



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

**YOUR HEALTH IDAHO BOARD  
MINUTES  
FRIDAY, SEPTEMBER 21, 2018**

**1. BOARD MEMBERS PRESENT**

- Mr. Stephen Weeg, Chair
- Mr. Kevin Settles, Treasurer
- Mr. Hyatt Erstad, Secretary
- Mr. Tom Shores
- Ms. Karen Vauk
- Mr. Dave Jeppesen
- Mr. Fernando Veloz
- Dr. John Livingston
- Mr. Jerry Edgington
- Rep. Kelley Packer
- Rep Mat Erpelding (via teleconference)
- Director Dean Cameron
- Director Russ Barron

**2. OTHERS PRESENT**

- Mr. Pat Kelly, Your Health Idaho
- Mr. Kevin Reddish, Your Health Idaho
- Mr. Jeff Hull, Your Health Idaho
- Mr. Layne Bell, Your Health Idaho
- Ms. Katrina Thompson, Your Health Idaho
- Ms. Alanee DeRouen, Your Health Idaho
- Ms. Cheryl Fulton, Your Health Idaho
- Ms. Stephanie Husler, Your Health Idaho
- Ms. Miriam Holmberg, Your Health Idaho
- Ms. Wanda Smith, Your Health Idaho
- Ms. Mandi Shawcroft, Your Health Idaho
- Ms. Frances Nagashima, Your Health Idaho
- Mr. Weston Trexler, Department of Insurance
- Mr. Mike Stoddard, Hawley Troxell
- Ms. Moriah Nelson, Idaho Primary Care Assoc.
- Ms. Tresa Ball, HR Precision
- Mr. Josh Tyree, Harris CPA's
- Mr. Kevin Congo, Harris CPA's
- Ms. Lori Wolff, Department of Health & Welfare
- Ms. Julie Hammon, Department of Health & Welfare
- Ms. Tammy Perkins, Office of the Governor
- Ms. Emily Patchin, Risch Pisca
- Mr. Jeremy Pisca, Risch Pisca
- Mr. Norm Varin, Pacific Source Health Plans

### 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 21, 2018, 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, Mr. Settles, Mr. Shores, Ms. Vauk, Mr. Jeppesen, Mr. Veloz, Dr. Livingston, Mr. Edgington, Rep. Packer, Rep. Erpelding, Director Cameron, and Director Barron were present, resulting in a quorum. Dr. Rusche, Ms. Henbest, Ms. Fulkerson, and Senator Rice were absent.

### 5. PUBLIC COMMENT PERIOD

The Chair asked for public comments, and there were none.

### 6. PRIOR MEETING MINUTES

**Motion:** Mr. Shores moved to approve the meeting minutes from the June 15, 2018, Board meeting as presented today. **Second:** Dr. Livingston. **The motion carried.**

### 7. REVIEW OF AGENDA

There were no changes made to the agenda. The Chair noted several big items on the agenda today including Open Enrollment readiness and Plan Certification following the Department of Insurance's presentation. The Chair noted a Board member that will be leaving the Board as she is no longer the representative from the House Majority. The Chair thanked Rep. Packer for her work on the Board and presented her with the customary "Little Engine That Could" toy train.

### 8. CUSTOMER EXPERIENCE

Mr. Edgington, Chair of the Marketplace Committee, said effectuations continue to remain strong and steady at 91.3K. This is a result of our continued messaging of moving from coverage to care and the value proposition of having coverage. 88% percent of people receive a tax credit and the percentage of premium saved has risen to 80% from 70% in previous years. Call volumes are down 20% and normalizing, and average handle time is 11 minutes. The first training class for OE19 is complete and the second training class is underway.

Although the percent of appeals volumes attributed to Special Enrollment Periods/Qualified Life Event (SEP/QLE) increased from 5% in 2017 to 33% in 2018, we were able to improve efficiency and uptrain and reduce response time by 50%. Appeal efficiency is averaging a six-day turnaround time and currently there are no appeal hearings scheduled.

Mr. Edgington said in the Marketplace Committee meeting we discussed the Technology Roadmap. Specifically, how this year's releases will improve the account linking process, highlight user experience on mobile, include a screen pop-up for consumers to update contact

information, an opt-in for electronic 1095-A's, and updates related to any IRS 1095-A configuration changes – all significant improvements.

For Customer Support Center (CSC) 2019 readiness, the training materials have been optimized and several of the systems that proved valuable were brought back from past open enrollments such as the dedicated written team. Consumer Connector online training launched in August. In-person training will be held September through October 19 across the state in Eastern Idaho, Treasure Valley, North Idaho, and Central Idaho. A representative from DHW is attending training with our outreach and education team. Finally, enrollment contracts have been awarded to Idaho Primary Care Association and St. Luke's.

