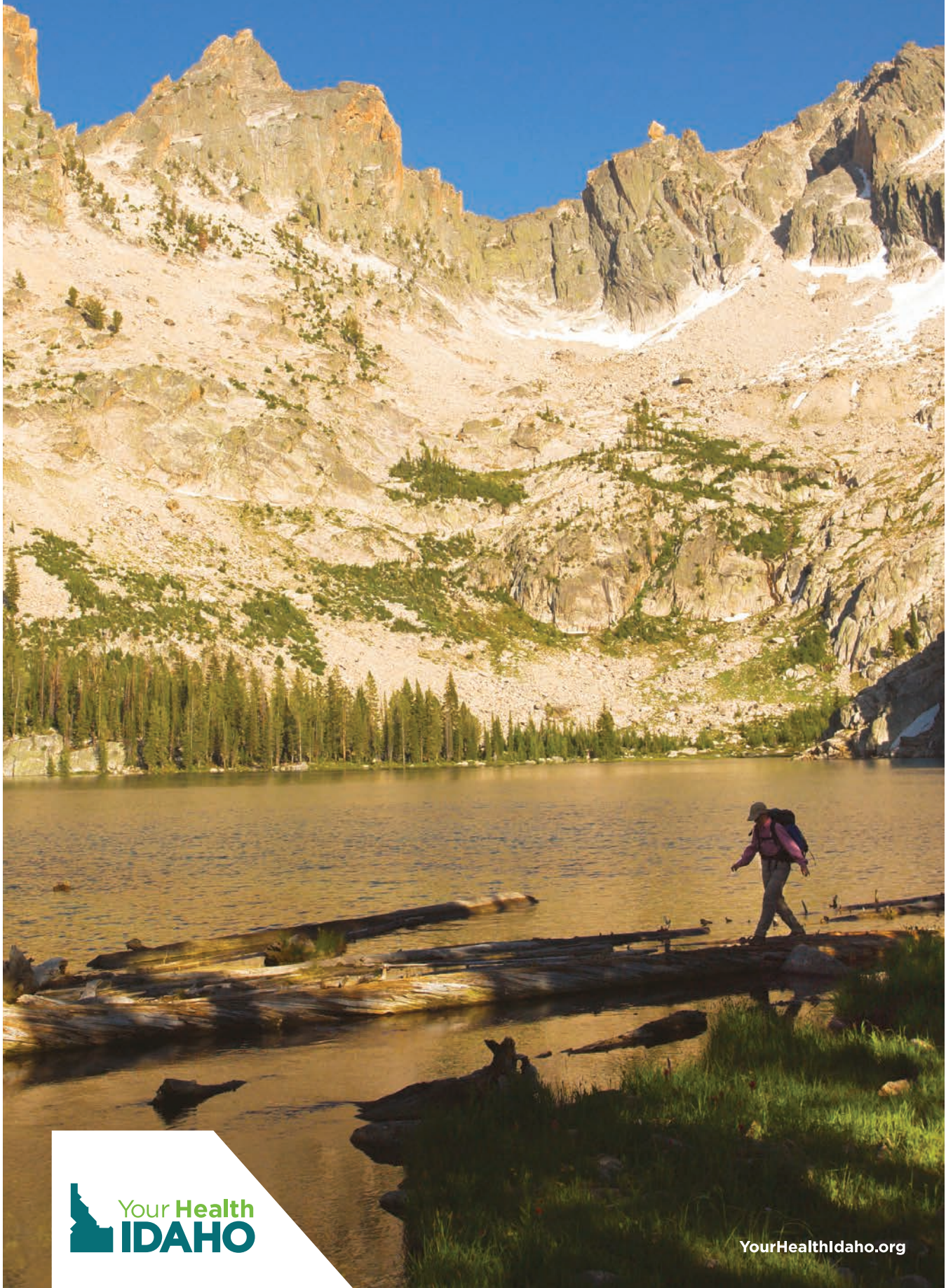


2015 ANNUAL REPORT: A SOLID FOUNDATION



MESSAGE FROM THE
CHAIR AND
THE EXECUTIVE
DIRECTOR

YOUR HEALTH IDAHO
BOARD MEMBERS

Stephen Weeg, Chairman of
the Board

Scott Kreiling, Vice Chair,
Regence Blue Shield of Idaho

Jeff Agenbroad, Since 86, Inc.,
and Zions Bank

Zelda Geyer-Sylvia, Blue Cross
of Idaho

Representative Kelley Packer,
Idaho State Legislature

Kevin Settles, Bardenay
Restaurant and Distillery

Richard Armstrong, Director,
Idaho Department of Health
and Welfare*

B. Hyatt Erstad, Erstad and Co.

Senator Jim Rice, Idaho State
Legislature

Tom Shores, Shores Insurance

Dean Cameron, Director, Idaho
Department of Insurance*

Margaret Henbest, Idaho Alliance
of Leaders in Nursing

Representative John Rusche,
Idaho State Legislature

Karen Vauk, Idaho Food Bank

John Livingston, M.D.

Candace Sweigart, Royal Jay

Fernando Veloz,
MS Administrative Services

Jerry Edgington, SelectHealth

Janice Fulkerson, Idaho
Nonprofit Center

*Non-voting members

2015 has been a year of continuous improvement.

Your Health Idaho (YHI) has spent the past year building upon the solid foundation that was created when we successfully transitioned from the federal technology to our own fully functional state-controlled health exchange.

We started this year with the fundamentals in place, then systematically identified process and program improvements. We tested, refined, and enhanced our technology; our support infrastructure; and our partnerships with agents, brokers, enrollment counselors, carriers, and the departments of Insurance and Health and Welfare.

The business model of Your Health Idaho is serving us well. YHI is fiscally responsible and conservative, allowing us to carefully prioritize areas for systemic improvement that will lead us to better customer satisfaction, increased enrollments, and financial sustainability.

Technological improvements were essential, but we also invested in more training for our call center staff and our agents, brokers, and enrollment counselors. Rigorous attention to processes and policies, along with increased hands-on training, positioned us to end the year much stronger than we began. In 2015, enrollment increased to over 86,000, from 78,000 the year prior. The number of plans also increased and set the stage for continued growth and choice for Idahoans. Continuous improvement on all fronts throughout 2015 has prepared us for an even better 2016. It's been said that the reward of doing well is the opportunity to do more, and that will continue to be our focus in 2016 and beyond.

