

A person wearing a tan baseball cap, a red life vest, and a yellow t-shirt is leaning over the side of a red boat. The boat is on a body of water with ripples. The background shows a dense forest of green trees under a bright sky. The overall scene is outdoors and appears to be a recreational activity like kayaking or canoeing.

2014// YOUR HEALTH IDAHO ANNUAL REPORT

**MESSAGE FROM THE
CHAIR AND
THE EXECUTIVE DIRECTOR**

The past year has been one of challenge, transition and accomplishment. As 2014 comes to a close we are proud to say that YHI has become the first health insurance exchange in the nation to successfully migrate from the federal enrollment platform to its own state-controlled marketplace.

Our year began on a high note, as more than 76,000 Idahoans enrolled in health insurance plans through YHI by the end of open enrollment in April. Idaho's insurance agents and brokers, supported by YHI's In-Person Assister organizations and our on-the-ground outreach team, helped Idaho sign up nearly twice the number of people as expected, landing Idaho in third place among the 50 states in terms of per-capita enrollments.

The process of building our own enrollment system and transitioning customers from the federal system to YHI presented a great many challenges. We had to adjust our plans to meet evolving federal requirements, and we had to compensate for extensive and repeated delays in receiving customer information from the federal marketplace.

Once our technology system was up and running, we found that demands on our call center were higher than we had anticipated. As a result, some of our customers and insurance agents who needed call center support experienced delays in getting their questions answered. Our status as a state-based exchange, with operations under our direct control here in Idaho, enabled us to act quickly to find a resolution. Within a few short weeks we upgraded our on-line system and worked with our partners at the Department of Health and Welfare to train and deploy new staff. These changes helped us reduce wait times. By the end of December, more than 83,000 Idahoans had selected a plan for coverage in 2015.

Looking ahead to 2015, we remain committed to operating an exchange that is managed by Idaho to meet the unique needs of Idahoans, and that is simpler and less expensive to operate, while preventing federal intervention. We are also committed to improving the customer experience, particularly for those who need in-person assistance. YHI is required by law to be self-sustaining starting in 2016, and we are determined to achieve that milestone while staying true to our mission: maintain maximum control of Idaho's health insurance exchange at minimal cost to Idaho's citizens.

We welcome your feedback and suggestions at any time as we continue to fulfill the mandates of the Idaho Legislature and the Governor to operate and sustain a health insurance exchange that is appropriate to the needs of our citizens.

With very best regards,



Stephen Weeg, Chair



Pat Kelly, Executive Director

2014 // SIGNIFICANT ACCOMPLISHMENTS

SOME OF THE MOST SIGNIFICANT ACCOMPLISHMENTS DURING 2014 WERE:

- More than 76,000 Idahoans secured health insurance coverage through Your Health Idaho (YHI) during the initial open enrollment period that ended in April 2014
- YHI built an Idaho-based technology platform that passed all security tests and launched on time, in November 2014, to enroll Idahoans in health insurance coverage for 2015
- YHI worked closely with the Idaho Department of Health and Welfare (DHW) to integrate its eligibility process with YHI's enrollment process, saving millions of dollars by eliminating duplication of effort
- An increased number of insurance plans are being offered through YHI—a total of 198—and the plans being offered have undergone review by the Idaho Department of Insurance and were approved by the YHI board of directors
- An increased number of insurance carriers: from four to five health carriers and from three to four dental carriers
- YHI has maintained and grown a network of nearly 1,000 Agents and Brokers who have completed training on YHI and who have the primary role of helping Idahoans shop for and select a plan on the marketplace
- YHI is implementing a plan to achieve self-sustainability of the exchange in 2016, and it has maintained its low initial 1.5 percent assessment fee on insurance plans
- YHI has met all state and federal requirements to keep Idaho in control and qualify as a state-based marketplace
- YHI has operated totally on the basis of federal grant dollars and no state of Idaho funding has been utilized
- YHI hired a new executive director and implemented a smooth transition
- YHI has maintained a highly professional and exceptionally streamlined permanent staff, has used market rates to set staff salaries, and is using contractors and vendors with specialized skills for time-limited periods
- YHI has continued to fine-tune its governance and accountability standards
- YHI successfully completed its second formal financial audit
- YHI has continued a statewide outreach campaign involving thousands of stakeholders in every corner of Idaho
- YHI has established nearly 100 Enrollment Counselors and Certified Application Counselors from across the state, requiring background checks and formal training
- As of the end of December 2014, nearly 83,000 Idahoans had selected a plan for insurance coverage for the year 2015

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ABOUT THIS REPORT

This report has been prepared for the citizens of the state of Idaho and their elected representatives and provides an accounting of the activities, plans and financial status of the Idaho health insurance exchange, now known as Your Health Idaho. Our report is intended to be responsive to the reporting requirements of Chapter 61, Title 41 of Idaho Code, the Idaho Health Insurance Exchange Act, which says:

1. The exchange shall submit a written report of its activities and the condition of the exchange to the director [of the Department of Insurance], the governor and the director of the legislative services office for distribution to all legislators on or before January 31, 2014, and annually on or before each January 31 thereafter. The exchange shall also report to the appropriate Senate and House of Representatives germane committees on any changes to its bylaws or policies and any changes or updates from the federal Department of Health and Human Services (HHS) regarding essential health benefits or operation or conditions of the exchange on or before January 31, 2014, and annually on or before each January 31 thereafter.
2. For any changes by the board to the fee schedule charged to exchange users or participants, the exchange shall, at the next legislative session, report to the appropriate Senate and House of Representatives germane committees on or before January 31.

