

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

**YOUR HEALTH IDAHO BOARD
MINUTES
MAY 22, 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
- Ms. Karen Vauk (via teleconference)
- 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. Trent Cummins, Your Health Idaho
- Ms. Tresa Ball, HR Solutions
- Mr. Michael Fairweather, Accenture
- Mr. Mike Stoddard, Hawley-Troxell
- Ms. Tammy Perkins, Office of the Governor
- Mr. John Kotek, Gallatin Public Affairs
- Ms. McKinsey Lyon, Gallatin Public Affairs
- Ms. Jennifer Visser, Gallatin Public Affairs
- Ms. Natalie Podgorski, Gallatin Public Affairs
- Ms. Ysabel Bilbao, Gallatin Public Affairs
- Ms. Melanie Schoenberger, GetInsured
- Mr. Gerald Massey, Accenture
- Mr. Josh Tauber, Accenture
- Ms. Eva Szalewicz, Accenture
- Ms. Yen Pham, First Data
- Mr. Fred Heil, GetInsured

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 8:02am, Thursday, May 22, 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, Ms. Vauk (via teleconference), 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. Estess was absent.

5. PUBLIC COMMENT PERIOD

There were no comments from the public at this time.

6. REVIEW OF AGENDA

There were no changes to the agenda.

7. EXECUTIVE DIRECTOR REPORT

Ms. Dowd gave a brief update on Strategic Planning Session in which Your Health Idaho reviewed lessons learned from state-based marketplaces. During this planning session the group reviewed technology design considerations for the fall and discussed goals for the organization for fiscal year 15. Updated goals and measures will be brought to the governance committee and then the Board for final approval at the June Board meeting.

(a) Third Party Privacy and Security report

There is a need Third Party Privacy and Security report prior to our November go live. Our PMO is working with us to conduct a scope assessment for a privacy and security review during the week of June 9th. This will become part of the scope when we hire a third-party Privacy and security firm to do. We are planning to write a RFP for a third-party assessment and today we are looking for approval to work with the Marketplace Committee and move forward with building the RFP.

Motion: Ms. Geyer-Sylvia moved that the Board approve a Third-Party Privacy and Security Audit in order for Your Health Idaho to issue an RFP to secure these services.

Second: Mr. Self

The motion carried.

(b) Staffing updates:

Trent Cummins has just joined Your Health Idaho. Mr. Cummins comes from the Cummins Family Produce Group where he served as controller and has a Bachelor's degree in accounting from the University of Redlands.

YHI still has an opening for the IT Director position and are continuing with interviews to fill this critical role. It has been open for four or five weeks. YHI is working with the HR specialist to fill the role and have expanded the search regionally.

YHI is actively recruiting for four new Program Specialists roles. These roles will be filled following approval of FY15 budget.

(c) CMS Meeting

CMS will be on sight with us next Wednesday and we will be providing a status update against our key blue print milestones as well as an overall project road map. We will be doing a demo for them for our first release the plan management functionality for the exchange. We will be sharing progress on the overall eligibility solution and the overall marketplace design. We will also be looking at results of our market research after our first open enrollment.

Chair asked that we get agenda out to Board members who may want to attend this meeting.

(d) Technology Project: A Look Ahead

In May we can expect our first report from our independent verification and validation vendor first data. Yen is our project lead.

In our June Board meeting our PMO will be presenting a risk management framework which will help us determine our risk areas as we head into our first implementation this fall. In addition, our PMO will present examples of data and reports that Your Health Idaho will be able to deliver from our marketplace. This will be an opportunity for our Board members to insure that data information is going to be available out of our marketplace so we can track trends and changes in demographics, detailed information on enrollees, etc.

In July we will also have our PMO present to the Board a completed implementation risk management assessment. We will also plan to have a product demonstration from GetInsured on our release 1 plan management functionality.

There is extensive reporting to CMS, IRS and other federal entities for federal tax credits from the exchange. There will be some changes in reporting structure but nothing has been released yet. Ms. Gershick will continue to research.

8. FINANCE REPORT

(a) Audit Plan

Legislation requires YHI to do a financial audit consistent with YHI's fiscal year end and then report to the state controller's office. The date to complete the audit and report to the controller's office is September 29, 2014.

