

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

**YOUR HEALTH IDAHO BOARD
MINUTES
JULY 17, 2015**

1. BOARD MEMBERS PRESENT

- Mr. Stephen Weeg, Chair
- Mr. Hyatt Erstad, Secretary
- Ms. Zelda Geyer-Sylvia
- Mr. Jeff Agenbroad, Treasurer
- Mr. Tom Shores
- Mr. Mark Estess
- Mr. Kevin Settles
- Mr. Fernando Veloz
- Dr. John Livingston
- Ms. Margaret Henbest
- Ms. Candace Sweigart
- Senator Jim Rice (via teleconference)
- Representative Kelley Packer
- Representative John Rusche (via teleconference)
- Director Dean Cameron
- Director Dick Armstrong

2. OTHERS PRESENT

- Mr. Pat Kelly, Your Health Idaho
- Ms. Jody Olson, Your Health Idaho
- Mr. Ethan Owen, Your Health Idaho
- Mr. James Wong, Your Health Idaho
- Ms. Dana Packer, Your Health Idaho
- Mr. Kevin Reddish, Your Health Idaho
- Ms. Karla Haun, Your Health Idaho
- Mr. Bob Vanderbilt, Your Health Idaho
- Ms. Kristina Eidemiller, Your Health Idaho
- Mr. Matthew Fuhrman, Your Health Idaho
- Ms. Cheryl Fulton, Your Health Idaho
- Mr. David Chase, Your Health Idaho
- Mr. Mike Stoddard, Hawley Troxell
- Ms. Tresa Ball, HR Precision
- Ms. Eva Szalewicz, Accenture
- Mr. Gerald Massey, Accenture
- Ms. Natalie Podgorski, Gallatin Public Affairs
- Ms. Premjeet Shergill, First Data
- Ms. Karen Covey, First Data
- Mr. Greg Kunz, Department of Health and Welfare
- Ms. Lori Wolff, Department of Health and Welfare

- Ms. Becky Webb, GetInsured
- Mr. Jim Murray, SelectHealth
- Ms. Marnie Packard, SelectHealth
- Mr. Peter Sorensen, Blue Cross of Idaho
- Mr. Shad Priest, Regence BlueShield
- Mr. Chuck Fischer, Advantage Dental
- Ms. Moriah Nelson, IPCA
- Mr. Brody Aston, Lobby Idaho

3. CALL TO ORDER

Following proper notice in accordance with Idaho Code § 74-204, the Board of Directors meeting of the Idaho Health Insurance Exchange (Exchange) was called to order by Mr. Stephen Weeg (Chair), at 8:03 am, Friday, July 17, 2015, at the State Capitol Building, Room WW17. In accordance with Idaho Code § 74-202, the meeting was held in an open public forum and was streamed in audio format on the Idaho Public Televisions web site.

4. ROLL CALL

Mr. Erstad called roll and determined that The Chair, Mr. Erstad, Mr. Agenbroad, Mr. Shores, Ms. Geyer-Sylvia, Dr. Livingston, Mr. Estess, Mr. Settles, Mr. Veloz, Ms. Henbest, Ms. Sweigart, Representative Packer, Representative Rusche (via teleconference), Director Cameron and Director Armstrong were present, resulting in a quorum.

Mr. Kreiling, Ms. Vauk, and Mr. Edgington were absent.

Senator Rice joined via teleconference at 8:49 a.m.

5. PUBLIC COMMENT PERIOD

There were no public comments.

6. APPROVAL OF PRIOR MEETING MINUTES

Motion: Mr. Shores made a motion to approve the meeting minutes from the April 17, 2015 Board meeting as presented.

Second: Mr. Erstad.

The motion carried.

7. REVIEW OF AGENDA

There were no changes made to the agenda.

8. NEW COMMITTEE APPOINTMENTS

Chair Weeg introduced Director Dean Cameron from the Idaho Department of Insurance and recommended his appointment to the Outreach & Education and Marketplace Committees.

Motion: Mr. Erstad moved to appoint Director Dean Cameron to the Outreach & Education and Marketplace Committees.

Second: Mr. Estess.

The motion carried.

9. EXECUTIVE DIRECTOR UPDATE

(a) YHI Business Update

Mr. Kelly shared a snapshot of the year ahead and noted that in Q3, the focus is on system improvements and two new software releases to increase functionality to the system in advance of open enrollment. YHI will also be executing on the important process of renewals and redeterminations which will be completed by the end of September. In person training will begin in September and continue through October. YHI continues to evaluate, develop and improve processes to increase first call resolution and improve the consumer experience. Looking ahead to Q4, YHI will begin anonymous shopping for current and potential customers on October 1 with open enrollment starting November 1 and continuing through January 31 of 2016. Concurrently, YHI is continuing its efforts towards eliminating vendor reliance by year end and increasing progress towards sustainability. At the next board meeting in September, our audited financials for fiscal year 2015, certification of plans to be offered on the Exchange, and additional details on readiness for open enrollment will be presented.

