

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

**GOVERNANCE COMMITTEE
MINUTES
MONDAY, MARCH 14, 2016**

1. COMMITTEE MEMBERS PRESENT

- Dr. John Livingston, (via teleconference)
- Mr. Kevin Settles, Vice Chair
- Mr. Hyatt Erstad
- Mr. Scott Kreiling

2. OTHERS PRESENT

- Mr. Pat Kelly, Your Health Idaho
- Ms. Cheryl Fulton, Your Health Idaho
- Mr. Kevin Reddish, Your Health Idaho
- Ms. Jody Olson, Your Health Idaho (via teleconference)
- Mr. Mike Stoddard, Hawley Troxell

3. CALL TO ORDER

Following proper notice in accordance with Idaho Code §74-204, the Governance Committee meeting of the Idaho Health Insurance Exchange (Exchange) was called to order by Mr. Kevin Settles, Vice Chair of the Committee (Vice Chair), at 11:16 a.m., Monday, March 14, 2016, at the offices of Hawley Troxell Ennis & Hawley, 877 W Main Street, Suite 1000, Boise, Idaho. In accordance with Idaho Code §41-6104(8), the meeting was held in an open public forum and was streamed in audio format. Members of the public could access the audio stream by dialing into a telephone number that was included in the notice of meeting posted on the Exchange Board's Web site and at the meeting location.

4. ROLL CALL

The Vice Chair took roll call and determined that Dr. Livingston (via teleconference), Mr. Erstad, and Mr. Kreiling were present, resulting in a quorum.

5. APPROVE PRIOR MEETING MINUTES

There were no minutes available for approval. The December 15, 2015 minutes will be approved at the June meeting and are already posted in DRAFT format on the Your Health Idaho website.

6. REVIEW COMMITTEE ROADMAP

The Chair reviewed the Governance Roadmap and noted that the Committee is tasked with reviewing the results of the Board Effectiveness Survey. The Committee will also review and finalize the Board Training content and review and recommend the revisions to the Governance

Charter. Finally, the Committee will review and recommend the changes to the Privacy Policy. Mr. Kelly noted that the formal approval of the goals with SMART criteria will occur in June.

7. REVIEW AGENDA

There were no changes made to the agenda.

8. REVIEW ANNUAL BOARD EFFECTIVENESS SURVEY

Ms. Ball stated that the last survey was completed in August/September of 2014 and this year was completed in the January/February 2016 timeframe. She noted that there was a high rate of participation of Board members both times and added that the questions in both surveys were the same to allow a comparison over time. The most recent survey did have one additional question regarding strategic level involvement to address long term views. The full survey for 2016 can be viewed on the Hawley Troxell Sharefile and highlights of the 2016 survey results and the year-over-year comparison report are included in the packet today. The overall trend shows a significant increase in Board member's level of agreement with the 2014 survey having only one question with full agreement and the 2016 survey having ten with full agreement.

Ms. Ball said the year-over-year comparison reflects a significant overall improvement in Board effectiveness. There were eight questions that had less than 60% agreement last time while this time there were only five. Statements with the most notable changes were around Board member roles and responsibilities, delineation of responsibilities between the Board and the Executive Director, and the relationship between the Board and Executive Director. Statements with the least change, that already had moderately high ratings, were around the clear structural pattern of the Board and utilization of Board members' expertise, participation in YHI's strategic planning. Strong legal and ethical integrity, and effective and appropriate interaction with YHI team members.

The Vice Chair was impressed with the strong agreement of the Board and wondered what the impetus of these results was. Ms. Ball said she believes it is a combination of Board member longevity and feeling more comfortable in their roles and with their responsibilities as well as the strong leadership of and trust in the relationship with Mr. Kelly as Executive Director. Several Committee members agreed.

9. FY17 GOALS

Mr. Kelly noted that there are two topics relating to FY17 Goals. First, the Strategic Goal, which is intended to remain fairly constant with a minor change, given it's a multi-year goal. And the second is the Operational Goals, with the idea to get general consensus on the framework of those goals, or what the three main areas are, and then develop SMART criteria around them.

Specifically the Strategic Goal key concepts are consumer and agent/broker experience, sustainability and the low cost promise, and for YHI to become the sought after resource on health insurance for Idahoans. The tie to the Executive Director's performance is a view into how YHI is achieving that strategic goal, however there is not SMART criteria for this goal. The Strategic Goal will also be discussed at the Board training session in April, so there will be an opportunity to adjust it then as well before bringing it back to the Board in June for approval. Mr. Kelly suggested that the FY17 Strategic Goal remain the same from FY16, which is *Solidify the*

integration of YHI as a useful tool for Idahoans seeking to access health insurance by 1) continuously improving the consumer and agent/broker experience, 2) adhering to YHI's low cost promise, and 3) planning for future sustainability.

Mr. Stoddard suggested removing the words *the integration of* as he is unsure what that is referring to.

