

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

**PERSONNEL COMMITTEE
MINUTES**

MONDAY, JUNE 13, 2016

1. COMMITTEE MEMBERS PRESENT

- Ms. Margaret Henbest, Chair
- Mr. Scott Kreiling
- Ms. Karen Vauk
- Mr. Kevin Settles

2. OTHERS PRESENT

- Mr. Pat Kelly, Your Health Idaho
- Ms. Tresa Ball, HR Precision (via teleconference)
- Mr. Steve Berenter, Hawley-Troxell
- Ms. Cheryl Fulton, Your Health Idaho

3. CALL TO ORDER

Following proper notice in accordance with Idaho Code §74-204, the Personnel Committee of the Idaho Health Insurance Exchange (Exchange) was called to order by Ms. Henbest, Chair of the Committee (Chair), at 9:08 a.m., Monday, June 13, 2016, 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 website and at the meeting location.

4. ROLL CALL

The Chair took roll call and determined that Mr. Kreiling, Ms. Vauk, and Mr. Settles were present, resulting in a quorum. Director Armstrong was absent.

5. APPROVAL OF PRIOR MEETING MINUTES

Motion: Mr. Settles moved to approve the minutes from the March 8, 2016, meeting as presented.

Second: Mr. Kreiling.

The motion carried.

6. REVIEW OF AGENDA

The Chair requested to remove the FY17 Compensation Review from the agenda.

Motion: Mr. Settles moved to remove the FY17 Staffing Plan & Compensation Review topic from the Agenda.

Second: Mr. Kreiling.

The motion carried.

7. PERSONNEL COMMITTEE ROADMAP REVIEW

Chairman Henbest reviewed the roadmap and said in terms of the Committee roadmap, the Committee is meeting twice yearly and in September the Committee will complete self-evaluation of Committee and effectiveness of Committee Charter. After that, the next meeting will be in March 2017.

8. PRIVILEGED ACCESS ACKNOWLEDGEMENT FORM

Mr. Kelly said as YHI has made changes in technology in relation to specific roles, YHI wants to implement a form around the security of Idahoans personally identifiable information. Team members will be exposed to that at different levels through the role redesign and YHI would like to get that in place in order to work swiftly around an incident or exposure of that information. This will cover three primary groups including YHI team members, temporary workers for YHI, and DHW team members engaged with YHI. As such, YHI has developed three different forms that have been that include the acknowledgement form in the YHI handbook, and two versions of the HIX access form – one for employees and one for non-employees. The main point is to drive home the importance of confidentiality, provide swift disciplinary action as needed, and it does not change the at-will status for employees of YHI. This will be signed at the time they are on-boarded with specific roles or when their roles change.

Mr. Settles asked if we can have DHW employees sign this. Mr. Kelly said yes, DHW has agreed to have their YHI engaged employees sign the form, however any disciplinary action would not be taken by YHI, but through DHW instead.

Mr. Settles suggested adding employee and non-employee to the header. Mr. Kelly said they would edit the header to include the differentiating words.

Mr. Kreiling asked if this would be reviewed and signed annually. Mr. Kelly said this would become part of the process during annual Privacy & Security training.

Motion: Mr. Kreiling moved that the Personnel Committee recommend that the Board adopt the Privileged Access Acknowledgement Forms as presented today.

Second: Mr. Settles.

The motion carried.

9. FY16 VARIABLE PAY REVIEW

Mr. Kelly reminded the Committee that there were three goals that applied to all team members at YHI that were paid throughout the year, except for the Executive Director which is paid on an annual basis. Those three goals centered on the technology roadmap implementation, retention and enrollment, and financial performance. There was also a Strategic Goal that focused on the consumer experience, the low cost promise and sustainability. In review of the payouts for the two goals that have already been achieved, the technology roadmap goal was paid out in October at a 93% achievement rate. Essentially that goal was the number of requirements requested on the roadmap and what percentage of those were achieved (there were 193 out of roughly 200 that were implemented). Retention and Enrollment was measured at the end of February, centered on the number of effectuated enrollments at the end of February, and totaled 94,000 and 79% achievement rate. The third goal is Financial Performance which is anticipated at 100% payout, but will not be paid out until July. Overall, YHI team members' weighted average payout, excluding the executive director, is projected to be 83%, and it is prorated for new employees based on their hire date.

