



**IDAHO HEALTH INSURANCE EXCHANGE
DBA YOUR HEALTH IDAHO
GOVERNANCE COMMITTEE
MINUTES
TUESDAY, DECEMBER 3, 2019**

1. COMMITTEE MEMBERS PRESENT

- Ms. Margaret Henbest, Chair (via teleconference)
- Mr. Hyatt Erstad, Vice Chair
- Ms. Karen Vauk (via teleconference)
- Rep. Mat Erpelding
- Mr. Paul Zurlo (via teleconference)
- Mr. Weston Trexler (for Director Dean Cameron) (via teleconference)

2. OTHERS PRESENT

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

3. CALL TO ORDER

Following proper notice in accordance with Idaho Code §74-204, the Governance Committee meeting of the Idaho Health Insurance Exchange (Exchange) was called to order by Mr. Hyatt Erstad, Vice-Chair of the Committee (Chair), at 10:33 a.m., Tuesday, December 3, 2019, at the offices of Hawley Troxell Ennis & Hawley, 877 W Main Street, Suite 1000, Boise, Idaho. In accordance with Idaho Code §41-6104(8), the meeting was held in an open public forum and was streamed in audio format. Members of the public could access the audio stream by dialing into a telephone number that was included in the notice of meeting posted on the Exchange Board's Web site and at the meeting location.

4. ROLL CALL

The Vice Chair took roll call and determined that Chair Henbest (via teleconference), Ms. Vauk (via teleconference), Rep. Erpelding, Mr. Zurlo (via teleconference), and Mr. Trexler (for Director Cameron and via teleconference) were present, resulting in a quorum.

5. APPROVE PRIOR MEETING MINUTES

Motion: Rep. Erpelding moved to approve the minutes as presented from the August 29, 2019, Governance Committee meeting. **Second:** Chair Henbest. **The motion carried.**

6. REVIEW AGENDA

There were no changes made to the Agenda.

7. REVIEW COMMITTEE ROADMAP

Mr. Kelly reviewed the Roadmap and there were no changes.

8. EMPLOYEE ENGAGEMENT

Mr. Kelly said YHI has deployed the Gallup Q12 survey for a number of years and this year is the first year the team was surveyed during open enrollment, in addition to the survey in May. This is the first time employees have been surveyed when the level of work and associated anxiety around open enrollment are at its highest in order to gauge the difference between employee engagement during and outside of open enrollment. With this survey, there was an overall decline in the scores. YHI still scored over four on a scale of one to five and sits in the 82nd percentile of all the organizations that take the Gallup survey. One thing to be mindful of is there were recently some organizational changes leading up to open enrollment where an interim org structure was implemented to get through open enrollment. The timing of the survey and the interim org structure affected the score and at the same time, YHI needs to be mindful of not dismissing the lower score simply because of the timing of the survey. The grandmean of the 12 questions shows that team members are connected with the overall company, but may not be connected with their direct manager, potentially a result of the org changes. The other key takeaway is the questions the Employee Engagement Task Force (EETF) worked on increased. The question “At work my opinions seem to count” increased slightly by 1 percent and for the question “I have a best friend at work” the score increased by 11 percent. For the second question, the EETF worked on educating the team on what this question really means. According to Gallup, the question is asking if employees have someone they can trust and confide in. While the overall survey scores went down, there were increases in the areas that the EETF worked on. Mr. Kelly showed the results of the two surveys side by side. The overall score was down slightly from 4.22 in May of 2019 to 4.11 in November of 2019. The important thing to take away is that this comparison provides the EETF with some opportunities to work on and that is where YHI will focus. Team members knowing what is expected of them should clear up with the organizational structure finalized after open enrollment and that people are thriving in their space and provided with opportunities to do what they do best. YHI is very mindful of the score going down but also want to make sure that the organization is not reacting to a minimal decline because of the time of the year the survey was taken.

Vice-Chair Erstad said the drop in the numbers could also be indicative of Medicaid Expansion concerns? Mr. Kelly said until we work on the interviews, we won't know. At that time, we should be able to gain understanding of and focus in on what caused the decline. YHI will

continue to use the May survey for the goal and will continue the November survey as well to ensure we understand the seasonality of our work and how it affects team members.

Rep. Erpelding asked for the question “I know what is expected of me at work” and noted that is a substantial decline and it makes sense given the organizational changes during the heavy load. He asked theoretically what could be done in order to improve this score. Mr. Kelly said it’s important to put it in context because it is not a bad score and YHI will focus on making sure employees know what is expected of them through clear job responsibilities, communication and coaching with their direct supervisor, and ensuring that the ratio of team members to supervisors are correct, and also to help them understand what is expected of them if they would like growth in the future.

Mr. Kelly added that YHI will be deploying the Best Places to Work survey on February 3 and will be shared with this Committee in March and the full Board later in March.

