

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

**YOUR HEALTH IDAHO BOARD  
MINUTES  
SEPTEMBER 18, 2015**

**1. BOARD MEMBERS PRESENT**

- Mr. Stephen Weeg, Chair
- Mr. Jeff Agenbroad, Treasurer
- Mr. Tom Shores
- Ms. Karen Vauk
- Mr. Fernando Veloz
- Mr. Jerry Edgington
- Ms. Candace Sweigart (via teleconference)
- Ms. Janice Fulkerson
- Senator Jim Rice (via teleconference)
- Representative John Rusche
- Director Dean Cameron

**2. OTHERS PRESENT**

- Mr. Pat Kelly, Your Health Idaho
- Ms. Jody Olson, Your Health Idaho
- Mr. Ethan Owen, Your Health Idaho
- Ms. Dana Packer, Your Health Idaho
- Mr. Trent Cummins, Your Health Idaho
- Mr. Kevin Reddish, Your Health Idaho
- Ms. Karla Haun, Your Health Idaho
- Ms. Meghan McMartin, Your Health Idaho
- Ms. Wanda Smith, Your Health Idaho
- Mr. Bob Vanderbilt, Your Health Idaho
- Ms. Kristina Eidemiller, Your Health Idaho
- Mr. Matthew Fuhrman, Your Health Idaho
- Mr. Ryan Beckstead, Your Health Idaho
- Ms. Cheryl Fulton, Your Health Idaho
- Ms. Tresa Ball, HR Precision
- Mr. Mike Stoddard, Hawley Troxell
- Ms. Becky Webb, GetInsured
- Mr. Weston Trexler, Idaho Department of Insurance
- Mr. Greg Kunz, Idaho Department of Health and Welfare
- Ms. Lori Wolf, Idaho Department of Health and Welfare
- Ms. Julie Hammon, Idaho Department of Health and Welfare
- Ms. Tammy Perkins, Office of Governor C.L. "Butch" Otter
- Mr. Shad Priest, Regence BlueShield
- Mr. Jim Murray, SelectHealth
- Mr. Doug Dammrose, Mountain Health CO-OP
- Mr. Bill Roden, Hopkins Roden

- Mr. Norm Varin, PacificSource
- Ms. Moriah Nelson, IPCA
- Mr. Brody Aston, Lobby Idaho
- Ms. Emily Patchin, Risch Pisca

### **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 9:05 am, Friday, September 18, 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. Veloz called roll and determined that The Chair, Mr. Agenbroad, Mr. Shores, Ms. Vauk, Mr. Edgington, Ms. Sweigart (via teleconference), Ms. Fulkerson, Senator Rice (via teleconference), Representative Rusche, and Director Cameron were present, resulting in a quorum.

Mr. Kreiling, Ms. Geyer-Sylvia, Mr. Erstad, Mr. Settles, Dr. Livingston, Ms. Henbest, Representative Packer and Director Armstrong were absent.

### **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 July 17, 2015 Board meeting as presented.

Second: Rep. Rusche.

The motion carried.

### **7. REVIEW OF AGENDA**

Motion: The Chair made a motion to amend the agenda to include the Executive Committee Charter discussion following the Executive Director Update.

Second: Rep. Rusche.

The motion carried.

### **8. NEW COMMITTEE APPOINTMENTS**

Chair Weeg introduced Janice Fulkerson, Executive Director of the Idaho Nonprofit Center and recommended her appointment to the Marketplace Committee. She is a consumer representative

replacing the seat left vacant by Mr. Estess. The Chair also noted that Ms. Vauk will be stepping down as Chair of the O&E Committee, so Mr. Edgington has expressed a willingness and interest to become Chair of the O&E Committee.

Motion: Mr. Shores moved to appoint Janice Fulkerson to the Marketplace Committee and Jerry Edgington as the new Chair of O&E. Mr. Shores amended the motion to include Mr. Veloz as Chair of Marketplace Committee.

Second: Rep Rusche.

The motion carried.

## **9. EXECUTIVE DIRECTOR UPDATE**

### **(a) Open Enrollment Readiness**

Mr. Kelly said YHI is operationally ready for the 2016 Open Enrollment Period. System enhancements will be in place by October 1, when we expect to see a significant increase in the amount of traffic driven to the website for anonymous shopping. Consumers will be able to view their enrollment history, update their contact information without assistance, and see confirmation of their enrollment.

