

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

**YOUR HEALTH IDAHO BOARD  
MINUTES  
FRIDAY, MARCH 16, 2018**

**1. BOARD MEMBERS PRESENT**

- Mr. Stephen Weeg, Chair
- Mr. Kevin Settles, Treasurer
- Mr. Hyatt Erstad, Secretary
- Mr. Tom Shores (via teleconference)
- Ms. Karen Vauk
- Dr. John Rusche (via teleconference)
- Mr. Dave Jeppesen
- Mr. Fernando Veloz
- Dr. John Livingston
- Ms. Margaret Henbest
- Mr. Jerry Edgington
- Ms. Janice Fulkerson
- Rep. Kelley Packer
- Director Dean Cameron
- Director Russ Barron

**2. OTHERS PRESENT**

- Mr. Pat Kelly, Your Health Idaho
- Mr. Kevin Reddish, Your Health Idaho
- Ms. Karla Haun, Your Health Idaho
- Mr. Jeff Hull, Your Health Idaho
- Mr. Layne Bell, Your Health Idaho
- Ms. Alanee DeRouen, Your Health Idaho
- Ms. Frances Nagashima, Your Health Idaho
- Ms. Stephanie Mathiesen, Your Health Idaho
- Ms. Miriam Holmberg, Your Health Idaho
- Ms. Meghan McMartin, Your Health Idaho
- Ms. Mandi Shawcroft, Your Health Idaho
- Ms. Wanda Smith, Your Health Idaho
- Ms. Cheryl Fulton, Your Health Idaho
- Mr. Mike Stoddard, Hawley Troxell
- Mr. Tom Mortell, Hawley Troxell
- Ms. Tresa Ball, HR Precision
- Ms. Lori Wolff, Department of Health & Welfare
- Mr. Peter Sorensen, Blue Cross of Idaho
- Ms. Moriah Nelson, Idaho Primary Care Association
- Ms. Judy Geier, DAG for DOI
- Mr. Mitch Toryanski, Regence Blue Shield
- Ms. Marni Packard, Select Health

- Mr. Norm Varin, Pacific Source Health Plans
- Mr. Bill Spence, Lewiston Tribune
- Ms. Tammy Perkins, Office of the Governor
- Mr. Brooks Kochvar, GS Strategies

### 3. CALL TO ORDER

Following proper notice in accordance with Idaho Code §74-204, the Board of Directors meeting of the Idaho Health Insurance Exchange (Exchange) was called to order by Mr. Stephen Weeg (Chair), at 9:00 a.m., Friday, March 16, 2018, at the State Capitol Building, Room WW17. In accordance with Idaho Code §74-203 (1), the meeting was held in an open public forum and was streamed in audio format on the Idaho Public Television web site.

### 4. ROLL CALL

Mr. Erstad called roll and determined that The Chair, Mr. Settles, Mr. Shores (via teleconference), Ms. Vauk, Mr. Jeppesen, Dr. Livingston, Ms. Henbest, Mr. Edgington, Ms. Fulkerson, Rep. Packer, Director Cameron, and Director Barron were present, resulting in a quorum. Rep. Erpelding was absent. Dr. Rusche joined (via teleconference) at 9:03 a.m. and Mr. Veloz arrived at 9:10 a.m. Senator Rice arrived at 12:34 p.m.

### 5. PUBLIC COMMENT PERIOD

The Chair asked for public comments and there were none.

### 6. PRIOR MEETING MINUTES

**Motion:** Mr. Erstad moved to approve the meeting minutes from the December 15, 2017, Board meeting as presented today. **Second:** Rep. Packer. **The motion carried.**

### 7. REVIEW OF AGENDA

There were no changes made to the agenda.

### 8. ANNUAL BOARD TRAINING

Mr. Stoddard, YHI's legal counsel, outlined the training and said the first 10 minutes will be spent on reviewing last year's training content, and the remainder of the time will be focused on general governance issues as suggested by Mr. Kelly and a few other Board members who attended the National Association of Corporate Directors (NACD) meeting on Board Best Practices.

