



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

**YOUR HEALTH IDAHO BOARD  
MINUTES  
FRIDAY, SEPTEMBER 20, 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 (via teleconference)
- Dr. John Livingston
- Ms. Margaret Henbest
- Mr. Jerry Edgington
- Ms. Janice Fulkerson
- Ms. Carolyn Lodge
- Ms. Heidi Hart
- Senator Jim Rice
- Rep. Sage Dixon (via teleconference)
- Rep. Mat Erpelding
- Director Dean Cameron
- Director Dave Jeppesen

**2. OTHERS PRESENT**

- Mr. Pat Kelly, Your Health Idaho
- Ms. Alanee DeRouen, Your Health Idaho
- Ms. Meghan McMartin, Your Health Idaho
- Ms. Tera Rose, Your Health Idaho
- Ms. Frances Nagashima, Your Health Idaho
- Ms. Mandi Shawcroft, Your Health Idaho
- Ms. Wanda Smith, Your Health Idaho
- Ms. Cheryl Fulton, Your Health Idaho
- Mr. Weston Trexler, Idaho Department of Insurance
- Mr. Mike Stoddard, Hawley Troxell
- Ms. Tresa Ball, HR Precision
- Ms. Moriah Nelson, Idaho Primary Care Assoc.
- Ms. Emily Hunter, Risch Pisca
- Mr. Jeremy Pisca, Risch Pisca
- Mr. Norm Varin, Pacific Source Health Plans
- Ms. Sherry Jansen, Blue Cross of Idaho
- Mr. Bret Rumbeck, 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, September 20, 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 (via teleconference), Dr. Livingston, Ms. Henbest, Mr. Edgington, Ms. Fulkerson, Ms. Lodge, Ms. Hart, Senator Rice, Rep. Erpelding, Director Cameron and Director Jeppesen were present, resulting in a quorum. Rep Dixon joined at 9:13 a.m. Dr. Rusche, Mr. Donaca, and Mr. Zurlo 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 June 28, 2019, Board meeting as presented today. **Second:** Ms. Fulkerson. **The motion carried.**

### 7. REVIEW AGENDA

There were no changes made to the agenda.

### 8. NEW BOARD MEMBER COMMITTEE ASSIGNMENTS

Chairman Weeg reviewed the process for onboarding new Board members. He reminded the Board that since YHI welcomed four new members to the Board at the last meeting, the Board will now confirm the Committee assignments for each of those positions. Mr. Greg Donaca and Rep. Sage Dixon have been assigned to the Finance Committee and Ms. Heidi Hart and Ms. Carolyn Lodge have been assigned to the Marketplace Committee.

**Motion:** Mr. Erstad moved that the Board approve the Committee assignments of Ms. Heidi Hart and Ms. Carolyn Lodge to the Marketplace Committee and Mr. Greg Donaca and Representative Sage Dixon to the Finance Committee. **Second:** Ms. Henbest. **The motion carried.**

Chairman Weeg noted that the Finance Committee has been working without a Vice Chair for a time now and after some discussion, it was determined that Mr. Greg Donaca would fill that seat.

**Motion:** Mr. Settles moved that the Board approve the nomination of Greg Donaca as the Vice Chair of the Finance Committee. **Second:** Senator Rice. **The motion carried.**

## 9. EXECUTIVE SUMMARY

Mr. Kelly began his discussion with a few key issues that are at the front of everyone's mind, starting with Medicaid expansion. Your Health Idaho has been in regular contact with our partners at the Idaho Department of Health and Welfare and the Idaho Department of Insurance since Proposition Two was first passed in November. Now that the implementation date is fast approaching, those communications have only increased in frequency and scope and now include our carrier partners as well.

One of the most pressing issues we face regarding Medicaid expansion is consumer confusion. Over the past several weeks, through inter-departmental and organizational meetings, we have worked to align messaging, confirm timelines, and understand the overall customer experience. We have a solid understanding of what the consumer noticing process will look like for all possible scenarios and how renewals will be processed and communicated to the consumer. A copy of the notice flow and timeline is available in the Appendix.

One of the key technology changes YHI has made in preparation for Medicaid expansion is regarding the auto renewal process. Consumers who are currently enrolled with YHI, who become eligible for Medicaid in 2020, will not be auto renewed.

In addition to consistent noticing and the change to the renewal process, we also need to make sure teams are communicating the same message when working directly with consumers. We will provide talking points for our customer support center as well as our YHI-certified Consumer Connectors. These agents, brokers, and enrollment counselors are a large part of our success and it behooves us to ensure they are well prepared and informed. Those talking points will also be shared with the Department of Health and Welfare and the Department of Insurance.

We are also planning for higher call volumes during open enrollment. As such, we are bringing on a full slate of seasonal support center personnel to ensure we can handle call volume as well as increased email and ticket volumes.