Mr. Kelly said there was one goal assigned to the Executive Director that was centered on employee engagement, which was measured by employee retention. The expected outcome is zero payout as retention was at 78.6%. There were some organizational changes that resulted in a few losses and there were other employees that left throughout the year.

Mr. Kelly shared the dollars associated with the variable pay goals and said it is broken out into two separate lines that show the overall variable plan payouts, excluding the Executive Director. Total estimated payout for goals is \$42,760.04 and the anticipated Executive Director payout is estimated at \$11,988.69. The total budget is \$63k and, with nearly \$55k paid out total, equaling a total payout of about 72%.

10. FY17 EMPLOYEE ENGAGEMENT GOAL

Mr. Kelly said shifting to the upcoming fiscal year, which runs July 1, 2016, through June 30, 2017, and centric to this Committee, we are talking about an employee engagement goal. In 2014, we discussed conducting an employee engagement survey; however, there wasn't an appetite for doing so at that time due to the small size of the team and the ability to make it anonymous. With the maturity of the organization and the increased number of employees, we are now ready to do a survey to measure the effectiveness of the organization. We are proposing

the use of the Gallup Q12, a survey to measure the strength of the workplace, which was also the subject of a book titled *First Break all the Rules*. The idea is to implement and assign numerical values to the answers from strongly agree to strongly disagree as well as an overall weighting for this year's benchmark. From there, management would continue to engage employees and implement the survey again in June of 2017. Benchmarks would be based on improvement percentages from the questions from 2016 to 2017 (100% achievement at 15% improvement, 80% achievement at 10% improvement and 60% achievement at 5%). While these improvements are small percentages, in talking to Ms. Ball, she feels this will be a strong challenge to reach the improvements as articulated in this goal.

The Chair asked how we anticipate moving the bar up if the employees are already happy this year. Mr. Kelly said that we don't anticipate that happening as the questions are very strongly worded. The Chair asked whether we can use raw scores instead of percentages for improvements. Ms. Ball said this could be done and stated it would be a stretch for a 10% improvement as it could be difficult to attain, where a 5% might be more realistic.

Mr. Kreiling asked if we could benchmark against a national score for organizations similar to YHI. Ms. Ball said if we use the online tool of Gallup, you can compare your scores to the national database. Ms. Vauk said she is a huge supporter of this type of survey, but is concerned it might be too early to utilize a tool like this and tying it to compensation. She suggested that the first year should be a learning year. Mr. Kreiling agreed and said his organization uses it as an indicator but is not tied to compensation.

There was discussion about the timing of the survey and how the results are used, and the Chair recommended that we pull back to find the right way and timing to implement. The Chair said the survey may uncover some cultural issues within the organization that aren't readily apparent, and with the small number of staff and the turnover that has been experienced, how do you maintain a consistent trajectory, and are we setting our team members up for not being able to achieve this goal due to outside factors.

The Committee suggested the engagement survey occur but not be included as a variable pay goal for FY17. Rather, implement the initial survey in July 2016, analyze results, and develop a cross-functional work group of employees to be involved in making recommendations and/or suggested improvements. The survey will be repeated in June 2017 to measure the changes from the baseline. Mr. Kelly suggested that he work with the Committee between now and the 24th and defer the motion to the Board.

11. EXECUTIVE SESSION

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

Executive Session Roll Call: The Chair called roll and determined that Ms. Vauk, Mr. Kreiling, and Mr. Settles were present, resulting in a quorum.

The Committee entered into Executive Session at 9:48 a.m. and reconvened at 10:20 a.m. No final action or decisions were made while in Executive Session.

12. EXECUTIVE DIRECTOR FY17 VARIABLE PAY WEIGHTING

Motion: Mr. Settles moved that the Personnel Committee recommend to the Board the overall FY17 Strategic Goal weightings for the Executive Director in the amounts of 40% for Idaho experience, 20% for retention and enrollment, 20% for compliance and 20% for the low cost promise and subject to approval at the Board meeting on June 24, 2016.

Second: Mr. Kreiling.

The motion carried.

13. NEXT MEETING

The Chair said the next meeting will be in early September.

14. ADJOURN

There being no further business before the Committee, the Chair adjourned the meeting 10:22 am.

Signed and respectfully submitted,

A handwritten signature in black ink, appearing to read "Margaret Henbest", written over a horizontal line.

Margaret Henbest, Committee Chair