We have kicked off our renewal campaign to customers with a communications strategy, including consumer mailings, updated information for consumer notices, and website refreshes. Redeterminations and renewals are on track to be completed prior to November 1 which is the beginning of Open enrollment.

Our consumer connectors are strengthening the bench by getting certified. They are also signing up for live training events through the state. This month, the training is focused on renewals and systems and the feedback has been immediate and positive. In October, they will be able to use a practice training environment that mirrors the actual technology that will be deployed for open enrollment. In November, we will again travel throughout the state to provide additional training, updates, and listen to agent feedback for how we can improve.

We are also implementing a new option in our call center where consumers can choose to enter a number for a call back or hold on the line. This change was implemented based on direct feedback from our agents, brokers and consumer connectors.

Finally, we continue to update our Policy Manual which has been accessible to agents, brokers, and customer support representatives to ensure consistency of message and application of policies to consumers.

Mr. Kelly introduced two new team members: Sherri Boyce as Office Assistant and Meghan McMartin as Outreach & Education Coordinator.

This year's Open Enrollment kicks off on a Sunday. We are expecting full staff coverage at YHI and call center support from 8 to 5 that day, we will have key leadership available for media inquiries, our IT Director will be at GI headquarters, and we have processes in place to update the Board on key issues as needed. I will provide an update just prior to, and at the end of the

first day of open enrollment. Our contingency plans are in place, and we have included sample scenarios in your packets.

During the first week of Open Enrollment, we will monitor and measure customer traffic in order to identify trends and respond appropriately. This will include website traffic, call volume, escalations and trends in our consumer support tickets. The call center will be available from 8-5 each day. We will provide communication updates to key stakeholders on our progress.

As mentioned, additional training is scheduled with consumer connectors throughout the state to address any concerns in real time. We will monitor and update the website as needed and our advertising campaign begins earlier this year than in the past starting November 8.

The month of November will be a critical time for us to measure our technology performance and online capacity; we are confident that we have sufficient capacity based on last year's traffic and we will remain vigilant in monitoring performance and capacity as we move through open enrollment and approach key deadlines.

We will continue to monitor our consumer experience, including call volume, hold and call-back times as well as abandonment rates in our call center. The consumer support center, which handles escalations, will also be monitoring tickets and email traffic to ensure we are identifying key trends that may occur.

As we come to a close for Q3, our focus for the remainder of this month is our technology release on September 29. We have ongoing training opportunities for the call center and for consumer connectors and we will seek Board approval for plans offered on the Exchange.

Looking ahead to next quarter, anonymous shopping begins on October 1. Renewals will be completed by November 1, which is the beginning of open enrollment. Plan selection for January 1 coverage needs to be completed by December 22<sup>nd</sup> and we will be reminding consumers to ensure their first payment is received prior to January 1. By the end of December, we will complete the transition from our current level of vendor support to a fully supported in-house model, which is a key component of our long-term sustainability. Finally, we expect to begin discussions to identify opportunities during this open enrollment where we can improve and streamline the consumer experience.

Looking ahead to the first quarter of 2016, we will see the end of Open Enrollment and the transition to Special Enrollment Periods. We will also begin the budget process and our sustainability analysis moving forward.

In the second quarter of 2016, we will finalize the budget for your approval and begin to shift our focus to carrier issues such as the handbook, and QHP communications. Our foundational work on process improvement, system enhancements, and sustainability will be ongoing.

Rep. Rusche asked what our target enrollment is for this cycle and what barriers we see in making those targets. Mr. Kelly said the team is focused on the 80% goal of 92,000 as our enrollment target. Premium increases are a potential barrier. Net premium is a relatively small increase for most consumers, and each consumer will experience something different depending

on their plan, their location, their carrier, etc. We feel that while the premiums are increasing the relatively small net premium increase will mitigate this barrier to a large degree.

### **(b) CMS Update**

Mr. Kelly said the annual assessment conducted by CMS will be conducted via email and phone. We have cross-functional team including carriers, vendors, and the Department of Health and Welfare, and have prepared responses to critical areas for CMS - which include our appeals process, use of hub services, and our outreach efforts.