This year, we also began the important task of transitioning from an outsourced staffing model to in-house resources. We benefited from the dedication and commitment of these talented vendor resources, and we are appreciative of the good work provided during the establishment of the exchange. Reducing our dependence on vendor support has always been a significant part of our sustainability plan, and we worked closely with our partners to achieve self-reliance by the end of 2015.

Our financial position for the year was solid, as evidenced by our cash reserve of more than \$5 million and confirmed by our financial and programmatic audit results from Harris & Co. for fiscal year 2015. In addition, the Centers for Medicare and Medicaid (CMS) gave Your Health Idaho an approval rating following its site visit and its review of our State-based Marketplace Annual Reporting Tool (SMART).

It's important to acknowledge that the way Your Health Idaho was structured by the legislature is key to why we are succeeding. Our financially responsible, businesslike approach has saved consumers over \$10 million in federal assessment fees and given us the independence to do what is best for Idahoans. As a result, Idaho became a model for state exchanges this year. You can read more about our case study by Leavitt Partners later in this report.

Much of our improvement in 2015 can be measured and monitored. But another gauge of our success is in improving the lives of thousands of Idahoans, who now have health insurance coverage for themselves and their families. Some of these individuals are going to the doctor for the very first time, some are preventing long-term illnesses, and some are simply sleeping better at night knowing that they won't face the threat of bankruptcy because of an accident or emergency.

As we look ahead to 2016, we will continue to build upon the successes we have achieved in 2015. We will remain vigilant to meet our goal of sustainability, to continuously improve our customer experience, and to maintain control of Idaho's health insurance exchange at a minimal cost to our citizens.

