



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

**YOUR HEALTH IDAHO BOARD
MINUTES
FRIDAY, DECEMBER 18, 2020**

1. BOARD MEMBERS PRESENT

- Mr. Stephen Weeg, Chair (via videoconference)
- Mr. Kevin Settles, Treasurer (via videoconference)
- Mr. Hyatt Erstad, Secretary (via videoconference)
- Dr. John Livingston (via videoconference)
- Ms. Margaret Henbest (via videoconference)
- Mr. Jerry Edgington (via videoconference)
- Mr. Greg Donaca (via videoconference)
- Ms. Carolyn Lodge (via videoconference)
- Ms. Heidi Hart (via videoconference)
- Mr. Paul Zurlo (via videoconference)
- Ms. Karan Tucker (via videoconference)
- Mr. Brett Thomas (via videoconference)
- Ms. Tara Malek (via videoconference)
- Senator Jim Rice (via videoconference)
- Representative Sage Dixon (via videoconference)
- Senator David Nelson (via videoconference)
- Deputy Director Weston Trexler for Director Dean Cameron (via videoconference)
- Ms. Lori Wolf for Director Dave Jeppesen (via videoconference)

2. OTHERS PRESENT

- Mr. Pat Kelly, Your Health Idaho
- Mr. Kevin Reddish, Your Health Idaho
- Ms. Heidi Stockert, Your Health Idaho (via videoconference)
- Ms. Meghan McMartin, Your Health Idaho (via videoconference)
- Ms. Alanee Thomas, Your Health Idaho (via videoconference)
- Ms. Frances Nagashima, Your Health Idaho (via videoconference)
- Ms. Cheryl Fulton, Your Health Idaho
- Mr. Mike Stoddard, Hawley Troxell
- Mr. Brian Kane, Idaho Attorney General's Office (via videoconference)
- Ms. Tresa Ball, HR Precision (via videoconference)

3. CALL TO ORDER

Following proper notice in accordance with Idaho Code §74-204, the Board of Directors meeting of the Idaho Health Insurance Exchange (Exchange) was called to order by Mr. Stephen Weeg (the Chair), at 8:32 a.m., Friday, December 18, 2020, at the offices of Your Health Idaho. In accordance with Idaho Code §74-203 (1), the meeting was open to the public and streamed in videoconference format via GoToMeeting and the Idaho Public Television web site.

4. ROLL CALL

Mr. Erstad called roll and determined that the Chair, Mr. Settles, Ms. Henbest, Mr. Donaca, Ms. Lodge, Ms. Hart, Ms. Tucker, Ms. Malek, Senator Rice, Rep. Dixon, Senator Nelson, Mr. Trexler for Director Cameron, and Ms. Wolf for Director Jeppesen, were present (via videoconference), resulting in a quorum. Dr. Livingston joined at 8:40 a.m. Mr. Edgington joined at 9:01 a.m. Mr. Thomas joined at 9:02 a.m. Mr. Zurlo joined at 11:02. Ms. Fulkerson was absent.

5. PUBLIC COMMENT PERIOD

There were no comments.

6. PRIOR MEETING MINUTES

The Chair asked if there were any changes to the minutes from the prior meeting and there were none.

Motion: Mr. Erstad moved to approve the meeting minutes from the September 18, 2020, Board meeting. **Second:** Ms. Henbest. **The motion carried.**

7. REVIEW AGENDA

The Chair reviewed the agenda, and no changes were made.

8. REVIEW ROADMAP

The Chair reviewed the Roadmap, and no changes were made.

9. BOARD TRAINING

Mr. Stoddard introduced Mr. Kane from the Attorney General's office who presented the Annual Board Training session. The session covered topics including an open meeting law refresher on best practices during a pandemic, public records laws, conflicts of interest, and ethics. They also revisited the board duties including basic duties, media and social media etiquette, committee roles and responsibilities, and ways in which board members interact with YHI team members when they have questions.

10. EXECUTIVE SUMMARY

Mr. Kelly thanked YHI's partners that worked so hard to assist Idahoans during this open enrollment including The Department of Insurance, Department of Health and Welfare, GetInsured and the critically important agents, brokers, and enrollment counselors. They met the challenge of open enrollment in a year like no other and YHI is deeply thankful for their work. Mr. Kelly extended a special thank you to Ms. Julie Hammon at the Department of Health and Welfare who has work tirelessly since redeterminations started in September. Julie and her team have taken thousands of calls every day and processed tens of thousands of documents to ensure that Idahoans have the financial assistance they need to enjoy coverage in 2021.

Mr. Kelly said Open Enrollment is at everyone's top of mind, and the hybrid approach YHI has taken this year, while not ideal, successfully assisted Idahoans during open enrollment. Service Level Agreements have been met and inventory has been kept low. Calls and emails are down year over year, reflecting the decline in enrollments due to Medicaid expansion and the impacts from COVID-19. However, on Tuesday YHI saw the highest single day enrollment since December of 2017. That was achieved with the lowest call volume ever on that same day. This indicates that customers are able to navigate the technology efficiently as well as interact with YHI in an efficient manner.

