

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

**PERSONNEL COMMITTEE
MINUTES
THURSDAY, JULY 9, 2015**

1. COMMITTEE MEMBERS PRESENT

- Ms. Margaret Henbest, Chair
- Mr. Scott Kreiling
- Ms. Zelda Geyer-Sylvia
- Mr. Kevin Settles
- Director Dick Armstrong

2. OTHERS PRESENT

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

3. CALL TO ORDER

Following proper notice in accordance with Idaho Code §74-204, the Personnel Committee meeting of the Idaho Health Insurance Exchange (Exchange) was called to order by Ms. Henbest, Chair of the Committee (Chair), at 8:05a.m., Thursday, July 9, 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 website and at the meeting location.

4. ROLL CALL

The Chair took roll call and determined that Mr. Kreiling, Ms. Geyer-Sylvia, Mr. Settles and Director Armstrong were present, resulting in a quorum.

Ms. Vauk was absent.

5. APPROVAL OF PRIOR MEETING MINUTES

Motion: Mr. Settles moved to approve the minutes from the March 23, 2015 meeting as presented.

Second: Mr. Kreiling.

The motion carried.

6. REVIEW OF AGENDA

There were no changes to the agenda.

7. COMMITTEE ROADMAP REVIEW

The Chair reviewed the Roadmap and noted that the Committee meetings are moving to even less than a quarterly cadence at 3 times a year. This makes for a long period of time between meetings and she asked if there were any concerns with that. Mr. Kreiling noted that as long as the Committee is available to have a meeting if needed, that is fine.

8. FY15 MERIT & VARIABLE PAY REVIEW

Mr. Kelly said that all performance reviews have been completed and merit amounts have been communicated to the team. Merit increases averaged 2.9%. As discussed in prior Committee meetings, no broad Market Adjustment for compensation was made. Any individual compensation adjustments outside of merit will be completed in accordance with the approved compensation policy. This includes changes in responsibility and/or scope of role and adjustments for performance and equity across the team. With those adjustments, the total compensation remains within the FY16 compensation budget.

There were three primary strategic goals centered around Retention and Enrollment, Low Cost Promise, and Consumer Connector Engagement. With respect to Retention and Enrollment, YHI ended up just short of the 80% achievement, which means that the final result was at 85,128 Idahoans enrolled or 77% of achievement. In regards to Low Cost Promise, this was tying operating expenses, enrollment projections and related assessment fee revenue to the assessment fee, set at 1.99%, which resulted in a 60% achievement of that goal. Finally, in regards to the Consumer Connector Engagement, which includes agents/brokers and enrollment counselors, YHI ended up with 1,160 Consumer Connectors which resulted in a 90% achievement of that goal.

There were two additional goals that were assigned to specific members of the leadership team. Idaho Control, which was assigned to the IT Director and Executive Director, is essentially to ensure the smooth transition off of healthcare.gov and that YHI would implement a paper-based application for SHOP. This needed to be accomplished by November 15, and both were completed before the deadline, resulting in the achievement of that goal at 100%. Employee Engagement was assigned to the Executive Director, and YHI had one employee leave in FY15 that had a tenure greater than 6 months, resulting in a 91% employee retention, which in turn resulted in a 100% goal achievement.

Mr. Kelly said this means payouts for total variable pay averaged 82%, or \$38,000 (not including the Executive Director). The budget, when adjusted for eligibility (for tenure), was \$62,030, which was about \$24,000 under budget for variable pay. Merit ended up at 2.9% out of a 3% pool, which translates into being under budget by \$4,854 (excluding the Executive Director). As noted in the footnote, the total budget for variable pay, unadjusted for employee eligibility and tenure, was \$75,000.

9. EXECUTIVE DIRECTOR FY16 STRATEGIC GOAL WEIGHTING

Mr. Kelly stated that FY16 strategic goals were developed by the YHI leadership team and presented to the Governance Committee in June. These goals were recommended by the Governance Committee for Board approval at July 17th Board meeting. The goals centered on three areas: Technology Roadmap, Retention and Enrollment, and Financial Performance. These key goals will be the basis for variable pay for FY16. These achievements will be paid throughout the year, with the exception for the Executive Director, which will be paid at the end of the year. Weightings of these goals will be assigned to each team member based on their area of responsibility and incorporated into their individual goals for FY16.

In addition to the three strategic goals, a fourth goal is proposed for the Executive Director around Employee Engagement. This is essentially the same as last year's goal and there will be objectives for team members with direct reports around employee engagement as well.

Ms. Geyer-Sylvia asked if these goals had already been approved by the Board and Mr. Kelly said no, they will be formally approved at the July Board meeting. The Chair added that the three goals have been vetted by the Governance Committee at the June meeting and will be recommended to the Board for approval at the July Board meeting. The fourth goal, related to employee engagement, comes before this Committee today as an additional goal. Pending recommendation to the Board for approval today, the four goals will then go before the Board for approval on July 17.

There was discussion by the committee about the enrollment goal and the financial goal. The committee determined that there had been robust discussion in the Governance Committee and determined that there are so many unknown variables and scenarios of what can happen, that it would be virtually impossible to perfectly predict what might happen.

The Committee continued to discuss the goals and the weighting of the goals until they reached a consensus.

Motion: Mr. Kreiling moved that the Personnel Committee recommend to the Board the overall FY16 Strategic Goal weightings for the Executive Director as presented today and subject to the approval at the Board meeting on July 17th.

Second: Mr. Settles.

The motion carried.

In regards to the weighting of the Executive Director goal of Employee Retention, there was discussion about the proper weighting of this goal given the relatively small staff at YHI and concern that YHI may need different skillsets at different times as it moves to sustainability which could result in a certain amount of turnover as the norm. Mr. Kelly clarified that these goals only include voluntary resignations and not involuntary terminations.

The Committee decided that the goal percentages should be adjusted to a 90%-85%-80% weighting for the proposed 100%-80%-60% benchmarks, respectively.

Motion: Mr. Settles moved that the Personnel Committee recommend to the Board the Executive Director FY16 Strategic Goal of Employee Engagement with a 90%-85%-80% weighting as presented today and subject to the approval at the Board meeting on July 17th.

Second: Ms. Geyer-Sylvia.

The motion carried.

10. EXECUTIVE SESSION

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

Executive Session Roll Call: The Chair called the roll and determined that Mr. Kreiling, Ms. Geyer-Sylvia, Mr. Settles and Director Armstrong were present resulting in a quorum. The Committee entered into Executive Session at 8:47 a.m.

The Executive Session ended at 9:31 a.m. No actions were taken or decisions made while in Executive Session.

11. NEXT MEETING

The Chair said the next meeting of the Personnel Committee will be in December, unless something urgent comes up sooner.

12. ADJOURN

The Committee adjourned at 9:32 a.m.

Signed and respectfully submitted,



Ms. Margaret Henbest, Committee Chair