(b) CMS Updates

Mr. Kelly said the May meeting with CMS was very productive and strengthened the already solid working relationship. These meetings covered the SMART compliance audit and also included an IT readiness review. As a result of those meetings and significant follow up documents, CCIO recommended, and CMS approved, the release of IT funds for the third grant. YHI also received additional guidance on the use of 1311 funds. These funds are to be used for establishment activities and include all three of the grant rewards to date. CMS issued FAQ's in early June which contradict previous CMS guidance on the use of funds and state that some of YHI's expenses may not be considered establishment activities. However, YHI is working to submit justifications for establishment activities in both 2015 and 2016, which means some of these funds may be used for establishment activities for a longer period of time than was originally anticipated. The CMS review may result in some assessment fee revenue being used in 2015, but YHI anticipates the use of grant funds into 2016 that was not in the original budget. The net result is that there will be little change in cash balance at the end of 2016 from earlier projections. Finally, members of the YHI leadership team will attend the CMS Sustainability Summit in late July. This will provide an opportunity to share best practices, network with both CMS partners as well as other state based exchange leaders.

(c) FY15 Strategic Goal Updates

Mr. Kelly said at the end of open enrollment YHI had 85,128 effectuated enrollments. As far as the effectuated enrollment goal, this puts YHI at the mid-range of that goal. For low cost promise, YHI is at 1.99% for the assessment fee, which puts YHI at the low end of that goal.

YHI trained upwards of 1,200 Consumer Connectors, which is 97% of this goal. Idaho control continues to be a key tenant and YHI met all associated deadlines and all criteria for this goal, which centered on transitioning from the federal technology to YHI's own state-based technology. Finally, for employee engagement, a high recruitment and retention rate was achieved, above 90% retention which translates to a 100% completion of this goal.

(d) Compensation Update

Mr. Kelly said YHI has completed the FY15 year-end activities related to employee reviews and compensation. Due to YHI's accomplishments, and based on the achievements reviewed, payouts have been issued to the team. The average payout for variable pay was 82%. Team members have also completed performance reviews and any resulting merit increases are within the approved budget as was the variable pay and have all been communicated to the team.

(e) Staffing Update

Mr. Kelly said, as discussed at previous Board meetings, YHI continues to transition vendor-supported functions to YHI team members. Increasing YHI capabilities in-house continues to be a key part of YHI's strategy to become sustainable and reduce dependence on vendor outsourcing. In that vein, YHI has recently added team members in positions ranging from business and IT security analysts to communications and program management, all within the approved budget for this financial year.

YHI's focus will now shift to transitioning resources and responsibilities from Accenture, while ensuring seamless transfer of knowledge to YHI's new team members. Just this week, roll-off dates for Accenture resources were confirmed and each individual from the Accenture team was aligned with a team member from YHI to ensure that proper knowledge transfer occurs prior to their roll-off.

(f) Temporary Employment Agencies

Mr. Kelly said as YHI is reviewing its approach to temporary employment agencies as it prepares to ramp up for Open Enrollment. Currently, procurements exceeding \$15K/year require an RFP or board approval, and that includes hiring seasonal or temporary employees. However, competitive pricing is not the real differentiating factor among these agencies, their talent pool is. An RFP may yield the best hourly rate, but not the best talent and it would also significantly reduce the pool of talent if YHI were to work with a single vendor. For this reason, it is in the organizations best interest to engage with multiple agencies in an effort to target the right talent for each individual position being filled. To do this, YHI would need an exemption to the procurement policy when dealing with temporary and seasonal employment agencies.

Rep. Rusche asked if these variances would be reported back to the Committee level and Mr. Kelly said that YHI can report back to the Governance Committee when this happens.

Motion: Ms. Henbest moved that the Board, as an exception to the procurement policy, authorize the Executive Director to engage with temporary agencies to fill temporary and seasonal positions at YHI; expenditures under such engagements are included in the FY16 approved budget and all other approval processes remain in place.

Second: Mr. Erstad.

The motion carried.

(g) Operational Readiness

Mr. Kelly said as YHI looks forward to open enrollment on November 1, YHI is on schedule. The teams are focused on a variety of projects including technology readiness, testing, process and procedure creation, and re-evaluation and renewals. Those teams include representation from all stakeholders to ensure alignment and clarity of roles and responsibilities, as well as incorporate lessons learned to improve the process and consumer experience. Two tech releases are planned for July and September. A specific example of this is the Policy Manual which was released last week and is available on the website and will be updated regularly. It represents an important step in YHI's preparations for open enrollment.

