

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

**FINANCE COMMITTEE  
MINUTES  
JULY 17, 2014**

**1. COMMITTEE MEMBERS PRESENT**

- Mr. Jeff Agenbroad, Chair
- Mr. Kevin Settles, Vice Chair
- Mr. Fernando Veloz
- Dr. John Livingston
- Ms. Geyer-Sylvia
- Representative Kelley Packer (via teleconference)

**2. OTHERS PRESENT**

- Ms. Amy Dowd, Your Health Idaho
- Mr. Pat Kelly, Your Health Idaho
- Mr. Trent Cummins, Your Health Idaho
- Ms. Jody Olson, Your Health Idaho
- Ms. Jennifer Dickey, Your Health Idaho
- Ms. Cheryl Fulton, Your Health Idaho
- Mr. Greg Kunz, Idaho Department of Health and Welfare
- Mr. Stephen Weeg, Board Chair, Your Health Idaho
- Director Dick Armstrong, Idaho Department of Health and Welfare

**3. CALL TO ORDER**

Following proper notice in accordance with Idaho Code § 67-2343, the Finance Committee meeting of the Idaho Health Insurance Exchange (Exchange) was called to order by Mr. Jeff Agenbroad, Chair of the Committee (Chair), at 8:00 am, Thursday, July 17, 2014, 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 called the roll and determined that Mr. Veloz, Dr. Livingston, Ms. Geyer-Sylvia and Representative Packer (via teleconference) were present resulting in a quorum.

Mr. Settles arrived at 8:03am.

## **5. APPROVE PRIOR MINUTES**

There are no prior meeting minutes to approve.

## **6. REVIEW OF AGENDA**

There were no changes made to the agenda.

## **7. DHW COST ALLOCATION REVIEW**

Mr. Kunz explained the federal requirement of DHW to provide a Cost Allocation Plan (CAP) for the services and costs to be billed to YHI which will ensure that DHW is not being charged for something that is supporting YHI. It usually takes DHW about 9 months to put a CAP through the approval process. Allocated costs are determined by a federally approved CAP. Only the costs that relate to YHI will be allocated to YHI. Other costs that are direct, do not have to go through Cost Allocation, but will still be passed on for payment. In summary, there are two components: Allocated Costs and Direct Costs. A cost cannot be billed to both of those, it must be billed to one or the other. It is the sum of those components that will be billed to YHI. This DHW CAP plan for YHI has been submitted to CMS for approval.

Part of the plan is that DHW runs a processing center, not a call center. In this plan, the decision maker answers the inbound phone calls and resolve the call. This helps to keep costs low. When people have questions, they want to talk to someone and get answers.

Eligibility Shared Services is the model Idaho is following. The first step in this model is Medicaid eligibility. If people are eligible for Medicaid, this cost will be captured by DHW. If not, and it is determined they are eligible for a premium tax credit that call will be transferred to an premium tax credit eligibility agent, and those costs would then be billed to YHI. The time it takes to resolve a decision determines the cost, and this is determined by random moment time study. It is expected that costs incurred by YHI will be greater during the open enrollment period. This Eligibility Shared Services model and process will be monitored on an ongoing basis to ensure accuracy.

The YHI direct billed labor and operating costs are estimated to be about \$185,000. This represents the equivalent to about 4,000 hours a year in labor for policy and fair hearing type activities that will be directly billed. The Eligibility Automation total cost is \$6.2M and is allocated by Random Moment Time Study staff hits (by caseload for multi-button or by Caseload for medical button). \$2.5M, which includes the Eligibility Automation and overhead costs of \$260,000, is the high estimate allocation for the year for YHI. Then it will be audited and future billings to YHI will be at actual costs.

It was recommended that an additional meeting be held to further understand this and the associated costs. Director Armstrong assured the Committee that DHW is prepared to handle this process. No motions or decisions were made regarding the DHW cost allocation review.

The Design Development and Implementation estimate which captures all staff costs for redetermination were not discussed.

## **8. FINANCE COMMITTEE ROADMAP**

Mr. Kelly walked through the Committee roadmap. He said the year-end is going well and as expected.

## **9. REVIEW QUARTERLY FINANCIAL STATEMENTS**

Mr. Kelly informed the Committee that the auditors will be at YHI the week of July 20, 2014 and year-end accruals were completed in coordination with auditors and vendors. The Assessment Fee revenue for June was slightly over \$300K and \$1.2M year-to-date. No payment is late and all are reporting and paying on time. Mr. Kelly said the grant draw is \$15.7M to date. The average monthly health insurance premium has stabilized at about \$290 a person.

## **10. YEAR END & GRANTS UPDATE**

CMS has notified YHI that November 2014 is the final opportunity to request additional funding from CMS. Operational costs will be incurred through December of 2015 and development costs are indefinite. The opportunity to have these development costs covered by CMS is a new opportunity. Ms. Dowd noted that this would be the last opportunity for YHI to have these costs covered with grant dollars and Mr. Kelly mentioned that it is the plan to apply for this funding. Mr. Kelly said Mr. Owen will look at ongoing DDI costs and work with DHW and other vendors to prepare a plan to present in September.

## **11. REVIEW TRAVEL POLICY**

Mr. Kelly had no recommendations for change.

## **12. ACCOUNTS PAYABLE PROCESS**

It is the preference of the finance group to utilize ACH as the primary method of payment for the accounts payable process. There is no change to delegation of authority.

## **13. OFFICE SPACE UPDATE**

Mr. Kelly gave an update on office space. YHI currently has two office spaces; Jefferson Street and State Street. The second floor of the Jefferson office, which has 5,000 sf, is available to YHI and would allow all staff to be on one floor and in one building. It is fully furnished and ready to move into. The landlord has offered to terminate the existing lease at Jefferson and create a new lease for a five year term for the second floor space. The State Street location lease would also be terminated with 60 day notice. This arrangement and cost is in line with our existing budget. YHI would occupy about 65% of the second floor. The process of moving will begin in early August if approved.

Motion: Ms. Geyer-Sylvia moved that the Finance Committee recommend that the Board approves entering into a new lease, in substantially the same form as the existing lease, for new office space at Jefferson Street and terminate existing lease in same location with a total five year cost of \$545,000. Further move that the Finance Committee recommend that the Board approves providing lease cancellation notice for the State Street location.

Second: Mr. Veloz.

The motion was approved.

**14. NEXT MEETING**

The next meeting of the Finance Committee will be held on August 18, 2014 from 3:30 to 5:00 PM at Hawley Troxell in the Board Room.

**15. ADJOURN**

There being no further business before the Committee, the Chair adjourned the meeting at 9:07 AM.

Signed and respectfully submitted,

  
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Jeff Agenbroad, Committee Chair