IDAHO HEALTH INSURANCE EXCHANGE
DBA YOUR HEALTH IDAHO

GOVERNANCE COMMITTEE
MINUTES
JUNE 12, 2015

1.   COMMITTEE MEMBERS PRESENT

- Dr. John Livingston, Chair
- Mr. Hyatt Erstad
- Mr. Kevin Settles
- Mr. Scott Kreiling (via teleconference)
- Rep. John Rusche (via teleconference)
- Senator Jim Rice (via teleconference)

2.   OTHERS PRESENT

- Mr. Pat Kelly, Your Health Idaho
- Ms. Jody Olson, Your Health Idaho
- Mr. Kevin Reddish, Your Health Idaho
- Ms. Dana Packer, Your Health Idaho
- Ms. Alexi Faucher, Your Health Idaho
- Ms. Cheryl Fulton, Your Health Idaho
- Mr. Mike Stoddard, Hawley Troxell

3.   CALL TO ORDER

Following proper notice in accordance with Idaho Code § 67-2343, the Governance Committee meeting of the Idaho Health Insurance Exchange (Exchange) was called to order by Dr. Livingston, Chair of the Committee (Chair), at 8:02 a.m., Friday, June 12, 2015, 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. Kreiling (via teleconference), Mr. Settles, Rep. Rusche (via teleconference) and Mr. Erstad were present, resulting in a quorum.

Senator Rice joined the meeting at 8:06 a.m. (via teleconference).

5.   APPROVE PRIOR MEETING MINUTES

Motion: Mr. Erstad moved to approve the minutes as presented from the January 26, 2015 Governance Committee meeting.

Second: Mr. Settles.

The motion carried.

6.   REVIEW COMMITTEE ROADMAP

The Chair reviewed the Governance Roadmap and noted that the Committee is slated to review and recommend the strategic goals for FY16. Review and update the annual conflict disclosure and review and update the Privacy and Security Policies.

7.   REVIEW AGENDA

Motion: Mr. Erstad moved to amend the agenda to move the Executive Session to the end of the meeting in order to accommodate schedules.

Second: Mr. Kreiling.

The motion carried.

8.   POLICY UPDATES

The Chair noted that there are 3 new policies and 16 older policies that have only been updated to reflect changes in personnel. He said the Committee will not go through those 16 policies individually, but suggested that given the immaterial changes and in order to save time, the Committee, having reviewed the 16 documents, move to approve those with the changes in personnel.

Motion: Mr. Erstad moved that for those policies that are strictly in change of name of staff, the Committee approve those 16 policies.

Second: Mr. Settles.

The motion carried.

Mr. Settles was concerned that there were additional changes other than names. Mr. Kelly said there were no changes to the intent of the policy. Mr. Settles said there were some changes beyond just the names that were changed. For example, the Audit and Accountability had a change in the body, however it is not a material change. Mr. Stoddard said there were some general cleanup changes made, but not anything substantive. For the most part just conforming changes to make them consistent with each other and clean up content.

Records & Retention Policy

Mr. Kelly introduced Alex Faucher, YHI's newest Business Analyst joining James's team at YHI.

Mr. Reddish said his team just recently came out of review of all of the policies which resulted in minor updates to the existing policies. Major changes were around Records Retention and Destruction because CMS recently notified YHI that they were changing the policy from 7 years retention and destruction to 10 years retention and destruction. It does change existing workflows internally so all of these things have been contemplated in this policy. YHI is currently faced with

two possible scenarios. The first is staying with the existing SharePoint documents storage system which is cloud-based. We will leverage what we are currently doing with Microsoft SharePoint essentially at no additional cost to YHI with the exception of some minor development work to set it up and get work flows in place. The second option is a Content Management System that could cost about $100-150k to bulk up the infrastructure and pull the data out of the cloud where it is currently stored. YHI is working with its technology vendor to develop a Proof of Concept and it is expected to be completed in 2-3 weeks. The team is confident that the SharePoint approach will work and result in minimal cost to YHI. The system policies will provide the ability to set a retention period for everything within YHI's sites and then any destruction work will need to be documented.

Hyatt asked that with all the data breaches out there are we as secure as we possibly can be and is concerned that the cloud may not be as secure as needed. Mr. Stoddard said as for the policies, they are really created for the technical and federal requirements. The real PII is in the other policies, not in the document retention policy as it is more focused on the business side. Mr. Settles asked about back-ups and if we have a plan. Mr. Reddish said that technology can fail and we are looking at a third party vendor to do a backup so we can pull our own data. Mr. Settles said we have a 90-day retention policy for non-essential email. Mr. Stoddard clarified what is essential and what is non-essential. Effectively YHI saves everything except emails that do not address anything substantive. Mr. Kelly said YHI has not assigned resources to determine what is essential and what is not so all emails are saved at this point. The Chair asked if the cost of these backup systems were contemplated in the approved budget. Mr. Reddish confirmed that they are.