10. OUTREACH AND EDUCATION UPDATE

(a) Noticing and Renewals

Ms. Olson said YHI is making progress on the renewal timeline and noticing. A stakeholders meeting, involving DHW the Carriers, GetInsured and others has taken place and resulted in a renewal timeline. The team has a commitment to have noticing language finalized by July 31. Ms. Olson reviewed the dates of the specific steps that will be taken for renewals and noticing. Redetermination reevaluation will start in September. The front end of the website will be updated with easy to follow, step-by-step directions on how to renew as well as descriptions of notices. In September, DHW will begin the re-determination process and in October, consumers will receive their DHW notice of their new APTC. Anonymous shopping begins October 1 and open enrollment begins November 1 and renewed plans will be visible on the consumer dashboards by November 1.

Rep. Packer asked when the plans will be approved in order to do the re-determinations. Ms. Geyer-Sylvia said the rates will be approved in August and in September the Board will be affirming the plans. Director Cameron said the DOI is in the process now of reviewing the rates so this timeline does work.

Mr. Shores said agents are asking if they can get an excel spreadsheet with that information to assist the agents in streamlining the process in advance. Ms. Olson said she has had that conversation and there are some pieces of information that will be available but does not know what will be available for agents and brokers yet.

The Chair said as he looks at this there is a lot of information going to the consumer from lots of different places, and unless those are really tightly in synch, this could be tricky for the consumer. Ms. Olson said that is one of the reasons for all the meetings and why there will be directions for the noticing which will be called "here's what to expect" and providing additional tools for the consumer to navigate the complicated process. The Chair asked how the agents and brokers will navigate through this. Ms. Olson said there will be opportunities through the portal and online for the agents and brokers to reference the notices. There will also be outreach to enrollment counselors.

Director Cameron said different consumers have different technology constraints. Will there be email as well as direct mail pieces? Ms. Olson said yes, YHI is obligated to send a direct mail piece to all consumers initially explaining the enrollment process. After that will be by email, but consumers that do not have an email in the system will continue receiving direct mail. Director Cameron added that state exchanges are still a hot topic and one state said they are considering revoking their state exchange. That state decided from the beginning to not include the broker community. The ones that are successful have engaged and utilized the broker community.

Ms. Geyer-Sylvia said this was a rocky process last year and asked if YHI has done a lessons learned from last year. And if not, she suggests a formal lessons learned process. She added that at Blue Cross, they tightened their process as well this year. The consumer needs to know that the process goes all the way to the end when they pay their bill, not ending when they select and sign up for their plan. She asked that Ms. Olson take that entire process into account starting at DHW and going all the way through payment. Ms. Olson assured her that the entire process is included in the roadmap and through graphic displays to the consumers.

The Chair noted that calling it passive renewal isn't the correct term because the consumer needs to act on the APTC part. Ms. Olson said those are some of the lessons learned, and that is taken into consideration. Ms. Geyer-Sylvia said the process needs to go all the way through paying the bill. Ms. Olson said she will take that as an action item to add that specific language.

Ms. Wolf clarified that the passive/auto renewal is an actual auto renewal this year. Following CMS guidelines, DHW will be grabbing information from various interfaces and will then be sent to the consumers around September 15 for October 1 readiness. Everyone will be auto-reenrolled (with a few exceptions) in their plans and then the consumer can report changes.

Mr. Shores said timely payment is critical. Many consumers do not understand that their plan will be cancelled if the premium isn't paid on time each month because they have never had health insurance. One of the biggest challenges is that most carriers are requiring a binder payment even if they are staying with their current plan. Will this be the same this year? Ms. Geyer-Sylvia said she doesn't know if they have made a decision or not yet regarding bank drafts.

Ms. Olson continued with the timeline and said as January open enrollment closes, there will be a deadline reminder. Carriers will receive a file of redetermination on or around November 1st, 834's will be received on or about November 1st for all active enrollees on the exchange, and carriers will receive a 'term' and 'add' transaction with the same exchange ID and exchange policy number. Errors, changes after November 1st, split families, and other complex scenarios will likely be handled individually on a case by case basis by a YHI worker. Auto renewed policies will be visible in the portal on November 1. November 1 through December 15 consumers can apply for premium assistance for their January 1 coverage. After that, the consumer will have until December 22nd to make the plan selection for January 1 coverage and then they must pay before January 1. From December 16 to January 15 new consumers can apply for premium assistance for February 1 coverage and plan selection closes on January 22 and the consumer must make the payment before February 1. Applications received between January 16th and the 31st will need to select a plan by February 15th and make their first payment by February 28th for March 1st payment.

Senator Rice joined the call at 8:49.

(b) Training

Ms. Olson said a training workgroup has been created, involving stakeholders, and is meeting regularly. They are reworking the agent/broker certification material to reflect system changes and new information like the Policy Manual, which has been created and distributed across stakeholders. Agent and broker certification will begin in mid-September, and live training will occur in the first two weeks of October.