Section 1332 of the ACA provides an opportunity for states to develop their own alternative approach to providing benefits under the ACA. Key criteria include maintaining at least the same comprehensive benefits offered via the ACA and cannot increase the federal deficit. Applications are due next June and activities covered under the application cannot begin prior to January 2017. An update will be provided to the Board in December and in March and an application submitted in June if determined appropriate.

### **(c) Committee Survey Summary**

Mr. Kelly said as articulated in each of the Committee charters, annual self-assessments of the committee were performed during this month's Committee meetings. Overall feedback was very positive and centered on the maturation of the organization and the successful shift from an operational stance to one of governance. The Marketplace committee discussed the natural evolution from technology focus to an increased focus on the consumer experience.

Finally, changes have been proposed for the Executive Committee charter. Currently, the Charter requires that the Executive Committee meet no less than twice per year. After discussions, it was recommended that the Charter be amended such that the frequency of the meetings be changed to an ad hoc basis.

Motion: Mr. Agenbroad moved that the Board approve changes to the Executive Committee Charter as presented today.

Second: Ms. Fulkerson.

The motion carried.

## **10. PLAN CERTIFICATION**

### **(a) QHP Certification Standards**

Mr. Trexler said one of the things the Department of Insurance reviews each year are the certification standards. For the most part, they have not changed, but there were some minor changes and modifications based on the needs of the consumers. The biggest requirements are the essential health benefits. There must also be variants of certain plans for a lower cost but similar plan.

Mr. Trexler said although there are no dramatic changes to network adequacy and formulary requirements, the carrier websites must contain adequate details for each plan, with monthly

updates. With the limited or narrow networks, there are no special requirements other than general network adequacy.

Rep. Rusche asked if the DOI receives complaints about the network adequacy and are those tracked. And if so, since Idaho is deficient in providers, does this add to it? Director Cameron said he is not aware of any complaints in this area. The trend is to continue to narrow the network in order to be cost effective and this will need to be addressed at some point.

#### **(b) Individual Medical**

Mr. Trexler summarized the individual market and said the DOI has reviewed these plans and found them to meet all the certification requirements. There are a total of 5 carriers and 86 plans in the individual market this year, compared to 91 total plans last year. The carriers include Blue Cross, BridgeSpan, Mountain Health CO-OP, PacificSource and SelectHealth.

The Chair noted that there are no platinum plans this year and Mr. Trexler said that is correct and it is not a requirement of the ACA. Those that were enrolled in Platinum plans for 2015 will be auto enrolled into a Gold plan for 2016 or can select another plan of their choice.

Ms. Fulkerson asked if this is directly communicated to the consumer. Mr. Trexler said yes, that is the responsibility of the carrier. Ms. Fulkerson asked how this affects network adequacy. Mr. Trexler said the carrier has the responsibility to migrate consumers into the most closely related plan, which includes looking at network adequacy.

Mr. Trexler provided a high level overview of the plans each carrier is offering for 2016.

Blue Cross of Idaho introduced two new products for 2016: a Silver Saver plan which is available statewide and a CarePoint 4000 plan which are available in certain counties. They discontinued only one plan.

BridgeSpan introduced three new products for 2016: a Gold 1000, a Silver 3000 and a Bronze 6850, and discontinued five plans. All BridgeSpans basic products offer dental for children as part of their plans.

Mountain Health Co-Op introduced Engage Bronze, Silver and Gold plans that provide for coverage throughout the entire state and discontinued three plans from last year.

PacificSource introduced a number of SmartChoice plans, relabeled from SmartHealth, and introduced a new PPO product that is statewide (PSN). They discontinued 15 plans.

SelectHealth did not introduce any new plans and they discontinued their Platinum plan.

#### **(c) Small Group Medical**

Mr. Trexler said in the small group medical, there are four carriers total instead of five. Select Health and MHC introduced three new plans and Pacific Source introduced eighteen new plans. For discontinued plans, the consumer will be auto renewed for a similar plan for 2016.

#### **(d) Dental**

Mr. Trexler said for Individual dental there are eight plans for the low category among five carriers and nine plans among the high category. All met the requirements for certification.

For Small Group, there are six on the low and eighteen on the high. All these plans offer pediatric and a portion of them also offer adult coverage. All met the requirements for certification.