While Open Enrollment does seem to be all consuming, YHI is also watching the federal policy space. The Notice of Benefit and Payment Parameter for 2022, which are the rules that govern plan design and exchange operations, was released just before Thanksgiving and are currently under review. Comments are due at the end of the month and we will share some details later this morning. YHI is also watching President-elect Biden and any executive actions or policy decisions they may make as they take office on January 20, 2021,

Finally, the Supreme Court heard oral arguments in the Texas vs. California lawsuit on November 10, 2020, but we do not expect a ruling until sometime in the spring. Initial reactions point to severability vs. ruling the entire law unconstitutional.

11. MARKETPLACE

Ms. Hart, member of the Marketplace Committee, said at the last Marketplace Committee meeting, the team shared several updates on open enrollment activities including customer support center trends, consumer connector training, and appeal volumes. Activity is at pre-deadline levels, the customer experience is positive, and inventory remains low. It was noted that enrollments are down slightly year over year and the team acknowledged that was primarily due to Medicaid expansion and impacts from COVID-19. The committee discussed the possibility that YHI is missing out on additional enrollments due to protected Medicaid status that is a result of the federal Public Health Emergency.

Ms. Hart said the Committee further discussed the technology roadmap for the coming year and the team continues to focus on improving the customer experience including improvements to QLE and appeals process.

The Committee reviewed the paid advertising campaign performance, and outreach activities and efforts. The team was concerned about this activity as they were trying to ensure there was good outreach during the pandemic. There was some discussion around these efforts in a COVID world and how YHI is tracking engagement with hard-to-reach audiences.

The Committee and team discussed the potential impacts to YHI under a Biden administration, but at the moment, no immediate changes are expected for 2021 enrollments. Executive orders focused on health care seem likely, however.

a. 2020 Enrollment Update

Mr. Kelly said YHI has been working to understand the dips in enrollments in 2020, particularly around June and September. Ms. Stockert and Mr. Reddish worked closely with the team at GetInsured to investigate and resolve discrepancies and the revised enrollment figures. It does not change the slope of the line which is about 17,000 enrollments lower than last year at this

same time. The bulk of that year over year change is a result of Medicaid Expansion (13,000) and the ongoing impacts from COVID-19 (4,000). It is important to note that the average premium has remained steady throughout the year and is flat to December 2019 at about \$450 per member, per month.

b. 2021 Open Enrollment Update

Mr. Kelly said in terms of Open Enrollment, December 15 saw the single biggest day of enrollment with about 2,100 plan selections made. That resulted in closing that gap in year over year enrollments. We started out very solid with over 99 percent of renewals being completed through automation. Only 123 enrollments needed to be manually processed, and those were completed before November 1. That resulted in their new plan and tax credit being live in their accounts at 12:01 a.m. on November 1, 2020.

Mr. Kelly said YHI watches enrollments every day and we are seeing the typical movement between the different enrollment status as people shop for plans and move carriers. When someone cancels and then moves into pending, that means they have looked at other plans. When they move to a confirmed status, that means they are either staying with the same carrier or they have made their binder payment. While YHI only see this in aggregate, this is typical behavior during open enrollment, and we are encouraged this morning as we see more shift from pending into confirmed. As a reminder, YHI has a new carrier this year with Regence joining the exchange, and while we are still working through the enrollment data, we do see some carrier market share mix shift. SelectHealth and BCI are the two dominate carriers, both with about 28,000 enrollments. MHC was about flat to their 2020 enrollments at about 8,000 enrollments and PacificSource is tracking slightly ahead of last year at about 700 enrollments. Regence, the new carrier, is at about 6,000 enrollments. Standalone dental enrollments are flat to 2020.

Finally, you may be aware that due to the Public Health Emergency, there are some protected Medicaid enrollments that may otherwise be eligible for a tax credit. We are working with DHW to understand what the options are with these enrollments. We do believe there is an opportunity for some of the protected Medicaid enrollments to move to a tax credit and the exchange, and we are working through those details. We expect to do outreach this month for these individuals.

The Chair asked what Protected Medicaid Status means. Mr. Kelly said when the Public Health Emergency was issued, the FMAP match from the federal government increased and that means newly eligible Medicaid enrollees would remain on Medicaid even if their eligibility changes during the Public Health Emergency, which ends on March 31, 2021. Ms. Wolf added that it is not just newly eligible, but anyone eligible Medicaid in any of the Medicaid programs. They were protected unless they moved out of state or requested closure, resulting in all Medicaid enrollments being protected.

