

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

**YOUR HEALTH IDAHO BOARD
MINUTES
FEBRUARY 13, 2015**

1. BOARD MEMBERS PRESENT

- Mr. Stephen Weeg, Chair
- Mr. Scott Kreiling, Vice Chair
- Mr. Hyatt Erstad, Secretary
- Mr. Tom Shores
- Mr. Mark Estess
- Ms. Karen Vauk
- Mr. Jeff Agenbroad, Treasurer
- Mr. Kevin Settles
- Mr. Fernando Veloz
- Dr. John Livingston
- Ms. Margaret Henbest (via teleconference)
- Ms. Candace Sweigart
- Senator Jim Rice
- Representative Kelley Packer
- Representative John Rusche
- Interim Director Tom Donovan
- Director Dick Armstrong

2. OTHERS PRESENT

- Mr. Pat Kelly, Your Health Idaho
- Ms. Jody Olson, Your Health Idaho
- Mr. Ethan Owen, Your Health Idaho
- Mr. James Wong, Your Health Idaho
- Mr. Trent Cummins, Your Health Idaho
- Ms. Lakshmi Pandey, Your Health Idaho
- Ms. Cheryl Fulton, Your Health Idaho
- Mr. Mike Stoddard, Hawley Troxell
- Ms. Elizabeth Woodworth, Burson-Marsteller
- Ms. Eva Szalewicz, Accenture
- Mr. Vincent Lam, Accenture
- Mr. Lalit Ahlowalia, Accenture
- Mr. Gerald Massey, Accenture
- Ms. Becky Webb, GetInsured
- Mr. Fred Heil, GetInsured
- Ms. Natalie Podgorski, Gallatin Public Affairs
- Ms. Karen Cover, First Data
- Mr. Greg Kunz, Idaho Department of Health & Welfare
- Ms. Tammy Perkins, Office of the Governor
- Ms. Moriah Nelson, Idaho Primary Care Association

- Mr. Jim Murray, Select Health
- Mr. Doug Dammrose, Mountain Health Coop
- Mr. Luke Kilcup, Lobby Idaho

3. CALL TO ORDER

Following proper notice in accordance with Idaho Code § 67-2343, the Board of Directors meeting of the Idaho Health Insurance Exchange (Exchange) was called to order by Mr. Stephen Weeg (Chair), at 8:05 am, Friday, February 13, 2015, at the State Capitol Building, Room WW17. In accordance with Idaho Code § 41-6104(8), the meeting was held in an open public forum and was streamed in audio format on the Idaho Public Televisions web site.

4. ROLL CALL

Mr. Erstad called roll and determined that The Chair, Mr. Kreiling, Mr. Erstad, Mr. Shores, Mr. Estess, Ms. Vauk, Mr. Agenbroad, Mr. Settles, Mr. Veloz, Dr. Livingston, Ms. Henbest (via teleconference), Ms. Sweigart, Representative Packer, Representative Rusche, Interim Director Donovan and Director Armstrong were present, resulting in a quorum.

Senator Rice arrived at 8:09 am.

Ms. Geyer-Sylvia was absent.

5. PUBLIC COMMENT PERIOD

Director Armstrong shared that he visited with Susan Johnson, the Region 10 representative for CMS, who is involved with YHI and a strong supporter of the Idaho Exchange. She gave him a book titled "The Little Engine That Could," and he presented the book to Chair Weeg and the Board.

6. APPROVAL OF PRIOR MEETING MINUTES

Motion: Mr. Erstad made a motion to approve the meeting minutes as presented from the December 16, 2014 Board meeting.

Second: Mr. Shores.

The motion carried.

7. REVIEW OF AGENDA

There were no changes to the agenda.

8. NEW BOARD MEMBERS

Chair Weeg introduced the Acting Director of the Department of Insurance, Tom Donovan. Mr. Donovan mentioned that Governor Otter has not yet appointed a replacement for Director Deal who retired earlier this year.

