

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

**GOVERNANCE COMMITTEE
MINUTES
MONDAY, JUNE 5, 2017**

1. COMMITTEE MEMBERS PRESENT

- Ms. Margaret Henbest, Chair
- Mr. Hyatt Erstad, Vice Chair
- Ms. Charlene Maher (via teleconference)
- Ms. Karen Vauk
- Rep. Mat Erpelding
- Director Dean Cameron

2. OTHERS PRESENT

- Mr. Pat Kelly, Your Health Idaho
- Mr. Kevin Reddish, Your Health Idaho
- Mr. Matt Fuhrman, Your Health Idaho
- Ms. Alanee DeRouen, Your Health Idaho
- Ms. Cheryl Fulton, Your Health Idaho
- Mr. Mike Stoddard, Hawley Troxell
- Ms. Tresa Ball, HR Precision

3. CALL TO ORDER

Following proper notice in accordance with Idaho Code §74-204, the Governance Committee meeting of the Idaho Health Insurance Exchange (Exchange) was called to order by Ms. Margaret Henbest, Chair of the Committee (Chair), at 9:00 a.m., Monday, June 5, 2017, 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. Erstad, Ms. Vauk, Rep. Erpelding, and Director Cameron were present, resulting in a quorum.

Ms. Maher (via teleconference) joined the meeting at 9:02 a.m. Mr. Kreiling was absent.

5. APPROVE PRIOR MEETING MINUTES

The Chair noted one edit to the February 5, 2017, meeting minutes.

Motion: Mr. Erstad moved to approve the minutes as presented, with one edit, from the February 27, 2017, Governance Committee meeting. **Second:** Ms. Vauk. **The motion carried.**

6. REVIEW AGENDA

There were no changes made to the Agenda.

7. REVIEW COMMITTEE ROADMAP

Mr. Kelly reviewed the Governance Roadmap and said the actions on the roadmap are consistent with the Agenda. In September, this Committee will complete the Annual Self-Evaluation of the Committee.

The Chair noted that today's agenda is long, and with the Executive session at the end, for which 30 minutes is needed, it is important to stay on track in order to not run over the time allotted.

8. EMPLOYEE ENGAGEMENT SURVEY

Mr. Kelly provided a quick overview of what was done with the first employee engagement survey in July of 2016. Some of the criteria was that a participant needed to be employed by YHI for at least 90 days and at that point, YHI had 23 respondents which equaled 100 percent participation.

Overall, there was a score of 4.0 out of 5.0, with 5 meaning strongly agree, 3 being neutral, and 0 meaning strongly disagree.

After the initial survey, YHI created an Employee Engagement Task Force (EETF) to address the two lowest scoring questions: *There is someone at work who encourages my development*, and *At work, my opinion seems to count*. The EETF identified and recommended actionable items on the development question, and those were implemented mid-year, and then the task force worked on the second question on opinions counting. The second one is just being implemented, so the results of that have not been realized yet.

This year, YHI resurveyed, using the same criteria and the same questions and again, had a 100 percent participation. The overall score declined slightly from 4.07 (2016) to 4.04. YHI expected some dilution of the results because the number of participants in the survey more than doubled from 2016 and the mix of workforce is significantly different due to the integration of the call center.

This year's survey showed that team members feel connected to the overall purpose of YHI, but some opportunities exist with direct supervisors to deliver more feedback and recognition to help

improve satisfaction and engagement. Five questions showed an increase in score, five questions showed a decrease in score and three questions remained relatively flat.

Of the two questions taken on by the task force following last year's survey, there was a 10 percent increase in the score around development and a slight decrease in the score around opinions. The actionable steps from the work group on the "opinions" question are just now being implemented and we expect that this item will take longer to see measurable results.

9. FY '18 OPERATIONAL GOALS

Mr. Kelly reminded the Committee that the Operational Goals are tied to the Variable Pay Plan. They include Risk Management, Low Cost Promise (both of which remain unchanged), and Idahoan's Experience, Retention & Enrollment, and Employee Engagement. In March, targets were set for these goals. Two goals were updated to reflect results to date and market realities from lack of clarity on future policy and market stability (Idahoans Experience and Retention & Enrollment). The Employee Engagement Goal was adjusted to reflect realistic movement in survey scores.

Motion: Rep. Erpelding moved that the Governance Committee, recommend to the Board, approval of the Operational Goals as presented today. **Second:** Mr. Erstad. **The motion carried.**

10. FY '18 STRATEGIC GOALS

Mr. Kelly noted there are two Strategic Goals that include providing a flawless customer experience and reducing the uninsured rate from 11.8% to 8%. No change is proposed to the Flawless Customer Experience, but to be more reflective of YHI's current reality, pared with market uncertainty, YHI is proposing an update to the uninsured rate with the target being 11 percent by the end of 2018 Open Enrollment.

