

# 2016 ANNUAL REPORT: WORKING FOR IDAHOANS



## MESSAGE FROM THE CHAIR AND THE EXECUTIVE DIRECTOR

Your Health Idaho is working for Idahoans.

We have successfully created a marketplace where Idahoans can shop for health insurance plans and compare their options side by side so they can find the best coverage for themselves and their families. In 2016, we saw a record number of Idahoans sign up for health insurance coverage. In fact, Your Health Idaho (YHI) led the nation in per-capita enrollments for state-based health insurance exchanges.

These numbers tell a story.

There is a demand for a health insurance marketplace in Idaho. Finding the right coverage for you and your family can be daunting. We connect Idahoans with the tools and resources they need to make the process easier. We have partnered with more than 900 agents and brokers across the state who help Idahoans shop for coverage for free. This year, we also made targeted investments to bring our customer support center and operations team together under one roof. So far, this change has been well received by our customers.

Our strong financial outlook also tells a story.

In 2016, YHI's operations became financially sustainable. We made a commitment to everyone in our state that we would maintain maximum control of our health insurance exchange at the lowest cost possible. We have fulfilled that promise. We have built one of the leanest exchanges in the nation. We are leading the way in innovative funding models, including paid advertisement on our website. And we are keeping millions of dollars in Idaho by having significantly lower assessment fees than federally run health insurance exchanges.

From the very start, we decided YHI would be run the Idaho way – by Idahoans and for Idahoans. Now in our fourth open enrollment period, it is clear our commitment to take care of our state and its citizens in our own way is paying off.

As we look ahead, we will continue to focus on our customers, remain diligent about keeping operating costs low and maintaining maximum control of Idaho's health insurance exchange.

With very best regards,



Stephen Weeg, Chair



Pat Kelly, 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

**Charlene Maher**, 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

**John Rusche, M.D.**

**Representative Matt Erpelding**,  
Idaho State Legislature

**Karen Vauk**, Idaho Food Bank

**John Livingston, M.D.**

**Candace Sweigart**, Wire Stone

**Fernando Veloz**,  
MS Administrative Services

**Jerry Edgington**, SelectHealth

**Janice Fulkerson**, BPA Health

\*Board term ended  
December, 2016

\*\*Non-voting members

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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.

**Our success lies in independent state control of policies, and oversight of the exchange. Idaho designed a system that would work for Idahoans, and local control is at the core of our success.**



Hailey, Idaho

## SOME OF THE MOST SIGNIFICANT ACCOMPLISHMENTS DURING 2016 WERE:

- YHI became financially sustainable.
- Nearly 95,000 Idahoans found health insurance coverage through YHI.
- The customer call center successfully transitioned from the Idaho Department of Health and Welfare to YHI, resulting in improved response time and a better overall customer experience.

## YOUR HEALTH IDAHO EXECUTIVE STAFF

**Pat Kelly**, Executive Director

**Layne Bell**, Contoller

**Jody Olson**, Outreach and Education Director

**Dana Packer**, Operations Director

**Karla Haun**, Communications Director

**Kevin Reddish**, Director of Information Technology, Security, and Privacy

- Idaho ranked second in the nation for per capita enrollments and first in per capita enrollments among state-based exchanges.
- YHI became the nation's first exchange to pioneer online advertising to supplement revenue.
- Significant system and process improvements led to a 99% automated re-enrollment rate for 2017.
- The Department of Insurance expanded consumer choice, continuing its year-over-year growth.
- YHI instituted mandatory training for the state's agents, brokers, and enrollment counselors, providing expert help for consumers throughout Idaho.
- Consumer appeals dropped by 50 percent.
- YHI's establishment costs continued to be among the lowest of all state-based exchanges.



Your Health Idaho's assessment fee is determined by Idaho. In federally managed states, consumer fees are set at 3.5 percent. In 2016, Idaho's assessment was significantly lower at 1.99 percent. The difference has saved Idahoans more than \$15-million.