IDAHO BENEFITS FROM A STATE-BASED INSURANCE EXCHANGE

1. IN IDAHO, WE MANAGE AND REGULATE THE HEALTH PLANS.

In federally managed states, plans are selected and regulated by the federal government. In Idaho, we have 198 plans to choose from, offering consumers a competitive marketplace.

2. IN IDAHO, AGENTS AND BROKERS ARE THE PRIMARY RESOURCE FOR CONSUMERS.

In federally managed states, agents and brokers have limited roles. In Idaho, we have nearly 1,000 licensed agents and brokers helping Idahoans find the right plan to fit their needs.

3. IN IDAHO, WE SET OUR INITIAL FEE AT 1.5% AND WILL RUN A RIGHT-SIZED OPERATION.

In federally managed states, consumer fees are set at 3.5 percent. The residents of federally managed states have no voice in the amount of the fee, how it is paid, or where it goes. In Idaho, we can and will run our marketplace more efficiently and save consumers money by doing so.

4. IN IDAHO, THE MARKETPLACE IS GOVERNED BY A BOARD OF IDAHOANS.

In federally managed states, the states do not have the authority to govern or control funding. In Idaho, Idahoans determine how funds are used and how the marketplace is implemented.

5. IN IDAHO, WE MADE SECURITY OUR TOP PRIORITY.

Our Enrollment Counselors undergo rigorous training and background checks. In Idaho, we chose seven well-respected community organizations to help consumers during 2015 open enrollment.

“I thought it was great. I have always worked for a company that offered insurance, and so I have never had to get it myself. I worked with Troy Goodwin of Apex Insurance. He was very informative and I am happy with the plan I picked.”

Charlene Cherry, Blackfoot



YHI 2014//

A YEAR OF TRANSITION AND ACCOMPLISHMENT

ENROLLMENTS FAR EXCEED FEDERAL EXPECTATIONS

As YHI opened for business last October, estimates of the number of Idahoans who would sign up for coverage varied widely. The benchmark estimate came from the Congressional Budget Office (CBO), which estimated Idaho would see 40,000 Idahoans select a health insurance plan through Idaho's health insurance exchange during the first open enrollment period. Yet by the time open enrollment closed at the end of April, a total of 76,061 Idahoans had enrolled through the exchange—nearly doubling the CBO estimate. This figure placed Idaho third in the nation in per-capita enrollments and fifth in terms of the percentage of the CBO estimate achieved.

SECURE, IDAHO-CONTROLLED MARKETPLACE LAUNCHED

In early October, the revamped YHI website was unveiled and made available for anonymous browsing—a month earlier than the federal Healthcare.gov marketplace—and on November 15, Idaho's state-based, online marketplace opened for business. The marketplace launch was made possible through countless thousands of hours of effort on the part of YHI technology vendors, project management consultants, our staff and the YHI board of directors.

By waiting to launch our own technology for a year, YHI was in a position to learn from the successes and failures of other states. We took the time to develop our technology using a phased approach to minimize risk and ensure we did not take on more than we could successfully accomplish before open enrollment. For example, we hired technology service providers that were a part of successful state-based exchange launches, and we decided to focus on the individual marketplace and not launch our small business (SHOP) marketplace during our first year.

With the launch of the YHI marketplace, Idaho is the first state in the nation to successfully transition off of the federal platform, HealthCare.gov. And we did so with the smallest staff of any state-based exchange in the nation—see discussion below.

At the end of April, a total of

7

YHI WORKS CLOSELY WITH DHW IN DETERMINING TAX CREDIT ELIGIBILITY, RE-ENROLLING IDAHOANS

A condition placed on the use of our federal establishment grant money was to use existing resources within our state. To improve the service we provide to our consumers and to prevent duplicating resources, we partnered with the Idaho DHW to use its eligibility determination system to determine Idahoans' eligibility for health insurance tax credits and cost-sharing reductions.

YHI and DHW entered into a full-cost-recovery agreement (ensuring YHI pays for all state resources used) in June that outlined the department's role in processing tax credit eligibility, which included using its existing technology to calculate consumers' tax credits, noticing and customer service resources surrounding tax credit eligibility.

YHI and DHW recalculated tax credits for every Idahoan who signed up for health insurance last year on the exchange, to ensure they receive an accurate tax credit for 2015. Prior to the start of open enrollment, YHI reached out to consumers who selected health insurance plans in 2014 to remind them they could once again shop for coverage. Those who did not pick a new plan before December 20 were automatically re-enrolled in their existing plan.

Because DHW uses a manual eligibility determination process, shopping for health insurance on YHI took longer this year than in year one. The process to determine tax credit eligibility took one to three days for most customers, but during peak times, some of the more complicated cases took up to 10 days. YHI and DHW will continue to work together in 2015 to streamline this process.