Dr. Livingston said the auto renewal rate is excellent however YHI has lost 17,000 enrollments. How many new people have come onto the exchange? Mr. Kelly said we are still working through those details in terms of customer profiles. One of the interesting stats we looked at this past week was that of the 78,000 currently enrolled for 2021, how many have had coverage since Your Health Idaho launched our own technology for plan year 2015. About 16,000, or 20 percent, of our enrollments have effectuated coverage each year since 2015. We will be doing a full customer profile in the coming weeks once things settle out from open enrollment. He added

that YHI is limited in understanding where our customers come from. We do know from QLEs if they lost MEC, but for the overall population we do not know what their prior coverage looked like.

Mr. Thomas asked if it is anticipated that there will be a wave of Special Enrollment Periods on March 31 when people come off the protected Medicaid Status? Mr. Kelly said when the Public Health Emergency is lifted, those Medicaid enrollees that are no longer Medicaid eligible will have their Medicaid closed. If they are then eligible for a tax credit, YHI will receive files from DHW with those consumers showing as an ungated SEP for loss of MEC. Mr. Thomas asked if DHW has estimated numbers on how many are being protected currently. Mr. Kelly said the last numbers he heard were about 19,000. Ms. Wolf added that this week, the updated numbers show total 21,000 and about 9,000 of those are Medicaid expansion adults. However, they are not all protected for over income as there are numerous reasons why they may no longer be eligible so we estimate about 5-7,000 will be eligible for a tax credit. Mr. Kelly added that this is all dependent on the Public Health Emergency ending on March 31, 2021. If it is extended, we will evaluate it at that time.

Mr. Kelly said call volumes are down this year by about 20 percent due to lower enrollments and also our population currently enrolled on the exchange requires less support. Email volumes have increased likely due to folks relying on technology more during the pandemic.

Mr. Kelly moved to customer support center metrics and appeals. Overall inbound customer volume continues to be down year over year by about 25 percent, primarily due to lower enrollments and inbound inquiry deflection due to technology enhancements. We also believe that the current enrollment demographics interact less frequently due to fewer required updates for their income or other demographics. We brought on seasonal support center staff in October and they continue to be on the front lines assisting Idahoans with Open Enrollment along with our support center team.

December stats for calls and emails are through the December 15 deadline. We continue to see growth in the use of email as more and more people shift toward electronic communication and away from voice. The support center automation that we implemented prior to open enrollment worked well and provided much needed clarity for our team and more efficient responses for customers.

Appeal volumes throughout the year have trended slightly higher than in previous years, but for December, they are trending lower than 2019. Appeal decision trends show slightly higher number being overturned which simply means YHI needs to reinforce policy and procedures with the call center team. A couple of policy changes for 2021 include updating the age off to reflect annually instead of on their birthday. We also introduced an enhanced SEP for enhanced short-term plans for aging off as well. Ms. Nagashima has worked with the Policy Steering Team, DHW and DOI, as well as the carriers to make this happen.

While month to date, appeals are lower in December compared to 2019, with the end of open enrollment, we expect appeal volumes to increase. We will touch on that later this morning when we discuss open enrollment dates.

Mr. Kelly shared how all of this has affected YHI's Net Promoter Scores (NPS). NPS tends to decline as we move through open enrollment, but the NPS score is 37 for the month of December, which is almost 20 percent higher than last year. Anything about 0 is good and 50 or above is excellent.

Agents, brokers and enrollment counselors, also known as Consumer Connectors, continue to be a cornerstone of YHI's success. YHI has 776 Certified Consumer Connectors this year, and this is the first year YHI has seen an increase in certifications. YHI did all certification training sessions virtually this year and the increased number of certifications is no surprise given the positive feedback we received on the training which was delivered in a virtual environment.

For the Technology Roadmap, we only have one release remaining this year, and that will include the Plan Comparison Print View, Appeal Packet Download enhancements to aid in appeal packet production, and the usual 1095-A tax form changes for 2020. In March, the release will include Inbound 834 Controls and Multiple SEP Document Upload. Much of what comes out of the Open Enrollment Summit each year comes from the agent/broker community and how YHI can improve the system and these changes are good examples of how that feedback drives system enhancements.

There are a number of other items being evaluated for 2021 including Agent Password Reset Flow, Consumer Text Notifications, Issuer Dispute Portal, and annual maintenance around 1095-As.

The Board took a break at 9:58 a.m. and reconvened at 10:08 a.m.

c. Marketing and Outreach Update

Mr. Kelly said it goes without saying that COVID has had a significant impact on YHI's outreach events, most of which were cancelled. YHI was able to pivot and find new ways to reach Idahoans. Adult education opportunities expanded, and we also strengthened our existing relationship with Boise Learns. We also developed new partnerships with Idaho State University, North Idaho College, and the College of Southern Idaho. Knowing we could not connect in person with the community, we increased our budget and print quantities for collateral and added a QR code on the materials. This allowed us to send larger print quantities to our partners around the state to hang up in the clinics, community centers, and places and business. Something new this year, YHI developed a contract with a local social media influencer, Dr. Kaleb Redden. He is a doctor at St. Luke's, was on the Titan Games, and a huge proponent of YHI and insurance. YHI also did some Q&A session on social media and shared those via Facebook live, increasing our overall approach to social media.