All this preparation and planning is not a singular effort by Your Health Idaho. I would like to thank our partners at the Department of Health and Welfare, Department of Insurance, and the insurance carriers for their willingness to work together and serve Idahoans.

Mr. Shores asked if there will be a summary of benefits for Medicaid provided to the agents and brokers prior to Medicaid Expansion and if there will be a list provided to agents and brokers of those consumers that are newly qualified Medicaid eligible. Director Jeppesen said the Department of Health and Welfare has materials available today, both printed and website, that can be used by the broker community to help them understand what the benefits package looks like within the Medicaid products. DHW is already in the process of redeterminations and will be working with YHI to get a list to agents and brokers of those consumers that are now eligible for Medicaid. Ms. Fulkerson asked if the list would be by agent and Director Jeppesen said yes. Mr. Erstad asked how the list would be distributed. Mr. Kelly said the list is challenging because the people on the list will be changing as people complete the redeterminations process and also because not everyone on the list will be currently enrolled in a QHP. If a list is able to be generated that won't actually cause more work, YHI will work with DHW to get that to the agents and brokers. That being said, once a redetermination is completed, the agents and brokers

are able to see that in PDAP. There are currently about 11,000 that have already sought eligibility status and that have been determined as Medicaid eligible. Ms. Hart asked about the notification to consumers and if the duplication of notices from YHI and DHW will cause confusion as to which notice they are to reply to. Mr. Kelly said there is a flow available in the appendix today, but there are multiple notices that will go out and due to the timing of the notices, there may be some confusion for the consumer. As DHW goes through the redetermination process, they will be determining eligibility for 2020. Once that eligibility determination is made, they will issue a notice to consumers that will tell them whether they are eligible for Medicaid or APTC eligible and what those amounts are. Prior to that, the carriers will issue a renewal notice to all their consumers that has a paragraph that states the consumer 'may or may not' be eligible for Medicaid. That notice is first, then the redetermination notice from DHW, and then based on their eligibility, YHI issues a renewal notice. Following that, the carriers will either issue a discontinuation or a renewal notice. Unfortunately, these timelines don't match up quite right. Ms. Vauk said the most important thing in her mind is that the notices provide some information around who the consumer can reach out to for assistance in understanding the notices. That could be the consumer connectors, the brokers, etc.

Mr. Kelly said the 1332 Coverage Choice waiver was filed in July of 2019 and would allow Idahoans between 100-138% of the federal poverty level to enroll on the exchange and receive APTC or decline APTC and enroll in Medicaid. As many of you know, in August, the waiver was deemed incomplete. CMS went on to say that even if they felt the waiver was complete, it would not meet budget neutrality thresholds and would therefore be denied. At this time, Your Health Idaho will continue our preparations for plan year 2020 with the assumption of traditional Medicaid expansion. We will continue to work with Governor Little's office, the Department of Insurance and the Department of Health and Welfare to understand next steps as they pertain to the Coverage Choice waiver.

This summer we also received direction from CMS to implement a Quality Rating System, or QRS, for plans sold on the exchange. The QRS is not new, and has been around for several years, but was facilitated by CMS. Now, CMS is requiring each health insurance marketplace to display QRS for all qualified health plans. While we appreciate the effort to provide our customers with as much information as possible to make an informed decision, it simply was not realistic for us to implement this enhancement in the HIX by open enrollment 2020 due to the late guidance from CMS.

Instead, QRS data will be available through a downloadable file, available on our front-end website, YourHealthIdaho.org, while we will work with GetInsured to secure an implementation date during the 2020 plan year. CMS is aware of our intention and is supportive of the timeline.

## **10. MARKETPLACE**

Mr. Edgington, Chair of the Marketplace Committee, said much of the last Marketplace Committee meeting was centered around Medicaid Expansion and related topics and what the Committee could do to support, clarify and communicate in order to mitigate confusion with the consumer. Some of the highlights included the notice of the net premium and federal poverty level enrollment data which also shows the sensitivity to cost. YHI team has implemented a new system to track consumer accounts with multiple interactions which allows the opportunity to improve processes. There are some planned technology updates that will improve processes and

enhance the shopping experience, including year over year plan comparisons. The Consumer Connector certification has begun and this is the first year YHI has taken this in house. The planning and production of the paid media program is well underway and there will be three new television and radio spots this year that will focus on the uninsured populations. We will retain the award-winning ads that were produced last year. Finally, the Committee recommended three important items that are up for consideration today including the issuance of an RFP and two items related to product offerings on the exchange.

**a. PY19 Enrollment Update, CSC Metrics, Appeals, and Customer Experience**

Mr. Kelly provided an update on enrollments for 2019. He said effectuation numbers continue to trend higher than last year and we are most encouraged by the slope of the line, which is steadier and less steep than last year. This indicates that Idahoans are satisfied with their coverage, they realize the value, and want to maintain their benefits throughout the year.

