

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

**YOUR HEALTH IDAHO BOARD
MINUTES
APRIL 18, 2014**

1. BOARD MEMBERS PRESENT

- Mr. Stephen Weeg, Chairman
- Mr. Scott Kreiling, Vice Chair
- Mr. Hyatt Erstad, Secretary
- Ms. Zelda Geyer-Sylvia
- Mr. Tom Shores
- Mr. Dave Self
- Mr. Mark Estess
- Ms. Karen Vauk
- Mr. Kevin Settles
- Mr. Fernando Veloz
- Dr. John Livingston
- Ms. Margaret Henbest
- Senator Jim Rice
- Representative Kelley Packer (via teleconference)
- Representative John Rusche
- Director Bill Deal
- Director Dick Armstrong

2. OTHERS PRESENT

- Ms. Amy Dowd, Your Health Idaho
- Mr. Alberto Gonzalez, Your Health Idaho
- Ms. Jody Olson, Your Health Idaho
- Mr. Pat Kelly, Your Health Idaho
- Ms. Cheryl Fulton, Your Health Idaho
- Mr. Tom Mortell, Hawley-Troxell
- Mr. Mike Stoddard, Hawley-Troxell
- Ms. McKinsey Lyon, Gallatin Public Affairs
- Ms. Natalie Podgorski, Gallatin Public Affairs
- Ms. Ysabel Bilbao, Gallatin Public Affairs
- Ms. Melanie Schoenberger, GetInsured
- Ms. Renee Owings, Optum
- Mr. Gerald Massey, Accenture
- Mr. Josh Tauber, Accenture
- Ms. Eva Szalewicz, Accenture
- Ms. Emily Patchin, Maximus
- Mr. Shad Priest, Regence
- Mr. Woody Richards, Attorney

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 8:06am, Friday, April 18, 2014, 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.

4. ROLL CALL

Mr. Erstad called roll and determined the Chair, Mr. Kreiling, Ms. Zelda Geyer-Sylvia, Mr. Shores, Mr. Self, Mr. Estess, Ms. Vauk, Mr. Settles, Mr. Veloz, Dr. Livingston, Ms. Henbest, Senator Rice, Representative Packer (via teleconference), Representative Rusche, Director Deal, and Director Armstrong were present, resulting in a quorum.

Mr. Agenbroad was absent.

5. PUBLIC COMMENT PERIOD

There were no comments from the public at this time.

6. APPROVE PRIOR MINUTES

Motion: Mr. Erstad moved to approve the minutes from the March 14, 2014 meeting.

Second: Representative Rusche.

The motion carried.

7. REVIEW OF AGENDA

Motion: Mr. Estess proposed to amend the Agenda to add an Executive Session immediately following QHP Standards and follow that with a Marketplace Committee report.

Second: Representative Rusche.

The motion carried.

8. EXECUTIVE DIRECTOR REPORT

Ms. Dowd informed the Board that there are no new numbers from CMS until Thursday, April 24th. She could not provide ballpark figures but asked if carriers had any figures, to share those at this time. Ms. Geyer-Sylvia shared the Blue Cross number of 45,000 effectuated enrollments through the end of March. This is just medical enrollment and does not count dental enrollments.

(a) Phase II Technology Solution Updates

YHI Technology Solution Guiding Principles: Ms. Dowd said with regards to the Phase 2 Technology Solution, YHI is holding strong to their guiding principles of developing a low cost

solution that is financially self-sustainable, offers a secure, simple and user friendly customer experience and leverages existing solutions and infrastructure wherever possible.

Technology Solution and Key Milestones: Ms. Dowd reported that on April 15, 2014, CMS provided verbal support for the design of the Idaho technology solution and said they are very pleased with Idaho's progress. YHI is working closely with DHW to develop a Memorandum of Understanding (MOU) which will include a cost allocation plan and agreements between entities on service level agreements, metrics and how the entities will work together in the long run. She anticipates presenting the MOU at an upcoming Board meeting. YHI, DHW and the vendors have agreed to begin a weekly leadership status forum which includes leadership from each entity to ensure the project remains on track and that all are aligned in the shared vision.