Our paid advertising campaign once again offered a good mix of traditional and digital media. Working with our friends at Drake Cooper, we launched two new radio and TV spots that gave a tongue-in-cheek acknowledgement to life in the pandemic. In the digital space we stuck with the messages that have been the most effective for us over the years. Lastly, we updated the landing page based on lessons learned from last year, offering visitors more options for conversion, or to take action and apply for coverage and enroll.

Looking at stats for the full advertising campaign through December 15, the final week of Open Enrollment 2021 saw one of our best performances ever and capped off a successful campaign. Both average impressions and clicks outperformed last year, while the average cost per click went down year over year. To put that in perspective, for open enrollment 2021 we averaged weekly impressions of about 2 million compared to 1.7 million in the prior year.

Mr. Erstad asked what kind of feedback YHI has had on the ads. Mr. Kelly said the feedback has mostly been positive. Ms. Lodge said the new influencer campaign is an interesting way to engage and overall, the campaign results were positive.

Mr. Kelly shared the website analytics and said human behavior never changes as it closely mirrors prior years. Website sessions are nearly identical at the end of open enrollment this year to last year and page views are down. This indicates people are finding the website more efficient. Device use is evolving, and we see about 60 percent of website visits from a desktop and 40 percent from a mobile device.

d. Open Enrollment Deadline

Mr. Kelly said over the past few weeks, we have had a number of conversations internally about what we can be doing to ensure that Idahoans have every opportunity to enroll during open enrollment. We have asked ourselves if we have “done enough” this year given all that 2020 has disrupted and the challenges it has presented. As we reflected on those discussions, one idea that rose to the top was to extend open enrollment to ensure Idahoans had every possible opportunity to enroll and get covered for 2021. We have talked about extending open enrollment until December 31. If you are wondering if YHI is experiencing any problems, the answer is no. Our technology is working well, the support center has been efficient, and there is no significant backlog. , This is just a response to all that has happened with COVID. Extending open enrollment to December 31 while maintaining a January 1, 2021, coverage date, is what we are proposing this morning. Extending Open Enrollment will not require additional investment in the HIX as there are no system changes required to change the date. YHI has checked with CMS and Idaho does have the authority to make this change and YHI’s partners are on board with the change.

Mr. Kelly said one thing to consider is the effect on the team. Since we see an influx of appeals around backdating enrollment once plan selection is closed, this may actually lower the amount of manual work we need to do. If this were to be approved, YHI would extend the call center hours December 28 through 30 from 8 a.m. to 7:00 p.m. and December 31 from 8:00 a.m. to 6:00 p.m. Outside of a small amount of overtime, this should not affect operational expenses and the team at YHI has responded positively to the potential change. One thing to note is this will only be for this year and future years will return to the normal schedule. YHI and our partners will do a lessons learned in January and February and will share the results with the Board at the March meeting.

Mr. Kelly said the primary challenge with this will be ensuring Idahoans sign up before the 31st and make their binder payments in a timely manner. The primary benefit to doing this will likely be in the reduction of appeals filed in late December and January regarding effective dates.

Ms. Lodge asked what success looks like in numbers and do we have a number of individuals who have started the process but have not completed it as of now. What does the communication plan look like for extending the Open Enrollment date? Mr. Kelly said for the people that have started the process but not completed it yet, we currently have people still waiting on their tax credit determination and that is typical each year. They have until the 22nd to select a plan. Those that are in line at DHW would be assured their tax credit is back dated to January 1, as long as they make the plan selection by December 31.

For marketing and advertising, we have worked with our partners at Drake Cooper about increased investments for paid media and one of the numbers we talked about is an incremental investment of about \$20,000. YHI would need only 165 Idahoans to sign up for insurance and stayed enrolled for the year, we would come out ahead on the cash investment. Other communication plans would go into effect immediately around internal communications to team members, external communications to our partners (DHW, carriers, etc.), and a press release that would go out today and Monday.

Senator Rice asked what the federal statute says about the beginning and ending of open enrollment? Mr. Kelly said the dates for open enrollment are not in the statute. However, they are covered in the Notice of Benefit and Payment Parameter which states that the federal exchange operates open enrollment from November 1 to December 15, but that state-based exchanges have the option to choose different dates.

Mr. Thomas asked about logistics and policy. He said traditionally there is a one-week cushion between the tax credit application deadline and the plan selection through YHI. If that date falls on the same date, how will that work and how long would YHI allow for that process to complete? Mr. Kelly said for this proposal, the financial application deadline and the plan selection deadline would be December 31. We would expect to complete any financial applications submitted on December 31 the following week and those that are more complex, a few days longer. Those tax credits and plans would have an effective date of January 1, 2021.

