a standard 9.5 percent of the household income and adjusted for inflation), then that individual is not also eligible for APTC as long as they have an affordable plan they can obtain through the HRA.

e. Privacy & Security Policy Updates

Mr. Kelly said each year CMS guidelines require Your Health Idaho to review our Privacy and Security Policies. These policies cover everything from protecting PII, to cellphone use to data retention.

All 22 policies were reviewed by the Governance Committee and each had minimal changes around dates and document formatting. No material updates were made to the policy content.

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. Erstad.
The motion carried.

f. Annual Conflict Disclosure

Mr. Kelly said the deadline for submitting Annual Board conflict disclosure forms is today. If you have no changes from your prior disclosure, you may state that in an email. Ms. Fulton will follow up Monday morning to ensure the conflict rules for the state of Idaho are met.

12. FINANCE AND BUDGET

Mr. Settles, Chair of the Finance Committee, said the Committee met on June 13 and reviewed the financials. Revenues are just slightly under budget and is due to a shift in carriers during open enrollment. Even with a lower than expected average premium, the forecast is less than one percent from what was budgeted due to higher than expected effectuations.

There was robust discussion around operating expenses and what role the Finance Committee plays in setting expectations around spending. While YHI is consistently under budget, especially regarding labor, there have been no red flags based on performance and market demands. YHI operates under a Low-Cost Promise and takes care not to let the budget impede business needs. The GetInsured contract was modified in structure and that has caused a timing issue with the FY19 and FY20 capex budget and the committee supports moving some favorability from FY19 to FY20 to avoid budget shortfalls due to contract timing.

Mr. Settles said the Committee also discussed the Agent Portal and said there will be a request to expedite the work that needs to be done to resolve that issue. YHI needs to make this happen but does not have the spending authority to do that. The Committee is in support of moving funds currently allocated from OPEX to CAPEX to pay for the enhancement.

Finally, the Committee discussed the audit plan and the new audit partner, Eide Bailly, and the preparations that are already underway.

The Chair asked what the current Assessment Fee is set at. Mr. Kelly said the current assessment fee is 2.29 percent for all QHP's sold on the exchange. The Chair added that the federal fee is currently 3.5 percent, but is scheduled to drop to 3 percent for OE20. Mr. Kelly added that YHI has saved Idahoan's close to \$28M compared to the federal platform since inception.

a. Financial Results through March 31, 2019

Mr. Kelly said in reviewing the low-cost promise goal for FY19, we discovered that the budget revenues that were used for reporting this year were lower than what was included in the budget that was approved in March of 2018. This in no way impacts our actual results, our actual cash balance, or any of our other actual results. But it has understated our revenue and net income performance relative to budget. The slides today and those in the appendix have been corrected to reflect this update.

Mr. Kelly presented the third quarter financial statements and said revenues were \$3.4M and operating expenses just over \$2M, which delivered net operating income of \$1.3M.

Operating expenses are favorable to budget by \$467K which is primarily due to \$200K in employee and employee related expense and \$250K of favorability in DHW eligibility shared services.

Looking at year to date, Your Health Idaho has Net Ordinary Income of \$2.6M which is \$723,000 favorable to budget. This favorability is driven primarily by employee and employee related expense favorability of \$492,000 and DHW Eligibility shared services favorability of \$363,000. Other favorability is due to timing of outreach expenses, favorability in seasonal labor expense and professional services. Expense favorability is offset by revenue unfavorability of \$387,000.

Mr. Settles, Chair of the Finance Committee, said he and Mr. Kelly have talked extensively about the budget number being incorrect. It is not a cash number and the auditors likely wouldn't have caught it, but it isn't best practice and it's mildly embarrassing it wasn't caught sooner.

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

b. Financial Forecast and Sustainability

Mr. Kelly said looking at the forecast with actuals through March 31, Net Ordinary income was projected to be \$3.2M. This is favorable to the budget by \$160,000. YHI's expense favorability has continued in April and May and operating expenses are now expected to be favorable to budget by approximately \$1M with Net Ordinary Income favorability expected to be approximately \$400K favorable to budget.