Looking at total enrollments by Federal Poverty Line (FPL), approximately 18-thousand enrollees fall in the 100-138 percent of FPL. These are the enrollments that we know will move to Medicaid under expansion and this confirms projections for plan year 2020.

For Metal Tier enrollments by FPL, we see that those in the 100-250 percent FPL, and who are eligible for cost share reductions, are more likely to select a silver plan as Cost-Share Reduction (CSR) benefits cannot be applied to a bronze or gold plan. As the FPL level increases and CSR benefits decrease, consumers are more likely to select a bronze plan. Without CSR benefits and as a consumer's premiums increase, a bronze plan is likely less expensive in total out-of-pocket costs.

Ms. Lodge asked if cost share benefits can be applied to only silver or can they be applied to gold and bronze as well. Mr. Kelly said yes, only in the silver metal tier are cost-share reductions applicable.

Mr. Kelly shared Enrollments by Net Premium where we see that nearly a quarter of enrollments pay \$0 per month for coverage, obviously price sensitive consumers. On the other end of the spectrum, nearly a quarter of customers pay more than \$200 per month, these are likely individuals who have specific needs or are risk averse to unexpected costs.

When we first looked at QHP enrollment by FPL and Net Premium, we were surprised to see that those in the 100-138 percent of FPL span the full price range for monthly premiums. However, CSR benefits must be factored in once again as they mitigate the total out-of-pocket expenses, allowing those with specific needs and high utilization to afford a more expensive plan.

Senator Rice said he noticed the enrollments by metal tier and the enrollments by net premium don't really match up and he wondered how much variation in plans of the same metal level as far as net premium. Mr. Kelly said both show enrollment in the 100-138 percent of FPL of 18,000. Net premium won't line up with metal tier. Senator Rice said he understands that, but he doesn't see the correlation. Mr. Kelly said he would like to talk outside of this meeting to get a full understanding of the question. He added that this is where agents and brokers and enrollment counselors become really critical in this process to make sure consumers understand that they are

purchasing the right plan for their specific needs. Senator Rice asked how many customers have an agent or broker and how many do not. Mr. Kelly said about 75 percent of enrollments work with an agent, broker, or enrollment counselor and 72 percent of that are agents or brokers, with 3 percent being enrollment counselors.

Mr. Kelly moved to the Customer Experience which shows that call volumes followed a consistent downward trend through June of 2019. However, in July we did see a five percent increase from last year. We suspect this is due in large part to APTC reconciliation efforts between Your Health Idaho and the Department of Health and Welfare. These declines can be attributed to continued training and system enhancements that improved the customer experience.

In the appeals space we saw an increase in volume year over year for July. The main drivers behind this increase were Qualifying Life Event validation decisions and enrollment dates. Although volume is up, we have also seen a continued increase of 'upheld' decisions, meaning Your Health Idaho gave the correct answer or decision the first time. And while this is positive and indicates our team is following policy and procedures, it is likely that we will see an increase in appeal hearing requests as consumers attempt to exhaust all their options. At this time, we do have one appeal hearing pending at the federal level, although it has not been scheduled or confirmed.

Ms. Hart asked that with the change or increase in appeal volumes, are there any lessons learned around education for the consumers that could be done on the front end to mitigate some of the appeals. Mr. Kelly said absolutely and one of the things that can be done is that when YHI provides an answer to consumers, agents or brokers around enrollment questions, a qualifying life event or special enrollment, that YHI provide a 'why'. The more we explain why, the more we are able to mitigate appeals.

Mr. Kelly said the team did a deeper dive into a subset of customers who require more than three touches to resolve their issue. The team looked at accounts that had multiple comments over a 30-day period. What we learned through this audit process is that there are opportunities for improvement around communicating and following the proper path to resolution as well as uptraining on Your Health Idaho policies and procedures. Our team is already working on updating our training programs and coaching those individuals who need a little extra help understanding the processes.

While there is always room for improvement, I want to emphasize that this was only 150 consumer accounts in comparison to the thousands of calls that are handled in one or two touches each month. This new customer experience focus is just another step in the maturation of Your Health Idaho.

Mr. Erstad asked with the new HRA's coming online in January 1, is the system in place for those people to be able to access the exchange or has the process of those people being notified that their employer is either providing coverage or just the HRA? Mr. Kelly said the eligibility process around HRA's is still being worked through with DHW. The rule was pushed out with very little guidance on how to do this and many exchanges are taking a wait and see approach and waiting to see how Healthcare.gov and other states are going to do it.

## **b. PY20 Open Enrollment**

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

- *PY20 QHP Timeline*

Mr. Kelly shared the QHP timeline and said we are already through much of the activity related to the QHP timeline. Things will begin to move even faster after today and the pending certification of 2020 health insurance plans. As in previous years, anonymous shopping will begin on October 1<sup>st</sup> followed by open enrollment on November 1<sup>st</sup> open enrollment runs through December 16<sup>th</sup> and final plan selections must be completed by December 23<sup>rd</sup>. Coverage begins on January 1, 2020.