The other three new policies are the Risk Assessment, Bring Your Own Device, and Clean Desk policies. Mr. Reddish said the Bring Your Own Device policy provides guidelines for accessing the network using personal devices. The policy basically provides the Privacy & Security team with access to personal devices so that if one was lost, the team could remotely wipe that device so that there would not be a security breach of content. The applications are part of the Microsoft Cloud Solution and allows us to just wipe the mail portion and not the entire phone.

Mr. Erstad asked if phones are currently encrypted by phones being used by the staff. Mr. Reddish said that Apple devices are and then Android and Windows phones are not yet, but will be. Mr. Kreiling said on Apple devices they have additional protection on these beyond the basic Apple layer and wonders if YHI should do the same. Mr. Erstad said it should be the same as computers. Mr. Reddish said laptops are encrypted by default. Phones, including Apple devices, will be taken into consideration within this policy.

Mr. Reddish said the Clean Desk policy outlines how employees manage their day to day paperwork. Specifically PII must be contained and locked up, machines must be locked when employees walk away, etc.

Mr. Reddish said the Risk Assessment Policy outlines that every year, the Privacy & Security team will perform a risk assessment where they will be checking compliance and best practices to see if anything has changed that would affect our existing policies.

Motion: Mr. Settles moved that the Governance Committee recommend the Board approve the amendments to the YHI Policies as presented at this meeting.

Second: Mr. Erstad.

The motion carried.

9.   STRATEGIC GOALS FOR FY16

Mr. Kelly said as discussed at the April Board meeting, YHI leadership has formalized three key strategic goals for FY16 and these will be the basis for the variable pay plan. These include tactics so we know how to achieve these goals. Based on feedback from last year's goal setting exercise, these were kept centered on key areas of the business. This includes a 60%, 80% and 100% benchmark for each area of achievement and we also included tactics on how to specifically achieve these goals.

Technology Roadmap: Mr. Kelly said the first proposed goal is the Technology Roadmap. This goal articulates the items that have been identified as above the line and will be part of the release that will be completed no later than September 30, 2015. The tactics are centered around internal processes for review both from a technology and requirements perspective as well as financial obligations and costs. It will go through development testing and through documentation and training such that the end user knows how to use the functionality.

In order to achieve the 60% benchmark, 80% of everything above the line would need to be successfully implemented. To achieve 80% benchmark, all of the items above the line must be successfully implemented. And to achieve the 100% benchmark, everything above the line plus improvements to the agent/broker portal and improved consumer portal capabilities.

Mr. Kreiling said he would like leadership to consider a cyber-security or an overall security part to this, though not sure which goal it would be included in. Mr. Kelly said there are two parts to the operational plan that address security. There is the ongoing maintenance and operations that include the cost of the Privacy & Security team and there is also cost to the existing infrastructure. The project portion of the budget also addresses the work that Accenture and Deloitte are doing along with the remediation of findings from those assessments. Would be most appropriate in the technology roadmap and the ability to manage the achievement of those technology items within the proposed budget is how to confirm hitting both items related to that. Mr. Kreiling said the level we need to portray our dedication to the seriousness of privacy and security warrants this inclusion. Mr. Kelly said one option is to put it in a specific call out on each of the benchmarks that we will achieve all of the items as outlined on the Privacy and Security Roadmap, separate from the Technology Roadmap.

Retention and Enrollment: Mr. Kelly said Open Enrollment ends on January 31, 2016, so YHI will be measuring enrollment activities as of the end of February 2016 in order to allow that to conclude. The tactics here center on continuing with Consumer Connector engagement, completing passive enrollment of consumers and redeterminations that go with that. A downstream impact is keeping agents and brokers happy, improve the automation, and also the consumer experience through first call resolution and first ticket resolution to ensure that the consumer experience is improving and supporting the enrollment process. Current enrollment numbers are about 87,000, so 60% assumes flat enrollments year over year, at 80% it would result from a 5% enrollment increase and at 100% roughly 10% growth year on year. The total available market has a ceiling and is driven by market research. Mr. Kelly added that financial projections are right at the 80% benchmark in terms of enrollments and how that drives YHI's financial plans.

Financial Performance: Mr. Kelly said this is centered around operating expenses measured for the financial year ending June 30, 2016. The tactics to get there will include monthly reviews of financial results, discussion on adjusting forecasted number and holding each individual budget holder accountable for their individual budgets and overall goals. For the 60% benchmark, there will be no payout if the budget is exceeded. If the operating budget is achieved, there will be an 80% payout. A 100% payout would happen if a 3% savings occurred, which is roughly a $300,000 savings.

The idea was to keep these simple and attainable and to keep budget owners focused on sustainability. Mr. Settles asked about the process and if this would go through the Personnel Committee. Mr. Kelly said this goes to the Board in July for endorsement. These goals are tied to the variable pay plan and the pool for this was approved by the Personnel Committee, Finance Committee and approved by the Board in April. Mr. Kelly added that the leadership team spent a half day at an offsite developing the goals, tactics, benchmarks, etc.

Motion: Mr. Settles moved that the Governance Committee recommend to the Board the FY16 Strategic goals as presented today.

Second: Mr. Erstad.

The motion carried.

Motion: Mr. Erstad moved to amend the prior motion and add that we also underscore the importance of the security integrity of all actions moving forward.