Outreach activities across the state remain strong. We've participated in 11 events statewide and will be participating in an additional six this fall. YHI's signature event will be the statewide Open Houses on November 15 to drive awareness of Open Enrollment. YHI's advertising campaign starts October 22 and will run through December 14. The Campaign will be refreshed with new creative and include TV spots, Radio, Outdoor/Billboards, and Digital Advertising.

Mr. Edgington said the website refresh and responsive design was approved in June. Drake Cooper was used in initial guidance and discovery phase of wireframe and navigation. YHI brought the project in-house to align with the low-cost promise. The project is ahead of schedule and under budget with significant net savings to YHI. Discussion of revamping the market survey included highlights of previous years' focus areas. Topics for the new survey were proposed to include the following key areas: customer experience, shopping preference, consumer demographics, and agent/brokers connection with consumers.

Policy updates included discussion on federal policy highlighting final rules released on Association Health Plans, Short Term Limited Duration plans, and Medicaid expansion on the ballot in November. We continue to monitor these items closely.

Finally, Mr. Edgington said the Committee performed its annual Committee Self-Evaluation. The enrollment update and technology roadmap are good snapshots of how well YHI is progressing in the marketplace. Showing this information on one page, presenting graphs and charts are helpful, and an improvement. A suggestion was offered to provide more details or examples in presentations as this would be helpful. Timing, frequency, and length of meetings are great, and agendas are clean and crisp and the Committee particularly likes the pre-reads.

Mr. Kelly said effectuations this year continue to remain strong and steady at just over 91K. YHI's message of moving from coverage to care and our value proposition of having coverage continues to resonate with consumers and is illustrated in how effectuations have maintained this year. The lighter color line in the upper right-hand corner graph is relatively flat as opposed to a greater downward slope as shown in previous years. This demonstrates our continued strong effectuation rate.

The average premium decreased slightly to \$488 dollars, a \$5 decrease from when we met in June. We've seen no material shift in metal tiers although we've seen a slight movement away from silver in July compared to the previous two quarters. We will continue to keep an eye on metal tier mix shifts in the coming months.

We are still seeing that 88% of YHI's customers receive a tax credit, which is a slightly higher percentage than in previous years. Finally, an interesting change we've seen is the percentage of premium saved via tax credit. In 2018 this has increased to about 80% compared to 70% in previous years. This is largely driven by silver loading due to the administration's decision to cease funding Cost Share Reductions (CSRs) in late 2017. Because of this increased savings, you will see this as a key marketing message for us this coming year.

Mr. Kelly reviewed the CSC Metrics and said we continue to see strong support center performance which is evidenced by our call reduction of about 20% compared to 2017, although it does seem to be normalizing compared to last year in July and August. The support center average handle time has been optimized at 11 minutes and quality metrics remain strong.

Appeal processing efficiency continues to improve and is averaging a six-day turnaround time. YHI has held no appeals hearings this year. Finally, while we have seen some movement in our net promoter score, on average, it continues to exceed our expectations.

Mr. Kelly said call volumes continue to trend down as self-help and web options improve. July and August show that call volumes are stabilizing year over year. This means we can better predict our call load and staffing needs for a more successful experience.

In looking at YHI's 2018 contact and resolution times, as you may recall, YHI's strategic goal of delivering a flawless customer experience is measured by how many times we have to contact a customer to resolve their issue. When less than 5% of our customers require three or more touches to resolve their issue, we are achieving our strategic goal. YHI's support center teams are delivering that experience with just 3% of customers requiring three or more touches in July.

Additionally, resolution time has improved with 93% of customer inquiries being resolved in three days or less and only 3% of customer inquiries take more than seven days to resolve. Contributing success factors include technology changes and dedicated resources to QLE/SEP processing and targeted up training continues to improve customer advocate performance.

Turn around time and first contact resolution also improved due to technology enhancements focused on improving the account linking process as well as and other technology enhancements. QLE/SEP processes have been streamlined and YHI has a dedicated team to process these, resulting in improved efficiency. This efficiency will continue to help create a successful consumer experience heading into and beyond open enrollment 2019.

Mr. Shores reminded the Board that the email team will be utilized for agents and brokers again this year and it improves and speeds up the process for getting tickets resolved. It also provides us with a paper trail.