The audit procedures will focus on the following key areas:

1. Revenue recognition
2. Key contracts
3. Accounting treatment for Federal Grants
4. Completeness of liabilities, including cut-off and payroll expenses
5. Asset testing, including cash balances and fixed assets

Other procedures will include gaining an understanding of the overall control structure and control testing specific to the Federal Grants.

Fiscal year end is June 30, 2014. The field work for the audit will take place July 21-25, 2014. Draft financial statements will be delivered to YHI management for their comments on August 15, 2014. Then the finance committee will review on August 22, 2014 with the final approval and Board preparation completed by September 12, 2014. This will be presented to the Board on September 19, 2014 and the final statement to the controller's office on September 29, 2014.

This does not require Board action.

(b) Business Insurance Requirements

Your Health Idaho is not only in the business of insurance but their employees also need coverage themselves as does the exchange. Being such a new entity, it is difficult to understand the liabilities and potential risks to the carriers. Comprehensive business insurance coverage covers all operational areas of Your Health Idaho including: Comprehensive General Liability (CGL), Directors and Officers (D&O), Errors and Omissions (E&O), Cyber and Media Liability, Workers Compensation.

Due to lack of experience in this new industry, YHI had limited opportunity to compare rates and policy coverage across multiple underwriters. Initial discussions with underwriters, for the policies expiring in June, indicate that there are still a limited number of underwriters willing to underwrite policies in this industry. Current YHI policies are expiring in June 2014.

Motion: Mr. Agendbroad moved that the Board approves purchasing a renewal of the coverage set to expire in June for the Comprehensive General Liability and Directors and Officers (including supplemental coverage) policies as described to the Board today.

Second: Mr. Veloz

The motion carried.

9. GOVERNANCE REPORT

(a) Plan Management Process Timeline Review

At the last Governance Committee meeting there were two main items of discussion. One was to review the plan management data quality process. This was a struggle this past year between the carriers and FFM insuring the accuracy of the data, insuring there's enough time for testing and

verification of that data prior to opening the Marketplace. Accenture has helped us with this and is working closely with Alberto Gonzalez to define this process which will start in the next couple of months.

Ms. Dowd introduced Brie Gershick to give an overview of the process.

What we proposed today is to mitigate the risk of errors being displayed in the public view of the Marketplace. This is a parallel process that includes DOI's review which will begin very soon with plans being submitted and meeting the qualifications to be a QHP. Once the system is live in a preproduction environment, YHI carriers will have access to review the data that has been pushed into the technology solution.

Ms. Geyer-Sylvia noted the confidentiality of this as emphasized issue of releasing rates before the content is live. This process is going to be extremely important.

Ms. Gershick said in advance of open enrollment this is done in a secure, pre-production environment based on GetInsured's specifications and not released to the public. Rates won't be live until September 1, 2014. Nothing happens until carriers approve the rates to be released.

Ms. Geyer-Sylvia suggested we put together a process for how rates will be released. The process will be discussed and the next Marketplace Committee meeting.

10. MARKETPLACE REPORT

(a) PMO Status Update

Mr. Veloz introduced the PMO update and Mr. Fairweather is introduced to talk through Accenture's work on the implementation dashboard.

The key focus of the work in the last month has been developing rigorous and detailed plans. With the shift to an integrated eligibility system in April has created a different solution and creates a complexity around interconnections. One area of a complexity is there are a large number of connections between our technology vendor, GetInsured, and the Department of Health and Welfare (DHW). A lot of activity has been happening over the last month to drive out a rigorous plan.

A large number of working groups have been assembled to drive out the details of the solution, particularly around the areas of integration between GetInsured and DHW. These working groups are working on account management, queries to federal services for verification, the application creation, APTC and eligibility determination, account transfer back to GetInsured, and carrier enrollment. We have been integrated in the GetInsured and Health and Welfare teams. The design, developing and testing must be done at the same time between these groups.

Release 1 is ready for a demo and will be taking place next week. CMS will be onsite to participate in this demo.

A large number of policy decisions reviewed and confirmed during Marketplace Committee meeting. High-level process flows are complete and detailed business process model work underway.