Chair Weeg also introduced the newest Board member, Candace Sweigart, who represents the small business sector with 11-25 employees. She is co-founder of Royal Jay Software, a software development firm, located in Boise. She is also a Certified Scrum Master. She will go through confirmation with the Senate during this legislative session. She brings to the Board a strong technology background where she has facilitated teams and helped them achieve better software through process improvement. Her firm creates healthcare software and systems to help with interoperability.

Chair Weeg said he anticipates an additional new Board member by the next meeting.

9. EXECUTIVE DIRECTOR UPDATE

(a) Legislative Update

Mr. Kelly said that on January 27, as per the required enabling legislation, he had the opportunity to present the annual report and speak to the state legislature about YHI and sustainability by 2016. The presentation to the House Health & Welfare Committee and to the Senate Commerce Committee focused on Idaho's transitions to a full State-Based Marketplace, technology and operations status, solution development and YHI's business plan for sustainability.

(b) YHI Business Update

Mr. Kelly shared a snapshot of the year ahead which focuses on sustainability in 2016. The team will focus on utilizing existing grant funds for the YHI business model. It is important to deploy these and to support the Customer Service Representatives and Consumer Connectors who interact with consumers on a daily basis. As Open Enrollment ends, there will be more focus on system and operational enhancements to improve the consumer experience. In the third quarter, there will be new in-person training for agents and brokers created and new plans and rates will be approved for 2016. By the fourth quarter, YHI will have financially and operationally prepared for Open Enrollment 2016.

(c) Key Components for Sustainability

Mr. Kelly discussed several components of the business model as critical components for sustainability:

- Enhance Technology Platform – Enhancements will be made that will improve the structure and sustainability model. These enhancements will make the process for the user more seamless and improve YHI's ability to keep costs low.
- Streamline Operations – This will simplify the consumer transaction cycle and consumer interactions with the Exchange to improve the consumer experience.
- Enhance Consumer Support – Idahoans prefer to work with agents and brokers. The goal is to streamline the process of obtaining insurance to make it easier for Agents and Brokers to help customers choose their plans and to reach out to their clients.
- Transition key functions from vendor supported to YHI team supported.

- Enrollment Retention and New Consumer Acquisition.

(d) Variable Pay Plan Update

Mr. Kelly said the retention and enrollment goal is tracking between the 60% and 80% target and the Consumer Connector goal is tracking between the 80% and 100% target. The low cost promise goal is part of the FY16 budget process which is currently under development and will be discussed with the Board during the April Board meeting.

(e) Open Enrollment - Last Push

Mr. Kelly reminded the Board that YHI is nearing its 48 hour threshold with a final push to reach as many consumers as possible. This includes people who have created an account but not yet selected a plan, people who have selected a plan and not yet paid, and brand new customers. YHI is working with the carriers to understand the different populations to best serve the consumer's needs. Open Enrollment ends on a holiday weekend so, to improve customer support, YHI is open and has extended the call center hours to 9am – 4pm on the weekends and 8am – 5pm on Monday, the holiday, to move the enrollment process forward.

Mr. Erstad asked about numbers and Mr. Kelly stated that YHI is tracking slightly behind last year on effectuated enrollments.

10. OUTREACH AND EDUCATION UPDATE

(a) End of Open Enrollment Activities

Direct and Email Campaign for Consumers with No Plan Selection

Ms. Olson noted the direct and email campaign for consumers with no plan selected. YHI has identified these individuals who have an unclaimed APTC or an established account but have not yet selected a plan. Email and direct mail reminders are being sent to complete the process, encouraging those consumers to find an Agent or attend of the enrollment open house events.

Direct and Email Campaign for Consumers with Plan Selected and Not Effectuated

Another group that YHI will be reaching out to are those that have an APTC and have chosen a plan, but have not made a payment to the carrier. YHI is working with the carriers to identify those individuals. There will be direct mail and email reminders sent telling them that they need to complete the process by sending in their payment in order to have coverage. This message is also being communicated with Agents and Brokers asking them to ensure their clients have paid.

Final Activities

YHI has continued a final push with television, radio and digital advertising. Enrollment events across the state continued through February 7 to allow for time to work through the eligibility for those consumers. Press releases and media interviews have been highlighting the deadline and a consumer electronic newsletter was also sent as a last call to action.