CONSUMER RESOURCE CALL CENTER RESTRUCTURED, BOLSTERED

While YHI encourages Idahoans to find an agent or broker in their community who can walk them through all the plans and determine which one is best for them, YHI stands ready to assist Idahoans who have questions about the marketplace. The DHW provides services that are fully reimbursed by YHI, to determine eligibility for Advance Payments of the Premium Tax Credit and by providing consumer support. YHI also has 15 temporary support staff, called consumer support representatives, who accommodate all technical support needs and assist Idahoans.

When the YHI technology platform was launched, we found our consumers were experiencing long wait times when they reached out to the Consumer Resource Center and were having difficulties being directed to the right people at YHI and DHW for help. This led to frustration among some YHI customers and their insurance agents. YHI responded by refining our technology, developing new tools for customer service representatives and adding and training new staff to address the volume of customer service tickets. By the end of December, the level of service had improved.

The bilingual call center staff can assist Idahoans in English and Spanish and, through the use of The Language Line, can accommodate more than 150 languages. In addition to reaching the Consumer Resource Center by phone, Idahoans can reach the resource center via email at connect@yourhealthidaho.org or via standard mail at PO Box 943, Boise, ID 83701. As of the end of December, the call center had responded to more than 75,000 phone calls since the start of open enrollment on November 15.

6,061

Idahoans had enrolled through the exchange

INCREASED NUMBER OF INSURANCE PLANS AVAILABLE

At its core, YHI is a marketplace where Idaho families and small businesses can shop for, compare and choose health insurance that is right for them. An essential component to the success of YHI is the ability for Idahoans to choose from a wide range of health insurance plans.

In September, YHI announced that a total of 198 health and dental insurance plans would be sold through the exchange from nine insurance companies, five health carriers and four dental carriers. Your Health Idaho was committed to providing consumers with choice so they could find the right plan to meet their needs. All told, this represents an increase of 52 plans offered compared to the number of plans available last year.

Idahoans who purchased a health insurance plan on the exchange during 2014 may see their premium prices decrease or increase in 2015 depending on the type of plan they purchased, their age, tobacco use, where they live in the state and any changes made to their plans. In a handful of Idaho counties, the premium for the second-lowest-cost silver plan has gone down, in some cases as much as 12 percent, while the highest premium change for the second-lowest-cost silver plan in Idaho came in at nine percent.

All 198 plans available through Your Health Idaho were reviewed by the Idaho Department of Insurance (DOI) and approved by the YHI board. This is an important advantage of a state-based exchange; if Idaho had not decided to establish a state-based exchange, the plan review

and approval would be done by the federal government.

The DOI review ensured that the plans offered on the exchange include a standardized package of coverage and services known as essential health benefits, including hospitalization, emergency services, prescription drugs, preventative and wellness care, pediatric care, maternity care, ambulatory patient services, mental health and substance abuse disorder service, rehabilitative services and laboratory services.

Standardized benefits allow Idahoans to easily compare plans side by side focusing on the plan's monthly premium price, the plan's network of health care providers, the plan's deductible, and the amount of co-pays and co-insurance an individual will pay for different health services and prescriptions.

**CONSUMER
CONNECTOR PROGRAM
REVAMPED; AGENTS,
BROKERS CONTINUE TO
PLAY PRIMARY ROLE**

As part of its outreach efforts, Your Health Idaho trained more than 1,000 Consumer Connectors, including insurance agents, brokers and In-Person Assisters who are available across the state to help Idahoans navigate their health insurance options both online and offline. Consumer Connectors talk to Idahoans about their options so consumers can make informed choices about purchasing health insurance. These services are offered at no charge to the consumer.

YHI's focus on the role of agents and brokers is an essential element of its success and is key to meeting the needs of Idahoans. In states that rely on the federal exchange, Navigator programs - staffed by groups picked by the federal government - assume the role that agents and brokers typically fill. Idaho chose to go in a different direction—because as a state exchange, we can control the design and selection of our consumer assister program. YHI has more than 1,000 certified agents and brokers participating in the YHI marketplace. Agents and brokers provide a critical path for consumers and small businesses to review, understand, apply for and enroll in a health insurance plan. Agents and brokers are compensated by the insurance carriers. The only cost to YHI is training, certification and ongoing technical support. Agents and Brokers will continue to play a primary role in the success of YHI.

Many of the referrals to Idaho's agents and brokers come from our Enrollment Entities. YHI has revamped the Enrollment Entity program—formerly referred to as the In-Person Assister Program—but has maintained the focus on consumer protection and trust. In 2014, YHI contracted with

six well-established and trusted community organizations to provide In-Person Assisters:

- Community Action Partnership of Idaho
- Idaho Association of Counties
- Idaho Hospital Association
- Idaho Primary Care Association
- Idaho's Public Health Districts
- Mountain States Group

For the 2015 open enrollment period, YHI maintained relationships with several of the former IPA organizations and brought in some new partners to provide Enrollment Counselors and Certified Application Counselors to assist Idahoans as they review, compare and enroll in Qualified Health Plans using the YHI web-based marketplace:

- Cardon Outreach
- Conifer Revenue Cycle Solutions
- Idaho Primary Care Association
- Kootenai Health
- Mountain States Group
- St. Luke's Hospital
- Saint Alphonsus Hospital
- Teton Valley Health

As of the end of December, 94 Enrollment Counselors and Certified Application Counselors had been certified through the YHI process. Our Enrollment Counselors and Certified Application Counselors must complete rigorous training and pass thorough background checks. In contrast, federally managed states are not able to ensure “navigators” go through extensive training and background checks.