Mr. Donaca said from a carrier standpoint this is very positive and systems are set up to handle it and it is fairly common. As long as the application is complete and submitted on the 31st, from a carrier standpoint, we would accept it and back date it. Other carriers are set up similarly and fully support extending the enrollment date.

Motion: Mr. Erstad moved that the Board approve the extension of open enrollment through December 31, 2020, as presented today. **Second:** Dr. Livingston. **The motion carried.**

e. Creative Services SOW

Motion: Mr. Edgington moved that the Board approve the Drake Cooper Statement of Work #6 in an amount not to exceed \$20,000. This amount is included in the fiscal year 2021 budget. **Second:** Ms. Lodge. **The motion carried.**

f. CMS and Policy Update

Mr. Kelly said the Notice of Benefit and Payment Parameters, which sets the guidelines and rules for plan year 2022, was released in November. Two of the key items YHI was watching

were any changes to auto-reenrollment and silver loading for plan year 2022, and we were pleased to see no changes in those areas. There is a proposed decrease of the FFM assessment fee from 3 percent to 2.25 percent. The required contribution percentage, which is the method used to determine if a plan is deemed affordable, increased to 8.47 percent. Finally, CMS is recommending that at least 75 percent of new SEPs be verified. YHI already does this. One thing to note, with prior administration changes, implementation had been delayed while new orders were issued. We will continue to watch this space and share any updates.

12. FINANCE

Mr. Donaca, Vice Chair of the Finance Committee, said Mr. Settles has done an excellent job in understanding the in-depths of financials. We do a full review prior to the Committee meeting resulting in lots of analysis, then at the Committee meeting and finally, at the Board meeting. To summarize, there were four areas touched on at the Committee level: the financial results, the banking discussion, Policy review, and Committee training.

For the Financials, the revenue includes three areas – plans that are sold, dollar amounts, and how many purchased plans. Enrollment were a little lower in Q1 than was forecasted. It was offset though by the average dollar amount which was higher than budgeted. YHI does a good job with Operating expenses and when you look at the net results, operating income was slightly positive. The new building continues to perform well on the revenue side, though there were some additional expenses around the HVAC repairs, but that was anticipated at closing and there was a credit on closing to cover those repairs. Looking at the forecast, we expect the trend to continue until the end of the fiscal year on June 30th where the revenue will be a little bit lower than budgeted, but operating expense will be favorable resulting in meeting or exceeding the target net income. YHI does a very good job of balancing the operating expenses, because they make sure it does not impact key initiatives like cyber security, workloads, and the potential revenues.

For the banking discussion, it came down to the relationship you have with account representative. Currently YHI is with First Interstate Bank and the key account rep moved to Idaho First Bank. As a result, YHI would like to move all banking and credit accounts to Idaho First Bank.

The Committee also reviewed the financial policies including the Procurement Policy, Travel and Expense Policy, and the Landlord Financial Policy, and no changes were recommended for those. One area we do recommend a change is in the Delegation of Authority (DOA). If it is approved by the Board to change banks, the DoA will require a couple of minor changes to reflect that bank change.

Finally, the Committee had their Finance training which was focused around COVID and how YHI and the Board will continue to navigate the health crisis. There was also discussion around the team working remotely and the increased risk associated with that and how YHI is helping to mitigate those risks.

a. Financial Results Through September 30, 2020

Mr. Kelly said YHI is always looking at better ways to share results and Ms. Stockert put together some highlights that focus on the different functional areas and what is going on in each area. As a result, a few new slides have been added to the finance section for this meeting.

In the finance area, revenue continues to trail budget due to lower than expected enrollments and we are pleased to see that the shortfall is diminishing as we move further into the year. Overall expenses are tracking below plan which is critical to YHI achieving our Net Operating Income budget.

In the IT/Privacy and Security space, favorability is driven mainly by the timing of subscription renewals. We also invested in some equipment for team members and a new meeting platform to support our virtual meeting environment and virtual training for our Consumer Connectors.

Mr. Kelly said marketing continues to see interest in advertising on our website. Favorability in other marketing areas is driven by the timing of YHI's spend relative to open enrollment activities. Additional spend was saved in the outreach activities that were cancelled this year and will be repurposed to other paid media.

Operations, which includes policy and training, Consumer Connectors and our Customer Support Center, is seeing favorability related to our seasonal hiring costs. We expect that favorability to continue.

Our building investment continues to go well. We did incur additional HVAC repairs which were anticipated when we purchased the building.

Mr. Kelly said overall, revenue is slightly unfavorable to budget by about \$125K driven by assessment fee revenue shortfalls and \$25K resulting from loss of interest income resulting from federal interest rates. Rent and miscellaneous income is consistent with the budget.