Second: Mr. Settles.

The motion carried.

10.   SHINGO MODEL OVERVIEW

Ms. Packer said when she came on board, part of her initiative was to look at how the team was operating and then develop a culture of operational excellence. The Shingo Model is a methodology of that greatness of Operational Excellence. YHI is now using their concepts because they are very consumable and easy to apply. The first step in developing operational excellence is determining the four guiding principles. YHI's four guiding principles are: being honest and respectful, striving to make things better, working together, and creating value for consumers. The effort put forth include posters mounted throughout the office for reference and to enable staff to hold one another accountable for that. In addition, weekly newsletters are sent to staff to provide them with tools and tricks, to give them different ways of thinking, to be more systematic, problem solving and very much aligns with lean and Six Sigma processing. This all in an effort to develop a culture of excellence in operational thinking. These are the first steps to help YHI be sustainable and to develop our house of excellence. Rep. Rusche asked if this cultural support model will become part of evaluation and compensation. Mr. Kelly said the short answer is yes. When we develop individual goals for 2016, part of their goals will be a process improvement and their merit rewards will partially be based on this a year from now.

11.   ANNUAL CONFLICT DISCLOSURE

Mr. Stoddard said he would be working with Ms. Fulton to get these out to the Board members. Board members will be able to effectively say no changes from last year, if that is the case, so that a new form does not need to be completed.

Mr. Erstad asked about the Supreme Court ruling and asked Senator Rice if there are any actions that may be applied to YHI. Senator Rice said that the first thing to look at would be out of the U.S. Congress, rather than at the State level. Mr. Erstad asked because of the concern about the employer mandate and how that might affect people that cross state lines for employment.

12.   EXECUTIVE SESSION

Motion: The Chair moved that the Committee enter into Executive Session pursuant to Idaho Code 67-2345 to consider records that are exempt from disclosure under YHI's Public Record Retention Policy and Idaho's Public Record Act pursuant to Idaho Code Section 67-2345 (1)(d).

Executive Session Roll Call: The Chair called the roll and determined that Mr. Kreiling (via teleconference), Mr. Settles, Mr. Erstad, and Senator Rice (via teleconference) were present, resulting in a quorum. The Committee entered into Executive Session at 8:53 a.m. Senator Rice left the meeting at 8:54 a.m.

The Executive Session ended at 9:48 a.m. The Committee took no final action nor made any final decisions while in Executive Session.
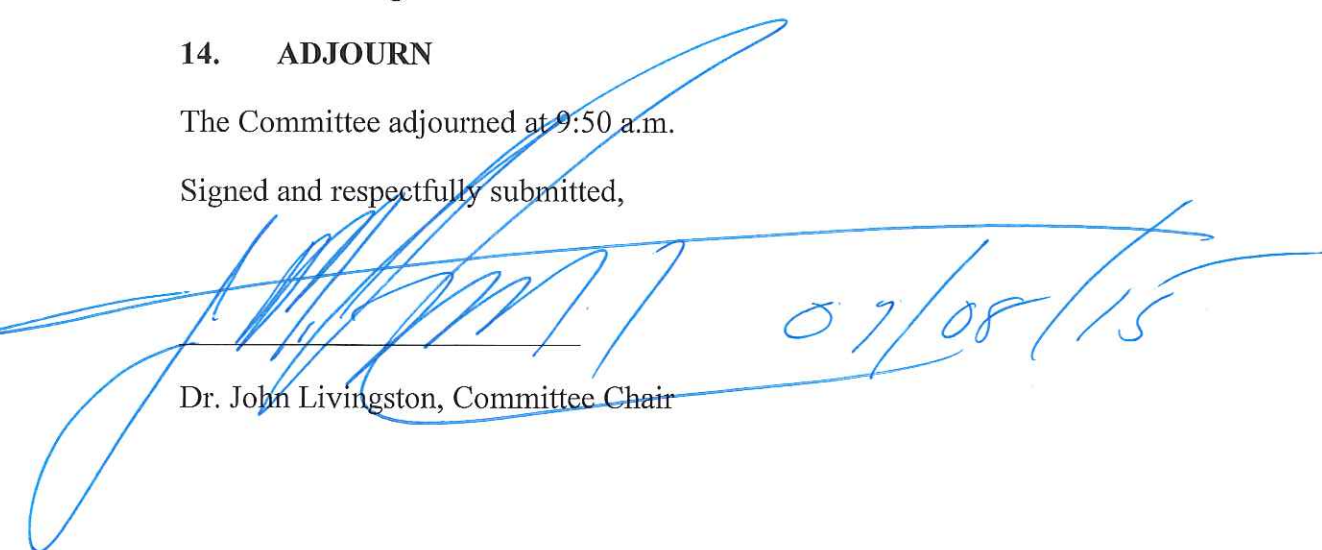
13.   NEXT MEETING

The next meeting of the Governance Committee will be held sometime near the end of August.

14.   ADJOURN

The Committee adjourned at 9:50 a.m.

Signed and respectfully submitted,

07/08/15

Dr. John Livingston, Committee Chair