#### a) Open Meeting Law

Mr. Stoddard said open meetings are designed to keep the public aware of what it is YHI is doing, as YHI is a government body, an Independent Body, Corporate and Politic. The ways in which Your Health Idaho adheres to this law is posting the notice 5 or more days prior to the meeting, posting the agenda at least 48 hours prior to the meeting, and in unique situations like when an agenda is amended during the meeting and what the "good

faith” reason is for changing the agenda. During the meeting, it is important to have someone record the minutes, and then it is very important to make those minutes available on the website within a reasonable amount of time. YHI’s current practice, since meetings are quarterly, is to post the DRAFT minutes within a few weeks of the meeting and then replace them with the approved minutes following the next round of meetings.

**b) Executive Sessions**

Mr. Stoddard said YHI generally holds Executive Sessions as part of a regular meeting. The important thing here is that the reason for holding the Executive Session must be indicated on the agenda and in the meeting minutes and requires a roll call vote with at least 2/3 vote to enter into Executive Session. One thing to add is that only the items noted may be discussed in Executive Session and no other topics may be discussed. No final actions may be taken during the session.

**c) Public Records Law**

Mr. Stoddard said Your Health Idaho is not technically subject to the Public Records Law; however, it does have a Public Records Policy of its own that are closely adhered to. The most important thing for this Board as it relates to public records are the rules around emails, texts, and other types of electronic communications. In order to minimize the burden of the public records laws on Board members, YHI has the Idahohix email that all Board communications should be cc’d to. This enables legal counsel to pull emails should there be a request, without accessing individual board member’s emails accounts. Please remember that if you copy your attorney on an email, it does not necessarily make it confidential if it relates to YHI business.

Chairman Weeg said many of us these days communicate via text. What rules apply to this? Mr. Mortell said that any text that is in communication with another Board member, the best practice is to delete texts on a regular schedule. That will ensure that you are not accused of deleting something outside of these rules.

**d) Governance v. Management**

Mr. Stoddard reviewed how far this Board has come from a working Board to more of a Governance role. Today, the Board is basically “big picture” and sits in more of a governance role. The Board sets missions, visions and values, focuses on long-term objectives, establishes or ensures that policies are in place, hires and oversees management, and reviews and responds to reports. Management, not the Board, takes the tactical steps to achieve the strategic plan, implements and enforces policies, handles day-to-day operations, deals with employment issues, and prepares and makes reports to the Board.

The Board has authority as a whole, but individual Board members do not have any authority. The Board must also have a quorum to act or make decisions and it may delegate authority to Committees or individuals.

**e) Board Roles**

Mr. Stoddard said Board roles include decision making, policy making, and oversight of management. Some of the specific items include strategic planning, hiring the Executive Director, determining services offered, and one of the most important thing the Board does is approve the overall budget. The board also approves contracts, general policies, and oversight of management. The Board ensures plans, policies, and mechanisms are in place, requires and reviews periodic reports, asks appropriate questions, follows up on issues that may arise, and holds management accountable.

The Board should not try to manage day to day operations, because the Board lacks time and information to manage effectively. The Board needs to focus on achieving the Exchange's mission, not micromanaging operations.

**f) Duties**

Mr. Stoddard reviewed the duties of the Board which include duty of care, duty of attention, and duty of loyalty. The Board owes fiduciary duty to the Exchange and to the general public, which includes the Governor, stakeholders, and consumers on the exchange.

For *Duty of Care*, Board members must act in good faith, act as an ordinarily prudent person in a like position under similar circumstances, and act in the best interests of the organization. A Board member may rely on reports and information from others, including officers and outside professionals.

Under *Duty of Attention*, Board members must become informed about the activities of the exchange: it's mission, activities, operations, and image. Board members should read all reports provided to the Board, and review and understand financial data provided to the Board. Ultimately, it is the Board that will be responsible for the success or failure of the exchange, so the financials are very important.

Chairman Weeg said Mr. Kelly and Ms. Fulton do a diligent job getting all the materials out on a timely basis, and he asked the Board if they see it that way as well. Board members said yes.

Mr. Stoddard said Board members should attend and participate in all Board meetings, ensuring that meetings are properly called, noticed, and conducted. Board members should also read and understand all board materials, ask questions and request clarifications, and have meaningful and complete discussions of the issues. Board members are also responsible for ensuring that minutes accurately reflect proceedings and votes. Mr. Mortell added that this is important because although the law typically allows Boards like this to make mistakes, and not be held responsible for those mistakes, if one had a thorough discussion of the issues and thoroughly vetted it, and still makes a mistake, the law says that's okay and doesn't hold Board members responsible, and this should be documented in the minutes. If you don't give the topic the attention it needs,

and it isn't documented, and the result damages the organization, the law is less likely to let that slide.