Mr. Shores asked about the training and if there would be options as sometimes agents cannot attend a specific training. Smaller phase release webinars will be available prior to the full training.

Mr. Shores said as he understands it, the recertification process will be in September and asked how much of that will be involved in the sandbox so the agents and brokers have time to play with it. Ms. Olson said that the recertification will be the same as last year in that it will follow the LMS PowerPoint modules. The live training environment will happen later due to the release cycle.

(c) SOW #10

Ms. Olson said many of the items that have been discussed already are involved in SOW #10. SOW #9 was completed on June 30 and the total spend was approximately \$283k which was roughly \$130k under budget resulting in a \$400k favorability year-to-date.

The focus for SOW # 10 is on open enrollment readiness and communication including renewals, noticing and training. It will include paid media, creative development, production and pre-buy for advertising. Also included is Agent and Broker support and live training, which is the top priority. In addition, earned media activities, market research and transition from vendor supported model to YHI staff including knowledge transfer, will also be included.

Ms. Olson introduced Ms. Karla Haun who joined YHI last week as communications specialist.

SOW #10 was reviewed and discussed in depth by the O&E Committee and is presented to the Board today for approval.

Motion: Rep. Packer moved that the Board approve SOW #10 in the amount up to \$1,428,000 retroactive to July 1, 2015 and to run through September 30, 2015, which was reviewed and recommended for approval by the Outreach and Education Committee and which Gallatin Public Affairs and its subcontractors have been honoring in good faith while awaiting Board approval. This scope of work falls within the FY16 outreach and education budget approved by the Board.

Second: Dr. Livingston.

The motion carried.

11. MARKETPLACE UPDATE

(a) Marketplace Dashboard

Mr. Wong shared the Marketplace dashboard and noted the effectuation numbers of 87,106 which is slightly up since the last Board meeting. Website traffic has stayed stable and ticket case management activity is being managed very well. The team has turned everything into tickets resulting in more measurable tracking and there have been significant strides in coordinating the resolution of cases. Ms. Packer deserves the credit for reducing the number of tickets.

Mr. Veloz said it would be good to know how many of these people were previously uninsured. Mr. Wong said he will take a look at the analytics that come from the system to see if that information is being captured. The Chair added that initially Healthcare.gov had that information but then it was transferred over to YHI and that information was not available.

Mr. Erstad said to keep in mind those uninsured that come in can only come in during the open enrollment period.

Mr. Shores shared that agents and brokers are happy with the response time, but the challenge is that the agents that are using emails, the answers they receive from the call center have very little to do with the question being asked in the email. He suggests the call center employees take a closer look at those emails before responding.

(b) Operations Update

Mr. Wong noted the two areas that YHI is focusing on to ensure being in the best position for open enrollment are reconciliations and renewals. On the reconciliations front, the primary focus is to make sure the integrity of the records is synched with the carriers, DHW and GI on multiple matters, especially APTC recipients. On the carrier side, it is important to close the gap on what remains in a few discrepancies of data in terms of agents of record and what shows as far as reconciliations with carriers. He reported these discrepancies have been greatly reduced to date.

YHI is working with all stakeholders regarding renewals, reevaluations and redeterminations to ensure that all processes and the consumer experience is high quality. The teams across agencies have made excellent progress in this area.

Ms. Packer addressed the last two areas which include SEP validations and verification. The process being operationalized, across all stakeholders, will be significant particularly for enrollment outside of open enrollment. The information is subject to change because it is still being developed. Ms. Geyer-Sylvia noted that this is a very big issue for the carriers because there have been consumers that have attempted to create a special enrollment period that were not eligible. The main reason they do this is because they are uninsured and suddenly develop a health issue and are desperate for insurance to cover it.

Mr. Shores asked why the carriers would be involved in developing the SEPs because that is what DHW and YHI are charged with doing. Ms. Packer said that the carriers are involved because of the financial risk it poses directly to them.

Mr. Shores said the validation process should be consistent and housed at YHI and DHW, and not at the carrier level. Ms. Packer agreed that the process should be consistent at all levels. To

clarify, DHW does the APTC validation while the SEP validation is housed within the YHI system. This is being operationalized so that everyone follows the same set of rules. Ms. Geyer-Sylvia said the bottom line is the carriers are willing to take on the responsibility of doing this validation and then having a dispute process for anyone that falls out of that process. The fact is if a carrier puts someone on a plan, they need to have documentation showing they actually met the rules, and right now YHI does not have the ability to provide that documentation to the carrier.

Director Cameron said the DOI has received concerns from the carrier community and DOI has been reviewing this and the carriers are within their rights to request this information. He said this is a work in progress and they are working through it. The agent community can help the process by receiving the documents right up front. He understands the agents want to do the best thing for the clients, but unfortunately there has been some instances of stretching what would be appropriate to qualify for a special enrollment period. This must be rectified in a way that protects the consumer while mitigating risk to the carrier.