- *Customer Experience*

Mr. Kelly said when we began the staffing forecasting for Open Enrollment 2020, Medicaid expansion was one of the first factors we considered. Although those enrollments in the 100-138 percent of FPL range will migrate to Medicaid, we are still anticipating an increase calls due to customer confusion. Our staffing numbers reflect that, and our seasonal team members are already being brought on board, so they are well versed by the beginning of Open Enrollment.

Other preparations for staffing were taken from lessons learned over the past several years. Some of the key highlights include a return of the written team to support our Consumer Connectors, a revised waterfall process to handle peak call times, and better cross-functional communication to ensure our support center team is well aware of any activity that could drive calls (robocalls or noticing).

- *Technology Roadmap*

Mr. Kelly said the most recent update, 19.7, was deployed in July and came with a few unexpected issues. Our team worked with our partners at GetInsured to resolve those issues as quickly as possible and maintained open communication with the rest of the team to ensure everyone was on the same page in terms of navigating those issues. This bump in the road was not ideal, but it was a good reminder for the team that we need to be prepared for all possible scenarios.

Our next technology update is scheduled for next week and includes the bulk of the Medicaid expansion updates. This will better allow our system to interpret and handle the data coming over from the Department of Health and Welfare and the impacts to our renewal process. It will also include the option for consumers to comparison shop their 2020 coverage with their current year coverage. This has been on the wish list for many years and we are pleased to see it deployed just before open enrollment.

Lastly, 19.9 will include updates to our print and electronic notices. These updated notices have been streamlined and simplified to provide clarity to what can be a somewhat confusing

process for the average consumer. This is another long-term wish list item and something we have been working towards for several years.

As with years past, the December release is primarily centered around 1095-As and making sure that our system is compliant with IRS requirements.

Mr. Shores asked about the process for identifying those that will qualify for Medicaid expansion. Mr. Kelly said anonymous shopping will adjust for Medicaid expansion impacts to APTC however it will not say that the customer is Medicaid eligible, but instead will show zero APTC. Mr. Shores said that would be the trigger for knowing if they are Medicaid qualified? Mr. Kelly said there are two options. For current customers the agent can use PDAP to see if their Medicaid eligibility status has been completed or you could refer them to DHW to complete their eligibility process.

- *Customer Support Center Technology Request*

Mr. Kelly said earlier this year, YHI sought to implement a comprehensive quality monitoring program, including screen recording technology that would synch with our voice call recordings. Unfortunately, during implementation, we discovered several technical issues that couldn't be overcome, and we decided to not move forward with the screen recording.

This experience begged the larger question of whether our current vendor is really the best solution for YHI and our future needs. As such, we are proposing that YHI prepare and release an RFP for support center technology. This is the software that handles call routing, workforce management, and other support center functions. Pending Board support, we would develop the RFP over the coming months with release in January 2020, vendor selection in March and implementation in May of 2020.

**Motion:** Mr. Edgington moved that the Board, as recommended by the Marketplace Committee, authorize the Marketplace Committee to 1) conduct an RFP for Customer Support Center technology, 2) establish a Proposal Evaluation Team (PET) to evaluate the responses to the RFP, and 3) accept the recommendations of the PET; and that upon such acceptance the Executive Director and the Chair of the Marketplace Committee may negotiate and execute the contract consistent with the approved FY20 budget and that the Board will include similar amounts in future fiscal years' budgets. **Second:** Ms. Fulkerson. **The motion carried.**

- *Consumer Connector Training*

Mr. Kelly said each year, Your Health Idaho requires agents, brokers, and enrollment counselors to certify in order to assist consumers with their application and plan selection. For 2020, the certification is two-fold. All consumer connectors must complete an online certification course made up of seven modules and knowledge checks. They must also attend one of the in-person training sessions held around the state.

Currently 715 Consumer Connectors have either completed or registered for an upcoming in-person session. That is about a 97 percent recertification rate for 2020. An additional 25

Consumer Connectors have requested to complete the supplementary online training which will be available in October.

This is the first year Consumer Connector training has been handled in-house without vendor support. So far, the feedback has been positive, and our Policy & Training team is already documenting lessons learned. Ms. Nagashima and Ms. Lindsey have been on the road for the last two weeks. Fortunately, the training in the coming week is local in the Treasure Valley.

Mr. Shores said content was good but the process of getting through and moving around through the modules and finding the tests was very difficult. There were a lot of questions in the test that weren't specific to the modules and he is concerned that it wasn't relevant. Mr. Kelly thanked Mr. Shores for the feedback and assured him that Ms. Nagashima is already looking at this to ensure YHI makes it better next year.

### **c. Outreach & Education and Marketing & Communications**

Mr. Kelly said the Open Enrollment 2020 paid advertising campaign has been set and will be similar to last year, starting the week of October 21 and running through the end of Open Enrollment.