The Chairman said in the way YHI functions now, The Board delegates the topics to the Committees have the deep dive discussions and then they bring the topic to the Board at a much higher level. Mr. Mortell said that is fine, this Board just never wants to get into a posture where it is just rubber stamping everything management brings forth.

Ms. Henbest asked about the thoroughness of the minutes. Mr. Mortell said he and Mr. Stoddard have observed everything this organization has done from the start and they have no issue with this. This is just a yearly reminder that these are important topics for new Board members and that they will be decisions respected by the law.

Mr. Settles said the finance team does a great job with providing just the right amount of information as it relates to financials. Mr. Veloz added that as a Finance Committee member, he knows that the Committee does a great job of digging into the details of the budget and audit and asking questions and he is certain YHI is making sound financial decisions.

Mr. Stoddard said where this Board is unique in terms of classes, is board members come with skill sets that help guide the exchange. The Board may rely on Board and Committee reports as well as professional advice from consultants (audit reports, reports from legal counsel, etc.)

Mr. Stoddard said *Duty of Loyalty* unique for this Board as we have Board members that have business with or through the exchange, and pursuant to our statute, board members represent a certain class or group of people. They are representative of groups and keep that in mind when they ask questions and bring topics to meetings. Duty of Loyalty also means loyalty to the organization. Most Boards don't have this conflicting duty.

A Board member must also act in a manner that doesn't harm the organization, cannot secure personal benefit, or benefit for a third party. Conflict issues are really unique because of these classes. If the actions take consideration of all in the class the same, then there is no conflict. But if it impacts one board member in the same class differently than the others in that class, or benefits them, they are to recuse themselves from the vote. However, we do want that board member to participate in the discussion because of their expert opinions.

**g) Private vs. Governmental Board**

Mr. Stoddard said because of YHI's unique nature, there is more flexibility than with private Boards. One thing to remember is Board members may be removed by the Governor at any time. Sometimes it is not clear to whom duties are owed as we do not have shareholders, but we do have stakeholders. There are also unique statutory conflict provisions and statutory limitations on the scope of the business operations. Finally, the necessity of complying with the requirements of open meetings (which are inconsistent with private corporations), can be burdensome.

## **9. 2018 OPEN ENROLLMENT UPDATE**

Mr. Kelly said following Open Enrollment, there is always a settling of who signs up and who actually pays to effectuate their coverage. At Your Health Idaho, we have one of the highest effectuation rates in the country, a little over 90 percent. In January, we show 97-thousand effectuated enrollments, or around 95 percent. As of the end of February we have about 94-thousand, which is still above a 90 percent effectuation rate. And for March, early indications are that we will be consistent with those two prior months.

The average premium is about \$500 and the metal tiers shifted due to the lack of CSR funding. As you can see, more Bronze plans were selected than ever before. The carrier mix has also shifted with BCI and MHC increases largely due to the exit of Bridgespan while Select Health was down slightly year over year.

### **a) Customer Experience**

Mr. Kelly said as we have reviewed the data from open enrollment, we are pleased to report tremendous gains in the customer experience compared to last year. The average time customers had to wait on the phone dropped by more than 50 percent and the average time to handle their issue declined by 19 percent. The overall time to resolve issues declined, yet quality scores improved by 12 percent.

Our focus now is to identify additional opportunities for improvement through the introduction of a Net Promoter Score, or NPS. This allows the customer to rate the quality of the call and their experience with YHI. Once we establish a baseline NPS, we can then expand the survey to identify specific areas for improvement.

In the coming months, YHI will automatically uptrain our representatives in the support center and provide internal certification opportunities. This will allow for agility and workload balancing as our workstreams shift.

YHI is also increasing our resources focused on special enrollment periods, as those volumes increase following the end of the Open Enrollment period.

Finally, Mr. Kelly said YHI will continue to improve the appeals process by identifying areas of the business that drive appeals as well as any process breakdowns within the appeals area itself.