With very best regards,

Stephen Weeg

Stephen Weeg, Chair

Pat Kelly

Pat Kelly, Executive Director

**SOME OF THE MOST
SIGNIFICANT
ACCOMPLISHMENTS
DURING 2015 WERE:**

**YOUR HEALTH IDAHO
EXECUTIVE STAFF**

Pat Kelly, Executive Director

Trent Cummins, Controller

Jody Olson, Communications Director

Ethan Owen, Chief Information Officer

Dana Packer, Operations Director

Kevin Reddish, Director, Information
Security and Privacy Officer

- Your Health Idaho (YHI) successfully executed our fully functional state-based model after converting from the federal platform
- Your Health Idaho's establishment costs continued to be the lowest in the country among state-based exchanges
- More than 84,000 Idahoans found health insurance coverage through YHI during 2015
- Idaho ranked fourth in the nation for per capita enrollments and first in per capita enrollments among state-based exchanges
- Consumer choice expanded, continuing its year-over-year growth
- Idaho's conservative business model became the focus of a case study by Leavitt Partners, a leading national health care intelligence organization
- YHI invested in advanced training for the state's agents, brokers, and enrollment counselors, providing an excellent return for consumers throughout Idaho
- A successful partnership approach with agents and brokers expanded the organization's consumer outreach and engagement
- Your Health Idaho effectively moved from an outsourcing model to on-site staff, advancing its plan for sustainability
- The Centers for Medicare and Medicaid granted Your Health Idaho an extension to use previously awarded grant funds for establishment activities through 2016

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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 the 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.

BUILT BY IDAHO FOR IDAHO

“YHI’s lean marketplace approach has accomplished two goals: 1) it is able to maintain decision making at a local level; and 2) it is able to operate the state-based platform at a substantially lower cost to consumers than the federal alternative.”

Leavitt Partners Study

BENEFITS OF A STATE-BASED EXCHANGE

1. YOUR HEALTH IDAHO OFFERS PLANS FOR SALE THAT ARE REGULATED AND MANAGED BY IDAHO.

In federally managed states, plans are selected and regulated by the federal government. In Idaho, plans are reviewed by the Idaho Department of Insurance and accepted by YHI’s board of directors. In 2015, Idahoans had 198 plan choices.

2. YOUR HEALTH IDAHO AGENTS AND BROKERS ARE THE PRIMARY RESOURCE FOR CONSUMERS.

In federally managed states, agents and brokers have limited roles. In 2015, Your Health Idaho trained and certified more than 1,000 agents and brokers to help Idahoans find the right plan to fit their needs.

3. YOUR HEALTH IDAHO’S ASSESSMENT FEE IS DETERMINED BY IDAHO.

In federally managed states, consumer fees are set at 3.5 percent. In Idaho, the 2015 assessment was significantly lower at 1.5 percent. All assessment fees paid to the exchange stay in Idaho.

4. YOUR HEALTH IDAHO IS GOVERNED BY A BOARD OF DIRECTORS FROM IDAHO.

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 exchange is implemented.

5. YOUR HEALTH IDAHO MAKES SECURITY A PRIORITY.

YHI staff and partners, including the Department of Health and Welfare, agents, brokers, and enrollment counselors, undergo rigorous training and background checks to ensure Idahoans’ information is protected.

“Long-term sustainability is a major priority for YHI and influences every key decision and process.”

Leavitt Partners Study



YHI 2015 A YEAR IN REVIEW: SETTING A SOLID FOUNDATION

Your Health Idaho's Conservative Business Model Is Key to Success

ON TRACK FOR SUSTAINABILITY

Your Health Idaho's enabling legislation mandated that the exchange would collect assessment fees from the health insurance plans sold on the exchange as the means to provide operational revenue. These fees are paid by the health insurance carriers and, in 2015, were set at 1.5 percent of a customer's monthly premium. These assessment fees increase to 1.99 percent in 2016.

In addition to the assessment fees, YHI exercised fiscal conservancy in the use of its federal grants. Because not all establishment grant dollars were used in 2015, CMS awarded Your Health Idaho an extension to use these grant dollars for 2016 establishment activities. This no-cost extension will allow the exchange to use the remaining funds to make technology investments, which translate to lower operating costs.

YHI's staff and board members knew grant money was never intended for long-term use and planned for the transition to self-sustainability since the exchange first launched. Each decision made since day one was viewed through the lens of long-term sustainability. YHI built a healthy cash reserve by collecting assessment fees. The exchange currently has six months of operating expenses set aside – a huge accomplishment for any business in its third year of operations.

All these efforts put YHI in a strong financial position that allows it to use assessment fees to pay for **all** operational costs in 2016.