“Your Health Idaho has literally saved my life. We were unable to purchase health insurance before the law changed because the cost for me alone was \$1,000. I recently developed a rare skin disease and I was diagnosed with lymphoma, and now I can get treated. We still pay \$776 a month, but that covers my husband, my daughter and myself. We are so grateful, and the burden and stress of not being able to afford health insurance has been lifted from my family.”

Elizabeth Allen, Twin Falls



SMALL FULL-TIME STAFF, TEMPORARY CONTRACTS FOR PROFESSIONAL SERVICES

In keeping with the Legislature and governor's vision of creating a health insurance exchange that is the right size for Idaho, the YHI board determined to keep permanent staff levels to a minimum and to augment staff with temporary targeted contract support to assist YHI through the start-up phase.

CONTINUED PROGRESS TOWARD SUSTAINABILITY

For the past two years, the exchange has been fully funded by federal grant funds. We treat the exchange like a start-up business, so we treat this grant money like a capital investment and impose strong fiduciary controls on spending.

Starting on December 31, 2015, YHI will no longer be able to use grant money to fund our operations. So even while operating under the federal grant, we have used our 1.5 percent assessment fee to establish cash reserves for when grant dollars are no longer available. Through November 2014, we had raised approximately \$2 million in reserves. Going forward, we will continue to maintain lean staffing levels and are actively working to reduce temporary professional services contracts to ensure the exchange is self-sustaining and maintains a right-sized assessment fee that is lower than the 3.5 percent fee levied through the federal exchange. We will also ensure that our expenditures over the next year are focused on improving the consumer experience while automating processes wherever possible to ensure low operational costs over the long term.

The Idaho exchange staff is the smallest in the nation for any state operating its own health insurance exchange. At the end of 2014, the executive director managed a staff of 12 full-time employees. The YHI board utilized the services of an independent compensation consultant to determine staff compensation levels. The consultant relied on comparable market rates to inform the board regarding compensation for YHI staff members.

During 2014, the largest contract support came from GetInsured and Accenture. The board's decision to partner with GetInsured and Accenture came after a thoughtful and deliberate review process that examined the approaches, technologies and best practices used in other state and private exchanges to identify an Idaho solution that is state controlled, secure and financially sustainable.

GetInsured was hired to create the technology platform for the Idaho health insurance exchange. In that capacity, it was responsible for the design, development, testing and implementation of the technology platform for YHI. The maintenance and operations contract with GetInsured extends through December 2018.

NEW EXECUTIVE DIRECTOR HIRED

In September, the interim YHI executive director, Pat Kelly, was offered and accepted the position of executive director. Pat succeeds Amy Dowd, who left YHI to take over the state of New Mexico's health insurance exchange.

Pat joined YHI in 2013 to serve as the director of finance. In that role, he was intimately involved in the organization's strategic planning and decision making. Pat was named interim executive director in July.

YHI contracted with Accenture LLP to provide project management and risk mitigation services and to provide privacy and security expertise to help ensure the security of the technology. Using Accenture in this role has helped provide independent verification of system security and capitalizes on its experience working on more than multiple state insurance exchanges.

In addition, YHI has entered into smaller contracts with Idaho-based entities to provide a wide range of temporary support. These entities include:

- Enrollment organizations (see discussion above)
- Gallatin Public Affairs—advertising, outreach, website transition, research and other services; supported by:
 - GS Strategy Group—market research
 - Burson-Marsteller—messaging, front-end web development, advertising and operations support
 - Drake Cooper—advertising, creative development
- HawleyTroxell—legal counsel
- ProPeople Staffing—Consumer Resource Center employees
- Addeco Staffing—temporary staffing and Consumer Resource Center employees
- Idaho Department of Health and Welfare—Consumer Resource Center staff and infrastructure
- Idaho Independent Bank—banking services and line of credit
- Valley Office Systems—copier rental
- Flextechs—IT maintenance and support
- HR Precision—human resource consulting services
- St. Michael’s Parish—office space
- 1010 Jefferson LLC—office space
- Harris & Co, PLLC— independent financial auditor
- Autosort—direct mail service

TRIBAL CONSULTATION CONTINUES

The United States, by virtue of the U.S. Constitution, numerous treaties, statutes, federal case law, regulations and executive orders, has established and defined a trust relationship with the nation’s Native American tribes. As a result, a unique government-to-government relationship exists between the tribes and the federal government.

The Affordable Care Act extends special benefits and protections to American Indians and Alaska Natives, including limits on cost sharing and special monthly enrollment periods in the health insurance exchanges, and an exemption from the individual mandate. Under the ACA, YHI has an obligation to consult with tribal governments in the planning, establishment and ongoing operation of exchanges.

YHI has continued to meet regularly with representatives of the five federally recognized tribes in Idaho—the Coeur d’Alene, Kootenai, Nez Perce, Shoshone-Bannock, and Shoshone-Paiute—and is committed to strengthening and sustaining effective government-to-government relationships by cultivating reciprocal trust and respect through a meaningful consultation process. During 2014, we formalized consultation policies with all five of Idaho’s tribes and held informational and enrollment events with each tribe.