Mr. Kelly said since YHI's revenue came in below budget, YHI is closely monitoring expenses. For the quarter ended September 30, YHI has about \$282K in favorability in operating expenses. While some of that is timing related, the majority comes from employee and related expenses. These are open positions that are not customer facing, keeping the customer experience solid. We also saw some savings in Eligibility and Shared Services. That is the cost allocation that YHI receives from DHW for their work in tax credit determinations. Finally, facility costs were also favorable as a result of no travel and a remote workforce. There was some unfavorability in the building as a result of HVAC repairs and security system costs. All that combined results in Net Operating Income for the period ending September 30, 2020, is favorable to budget.

The consolidated income statement shows total revenue for the quarter of \$2.6M, or \$150K unfavorable to budget. Total Operating Expense for the quarter were \$2.1M, or \$260K favorable to budget. This results in Net Operating Income of \$509K which is \$113K favorable to budget.

Finally, Capital Expenditures were \$28K unfavorable to budget. This unfavorability is due to the timing of the September technology release.

Motion: Mr. Donaca moved that the Board, as recommended by the Finance Committee, approve the financial results through September 30, 2020, as presented today. **Second:** Dr. Livingston. **The motion carried.**

b. Financial Forecast & Sustainability Analysis

Mr. Kelly said the overall takeaway of the financial forecast is that it is very similar to first quarter results. We expect to miss revenue for the full year by about \$514K primarily driven by assessment fee revenue. We also expect interest income unfavorability to continue as there is no indication that the federal reserve will do anything with interest rates in the near term. We do expect rent and miscellaneous income to remain flat to budget.

Operating Expenses continue to be favorable driven by open positions, DHW Shared Services, seasonal labor, professional services and other things related to working remotely and travel. We are also projecting the building expense to remain unfavorable to budget as a result of the security system and HVAC repairs.

Additional detail for our forecast is shown in the P&L. Overall Net Income is projected to be just under budget at about \$56K. We will continue to work to identify areas of opportunity to ensure YHI meets our Net Income budget.

Average monthly premium per member continues to come in over budget. We expect this to continue through the rest of PY20. Currently we see \$460 per member for average monthly premium. For 2021, we expect that to jump to \$470 per member at the beginning of plan year in January and that will naturally decline throughout the year. We are watching the carrier mix to see how that may impact overall premiums as we expect some movement between carriers due to rate changes within the carrier mix.

Mr. Kelly said that forecast and our long-term projections have been included in our sustainability model and we are projected to remain well above our cash reserve threshold of \$6.6M with projected cash in June 2026 of approximately \$10M.

As the new administration takes office, it is conceivable that there will be policy changes that require significant system enhancements, and this cash balance will position us well should that come to pass.

Ms. Henbest asked about how COVID translates to lower enrollments. Mr. Kelly said there is a great deal of noise in the market and to be honest, it is a combination of numerous things including unemployment, under employment, and a big chunk is in the 5-7,0000 Medicaid protected individuals. Mr. Erstad added that it has been a very interesting year but overall, we have seen relative stability in the market and the carriers have done a great job of navigating this time – even with some giving rebates. Mr. Thomas agreed.

Dr. Livingston asked if we know pre and post COVID how many more people are covered compared to January of this year. Mr. Kelly said in terms of the uninsured rate and how it has changed throughout the year, YHI does not have real time uninsured rates. He asked if Mr. Trexler had some input. Mr. Trexler said that while we do have some individual market and small group numbers, we do not have a statewide uninsured number, as this is done annually. Mr. Donaca said on the dental side, about two percent have dropped small group coverage due to COVID reasons. Individual has remained stable and we haven't seen much growth. All of that has been offset by some of the larger groups, like Albertson's, growing. Overall, Delta Dental has seen minimal growth in 2020.

c. Banking Discussion

Mr. Kelly said YHI has had a long-standing relationship with people that were formerly employees of Idaho Independent Bank, which was purchased by First Interstate Bank last year. This is a personal relationship that we enjoyed for many years. But those people have moved to Idaho First Bank and we have been in talks with them to see what it would look like to move to Idaho First Bank.

First, YHI would be able to consolidate accounts from four at the current bank to two accounts including a new investment sweep to earn additional interest income at potential higher rates and minimize custodial credit risk through a line of credit as opposed to securitized repurchases. The costs and fees would be matched, or lower, than First Interstate bank and we would continue to find efficiencies as YHI's CDARS accounts and property management accounts are already with Idaho First Bank. YHI also has three corporate credit cards and propose those are moved as well with a total credit up to \$50,000.

Motion: Mr. Donaca moved that the Board, as recommended by the Finance Committee, approve the Executive Director and Finance Director open new bank accounts and credit card accounts at Idaho First Bank per bank proposal and close all First Interstate Bank accounts, as presented today. **Second:** Mr. Erstad. **The motion carried.**

d. Financial Policies Review

Mr. Kelly said for the financial policies, we focused on three primary policies. The first was the Procurement Policy and there were no changes to the Procurement Policy itself. However, the Delegation of Authority, an appendix to the procurement policy, will be amended to align with the bank changes in accordance with the previous motion.