Ms. Dowd stated that the team has been updating and tightening the project plan and has started focusing on an integrated end-to-end test plan. Key project milestones of this plan include the data migration decision, the November solution finalized, the carrier plans loaded and finalized, the brokers, agents and assistors trained and, finally, CMS approval. In Release 1 (Plan Management and Agent Assistors), key milestones include the privacy and security consult and the live release. In Release 2 (Account Creation, Verification, Eligibility, Plan Selection, Portal), key milestones include system testing and the live release prior to November 15, 2014.

Mr. Shores said that from agent standpoint he would suggest moving up the training from October to September. Mr. Gonzalez responded by saying that training won't go out that far and that YHI is currently revising the training from last year for in-person assistors. The Marketplace Committee approved the LMS solution and it will be loaded in May and training will begin in June. Mr. Gonzalez said the team will include Mr. Shores in reviewing that training.

Data Migration Update: Ms. Dowd said where YHI's risk has been mitigated in YHI's CMS design, risk has not yet been mitigated in a renewal strategy and the team is working closely with DHW and CMS to determine an approach to transfer information from the federal platforms into YHI's system.

IV&V Vendor Update: At the March 14 meeting, the Board approved a motion to award a contract to FirstData to be the IV&V vendor in an amount not to exceed \$1.2M. The contract negotiations and finalization of the work plan continue and she anticipates a kick-off meeting with FirstData in late April.

YHI Project Decision Log Update: Ms. Dowd said YHI continues to work through the decision log and will escalate decisions requiring Marketplace Committee and/or Board approval as they arise. An updated version of the Decision Log will be saved on the Hawley Troxell shared server for the Board's review.

(b) YHI Personnel Updates

YHI Staffing: Ms. Dowd said YHI has a number of open positions or positions that will be open soon including a Director of IT, an Accountant and a Policy Analyst. For the Director of IT, YHI is actively recruiting candidates and scheduling interviews. The Policy Analyst position will be posted at the end of the month with policy supports being reviewed for staffing needs. And YHI has an Accountant position currently open. By the end of April there will be an update on YHI's

ongoing staffing model and YHI will work with the Personnel Committee on an approach to filling those needs.

YHI PTO Policy: Ms. Dowd said the YHI PTO policy has been updated based on the recommendations of the Board and is provided in the Board materials. That new policy will become effective today.

(c) Strategic Planning Session Update

Ms. Dowd reported that the strategic planning session was moved from May 20 to May 21 and that the Board Meeting is being bumped to May 22. The location has been changed and will be confirmed later today but will remain in Boise. The team is working closely with the facilitator Marsha Bracke to develop an agenda and will have a discussion with Chairman Weeg and Dr. Livingston later this week and will then bring it to the Governance Committee for final review. The goal of the session in the morning will be alignment where the Board looks at the key focus areas for the next year to launch Idaho's technology solution and to assure YHI continues on a path of financial sustainability. The afternoon session will include a guest speaker to talk about the important trends and relevant topics to Idaho in Health Insurance. Following the speaker session will be a discussion on how those trends will affect the Exchange and sustainability planning.

The Board discussed what the specific goals of and important take-aways from the sessions should be and agreed that having specific goals for 2015 is the top priority.

(d) Board Decisions Roadmap

Ms. Dowd reported on the upcoming events and noted that the Board can access this document in the appropriate file on the Hawley Troxell shared file and Ms. Fulton will send out an electronic copy of the roadmap to the Board following the meeting.

9. OUTREACH & EDUCATION REPORT

(a) Contract Overview

Ms. Olson discussed SOW #5 and named the various teams members involved including Gallatin Public Affairs, GSSG, Burson-Marsteller and Proof. She said the Committee is looking to bring an Idaho creative firm into this grouping. The scope of work includes project management & strategy, HHS/CCIIO interface support, market research, branding & key message development, web site development & management, paid media (production and advertising), earned media, social & digital media, community outreach and other expenses. She reported that the O&E budget is expected to be \$8-900K below budget once all bills have been recorded and paid.

(b) O&E Strategic Planning for 2015 Open Enrollment

Ms. Olson shared the items coming up between April 1, 2014, and FY15, June 30, 2015.

- Strategic Reset – This includes where we are right now and lessons learned.
- Awareness – YHI needs to maintain awareness and let Idahoan's know things are changing.

- Outreach & Education – This includes getting out in the communities and letting people know what they need to do for open-enrollment.
- Enrollment & Wrap-Up

Ms. Olson said that throughout this entire period, YHI will be doing very specific targeted marketing and community outreach for ongoing open-enrollment.