Rep. Rusche asked if there were plans that were rejected or required to make up deficiencies. Mr. Trexler said carriers work with DOI, review contracts, rate development, formulary, and if there are any deficiencies, the carriers are asked to adjust. There were some plans that were rejected or withdrawn for one reason or another.

#### **(e) Plan recommendations for Certification**

Mr. Trexler said there are a total number of 211 plans for 2016, up from 198 in 2015 that the DOI has found to meet the requirements for certification.

Motion: Rep. Rusche moved that the Board accept the recommendation of the Department of Insurance and approve and certify the 211 plans as presented today as qualified health plans for the plan year 2016.

Second: Mr. Shores.

The motion carried.

### **11. OUTREACH AND EDUCATION UPDATE**

#### **(a) Open Enrollment and Renewals**

Ms. Olson said YHI is now in the process of redeterminations and renewals which are moving along really well. DHW is working on redeterminations, carrier notices are finalized and will be sent out according to the appropriate time table, and we are working closely with DHW on consumer notifications which are ready to go as needed. We are updating YHI's website and have included a notice translation feature on the website to help consumers understand what their notices mean.

#### **(b) Training Update**

Ms. Olson said the next thing we are doing is improving training because we learned from last year that training was not sufficient. We are in a much better place this year because we are live, we have understanding and insight into what the system is going to look like and what processes we are able to offer to address issues that come up. There will be three rounds of live training across the state. This month is theory, next month will be live application training and then open enrollment updates training. Trainings will be held in Coeur d'Alene, Boise, Twin Falls, Pocatello and Idaho Falls. For those who are not close enough to attend a live training, the recordings will be available online. Ms. Fulkerson asked if the testing is annual process. Ms. Olson said yes, each year agents need to recertify to sell on the exchange.

**(c) SOW #11**

Ms. Olson said as a reminder, the O&E Committee met and reviewed in depth the work streams in SOW11. There are still some major work streams where we are use vendors. The project management is being focused on our annual legislative report and a minimum of one to two legislative briefings. We are also still using and will continue to use creative in the development of commercials for radio, television and print.

The Chair suggested that some sort of creative and humorous way to remind people about the penalties for not purchasing a plan.

*Ms. Geyer-Sylvia joined the Board line at 10:09 a.m.*

The budget is proposed at \$743,000, which includes, because of timing, money that was not spent but was previously approved for SOW10 and will be spent during SOW11.

Mr. Shores reminded Ms. Olson about the suggestion he made in the meeting about co-branded materials. Ms. Olson said the agency is working on some co-branded materials that they can place their logo on. It will need to be approved by YHI prior to publishing. There will not be funds available to assist in the purchase of that advertising but YHI will pay for the cost of developing those ads. Mr. Shores asked when those will be available. Ms. Olson said they are reviewing and approving and anticipates having them ready to go in a few weeks.

Motion: Mr. Edgington moved that the Board approve SOW #11 in an amount not to exceed \$743,000. This Scope of Work falls within the global Outreach & Education budget approved by the Board. And further move that SOW #10 be amended to provide that the amounts not yet expended thereunder, of up to \$935,000 designated for creative production and media buy, may be spent consistent with SOW #10 during the timeframe of SOW #11; this amount has previously been approved by the Board of Directors, but is in addition to the \$743,000 approved for SOW #11.

Second: Mr. Veloz.

The motion carried.

**(d) RFA for Enrollment Entities**

Ms. Olson said in July, a request for applications was released for entities working with underserved, at risk, and low income populations. On August 31, the O&E Committee reviewed and made suggestions on which organizations to provide these services. The entities that were selected include the Idaho Primary Care Association (IPCA), Jannus (Formerly MSG), St. Luke's Hospital and Partners for Prosperity.

Rep. Rusche asked about the tribal outreach. Ms. Olson said there are separate contracts and work with tribes.

Ms. Fulkerson asked about Partners for Prosperity and if they are statewide. Ms. Olson said they represent 16 counties in the eastern part of the state.



Mr. Shores commented that these organizations are being paid a flat rate and not as a result of the number of people they sign up or assist.

Motion: Rep. Rusche moved that the Board authorize the Executive Director to negotiate and execute agreements with the recommended Enrollment Entity Organizations in an amount not to exceed \$315,000.

Second: Ms. Vauk.

The motion carried.

