

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

**YOUR HEALTH IDAHO BOARD  
MINUTES  
TUESDAY, SEPTEMBER 20, 2016**

**1. BOARD MEMBERS PRESENT**

- Mr. Stephen Weeg, Chair
- Mr. Scott Kreiling, Vice Chair (via teleconference)
- Mr. Jeff Agenbroad, Treasurer
- Mr. Hyatt Erstad, Secretary
- Mr. Fernando Veloz
- Mr. Tom Shores
- Dr. John Livingston
- Ms. Charlene Maher (via teleconference)
- Mr. Jerry Edgington
- Ms. Janice Fulkerson
- Representative Kelley Packer
- Director Dean Cameron

**2. OTHERS PRESENT**

- Mr. Pat Kelly, Your Health Idaho
- Ms. Jody Olson, Your Health Idaho
- Ms. Dana Packer, Your Health Idaho (via teleconference)
- Mr. Layne Bell, Your Health Idaho
- Ms. Wanda Smith, Your Health Idaho
- Ms. Karla Haun, Your Health Idaho
- Ms. Meghan McMartin, Your Health Idaho
- Mr. Kevin Reddish, Your Health Idaho
- Mr. Ryan Beckstead, Your Health Idaho
- Mr. John Christensen, Your Health Idaho
- Ms. Anita Blagajcevic, Your Health Idaho
- Ms. Frances Nagashima, Your Health Idaho
- Ms. Alexi Faucher, Your Health Idaho
- Ms. Stephanie Mathiesen, Your Health Idaho
- Ms. Crystal Barrett, Your Health Idaho
- Ms. Megan Bauer, Your Health Idaho
- Ms. Lasca Schramm, Your Health Idaho
- Mr. Joe Carruth, Your Health Idaho
- Ms. Cheryl Fulton, Your Health Idaho
- Mr. Mike Stoddard, Hawley Troxell
- Ms. Tresa Ball, HR Precision
- Mr. Weston Trexler, Idaho Department of Insurance
- Mr. Peter Sorensen, Blue Cross of Idaho
- Ms. Lori Wolff, Idaho Department of Health and Welfare
- Ms. Tammy Perkins, Office of the Governor

- Mr. Tim Olson, PacificSource & AHIP
- Mr. Norm Varin, PacificSource
- Mr. Shad Priest, Regence Blue Shield
- Mr. David Slonaker, Mountain Health Cooperative
- Ms. Karen Early, Mountain Health Cooperative
- Ms. Hedy Wells, Cambia Health Solutions
- Mr. Zac Aulson, Cambia Health Solutions
- Ms. Amanda Watson, Blue Cross of Idaho
- Ms. Marnie Packard, SelectHealth
- Ms. Delana Traugott, HealthPlan Services
- Ms. Elizabeth Lefkowitz, HealthPlan Services
- Ms. Jackie Cahill, HealthPlan Services
- Mr. Josh Tyree, Harris & Co., PLLC

### 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 9:00 a.m., Tuesday, September 20, 2016, at the State Capitol Building, Room WW17. In accordance with Idaho Code §74-203 (1), the meeting was held in an open public forum and was streamed in audio format on the Idaho Public Television web site.

### 4. ROLL CALL

Mr. Erstad called roll and determined that The Chair, Mr. Kreiling (via teleconference), Ms. Maher (via teleconference), Mr. Agenbroad, Mr. Veloz, Mr. Shores, Dr. Livingston, Mr. Edgington, Ms. Fulkerson, Rep. Kelley Packer, and Director Cameron were present, resulting in a quorum.

Senator Rice arrived at 11:15 a.m. Ms. Vauk, Mr. Settles, Ms. Henbest, Ms. Sweigart, Rep. Rusche and Director Armstrong were absent.

### 5. PUBLIC COMMENT PERIOD

There were no public comments.

### 6. REVIEW OF AGENDA

There were no changes made to the agenda.