Ms. Henbest said in regards to the consumer experience, there have been some cases disputed and it looks like it is taking about 6 weeks before the consumer has some certainty regarding their coverage. If they are in fact ill, this could be risky for them. Ms. Packer said the team is trying to work through ways to be proactive with the carriers so that there is little consumer impact.

Ms. Geyer-Sylvia said the goal is to get this documentation in advance so that the dispute process doesn't even happen. Unfortunately, that is not what has been happening to date. The consumer is really the one responsible for this. Mr. Shores said they have been working with YHI to get a place they can upload their documents so the agents can verify eligibility. Mr. Erstad asked if the policies effective date would be retroactive to the initial date they were eligible for or would it be pushed back to when the dispute has been completed? Ms. Packer said they have not completely finalized this process. But because it does have an effect on the consumer, they will work on this. It does make sense that it be the initial date.

Mr. Wong said the discussion around the table shows that this is a topic of great interest, and YHI is taking that into account while trying to protect the interest of all stakeholders. We currently do not have a way to collect this information up front, but this is being worked on.

Mr. Shores asked about the Idaho residency verification and asked if YHI has decided on what documentation will be required as proof of residency. Ms. Packer said as soon as there is finalization, she will let the agents know, because agents will be the key stakeholders in collecting that up front.

(c) Consumer Support Update

Ms. Packer said in the consumer support world, emails and tickets are being processed on a first in first out basis and is averaging a ticket inventory between the two of less than 225 per day, which is phenomenal considering that it was a little over 500 just a few months ago. Documentation of standard repeatable processes has been started and emails have been centralized which will improve reporting to CMS on a monthly basis. As of the 15th, the team is averaging about 72 emails into the support queue per day and the turnaround time has been reduced

to less than 3 days for emails that have not been started yet. Mr. Shores said one of the challenges for people that have life events is that there is no email response, only a pop up that says to make a phone call. He said the agents prefer email because they can be tracked. Ms. Packer agreed wholeheartedly because you can process an email more quickly than a call. She went on to say that tickets from the call center are averaging about 45 tickets per day, with an uptick on Monday's and Thursday's (tracking since June), which helps prepare for staffing. The team is currently less than 3 business days out for tickets that have not started being reviewed for resolution.

Ms. Packer said other process improvements from a process improvement leader perspective include a SharePoint solution to manage processes such as change requests. In addition, the team has developed a standard repeatable process for when a consumer requests reinstatement, and that information has been published on the website so the consumer can self-serve in this area.

(d) PMO Dashboard

Mr. Vanderbilt said the dashboard is slightly different from previous meetings and said the PMO organization looks across the whole program to identify risks and issues and items to drive quality in the program. He highlighted the focus areas which include GetInsured, the quality assurance, or testing, and the risks previously identified by Mr. Wong in the operations area.

Mr. Vanderbilt said three risks have been identified in respect to GetInsured. The first is loss of key resources due to attrition. To mitigate that, GI has a resource pool that they have tapped into, they are working on transition planning and working to backfill those positions.

Secondly, the ability to fit all the deferrals from R2.6 into R3.0, without pushing some requirements out beyond 2015, has been identified as a risk. YHI continues to monitor the SLA's with regard to GI to ensure no degradation of services. As open enrollment nears, YHI has worked with GI and built a dashboard matrix to track requirements, and has also developed a metrics dashboard for CMS.

The third risk is Carrier Integration Testing because the carriers need better access and visibility to the R3.0 testing. YHI is documenting high-level testing schedule dates and will communicate those with the carrier.

The Quality Assurance area is at risk because the first requirements are taking longer than expected and this puts a crunch on the testing teams. To mitigate that, YHI is running extended hours, including weekends, with the testing teams. This should be very effective.

The second risk for the QA team are with the carrier integration teams and ensuring the teams are working hand in glove with stakeholders to make sure that is successful.

(e) IT Update

Mr. Owen said when looking back at last year, there were a few little issues with the infrastructure. It did not go down and was only a small blip on December 15th where the traffic volume was high and services were briefly suspended. Those issues have been fixed for this year. Currently YHI is at four servers and will go back up to seven for open enrollment.

The front end of website was moved to Rackspace and a new content delivery network has been established resulting in faster service at no cost to Idahoans and results in a significant savings each month.

2015 Enhancements Negotiations have been completed and from a high level, resulting in a 42% reduction in costs associated with enhancements.

Mr. Owen said the biggest challenge from a technology perspective is time. The team broke it into smaller pieces or releases. There are three phases. The first phase, or release, contains everything that must be in the system for open enrollment, phase two contains a couple of other enhancements and then followed by phase three. There are plans and contingencies in place should there be any issues. Mr. Shores said in the efforts to control breaches, YHI has put agents in a position that only one person from each agency can be in the system at a time. Mr. Owen said because of MARS-E control framework, only one session can exist at a time. He added that this is on his radar for multiple instances in the system at the same time.