“I dreaded having to go online and try to figure out how to navigate the system. It seemed confusing. But then I got a postcard in the mail about an event in Coeur d’Alene. I attended the event and within seconds, I had picked a health insurance plan. It was a simple process, and the people who helped me were so easy to work with and very nice.”

Jacqueline Maurer, Coeur d’Alene

“I didn’t have a way of getting online, so it was nice to have a place for people to go in-person and get help. The agent I worked with was a huge help, and I am thankful she was able to help me get a health insurance plan that worked for me.”

Ronald Cate, Boise



**ON-THE-GROUND
OUTREACH CAMPAIGN
REACHES THOUSANDS**

Idahoans know—and YHI customer research results confirm—that Idahoans like to get their news and information from people they trust. Friends, family and neighbors rank high on the list of people whose advice Idahoans value the most. YHI built its public outreach campaign with this reality in mind.

From April through December, YHI representatives appeared at more than 50 public events across the state attended by more than 22,000 Idahoans. From distributing materials at the state's largest county fairs to speaking to handfuls of Idahoans at small-town chambers of commerce and places of worship, YHI representatives worked with Enrollment Counselors, Certified Application Counselors, insurance agents and brokers and other volunteers to ensure Idahoans had the tools and resources they need to make an informed choice about their health insurance.

**ROBUST
ENROLLMENTS
FOR 2015**

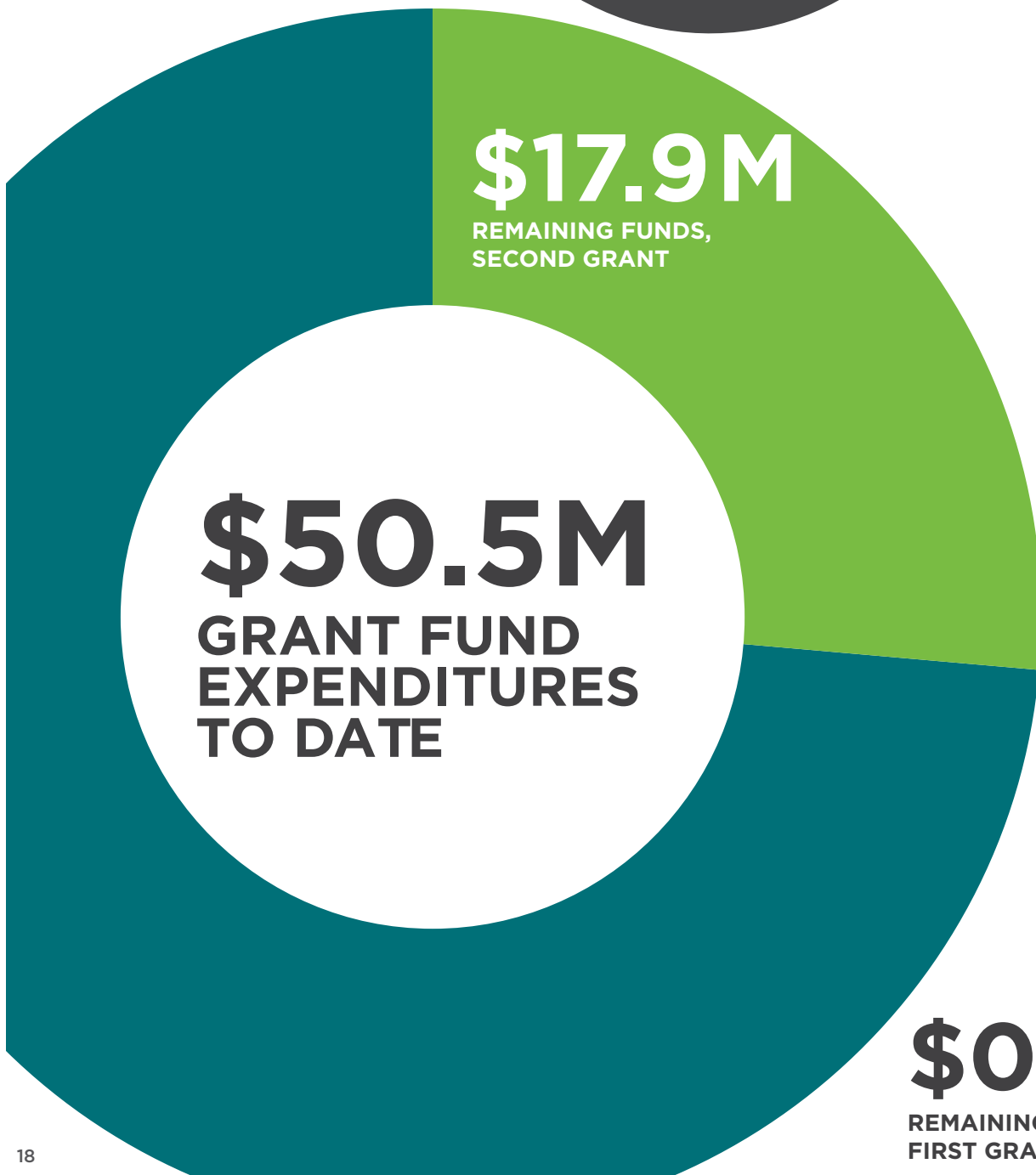
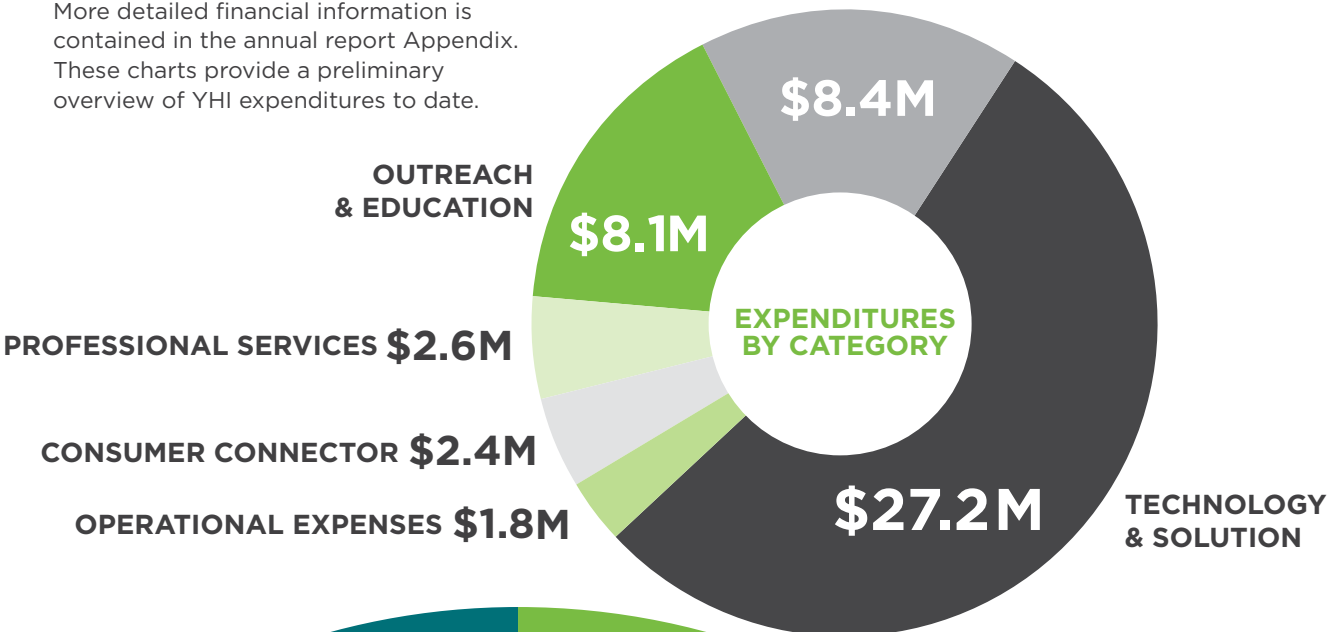
The purpose of the exchange is simple—to provide a way for Idahoans to select and purchase health insurance. And our new technology platform is helping them to do just that. As of the end of December, more than 83,000 Idahoans had selected a plan for insurance coverage for 2015 through YHI.

