

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

**GOVERNANCE COMMITTEE
MINUTES
SEPTEMBER 8, 2015**

1. COMMITTEE MEMBERS PRESENT

- Dr. John Livingston, Chair
- Mr. Hyatt Erstad
- Mr. Scott Kreiling
- Rep. John Rusche

2. OTHERS PRESENT

- Director Dean Cameron, Idaho Department of Insurance
- Mr. Pat Kelly, Your Health Idaho
- Ms. Jody Olson, Your Health Idaho
- Ms. Cheryl Fulton, Your Health Idaho
- Ms. Sherri Boyce, Your Health Idaho
- Mr. Mike Stoddard, Hawley Troxell

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 Dr. Livingston, Chair of the Committee (Chair), at 4:00 p.m. Tuesday, September 8, 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 Web site and at the meeting location.

4. ROLL CALL

The Chair took roll call and determined that Mr. Kreiling, and Mr. Erstad were present but this did not result in a quorum. Discussions were held but no voting items were presented. Representative Rusche arrived at 4:44 p.m. resulting in a quorum.

5. APPROVE PRIOR MEETING MINUTES

Motion: Mr. Erstad moved to approve the minutes as presented from the June 12, 2015 Governance Committee meeting.

Second: Rep. Rusche.

The motion carried.

6. REVIEW AGENDA

The Committee approved the Agenda for the purposes of this meeting but recommended the item titled "Agent/Broker Appeals Process" should be changed to read "Agent/Broker Disciplinary Process" for the Board meeting to distinguish it from the appeals process.

7. REVIEW COMMITTEE ROADMAP

Mr. Kelly presented the Governance Roadmap. He said the Board survey and results would be done in January with results presented at the March meeting. The theory behind that is to make sure we get far enough into open enrollment to see how technology improvements have played out, how call center training and development and first call resolution is working. The second item is around Board training. The roadmap shows that this will happen in the first half of 2016. He said this should happen in March to correspond with budget activities. Mr. Stoddard commented that these trainings with the two new Board members were done in individual meetings to bring them up to speed on various policies and the general basis they need for acting as a Board member. He said new members are also provided with videos from the full Board training from last December and have completed all the necessary forms. Mr. Kelly said the timing of the trainings in March would be more strategic in nature if we wanted to pursue revenue opportunities or technology enhancement. Mr. Kelly said the trainings would be held through Board communication generally outside of the Board meeting. Mr. Stoddard said that this was how it was handled last year. The Governance Committee will determine the content of the upcoming trainings.

8. AGENT/BROKER DISCIPLINE PROCESS

Mr. Kelly presented clarification on the agent/broker disciplinary process. Director Cameron worked with Ms. Olson as well as DHW to develop this process to insure that proper ownership of the disciplinary process is with DOI. This is to insure that all three parties are aware of any actions that will be taken and no action will be taken without consultation with DOI as they own the certification and licensure and the relationship with agents and brokers. No action can be taken against an agent/broker without DOI involvement and review of circumstances. This includes YHI's certification process. Mr. Erstad asked if the certification comes through DOI. Mr. Kelly responded that CPE's are awarded for agents and brokers that complete the training through YHI and YHI currently pays for that to insure good participation. Certification to sell on the Exchange is done via LMS training and is managed by YHI.

Mr. Cameron thanked Ms. Olson and the rest of the YHI staff for working on this. He said this came about because we had a couple of situations that raised some concern. He felt that the roles needed to be clarified and urged caution on handling these issues. If we have an agent who is licensed and certified by the State of Idaho and they have some behaviors that warrant a review, it would not be handled by YHI (or the Governance Committee). When YHI has these types of issues then it should be referred to DOI where there is the ability for investigation.

Dr. Livingston questioned who is the regulator and said it appears that the lines were getting blurred. In his world there is credentialing, licensing and certification. Those are all separate processes that need to stay separate from each other. When the Exchange started, people were looking at us as being a new regulator and we are not that at all and he doesn't want there to be overlap of what YHI's responsibilities are.

Mr. Kreiling said on the carrier side, they work closely with DOI and when they have an issue come up they will notify the carrier. It gives the carrier an opportunity to recognize when there is an issue. In his company, if there are a certain pool of agents that are difficult to deal with, they assign specific internal people who are equipped to handle those types of personalities. Those agents are only allowed to talk to that person. Mr. Cameron said there is no question, based on how the Federal Government operates, that there is some confusion. They blur the lines of who regulates between Federal and State and between the Exchange and the Department of Insurance. It's a work in progress and the DOI will continue to work with YHI on these processes.

Mr. Erstad said that although there is no formal vote or policy on this matter it is important to have this document to know the lines of jurisdiction and that all parties will be able to work with a single point of contact. Dr. Livingston said he thinks there should be a document like this in our manuals or bylaws so that it can be referred to by staff so that we don't start an investigation on a broker. There should be no question that YHI is not a regulator. Mr. Kreiling said that upon reviewing these documents and having discussions with his staff he now looks at these documents as clarifying that this role is handled by the Department of Insurance and that the ACA documents also support that. Those responsibilities and documents are already in place.