Director Cameron asked in reference to the effectuation rate, which is the highest in the nation, what the comparison is to 2017. Mr. Kelly said it was right around 90-thousand. Mr. Kelly said it's a difficult comparison because Open Enrollment didn't end last year until January 31. A better comparison would be March or April of 2017 to February 2018. Director Cameron asked if YHI anticipates an increase in enrollment this year. Mr. Kelly said we expect it to remain relatively flat. Director Cameron said they are in the process of collecting data at the DOI, but the data so far is showing that Idaho lost about

60,000 in the individual market, though they aren't sure where those people are (exchange vs. individual plan).

***Dr. Rusche (via teleconference) left the meeting at 10:02 a.m.***

Dr. Livingston asked if we have any way to identify how many people are eligible to be signed up vs. who is signed up. Mr. Kelly said that information has been requested from Milliman, and when we receive it, we will share it with the Board. Director Cameron added that the DOI's data shows there are about 250,000 Idahoans without coverage, with about 50-70,000 in the gap population. We believe a large number would be eligible for coverage through the exchange but don't qualify for a tax credit so they don't participate. We have about 850,000 Idahoans that are insured in some sort of plan.

Mr. Kelly shared call metrics which show a slight decrease in calls handled year over year of about 3 percent. We have also had a significant improvement in average handle time of about a 19 percent decrease. The average time a call takes is steady at ten minutes.

Internally, our weekly quality scoring process has been simplified with a focus on accountability and a "One Thing" approach, which means what is one thing our customer advocates can work on based on listening to a completed call with their supervisor and apply those learnings prior to the next QA review session.

Mr. Kelly said in regard to case-turnaround, since last year, we have seen a 75 percent drop in cases that took more than a week to resolve. In addition, almost 95 percent of our cases are resolved in three days or less.

In order to continue these improvements, it's important to identify what drove those improvements. There are several actions we took that impacted the entire support infrastructure. First, we introduced a written team during open enrollment to focus on our agents. Another is the focus on reconciliations which resulted in improvements made to 1095s, further reducing inquiries. The third was improving our training to provide more effective and efficient service. The result is an overall improvement to our turnaround time that is on track for our experience goal.

## **b) Appeals**

Mr. Kelly said one thing to consider when reviewing appeals is how the recent open enrollment period was shortened and the substantial increase in appeals following open enrollment. What we know from historical data is that about 45 days following the last day of OE is the peak for appeals. After Day 45, the volumes decline.

The majority of appeals this year were related to dates. And despite our best efforts to communicate the shortened enrollment period, we saw a number of appeals related to missing the deadline. While the overall volume of appeals did increase, the time to respond is down significantly. Our turnaround time has improved more than 50 percent compared to last year.

The number of days to resolve cases dropped from fourteen last year to six on average this year. Additionally, the quality of the appeal process has improved as well as evidenced by the fact that to date, we have had no appeals hearings in the last six months, nor do we have any scheduled in the coming months.

Ms. Henbest asked about the 165 cases related to the deadlines. Will we accelerate that next year or will people settle into the new deadlines? Mr. Kelly said we will start early again this year in promoting the earlier deadline. In terms of additional focus on the deadline, this goes to trying to change habits of people, and we will just continue what we did this year which was consistent messaging around the new earlier deadline.

**c) 1095-A's**

Mr. Kelly said he is very pleased to report that the correction rates on 1095's are more than 10 percentage points lower than last year. This is due to a significantly improved reconciliation process, data integrity improvements, strengthened partnerships with the carriers, and overall 1095-A process improvements. As a result, we were able to send 100 percent of the forms by the January 31<sup>st</sup> deadline.

Our correction rate is currently at 2 percent with voids less than 1%. The vast majority of the corrections are due to address and demographic updates that do not impede the ability of the consumer to file their taxes.

Mr. Erstad asked if CMS provided any guidance as to what will transpire next year without the individual mandate. Mr. Kelly said in terms of 1095-As, since the tax credits will continue independently of the mandate going away, it would not impact YHI's 1095-A process. The form that is generated by the carriers may be affected. Director Cameron said to his knowledge, there has been no direct communication from CMS on this issue.

**10. LESSONS LEARNED**

Mr. Kelly said while the recent open enrollment had many successes, we quickly focused on lessons learned. We started gathering lessons learned during open enrollment to ensure that the lessons were captured while fresh. The most visible lesson learned is to hold our annual open enrollment summit earlier which is now scheduled for the third week in April. This will allow additional time to implement process improvements well before the next OE.