### 7. APPROVAL OF PRIOR MEETING MINUTES

**Motion:** Mr. Shores moved to approve the meeting minutes from the June 17 and the June 24, 2016 Board meetings as presented. **Second:** Mr. Erstad. **The motion carried.**

## **8. CUSTOMER SUPPORT CENTER**

Mr. Kelly said the integration of the customer support center began immediately after the Board approved the action at its June meeting. Recruiting began in earnest with hundreds of applications for positions ranging from trainers to customer advocates.

Twenty-seven positions have been added to date, with seventeen of those being direct hires and the remainder as temporary workers. The first phase of employee training began August 1 and have now transitioned to active duty. The second phase of hiring, which occurred earlier this month, is in training now and will join the team in production on September 26. YHI has staggered the hiring and training dates of its onboarding process to ensure that new hires have the time and attention they need. Staffing levels will continue to be monitored.

In the past 90 days, the team has also worked tirelessly to design and build the physical and technical support center. The infrastructure to accommodate 40 regular and seasonal workers has been completed and they have been equipped with the technology to track calls to identify trends and to ensure improvements are made quickly.

Mr. Kelly said the budget was \$326K, most of which was technology including software, licenses, hardware, and furniture and fixtures. The technology spend was higher than expected but furniture and fixtures were significantly lower than planned, which drove the overall spend about \$70,000 below budget.

Mr. Kelly said another important item that continues to be managed is YHI's own expectations. This project started just 90 days ago, and the team took the first call on September 1. Since then, the team has taken nearly 4,000 calls. The team anticipates bumps in the long road ahead. Areas for improvement have been identified and YHI continues to prepare for the high volume of calls coming during Open Enrollment.

## **9. OPEN ENROLLMENT 2017**

Mr. Kelly said in order to achieve a flawless consumer experience, the focus on retention and new enrollment is critical. This month that means APTC redetermination notices go out from DHW, followed by anonymous shopping beginning on October 1. Also in October, DHW sends APTC determinations to YHI's technology vendor, Get Insured, to process renewals. This should be completed by November 1. Late in October, YHI renewal notices are mailed. And, of course, November 1 is the beginning of Open Enrollment, which ends January 31. Finally, 1095-A tax statements will be distributed by the end of January.

This year, YHI's advertising plan will be more targeted and efficient. Overall volume of impressions has been reduced in both paid media and digital advertising and efforts have been focused around key deadlines. As such, ads will not be seen continuously through Open Enrollment, but rather around the December 15, January 15, and January 31 deadlines. As part of YHI's sustainability plan, the budget is also reduced and ads from previous years will be used.

As YHI reduces its reliance on expensive television advertising, the team will increase grassroots campaigns. Outreach will step up grass roots efforts this season with Super Sign-up Saturdays, faith-based weekends, a focus on employment transitions through the Department of Labor and

staffing agencies, and a renewed emphasis on community organizations. In addition, outreach through email and automated outbound calls will increase, which proved to be successful last Open Enrollment. YHI will also target schools with outreach materials for students to take home to their families.

## **10. CUSTOMER EXPERIENCE**

Mr. Kelly reminded the Board about YHI's goal of a flawless consumer experience that begins with a focus on retention and enrollments. There is a new automatic renewal process for enrollments in the pending enrollment status, which should drastically improve the renewals. In 2016, approximately 76% of customers were auto-renewed. Due to a number of system enhancements, those numbers are expected to increase by 5% for plan year 2017. This newly installed one-touch renewal will ease the process for those renewals which aren't automatically completed. The consumer's enrollment status of pending or confirmed will now carry over into 2017, increasing the efficiency of the overall renewal process. Dental enrollments will also automatically renew this year.

Mr. Kelly said reconciliation efforts are critical to the successful execution of 1095 forms. There is a key issue that pending enrollments will not generate a tax form. Resources have been added to help move thousands of pending enrollments to a confirmed state so they will process.