Mr. Kelly moved to year to date appeal volumes and decisions. He said QLE/SEP appeals increased this year from 5% of appeal volumes in 2017 to 33% in 2018. This is a result of changes to the QLE/SEP validation process and change in open enrollment dates for 2018. Despite this increase, YHI was able to improve processing efficiency by 50%. Overturned appeals continue to provide opportunity for up-training in the support center. Finally, we have had zero appeals hearings in 2018.

At the June Committee and Board meetings, YHI leadership proposed the Net Promoter Score (NPS) as one of two components to the Idahoan's Experience variable pay goal. Based on April, May and partial June data, a baseline of 34 was proposed in the June meetings. Board members shared concern about the achievement of the goal given the short period of time that the tool had been in place and the absence of data during open enrollment. Given the extraordinarily high baseline, Your Health Idaho leadership revisited this is goal. Year to date, April through August the Net Promoter Score is averaging 32. YHI leadership would like to propose adjusting that goal now that there is more data to base an average on. YHI proposes the new baseline Net Promoter Score be 32. No other changes to the goal criteria are proposed.

**Motion:** Mr. Edgington moved that the Board approve the revisions to the Net Promotor Score (NPS) variable pay goal baseline as presented today. **Second:** Rep. Packer. **The motion carried.**

## **9. 2019 OPEN ENROLLMENT READINESS**

Mr. Kelly reminded the Board that this is our sixth open enrollment and our fifth on our own technology. This slide includes key dates for this upcoming open enrollment. The key activities and deadlines are unchanged from last year. Today we will review, and certify, plans that will be offered in 2019. Anonymous shopping starts in just 10 days, on October 1<sup>st</sup>.

APTC redeterminations will be completed in mid-October and all current plans will be renewed prior to the start of open enrollment on November 1<sup>st</sup>. Open enrollment ends on December 15<sup>th</sup>. The Customer support center will be open on several Saturday throughout Open Enrollment.

This year, as in previous years, our technology roadmap has focused on improving the customer experience, both decision support tools as well as behind the scenes improvements to our account linking process. Our technology release in May focused on the first step to improving the account linking process and in July we added the remaining elements. We also deployed enhancements around provider and formulary search capabilities and we are still in the testing phase. We also revised configurations to prepare for 2019 plans.

Mr. Kelly said as we look ahead, we have a release scheduled for this month to optimize the mobile experience and we are also implementing a consumer information screen pop up that will come up every 180 days asking the consumer to validate their contact information. This pop up will help ensure we have the most up to date consumer information in our systems and will minimize returned mail volumes. Finally, we are enabling an opt-in for an electronic 1095-A delivery. Based on feedback from our Open Enrollment summit, we will be increasing the household size from six to ten.

Our final release of this year will be in December and is needed to update configurations for the IRS 1095-A tax form that will be mailed in January.

Mr. Kelly moved to the support center open enrollment readiness. He said training materials have been optimized and training for open enrollment 2019 has begun. We have two classes that have completed training, the second class finishing training today and have two more classes to fill our seasonal support center needs. We do have the option for a fifth training class if needed as the job market has proven challenging this year.

Our quality scoring system has been updated and our Net Promoter Score continues to show strong performance. We are still monitoring the results of the account linking technology changes and are encouraged by our early results. We are also working on reporting for agents that will provide updates when the status of tickets change.

Systems that provided value during last year's open enrollment are back. These include a dedicated written team for the support center, buddy system for on-boarding new hires so they can get up to speed efficaciously, and staff assignment agility through cross-training which means we will be able to move people around more efficiently and quickly to provide a better customer experience.

## **10. OUTREACH & EDUCATION UPDATE**

Mr. Kelly said online certification training started August 15 and live training began last week with training in Pocatello and Idaho Falls. This week, we had training in Boise, Coeur D'Alene, Lewiston, and we are finishing up training today in Twin Falls. We are pleased to say that DHW is joining us for in-person training this year. We are appreciative of Director Baron for having Bobette Ostberg from DHW be a representative at these trainings with us. The feedback from agents has been positive. Our second set of in person training is scheduled for mid-October in locations across the state.

In addition to live-training, webinars will be available for those who cannot attend mandatory in-person sessions. In November, we will hold "how are we doing" training to ensure real time feedback from agents and understand any real-time challenges they are facing.

Finally, I am pleased to share that we've awarded contracts to two enrollment entities, Idaho Primary Care Association (IPCA) and St. Luke's Hospital. They will continue in their role assisting Idahoans with the process of navigating the eligibility and enrollment process with Your Health Idaho.

Mr. Shores asked if the announcement from the Trump Administration about pulling back funding for enrollment entities would affect YHI. Mr. Kelly said no. Your Health Idaho does not depend on any government funds to run our exchange and therefore will not be impacted by those cuts.