The team also reviewed the Travel and Expense Reimbursement Policy, and no updates are proposed. Finally, in 2020 we implemented the Landlord Financial Policy, and no updates proposed there either.

Motion: Mr. Donaca moved that the Board, as recommended by the Finance Committee approve the proposed changes to the Delegation of Authority (DOA), an appendix to the Procurement Policy, as presented today. **Second:** Ms. Tucker. **The motion carried.**

13. GOVERNANCE

Ms. Henbest, Chair of the Governance Committee, said it has been impressive how YHI has pivoted to a hybrid work environment and the policy changes that have happened to accommodate this. She also said there has also been a shifting of resources to help employees manage the financial burden of working from home, all while keeping those that are in the office healthy and safe.

At the last meeting, the Committee voted to recommend to the Board a temporary extension of the current Emergency Paid Sick Leave policies and reviewed the employee handbook and approved some updates to remote work and infectious disease policies being brought to the Board today. The Committee also reviewed the Plan of Operations and the key takeaway from that is there are no significant change.

Finally, Mr. Reddish did a great job of explaining the MARS-E Security Assessment. Ms. Henbest asked if the current federal security breach in any way impacted YHI and how does that risk factor in at this point.

Mr. Reddish said regarding the federal government situation, this breach is pretty significant. At this time, CMS encouraged anyone that runs the platform that has been compromised, to shut down services immediately. We do not run this product and none of our partners do either, so at this time, that is all we know formally but will continue to monitor the situation.

a) Employee Engagement/COVID Update

Mr. Kelly said in preparation for Open Enrollment a hybrid model for onsite vs. remote work was put in place in mid-October and has been very effective. The health and safety measures that YHI has taken have been well attended to (temperature screening, health surveys, masks, and one-way paths throughout the office). The current plan is for team to be 100% onsite on February 1, but we will revisit that at the beginning of January using two primary categories of criteria. First will be hard facts including local/federal guidelines, case counts, and positivity rates in the valley. The second part will be the softer areas like are schools in session and childcare centers open. We will keep the Board updated as to whether the February 1 return to the office is the right date or if it needs to be bumped out into the future.

Mr. Kelly said Congress enacted the Emergency Paid Sick Leave Act (EPSLA) and the Extended Family Medical Leave Act (EFMLA) in the spring and they are both set to expire on December 31, 2020, and at this point, it is unclear if they will be extended. Today we are recommending that YHI continue these policies that were adopted in April, but on a temporary basis. These will be temporary until either the Congress takes action and extends those policies, or Congress creates new policies, or until the Board meets in March. The extension of these policies provides team members a great deal of clarity in how to handle COVID-specific situations as they relate to sick leave and family problems.

Ms. Tucker asked how many team members to date have accessed or used leaves under these two policies. Mr. Kelly said YHI has had fifteen team members leverage the EPSLA at an average of forty-four hours of leave. YHI has also had two team members who have qualified for the EFMLA, but neither have used it.

Motion: Ms. Henbest moved that the Board, as recommend by the Governance Committee, approve that, in the absence of Congressional action, YHI continue its current policy and practice regarding Emergency Paid Sick Leave Act and Emergency Family Medical Leave Act into 2021, as presented today. **Second:** Mr. Erstad. **The motion carried.**

b) Employee Handbook Updates

Mr. Kelly said there were a number of updates made to the Employee Handbook. Earlier this year, the Board adopted a new Infectious Disease Policy, and that policy has now been integrated into the Employee Handbook. We also made that policy more generic and not specific to COVID. Small grammatical updates were made and some updates around remote work. Finally, we added some additional family members in relation to the bereavement policy to include

stepfamilies. Other updates were made around the use of a password manager that is now required and prohibited personal password manager use.

Motion: Ms. Henbest moved that the Board, as recommend by the Governance Committee, approve the updates to the Employee Handbook, as presented today. **Second:** Mr. Erstad. **The motion carried.**

c) Employee Benefits Update

Mr. Kelly said for medical benefits for the current year, YHI did receive a rebate for October, November, and December premiums. YHI shared that rebate with employees and that was very well received by our team members.

For the coming year, we have completed our internal open enrollment. Leading up to this, the team reviewed all carriers, costs, and benefits structures available to us. This year, we decided to stay with Blue Cross of Idaho, but we moved from a small group to mid-sized group. This allowed us to deliver a 16 percent savings overall for premiums and also allowed us to offer two options at no cost for the employee. There were no significant network or benefit changes. YHI will stay with Delta Dental and Willamette for Dental and VSP for vision with no premium changes for those.