(c) Projected 4/2015 – 6/2015 Budget

Ms. Olson said the O&E Committee is not asking for approval for this budget, but this is a best guess now for the activities that are currently being worked on. She said we have more knowledge today than when we started and we put this together to see what the numbers might be. How we present this to the Board is through Scopes of Work to discuss and approve.

(d) Scope of Work #5

Ms. Olson said the team is still planning outreach events including bridal shows, community forums and workshops, fairs and is still working with support for tribes and the business communities.

Ms. Henbest suggested asking the appropriate government agencies if they would be willing to attach some sort of memo to marriage licenses or birth certificates to remind Idahoan's of the ongoing special enrollment period.

Ms. Olson said YHI will continue to do some form of paid advertising like search engine optimization and search engine marketing, but not much radio and television because YHI is currently in a process of reset and research. She said two lessons learned meetings have been held to this point. The first was with the CPAC group, where the team asked them about their experiences with open enrollment and documented their feedback. The second meeting included people from Gallatin, some of the agents and brokers and the vendors that assisted with open-enrollment. She said the team gathered their experiences and will produce a lessons learned document. One of the things we learned was that our greatest strength is our agents and brokers, so we want to look at ways to enhance that in the future. She said the team will also be launching a post-enrollment phone survey engaging with people that have purchased a plan on the exchange to see what their experience was and what motivated them.

Mr. Erstad said there will be an open-enrollment for Medicare beginning on October 15 and suggested the team put the message out to differentiate it from YHI's open-enrollment that begins November 15.

Mr. Self said as we learn about this and we can start to segment the universe of consumers in Idaho, it should be central to what we think about in the strategic planning day. We need to understand who enrolled, who we still need to touch and start putting a more refined approach in place. He said that is a strategic imperative and would prefer to spend time doing this rather than listening to speakers in the upcoming strategy session.

The Chair asked if we will know of the new enrollees, how many are rollovers from private plan and how many are newly insured. Ms. Olson said the research is going to be one of YHI's strengths as we try to identify these things.

The Chair asked if the phone survey will be available at the strategy sessions. Ms. Olson was not sure on timing but will try to move process along.

In review, Ms. Olson said the SOW #5 budget, beginning today thru June 30, includes the typical buckets and totals \$406,300.

Motion: Ms. Vauk moved to extend the Master Services Agreement with Gallatin Public Affairs and its subcontractors through Scope of Work #5 which will run April 22 through June 30, 2014 in an amount not to exceed \$406,300.

Second: Mr. Self.

The motion carried.

Representative Rusche expects that between now and the end of May there will be a lot of negativity surrounding the Exchanges and the Affordable Care Act and after that in the national media through the elections in November. He said while we cannot and shouldn't play in electoral politics, there would be value in countering falsehoods and presenting positive experiences by using earned media. Ms. Olson agreed and said that part of that earned media will be used for developing positive testimonials and addressing many of the falsehoods that might be out there.

10. FINANCE REPORT

(a) Assessment Fee for the upcoming Open-Enrollment

Mr. Kelly began with a reminder of YHI's current approach which is a 1.5% assessment fee on policies sold via the Exchange, which are held in a separate account for use in our self-sustainability period.. The assessment fees are collected monthly from all carriers. He continued by stating that each year the YHI Board must vote on the Assessment Fee for the upcoming open-enrollment. Visibility into YHI's operational posture and resulting expenses is key to determining Assessment Fee levels and prudence is needed in determining the proper level such that we adjust the Assessment Fee in proper alignment with expenses. He said given the CMS guidance as it relates to YHI's technology solution, YHI is still working to determine a more accurate view of the operating expenses it will incur during self-sustainability and therefore YHI is requesting that the Finance Committee recommend no change to the current Assessment Fee of 1.5%.

Mr. Self asked if there has been any pro forma work done to project and to get a sense of what kind of war chest the Exchange is sitting on as we head into 2016. Mr. Kelly said yes, but it depends on what level of detail you are looking at. Our March Assessment Fee revenue was approximately \$170k so if you annualize that, you get a fairly good sense of what our reserves will be at 12/31/2015.

Mr. Kreiling asked, in regards to the recommendation on the table today for further assessments, if this will be locked in or is there a chance that this will change. It is important because the carriers are developing rates with the Department of Insurance and wants to make sure this rate is locked in prior to filing. Mr. Kelly understands it affects the carriers and YHI does not intend to make any changes.