All work has been divided into work streams for tracking purposes and are categories as “red”, “yellow”, and “green” to signify where the work is. Integrated planning is usually done very early in the life cycle but there have been a number of impediments to the process completion in the area of testing. This integrated plan should be completed in the next two weeks.

There is a lot of testing that goes into a large project like this and many stakeholders are involved. Accenture is working closely with the leadership team to keep this on track.

Data migration and re-enrollment is another integral piece to the process. It has moved from red to yellow over the past month. Working groups have been deployed to move this forward and significant progress has been made.

Mr. Shores asked if we still be on track for release in November. Mr. Fairweather stated that we will if all these risks are mitigated in June.

Mr. Shores asked if incremental resourcing would be beneficial. Mr. Fairweather said that we are having conversations with the staff around establishing a test team, integration complexities and that risks might benefit with incremental resources.

Ms. Dowd commented on Mr. Shores question. Since change in CMS design, there is a gap in coordination and oversight in end-to-end testing. That is something that we are engaging in dialogue to ensure that piece is solid. We are working to make sure we have the appropriate oversight and a solid testing plan.

(b) LOI DHW

Mr. Veloz discussed the DHW letter of intent. The Marketplace Committee did meet and looked at the letter to cover cost of eligibility. They authorized up to \$750,000 in reimbursement for work through May 22, 2014. It is recommended to the Board to approve this letter with reimbursement to DHW up to \$2,000,000 through June 30, 2014.

Motion: Mr. Veloz moved that the Board ratify the Letter presented hereto, and thereby authorizing such \$2,000,000 reimbursement to DHW for all work done through June 30, 2014.

Second: Representative Rusche.

The motion carried.

(c) Policy Decisions

Mr. Veloz discussed the Policy Decisions. The Project Steering and Marketplace Committees are very active in these decisions. Decisions that have a broad impact are brought to the Board. Any other necessary items that come “under fire” will also be brought to the Board.

There are no decisions to come before the Board today.

(d) Vendor Contract Update

Ms. Dowd had hoped to come with an approval request today for the next Statement of Work (SOW) with GetInsured, but items came up and pushed our activities out one month. We are in

active contract negotiations with GetInsured for the next SOW. We plan to bring an update on the negotiations to the Marketplace Committee in May and to the Board in June. The team still determining scope. The goal is to ensure success for the November 15 release.

Ms. Geyer-Sylvia stated that our success is based on our ability to make good decisions on scope. This SOW is very important to YHI being successful. Do you see anything we should be concerned about?

Ms. Dowd stated that we have finalized the requirements for go live on November 15. There is a separate list of requirements that will not be in our first release.

The Chair stated that the Board and Marketplace Committee will have vision into what will go into release 1 and 2.

Ms. Dowd proposed to make this an agenda item for May 30 Marketplace Committee meeting.

11. PERSONNEL REPORT

(a) Compensation & Staffing

Ms. Henbest gave a high-level update on the Personnel Committee. The committee is beginning to update our compensation procedure. This procedure includes base pay, variable pay and benefits. It is very focused on job responsibilities for individual members of YHI and market pay. Overall, the philosophy behind the procedure is to compensate in an equitable manner based on performance and market, to make sure we're internally equitable among all our staff, that we distribute the policy in a fair and consistent manner, and a keen focus on YHI's financial position and what is affordable moving forward especially in 2016 when we'll be self-sustaining.

The next thing the committee looked at in the procedure is who as what responsibility. The committee is in charge of having oversight of the entire compensation. The Executive Director implements and delivers the YHI total compensation programs. Finally, the Board has responsibility for compensation as it relates to the Executive Director.

The Personnel Committee works with the Finance Committee with regards to the budget and the need to approve that budget.

The Executive Director makes recommendations to the Personnel Committee. Then the Personnel Committee makes recommendations to the Finance Committee in the areas of merit increase, market adjustments, and variable pay. The Finance Committee then reviews and sends to the Board for approval of the overall budget.

The final procedure item relates to variable pay. This policy is focused on a response to the market. This pay refers to any non-base pay such as a bonus.

(b) Market Review Conducted

Ms. Henbest explained that compensation is based on market review and will be reviewed every two years.

Mr. Settles asked who YHI is comparing to in the market review. Ms. Henbest replied that the review looks at a mix including the non-profit sector, private sector and insurance industry.