*The Board took a break at 10:23 a.m. and reconvened at 10:34 a.m.*

## **12. MARKETPLACE UPDATE**

### **(a) Operations Dashboard**

Ms. Packer shared the updated Operational Dashboard. The Operations team worked to include some new data and some real-time or current information that reflects on how we have progressed over time. In the upper left-hand corner are the enrollment details which include effectuated enrollments. In the upper right-hand corner are the call center statistics and show the total calls received, number of tickets that have been created, and the volumes of email received primarily concerning consumer issues. Some of the actions being taken include creating timeliness measures for ticket and email turnaround, a reconciliation goal of less than 3% and creating key performance indices for the call center. The team has started tracking the YHI notices and call volumes as well as the number of emails received and the call abandonment rate.

Mr. Shores asked if there is a way to break out the number between individuals that were receiving financial assistance at one point and those that for one reason or another lost financial assistance. Ms. Packer said she will take it back and evaluate.

Ms. Packer said some of the work stream statuses that are reflected in the dashboard include the effectuation number which is slightly down from prior reported months primarily due to cancellations. The reconciliation efforts between YHI and the carriers have been phenomenal and will significantly improve our accuracy rates when issuing 1095A's. Call Center efforts include the creation of standard repeatable processes, a new service line for escalations, and training temp staff for open enrollment.

Ms. Fulkerson asked about open tickets and asked Ms. Packer to put those numbers in perspective for her. Ms. Packer said internally we average between 120-150 open items per month (emails and tickets). The numbers on the Dashboard are totals for the year.

Mr. Shores said if there would be a dedicated email for agents and brokers that would be helpful. He added that if they can find out which CSR is assigned to the ticket for accountability. The goal is to reduce the number of calls into the call center.

Mr. Veloz asked if YHI has an average wait time on call response time. Ms. Packer said we receive daily reports and right now we are averaging around 5 minutes. Our goal is to be under 5 minutes. Ms. Packer said the option to be able to hold so you don't have to use the callback

feature should help with this and will be heavily monitored. Mr. Veloz reiterated that from a Marketplace perspective, we are dedicated to providing a good experience for the consumer.

Ms. Packer continued and said YHI is on track with Carriers. Carrier testing will be completed by September 30. Ms. Packer added that last year there were many lessons learned during carrier testing and they plan to implement changes to the testing scenarios this year. An additional work stream being worked on is the special enrollment process within the system.

#### **(b) IT Update**

Mr. Owen said as YHI approaches this upcoming R3 release, we looked at three different requirements this year based on the problems we had last year.

This year we looked three different times at requirements and what we could do to better serve stakeholders. One issue we were concerned with is if we could get everything in scope and be able to complete it in time. Last week Ms. Packer, Mr. Kelly and Mr. Owen went to GI and were able to get all but three requirements included. From a high level, the changes and upgrades have been across the board. R2.6 went live on August 3 primarily focusing on automation of life change events.

R3 is the largest release in terms of functionality since R2 prior to open enrollment last year. YHI worked with GI to phase the release for testing and risk mitigation purposes. Phase 1 is largely through UAT and into E2E testing and on track. Phase 2 is into UAT and E2E is beginning and on track. Phase 3 is nearly development complete and into QA and UAT.

Mr. Shores said we still need a better sorting tool. Our challenge is each day, in order to see changes for clients, we have to go through all clients to find changes. Mr. Owen said yes, that functionality will be in R3.0.

YHI Operations is working with GI's Operations on carrier testing pertaining to 834 testing; currently this is projected to finish approximately September 30<sup>th</sup>. YHI met cross-functionally at GI on September 10th regarding Phase 3 readiness.

#### **(c) FlexTechs SOW Extension**

Mr. Owen said YHI's IT department has 1 open headcount for a position to help with MARS-E remediation and IT Support (help desk) functions. YHI has analyzed the first year of SBM work for the IT department, and much of the work falls into seasonal rhythms. A single person cannot scale successfully to fill these needs so the IT group favors a scalable approach with a local IT vendor. The SOW extension serves to fill an open headcount - YHI can use existing resources much of the year. Upgrades to internal infrastructure utilizing grant funds (and to remain compliant with MARS-E 2.0) are being considered to help YHI's long term sustainability. The funding of both labor and equipment included in this SOW extension are a part of the approved budgets for FY 2016.