Ms. Olson said this is more a standard repeatable process that will be shared across all of our stakeholders. So if DHW gets a call then they will know to contact DOI and then loop in YHI. This is a standard repeatable process so that if something happens at any point, the organizations then know what to do. Dr. Livingston asked who the custodian of this document is and where does it rest? Ms. Olson said this can be presented during the PST meetings for future inclusion in the policy manual. She said it could be worded that all improper, unethical or illegal activities of agents or brokers would be referred to the DOI for investigation or action.

Motion: Mr. Erstad moved that the Committee recommend to the Board the approval of the Agent/Broker Disciplinary process and that it be placed in the policy manual and updated on the website.

Second: Mr. Kreiling.

The motion carried.

9. ANNUAL REVIEW OF OPERATIONS & GOVERNANCE DOCUMENTS

The Chair asked if anyone had any questions or discussion about the Governance Committee Documents and the process whereby those documents came into existence. The Committee clarified the placement of the process policy for agent/broker issues to be reviewed by the Policy Steering Committee but had no further discussion on other Governance Committee Documents.

Motion: Mr. Kreiling moved that the Governance Committee recommend to the Board that no changes be made to the existing governance documents as presented today.

Second: Mr. Erstad.

The motion carried.

Representative Rusche joined the meeting at 4:44 p.m. providing a quorum. The Committee back-tracked on each agenda item to provide motions for voting and approval.

10. REVENUE OPPORTUNITIES

Mr. Stoddard said the direction from discussions with some of the Committee and Board members was to craft something for Mr. Kelly to provide him with some direction and protection with regard to researching new revenue opportunities. To generalize what YHI can do: it has to be for public purpose, YHI can engage in activities which are incidental to that purpose within our constitutional or statutory regulations. The guidelines for Mr. Kelly are to be proactive, to take a look at opportunities, and also to respond to opportunities. He is given broad discretion to bring those things that come to him to the Governance Committee or to talk to Board members if that makes sense. He may deem things either appropriate or inappropriate for further review. He may contact the Board or the Attorney General's office to get a feel for what they think is appropriate. The last direction from Board members to be certain that this pursuits did not distract or detract from what the YHI staff is doing in terms of operation of the Exchange. The policy is somewhat broad but provides some liability protection for Mr. Kelly.

Mr. Kreiling said that this gives Mr. Kelly the ability to talk to someone who reaches out, talk to other state exchanges to what some of the different revenue alternatives are out there. He would flush that out and bring it back to the Governance Committee. The Committee would then have to determine if it was something we would have to do and RFP so everyone has the same opportunity to pay to be on the exchange or whatever it might be. It's a vetting process not a decision making process to keep his focus on what might best fit going forward.

The Chair said that this process provides an opportunity for the Executive Director to have these kinds of discussions with protection. Mr. Kelly said this is broad enough to explore other opportunities that may not be directly germane to the exchange but allows the exploration of it.

Rep. Rusche said this could be something like healthgrades.com possibly purchasing an avenue to help their business, or possibly a network may want to propose an opportunity to participate financially, or even advertising on the website with hospitals, providers and others connected with the exchange that may want to buy advertising.

Director Cameron shared his thoughts. He thinks there are a lot of opportunities for additional revenue both in dealing with other states' exchanges and particularly in advertising. He does not think advertising needs an RFP. He said if the Board decided to make space available on the website, then it is a matter of normal advertising. He said there are some natural fits. He would caution for YHI not to come across as being desperate. Timing may be everything as to when this is discussed in a full Board meeting and how it is discussed. He likes the verbiage that when opportunities are presented, then the Executive Director has authority to review those. In his office they have the senior health insurance program which is partially state funded and partially federally funded. They spend a lot of money each year on advertising trying to help seniors who need help buying their plans. He can see agents, associations and independent agents, agencies like Property Casualty that may want links to their website, but thinks YHI should avoid selling products. We shouldn't be in the business of trying to market other types of insurance products. If you did try to do that you would receive criticism that could backfire in the Legislature.

The Chair said it's very critical that we recognize that YHI is an exchange like the New York Stock Exchange. We are not selling insurance, we are selling a transaction.

Mr. Erstad said that one thing to keep in the back of our minds is our success is highly attributable to the brokers and their involvement. If we take on the role of marketing with any type of an insurance product that may backfire on us. He said the idea of pursuing advertising and other avenues of revenue is something we ought to pursue.

Rep. Rusche was just at a national health policy meeting last week. He said it was amazing the number of states that were looking to the feds to take over their state based exchange so he thinks evaluating potential opportunities with other states makes sense as well. In order to know if it's a good deal or not needs research and evaluation and that's what the staff is for.

Director Cameron is hesitant to bring this before the Board at this time. It might be a better discussion for the March meeting.