Mr. Erstad restated that the federal rate is 3.5% and it's important that the public know we are operating under the federal rate.

Motion: Mr. Settles moved to accept the recommendation of the Finance Committee and maintain a 1.5% Assessment Fee on policies sold via the Exchange for plan year 2015.

Second: Senator Rice.

The motion carried.

The Board discussed how important it is to make sure this number is promoted and Ms. Dowd said a press release is planned for Monday on this issue. Senator Rice said these numbers should come sooner because the candidates, regardless of party, will need accurate information and it would be best to come from YHI. Ms. Bilbao will get number to the Idaho Statesman in time for the Sunday paper and send a complete press release on Monday when the numbers come in.

(b) Financial Results through March 31, 2014

Mr. Kelly shared the financial results highlights which included the following points:

- Operating expenses continue to reflect business as usual. Project expenses are reported below the P&L.
- Media campaign is winding down with current inception to date favorability of \$0.9M compared to the \$5.7M.
- Project expenses have been incurred for Accenture.
- GetInsured DDI costs are not recorded as deliverable and payment schedules are still under negotiation.

In regards to grant draws, Mr. Kelly said YHI has drawn \$9.2M to date, with the majority of that (2/3) coming from the first grant and dominated by 1) consumer and stakeholder engagement and support (media) and 2) contracting, outsourcing and agreements. Those two areas also dominate the draws from the second grant from which \$3.1M has been drawn.

Regarding assessment fees and enrollment highlights, Mr. Kelly reported that the assessment fees (effectuated) are approaching \$170K with YTD at about \$365K. All the carriers are current and we have accounts receivable of about \$140K.

The Chair asked if the difference between enrollment numbers and effectuated numbers continues to hold. Ms. Geyer-Sylvia said Blue Cross has experienced an effectuation rate of about 90% in January and February however it started to decline in March to about 80-85%. Mr. Kelly agrees and has seen about a 10% gap and will continue to watch that trend. He said he is waiting on the numbers from CMS to see if this trend continues.

Mr. Kelly sees the assessment fee revenue continuing to grow along with enrollment numbers, and continued to go through the March numbers, followed by the quarterly expenses and year to date expenses. All are pushed by the same drivers in variances including media spend and contracting, outsourcing and agreements.

Mr. Kelly went on to share the March cash flow results which represent a net income of \$164K. He said it is important to understand what that really represents. It does not mean that we are

generating profit, it simply means that the way that we recognize the revenue from the grants plus the assessment fees shows us having positive net income. He said in looking at our operational expenses, they are largely dominated by accounts payable as well as some accrued expenses. He continued to share the balance sheet, the assets and the liabilities related items.

Mr. Kelly asked the Board to entertain a motion to approve the financials.

Motion: Mr. Veloz made a motion that the Board accept the quarterly financial report for the period ending March 31, 2014, that has been reviewed by the Finance Committee and presented today.

Second: Mr. Kreiling.

The motion carried.

The Chair confirmed with Mr. Kelly that the fiscal year end is coming up at the end of June 2014 and that the second formal annual audit is coming up.

Mr. Kelly updated the Board saying that the Financial Year 2015 Budget is being developed and he plans to present it to the Board in June. The audit will be performed by Harris & Co. and they are working on audit plan and will bring that to the Board in May for approval.

11. QHP STANDARDS

Mr. Trexler from the Department of Insurance presented a document to the Board for review and ultimately, approval. It is a notice from the Department of Insurance that has been developed in conjunction with YHI staff that outlines the Qualified Health Plan standards that the DOI and YHI will be using when evaluating the dental and medical plans that will be filed for the 2015 plan year. It is directed towards the carriers seeking certification of those plans. This is currently in a draft format for review and would like to get this finalized so we can get it out to the carriers prior to their filing dates.

Mr. Trexler reviewed the two major sections. The first few pages outline the timeline for filing as well as approval of plans and the ability of the carrier to preview those plans in the GetInsured solution. For example, May 9 (new) and May 30 (current) are the deadline for submitting QHP's depending on whether or not you are new to YHI. The DOI will provide final QHP recommendations to YHI on September 29 with acceptance going to carriers by September 30. Carriers must return the participation agreements to YHI by October 10 and then open-enrollment begins on November 15. These dates are all tentative and are subject to change. The second section are these standards and include network adequacy standards, prescription drugs standards and things along those lines.