9. EMPLOYEE HANDBOOK UPDATES

Ms. Thomas reviewed the employee handbook updates. There were considerably more redlines this year than in years past. YHI typically evaluates the handbook on an annual basis and do a more comprehensive and in-depth review every three years.

This year YHI added a few employee related policies that have become more common in workplaces and some that are specific to YHI. Included in the updates are the addition of the reasonable accommodations policy, an anti-bullying policy, a whistle-blower policy and a personal relationships policy.

Existing policies were also modified and include the blogs, message boards and social media policy which were reduced down to a social media policy as it relates to Your Health Idaho. The cell phone use policy had some clarifications around confidential information. The workplace attire policy now includes the potential of wearing jeans on a more regular basis. With the addition of the personal relationships policy, the nepotism policy received some clarifications around employment of relatives. In addition, YHI added more clarification around pay practices including the addition of a Safe Harbor provision and travel time policy. Finally, earlier this year changes were approved to the PTO accrual table and the handbook was updated to reflect those changes.

Ms. Thomas added that the front cover of the handbook was updated to give it a new look and she thanked Ms. Winstead, YHI’s content marketing specialist.

Ms. Henbest asked if everyone knows what the Insider is and whether that should be defined. Ms. Thomas said the Insider is YHI’s intranet and all new team members are told about it on their first day. In addition to that, anytime an employee logs into any internet browser, the Insider page automatically pops up. Ms. Henbest asked about workplace attire on page 13, specifically the word excessive as it relates to piercings and tattoos and wondered how difficult it will be to define that. Ms. Thomas said it is intentionally left vague to be able to define that within the parameters of Your Health Idaho. Ms. Ball added that it is usually around if a tattoo is offensive rather than around the number of tattoos or piercing. Of course, if a team member is customer facing, YHI will be a little more stringent on that than say if they are in the call center.

Finally, Ms. Henbest asked is the social media policy is an issue that should be brought up to the Board as well. The Committee and staff agreed that it is and it will be added to the agenda for the annual Board training in March.

Motion: Rep. Erpelding moved that the Governance Committee, recommend to the Board, the updates to the Employee Handbook as presented today. **Second**: Mr. Zurlo. **The motion carried.**

10. EMPLOYEE BENEFITS UPDATE

Ms. Thomas said each year YHI works with Compass Benefits Advisors, our benefits broker, to evaluate the providers and costs of each carrier. Each of those were reviewed and compared to current plans as well as evaluated for best fit for YHI's costs and overall employee structure. Open enrollment for YHI team members opened last Monday and will close this Friday and the plans will have a January 1 effective date. For 2020 benefits, YHI did stay with Blue Cross of Idaho as it was the best fit for both cost and structure. YHI originally budgeted a 12 percent increase for 2020 plans but the overall average increase was just over six percent. This allowed YHI to continue to offer a no-cost option for team members, along with a mid-range and high-end plan that they could buy up to. YHI will still offer two options for dental through Delta Dental and Willamette Dental and vision will stay with VSP. Finally, Life, short-term disability, and long-term disability will stay with Lincoln Financial. Overall, there were not very many changes from last year to this year as the current carriers met the cost structure for YHI and the benefits structure for team members.

Vice Chair Erstad added that in the marketplace, agents are still seeing about an 8 percent increase overall, and any time you come in under what the trend is, it's a good deal.

11. ANNUAL PLAN OF OPERATIONS

Mr. Kelly reminded the Committee that each year, this Committee reviews the overall Plan of Operations which is made up of two categories. First are the Governing documents that include YHI's enabling legislation, bylaws, Committee charters, conflict of interest policy, privacy & security policies, and public records policy. The Operational documents are more dynamic and include the approved fiscal year budget, Board and Committee roadmaps, and Committee and Board decisions. Committee recommendations and Board decisions tie them all together.

Mr. Kelly reviewed the Committee roles in reviewing those documents. Finance reviews their germane policies, which include accounting, procurement, travel policies leading up to the annual audit. Yesterday the Finance Committee reviewed and updated the Procurement Policy, the DOA and the Travel Policy. Governance reviews employee-specific policies including the employee handbook, privacy & security policies, as well as conflicts of interest documents, public records and records retention policies. Each Committee reviews their Charter in September and this past year there were no changes. In addition to the Committee work, YHI reviews all the policies to ensure they reflect current business practices and make recommendations, as needed. YHI's general counsel also does a review to ensure YHI's policies are up to date and in compliance with all applicable regulatory changes and those changes are also recommended to the Committees, as needed.

Mr. Kelly reviewed the updates this quarter that have been made to reflect current business practices. He went through what has changed from last year including the Employee Handbook as discussed earlier and the travel policy yesterday at Finance Committee.