Mr. Kelly said this year, we reinvested in our outreach and grass roots efforts. One of our goals this year was not only to increase the scope and geographic reach but the frequency of events. We have attended 11 new conferences, events, and expos to reach more consumers and partners across the state. We've been reaching into communities in Eastern Idaho, Northern and Central Idaho, and the Treasure Valley. We will be participating in six new events this Fall located in Boise, Idaho Falls, and Mountain Home. In just this past week we've been in Coeur d'Alene for Race for the Cure and Fit One here in Boise. We are also trying new things in the Universities and community education space.

One of the things we are really excited about is our statewide Open Houses November 15 to help drive awareness of Open Enrollment. This event will cover all parts of the state including Boise, Twin Falls, Idaho Falls and Lewiston. We have a variety of venues from a pharmacy to a library, to a restaurant and brewery. We've had great support from the agent community with many

volunteering to help us with these events. We are very appreciative of the agents and their willingness to come out and support us at these events. We will evaluate all of our events from this year and apply lessons learned to select the optimal events for 2019.

## **11. MARKETING & COMMUNICATIONS UPDATE**

Mr. Kelly said our advertising calendar will be similar to last year starting the last week of October and running through the end of open enrollment. We have finalized the advertising refresh and it is now moving forward in production.

Key elements of our Advertising Campaign including YHI's brand, value proposition and our messaging will remain strong and consistent as in previous years with the new creative refresh. Lessons learned from last year's campaign were that we wanted to start our advertising efforts early to help build awareness and drive consumer's enrollment decisions prior to the December 15 deadline. We will continue to drive home messaging on key dates to ensure consumers complete the enrollment process by the end of open enrollment which will also help reduce the number of appeals come January. YHI has four primary channels for advertising including radio, television, outdoor, and digital.

Mr. Shores asked if the Medicaid expansion, which will be voted on in November, will be included in our advertising campaign. Director Barron said there are a lot of "what ifs" including if it passes, what the legislature does with it, and so on. The earliest it could be implemented would be January of 2020. The Chair added that the agents and brokers can provide insight to their customers about this. Director Cameron added that the way the DOI sees it, the legislature could act to repeal it, or could act to fund it, but he thinks they will not leave the session without solving it. Rep. Packer asked if YHI has taken into account the media landscape for October and November, and making sure we are maximizing our dollars? Mr. Kelly said this being an election year, that creates challenges. We were able to maximize our dollars by starting early and highlighting the end dates. He added that there would not be any advertising directed at Medicaid Expansion because it is not our story to tell. But we would certainly provide guidance to our support center and the agent community around it.

Mr. Kelly said we are also very excited about our website refresh and responsive design. In June, the Board approved an RFP for the website refresh. We worked with Drake Cooper to provide initial guidance on the wireframe and navigation structure. After a review of the project, Your Health Idaho decided to bring the project in-house to align it with our low-cost promise. Meghan McMartin and Kevin Reddish on our team designed and developed the new Website. Their work included designing the new look and feel, review and migration of all content from the current website to the new one, and a focus on responsive design for mobile. The teams' efforts have been outstanding, and the project is ahead of schedule and under budget with a net savings of tens of thousands of dollars to YHI.

As part of the redesign, we also revisited our digital advertising and moved from a per impression cost to a flat fee cost structure on the site. This shift to a flat fee is expected to increase revenue while reducing internal administrative burden while delivering increased value to our advertising clients. Mr. Kelly shared some screen shots with the Board and said the site goes live on October 1.

Mr. Kelly highlighted the work that will be done in revamping YHI's annual market survey. In prior years the survey has focused on the following areas: customer experience, support center, YHI image, individual mandate and tax credit impacts, and consumer data and metrics. This year, the new survey will focus on the following key areas: customer experience touching briefly on the support center to ensure continued strong performance in that space, shopping preferences and the value of comprehensive coverage, consumer demographics, and agents/brokers and best ways to connect those key partners with consumers. We expect to deploy this survey the first week of January with results shared with the Board in March 2019.

Dr. Livingston said he is surprised that the churn is what we think it is. YHI knows how many people are signed up, but does it know how many people are eligible? The second part of the question is does YHI know what the churn is of the 93,000 enrollees? Mr. Kelly said in terms of market size, elusive is the appropriate term. We do know, based on different surveys, what the uninsured population is. There are also views on what the uninsured and priced out consist of, but there are no firm numbers here, but certainly opportunity. The market survey isn't able to capture that number. The survey looks at two populations, both of which already have relationships with Your Health Idaho. There is one population that has completed the purchase and one that did not. Mr. Kelly said to answer the churn question, there is a question in the survey that asks how many years a customer has had insurance through Your Health Idaho. Mr. Kelly didn't have that figure readily available but will follow up with Dr. Livingston on it.