YHI 2014//

FINANCIALS

More detailed financial information is contained in the annual report Appendix. These charts provide a preliminary overview of YHI expenditures to date.

PROJECT EXPENSES



2014

ENROLLMENT BY THE NUMBERS

IDAHO MARKETPLACE PLAN SELECTION BY:

GENDER

Total number of individuals who have selected a marketplace plan

76,061

Number of plan selections with available data on gender

76,047

BY GENDER (% OF AVAILABLE DATA, EXCLUDING UNKNOWN)

Females
54%

Males
46%

AGE

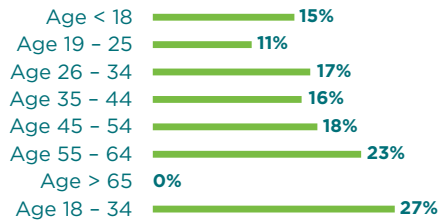
Total number of individuals who have selected a marketplace plan

76,061

Number of plan selections with available data on age

76,061

BY AGE (% OF AVAILABLE DATA, EXCLUDING UNKNOWN)



METAL LEVEL

Total number of individuals who have selected a marketplace plan

76,061

Number of plan selections with available data on metal level

76,061

Bronze
15%

Silver
71%

Gold
10%

Platinum
3%

Catastrophic
1%

FINANCIAL COST SAVINGS

Total number of individuals who have selected a marketplace plan

76,061

Number of plan selections with tax credit or cost reductions

76,061

PERCENT OF AVAILABLE DATA, EXCLUDING UNKNOWN

With tax credit or reductions
92%

Without a tax credit/reductions
8%

THE YEAR AHEAD

2015 will be another crucial year for YHI as the exchange works toward self-sustainability in 2016.

MAINTAIN AND IMPROVE IDAHO-BASED TECHNOLOGY PLATFORM

Of all we accomplished in 2014, launching Idaho's own online health insurance marketplace represented the greatest challenge. While we are quite pleased with our technology platform thus far, it can and should be improved. Opportunities for improving and expanding on our existing platform have been identified, and access to up to \$35 million in federal grant funding has been secured to support additional work on the technology platform in 2015.