# YEAR IN REVIEW: IT'S WORKING FOR IDAHOANS

## Your Health Idaho is a state-based marketplace offering choice and control to Idahoans.

### A SUSTAINABLE SUCCESS

State exchanges were given limited federal grant funding to use as start-up capital in the early years. YHI's board and leadership team eased into 2016, well prepared for the end of federal funding and the necessary transition to financial sustainability. Because YHI has always operated in a fiscally conservative manner, the shift to sustainable operations in 2016 was not a hard one. YHI was well-positioned to use assessment fees to pay for operational costs in 2016. Assessment fee reserves were used for the incremental operating costs associated with the integration of the support center. The exchange ended the year with healthy cash reserves in the bank.

Assessment fees come from the health insurance plans sold on the exchange. These fees are paid by the health insurance carriers and, in 2016, were set at 1.99 percent of a customer's monthly premium. In 2016, Your Health Idaho's per capita enrollment was second in the nation, providing a strong financial framework for the year.

YHI also exercised fiscal conservancy in the use of its federal grants, enabling the exchange to put untapped grant dollars to use for establishment activities in 2016. This no-cost extension made it possible for the exchange to invest in technology and integrate all customer support functions, resulting in reduced operating costs and increased customer satisfaction.

In addition, YHI became the first exchange in the country to offer online advertising as a means of added revenue. The innovative and scalable business model paid for itself within the first two months.

## **EXCEEDING CUSTOMER EXPECTATIONS**

Shortly after the 2016 open enrollment ended, Your Health Idaho and the Idaho Department of Health and Welfare (DHW) worked together to make significant and lasting improvements to the customer experience.

The result was an intensive effort to integrate all customer support functions under the management of YHI. Since the exchange began, the exchange's call center was primarily located at DHW, with some customer support functions at YHI. By the fall of 2016, customer support was integrated into one center, located at YHI. This required changes to our infrastructure, including people, processes, and office layout and design. YHI enhanced its processes, provided expansive documentation and training, recruited and hired customer support advocates, and built a state-of-the-art call center complete with the ability to monitor and track issues and trends.

The work had its intended effect. For the 2017 open enrollment period, 99 percent of customers were automatically re-enrolled in their health insurance plans. The number of customer appeals reduced by 50 percent. Customer call wait times and response times improved 75 percent. Call volumes declined as customers began to use online resources more effectively and efficiently.

## **RECORD ENROLLMENT**

Since the first open enrollment period, YHI has seen a steady increase in the number of customers we serve. In 2016, the exchange set a record – almost 95,000 Idahoans purchased coverage through the exchange by mid-year.

Across the nation, Idaho is a leader in customer enrollment. In 2016, only Florida had higher per-capita enrollment numbers. And when compared with other state-based health insurance exchanges, YHI had the highest per-capita enrollment. This record enrollment was achieved with some of the lowest establishment costs in the nation, further indications that state-directed authority and conservative fiscal management are successful keys to the Idaho way.

Early indications suggest new records will be set during the 2017 open enrollment period. As of the end of 2016, more than 100,000 Idahoans had selected an insurance plan on the exchange for 2017 coverage.



## **REACHING MORE IDAHOANS**

In 2016, YHI made it a priority to reach into more communities than ever before and increase its efforts with historically underserved groups. The exchange thought outside the box and found natural ways to build connections with Idahoans.

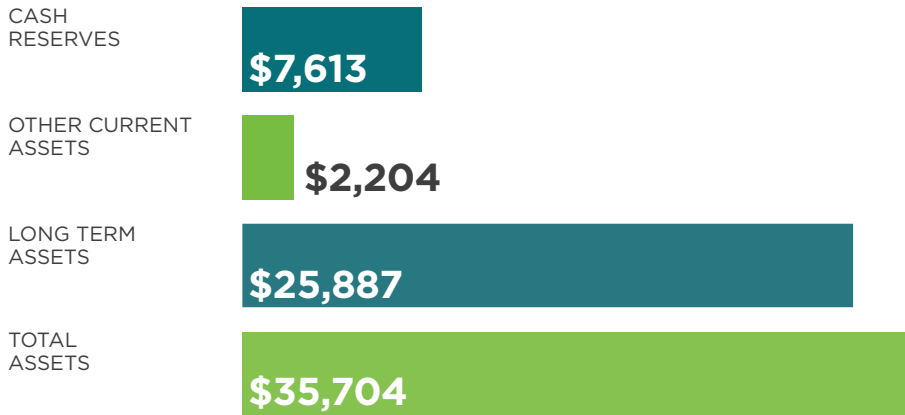
YHI worked with faith-based communities, from synagogues to the Catholic diocese to the Church of Jesus Christ of Latter-day Saints, to provide important health insurance information to their congregations. The exchange placed notices in church bulletins and newsletters announcing open enrollment and provided lists of the agents and brokers who attended those places of worship so members could get free help enrolling in a health insurance plan from people they trust.