(b) Budget and Transitioning Planning

Ms. Olson said she is in the process of creating the timeline and budget for FY2016. The fine details will be worked through in Committee and the team is working towards an in-house model

so as YHI moves towards sustainability, they will have a budget that reflects that. A timeline is also being developed to transition from vendor responsibility to a YHI staff model during 2015 and this will include bringing key activities in-house which include media relations, social media, outreach and Agent support. The focus will shift from an acquisition/retention model to a retention/acquisition model with a reduced media spend and shift away from mass market advertising to focus on targeted marketing. There will be an estimated reduction in the media spend in the amount of \$4.2M from CY14 to CY16, working with an estimated \$.7M budget for 2016. There will be a need for ongoing outreach in the community which can be created in an alternative way to reduce costs.

Rep. Rusche shared his concern that the new media budget seems low, and wonders if this is doable. He asked if there is still enough residual knowledge to see if it will work. Ms. Olson said that market research will continue, and that as a State-Based Exchange, YHI now has people engaged in our system that can be polled. Senator Rice and Mr. Settles appreciate the work to move toward a greatly reduced spend. The most effective marketing tool that YHI has is the tax penalty that Idahoans will receive if they choose not to have health insurance. Mr. Kreiling said that an effective way to market going forward is to use the list of current YHI clients.

11. MARKETPLACE UPDATE

(a) Marketplace Dashboard

Mr. Wong shared the Marketplace dashboard with effectuation numbers at 63,814 and enrollment numbers 94,984. The effectuation numbers are slightly under last year and YHI expects it to increase over the next few days. The team is processing a high number of tickets ranging from duplicate enrollments, linking issues, life changing events, special enrollments, etc. The main take-away is that YHI has been able to maintain control and respond to tickets in a timely basis. The sheer volume of phone calls and tickets has been extremely high.

Rep. Packer asked if there are duplicate applications included the enrolled number and how much of an inflation that is responsible for. Mr. Wong said that the duplicate enrollments are between 2-3% and likely less than 5,000. Mr. Veloz asked if YHI is going through and purging duplicate Social Security Numbers, and Mr. Wong mentioned that the team is in the process of cleaning up the information.

Mr. Shores said one of the challenges in his office includes re-signing up a number of policies that have been cancelled by mistake. Mr. Wong stated that there will be a two-stage enrollment extension. The deadline is February 15 for submitting an application and then February 21 to select a plan, and then pay by March 1.

Mr. Veloz said that it appears that the silver plan has largest disparity in numbers, and is curious if those consumers been identified and contacted. Mr. Wong said that this has been a big focus of the outreach team.

Dr. Livingston mentioned that the unemployment rate has improved by 1.2% and that the pool of potential customers may be increasing. Mr. Wong said that the group plans in the private market have seen an uptick. Mr. Kreiling said that from a carrier perspective he has seen some small employers of 2-15 employees shift in the other direction, and contribute a dollar amount to their

employees to purchase on the exchange on their own. Mr. Erstad also wanted to urge the team to think about the SHOP and making it a larger part of the exchange.

(b) Operations & Enrollment Update

Mr. Wong said there are numerous work streams that the team is focused on at an operational level.

- Agents and Brokers – Represent a very important group with numerous suggestions coming from Agents and Brokers to improve the enrollment process.
- Carriers – A couple of main issues have included split households and duplicate enrollments.
- Process Improvements – The PMO team conducted stakeholder interviews resulting in the identification of items for improvement.
- Training – Providing timely information for Consumer Connectors.
- Complex and Escalated Cases – These cases have increased and YHI is working closely with the carriers to make sure these are addressed and resolved.
- Reporting – Reporting Lead on Leave of Absence. Risk of knowledge transfer for resource backfill.
- Ticket Management – The ticket case management system needs improvement.
- Reconciliations – Enrollment Reconciliation is expected to consist of tens of thousands of YHI/Carrier records once the reconciliation process commences on February 5.