Your Health Idaho has been in the top four states in the nation for per capita enrollments over the past two years. This success has inspired staff and board members to remain cautious with expenses and technological investments in order to create a lean model that works for Idahoans. This key to financial stability enables YHI to continue to connect Idahoans to the health insurance coverage they need.

IMPROVING CUSTOMER EXPERIENCE

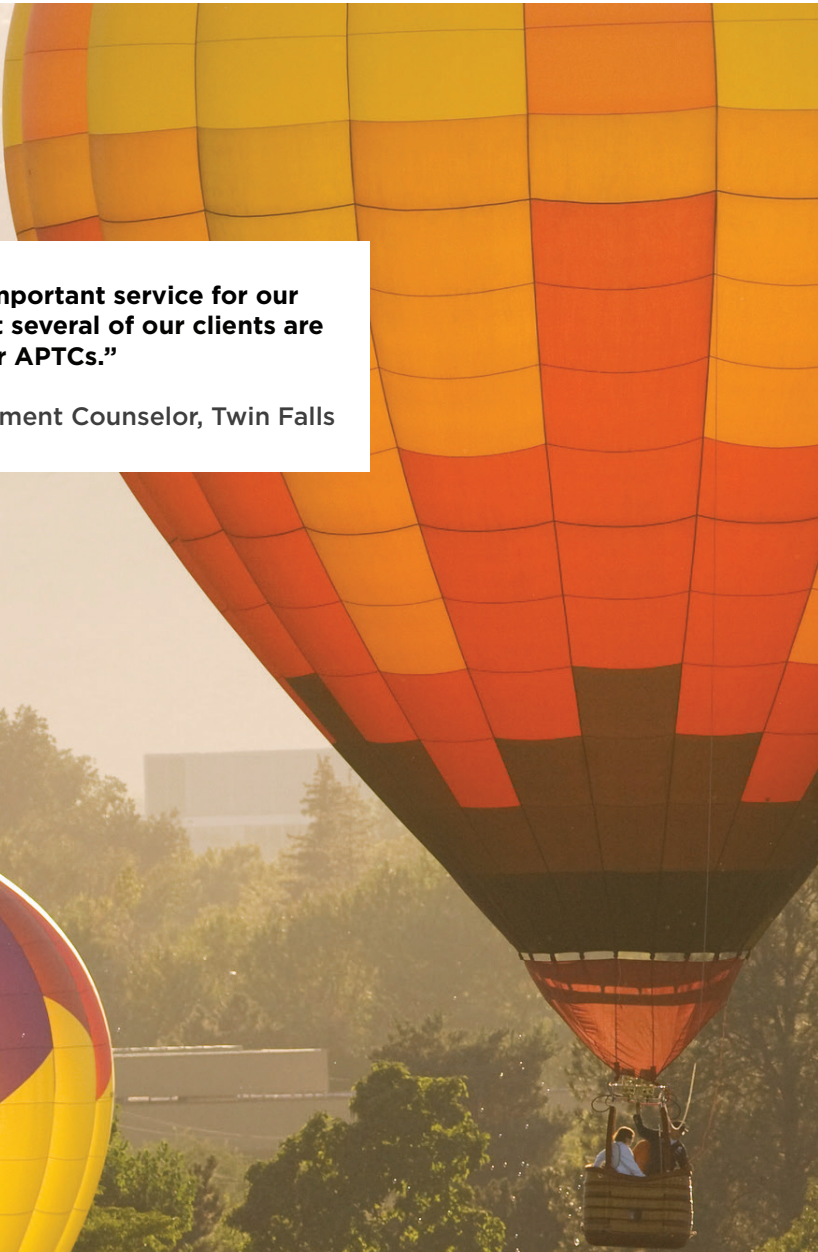
Comparing and purchasing health insurance online can be challenging and time consuming. Your Health Idaho's commitment to a positive shopping experience requires regular assessment and continuous improvement. After evaluating the consumer experience during the 2015 open enrollment, staff and board members recognized the need to make the process easier and more streamlined.

During and immediately after the 2015 open enrollment ended, work began to improve the technology platform for 2016. Your Health Idaho and its partners needed to make the renewal process easier for consumers, while giving agents more effective tools to better assist their clients.