Director Cameron said the Governor has set up a Cyber Security task force and he asked what YHI is doing to protect individual privacy of consumers. Mr. Owen said we have a staff of three and we have to comply with Mars-E. It is an extremely high bar compared to Sarbanes-Oxley and HIPAA.

Motion: Mr. Veloz moved that the Board, consistent with the scope of the RFP for the IT Support Services & MARS-E remediation, approve adding a second Statement of Work, in the form presented today, in an amount not to exceed \$75,000 yearly for seasonal labor and expenses, plus \$90,000 in equipment, to the existing IT Support Services & MARS-E remediation SOW with Flextechs, amounts approved in the approved FY16 budget; and that the Executive Director and Chair of the Marketplace Committee would be authorized to negotiate and execute such Statement of Work.

Second: Mr. Shores.

The motion carried.

#### **(d) PMO Dashboard**

Mr. Vanderbilt reviewed the Program Dashboard – Marketplace View. He said the PMO looks across all the work streams and monitors the issues and risks with CMS. There are two items noted in yellow as risks, but these two items have mostly been mitigated since the Board materials were published. Looking at YHI's achievements, R2.6 was released, UAT testing and R3.0 is on schedule and is going well. The one thing we haven't talked about is the IT funding restriction for our third grant. That restriction has now been lifted. There are a number of new resources at YHI and feel that we are positioned very well for open enrollment and we are very optimistic. Upcoming milestones include R3.1 dev (1095's, plan ratings, etc.) is being developed. Open enrollment begins on 11/1 and we are very confident that everything will run smoothly this year.

Mr. Vanderbilt said additional work stream that is working well is the DHW call center which is staffed, trained and ready; from a carrier testing standpoint, contracts are signed and testing going well and on schedule. Contingency plans are in place but there is nothing on our radar that would make us think we need to use them at this point.

### **13. PERSONNEL UPDATE**

Mr. Kelly said there are two items to discuss as a result of the last Personnel Committee meeting. YHI has 8 Holiday's each year that are observed. It became clear that the holidays that occur during open enrollment need coverage so YHI management decided that floating holiday that currently is observed the day after Thanksgiving could be used on either the day after Thanksgiving or on Civil Rights day, depending on business needs.

The second item is the professional development policy born out of YHI's desire to focus on employee engagement. This is critical to YHI's culture. YHI will reimburse employees for certification or development related to their position at YHI. Key elements of the policy include a tenure of at least 6 months, costs must be within YHI's approved budget, and it has a tiered claw-back policy based on the cost of the certification or training.

Motion: Rep. Rusche moved that the Board approve the updates to the Employee Handbook, as recommended by the Personnel Committee and as presented today.

Second: Ms. Fulkerson.

The motion carried.

## **14. FINANCE UPDATE**

### **(a) FY15 Audited Financials**

Mr. Shrum of Harris and Co. presented the results of the audit for fiscal year ending June 30, 2015. He added that this year we also had a separate program requirements audit from CMS.

On the financial audit, Harris and Co. issued three separate opinions: one over the financial statements themselves, one over internal controls over financial reporting and compliance, and one on the compliance of each major program as required. He is happy to report that all three opinions are clean in the current year which is what you want to receive.

Mr. Shrum shared a couple of highlights. YHI is an enterprise fund and mirrors private business standards and not government. In addition, the grant revenue continued to increase from around \$20M to \$50M. Expenses tracked as expected. Depreciation continues to be a large non-cash expense that impacts the financial results as a result of the technology depreciation over the next 5 years.

The CMS programmatic audit required audit firm to test additional procedures. Mr. Shrum said during the audit there were two items in the findings. The first audit finding was brought to the auditors' attention by YHI. The first finding is regarding four individuals that used YHI's technology to purchase policies and Idaho residency is a requirement for eligibility. CMS allows for self-attestation of residency, which is YHI's process, and it was determined that one individual was not a resident of Idaho despite obtaining insurance through the exchange. The second audit finding is the reconciliation that is required between the qualified health plans and HHS. This is part of CMS requirements, but was not yet in place. YHI is working with the carriers and HHS to determine the best practices for the future and is on track to have the reconciliation process in place within the required CMS timelines.

Motion: Mr. Agenbroad moved that the Board approve the Audited Financial Statements for financial years 2014 and 2015 and additional information contained in the report that has been reviewed and recommended to the Board by the Finance Committee and presented today.