YHI is creating a standard reporting process to automate more of the reconciliation process. The automation part of this is new and critical. It also leverages the existing FFM process and is fully supported by the carriers. YHI continues to review costs and are targeting January 2017, for implementation.

The Chair asked for clarification on the pending enrollment status. Mr. Kelly said when a consumer enrolls in a plan, confirmation is sent to the carrier via the 834 process. The carrier accepts a binder payment and they then send YHI an 834 confirmation. When that is received, their status in the HIX is changed to confirmed. There are times when the carrier does not send the 834 confirmation or it is not processed properly, and the consumers account will remain in a pending status. The majority of those are actual enrollments, so the team works through the reconciliation process to identify those and YHI has added additional resources to work through the volume of pending's to ensure they are moved to the proper status before the renewal and 1095 processes. Dr. Livingston asked how many are in a pending status. Mr. Kelly said there are about 13,000 pending enrollments in the system which is about 15% of the overall enrollment. These are being worked on at a rate of about 50 per hour/per person and should be reduced significantly before the renewal process.

In the month of August, prior to the integration of the support center, the call center received 375 calls each day, into the 855-YHIIdaho number. Of those calls, on average, 78 were escalated to the tier 2 team at YHI. What has been seen in the first three weeks of taking calls solely at YHI, the total call volume is on par with August. Call time is as expected for an integrated model and metrics will continue to be monitored as more data becomes available. Given the lack of time in the new integrated support center, it is too early to draw conclusions, but we are pleased with the results to date. There will be bumps along the road in the coming weeks, and trends will continue to be analyzed and adjust as needed for improvement.

Mr. Kelly said YHI's service line typically deals with complex or escalated issues. Of the 1,105 total calls received by the escalation team, the majority of calls were about enrollment, and mostly from consumers directly. Of these inbound calls, YHI resolved 77% the same day. The enrollment calls were typically about coverage dates. Only a few required escalation to GetInsured which is a reflection of the system enhancements discussed earlier this year which put more tools in the hands of the customer support team at YHI. At the end of August, there were 213 inbound phone call items still open, more than half are in progress, and the remaining are waiting for responses from Carriers, DHW, or for consumer information. As of yesterday, there are 166 of these items still outstanding.

Mr. Kelly said the ability to classify the email inventory is in transition. In YHI's initial month of classifications, there were a large number of emails that were "Unclassified". This was a training opportunity for YHI team members and since has removed this option to ensure proper classification. Lack of classification in August minimizes the opportunity to categorize and analyze opportunities for improvement. Opportunities are expected to be identified based on data from the month of September. Over half of emails were resolved the same day, and of the 471 open emails, 87% were in progress. As of September 19, that number has been reduced to 165.

Mr. Kelly said appeals received by YHI were mostly regarding termination date, followed by eligibility, then effective date. Among the informal decisions, a little more than half were overturned, and the rest were upheld or dismissed. Many of those informal decisions that were overturned were due to additional required documentation being provided to YHI after the informal decision was completed. This area will continue to be analyzed to find improvements in communications and training. Of those appeals that went to hearing, three were overturned, five upheld, and one dismissed. YHI is currently waiting on a decision from the one federal hearing.

Mr. Shores said one of the challenges agents are having is they start the SEP process with YHI and YHI requires documentation and then the carrier also requests the same or additional documentation. He asked if there will be a time in the future where YHI will provide the required documents to the carriers so the agent only has to provide them once. Ms. Packer said yes, YHI is in the process of working with GetInsured and the carriers to identify an SEP validation process within the HIX to YHI can better communicate between the partners to ensure valid SEP's are in the system. Those design requirements are being developed now with an anticipated implementation following open enrollment in 2017.