Director Cameron added that the Department of Insurance also does a survey with the carriers and works with the Department of Health and Welfare to determine how many people are insured. The DOI determined last year the estimated number of uninsured Idahoans is 250,000. That is uninsured by DOI's definition. They may believe they are insured at some level. They may buy direct primary care insurance, or they may be purchasing a faith-based insurance program. The Department does not consider those people to be "insured." DOI's data showed that from 2015 to 2016, we lost about 60,000 Idahoan's from the insured market, and repeated itself again in 2016 to 2017. We have seen an uptick in participation in government programs like Medicaid and CHIP resulting in some mitigation. We did not see a dramatic increase in the purchase of short-term medical plans, which was surprising. However, there was an increase in people going on self-funded plans. There is some level of concern about self-funded plans and the level of risk that entities may be taking on. He said if this Board would like, they could include more solid data with the plan certification in the future. As far as churn, it would be realistic to assume that the number of people buying coverage would have previously bought coverage. In fact, the majority of them, about 88%, qualified for a tax credit and one would assume that in most cases, they qualified for a tax credit in prior years, and therefore would have participated.

Dr. Livingston said he is surprised that the churn is what it is or what we think it is. For example, when Your Health Idaho began, the unemployment rate was at 9.8% and now it's down to 4% and the churn doesn't change very much, which is surprising. If YHI knew what the uninsured rate was and the number of people receiving a tax credit, that number should go down also. Mr. Shores said they work with a lot of small businesses and yes, they are employing more people, but the individual and owners are often times better to go with the exchange than a group policy, because they can't afford the insurance without the tax credit. Many employers have also gone with an employee only plan and the dependents can go to the exchange and qualify for an APTC.



## 12. CMS & POLICY UPDATE

Mr. Kelly turned to policy updates and said final rules for Association Health Plans were released and as expected, the Department of Insurance retains regulatory authority over these plans. We don't believe there will be much impact on the exchange.

The Short-term limited duration plan rules were also released with changes centered on extending the duration of those policies up to twelve months and the renewability up to three years. We are not aware of any additional guidance from the Department of Insurance and they will be available effective January 1, 2019.

Director Cameron said the DOI has been reviewing the provisions of the federal changes, particularly as it comes to the short-term, limited duration plans. We don't see any changes to those plans, but under Idaho law, those plans are not renewable. One can anticipate an FAQ on DOI's website for the public and for carriers. The DOI does not anticipate any major market adjustments from these two new policies.

Mr. Kelly added that YHI has worked very hard on messaging around the criticality of having coverage, moving from coverage to care, and helping Idahoans find value in their insurance coverage. Because of this messaging, we don't anticipate that either Association Health Plans or Short-Term Limited Duration plans will have a material impact on the exchange. In terms of state policy, the DOI continues to negotiate with CMS on State-based plans, however nothing has been finalized.

Mr. Kelly said the last item is Medicaid Expansion. As you all know this is a ballot initiative in November and we are watching this very closely. We do understand that about 20% of our enrollments are between 100-138 percent of Federal Poverty Level. If the initiative passes in November and it is implemented under traditional Medicaid expansion rules, those individuals would move off the exchange and onto Medicaid, resulting in some risk for Your Health Idaho and there is some runway remaining to address that.

In an effort to offset this potential revenue loss, we continue to work to identify ways to reach Idahoans who have been identified and determined eligible for a tax credit but for whatever reason they have done nothing on the exchange. We see this as a potential enrollment opportunity and we are actively trying to figure out messaging and what the barriers are to purchase for those determined eligible for a tax credit but for whatever reason, have chosen not to pursue that. We think this opportunity may offset a good portion of those that may move off the exchange if Medicaid expansion moves forward.

Rep. Erpelding said the population is trending towards a less healthy population. If Medicaid passes, would this improve the overall healthiness of the insurance risk pool? Mr. Kelly said the exchange doesn't have any information on this. Director Cameron said the concern is that those buying insurance on the individual marketplace on the exchange are either those that have a health condition and/or those that receive a subsidy. Medicaid Expansion should address those that are in lower income ranges. And the anecdotal information is if you are close to the income line for qualifying for a subsidy in a state that did not expand Medicaid, the consumer finds a way across that line. We also know in states that did pass Medicaid Expansion, that process tends to work in the other direction. And, as you know, Idahoans are fiercely independent and often do

not want to be on Medicaid, for whatever reason. Rep. Erpelding said what he heard Director Cameron say was they don't have information on socioeconomic status of those that are currently on the exchange. For those that are receiving subsidies, do we have socioeconomic data on them and whether or not they have health conditions and if moving from the exchange to a Medicaid program would make the pool a little different based on its health makeup? Director Cameron said there are about 22,000 Idahoans that fall into that segment, but what we don't know is the health condition of those individuals. The Chair said the Department of Health and Welfare does know the income level of those folks but not the health of those folks. The carriers know the health of those individuals based on their claims but can't share individual information.