(c) PMO Update

Mr. Lam reviewed the Program Dashboard and said that GetInsured is working on the next enhancement release which is scheduled for February 25. The QA teams are working to close testing and are tracking to that date by utilizing updated change control and defect management process. One of the main activities is the requirements process and making sure it is in place. The analysis of current functionality includes having the team go through 800 of the requirements and complete analysis to determine priorities and what can be deferred.

Key issues and risk by area:

- Project Governance – There have been delays in this area, but the team is focused on finalizing the release plan and then will complete the detailed project plan.
- GetInsured – Focusing on the defects which create duplicate 834 records being sent to carriers.
- Privacy and Security – Continued security incidents are being logged, however, there is a positive trend and processes are in place for any incidents which may occur.

- Operations - Tracking orange based on Mr. Wong's earlier report.
- Policy and Business Requirements - There is a high level of work to accomplish within a limited amount of time.
- Carriers - Working through defects and issues.
- Agents and Brokers – Agents having difficulty using the system.

ACTION ITEM: A series of four live training events for the Agents are scheduled to improve understanding of the process and avoid mistakes that complicate accounts. Mr. Shores asked what the dates are for these trainings. Mr. Lam will find out the training dates and send to Mr. Shores. Mr. Shores said Agents are leaving the system because they are working for the exchange for nearly nothing. Rep. Packer asked if the trainings will be held in different parts of the state. Ms. Olson said there is a need for live, on the ground training, so the series of trainings will be a roadshow throughout the state.

Mr. Shores said that the GI response is not positive in their responses to requests. Mr. Lam said that defects discussions are very factual and as YHI looks at requirements, GI is working through them with us. There are times they push back and times they are in agreement. The Chair said that YHI is in a learning process, and that YHI is still young and still has significant challenges ahead. The goal for the next Open Enrollment period is for a much smoother transition.

Mr. Erstad said there are faults within the system and that this process needs to be smoothed out. This takes a large amount of time and producers need enhancements to the system in order to make it less labor intensive and worth their time. The Chair said that the main challenge is fixing these issues and the team needs to make it a high priority for the work plan for this year. Mr. Lam said that the team is engaged with the vendors to resolve these issues and that some of the technology solutions are not small items and may take longer to resolve.

(d) Improvement Assessment Summary

Ms. Szalewicz spoke about the improvement assessment that has been completed. The Discovery phase has been completed and included open-ended interviews with stakeholders gathering input for a point-in-time view across operation and technical pain points. Four high-impact areas were identified and prioritized with recommendations that minimize cost, maximize benefit and mitigate risk. These highest impact improvement areas are:

- Call Center – As this is often the first contact for consumers experiencing challenges with the process, improving call center operations impacts both consumer experience and YHI sustainability.
- Agent/Broker Experience - Idaho uses the broker-to-business model. They are also first responders for consumer challenges and affect consumer experience directly. Empowering Agents and Brokers to be full users of the HIX system directly impacts consumer experience and minimizes YHI cost.

- System Integration – The lack of automation was most frequently cited as an impediment to the user experience and system integration is critical to a seamless user experience.
- Communication – There is a need for clearer expectation setting, timely and broader communication of information for both internal and external stakeholders, and a need for more training as an upstream solution that would prevent additional challenges. For example, would it be possible to have appointments for the call center so that an Agent can call and know they will get someone during that window to alleviate the numerous phone calls and the time involved?

The next steps include:

Phase 1 – Discovery (2 weeks) complete

Phase 2 – Analysis (2-3 weeks)

Phase 3 – Implementation and Ongoing Support (Ongoing)

Mr. Shores said his recommendation is to move people away from phone calls and to focus more on email communication. What is needed on the Agent portal is a secure email link so that agents can securely include the PII.

(e) 2015 Technology Roadmap

Mr. Owen said that based on reduced grant funding, YHI has a very limited and reduced plan going forward. The funding breakdown shows the new plan with what funds YHI has now. YHI also looked at what initial requirements have been met, what will be met, and ensure that things that were already part of the contracts with vendors aren't paid for separately.

