

**IDAHO HEALTH INSURANCE EXCHANGE
DBA YOUR HEALTH IDAHO
PERSONNEL COMMITTEE
MINUTES
MAY 19, 2014**

1. COMMITTEE MEMBERS PRESENT

- Ms. Margaret Henbest, Chair
- Mr. Dave Self, Vice Chair (via teleconference)
- Mr. Tom Shores
- Ms. Zelda Geyer-Sylvia
- Director Dick Armstrong

2. OTHERS PRESENT

- Ms. Amy Dowd, Your Health Idaho
- Ms. Cheryl Fulton, Your Health Idaho
- Mr. Pat Kelly, Your Health Idaho
- Ms. Susannah Buckley-Green, Burson-Marsteller
- Mr. Jesse Lewin, Burson-Marsteller
- Mr. Steve Berenter, Hawley Troxell
- Tresa Ball, HR Precision

3. CALL TO ORDER

Following proper notice in accordance with Idaho Code § 67-2343, the Personnel Committee meeting of the Idaho Health Insurance Exchange (Exchange) was called to order by Ms. Margaret Henbest, Chair of the Committee (Chair), at 4:03pm, Tuesday, May 19, 2014, 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 Chair took roll call and determined that Mr. Self (via teleconference), Mr. Shores and Director Armstrong were present, resulting in a quorum.

Ms. Geyer-Sylvia arrived at 4:10 pm.

Ms. Vauk was absent.

5. REVIEW OF AGENDA

The Chair asked to change the agenda to remove the Executive Session. She also asked to move the Roadmap review to the end of the agenda.

6. POSITION MARKET REVIEW PROCESS & RESULTS

Ms. Ball reported that a market review and analysis was conducted using standard compensation practices. The market review data was collected utilizing the Economic Research Institute (ERI). This market review was conducted to ensure that YHI pay structures are aligned to the compensation procedures approved by the Personnel Committee and in order to establish a baseline for market reviews for use year after year. The process for the market review included matching YHI positions to the survey data and obtaining applicable survey data based on industry, positions, and geography. Data was weighted based on the markets applicable to YHI. In addition to the market review, an established compensation structure to include pay grades and pay ranges was established. On the market review chart, each position is assigned a grade with a minimum, mid-point, and maximum pay range.

Ms. Henbest explained that the market review adjustments of 3% for merit and 2% for market are supported by the market review research. The Personnel Committee will make the recommendation for the budget with market adjustments every other year and send those along to the Finance Committee before being presented to the full Board.

7. REVIEW & RECOMMEND PROCEDURE FOR DETERMINING VARIABLE COMPENSATION

Ms. Ball presented a draft of a variable pay structure and discussed incorporating it into YHI's compensation procedures. Step 1 involves setting the budget amount for staff and management positions. The Executive Director will identify the goals assigned to variable pay as well as a dollar amount assigned to the individual. At the beginning of the review period, the employee would be informed of the strategic goals tied to variable pay. At the end of the fiscal year, the employee's progress toward those goals would be measured and payment would be recommended by the Executive Director.

Mr. Self asked if the goals would be weighted. Ms. Ball said that key strategic goals can be weighted.

The Committee discussed variable pay at length and determined that it would be an incentive pay program tied to strategic goals. Ms. Geyer-Sylvia suggested making it part of market pay for optics purposes. It was also determined that this pay would be awarded in June 2015.

The committee decided to edit (V) in the variable pay document, Variable Pay, to clarify that variable pay is a component of market based compensation, the edited version is below:

Motion: Ms. Geyer-Sylvia moved to revise Section V of the variable pay document to read "Your Health Idaho may utilize variable pay as a component of a market based total compensation program as a way to meet strategic goals of the organization which may be based on individual performance that relates to YHI objectives as well as overall YHI performance."

Second: Mr. Self.

The motion carried.

8. PERSONNEL BUDGET RECOMMENDATIONS: BASE MARKET ADJUSTMENTS & VARIABLE PAY

Ms. Henbest referred to the two documents titled FY 15 Budget Recommendation and the Variable Pay Budget Recommendation and reviewed three decision points for the Committee.

- Decision Point #1 – To accept the Market Compensation of 2% as justified by the market review data.
- Decision Point #2 – To decide on the Contingency Fund: money that could be used for additional expanded base based on expanding job responsibilities, promotions, upgrading a position, or pay someone more money to start.
- Decision Point #3 – Whether to adopt the variable pay component.

Mr. Self said he was comfortable having more funds available in a contingency fund in case the needs of the organization shift. Ms. Geyer Sylvia thinks 9-10% would be reasonable flexibility. Ms. Henbest would like enough flexibility in there to make adjustments and also to be reflective of the marketplace. Ms. Dowd said this is adjusted each year and currently this comes out of grants funds. Ms. Henbest suggested dropping the Contingency Fund adjustment to \$30K which would bring it down to about 10%.

Motion: Ms. Geyer-Sylvia moved to accept the 2% Market adjustment and change the Contingency fund to \$30,000.

Second: Mr. Self.

The motion carried.

Ms. Henbest next addressed the Variable Pay Compensation Recommendation.

After the committee discussed variable pay as incentive for strategic goals, Ms. Geyer-Sylvia stated that she is willing to make a motion for incentive pay for all positions. She suggested using 10% for four key positions and 5% for non-management positions.

Motion: Ms. Geyer-Sylvia moved to approve Variable Pay incentives for management positions at 10% and others at 5% and eliminate the recommendation for the Executive Director to be discussed in Executive Session.

Second: Mr. Self.

The motion carried.

9. PERSONNEL ROADMAP

Ms. Dowd said the organization is on track to complete the May activities. In June, the Board will approve the budget. Then in July the Executive Director will report to the Committee on compensation review results.

10. EXECUTIVE SESSION

Motion: The Chair moved that the Committee convene in Executive Session to consider personnel matters pursuant to Idaho Code 67-2345 (1) (a) & (b).

Second: Ms. Geyer-Sylvia.

Executive Session Roll Call: The Chair called the Executive Session roll call and determined that Mr. Shores, Mr. Self (via teleconference) and Ms. Geyer-Sylvia were present. Ms. Vauk was absent. The Committee entered Executive Session at 5:01pm MT.

The Executive Session ended at 5:20pm and the Committee took no action nor made any decisions while in Executive Session.

Mr. Self left the meeting at 5:08pm.

Motion: Ms. Geyer-Sylvia moved to approve the Total Variable Compensation Program.

Second: Mr. Shores.

The motion carried.

11. NEXT MEETING

The next meeting will be on or around June 10.

12. ADJOURN

The Chair adjourned the meeting at 5:14pm.

Signed and respectfully submitted,



Margaret Henbest, Committee Chair