Mr. Kelly said the Procurement Policy update is taking place because in March of 2019, there were a number of changes that were made and approved by the Board. At that time, the motion only covered the Appendix to the Procurement Policy and did not include the whole policy. During the annual review, the lack of comprehensiveness of that motion was noted, the Finance Committee updated that motion yesterday, and everything is set to go to the Board now. Those key changes were around the RFP form and YHI can now re-issue a contract to the awarded company for up to seven years and then come back to the Board to determine if the contract can be extended or if a new RFP needs to be issued. Additional changes were removal of the federal contract clauses and also providing an exception for employee benefits. Those were the changes made in March and approved by the Finance Committee appropriately yesterday.

The Finance Committee has responsibility for the Delegation of Authority, which is one of the appendices to the Procurement Policy. Changes included correction of bank account numbers, title updates to reflect the current organizational structure, and added a dual approval for the Director that is responsible for the vendor for those approvals and for amounts between \$50,000 - \$500,000. Lastly, the ability for the Director of Finance to close a bank account was removed.

Mr. Kelly said finally, the Policy and Security Policies were update in June to align with MARS-e and CMS security guidelines.

Chair Henbest asked if this framework is still working when we are doing something new. Mr. Kelly said yes, and by keeping these all together and including tracking all the motions, it ensures it all fits together within the governance structure. With the building acquisition, we specifically looked at what authorities were needed and ensured that the motion back in September would allow us the latitude to act with the speed and precision needed in terms of authority in order to move forward with the building acquisition.

Motion: Rep. Erpelding moved that the Governance Committee, recommend to the Board, approval of the Annual Plan of Operations as presented today. **Second:** Chair Henbest. **The motion carried.**

12. OPERATIONAL GOALS UPDATE

Mr. Kelly reviewed the Operational goal of Idahoans' Experience. We are a bit behind in the NPS score and this Committee saw the potential for that early on with Medicaid Expansion on the horizon. That is likely happening and reflected in that lower NPS. This goal will need to mature a bit and may have to circle back to the Committee to reevaluate this when the period of performance is over. The second part of this goal is First Call Resolution and we are currently trending at over 100 percent. For Turnaround Time, this part of the goal is still being worked on. Significant progress over the last few weeks puts us at about 4 percent of that goals. Updated numbers will be presented at the Board meeting next Friday.

For Retention and Enrollment, this goal is not tied to compensation but is an important goal as it is our primary source of revenue. As of this morning, plan selections are just north of 80,000

which is about 12,000 lower enrollments this year compared to last at the same point in time. That is compared to the 18,000 we anticipate will move to Medicaid expansion. YHI is cautiously optimistic. Auto Renewals finished at 99.8% and that concludes that part of the goal.

Risk Management is primarily focused on phishing campaigns. We have done two campaigns so far this year and we are currently reporting at 90 percent and the click rate is about four percent. Still within the thresholds for 100 percent achievement, but it is something we need to stay vigilant on.

Mr. Kelly said the Low Cost Promise is currently forecasting \$275K in savings which puts us just below the 80 percent threshold. This might be a little conservative since we are just four months into the financial year, but we want to ensure we have the resources available to deliver on the Flawless Customer Experience. Please remember that any cost associated with the building acquisition will be excluded from Low Cost Promise. To update this Committee, we did sign a purchase sale agreement for a building yesterday. It is on Federal Way and has a significant return on investment over both five and ten years. Due diligence period started yesterday and will run about sixty days, but we do not have an estimate on the move timing.

Finally, for Employee Engagement, there are two parts. Cultural values are represented through COMPASS cards and include customer-driven, open and transparent, measure what matters, positive and professional, accountable, servant leaders, and sustainable. Sustainable is this month's focus. COMPASS cards are handed out to each team member to give to another team member when they see them exhibiting the behavior that aligns with that month's value – ensuring that COMPASS values remain top of mind. The other part of this goal is the Q12 survey, but the measurement for that goal is the May survey and not the November survey.

13. BOARD TRAINING PROGRAM DISCUSSION

Vice Chair Erstad said in March we will have someone from the Attorney General's office come in and review legal compliance issues and Mr. Stoddard will guide the Board through the rest of the training. Topics for the training include Public Meeting laws, Conflicts of Interest, Media reminders, and the NACD duties of care, loyalty and attention. These items plus anything this Committee, Mr. Stoddard, or the AG's office brings up will make up the Board training. We will also include social media topics as suggested earlier this morning.

Mr. Stoddard asked if any of the Committee members have a topic they would like addressed at the training to please let Mr. Kelly or himself know.

14. EXECUTIVE SESSION

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

Executive Session Roll Call: The Vice Chair took a roll call vote and determined that Chair Henbest (via teleconference), Ms. Vauk (via teleconference), and Rep. Erpelding were present and agreeable, resulting in a quorum.

The Committee entered into Executive Session at 11:20 a.m. and reconvened at 12:08 p.m. No final actions nor decisions were made while in Executive Session.

15. NEXT MEETING

The Chair noted the next meeting of the Governance Committee will be held in late February or early March of 2020.

16. ADJOURN

The Committee adjourned at 12:09 p.m.

Signed and respectfully submitted,

Hyatt Erstad, Committee Vice Chair

DRAFT