Internally, we noted some activities that worked very well and we want to keep such as earlier hiring of seasonal workers, training in modules, extended support center hours, using social media, improvements to record-keeping that reduced returned mail, as well as the dedicated written team.

Areas we want to improve include the account linking process, support center hours of operation post deadline dates, our internal communication, and revisiting YHI's change management process.



## **11. TECHNOLOGY UPDATE**

### **a) Technology Performance**

Mr. Kelly said some of the improvements just mentioned will be addressed by the technology roadmap, and particularly the linking problems.

In May of this year, we will add data elements that are critical to the account creation process. This is the linking between the eligibility decision at DHW and the enrollment process at Your Health Idaho. This is followed in July with further improvements to the linking process and the addition of provider and formulary searches directly in the HIX. We will also make updates to prepare for the uploading of 2019 carrier plans in SERFF.

Then in September, we will make some changes to align with CMS reporting changes; improve the experience on mobile devices and add a screen pop for consumers to validate and update their demographic information. This in turn will reduce returned mail and hopefully reduce the 1095 correction rates.

In December, we will need to update the configurations and layout on the 1095-A statements for tax year 2018.

Mr. Shores has real concerns about the provider and formulary search. He believes this should not be on the exchange but through the carriers since it is often incorrect information. Mr. Kelly said the underlying data will come directly from the carriers so that information would be the same on either site. This information would be accessible during the shopping experience. Mr. Reddish said he plan is to do a monthly data reconciliation with the carriers.

Mr. Erstad asked the carrier partners if they are comfortable having this on the HIX. Mr. Jeppesen said BCI is in support of this since the most common question is if a consumer's doctor is within network and at what coverage level are their prescriptions. Mr. Edgington said they will continue to make that information available to consumers on their site and supports the idea that it is available in another location.

### **b) GI Spending Authority**

Mr. Kelly said with our technology roadmap and our focus on the customer experience, we have our request that we will formally address later this morning regarding our authority to spend with GetInsured. The capital request for these changes are through plan year 2018, so a little bit of fiscal year 2018 and a little bit of fiscal year 2019, is about 1.5 million dollars. There is contingency in the budget of about \$600 thousand for CMS reporting requirements and have been accounted for in our proposed 2019 CAPEX budget. This is only relative to change requests. We will revisit this spending authority change after the FY19 budget review later this morning.

## **12. OUTREACH & EDUCATION UPDATE**

Mr. Kelly said shortly after Open Enrollment ended, we surveyed our consumer connectors (agents/brokers/enrollment counselors). Respondents overwhelmingly reported the level of

service during open enrollment was good to excellent. When asked what we could work on – we heard about processes, system, and training issues. The areas for training focused primarily around APTC eligibility and account linking.

We have already begun preparations for training for the next OE, including online and live coursework. We also had our scheduled mid-year updates with our two enrollment entities to ensure enrollment counselors are helping with the application process and not plan selection. This was a concern raised in the September Board meeting and the enrollment counselors have remained in their swim lane.

We have lots of room for improvement and continue to incorporate feedback into our training, our communications, and our system.

Mr. Kelly said now that we are beyond Open Enrollment, our Outreach activities have turned toward qualifying life events, and general awareness of coverage ensuring that Idahoans are understanding the value in being covered. We are now polishing our strategic outreach plan which includes events that we will host, participate in, or provide materials for. We are looking into possible Special Enrollment events for those aging off their parents' coverage and for those too young for Medicare. We are still in the planning stages and will keep you posted.

The areas we are focusing on to improve include a predictable plan of events and activities, more materials available in Spanish, and covering all geographic areas of the state.

Mr. Kelly said YHI's media coverage throughout open enrollment was mostly positive. News media about Your Health Idaho through the end of January was either neutral or favorable 93 percent of the time. Post Open Enrollment, we switched our messaging to promote both the value of healthcare coverage, and the qualifying life events for coverage outside of open enrollment.

In our lessons learned, we determined that beginning advertising early in late October is very helpful to build interest and awareness and we plan to repeat that but with a freshened ad campaign and web presence. We will focus on relevant messaging given the potential changes occurring to the Idaho insurance offerings.