During the first month of the 2016 open enrollment, YHI received positive feedback about the changes. Agents state they can better support their clients through all stages of the enrollment process and help them if consumers run into any challenges.

YHI also enhanced automation for the 2016 renewal process. As a result, consumers were automatically reenrolled in their health insurance plan from 2015, with no action needed on their part. This activity was under way prior to the active open enrollment period for 2016. If they wanted to shop for a different plan once open enrollment was under way, they could easily view side-by-side comparisons.

During the 2015 open enrollment, thousands of Idahoans reached out to YHI's Consumer Resource Center for help. Many of those customers had to wait on hold, and sometimes there was confusion over reaching the right person in order to get their issue resolved. Improvements were made to eliminate confusion and resolve as many issues as possible during the first call. YHI and its partners increased training for customer service representatives, streamlined processes, and added more staff around critical enrollment deadlines. The first month of the 2016 open enrollment period shows these efforts produced the desired results. In November, the call center received 19,867 calls with a wait time of just three minutes, a decrease of 52 minutes compared to last year.



“Thanks for your great work. It is an important service for our community. I was pleased to see that several of our clients are seeing lower premiums due to higher APTCs.”

Patty Brown, Certified Enrollment Counselor, Twin Falls



CHOICE IN THE MARKETPLACE

Your Health Idaho recognizes that individuals have unique needs and the exchange should be a place 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.

During 2015, plan options increased for Idahoans to a total of 198 from the previous year. In September, YHI's board expanded consumer choice even more by adding adult dental insurance for the first time. The board certified a total of 211 health and dental insurance plans to be effective in 2016.

Health insurance carriers selling plans on the exchange did increase their rates for 2016. While YHI does not have control over carriers' rates, it does pay close attention to Idahoans' health insurance coverage costs. YHI is the only place Idahoans can receive tax credits to offset their insurance premium costs.

Many Idahoans found that their tax credits will increase in 2016, which helps keep their costs for insurance manageable. For example, someone who received a tax credit and enrolled in the second-lowest-cost silver plan (the baseline plan used to calculate tax credits) during 2015 will pay about the same monthly premium if they once again enrolled in the second-lowest-cost silver plan in their area for 2016. However, consumers who shopped around could often find even better prices for health insurance.

The Idaho Department of Insurance and YHI's board of directors review and approve the plans sold on the exchange, ensuring these decisions are not left in the hands of the federal government. It is one of the many important benefits of being a state-based exchange.

**AGENTS AND
BROKERS: THE
BACKBONE
OF YOUR
HEALTH IDAHO**

Insurance agents and brokers have always been critical to the exchange's success. During 2015, YHI certified more than 1,000 agents and brokers across the state. This army of experts is the best resource to help Idahoans navigate their health insurance options. They are friends, neighbors, and trusted professionals in every community in Idaho. They are licensed and regulated by the Department of Insurance, appointed by Idaho insurance companies, and trained and certified by Your Health Idaho. As experts, they can discuss the many available options and plan specifics, so Idahoans can make informed choices about purchasing health insurance. These services are offered at no charge to the consumer.

YHI knows that agents and brokers are our partners. When the 2015 open enrollment period ended, YHI staff traveled across Idaho to meet with agents in their communities and learn what worked and, most importantly, what needed to be improved. Staff, board members, and partners listened and made significant changes to the technology platform and processes to give health insurance agents more effective tools and avenues to help their clients. YHI also invested in a robust, multimonth training program that included live, hands-on system training. The first month of open enrollment for 2016 indicates that these efforts are working.

Agents and brokers have told us these in-person trainings have made the enrollment process so much easier and faster to navigate and that they are having more success in enrolling clients and building their businesses.