Mr. Veloz, Chairman of the Marketplace Committee, touched upon three key elements that came out of Committee. The first is Open Enrollment. DHW sent out reminders in August to customers to report changes in income, followed by redetermination letters in September, anonymous shopping in October and open enrollment beginning in November. The Marketplace Committee discussed the importance of an accurate crosswalk plan in 2017. The second are the improvements to the reconciliation process, most notably the monthly reconciliation report which aligns carrier enrollment with YHI's status, with an emphasis on changing pending enrollments to confirmed enrollments. In addition, the addressing of those status has been a priority and resources have been added to mitigate. Finally, the customer experience, where YHI experience a 76% automated enrollment for 2016. In conjunction with that, YHI is using new software to track calls and understand the trends. The Committee discussed the importance of shortening the resolution time.

## 11. SOW #15

Mr. Kelly reviewed SOW #15 and said Gallatin Public Affairs continues to provide strategic messaging support as well as legislative education, issue tracking both at the state and federal level, and state and federal policy tracking. GS Strategies is engaged with YHI, Gallatin Public Affairs and Drake Copper offering research interpretation and messaging support for advertising, earned media and outreach. Total amount of the 3-month contract is \$21,000.

Mr. Edgington reiterated Mr. Kelly's discussion points on the flawless customer experience, advertising, and the work Gallatin does for YHI. He noted that the Outreach & Education Committee are looking at expanding the length of the quarterly SOW's with Gallatin from a quarterly SOW to an annual SOW.

**Motion:** Mr. Edgington moved that the Board, as recommended by the Outreach & Education Committee, approve SOW #15, for the period October 1 through December 31, 2016, in an amount not to exceed \$21,000. This Scope of Work falls within the global Outreach & Education budget approved by the Board. **Second:** Rep. Packer. **The motion carried.**

## 12. IV&V EXTENSION

Mr. Kelly said there is one outstanding CMS blueprint testing item still to resolve. While significant progress has been made over the last week, an extension for the First Data contract is being requested. There is no change to the overall contract value, simply a term extension to close out this last remaining item. The Chair asked for clarification on what IV&V is. Mr. Kelly said YHI's IV&V vendor, First Data, is an oversight body that overlooks YHI's project plans and testing to ensure that what we say we are doing and what the systems processes, are true. IV&V stands for Independent Verification and Validation service and is a requirement of CMS.

**Motion:** Mr. Veloz moved that the Board extend the First Data contract through December 31, 2016; no change is made to the \$20,000 not to exceed amount of the contract extension approved at the December 2015 Board meeting. **Second:** Mr. Shores. **The motion carried.**

## 13. PLAN CERTIFICATION

Mr. Kelly introduced Mr. Weston Trexler, Product Review Bureau Chief, Idaho Department of Insurance. Mr. Trexler went through the plan certification for 2013. He said the Department of Insurance, through its normal responsibilities, has always reviewed all the plans available in the small group market for compliance with Idaho Code as well as federal requirements. The plan certification is a layer on top of those general responsibilities that reviews the plans offered on the exchange to ensure they align with the ACA requirements. He briefly touched on some of the requirements which include essential health benefits, prescriptions, cost sharing limitations, service areas, network adequacy and more. Essential health benefits are based on the Idaho benchmark plan, which remains the same from 2010 to 2017. The maximum out-of-pocket went up for 2017 to \$7,150, up from \$6,850. Those that qualify for a health savings account remained the same at \$6,850.

For 2017 we have five medical carriers and five dental carriers submit a total of 225 plans. There are 93 individual medical plans and 93 small group medical plans, which is up from last year.

Dental went down by 1 plan in each category to 16 individual dental and 23 small group dental plans. Dentegra is no longer participating. All the other carriers are participating this year.

Mr. Trexler noted that no carriers dropped out this year, as has been seen in other states, and the same five carriers are offering plans in the same service areas as they did in the prior year. The carriers for medical include Blue Cross of Idaho, BridgeSpan Health, Mountain Health Coop, PacificSource and SelectHealth. Blue Cross increased in plans to a more regional offering. BridgeSpan and Mountain Health Coop stayed generally the same. PacificSource and SelectHealth went down in their number of offerings in 2017 from 2016. Director Cameron added that four of the five carriers have plans that are available in all zip codes in the state. Mr. Trexler continued and said there is a very healthy distribution across the state in offerings of bronze, silver and gold plans.