The goal for the 2020 media campaign was to build on the success and brand recognition of past years by leveraging existing content. For traditional media like TV and radio, the Ka-Ching and Some Plans spots will be back and in the digital space, like digital display ads and social media, we will be reusing key messages like "bones break, so do bank accounts", "the only place to get a tax credit" and "free help". These messages are still relevant for many Idahoans and allow us to allocate budget resources to new creative campaigns.

We do have some new content planned for 2020 that will focus on the uninsured and Young Invincible audiences. This is based on earlier market research and will also help offset the loss of enrollments from Medicaid expansion in some under-penetrated markets.

As in 2019, we will again focus our efforts on driving quality users to the site through our digital advertising. We are working with our creative partner, Drake Cooper, to develop one or two landing pages that will give more context around the enrollment process and next steps, rather than simply directing to the home page.

Ms. Lodge noted that there were some pockets of lower enrollments throughout the state and wondered if any advertising dollars will be used to boost enrollment in those areas or will everything mostly be shifted to focus on the losses from Medicaid expansion? Mr. Kelly said we did look at the penetration rates across the state and primarily in the Magic Valley and north-central Idaho. We have focused both outdoor advertising and digital marketing to focus on the demographics in those areas. Some of our partner and community outreach efforts are focused in those areas as well.

Mr. Kelly said the fall months are certainly the busiest for our Outreach and Education team and this year we will be no different as we plan to host several enrollment event/pop-up clinics. In partnerships with community health centers and clinics, we hope to draw more

traffic to these events by offering a suite of health services like blood pressure monitoring and flu shots in addition to enrollment assistance.

In addition, our team will host and attend several community education opportunities like Boise Learns and local chamber presentations. We are also working with St Luke's Magic Valley and St Luke's Wood River to coordinate community workshops and brown bag learning sessions so that our community partners and enrollment counselors have good education in how to outreach to those communities.

Our team has several large events set for the coming months and we are excited to participate in the FitOne Expo for the third year in a row. We are also looking forward to attending the Magic Valley Health Fair as a co-sponsor, as this is one of the key areas of opportunity for increasing enrollment penetration.

#### **d. CMS and Policy Update**

Mr. Kelly said the last few weeks have been relatively quiet in the federal space, probably because Congress was in recess, but as lawmakers return to the Hill, we expect the conversations to resume in earnest. There has been significant work around drug pricing and surprise medical bills. If there were to be any cooperation across the aisle, it would likely be over one or both of these issues. As you may have seen, a drug pricing bill was introduced yesterday in the House and one in the Senate and we expect hearings will occur over the coming weeks.

The House is also expected to craft additional legislation around expanded tax credits and affordability and market stability; however, it is unlikely to gain any traction in the Senate.

Mr. Kelly said he was in DC this week and had the pleasure of sharing YHI's continued success in helping Idahoans get covered. We continue to stand apart as one of the shining examples of local control and fiscal conservancy while delivering high enrollment which is exactly what the legislature and the Governor's office had envisioned.

Some of the specific comments included "Idaho always does it best. It's great to see how innovative you and your team are. And we are very proud of the work you are doing in Idaho." Two of the new states were present and asked Idaho for the key to our success and told them that the key ingredient is having a great relationship with their department of Insurance and Department of Health and Welfare, as we attribute much of our success to those relationships.

#### **e. New Product Update**

- ***Vision Services Plan***

Mr. Kelly said VSP approached Your Health Idaho a few years ago about offering Vision coverage, but at the time their model wasn't cost-effective as it entailed considerable investment into our systems and it simply didn't provide much in terms of return on investment. They have since revamped their system to include a low-effort, low-investment option in the Smart URL. The Smart URL will reside on YourHealthIdaho.org and

consumers who are interested in vision coverage will click on that link and be redirected to the VSP website where they will have two plans to choose from. Your Health Idaho will retain 10% of premiums for those consumers who purchased a vision plan through our SmartURL. While this is not a huge revenue driver for YHI, it does compliment the enrollment experience for consumers. All consumer support will be handled by VSP and our support team will be given talking points on how to direct consumers to VSP to get their questions answered. Certified agents can also sell vision coverage through VSP and will receive their commissions directly. Pending Board support, we are anticipating an October 1 deployment to coincide with 2020 anonymous shopping.

**Motion:** Mr. Edgington moved that the Board, as recommended by the Marketplace Committee, approve to offer Vision Services Plans via a Smartlink as presented today.

**Second:** Ms. Lodge. **The motion carried.**

- ***Enhanced Short-Term Plans***

Mr. Kelly said the second new product update is centered around Enhanced Short-Term Plans. Your Health Idaho is working with the Department of Insurance and the insurance carriers to understand the technology requirements to offer these plans on a separate shopping experience of the Your Health Idaho platform. The main areas that need to be figured out is the loading of the plans and how to handle the medical questionnaire and how it will be applied.