Ms. Szalewicz said the first and primary focus is on sustainability and improved customer experienced. Based on that prioritization is how the proposed development spending was created. The second item includes a small amount of the budget set aside to decrease pain points throughout the year. The third item involves dental on the exchange. The fourth item on the roadmap is the automated redetermination of eligibility and renewal for 2015. The fifth item is change reporting and a focus on streamlined consumer renewal experience. Enabling those changes online will reduce phone calls and help consumer experience. The sixth item is the electronic noticing within the Idalink account to replace paper mail. The Roadmap shows the timeline on which these would occur. The actual dates will be determined over the course of the coming weeks.

The Chair said some of the items will not be addressed due to lack of funding, which include direct enrollment, real-time eligibility, provider directory search, prescription search, account transfer improvements, Consumer Connector enhancements, account reconciliations, decision support improvements, GI system enhancements, consumer usability enhancements and carrier rate review tools. Mr. Veloz inquired about the cost of SHOP. Mr. Lam mentioned that there are not a lot of options to introduce a cost-effective SHOP. If YHI is to implement SHOP in the June/July timeframe, there will be a whole new set of business streams to make that happen, which comes with another set of risks. Mr. Shores suggested putting pressure on legislature to

postpone SHOP, and Mr. Settles suggested an organized position statement. Mr. Kelly stated that he has had a number of discussions with the legislature and CMS on SHOP, and CMS confirmed that it is not economically viable, but the way that the law is currently written requires employee choice, which means that YHI's hands are tied. Mr. Kelly said there is no immediate plan to implement SHOP.

Ms. Szalewicz said that in doing a very rigorous analysis of all the things the team has to do and what could potentially do, it is important to remember that time is critical and the timeline is important to adhere to.

(f) Policy Update

Ms. Szalewicz mentioned that the Project Steering Team continues to meet to discuss critical items in policy and operations. The two changes made were the Open Enrollment application deadline and the Open Enrollment plan selection deadline. The Project Steering Team decided that consumers have until February 15, 2015 at 11:59 MST to submit an application and February 21, 2015 at 11:59 PM MST to select a plan in order to have coverage on March 1, 2015.

Mr. Shores said one of the issues moving forward is that Agents will be focusing on special enrollment periods, and that it would be very helpful to have the qualifying events/life change events available to the Agents in a digital form which also includes the steps they would take to help their customers. Mr. Erstad added that on the YHI website, it would be helpful to list all of those qualifying events/life change events for consumers to have access to.

Motion: Mr. Veloz said to better enable consumers to obtain insurance coverage effective March 1, 2015, I move that the Board, for consumers who have signed an application no later than 11:59 p.m. MST, on February 15th, 2015, extend for an additional six days, the open enrollment period, which is the date to select a plan, to February 21, 2015. Such extension will mean that these consumers can obtain coverage effective March 1, 2015, if they complete plan selection by 11:59 p.m. MST on February 21, 2015, and assuming payment for the first month's premium is received by the payment deadline.

Second: Mr. Kreiling.

The motion carried.

Motion: Mr. Erstad put forth a motion that the Board, in support of the Chairman, will draft a letter to Idaho's Congressional delegation to implement a delay in SHOP.

Second: Mr. Shores.

The motion carried.

The Board took a break at 9:59 am and reconvened at 10:12 am.

(g) Privacy Assessment

Mr. Owen quickly updated the Board on the Privacy Assessment. YHI has hired a Privacy and Security Manager, Kevin Reddish, who brings deep security and HIPAA background. Many of the Accenture duties will be transferred from Avani to Kevin. The Privacy Assessment RFP is live on the YHI website and Mr. Owen will assemble a proposal evaluation team to commence with this assessment in early April.

(h) SOW Review

Mr. Kelly said in the theme of delivering on our low cost promise, certain project management functions can be handled locally at a significantly reduced rate of our current PMO. These resources would allow YHI to maintain flexibility in achieving sustainability and roll-off vendor support. These would be contract positions and posted on local job resources with the final selection being overseen by a Board member.