Second: Mr. Veloz.

The motion carried.

### **(b) Financial Results for Fiscal Year 2015**

Mr. Cummins presented the FY'15 audited actuals vs. budget and noted an unfavorable variance for federal grant income of about \$4M, due to less spend than originally expected and an unfavorable variance in Assessment Fee revenues which was driven by the budget being established in June 2014, prior to updated forecasts of enrollments on the exchange

The expenses have been categorized the same as the audit. They include a favorable variance in professional services, advertising spend, call center services. The unfavorable variances are in

utilities (driven by the phone bill earlier in the year), travel and meals and office expenses. The net income number is rather large; however, that number is from the purchase of fixed assets.

1311 Grant funds have all been released from any CMS restrictions. Under new guidance, YHI will pay for certain operational activities with Assessment Fee revenues now, but other establishment activities can continue to be grant funded through June 30, 2016. Essentially this means by December 2016, we will end up at the same cash reserves that were originally budgeted. This plan has been submitted and approved by CMS.

### **(c) Insurance Renewal Update**

Mr. Cummins said the Errors and Omissions, Cyber & Media Liability, and Excess Liability Policies are set to renew on September 30, 2015. We have worked very carefully to make sure we have adequate coverage. There will be multiple bids on this renewal and we are on pace to have the renewals by the end of the month.

The CD laddering program is with Idaho Independent Bank (IIB) and through the Cedars Program which includes FDIC coverage. This allows YHI to use the laddering program and be covered by the FDIC. This is looking to be up and running by the first of October.

## **15. GOVERNANCE UPDATE**

### **(a) DOI Agent/Broker Disciplinary Process**

Mr. Kelly said the Department of Insurance requested YHI provide feedback on the proposed agent/broker disciplinary process. The DOI manages all aspects of the Agent/Broker licensing process excluding YHI certification. Disciplinary actions can result from agent/broker interactions with either DOI, DHW, and/or YHI. No action can be taken against an agent/broker without DOI involvement and review of circumstances and the DOI needs to be consulted before any adverse action is taken toward an agent/broker. Finally, the disciplinary process will be incorporated into the Policy Manual that is available via the YHI website.

Mr. Shores asked if YHI would be in a position to rescind the certification of an agent without any action from the DOI. Mr. Kelly said no. Director Cameron said it was important to clarify these roles so that in the off chance they can deal with an agent doing something underhanded.

### **(b) Annual Document Review**

Mr. Kelly said the Governance Committee Charter stipulates a review of YHI's governing documents must occur no less than annually. Documents to be reviewed include YHI's Bylaws, the Plan of Operations, the Governance Committee Charters and other governing policies and procedures. Based on this review, the Governance Committee recommends amendments or additional governance policies or procedures and then the Governance Committee reports findings and recommendations to the Board for approval, as needed. The Governance Committee found no changes other than those related to the Executive Committee which was discussed earlier in this meeting.

Motion: Rep. Rusche moved that the Board, as recommended by the Governance Committee, approve that no changes be made to the existing governance documents as presented today.

Second: Mr. Veloz.

The motion carried.

### **(c) Revenue Opportunities**

Mr. Stoddard said Governance Committee had a very robust discussion about how YHI can increase their revenues. He said the most important thing is for YHI to keep its eye on the ball (current priorities) and make sure we focus on that. Second is that any opportunities would be bounced off legal counsel and the AG office. Third point is reaching out to Board members and others that have specific expertise in certain areas.

Rep. Rusche said basically the executive director should be able to look at things but not actuate them without Board approval.

Motion: Rep. Rusche moved that the Board, as recommended by the Governance Committee, provide the Executive Director with the authority to pursue investigation of alternative revenue sources to maximize Your Health Idaho's Low Cost Promise.

Second: Mr. Agenbroad.

The motion carried.

### **16. NEXT MEETING**

The Chair said the next meeting would be in early to mid-December maybe the 17<sup>th</sup> or earlier in that week and then back into Committee meetings the week prior.

### **17. ADJOURN**

There being no further business before the Board, the Chair adjourned the meeting at 11:52 a.m.

Signed and respectfully submitted,

A handwritten signature in black ink, appearing to read "Stephen Weeg", is written over a horizontal line.

Stephen Weeg, Chairman of the Board