ENHANCE CONSUMER SUPPORT SERVICES

We will continue to work with our technology vendors, DHW and others to make the YHI experience better for agents, brokers and consumers in 2015. We will learn from our experience with the Consumer Resource Center in 2014 to ensure we have sufficient numbers of properly trained staff, armed with the tools they need to quickly and helpfully respond to customer inquiries. Our goal will be to reduce the number of operational "touches" YHI has to make to complete an enrollment, thereby improving the consumer experience while reducing the operational burden.

OPTIMIZE ENROLLMENT ENTITY PROGRAM

YHI's establishment grant will be exhausted by 2016, and the marketplace will be self-sustaining. It is required at that time to transition from our grant-funded Enrollment Entity program to a program funded by enrollment fees. This will require scaling back our support for enrollment entities, a process that began in 2014. The YHI program will be scaled down in cost, but the network of assisters will remain fairly robust in this new program.

CONTINUE PROGRESS TO SELF-SUFFICIENCY

Our focus remains on establishing a fully state-based health insurance exchange that is self-sustaining by January of 2016. The exchange will be funded through fees assessed on the insurance plans offered on the exchange; the YHI board has maintained this fee at 1.5 percent of the policy premium, compared with the 3.5 percent fee assessed on plans offered on the federal exchange. Importantly, by running a state-based exchange, the fees paid by Idahoans stay in Idaho instead of being used to support operation of the federal exchange.

As we look ahead to 2015 and beyond, our commitment to the people of Idaho and their elected leaders is to:

- Manage and regulate our health plans in a way that minimizes federal interference
- Continue to improve on the customer experience
- Employ Idaho's insurance agents and brokers as the primary resource for consumers
- Run our marketplace efficiently and save consumers money
- Have Idahoans determine how funds are used and how the marketplace is implemented
- Make security and consumer protection our top priorities

HOW YHI IS STRUCTURED

The YHI board is authorized by the Idaho Legislature to set the policies, procedures and bylaws for Your Health Idaho. The board is comprised of 19 members from across the state, including two non voting members: the directors of the Department of Insurance and the Department of Health and Welfare. There are currently two vacant seats on the board.

Three members of the board represent health carriers, two members represent producers, three members represent individual consumer interests, four members represent small employer interests with various numbers of employees, and two members represent health care providers. These fourteen members are appointed by the governor and are subject to confirmation by the Idaho State Senate. The Idaho Health Insurance Exchange Act specifies that each appointee is able to exercise the full power of a board member pending Senate confirmation.

Additionally, three board members represent the Idaho Legislature with one appointed by the Speaker of the Idaho House of Representatives, one by the president pro tem of the State Senate and another by the minority leadership of the legislature.

Governor C.L. "Butch" Otter named Stephen Weeg of Pocatello, retired executive director of Health West and one of three members representing consumer interests, as chairman of the board.

OTHER MEMBERS OF THE BOARD ARE:

- Two additional consumer-interest representatives: Mark Estess, Idaho director of AARP, and Karen Vauk, president and CEO of the Idaho Food Bank.
- Two members representing health insurance carriers: Scott Kreiling, president of Regence Blue Shield of Idaho, and Zelda Geyer-Sylvia, president and CEO of Blue Cross of Idaho.
- Two members representing companies that sell health insurance products: B. Hyatt Erstad of Erstad and Co. in Boise, and Tom Shores of Shores Insurance in Boise.
- Three members representing small employer business interests: Jeff Agenbroad, owner of Since 86, Inc. in Nampa and vice president of commercial banking for Zion's Bank; Kevin Settles, owner of Bardenay Restaurant and Distillery in Boise, Eagle and Coeur d'Alene; and Fernando Veloz of MS Administrative Services in Meridian, chairman of the Employers Health Coalition of Idaho.
- Two members representing health care providers: John Livingston, M.D., of Boise, a doctor of internal medicine and general surgery, and Margaret Henbest, of Boise, a registered nurse, former Idaho legislator and executive director of the Nurse Leaders of Idaho.
- Legislative leadership appointed Sen. Jim Rice, of Caldwell, Rep. Kelley Packer, of McCammon, and Rep. John Rusche, of Lewiston, to the board.
- Idaho Department of Health and Welfare Director Richard Armstrong and a representative of the Idaho Department of Insurance are non voting ex officio members of the board. The Department of Insurance was represented by Director Bill Deal until his recent retirement.

Dave Self, formerly senior vice president and regional director for Pacific Source, resigned in October 2014 after taking a position outside the insurance industry.

The YHI board continued to accomplish a wide range of important and challenging tasks during 2014. To facilitate those efforts, the board of directors operates six standing committees and has the ability to create ad hoc committees as needed.