YHI expanded efforts to reach out to the Hispanic community. While the exchange has always worked with bilingual agents and brokers to help our customers, YHI made a conscious decision to purchase more bilingual advertising. There are ads running on Hispanic radio stations across Idaho and YHI plans to continue its push for creating more materials in Spanish in 2017.

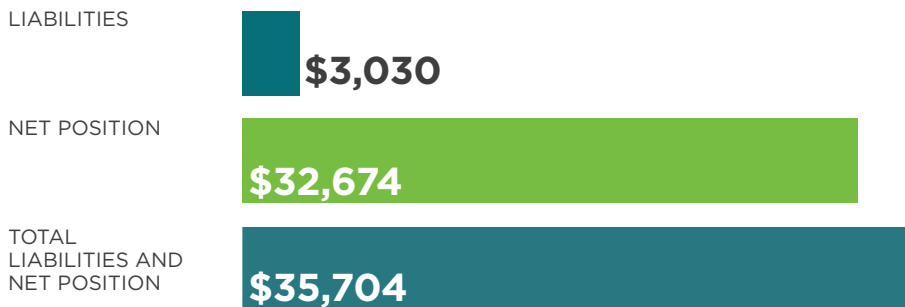
YHI has also formed partnerships with more than 160 organizations across the state, like the Women and Children's Alliance, the Idaho Department of Labor, school districts, and community libraries, to help us educate Idahoans on the health insurance marketplace and how it may help them and their families.

# BY THE NUMBERS: YHI 2016 FINANCIALS

## ASSETS (IN THOUSANDS):



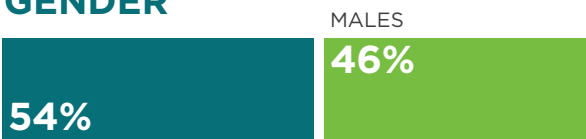
## NET POSITION (IN THOUSANDS):



IN 2016, MORE THAN **95,000** IDAHOANS HAD COVERAGE THROUGH THE EXCHANGE

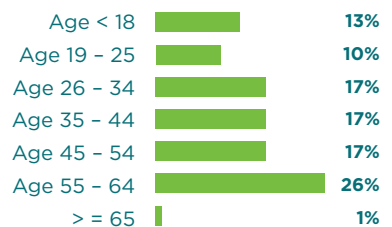
## PLAN SELECTION HIGHLIGHTS:

### GENDER



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

### AGE



### METAL LEVEL



PERCENT OF AVAILABLE DATA, EXCLUDING UNKNOWN

### TAX CREDIT



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

# A LOOK AHEAD

From the very beginning the mission of YHI has been to maintain maximum control of Idaho's health insurance marketplace at minimal costs to its citizens. The success of YHI has come from the fact that Idaho has kept local control of its policies and kept the oversight of the exchange within Idaho.

By running the exchange the Idaho way, the exchange saved Idahoans \$15 million in health insurance assessment fees. Since the exchange was created, our state has realized \$28 million in savings to the state catastrophic health fund and reduced the burden on community hospitals and clinics. And nearly 95-thousand Idahoans have found affordable healthcare insurance for themselves and their families.

Looking ahead, we will continue to fulfill our mission by focusing on our customers, and their interest in the exchange has never been higher. In fact, YHI is reaching a record number of Idahoans so far in the 2017 open enrollment period.

While there has been talk on a national level of changes to the Affordable Care Act, Idaho's lean and local business framework has drawn attention as a model of what works. Idaho maintained local control for a reason - it provides our state with the most flexibility and will allow us to quickly adjust to potential changes in healthcare reform. Whatever changes may come, YHI will handle them the Idaho way.

**Agents and brokers are the primary resource for consumers. In federally managed states, agents and brokers have limited roles. In 2016, Your Health Idaho trained and certified more than 900 statewide agents and brokers to help Idahoans find the right plan to fit their needs.**



**IDAHO**