Mr. Kelly continued and said operationally, the YHI Leadership team has started to look at technology improvement as well as operational process improvement. There are three key areas that will guide our prioritization of these improvements. The first is Idahoans' experience, which refers to both the consumer and agent/broker communities. This would center around operational process improvement, messaging to consumers, agents, and brokers, and the technology roadmap. The second area is sustainability and low-cost promise, and is based on budget performance and revenue opportunities.

Mr. Erstad asked about the budget. Mr. Kelly said the revenue component does not assume a change in the assessment fee and will remain at 1.99%.

Mr. Erstad asked when YHI will break even from a sustainability standpoint. Mr. Kelly said the break-even for assessment fee revenue is FY18. Mr. Kelly said that YHI expects to be above its enrollment projections and said current effectuations are at 90,000 and we expect the final number to be at about 93,000 which is above projections.

There was additional discussion about PY17 and the dates for open enrollment for that year and future years.

The final area around operational goals is Compliance and Security, and the feedback from the Board last year was around this area.

Mr. Kelly said the team will get SMART criteria around these goals and will bring them back for approval in June.

10. BOARD TRAINING AND PLANNING MEETING CONTENT REVIEW

Mr. Stoddard said Board Training on the afternoon of April 26, 2016 will cover governance topics such as enabling legislation, public meeting laws/public records, conflicts of interest, key document review, and media requests.

Mr. Kreiling asked about the new Board Member orientation and asked what it includes. Mr. Stoddard said that the orientation is two part: meeting with Mr. Kelly and Chairman Weeg and then meeting with himself.

Mr. Erstad said it is critical that we address conflicts of interest. Mr. Stoddard agreed and added that those are difficult as the Board is composed of people that represent companies that do business with YHI and so the tricky part is making sure they abstain from voting when there is a conflict.

Mr. Kelly said breakout groups of four to five Board members will cover specific topics such as revenue opportunities, sudden loss of enrollment due to policy changes, opportunities for

improvement based on Board effectiveness survey, and other topics as discussed/proffered during Governance meeting.

The Vice Chair asked what YHI would do if the State no longer supported this. Dr. Livingston said there are so many things down the line that we need to be ready to adjust to should they become a reality.

The Vice Chair said it would be good to present the “what if’s” so that these can be discussed in session. If we have the opportunity, we can stay looking down the road and depending on what might happen with the fall elections, there potentially could be some changes to the legislation. Another thing to keep in mind is risk and the 84,000 individuals that were in the high risk pool. Could YHI establish its own re-insurance mechanism? Much of this will be clearer following the elections.

11. REVISION TO CHARTER

Mr. Kelly said when they looked at the Charters, Governance has charge of just about everything. Originally Privacy & Security was under governance by the Marketplace Committee but we found some natural tension within the topics of that Committee and the purview of the Charter. We are asking to move the Privacy and Security governance from the Marketplace Committee to the Governance Committee and the motion depends on this passing the Marketplace vote tomorrow. Mr. Kelly said the policy shift should be ok as long as there is transparency to the consumer experience. The Vice Chair asked if there were proposed changes to the Charter. Mr. Stoddard said they are working on that for the Board meeting. Mr. Kreiling asked if we looked at other states and how their governance structure is set up. Mr. Kelly said yes, we have looked at other states, but every state is different depending on their standing committees.

Motion: Mr. Kreiling moved that the Governance Committee, and in accordance with the expected recommendation of the Marketplace Committee, recommend to the Board that the Marketplace and Governance Committee Charters be amended to move Privacy and Security governance responsibilities to the Governance Committee.

Second: Mr. Erstad.

The motion carried.

12. YHI PRIVACY POLICY

Mr. Reddish said that there was some confusion from CMS on why YHI had both a Consumer Consent Policy and a Notice of Privacy Practices Policy. So we worked with Hawley Troxell to combine the policies and the YHI Privacy Policy is what we came up with. During the merging of policies, we also looked at content and compared it to what other exchanges were doing. The main areas that were added clarify why we ask consumers for Personally Identifiable Information (PII) and what we are doing with it. This document would be public facing and posted on YHI’s website.

Motion: Mr. Erstad moved that the Governance Committee recommend to the Board the changes in the YHI Privacy Policy as presented today and to replace the two existing policies.

Second: Mr. Kreiling.

The motion carried.

13. EXECUTIVE SESSION

Motion: The Chair moved that the Committee enter into Executive Session pursuant to Idaho Code Section 74-206 (1) to consider documents that are exempt from disclosure under YHI's public records policy and Idaho's public records act pursuant to Idaho Code Section §74-206 (1)(d) and to consider the evaluation of an employee pursuant to Idaho Code Section §74-206 (1)(b).

Executive Session Roll Call: The Chair called roll and determined that Mr. Erstad, Mr. Kreiling, and Dr. Livingston were present, resulting in a quorum.

The Committee entered into Executive Session at 12:09 p.m. and reconvened at 12:20 p.m. No final action or decisions were made while in Executive Session.

14. NEXT MEETING

The next meeting of the Governance Committee will be held in early June 2016.

15. ADJOURN

The Committee adjourned at 12:21 p.m.

Signed and respectfully submitted,


Mr. Kevin Settles, Committee Vice Chair