YHI is asking for an exception to the Procurement Policy as it does not contemplate an independent contractor scenario and an RFP doesn't fit an independent contractor agreement. The independent contractors would work in parallel with the existing PMO through April 2015. Mr. Kreiling wants to ensure that there is no conflict of interest in choosing and overseeing the contractors.

Motion: Mr. Veloz moved that the Board authorize the Executive Director to hire up to three independent contractors, using the process previously described herein as an exception to the Procurement Policy, at an hourly rate of at least 50% less than similar PMO resources during calendar year 2015. These funds are not part of the approved FY15 budget and were included in the grant award dated December 22, 2014.

Second: Rep. Rusche.

The motion carried.

Mr. Kelly said that to maintain continuity in the PMO and QA/testing teams, YHI needs to continue to engage with Accenture through March 2015 and would like to extend their contract for one additional month until the new plan and contractors are in place.

Motion: As recommended by the Marketplace Committee, Mr. Veloz moved that the Board, in connection with YHI's existing PMO contract with Accenture to extend SOW #1 to March 31, 2015 at the current cost of \$306,609 per month, which funds are included in the approved FY15 budget and to extend SOW #2 (Testing) to March 31, 2015 at a not to exceed amount of \$175,000 per month which funds are included in the approved FY15 budget.

Second: Rep. Rusche.

The motion carried.

Mr. Kelly stated that YHI engaged First Data to provide IV&V services in 2014 in compliance with CMS regulations. CMS has mandated that YHI continue to engage an IV&V vendor for the 2015 technology development. YHI is requesting approval for IV&V services through Dec. 31, 2015.

Motion: As recommended by the Marketplace Committee, Mr. Veloz moved that the Board extend the First Data contract through December 31, 2015 in an amount not to exceed \$493,080 which funds are included in the approved FY15 budget.

Second: Mr. Kreiling.

The motion carried.

Mr. Owen presented a three year Security and Privacy Roadmap at the December meeting. YHI recommends two Accenture Security PMO work streams to help assess the maturity of security and privacy in line with the three year Roadmap. The two work streams include the security assessment project management work and threat and vulnerability project management work.

Motion: As recommended by the Marketplace and Finance Committees, Mr. Veloz moved that the Board, consistent with the scope of the RFP for the PMO, approve adding the Statement of Work, in the form presented today, in an amount not to exceed \$899,870 plus expenses, which funds are not included in the approved FY15 budget, were included in the grant awarded on December 22, 2014, to the existing PMO contract for PMO security assessment project management work; and that the Executive Director and Chair of the Marketplace Committee would be authorized to negotiate and execute such statement of work.

Second: Rep. Rusche.

The motion carried.

Motion: As recommended by the Marketplace and Finance Committees, Mr. Veloz moved that the Board, consistent with the scope of the RFP for the PMO, approve adding the Statement of Work, in the form presented today, in an amount not to exceed \$179,094 plus expenses, which funds are not included in the approved FY15 budget, were included in the grant awarded on December 22, 2014, to the existing PMO contract for PMO threat and vulnerability project management work; and that the Executive Director and Chair of the Marketplace Committee would be authorized to negotiate and execute such statement of work.

Second: Mr. Settles.

Rep. Packer asked about plus expenses and is curious as to what is included in those expenses. Mr. Owen stated that Accenture currently runs at about 17% of the expenses. Mr. Owen is working with Accenture to cut that amount in half by working smarter and remotely and this will be presented at the next Board meeting.

The motion carried.

12. FINANCE UPDATE

(a) Financial Statement

Mr. Kelly reviewed the financial statement and cash spend. Assessment fee revenue continues to remain at \$0.3M which is consistent with prior months. Since the beginning of the exchange, YHI has spent \$50.48M which leaves the remaining funds at \$17.91M. There is still \$35.9M

remaining in grant funds. As of the end of December, there are 78,963 effectuated members. Director Armstrong asked Mr. Kelly what the expectation is for effectuated numbers in the next quarter. Mr. Kelly clarified that these are financial results for plan year and the dashboard includes effectuated enrollments as of February 2015.

Mr. Kelly stated that Year to Date YHI has incurred \$1.2M in operating expenses. YTD project expenses currently stand at \$5.2M resulting from delays in expenses.