### **13. GOVERNANCE**

#### ***Employee Engagement Task Force Update***

Mr. Kelly said YHI has formed an Employee Engagement Task Force (EETF) which is made up of a cross-functional group of employees. The EETF selects two areas of opportunity from the Gallup Q12 Survey each year to measure employee engagement. This year, the EETF selected "1) I have the materials and equipment I need to do my work right, and 2) My team members are committed to doing quality work.

The Employee Engagement Task Force is in the data gathering phase where they interview fellow teammates and summarize the feedback and make recommendations to the leadership team on ways to increase employee satisfaction in those areas. As in previous years, we will be able to measure how we did after we conduct a new survey in late May of 2019 and we will report findings to the Board at the June Board meeting.

#### ***Board Survey Update***

Mr. Kelly said the YHI by laws require a periodic Board self-evaluation. We have typically done a survey every 18 months. The last survey was completed in May/June of 2017 which means the next survey would be scheduled for later this fall. Assuming the Board is comfortable with this approach, Ms. Ball would deploy the survey via Survey Monkey in late October or early November with results presented at the December Board meeting. We are not proposing any changes to the survey.

***The Board took a break at 10:11 a.m. and reconvened at 10:19 a.m.***

### **14. EXECUTIVE SESSION**

**Motion:** The Chair moved that the Committee, pursuant to Idaho Code Section 74-206 (1), convene in Executive Session to consider personnel matters pursuant to Idaho Code 74-206 (1) (b).

**Executive Session Roll Call Vote:** Mr. Erstad called a roll call vote and determined that The Chair, Mr. Settles, Mr. Shores, Ms. Vauk, Mr. Jeppesen, Mr. Veloz, Dr. Livingston, Mr. Edgington, Rep. Packer, Rep. Erpelding, Director Cameron and Director Barron were present, resulting in a quorum.

The Committee entered into Executive Session at 10:20 a.m. and reconvened at 10:38 a.m. No final actions nor decisions were made while in Executive Session.

## *Compensation Policy*

Mr. Kelly said as part of our leadership development initiative, we are requesting changes to the Compensation Policy to provide an opportunity to compensate leaders who are assigned ongoing additional duties as part of their development. As such, we are requesting edits to the Compensation Policy to allow additional variable pay, up to 3 percent, which would be tied to performance relative to the additional duties. The funds must be within the approved budget.

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

## *Executive Committee Charter*

Mr. Kelly said as part of the work in the leadership development space, we are proposing changes to the Executive Committee charter. Essentially, we are proposing a specific set of steps to take in the event of a leadership role being vacated on either a permanent or temporary basis.

We also identified two other changes that are shown in the redlines. The first change is to remove the requirement for an annual committee assessment since the Executive Committee meets on an ad hoc basis. The other change is related to the requirement for Board meetings following a meeting of the Executive Committee. The proposed changes would make the Board meeting, post Executive Committee meeting, at the discretion of the Board Chair.

**Motion:** Mr. Erstad moved that the Board, as recommended by the Governance Committee, approve the revisions to the Executive Committee Charter as presented today. **Second:** Rep. Erpelding. **The motion carried.**

## **15. OTHER BUSINESS**

### **Committee Self-Evaluation**

Mr. Kelly said the Committee charters require an annual self-assessment. Overall, the feedback from the Committees was positive and included some useful areas of growth.

Overall, Committee meetings adhere to a good mix of both frequency and length, as well as actions that align appropriately with its defined charter.

Written agendas and materials related to significant decisions are appropriate and materials are provided in advance to the Committee members.

Improvements this year included continued transparency to Committees and the Board regarding finances and reserves and attention to detail in watching over the budget and expenditures. There was also positive feedback around transparency around enrollment, the customer experience, and technology enhancements.

Other ideas for improvements include consolidating policy review for one period in December and evaluating content of the roadmaps to ensure we are capturing annual activities that have

arisen as the business matures. For example, in Governance, it was noted that the Employee Engagement Survey is now an annual activity and will be added to the roadmap.