Director Cameron said goals need to be attainable and there are so many factors outside of YHI's control that will contribute to the percentage. None of these are controllable by YHI and he said YHI should have a better goal in its place, one that is more within YHI's control.

Mr. Erstad added that YHI could reword the goal and base it on the rule that's in play, the current law of the land. Ms. Vauk questioned how that uncertainty affects this percentage.

Director Cameron said the rate increases will force people to drop coverage or seek other forms of coverage. These are things YHI can't control.

The Chair suggested that she and Mr. Kelly work together following this meeting to adjust the goals prior to recommending them for approval at the Board meeting.

11. PRIVACY & SECURITY POLICY UPDATES

Mr. Reddish said per CMS requirements, YHI has reviewed and updated the current policies. The changes were minor but he noted there are two new polices, including the Records Retention Policy that did not come before the Committee last year, which outlines the ten-year data

retention requirement. The Chair suggested that YHI define who “we” is in the data retention policy and other policies.

Motion: Mr. Erstad moved that the Governance Committee, recommend to the Board, approval of the revisions to the Privacy & Security Policies as presented today. **Second:** Rep. Erpelding.
The motion carried.

12. ANNUAL CONFLICT DISCLOSURE

The Chair said regarding the ethics policy and conflict disclosure, this is the same policy and questionnaire that has been used in the past and added that it will be sent out in early June via email. Those should be completed and provided to Ms. Fulton on or before the Board meeting on June 16, 2017, though they will be accepted up until June 30th. Mr. Stoddard, YHI’s legal counsel, added that for those who have no changes from prior years can respond via email that there are no changes. Ms. Fulton added that the disclosure forms will be emailed this afternoon and will include prior year’s forms, where available. Board members may complete a new form or simply respond that nothing has changed.

13. ANNUAL BOARD SURVEY RESULTS

Ms. Ball said this is the third Board survey conducted and reviewed the Year-over-Year comparison. She said in 2014, the Board identified many areas of ineffectiveness and opportunities for improvement, which is not uncommon for a newly formed Board and a highly politicized environment. The 2016 survey showed significant improvements which demonstrated the rapid maturation of the organization. This year, the results were more normalized and showed more typical ranges of strengths and opportunities, which is more typical of a mature organization.

Ms. Ball said in 2017, 16 of 19 Board members participated, area of the highest agreement included 1) the structural pattern of the Board, roles and responsibilities, and utilization of Board member expertise, 2) the facilitations of the ED Annual Review process, 3) Board operating at governance level and YHI at operational level, 4) financial oversight and controls, legal, and ethical integrity, and 5) effective meetings, timely materials and the quantity and quality of the information provided to the Board.

Ms. Ball said the areas with the lowest levels of agreement included 1) Board assessment and structure, and 2) avoiding conflicts of interest.

The year-over-year comparison shows an increase in agreement around 1) effective use of Board members’ expertise, 2) the effective strategic guidance to the Executive Director, and 3) the level of Board preparation for meetings. The areas that reflected the largest decrease in agreement included 1) strategic planning, 2) conflicts of interest, 3) confidentiality, 4) oversight, and 5) having a constructive relationship with the Executive Director.

14. ANNUAL BOARD TRAINING

Mr. Stoddard reviewed the Board training and said initially it will be delivered via an online questionnaire that will hopefully engender some discussion. Brian Kane from the Attorney General's office will join us with review of the outcomes at the June Board meeting.

The Chair restated that the training will focus on areas of less knowledge and needed training resulting from the survey.

15. EXECUTIVE SESSION

Motion: The Chair moved that the Committee enter into Executive Session pursuant to Idaho Code Section 74-206 (1) to consider to consider the evaluation of employees pursuant to Idaho Code Section §74-206 (1)(b).

Executive Session Roll Call: The Chair called roll and determined that Ms. Maher (via teleconference), Mr. Erstad, Ms. Vauk, and Rep Erpelding, were present, resulting in a quorum.

The Committee entered into Executive Session at 10:12 a.m. and reconvened at 10:55 a.m. No final actions nor decisions were made while in Executive Session.

16. EXECUTIVE DIRECTOR FY18 VARIABLE PAY WEIGHTING

Motion: Mr. Erstad moved that the Governance Committee, recommend to the Board, the overall FY18 Executive Director Variable Pay Weighting as determined today with modifications and subject to approval at the June 16, 2017, Board meeting. The weighting model at 40% Idaho Experience, 15% for retention and enrollment, 15% for risk management, 15% for the low-cost promise, and 15% for employee engagement. With regard to employee engagement, the strategic goal would include an added measure of retention in addition to the Gallup survey. Ms. Ball and Chairwoman Henbest will work on the measure of retention to be presented to the board. **Second:** Rep. Erpelding. **The motion carried.**

17. NEXT MEETING

The next meeting of the Governance Committee will be held in early September 2017.

18. ADJOURN

The Committee adjourned at 10:58 a.m.

Signed and respectfully submitted,



Margaret Henbest, Committee Chair