Finally, short and long-term disability, as well as life, moved from Lincoln Financial to Mutual of Omaha. We were able to do that while offering more robust benefits like employee assistance programs, a better interface for employees, all while saving money.

d) Plan of Operations

Mr. Kelly said each year the Governance Committee revisits the Plan of Operations and brings any suggested changes to the Board at the December meeting. As a reminder, the Plan of Operations is comprised of two categories of documents. First are the more static documents like the Exchange Act, the Bylaws, Charters, and the policies. The second category includes more dynamic documents, or documents that change each year. This includes the budget, the roadmaps, and the Committee and Board decisions made during the year. All of this put together is our Plan of Operations.

Each year we review these documents to ensure they are accurate and remain relevant. For example, today we reviewed the Finance Policies and the Employee Handbook, which are both part of the Plan of Operations. In June each year, we review and make changes to the dozens of Privacy and Security policies. Each Committee reviews their Charter each year in conjunction with the annual Committee surveys. The YHI team also looks at operational practices to ensure they align with these policies. Finally, Mr. Stoddard performs an annual review of policies and practices to ensure compliance and that all policies are reviewed in accordance with the Committee Charter requirements or as business practices change.

Mr. Kelly said this year key policy changes included revisions to the Compensation Plan and the new Landlord Financial Policy, edits to the Finance Charter to clarify roles around Executive Director compensation, and changes to the Privacy & Security policies to align with federal requirements and the YHI organizational structure.

Motion: Ms. Henbest moved that the Board, as recommend by the Governance Committee, approve the Annual Plan of Operations, as presented today. **Second:** Dr. Livingston. **The motion carried.**

e) MARS-E Security Assessment RFP

Mr. Kelly said the MARS-E Security Assessment is required for Idaho's Authority to operate as an exchange. In order to obtain that authority, YHI must complete an Authority to Connect with the federal government. This was last achieved in 2017 and it renews every three years. One component of that authority to connect is an annual technology assessment. This includes both Your Health Idaho and GetInsured infrastructure and is known as a Security Assessment Report (SAR). This is a third-party independent assessment that looks at the MARS-E security framework. YHI splits that work up over the three-year period of the assessment. This then allows YHI leadership to assess the overall picture of both YHI and GI's infrastructure primarily in an effort to ensure safeguarding of Idahoan's Personally Identifiable Information (PII).

YHI is looking to issue an RFP for this work and we are proposing that it will be for two authority to connect periods (or up to 6 years) and would take us from 2021 through 2026.

Motion: Ms. Henbest moved that the Board, as recommend by the Governance Committee, authorize the Governance Committee to 1) conduct an RFP for a MARS-E Security Assessment Report (SAR) services, 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 Governance Committee may negotiate and execute the contract with an amount consistent with the approved budget for the current year and it is anticipated that the Board will include such funds in each subsequent year's budget. **Second:** Mr. Erstad. **The motion carried.**

f) FY21 Goal Progress

Mr. Kelly provided a quick update on where YHI is on the goals for the current financial year. There are five key goals that we are tracking our progress against.

The first is Idahoan's Experience and there are three components to the goal. The first part is First Contact Resolution (FCR), or how many contacts with a customer it takes to resolve their issue and the second component is Net Promotor Score (NPS), both of which are above our 100 percent threshold. The third component, Turnaround Time (TAT), is lagging behind and we have increased focus on managing inventory in the support center to ensure that inventory is being moved as quickly as possible while still resolving the customer's concern.

For Retention and Enrollment, which includes the auto-renewals that were completed 99.8 percent. The second part of the goal is our overall enrollments. It is too early to tell on enrollments, and we are a bit below where we need to be as of the December 15 deadline.

Risk Management revolves around safeguarding Idahoan's information and our risks around phishing, social engineering, and how we manage that internally. Proper reporting of phishing campaigns is at 95 percent, which is just below the 100 percent threshold and means that our

team members are reporting phishing campaigns 95 percent of the time correctly. The response rate for those campaigns is trending at 100 percent of the goal.

Low Cost Promise, which reflects savings on our operational expenses, is on track and as of October 31, we are 40% to our operational expense savings goal for the fiscal year.

Finally, Employee Engagement, which includes COMPASS cards that are peer to peer recognition, is a little behind our target as it is difficult to do remotely. We continue to encourage peer to peer recognition as a way to engage team members despite the remote environment. The other component of this goal is the Employee Engagement Task Force (EETF) which completed their recommendations prior to open enrollment. We immediately deployed a couple of those recommendations related to the two questions that were selected to work on from the survey and we have already seen improvements in those areas.

14. NEXT MEETING

The Chair said the next meeting will be held on March 19, 2020.

15. ADJOURN

There being no further business before the Board, the Chair adjourned the meeting at 11:45 a.m.

Signed and respectfully submitted,

A handwritten signature in black ink, appearing to read "Stephen Weeg", written over a horizontal line.

Stephen Weeg, Chairman of the Board