The projected effectuations in the upper right reflect our assumption that enrollment in Enhanced Short-Term Plans will start slowly with a mid-year implementation, and gradually increase over time as consumers who have traditionally been priced out of ACA coverage transition to these plans. While we are still working out details with GetInsured, we are hopeful that this opportunity is a revenue share with GetInsured vs. a direct capital investment. The assessment fee for these plans will be the same as the QHP plans at 2.29%. Revenue projections tick up in Fiscal Year 2021 when Enhanced Short-Term Plans are available through Your Health Idaho for the full plan year.

Mr. Edgington added that this is something that should help stabilize this market as Medicaid expansion rolls out.

**Motion:** Mr. Edgington moved that the Board, as recommended by the Marketplace Committee, approve to offer Enhanced Short-Term Plans on a separate instance of the Your Health Idaho Technology and as presented today. **Second:** Ms. Hart. **The motion carried.**

***The Board took a break at 10:15 a.m. and reconvened at 10:20 a.m.***

## **11. PLAN CERTIFICATION**

The Chair noted that this is an important meeting each year when the Board certifies the plans that will be sold on the Exchange. This is one of those elements of cooperation that some state exchanges have to take on this duty. Fortunately, Idaho has the Department of Insurance who knows about certifying plans and what works and doesn't work. Mr. Trexler comes each

September and shares all the work he has done in terms of looking at plans. Rates will not be discussed at this point as they are still in final negotiations.

Weston Trexler, Deputy Director of the Idaho Department of Insurance (DOI), said the DOI receives these filings each year and those filings are looked at for certification by Your Health Idaho. DOI goes through all the different requirements needed for that certification and that will be what is shared here today.

Mr. Trexler said the certification standards have not changed from prior years and much of the review time is spent ensuring the plans meet the essential health benefits. These benefits are the same on and off the exchange, so the review is similar to all plan reviews. After that initial review, there are some requirements that are specific to the exchange. For example, to make certain a certain number of essential community health providers are included in the network as well as accreditation standards and attestations that they will abide by, requirements around the advanced premium tax credit, and other items.

Mr. Trexler said for 2020, four carriers submitted their plans and the numbers are very similar to past years with a total increase of three. He shared a map of the distribution of plans by carrier and metal level showing strong options throughout the state.

For Select Health, each plan was reviewed by the department and noted they are virtually the same plans that were offered in the prior year, but with some indexing around deductibles and out of pocket maximums. There were two expanded bronze plans that were discontinued, but they are now offering plans in Teton County.

For Pacific Source, they offered two plans again this year, but changed the name to the Navigator (previously BrightIdea) and the Voyager (previously PSN). PacificSource is offering several new plans in 2020 in each metal tier. No plans were discontinued and there were no service area changes.

For Mountain Health Coop, they are offering the same 21 plans as last year, same service areas and same networks. Cost sharing may be indexed slightly higher, but no other significant changes.

For Blue Cross of Idaho, there are nine networks. For 2019, there were eight networks and they offered nine plans. For 2020 there are now nine networks and eight plans offered. It is the same number of plans overall, one additional network, and one fewer plan.

Chair Weeg noted that there seem to be at least 3 carriers in each market. Mr. Trexler said that is correct. There are three carriers offering statewide coverage and four carriers in most counties. Dr. Livingston asked if every citizen in each geographic area have at least two network choices. Mr. Trexler said yes, there are at least three networks that every individual in the state has access to through the various carriers.

Mr. Trexler went through the small group offerings that do not appear on the exchange but are instead for small businesses that apply for small employer subsidies. There was an increase in 20 plans from 2019 mostly with an additional network. There is very good coverage throughout the state as well as all three metal tiers throughout the state.

Mr. Trexler said dental is very similar to prior years except that Willamette Dental has pulled their plans from the exchange.

Putting this altogether, there are 308 total plans offered, up from 293 in 2019.

Ms. Henbest asked about YHI's statutory responsibility for certifying plans and if the Board is only certifying plans that have some sort of tax credit or cost share. Mr. Trexler said yes, the certification process is to ensure there are good options available and that they meet certain criteria ensuring the best use of federal funds (tax credits). There is no certification authority outside of medical and dental plans.

Ms. Henbest asked about the issue of surprise billing and if it is an issue in Idaho. The Department of Insurance is currently doing some studies on surprise billing as complaints have been received and there is nothing in current statutes that restrict surprise billing. There are some protections in state code on managed care plans that does restrict the ability of a provider if they accept a referral from a managed care provider to balance bill, but not individual plans.

Mr. Shores asked if the pricing has remained stable or if there is any indication of where those rates will land. Mr. Trexler said this presentation is not about rates, but preliminary rate information was shared a few months ago. There shouldn't be much of an increase, maybe 6 or 7 percent, but not like the double digits seen several years ago. Director Cameron said there is more stability on the small employer side and carriers aren't losing as much as they have previously, and this is the first time the carriers have received more premium than what they paid out in claims since the inception of the ACA.