COMMITTEES:

Mr. Stephen Weeg
Executive Committee

Mr. Jeff Agenbroad
Finance Committee

Dr. John Livingston
Governance Committee

Ms. Margaret Henbest
Personnel Committee

Mr. Mark Estess
Marketplace Committee

Ms. Karen Vauk
Outreach & Education Committee

APPENDIX

BOARD OF DIRECTORS COMMITTEE MEMBERSHIP

EXECUTIVE COMMITTEE

Chair: **Stephen Weeg**
Vice Chair: **Scott Kreiling**
Secretary: **Hyatt Erstad**
Treasurer: **Jeff Agenbroad**
Member: **Kelly Packer**

FINANCE COMMITTEE

Chair: **Jeff Agenbroad**
Vice Chair: **Kevin Settles**
Members: **Fernando Veloz, Rep. Kelley Packer, Dr. John Livingston, Sen. Jim Rice and Zelda Geyer-Sylvia**

GOVERNANCE COMMITTEE

Chair: **Dr. John Livingston**
Vice Chair: **Kevin Settles**
Members: **Hyatt Erstad, Rep. John Rusche, Scott Kreiling and Sen. Jim Rice**

MARKETPLACE COMMITTEE

Chair: **Mark Estess**
Vice Chair: **Fernando Veloz**
Members: **Zelda Geyer-Sylvia, Tom Shores, Rep. John Rusche and Director Dick Armstrong (non voting)**

OUTREACH & EDUCATION COMMITTEE

Chair: **Karen Vauk**
Vice Chair: **Rep. Kelley Packer**
Members: **Margaret Henbest, Tom Shores and Dr. John Livingston**

PERSONNEL COMMITTEE

Chair: **Margaret Henbest**
Vice Chair: **TBD**
Members: **Zelda Geyer-Sylvia, Karen Vauk, Scott Kreiling, Kevin Settles and Director Dick Armstrong (non voting)**

YHI STAFF

In June, the YHI executive director announced her intent to accept the role as director of New Mexico's state-based insurance exchange. After an exhaustive search, the YHI board selected Pat Kelly, the former YHI finance director who had been serving as interim executive director.

The Idaho exchange staff now numbers 12 and remains the smallest in the nation for a state-based health insurance exchange. Jody Olson, who was hired in 2013, remains the communications director for the Exchange. Staff hired in 2014 were:

Cheryl Fulton
Executive Assistant

Trent Cummins
Accountant and then promoted to Controller

Jennifer Dickey
Policy and Operations Team Lead

Ethan Owen
IT Director

David Chase
Program Specialist

Frances Nagashima
Program Specialist

Renee Sandretto
Consumer Support Specialist

Tera Rose
Consumer Support Specialist

James Wong
Operations Director

Kevin Martin
Accountant

FINANCIAL AUDIT REPORTS

www.yourhealthidaho.org

DIRECTORS CONFIRMED, NEW BOARD POLICIES ADOPTED

The legislation establishing Idaho's health insurance exchange required that all members of the board of directors, other than elected officials and ex officio members, be confirmed by the Idaho Senate. All 13 members requiring confirmation were confirmed during the 2014 legislative session, with one vacant board seat.

As part of its ongoing effort to strengthen oversight and ensure an effective and cost-efficient operation, the YHI Board of directors adopted or modified several policies during 2014; including bylaw amendment, adoption of committee charters and amendments to other policies addressing conflicts and public records. Most significantly, the Board adopted several new policies addressing privacy and security practices and protections.

NEW BOARD OF DIRECTORS POLICIES

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NOTE: The enabling legislation requirement is to report "any changes to its bylaws or policies and any changes or updates from the federal Department of Health and Human Services (HHS) regarding essential health benefits or operation or conditions of the exchange."

ACTION OF THE IDAHO LEGISLATURE

During March 2013, both houses of the Idaho Legislature passed, and on March 28, 2013 Governor C.L. “Butch” Otter signed into law, legislation establishing the Idaho Health Insurance Exchange.

The Legislature’s intent in establishing the exchange was to minimize federal interference in our state affairs. Specifically, the Legislature stated that: “It is the public policy of the state of Idaho to actively resist federal actions that would limit or override state sovereignty under the 10th amendment of the United States Constitution. Through this legislation, the state of Idaho asserts its sovereignty by refusing to surrender decision-making authority over health care issues, which are matters appropriately left to states and individual citizens. The purpose of this chapter is to establish a state-created, market-driven health insurance exchange that will facilitate the selection and purchase of individual and employer health benefit plans. The creation of a state-based health insurance exchange will provide an Idaho-specific solution that fits the unique needs of the state of Idaho. Participation in the exchange is voluntary in that no person or employer shall be required by this chapter to purchase a health benefit plan through the exchange. Creation of the exchange and its operation is deemed a public purpose intended to enhance Idaho residents’ choice regarding options and access to health insurance.”

YOUR HEALTH IDAHO MISSION

THE MISSION OF YOUR HEALTH IDAHO IS TO MAINTAIN MAXIMUM CONTROL OF IDAHO'S HEALTH INSURANCE MARKETPLACE AT MINIMAL COST TO ITS CITIZENS.

In doing so, YHI will:

- Establish a new online marketplace for Idahoans where individuals and small businesses can search for, compare and make an informed decision about the health insurance coverage that is best for them and their families, leading to a significant number of newly insured Idahoans.
- Provide individuals and small businesses access to tools, easy-to-understand information and expert resources that will empower them to use Your Health Idaho to protect their long-term economic interests, the well-being of their families and, in the case of businesses, their employees.
- Establish a fully functional, self-sustaining, state-based health insurance exchange.
- Establish systems and maintain staffing and expense levels that are the right size for the Idaho marketplace.