Another area of focus is improvements to our front-end website. We are looking at ways to enhance navigation for the customer experience, align with our brand and refreshed advertising. We also hope to add value with pages that promote our events and allow for customer testimonials and to share their stories.

After the results of a discovery phase, we would like to submit an RFP for the design, development, and implementation of a website refresh. We will revisit the RFP decision following the review of the proposed FY19 budget.

Mr. Edgington, Chairman of the Marketplace Committee, said that Mr. Kelly summed it up pretty well and this Committee does really dig down and discuss these topics. The results have been so positive and all of the parties that participated this year have seen good results as well.

### **13. POLICY UPDATE**

Mr. Kelly said YHI continues to monitor federal activity towards stabilization legislation, but no bills have advanced at this point. As of this morning, the prospect of stabilization bills is trending downward. We continue to watch that space and although it has been up and down, the areas of focus continue to be the topic. There is talk of funding CSRs in 2019 which would be great from a customer experience standpoint and providing a federal reinsurance mechanism. The latest information is that it could be in the March Omnibus package. Final payment rules for 2019 have not been announced yet. Originally, they were to be released in February, but we haven't seen anything yet. This will help guide plan design and technical changes for 2019.

The Chair asked if there is any word on the association health plans or 364 health plans? Mr. Kelly said they are trying to add some policy guidelines relative to the stabilization rules in the 364 plans, but right now, we just continue to watch that.

Director Cameron said they have submitted the proposed rules for the 364 health plans, they are taking public comment for about 60 days, and then a period of time to review the comments and finalize the rule. There is potential for extensions of those dates.

Mr. Kelly said we continue to review at the state level, but it appears the Idaho Healthcare Plan, or dual waivers, has been shelved. Applications with our federal partners have not been pulled back but no active discussions are occurring.

The other state policy item relates to the Governor's executive order for state-based health plans outside of the exchange. The order was issued January 5<sup>th</sup>, with plan guidelines issued by the Department of Insurance later that month, and Blue Cross filed plans February 13<sup>th</sup>. This was followed by a letter from CMS on March 8 suggesting the plans would not be allowed, but they would like to work with Idaho on solutions. We will share potential operational and financial impacts to YHI as part of the budget discussion later this morning.

Director Cameron said the DOI continues to meet with CMS and discuss areas where agreement can be found and to discuss areas where the guidance has been misunderstood. He read the letter as an invitation to continue the discussion, and as CMS expressing concerns with 8 points that will find outside of substantial enforcement. Of the eight issues they had question on, we have expressed that we will add clarity to those items. Issues that can be addressed will be shared more formally in the upcoming weeks. CMS has pushed us towards the short-term and 364 plans, but Idaho is in opposition to that, and we believe that bifurcates the market further. We believe our approach consolidates the market and brings a healthier approach back into the overall risk pool. After analyzing the data, our risk pool is shrinking and becoming less and less healthy and that is systemic with the way the ACA was developed. Idaho's state-based plans are driven to enhance the health of the pool, which benefits everyone. CMS has committed to reviewing our revisions, and our interpretations of the statute and we have a fairly healthy dialogue going on. He added that CMS and CCIIO have continued to show support of the dual waiver approach, and are working with us to resolve the issues that are surrounding that.

***The Board took a break at 10:50 a.m. and reconvened at 10:57 a.m.***

## **14. GOVERNANCE**

### **a) Employee Handbook Updates**

Mr. Kelly said we have made minor updates to our Employee Handbook. We have incorporated HR into our complaint handling and retaliation process. We have also made changes to our professional development policy where exceptions will require advance approval from the Executive Director. And our paid time off will accrue at the same rate for exempt and non-exempt employees. If approved, new PTO accrual rates reflected in the 4/1/18 employee handbook are effective 7/1/18, to align with our financial year.

### **b) Travel Policy**

Mr. Kelly said an item on our roadmap to review is the terminology used with our travel policy. We are proposing changes to ensure people use the most economical method of transportation for situations outside of the city of Boise.

### **c) Strategic Staffing Plan**

Mr. Kelly said as part of the budget process, the Governance Committee reviews YHI's strategic staffing plan. We now understand that our headcount is lower than our original projections when the support center was integrated at YHI. The reason for that is that the original plan was developed before we had sufficient months of operations under our belt outside of open enrollment. Now that we have had time to analyze actual call volumes and customer trends, we are budgeting for slightly lower headcount year-round in the support center.