Ms. Szalewicz reviewed the targeted release dates and the items that fall within each. She noted that the items in brown are new enhancements. She said the business cases show why the specific enhancements were added. They either have a positive payback for YHI or, the ones that don't, create a positive experience for the consumer. She said the items that are helpful from a consumer perspective include change reporting and linking improvement. Items benefiting agents and brokers include the linking process, managing books of business, better promotion of agent use, and better notification to agents for actionable consumer notices. Items benefitting carriers include the carrier rate review tool and items related to dental.

Ms. Geyer-Sylvia said SEP documentation is not on this list. Will that be added? Ms. Szalewicz said they are still determining how that process will happen. The totality of the scope is one document and there is currently not a system of validity. Ms. Geyer-Sylvia said this is a big issue and asked again if this will be put on this list. Mr. Owen said the way they handle enhancements is through change requests, there is a set amount of funds set aside for change requests and in the scoping of this enhancement they will determine if there are funds remaining to handle it. If so, it will then be added to the list. If the change is requested through PST then yes, it will be added to the list.

The Chair said this should be a discussion with stakeholders to come to some level of agreement to get this taken care of.

Motion: Mr. Veloz moved that the Board delegate signing authority to the Executive Director to execute Change Requests with Vimo, Inc. doing business as GetInsured in an amount not to exceed \$37,000,000 total for design and development, an increase in spending authority of \$2,320,000 (exclusive of M&O)*.

** These funds are in the approved Level 2 grant funding and the FY16 Project Budget. This motion is only for an increase in Mr. Kelly's signing authority.*

Second: Dr. Livingston.

The motion carried.

The Board took a break at 10:00 am and reconvened at 10:14 am.

(f) Contract Updates

Mr. Kelly said YHI engages with DHW for eligibility shared services as well as design, development and implementation activities related to the eligibility services they provide for YHI. The current agreement expires on July 31, 2015, YHI would like to extend the current agreement to July 31, 2016 as well as the increase of the cumulative authorized spend. Those increases cover primarily two areas of work including eligibility shared services for 13 months and design, development and implementation activities which cover enhancements to the system for the next 13 months as well as any residual changes that need to be made as a result of the current changes being implemented.

Motion: Mr. Veloz moved that the Board approve the execution of the second Amendment to the Idaho Department of Health and Welfare MOU to increase total approved funding to \$18,025,000, which amount is included in the approved FY16 budget, and extend the term to July 31, 2016 and authorize the Executive Director and Chair of the Marketplace Committee to negotiate such amendments.

Second: Mr. Estess.

The motion carried.

Mr. Stoddard, YHI legal counsel, noted that the previous motion noted the second amendment to the DHW MOU. He stated that this is in fact the third amendment and suggested nullifying the previous motion and making a new motion.

Motion: Ms. Geyer-Sylvia moved to nullify the previous motion regarding the DHW contract.

Second: Mr. Erstad.

The motion carried.

Motion: Mr. Veloz moved that the Board approve the execution of the third Amendment to the Idaho Department of Health and Welfare MOU to increase total approved funding to \$18,025,000, which amount is included in the approved FY16 budget, and extend the term to July 31, 2016 and authorize the Executive Director and Chair of the Marketplace Committee to negotiate such amendments.

Second: Ms. Henbest

The motion carried.

Mr. Kelly said the second contract that he would like to provide an update on is the contract with GetInsured. There is one amendment under development that covers three specific areas. The first is Holdback and under the current terms of the agreement, YHI withholds 10% of payments to GI to ensure all requirements are met and that the system functions as designed. That holdback is related to the go-live functionality from last year. Within that functionality there were approximately 1,100 requirements and all but 71 requirements have been met and of those 71, 49

will be in R2.6 and 22 will be in R3.0 in September. As a good faith effort, YHI has discussed partially paying the holdback amount at 60% and then paying the remaining 40% of the holdback when all 71 items are completed and functioning as required.

The other two items to be addressed in this amendment are around recurring themes and questions from the Board. One is around maintenance and operations and the second around the license fee at the end of the initial term of the agreement.

Ongoing verbal commitments by GI indicate that there will not be a material adjustment to the Maintenance and Operations costs after December 2018. The Amendment formalizes this verbal agreement of the Maintenance and Operations costs post December 2018.

The second item is around the perpetual license. Is it really perpetual and is there a fee end the end of the term? YHI has confirmed that the license is perpetual and that it covers both the intellectual property of GetInsured as well as the specific intellectual property related to the development specifically for Idaho. In the event of a renewal of this contract with GetInsured, there will be no fee to extend both the GI intellectual property and the Idaho specific IP and the underlying licenses that run the system.