In the small group market, there were a total of 93 plans submitted, which is up by nine over last year. Blue Cross has 43 plans, with 4 of those being added for this year. Mountain Health Coop has the same number of plans at 12. PacificSource discontinued the SmartChoice and bronze 3500 plans and they added some silver plans, resulting in an overall loss of 4 plans. Select Health also discontinued 4 plans.

Mr. Trexler said one new item this year is the breadth of networks available in certain areas. The DOI has categorized each of the plans as to whether they are broad, standard or basic network. What that means is how many providers are in network for a specific plan compared to other networks in the same county.

Dr. Livingston stated the DOI doesn't discriminate what type of providers are in a network before they are categorized, meaning there may be no cardiologists in the network in some rural counties, is that correct? Mr. Trexler said that is correct, these categories were not looked at provider type by provider type. There had to be some sort of aggregation in order to present a categorization to the consumer and gives no weight to specialties. Dr. Livingston said then that a plan in one county could be very broad while the next county over could be very narrow. He stated that he thinks this is a bad methodology because it does not inform the consumer as to what type of network he is getting into. Mr. Trexler agreed with Dr. Livingstons concerns. The quality of providers is also not considered. This is simply a measure of the broadness of a plan within a specific area.

Director Cameron added that Idaho does not have a network adequacy statute. This is something the DOI has been working on with the provider and carrier communities. Hopefully there will be some level of agreement on this work and will have it available next year. That really becomes the first step. The DOI can determine that a plan has an adequate network. That access should be able to cross county lines. Last year networks weren't really known at all.

There was much discussion about plans, networks, out of pocket expenses, specialties, and more by provider and by plan. There was additional discussion about contracts for physicians with the various carriers, and the DOI is working on the length of those contracts for the future, though it is addressed some in the network adequacy issues the Department is proposing for the future.

Finally, Director Cameron noted how uniquely fortunate Idaho is to have so much participation by carriers in the exchange. Other states are really struggling with coverage and number of

carriers in their states participating in the exchanges. The Director said it was the goal of the DOI to retain and keep as many carriers as possible in the marketplace, as it is in the best interest of the consumers. The Director said it is not perfect, and it will not be perfect even after new legislation is passed.

**Motion:** Mr. Veloz moved that the Board accept the recommendation of the Department of Insurance and approve and certify the 225 plans as presented today as qualified health plans for plan year 2017. **Second:** Mr. Shores. **The motion carried.**

*The Board took a break at 10:52 a.m. and reconvened at 11:00 a.m.*

## **14. FINANCE UPDATE**

### **a) Grant Funding and Enrollment Highlights**

Mr. Kelly said at the end of July, YHI had about \$13.6M remaining from the original grant awards. Since the end of July, there have been a number of payments related to the Support Center integration as well as enhancements in the technology. The current grant balance is approximately \$12.2M. Given the current level of investment in establishment activities, YHI plans to submit a No Cost Extension for these funds to remain available into 2017.

Mr. Kelly said YHI's effectuated enrollments declined slightly to 94,426. This decline is in line with previous year's seasonal declines. Overall, YHI remains ahead of its enrollment projections driving revenue favorability for the financial year ended June 30, 2016. As a side note, YHI's lower Assessment Fee has resulted in savings of over \$13M for Idahoans when compared to the federal fees.

### **b) July 2015 to June 2016 OPEX Income Statement**

Mr. Kelly shared the highlights of YHI's financial performance compared to budget for FY16. He said revenue was essentially on budget with increases in Assessment Fee revenue off-setting lower grant revenue. Operating expenses, including some establishment activities, were \$0.8M favorable, driven by lower employee and employee related costs and lower paid media spend than originally budgeted.

Project expenses were slightly unfavorable to budget. Privacy and Security spending was favorable due to unknown CMS requirements which resulted in a conservative budget approach at the time of budget approval. Unfavorable GetInsured design, development and implementation costs were due to the timing of development work for the HIX platform.