## **16. FINANCE AND BUDGET**

Mr. Settles, Chairman of the Finance Committee, said the Finance Committee recently completed the audit review. He said Mr. Tyree of Harris CPA presented the Audit Report. YHI received a clean audit report of both the financials and the Programmatic audit. There were no significant findings in the report and a motion was passed by the Finance Committee to vote and accept the audit. The motion was passed. The Programmatic Audit Report was also presented, and a motion was passed to approve this as well.

Mr. Settles said YHI has been using Harris CPA's for six years for the audit and is ending its second contract with YHI. Although YHI does not need to comply with Sarbanes-Oxley, we view it as a best practice and good governance. This would require YHI to go out with an RFP (Request for Proposal). The motion was passed to conduct an RFP for auditing services for FY19 through FY21, establish a proposal evaluation team to evaluate responses to the RFP, and accept the recommendations of the PET and negotiate and execute the contract in an amount consistent with the FY19 budget.

The Committee also discussed topics of interest for upcoming training and concluded "Oversite of Risk-Considering the Audit Committee's Role" would be of interest and cover evaluation and risk to the organization. The topic would include both political and financial risk and understanding impacts.

Mr. Settles said in the Committee's annual self-assessment, it was discussed that the timeliness and length of meetings were appropriate, and calendaring is done well. The suggestion was made to consolidate the roadmap in December to include all accounting policies from March and the travel policy in December into one comprehensive review in December instead of splitting this out. This change would help make things more efficient and provide time to reflect those changes in the budget.

### ***FY'18 Financial Audit***

Mr. Josh Tyree, partner and Harris CPA's, presented the Audit Reports and said in the past, a lot of the audit was focused on the federal grant and compliance piece and this is the first year the federal grants were under \$15,000, resulting in a straight governmental audit with no federal or Single Audit associated with it. We still did government control and compliance testing, just not the single audit piece.

Mr. Tyree said there are two opinions in the report and both are clean opinions. In addition, there is a program report required from CMS and that was another clean opinion. Lastly, we issue a governance letter which states if there was any fraud or issues with management. And that letter says there was none of any of those and another clean opinion. It was a very smooth process and the team was fully cooperative.

**Motion:** Mr. Settles moved that the Board, as recommended by the Finance Committee, approve the Audited Financial Statement and Audit Report for the financial years ended June 30, 2018

and June 30, 2017, including additional information contained in the report and as presented today. **Second:** Dr. Livingston. **The motion carried.**

**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, 2018, including additional information contained in the report and as presented today. **Second:** Mr. Veloz. **The motion carried.**

### *External Auditor RFP*

Mr. Kelly said the current cost of the annual Financial and Programmatic Audits is \$23,500 and our financial policies require an RFP for contracts in excess of \$15,000. This RFP would be issued to firms that will likely respond and those that are within the state of Idaho.

**Motion:** Mr. Settles moved that the Board, as recommended by the Finance Committee, under the oversight of the Finance Committee Chair, authorize the Finance Committee Chair and the Executive Director to 1) conduct an RFP for Auditing Services for FY19 through FY21, 2) establish a Proposal Evaluation Team (PET) to evaluate responses to the RFP, 3) accept the recommendations of the PET, and 4) negotiate and execute the contract in an amount consistent with the FY19 Budget. **Second:** Rep. Erpelding. **The motion carried.**

Mr. Kelly added that before moving to the financial highlights, I'd like to recognize Layne Bell, Wanda Smith and Mandi Shawcroft for their work on the financial audit. The audit is an annual scorecard which is only successful if controls and processes are adhered to each and every day. Layne and his team ensure YHI is financially sound in both results, and our adherence to our controls environment. When you do that every day, every week, and every month, you get a clean audit.

Mr. Kelly reviewed the financial highlights for the financial year ended June 30, 2018. Overall assessment fee revenue for the financial year was favorable to budget by \$900,000 driven by premium favorability of \$1.4M which is offset by lower than expected effectuations of \$500,000. As you can see, June effectuations were just over 92,000.

Looking now at the financial statements for the year ended June 30, YHI ended the year with Net Operating Income of \$2.6M favorable to budget. This favorability was driven by overall revenue favorability of \$1.0M and operating expense favorability of \$1.6M.

In addition to the Assessment Fee Revenue favorability of \$900,000 that I spoke to on the previous slide, YHI also has Other revenue favorability of \$100,000. Other revenue includes both interest income on our CDARs investment and digital ad sales.

With respect to the \$1.6M of Operating Expense favorability, \$1.2M is driven by Employee and Employee related expense favorability due to headcount favorability and the timing of backfilling open positions. Outreach and Education also had favorability of \$100,000 due to fewer activities as a result of the shortened open enrollment period last year. YHI had another area of favorability around the support center and DHW Eligibility Shared Services. That favorability was also around \$100,000. Finally, professional services and facility infrastructure

costs had favorability of \$200,000. A more detailed P&L is in the appendix if you are interested in reviewing in more detail.