Dr. Livingston asked if this perpetual contract only includes software or is there more included in that. Mr. Kelly said this is the license to the system itself and does not apply to hardware.

Motion: Mr. Veloz moved that the Board approve the execution of first Amendment to the GetInsured contract and authorize payment of 60% of the holdback for release 2 functionality, which amounts are included in the approved FY15 budget, and provide clarity around long-term Maintenance and Operations costs as well as any software license fee beyond 2018 and authorize the Executive Director and Chair of the Marketplace Committee to negotiate such amendments.

Second: Ms. Sweigart.

The motion carried.

12. FINANCE UPDATE

(a) Banking Services & Investment RFP

Mr. Cummins said as the Finance Committee contemplated YHI's cash balance reserves, they asked to evaluate cash investment options. As a result, YHI issued an RFP for Investment Advisor Services and received only one response to this RFP, which included laddered CD's and other low risk investments for an annual management fee. After consideration by staff and the Finance Committee, YHI elected to not select an Investment Advisor firm.

During these discussions, it was brought to the Committees attention that banks could provide comparable low risk cash management services at a considerably lower cost. An RFP is not required for these services as long as the associated fees are less than \$15k annually. As a result, YHI staff gathered information from our current bank, Idaho Independent Bank, and other local banks about available services and applicable fees and charges. YHI Staff also reached out to banks, per Board request, about obtaining a Line of Credit (LOC).

What the team found during this process is that IIB offers comparable cash management abilities through CD laddering and continued banking services at no cost to YHI. IIB also offers a LOC of \$750,000 for annual set-up fee of 50 bps (\$3,750) and interest terms of Prime + 0%. IIB's offer for banking services and LOC is equivalent to or exceeds all other offers from other local banks. Use of the LOC seems unlikely in the near term and Mr. Cummins recommends revisiting this when needed in the future.

Motion: As discussed at the Finance Committee, Mr. Agenbroad moved that the Board approve expanding YHI's current banking relationship with Idaho Independent Bank to include CD laddering to manage cash reserves at no cost to YHI.

Second: Mr. Settles.

The motion carried.

(b) Q3 Financial Statements

Mr. Cummins updated the Board on the 3rd quarter financial statements. He called out that the average premium is slightly lower than anticipated, but enrollments are slightly higher, so it puts YHI at roughly the same cash balance as projected.

Mr. Cummins presented the operating income statement YTD through March 2015. He noted that O&E has a large favorable variance as does the consumer connector, YHI's in-person assister program. The shared services with DHW show some unfavorability because there wasn't a clear understanding of all the shared services with DHW when this was contemplated. One other item to note is a large favorability in the M&O with GetInsured which is largely a timing difference.

Mr. Cummins presented the project portion of the income statement. He said primarily there are two large items that add to the favorability here. One is around the engagement with DHW around DDI work and the timing of that work. The second one is around GetInsured and this is a timing variance due to the scheduling of payments.

Motion: Mr. Agenbroad moved that the Board accept the quarterly financial statements for the period ending March 31, 2015 that has been reviewed and recommended to the Board by the Finance Committee and presented today.

Second: Mr. Settles.

The motion carried.

13. GOVERNANCE UPDATE

(a) Annual Policy Review

Mr. Owen reminded the Board that last year YHI went from 3 or 4 to 18 policies. This year it's much lower and legal only made some changes in the wording and not any changes in intent. There are three new policies which include a Clean Desk Policy, Mobile Device Policy and Risk Assessment Policy.

For the 10 Year Records Retention Policy, YHI is not out of compliance at this time. YHI looked at using existing technology and the proof of concept is underway for this plan.

Motion: Dr. Livingston moved that the Board approve the amendments to the YHI Policies as recommended by the Governance Committee and presented at this meeting.

Second: Mr. Erstad.

The motion carried.

Mr. Cameron requested that there be an opportunity for DOI and DHW to formalize the procedures and compliance issues with agents as they relate to Your Health Idaho.

(b) FY16 Strategic Goals

Mr. Kelly said these three goals were discussed at a high level at the April Board meeting just to get confirmation that they were focused on the right area of the business, then YHI Leadership team worked on more detail. The first goal is the Technology Roadmap which includes both above and below the line items on the roadmap. The benchmarks are related to the team's ability to complete most or all the items on that roadmap. With respect to retention and enrollment, which will be measured at the end of February, the team will continue to focus on the agent and broker community to reach these goals. The third goal is centered on financial performance and is focused on operating expenses, where staff is able to influence these expenses. YHI team members are not able to influence all areas of the assessment fee so operating expenses seemed a better fit.