Mr. Shores asked when the information would be uploaded to SERFF so it will be available to GetInsured. Mr. Trexler said those are the May dates when carriers submit their QHP applications. Due to the process of GI have modules available, the information will then be transferred to the YHI system prior to July 1. Sometime after that, carriers can go into the YHI system to see if their information is being displayed properly and can address any issues at that point.

Ms. Geyer-Sylvia said there has been a lot of discussion on a national level about network adequacy and would like to know how it relates back to these standards. She said it is her understating that the federal government was going to be responsible for that.

Mr. Trexler said there is a difference between how the DOI is presenting it here and how the federal government is doing it for FFM states. His understanding is that in FFM states, each carrier needs to provide the provider directory and some comparison is done and then the carrier would need to augment their network, but he doesn't know the details around that process. This is a new requirement federally and it does not apply to Idaho's exchange. In Idaho it was decided not to go down that path at this time. There are some network adequacy standards that are being applied including the essential community provider standard. Idaho's network adequacy includes accreditation standards for quality where instead of having the state do network analysis, the carriers can get an interim or provisional accreditation status on their network from various national accrediting entities.

Ms. Geyer-Sylvia said most carriers do not have accreditation yet. Blue Cross has a provisional accreditation from NCQA at this point and is on a schedule for full accreditation. Mr. Trexler confirmed that the expectation is that most carriers will have a provisional accreditation status this year.

Mr. Settles asked Mr. Trexler that as a non-carrier, are there any changes this year from last year that those of us purchasing policies would really care about.

Mr. Trexler said there are several things that may affect consumers including the changes regarding the carrier list of community providers which was bumped to 30% required listing. Additionally the accreditation wasn't there in 2014. Now it is required but it is a step in additional consumer protection. There will be additional emphasis this year on ensuring the URLs that carriers provide for prescription drugs go directly to the list that applies to that plan. Another change on dental is that in 2014 the regulation allowed State based exchanges to decide what a reasonable maximum out-of-pocket cost would be for a stand-alone dental product. On the federal level they determined it was \$700, but in Idaho we decided a reasonable out-of-pocket would be \$1000. This year, for 2015, the federal government decided they would set that level and have cut it down to \$350 per child. If there is more than one child, it is \$700 regardless of the number of children.

Motion: Representative Rusche moved that the Board approve the Your Health Idaho 2015 Qualified Health Plan Standards as presented today.

Second: Mr. Shores.

The motion carried.

The Chair suggested a 5 minute parking meter break at 9:50am.

12. EXECUTIVE SESSION

The Chair moved that pursuant to Idaho Code Section 67-2345, the Board convene in Executive Session 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 67-

2345 (1)(e), and to discuss matters of personnel pursuant to Idaho Code Section 67-2345 (1) (a) & (b).

Executive Session Roll Call: Mr. Erstad called roll and determined the Chair, Mr. Kreiling, Ms. Zelda Geyer-Sylvia, Mr. Shores, Mr. Self, Mr. Estess, Ms. Vauk, Mr. Settles, Mr. Veloz, Dr. Livingston, Ms. Henbest, Senator Rice, Representative Packer (via teleconference), Representative Rusche, Director Deal, and Director Armstrong were present, resulting in a quorum.

Mr. Agenbroad was absent.

The Executive Session began at 10:05am.

The Executive Session ended at 10:50am. The Board took no final action nor made any final decisions while in Executive Session.

13. MARKETPLACE COMMITTEE REPORT

The Chair asked Mr. Estess, the Chair of the Marketplace Committee, to make his motion regarding the GetInsured contract.

Motion: Mr. Estess moved that the Board adopt a resolution as presented here to confirming selection of VIMO, Inc. (dba: GetInsured.com) and delegating entering into a contract for services.

Second: Representative Rusche.

The motion carried.

14. NEXT MEETING


The Chair provided an update on the Strategic Planning Session scheduled for Wednesday, May 21 from 9:00-5:00pm.

The next meeting of Your Health Idaho's Board of Directors will be held Thursday, May 22 at 8:00-11:00am.

15. ADJOURN

There being no further business before the Board, the Chair adjourned the meeting at 10:53am.

Signed and respectfully submitted,


Stephen Weeg, Board Chair