Mr. Settles asked how this year's review of compensation fared against the market averages. The reply was that it was very close and the only changes were in broadly some of YHI's ranges.

Representative Packer asked which market was specifically looked at. The response was looked at by position and that dictates the geographic region. This sometimes includes only looking locally while other positions require you to look regionally or nationally.

Individual positions were also looked at. This comes into play when there is a new hire or a promotion/position change within YHI.

Motion: Ms. Henbest moved that the Board approve the compensation procedure as adopted by the Personnel Committee.

Second: Dr. Livingston.

The motion carried.

12. OUTREACH & EDUCATION REPORT

Ms. Olson reviewed SOW #5.

(a) SOW #5 April 16 – June, 2014

The focus is on lessons learned in this SOW including lessons learned meetings and post-enrollment research (market survey). Preparations are being made for the 2015 open-enrollment period by tracking operations, policy, and technology. Activities continue and include developing candidates for testimonials, pursuing earned-media opportunities, and maintaining our website and social media presence. There is also a billboard initiative to help keep YHI top of mind and make consumers aware of special enrollment periods. There is little paid advertising except for search engine marketing. Operations and policy support are continuing.

The Board approved \$406k for SOW #5 and to date \$69k has been used. We keep efficiencies and cost-effectiveness top of mind in everything that we do.

(b) Lessons Learned Survey Results

A variety of meetings have been conducted with those involved in our outreach events. Key takeaways include: clear definition of roles going forward, ensure closer coordination, ensure outreach team knows what agents have been told, and establish uniform event checklist that incorporates best practices.

IPAs as well as agents and brokers will have a more robust training this year. IPAs had a better ACA policy understanding than the agents. Organically, IPAs and agents were starting to team up to help consumers.

Ms. Geyer-Sylvia heard concerns about roles and responsibilities between IPA's and agents and brokers including concerns that IPAs were recommending policies. This is a liability issue for us since that is not an IPA's role.

Ms. Olson stated that YHI's position is that IPAs should never recommend a policy to a consumer. IPA's are there to assist enrollees to sign up, not to advise on specific policies.

We are developing a checklist for planning 60-90 days prior to events for pre-event planning and media. This is combined with Direct mail, radio and earned media before an event.

Next Steps: The Outreach Team is issuing a formal survey with agents and brokers and IPA's in process. The team is also attending conferences/meetings to learn from other states and plans to formally summarize lessons-learned which will be submitted to YHI. These lessons learned will then be incorporated into marketing and outreach action plans.

Director Deal is concerned that DOI is receiving numerous calls that Idahoans are not able to purchase insurance right now.

Ms. Olson stated that we are doing special enrollment activities but may need to clarify that for the public based on Director Deal's comments.

Ms. Geyer Sylvia noted the same confusion. People think that becoming pregnant is a qualifying event which is incorrect. This will be put on the agenda for the Outreach and Education Committee meeting on May 27th.

(c) Post Enrollment Research

When people learn that more than 70,000 Idahoans have signed up, interest in using the exchange increases and opposition subsides. Costs are critical in enrollment and non-enrollment. About 1/3 of those who interfaced with YHI signed up; for those, low costs were the top reason for signing up. Of the 2/3 that did not sign up, they stated concerns over high costs were the main factor.

Enrollees are overwhelmingly happy with the plans they purchased and liked the shopping experience.

(d) Special Enrollment Period

We are having activities now for those with Qualifying life events, tribal members and other interested organizations.

Since the end of open enrollment, over 10,000 special enrollment period flyers have been distributed and we continue to have presence at relevant events.

Mr. Erstad stated that one of the recent things that came out of HHS is a clarification that employers need to underscore the exchange.

Ms. Olson replied that this information has been shared via social media and a press release will be put out next week.

(e) In State Creative

As part of our contract agreement with Gallatin, they have the ability to subcontract with vendors to help them fulfill their scope. Gallatin has reviewed a variety of creative firms and the have chosen Drake Cooper. This will be bringing the creative and media buying into Idaho

14. NEXT MEETING

The next meeting of Your Health Idaho's Board of Directors will be held Friday, June 20 at 8:00-11:00am.

15. ADJOURN

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

Signed and respectfully submitted,



Stephen Weeg, Board Chair