YHI's structure allows for upward mobility within YHI, based on three key tenants: the customer experience, that resources meet our business need and our low-cost promise, and that it encourages cross-functional work within YHI. Overall, our headcount is sufficient to achieve our goals while remaining fit for purpose.

I am most proud of the opportunities that are available to our team members to move up within YHI. We've seen a number of team members take advantage of these opportunities following the close of this most recent open enrollment period.

### **d) Compensation Plan**

Mr. Kelly said also part of the budget process is the market review which included compensation and all positions within YHI.

The review resulted in adjustments to our minimum, midpoint, and maximum of the pay range. The resulting increase to the budget is \$32-thousand. The proposed FY19 budget also includes 3% merit increases effective July 1, 2018.

And finally, we also looked at total compensation, including benefits and employer contributions to ensure YHI remains competitive within the valley. The review found that YHI is generally competitive and so no changes at this time are contemplated.

e) **YHI Goals**

Mr. Kelly said also part of the Governance Purview is our goals. YHI's strategic goals remains constant: to provide a flawless customer experience. And that is when 5 percent or fewer of our customers require more than two touches to resolve their issue. We have made progress in this area. Last year at this time about thirteen percent required more than two touches. And this year, it was down to ten percent. We are not proposing any changes to our strategic goal.

Operational goals for this fiscal year remain. For the Idahoans Experience, there are two parts for this goal: completion of the delivery of the 1095 tax statements and case resolution time. For the delivery, we achieved 100 percent and for the case resolution, we are trending at 80 percent. For retention and enrollment, we are trending at 60 percent for retention, and 80 percent for our enrollment goal. Risk management goals were achieved at 100 percent in both incidences and favorable media coverage. Low-cost promise, which is centered on YHI's cash balance, is tracking at 100 percent.

Our newest goal of Employee Engagement is being addressed in three areas: a revitalized employee engagement task force, manager learn and share sessions focused on best practices, and the deployment of COMPASS into our daily work and conversation. COMPASS outlines our values. This has been a great way to keep it top of mind.

Mr. Kelly said looking at YHI's upcoming fiscal year, our goals will remain the same but we are looking into different metrics. We will keep the Idahoans' experience, but we will include a Net Promoter Score as well as measured improvement on our linking accounts process. For the enrollment goal, we are seeking modest growth but with high retention. For risk management, we will focus on educating our employees around keeping data safe and secure. For the low-cost promise, we will keep that focused on cash reserves. And for employee engagement, responses from the Gallup poll will continue to be our focus and the incorporation of COMPASS.

Assuming these concepts are aligned with the Board's expectations, YHI leadership will review and specific metrics will be brought before you in June for approval.

Ms. Henbest said as you can see, we had a pretty busy Governance Committee meeting. One of the responsibilities of the Governance Committee is to provide guidance around the annual Board training and we would appreciate feedback from that today. Finally, we would like feedback from the Finance Committee on the interaction between compensation and staffing levels.

**Motion:** Ms. Henbest moved that the Board, as recommended by the Governance Committee, approve the changes to the Employee Handbook as presented today. **Second:** Mr. Jeppesen. **The motion carried.**

**Motion:** Ms. Henbest moved that the Board, as recommended by the Finance and Governance Committees, approve the changes to the Travel Policy as presented today. **Second:** Mr. Settles. **The motion carried.**

**Motion:** Ms. Henbest moved that the Board, as recommended by the Governance Committee, approve the Strategic Staffing Plan for Fiscal Year 2019 as presented today. **Second:** Ms. Fulkerson. **The motion carried.**

**Motion:** Ms. Henbest moved that the Board, as recommended by the Governance Committee, approve the Compensation Plan for Fiscal Year 2019 as presented today. **Second:** Mr. Erstad. **The motion carried.**

## **15. EXECUTIVE SESSION**

**Motion:** The Chair moved that the Committee, pursuant to Idaho Code Section 74-206 (1), convene in Executive Session to consider records that are exempt from disclosure as trade secrets under YHI's public records policy and Idaho's public records act and to consider preliminary negotiations involving matters of trade or commerce in which this governing body is in competition with another governing body pursuant to Idaho Code Section §74-206 (1)(d) and (e).