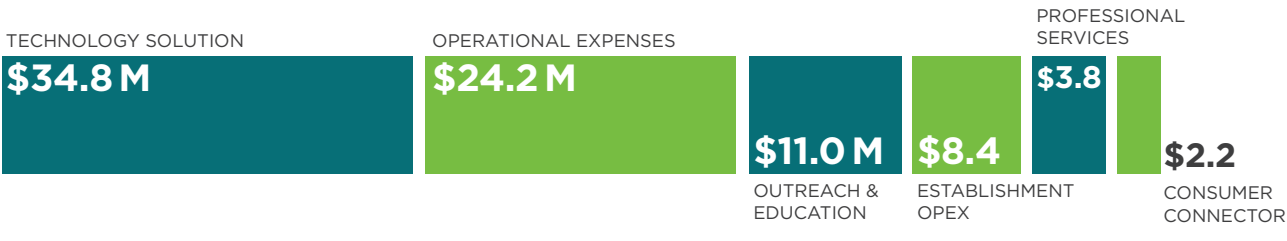
“The training seminars you have been holding for us on a monthly basis have been absolutely invaluable. ... I have even changed or postponed hunting trips so I could be at these training sessions - and trust me, that just does NOT happen!”

Tim Murphy, Certified Agent, Blackfoot



YHI 2015 FINANCIALS & ENROLLMENT

EXPENDITURES BY CATEGORY:



ESTABLISHMENT GRANT FUNDS:



ON OCTOBER 31, 2015, A TOTAL OF **84,655** IDAHOANS HAD ENROLLED THROUGH THE EXCHANGE

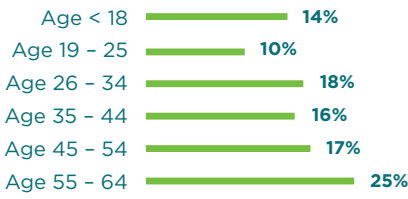
PLAN SELECTION HIGHLIGHTS:

GENDER

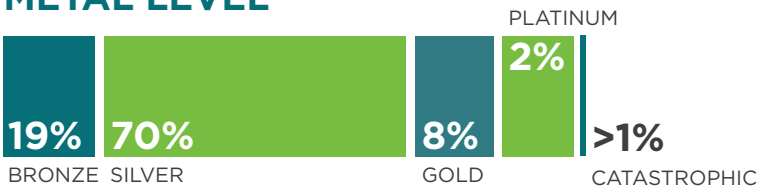


BY GENDER & AGE
(% OF AVAILABLE DATA, EXCLUDING UNKNOWN)

AGE



METAL LEVEL



PERCENT OF AVAILABLE DATA, EXCLUDING UNKNOWN

TAX CREDIT



THE YEAR AHEAD

LOOKING AHEAD: THE OPPORTUNITY TO DO MORE

We have spent the past year carefully enhancing our operations to better serve the needs of Idahoans. As we begin the new year, Your Health Idaho is well positioned to do more. In 2016, we will be at a new stage in our organization's life cycle and will concentrate on increasing enrollments and improving customer satisfaction, while attaining financial sustainability. The coming year will not be one of radical change, but of measured and methodical improvement to our existing operations.

Your Health Idaho knows that 2016 is the year to put all of its planning for sustainability to the test. Although the exchange was granted a no-cost extension of our federal grant funding to be used for establishment activities, operational costs will be paid from revenue generated through assessment fees. All exchange activity since the first day of operation has been designed for this outcome, and the staff and board are ready.

The amount of money the exchange needs for annual operations remains relatively constant, around \$9 million. However, several factors impact the revenue stream and how the exchange reaches its operational budget, including the assessment fee, premiums, and the number of enrollees. Current successes and future projections, including the board-approved 2016 assessment fee of 1.99 percent, instill confidence in the exchange's financial position and intrinsic value. Your Health Idaho has set aside over \$5 million in reserves from assessment fees as part of its sustainability strategy.

YHI is committed to making sure this state-based exchange is run the Idaho way: by practicing fiscally conservative spending while providing Idahoans with the best possible service. Providing quality service that reaches even more Idahoans requires operational excellence and trusted partnerships. To that end, we will build upon the success of our agent and broker community, and our alliance with the departments of Insurance and Health and Welfare.

Enhancing and improving the consumer experience through outreach and training, upgraded technology, and improved customer support will be a constant emphasis in the coming year.

It is our intent to become the resource of choice for the people of Idaho and a model for other state-based exchanges. Our conservative decisions thus far allow us to do more, putting us on a trajectory of growth rather than a path of repair and replace.

As patriot Patrick Henry once said, "I know of no way to judge the future but by the past." Looking ahead, it appears 2016 will be a strong and successful year for Your Health Idaho.

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



**Your Health
IDAHO**

YourHealthIdaho.org

Perrine Bridge, Twin Falls