Mr. Kreiling said YHI has the message map that was created two years ago. It shows what we stand for like low costs, keeping it simple, and doing things the Idaho way. If the opportunity was presented referencing the message map, then the Director would have the ability to refer back to that to pursue other revenue discussions in keeping with the mission on the message map. Director Cameron thinks this would help a lot and gives the YHI Director the ability to investigate these options. Mr. Kreiling said this could be presented as part of any executive director's job to investigate avenues of business, review staffing levels and other common things business directors do.

Motion: Mr. Kreiling moved to recommend to the Board consistent with Your Health Idaho's policy to provide a low cost healthcare promise the Executive Director will have the ability to receive and explore other revenue opportunities.

Second: Rep. Rusche.

The motion carried.

11. COMMITTEE SELF ASSESSMENT

Dr. Livingston asked the Committee if there are any suggestions or recommendations from the Committee as to how this Committee functions or what we can do better. During the last year we have streamlined the whole process, developed a cadence of Committee meetings and married them to the Board meeting. We completed the charters and the road maps. Mr. Stoddard said this Committee is given the role of determining the role of each of the Committees and the Board and then evaluating that role. Mr. Erstad said that at the end of the day the policies we have in place right now appear to be working quite well considering everything that we've gone through between staff changes, new staff being added and all the various issues we deal with. At this point there has been so much work that has gone into it he doesn't think we need to be tweaking the systems. His recommendation is to re-visit this topic again after we've gone through open enrollment and another Board meeting and then re-visit this in the spring if anything is needed.

Rep. Rusche said he thinks we have improved and become more effective and the Committee has a better understanding of exactly what it is we are doing. One thing he could use feedback on is

“Are we appropriately engaged?” Do we offer too much, too little, add value, or don’t add value? Some anonymous staff input may be valuable. The Chair agreed with having staff input. Does the Committee give enough support or is it too intrusive? The Chair’s impression is that all of the Committees this past year have tried to back off.

Mr. Kreiling said he thinks the Committee has evolved this year in understanding the boundaries and guidelines of what we are doing. Instead of a Board that’s doing the work and being a Board member we now have a strong Executive Director and strong staff. Now the Board is a governing Board, as it should be. He agrees with the idea of staff providing anonymous feedback because it will make us better as a Board.

Mr. Kelly added a comment from Marketplace Committee this morning. Marketplace has oscillated between IT and technology development, a little bit of outreach and education to policy. It’s really been the middle linebacker of the Committees. As the evolution of technology development winds down the Marketplace Committee is realizing that they really need to focus on the consumer experience more. It’s a natural evolution for that Committee to get there. It was a really healthy discussion for the Committee to get there because they were handling so many disparate items. Each of the Committees have pretty specific roles but Marketplace deciding to focus on the consumer experience still agrees with the divine charters, yet clarifies their role going forward.

Mr. Kelly continued and said from his perspective YHI is receiving the support needed from this Committee and the Board. He feels like he can call anyone at any time and ask questions and he is not in danger of being persecuted for questions or discussing things. It is a really healthy relationship all the way around.

Ms. Olson said that we’ve evolved and it’s become a much more healthy and collaborative environment and there is that support when it’s needed we can pick up the phone or send an email to discuss ideas or thoughts on specific topics. With the O&E Committee, she has a standing weekly meeting with the Chair. It’s a really nice place to be with a board member where there’s that trust and that support. We’ve come a really long way.

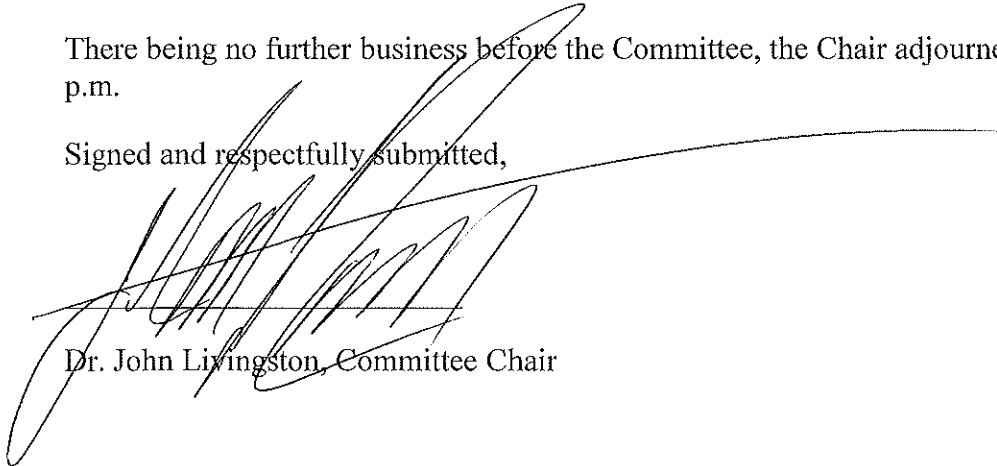
12. NEXT MEETING

Dr. Livingston said Ms. Fulton will go through the usual process to schedule the next meeting for the first week in December.

13. ADJOURN

There being no further business before the Committee, the Chair adjourned the meeting 5:10 p.m.

Signed and respectfully submitted,



Dr. John Livingston, Committee Chair