**Motion:** Mr. Edgington moved that the Board accept the recommendation of the Department of Insurance and approve and certify the 308 plans as presented today as qualified health plans for plan year 2020. **Second:** Rep. Erpelding. **The motion carried.**

## 12. GOVERNANCE

Ms. Henbest, Chair of the Governance Committee, said the Governance Committee met and as usual, the fall meeting is a light one for the Committee and was centered around employee and staffing issues and the annual committee self-evaluation. In terms of employee engagement, Mr. Kelly provided a follow up from the June Board meeting where it was suggested that YHI look into the Best Places to Work in Idaho. The Committee discussed the merits of participating in this program and shared their concern about the level of effort in addition to the Gallup Q12 survey. The Committee decided to make the participation determination following the fall Gallup survey. In terms of staffing, the Committee was encouraged to hear that seasonal staffing is going well and that the hiring is going smoother than last year. There were some questions raised about call volumes related to Medicaid Expansion. Team Member Appreciation week was recently introduced at YHI and the team responded well to the treats, fun, and opportunity for staff to interact with those they don't regularly interact with. And finally, the Committee preformed the annual self-evaluation and looked at if it is providing enough structure in that process for all committees. There was also discussion around the communication that Mr. Kelly provides to the Board outside of meetings.

Mr. Kelly shared that a key position on the team has been filled. Ms. Heidi Stockert will join the team on October 8 as the Director of Finance. She is a CPA candidate, holds an MBA and she brings several years of relevant finance, accounting, budget and forecasting experience.

***a. Employee Engagement***

Mr. Kelly said YHI hosted its first annual Team Member appreciation week. The week-long celebration included daily themes, plenty of snacks, and Your Health Idaho fun facts like key milestones. The fun culminated in the company offsite at Wahooz. This was a relatively low-cost way to boost morale, foster team collaboration and cohesion, and to thank all YHI team members before heading into open enrollment. We are already looking forward to planning next year's appreciation week.

***b. Committee Self Assessments***

Mr. Kelly said as Ms. Henbest said YHI does get the opportunity to ask these questions of all committees and Governance has the oversight of this. All Committees felt the meeting frequency and length were appropriate, Materials are presented in a timely manner and easily accessible. In terms of improvements, Committee members felt that the new members added significant insight and value. The Governance Committee added important content around the communications that occur between meetings which includes Board Updates and the two-on-tuos that occur. Feedback has been overly positive around those meeting that Mr. Reddish and himself hold. We will continue to ensure those communications are appropriate in both frequency and length.

**13. FINANCE**

Mr. Settles, Chair of the Finance Committee, said the Committee said the September meeting is always exciting with the audit. It was particularly important his year for two reasons 1) YHI's controller left the organization and 2) YHI has new auditors. Mr. Kevin Smith will be presenting the audit results shortly and we are happy to note that we had a clean audit, which is exactly what we want to see. The committee also reviewed the financials which Mr. Kelly will review shortly as well. The Committee also discussed cash flow.

***a. FY'19 Financial Audit***

Mr. Kelly introduced Mr. Kevin Smith, the Audit Partner from Eide Bailly. Mr. Smith said they did meet with the Finance Committee and reviewed the full audit. Eide Bailly issued a clean or unmodified opinion. There is an opinion letter that will be issued as part of the audit process that is Eide Bailly's communication to the Board. There were no material findings to report and past adjustments but were not material. A couple of highlights in the financial statements is the cash flow and cash position. YHI has cash of about \$13M compared to \$11M in the prior year. Property and Equipment depreciation is significant at \$10.4M as related to the HIX technology. Assessment Fee income is assessed at 2.29 percent resulting in \$12.2M in Assessment fee income for 2019, which is about \$2M higher than the previous year.

Eide Bailly also completed a programmatic audit which includes interviews with team members and testing and found that YHI is in compliance with programmatic processes and procedures.

The Chair asked Mr. Smith if there are any recommendations for next year. Mr. Smith said when there is a personnel change in an organization there is always an increase in risk and there will be conversations around this throughout the year.

**Motion:** Mr. Settles moved that the Board, as recommended by the Finance Committee, approve the Audited Financial Statements and Audit Report for the financial year ended June 30, 2019, including additional information contained in the report and as presented today. **Second:** Senator Rice. **The motion carried.**

***b. FY'19 Programmatic Audit***

**Motion:** Mr. Settles moved that the Board, as recommended by the Finance Committee, approve the Programmatic Audit Report for the financial year ended June 30, 2019, including additional information contained in the report and as presented today. **Second:** Senator Rice. **The motion carried.**

***c. Cash Flow Update***

Mr. Kelly thanked the finance and accounting team for their efforts around our successful audit. The audit is a report card covering the full year of activities and we couldn't achieve a clean audit without consistent application of our internal controls and financial policies throughout the year.