**Executive Session Roll Call:** Mr. Erstad called roll and determined that The Chair, Mr. Settles, Mr. Shores (via teleconference), Ms. Vauk, Dr. Rusche, Mr. Jeppesen, Mr. Veloz, Dr. Livingston, Ms. Henbest, Mr. Edgington, and Ms. Fulkerson were present, resulting in a quorum.

The Committee entered into Executive Session at 11:15 a.m. and reconvened at 12:32 p.m. No final actions nor decisions were made while in Executive Session.

## **16. FINANCE & BUDGET**

*Senator Rice joined the meeting at 12:35 p.m.*

Mr. Settles said February is a heavy lift for this Committee with two meetings. The first meeting of the Finance Committee was very exciting and focused on the approval of the financials from the second quarter and then the second half was looking at the operating expenses for the FY2019 budget. YHI does such a great job of laying this out for us. Where it got confusing was the second meeting where we focused on revenues. There is so much that is up in the air, CSR's, state-based plans, and how all these things could potentially change or affect our revenues. We didn't recommend any major changes and were fairly conservative, but we are ready for when something does happen. Milliman is ready to adjust our model based on these outside influences and we can quickly know how the changes will affect our revenue streams.

**Motion:** Mr. Settles moved that the Board, as recommended by the Finance Committee, approve the financial statements for Fiscal Year 2018 through December 31, 2017 as presented today. **Second:** Senator Rice. **The motion carried.**

**Motion:** Mr. Settles moved that the Board, as recommended by the Finance Committee, approve the Fiscal Year 2019 Operating Expense Budget at a not-to-exceed amount of \$9,959,921 as presented today. **Second:** Senator Rice. **The motion carried.**

**Motion:** Mr. Settles moved that the Board, as recommended by the Finance Committee, approve the Fiscal Year 2019 CAPEX Budget at a not-to-exceed amount of \$1,200,000 as presented today. **Second:** Senator Rice. **The motion carried.**

**Motion:** Mr. Edgington moved that the Board, as recommended by the Marketplace Committee, delegate signing authority to the Executive Director to execute Change Requests with Vimo, Inc., doing business as GetInsured, in an amount not to exceed \$47,837,671 (exclusive of M&O), which represents an increase of \$1,485,671 over the existing authority, which is included in the proposed Fiscal Year 2019 Capital Expenditure budget. **Second:** Dr. Livingston. **The motion carried.**

**Motion:** Mr. Edgington moved that the Board has determined that there is only one vendor reasonably available to provide Maintenance and Change Requests and Operations services currently being provided by VIMO, Inc. (dba GetInsured) and that YHI should continue to contract with GetInsured for those services. Accordingly, and consistent with YHI's Procurement Policy, I move that the Board approve the extension of the contract with VIMO, Inc. (dba GetInsured) for a period of five (5) years, January 1, 2019 through December 31, 2023, in an amount of \$6,983,232 for Maintenance and \$4,250,000 for Change Requests, and that the Executive Director and Chair of the Marketplace Committee would be authorized to negotiate and execute such extension. The amount of \$667,279.80 for Maintenance and \$425,000 for Change Requests is included in the Fiscal Year 2019 budget, and it is anticipated the Board will include amounts in each subsequent years' budgets consistent with the total amounts approved by this motion. **Second:** Mr. Veloz. **The motion carried.**

**Motion:** Mr. Edgington moved that the Board approve a Request for Proposal for website redesign, at an amount not to exceed \$35,000. This amount falls within the approved Fiscal Year 2019 budget. **Second:** Ms. Fulkerson. **The motion carried.**

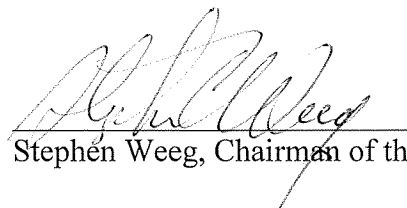
## **17. NEXT MEETING**

The Chair said the next meeting will be held in June.

## **18. ADJOURN**

There being no further business before the Board, the Chair adjourned the meeting at 12:32 p.m.

Signed and respectfully submitted,



Stephen Weeg, Chairman of the Board