Shifting now to our sustainability curve, which shows what our overall cash balance is projected to be through the end of fiscal year 2025. Key assumptions include a 20 percent loss of enrollments due to Medicaid expansion, with enrollment stabilizing in the years after expansion is implemented. As you can see, cash dips from \$14M to about \$12M with the implementation of Medicaid expansion and then stabilizes in January 2022. This does assume impacts from capex expenditures around the agent portal which I will cover in just a few minutes. This does not include any impacts from Enhanced Short Term Plans or State based plans or federal policy impacts such as the recently finalized HRA rule.

c. FY19 CAPEX Favorability

Mr. Kelly said with the renewal of the GetInsured contract, YHI pre-pays for development work. By pre-paying, YHI also receives more in return. It allows GetInsured to have a more consistent revenue stream and provides about 20 percent in savings to YHI. When this contract was renewed with an effective date of January 1, 2019, effectively a timing issue was created between the financial year and the contract year. This has caused us to recommend to the Board, a shift of \$200,000 of FY19 capex budget favorability to the FY20 capex budget to essentially cover the timing issue created by the renewal of the contract. This does not impact the total capex spend over the two years but rather fixes a timing issue between the financial year and the contract year.

Motion: Mr. Settles moved that the Board, as recommend by the Finance Committee, approve the shifting of FY19 CAPEX favorability of \$200,000 to the FY20 CAPEX budget increasing the total approved FY20 CAPEX budget to \$1,200,000. **Second:** Dr. Rusche. **The motion carried.**

d. FY19 CAPEX Agent Portal

Mr. Kelly said YHI has been working to resolve one of the biggest challenges that remains for our agents and brokers, which is essentially to create an agency shared book of business. The system currently only allows consumers to be associated with a single agent in the system. This enhancement will allow multiple agents in the same agency to access the same book of business which will improve the consumer experience as well as increase efficiency for those agents in the same agency.

Given the operating expense favorability in FY19, we are proposing a shift of \$350K from the approved operating expense budget to the FY19 capex budget to pay for the agent portal enhancements. This would allow Your Health Idaho to lock in current pricing and ensure that the agent portal would be deployed in 1Q 2020.

Mr. Erstad asked if that means the cost of the agency portal is \$350,000. Mr. Kelly said yes, and that is down from the original quote of \$1.1M when we first looked at it. Mr. Erstad recommended that the agents and brokers be told of the expenditure for this to become reality.

Motion: Mr. Settles moved that the Board, as recommend by the Finance Committee, approve shifting FY19 OPEX favorability of \$350K to the FY19 CAPEX budget thereby increasing the FY19 CAPEX budget to \$1,350,000. **Second:** Mr. Shores. **The motion carried.**

e. Real Estate RFQ Update

Mr. Kelly provided a quick update on real estate RFQ. As mentioned earlier, Colliers of Idaho was selected to work with YHI to secure new office space. A kickoff meeting was held on May 31st and we are actively working with them to determine our options. To date, the only option that has been taken off of the table is the build option. Colliers also introduced the concept of partnering with a developer to expand our options both in cost, location, and availability of space.

Mr. Settles has been actively working with YHI on this and attended the kickoff meeting with Colliers. While this is still in the early phase, and since the current lease is through July 31, 2021, this provides us with a long runway. The Board will continue to be updated as progress is made, but at this point we are simply evaluating that landscape, evaluating lease vs. buy, and looking at options for partnering with a developer.

13. EXECUTIVE SESSION

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

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

The Committee entered into Executive Session at 11:22 a.m. and reconvened at 12:10 a.m. No final actions nor decisions were made while in Executive Session.

14. EXECUTIVE DIRECTOR ANNUAL REVIEW

Motion: Rep. Erpelding moved that the Board delegate the discussion for a merit increase to Chairman Weeg and Chair Henbest to negotiate within the budget and to try to approach market midpoint for the Executive Director. **Second:** Dr. Rusche. **The motion carried.**

Motion: Ms. Henbest moved that the Board approve variable pay of 10 percent, which funds are included in the Fiscal Year 2020 budget, for the achievement of Fiscal Year 2019 Operational Goals for the Executive Director and authorize the Board Chair to release payment of funds once goal achievement is complete. **Second:** Mr. Erstad. **The motion carried.**

Motion: Ms. Henbest moved that the Board, as recommended by the Governance Committee, set the overall FY20 Executive Director Variable Pay 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. **The motion carried.**

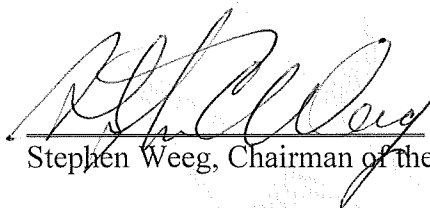
15. NEXT MEETING

The Chair said the next meeting will be held on Friday, September 20, 2019. If anything comes up regarding policy changes in the interim, we reserve the right to meet before then.

16. ADJOURN

There being no further business before the Board, the Chair adjourned the meeting at 12:14 p.m.

Signed and respectfully submitted,



Stephen Weeg, Chairman of the Board