Ms. Geyer-Sylvia had some serious concerns about the financial performance goal, because the budget is not a way to achieve performance goals. She thinks the low cost promise is the best way to gauge because it affects both income and expenses. Mr. Kelly said in respect to the April Board meeting, they confirmed the general categories and the detail was vetted through the Governance Committee. Mr. Agenbroad took a different view and said that this is in line with our low cost promise, which comes from the Board level, and for which the staff has no influence. Ms. Geyer-Sylvia respectfully disagreed and would like to put forth that we go back to what the goal was last year. Ms. Henbest added that last year measuring performance on those goals was difficult. The Low Cost Promise was a fiscal year goal. What she would propose is when the strategic goals are articulated, the focus be on sustainability and the overall organizational expenses, which will trickle down to the consumer. Ms. Geyer-Sylvia proposed we keep it as the same goal YHI had last year, the Low Cost Promise.

Mr. Kelly added that focusing on retention and financial performance is appropriate. When we focus on Assessment Fee it includes the number of people enrolled, the premiums, and the utilization rates, and the carrier rates, the staff has no control over that. But the operating expenses are something teams can have direct control over.

Motion: Ms. Geyer-Sylvia made a motion to amend the motion to replace the financial performance goal of operating expenses with the Low Cost Promise goal.

Second: Senator Rice.

Mr. Settles thinks that coming in under budget is a good goal. The Finance Committee recommended it and he opposes the amendment. Ms. Henbest will also vote against the amended motion because in order to meet the low cost promise, we may be required to use a line of credit to maintain the assessment fee. We don't want to overwork team, and to hold staff to that is concerning. Senator Rice said it really is a shared responsibility between the Board and the Executive Director to ensure we meet the low cost promise. Rep. Packer said as one of the legislators that took the risk in building the exchange, we have to sustain this without any help from other resources and we have to equally balance the responsibility of maintaining low cost with an equally focused eye on providing this exchange long term. We need to trust the staff to operate in a fiscally responsible manner.

Ms. Geyer-Sylvia withdrew her motion and asked for it to go back to the Governance Committee and potentially the Personnel Committee to revisit adding a goal on the Low Cost Promise. Senator Rice concurred.

Motion: Ms. Geyer-Sylvia to send it back to the Committee level to review the potential of adding the goal of Low Cost Promise as part of the operational goals for the year.

Second: Senator Rice.

Mr. Erstad conducted a roll call vote and the motion failed on a 6 -7 vote.

Motion: Mr. Erstad moved that the Board approve the FY16 Strategic goals as recommended by the Governance and Personnel Committees as presented today with the understanding that the Board of Directors works with staff on the primary goal of maintaining sustainability and the Low Cost Promise to Idahoans.

Second: Dr. Livingston.

Ms. Geyer-Sylvia and Senator Rice were opposed.

The motion carried.

Mr. Kelly said an additional tactical goal for the Executive Director is employee retention, excluding termination for cause.

Motion: Ms. Henbest moved that the Board approve the goal of employee engagement and the related achievement benchmarks as proposed and recommended by the Personnel Committee.

Second: Mr. Shores.

The motion carried.

14. EXECUTIVE SESSION

Motion: The Chair moved that the Committee enter into Executive Session pursuant to Idaho Code Section 74-206 (1) to consider documents that are exempt from disclosure under YHI's public records policy and Idaho's public records act pursuant to Idaho Code Section §74-206

(1)(d) and to consider the evaluation of an employee pursuant to Idaho Code Section §74-206 (1)(b).

Executive Session Roll Call: Mr. Erstad called roll and determined that The Chair, Mr. Agenbroad, Mr. Shores, Ms. Geyer-Sylvia, Dr. Livingston, Mr. Estess, Mr. Settles, Mr. Veloz, Ms. Henbest, Ms. Sweigart, Senator Rice (via teleconference), Representative Packer, Director Cameron and Director Armstrong were present, resulting in a quorum.

The Committee entered into Executive Session at 11:18 a.m. and reconvened at 12:23 p.m. No final action or decisions were made while in Executive Session.

Motion: Ms. Henbest moved that the Board approve a merit increase of 3.5% and a variable pay of \$12,895 for achievement of strategic goals for FY15 for the Executive Director. Both amounts are included in the approved FY15 and FY16 budgets, respectively.

Second: Dr. Livingston.

The motion carried

Motion: Ms. Henbest moved that the Board approve a variable pay opportunity of 10% of annual salary for FY16 for the Executive Director.

Second: Ms. Geyer-Sylvia.

The motion carried.

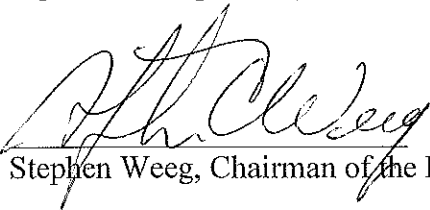
15. NEXT MEETING

The Chair said the next meeting would be in early to mid-September.

16. ADJOURN

There being no further business before the Board, the Chair adjourned the meeting at 12:25 p.m.

Signed and respectfully submitted,



Stephen Weeg, Chairman of the Board