Motion: Rep. Rusche moved that the Board accept the financial statements for the period ending December 31, 2014 that has been reviewed and recommended to the Board by the Finance Committee and presented today. With the change as noted regarding the DHW favorability.

Second: Mr. Agenbroad.

The motion carried.

Senator Rice, Rep. Packer and Rep. Rusche left to go into Legislative Session.

(b) Investment Discussion

Mr. Kelly said audit planning begins in March. The audit plan is formally approved by the Finance Committee with field work taking place in late May and early June and financial statements being presented in August or September.

In order to maximize funds while minimizing risk, Mr. Cummins researched different investment options and the YHI leadership and the Finance Committee recommend an outside investment firm to manage these cash reserves.

Motion: Mr. Agenbroad moved that the Board authorize the Finance Committee to (1) conduct an RFP for an Investment Advisor, (2) establish a Proposal Evaluation Team to evaluate the responses to the RFP, and (3) reports the recommendations of the PET to the Finance Committee to establish an investment policy for recommendation to the Board.

Second: Mr. Settles.

The motion carried.

Mr. Erstad suggested that there be an investment policy drafted by the Finance Committee and that a reasonable amount of funds be kept liquid should YHI need to access them. Mr. Agenbroad agrees and mentioned that these have been discussed by the Finance Committee. He also stated that through the RFP process, it may be determined that an investment company may not be the right road to take.

(c) Delegation of Authority

Mr. Kelly said the Delegation of Authority (DOA) was approved by the Board on 10/30/13. This policy was reviewed by the Finance Committee and the current policy has been effective and closely implemented by YHI staff and Board members, and the year-end audit noted strong internal controls. The Committee made edits to the DOA to reflect changes in organizational

structure and staffing. No changes were made to authorization limits or number of approvals required for large dollar values.

Motion: Mr. Agenbroad moved that the Board accept the changes to the Delegation of Authority Policy that has been reviewed and recommended to the Board by the Finance Committee and presented today.

Second: Mr. Settles.

The motion carried.

13. GOVERNANCE COMMITTEE REPORT

(a) Board Orientation Review

Mr. Kelly welcomed the two new Board members and to ensure that they are up to speed on the exchange and have their questions answered, the team has put together a Board Training Video, Board Member Handbook, one-on-one with General Counsel, one-on-one with the Executive Director, one-on-one with others as suggested based on Committee appointments and a copy of the Ten Basic Responsibilities of Non-Profit Boards by Richard T. Ingram.

14. PERSONNEL UPDATE

(a) Employee Handbook

Mr. Kelly said as part of the annual review of Policy and Procedures, several areas of the Employee Handbook have been revised to be effective 3/1/15, pending Personnel Committee and Board approval. The updates to the Handbook are:

Clarification of reporting methods available for employee grievances;

Revisions to incorporate applicable Privacy & Security Policies and Procedures which were implemented in the fall of 2014;

Updates to the Paid Time Off (PTO) Policy approved by the Board in April 2014, and removal of the option to donate PTO to coworkers;

And, eliminate the Travel & Other Expense Reimbursement Policy and Procedures as they are now part of the Finance Policies and Procedures.

Motion: Mr. Kreiling moved that the Board approve the revisions to the employee handbook as presented today and as recommended by the Personnel Committee.

Second: Mr. Erstad.

The motion carried.

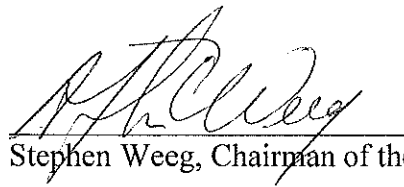
15. NEXT MEETING

Mr. Kelly said that based on the Roadmap, he proposes a meeting be held in the first or, more likely, second week of April, tentatively the 17th.

16. ADJOURN

There being no further business before the Board, the Chair adjourned the meeting at 10:50 am.

Signed and respectfully submitted,

A handwritten signature in cursive script, appearing to read "S. Weeg", is written over a horizontal line.

Stephen Weeg, Chairman of the Board