Mr. Kelly shared the traditional view of our P&L and for the year ended June 30, YHI had Net Operating Income of \$3.8M which was \$782K favorable to budget. That budget favorability was driven by expense favorability of \$1.4M which was driven primarily by Employee and Employee related expense savings of \$660K and savings from DHW Eligibility Shared Services of \$578K. Additional savings were driven by bringing last fall's website refresh inhouse, lower than expected seasonal support center expenses and professional services savings. These savings were offset by a revenue shortfall of \$630K driven by lower Assessment Fee revenue than budgeted.

Mr. Kelly said at the June Board meeting, we presented our sustainability projections through June 2025. At that time, we were expecting our June 2025 cash balance to be about \$11.9M, a reduction of \$1.5M from our current cash balance, primarily due to the cumulative impacts of Medicaid expansion.

In July and August, as part of our preparations for our FY20 forecast and commercial real estate analysis, Mr. Kelly discovered a few inconsistencies with the FY20 budget as it relates to both operating and capital expenses. Operating expenses in the FY20 budget did not properly capture the GetInsured Maintenance and Operating expenses, nor the contractually required Consumer Price Index adjustment. Additionally, the costs associated with multi-factor authentication services for our consumer connectors were not included in the original forecast. Capital expenditures in fiscal years 2024 and 2025 also needed an upwards adjustment to our typical \$1M per year. These corrections drove a cumulative reduction in our projected cash balance in June 2025 of \$1.7M or a revised projected cash balance for 2025 of \$10.2M.

Mr. Kelly shared the traditional view of YHI's sustainability curve, or long-term cash balance. One of the most critical assumptions in the 2020 budget is centered on plan year 2020 premiums.

In the budget a 4 percent decrease was assumed from 2019 to 2020. As noted earlier, preliminary rate filings were in the 7 percent increase on average. If one assumes that premiums are flat from 2019 to 2020, which is very conservative, YHI's cash balance is projected to go back up to what was discussed in June. That premium assumption is highly sensitive in terms of the revenue that it drives and particularly the cumulative impact over time. This information is being shared not only to disclose the corrections made since we presented in June, but also to reassure the Board that the rate increase estimate for this year is likely to get us back to or above what was shared in June.

Mr. Edgington asked if that calculation considers the membership loss of the roughly 18,000 individuals that will be lost to Medicaid expansion. Mr. Kelly said it does. In the baseline 2020 and in all the forecast models, we assumed the full 18,000 enrollment reduction due to Medicaid expansion. Medicaid expansion is what drives the curve down from nearly \$14M to where it begins to stabilize later on. Mr. Edgington said he is surprised there is not more of a cliff come January 2020 with the loss of that population. He asked why that drop is so gradual. Mr. Kelly said the primary driver of that is the seasonality of YHI's expenses which are much lower at the beginning of the calendar year than they are in the fall when YHI is gearing up for Open Enrollment. The steeper components of the line are when the expenses increase, and enrollments slightly decline in the fall months. The Chair added that it is important to note that this is a business as usual projection because it does not take into account any policy changes that might happen at the federal level nor impacts from short term plans when they come on.

#### **14. EXECUTIVE SESSION**

**Motion:** The Chair moved that the Board convene in Executive Session to acquire an interest in real property which is not owned by a public agency pursuant to Idaho Code Section § 74-206 (1)(c) and to consider records that are exempt from disclosure as provided by law pursuant to Idaho Code Section § 74-206 (1)(d).

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

The Committee entered into Executive Session at 11:09 a.m. and reconvened at 12:17 a.m. No final actions nor decisions were made while in Executive Session.

#### **15. COMMERCIAL REAL ESTATE UPDATE**

**Motion:** Mr. Settles moved that the Board, as recommended by the Finance Committee, provide a one-time exception to YHI's Procurement Policy and authorize the Executive Director, Board Chair, and Finance Committee Chair to evaluate purchase options for commercial real estate; negotiate terms of purchase, enter into a contract to purchase, and finalize the purchase and any related lease or other necessary agreements, in an amount consistent with YHI's established cash reserve. **Second:** Senator Rice. **The motion carried.**

**16. SUPPORT CENTER SERVICES FOR OTHER AGENCIES**

**Motion:** Ms. Settles moved that the Board, as recommended by the Finance Committee, approve YHI's efforts to pursue Support Center Services with another state, either via direct contract or subcontract with GetInsured, and delegate authority to the Executive Director and Finance Committee Chair to negotiate and enter into a contract for such services. **Second:** Ms. Fulkerson.  
**The motion carried.**

**17. NEXT MEETING**

The Chair said the next meeting will be held on Friday, December 13, 2019.

**18. ADJOURN**

There being no further business before the Board, the Chair adjourned the meeting at 12:20 p.m.

Signed and respectfully submitted,



Stephen Weeg, Chairman of the Board