

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

**GOVERNANCE COMMITTEE  
MINUTES  
TUESDAY, AUGUST 29, 2017**

**1. COMMITTEE MEMBERS PRESENT**

- Ms. Margaret Henbest, Chair
- Mr. Hyatt Erstad, Vice Chair (via teleconference)
- Mr. Dave Jeppesen
- Ms. Karen Vauk (via teleconference)
- Rep. Mat Erpelding (via teleconference)

**2. OTHERS PRESENT**

- Mr. Pat Kelly, Your Health Idaho
- Ms. Cheryl Fulton, Your Health Idaho
- Mr. Mike Stoddard, Hawley Troxell
- Mr. Weston Trexler, Idaho Department of Insurance
- Ms. Tresa Ball, HR Precision (via teleconference)

**3. CALL TO ORDER**

Following proper notice in accordance with Idaho Code §74-204, the Governance Committee meeting of the Idaho Health Insurance Exchange (Exchange) was called to order by Ms. Margaret Henbest, Chair of the Committee (Chair), at 3:01 p.m., Tuesday, August 29, 2017, 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. Erstad (via teleconference), Mr. Jeppesen, Ms. Vauk (via teleconference), and Rep. Erpelding (via teleconference) were present, resulting in a quorum.

Mr. Kreiling and Director Cameron were absent.

**5. APPROVE PRIOR MEETING MINUTES**

The Chair noted there were no edits to the June 5, 2017 meeting minutes.

**Motion:** Mr. Erstad moved to approve the minutes as presented from the June 5, 2017, Governance Committee meeting. **Second:** Rep. Erpelding. **The motion carried.**

## **6. REVIEW AGENDA**

There were no changes made to the Agenda.

## **7. REVIEW COMMITTEE ROADMAP**

The Chair asked Mr. Kelly to review the roadmap. Mr. Kelly said the Governance Committee determined that the best way to perform the self-assessment was in Committee meeting, so that will be completed today. December this Committee will review the Plan of Operations and overall Governance documents, and this Committee will also discuss annual Board training (which could slip out to a later date as it has in prior years). In March, the Committee will discuss goals, ensure YHI has proper staffing and compensation to achieve those goals, and the Employee Handbook review.

## **8. COMPENSATION POLICY UPDATE**

Ms. Ball said she and Mr. Kelly reviewed the compensation policy and included the redline and final draft in the packets today for review. She noted it has been a couple of years since this has been updated so it was updated to ensure it reflects our current practices.

The updates include the Governance Committee now rather than Personnel Committee, annual review process, and the frequency of a full market review. Initially it was decided to do a full market review every other year. But since the market doesn't move that quickly, new positions are the only ones that receive a market review, and existing positions will now get a full market review as needed but no less than every five years. YHI will be on track to do a full market review this coming spring prior to the budget process.

Additional edits include the removal of some procedural details that were included initially because they had not been performed yet, but now have been, thus, they were removed. The recognition section was also updated considerably and now include all the new recognition processes for the Customer Support Center. The only real change in the recognition section is in regards to the variable pay. Lead team members are now at 5%, managers at 4% and all others at 3%.

Chair Henbest asked about the addition of the dollar amounts shown for the recognition programs and if that would limit changes in the future and require the committee to go back and change the policy again, should leadership decide to change that at some point. She asked if the dollar amounts are necessary.

Ms. Ball said in the long term, they could be left out. But for the sake of transparency with the Board, it was decided to include them this time.

Mr. Kelly added that in addition to the recognition programs being included in the budget, the team did run the numbers on the additional percentage point for the manager's variable pay and it is a very marginal dollar amount. This is being requested for payout for FY18, which began July 1, 2017.

There was additional discussion about the relevance of the numbers, spot awards, and the addition of the CSC and its relevance to these changes.

Mr. Kelly said that if the policy were to change down the road, the dollar amount will be reviewed and new dollar amounts would be recommended by the Finance Committee during the budget process. This Committee does not approve the dollars, it approves the policy. It was determined that the dollar amounts would be included in the policy when it goes to the Board for approval and the entire Board can decide whether the dollar amounts will remain in the policy.

**Motion:** Rep. Erpelding moved that the Governance Committee, recommend to the Board, approval of the revisions to the Compensation Policy as presented today. **Second:** Mr. Erstad. **The motion carried.**

## 9. ANNUAL COMMITTEE SELF EVALUATION

Chair Henbest said there are a couple of considerations for the Governance Committee and one is its role in overseeing that the entire structure of the Committees and Board are effective to handle the key functions and responsibilities of the Board.

Governance only questions:

- a. Does the Board have active Committees composed of a small, effective number of members to handle responsibilities of key functional areas?

Chair Henbest asked for any comments. The Committee discussed the intent of this question and it was determined that this question is referring to the three active Committees/structure.

Mr. Erstad said that it is a maturing process and the consolidation of the Committees became important to minimize Board member commitments and duplicate committee assignments. Initially there was a lot of building to do and now the foundation is solid.

- b. Are Committee appointments and changes handled effectively and at appropriate intervals?

Chair Henbest asked for any comments. There were no comments and it is assumed that there are no problems in this area.

All Committee questions:

- a. Do Committee meetings (frequency and length) as well as actions, align appropriately with its defined charter?

Chair Henbest noted that Committees each meet four times a year and the roadmap guides those meetings to ensure important recurring items don't get missed.

Mr. Jeppesen said that as the newest member of the Board, it was very helpful to have the roadmap to understand the context of the agenda and the flow of the meeting.

Rep. Erpelding agreed and said as a new Board member, the roadmap is beneficial to see the full cycle and it kept him from being in the dark as he came on board during the legislative session.

- b. Do Committee meetings have written agendas and materials related to significant decisions, and are materials provided to committee members in advance?

Mr. Erstad and Ms. Vauk said yes, very good. Mr. Kelly added that preliminary documents are emailed no less than 1 week prior to the meeting and final materials no less than 48 hours prior to the meeting. There will be exceptions, of course. We have also worked to ensure that any changes from preliminary documents to final documents are noted in the email, to the extent we can, with the intent that Board members don't have to go through all the documents again.

- c. What improvements to the effectiveness of this Committee occurred over the last year?

Chair Henbest said the change that immediately comes to mind for her is the articulation of the roles of both the Governance Committee and Finance Committee as to HR related items.

- d. What suggestions for improvement should this Committee consider?

Mr. Erstad said that as these have been consolidated, we can be more effective as a Board. It seems that Committee members are confident in where we are with the consolidation. There were no recommended improvements.

## 10. NEXT MEETING

There was some additional discussion about the next meeting and the actions noted on the roadmap, which includes review of all the policy documents (roughly 34 in total). The Committee members said as it is, if something isn't changing, all 34 policies will not require individual review. Mr. Kelly confirmed that YHI will only share for review those policies that have changed. Mr. Erstad noted that we properly rely on YHI staff and legal consultants to review our policies on an ongoing basis.

The next meeting of the Governance Committee will be held in November.

**11. ADJOURN**

The Committee adjourned at 4:01 p.m.

Signed and respectfully submitted,

A handwritten signature in cursive script, appearing to read "Margaret Henbest", is written over a horizontal line.

Margaret Henbest, Committee Chair