Mr. Kelly shared a view into our long-term sustainability picture. YHI continues to monitor our long-term financial sustainability and cash balance. Based on our current forecast, we do not anticipate material changes from what we presented in June. As you can see, by the end of 2020, we are projected to have a cash balance of approximately \$13M.

## **17. PLAN CERTIFICATION**

Mr. Weston Trexler, Idaho Department of Insurance, reviewed the plans for certification. He reviewed the standards by which they check them against including that the plans meet essential health benefits, they include formulary, they include cost-sharing limitations, they have adequate network with adequate service areas, they are non-discriminatory, and so on.

In looking at the numbers compared to last year, the 2019 number of plans decreased slightly on the individual medical side by eight plans, small group is slightly up by five plans, individual dental down one plan, and small group dental down two plans. Overall 293 plans were submitted and are being recommended to the Board for certification.

Mr. Trexler shared the individual market plans, for which there are 113 (down from 121 in the prior year), by company and metal level. Blue cross is down by eight plans over last year, and it is spread across the metal levels. The other carriers have similar number of plans as last year.

Individual plans are spread fairly evenly across the state and shows little difference from prior years. Region 2 continues to have the least number of plans but still has 35 plans available. Region 6 is slightly lower than the average at 40 plans available. This is similar to in prior years.

For metal levels, there are no platinum plans, but there is good distribution across the other metal levels, similar to prior years. All the carriers are required to offer at a minimum, in counties they offer plans, one silver and one gold plan, with bronze at the option of the carrier. But as you see, all the carriers have offered bronze plans in most areas.

Mr. Trexler did a deeper dive into each carrier. SelectHealth submitted fourteen plans for certification for 2019, and they introduced two new expanded bronze plans (meaning of higher actuarial value than standard bronze). SelectHealth discontinued an HSA compatible bronze plan this year bringing their total of thirteen plans for 2018 to fourteen plans for 2019. The service area didn't change from 2018 to 2019.

PacificSource submitted six plans for certification, the same as in 2018. There were minor cost-sharing changes with all the carriers including minor changes to copays, deductibles, and out-of-pocket costs, and that holds true for PacificSource as well. There were no discontinued plans, but service areas were slightly modified. In 2018, they had a PSN network plans in Custer and Lemhi Counties, but for 2019 they switched it so Custer and Lemhi are now under the BrightIdea network.

Mountain Health Co-Op offered 21 plans for 2019 certification. These plans are the same plans as last year with some changes to cost-sharing reductions, copays, and the like. There were no changes to the service areas for MHC.

Mr. Trexler said for Blue Cross of Idaho, they submitted 72 plans for certification, down from 81 in 2018. Blue Cross has nine plans that are offered on each of the eight networks. The biggest change was in combining two networks into one, bringing their number of networks from nine in 2018, to eight in 2019. This is why the number of plans went from 81 in 2018 to 72 in 2019. There were some changes to service areas which included some plans being added in certain counties and some being removed.

Mr. Trexler reviewed the small group medical which has slightly more plans available this year, up from 139 in 2018 to 144 in 2019. There is one fewer on Blue Cross, four additional on PacificSource and two more on SelectHealth. Plans continue to cover the bronze, silver and gold metal tiers, and they are well split out among the different rating areas. Since SelectHealth discontinued some plans and replaced them with similar plans, with slightly different options, it was just a simplification of plans across the board.

Mr. Trexler said all the plan information will be loaded and ready to go for anonymous shopping on October 1. Final rate information will be posted to the Department of Insurance's website on that date as well.

For dental plans, it is the same companies as last year and resulted in a slight simplification of plans. Willamette is no longer asking for certification of their small group plans and PacificSource offered a new dental option, but otherwise, the plans are the same as in 2018. One item that will affect the consumers shopping experience is that the dental carriers no longer are required to identify their plans as a high or low actuarial valued plan. There are 36 dental plans to certify for 2019.

**Motion:** Mr. Erstad moved the Board accept the recommendation of the Department of Insurance and approve and certify the 293 plans as presented today as qualified health plans for plan year 2019. **Second:** Mr. Shores. **The motion carried.**

## **18. NEXT MEETING**

The Chair said the next meeting will be held on December 14, 2018.

## **19. ADJOURN**

There being no further business before the Board, the Chair adjourned the meeting at 11:35 p.m.

Signed and respectfully submitted,

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Stephen Weeg, Chairman of the Board