### **(c) YHI Financial and Programmatic Audits**

Chairman Weeg introduced Mr. Josh Tyree, Audit Lead from Harris & Co. PLLC. Mr. Tyree began with the financial statements, which are broken into three sections including the Management Discussion and Analysis (MD&A), the basic financial statements, and the Single Audit Section. Mr. Tyree also indicated that there was a Management Letter to accompany these reports.



The MD&A compares the current year to the prior year and management's description of what went on during the year. The MD&A is not an audited document, just review for consistency with auditors' view point. All three reports are clean, the first is unmodified and the last two are modified. As a Board, it is exactly what one would expect and would like to see.

Basic Financial Statements show YHI had about \$36M in total assets, the cash and investments increased significantly and were offset by about \$8M in depreciation. The rest of the statements include the accounting policies and notes and they are consistent and very standard with no significant changes in accounting policies.

The Single Audit Report is where all the federal spending is tested. There are two reports that come out of this including the compliance report with the major program and the controls report based on governmental accounting standards. In recap, the opinions are unmodified and YHI has now had 2 clean years of audit.

The CMS report is done hand in hand with the Single Audit report and it simply contains the results. This was a very good report, however there are a couple of small items suggested in the back of the report and those have already been fixed.

The SAS114 report reports on required communication to the Board if there were any difficulty in working with management or fraud, the auditing firm would be required to report on that. Mr. Tyree reported that this was also a clean report.

Finally, Harris and Co. issued a Management Letter. These are items for management to consider, control issues or things that might be unclear. The Auditor makes these recommendations and management reviews them and determines if they want to improve in these areas. These recommendations were minor and meant to be helpful in nature. If they were material or significant, they would have been included in the Single Audit Report.

Mr. Agenbroad thanked Harris & Co and YHI management for making this process quick and easy. He said the opinion received was exactly what he had hoped YHI would be receiving and that is a clean audit and unmodified opinion and this is due to strong internal controls and accounting practices YHI follows.

**Motion:** Mr. Agenbroad moved that the Board, as recommended by the Finance Committee, approve the Financial Audit for the financial years 2015 and 2016 and additional information contained in the report and as presented today. **Second:** Mr. Veloz. **The motion carried.**

**Motion:** Mr. Agenbroad moved that the Board, as recommended by the Finance Committee, approve the Programmatic Audit for the financial year 2016 and additional information contained in the report and as presented today. **Second:** Mr. Erstad. **The motion carried.**

## 15. REVENUE OPPORTUNITY

Mr. Kelly stated that as a reminder, YHI has been evaluating revenue opportunities around digital advertising. The general approach is to implement low impact advertising on the front-end of our website. The front-end is defined as pages prior to the customer logging into their account. YHI believes it is imperative to keep the ads separate from the actual enrollment process to maintain independence.

Ads will be placed in three areas of the website pages: across the top and down both the right and left sides. A single ad in each location such that the total number of ads is never greater than three. This will help maintain the clean look of the website.

YHI leadership has completed the vetting process for the digital advertising revenue opportunity. Numerous conversations have taken place with CMS, legal counsel and other key stakeholders.

Mr. Kelly reviewed the three primary areas of focus. First, it was imperative to maintain independence and ensure no digital advertisements created a sense of endorsement or preference by YHI. As such, YHI will implement an interstitial pop-up that will inform the user that by clicking “ok”, they are leaving YHI’s website and that YHI does not endorse any third party advertisers. YHI will maintain acknowledgement history in case it is needed in the future.

Second, YHI’s digital advertising policy outlines who can advertise and what content is restricted. Each advertiser and their content will be reviewed internally at YHI prior to publishing to ensure compliance with the digital advertising policy. Advertising buys by carriers will be restricted to ensure that each carrier has an equal opportunity to advertise.

Finally, the implications around funding was reviewed. Costs to implement digital advertising are expected to be less than \$5,000. Since this is not an establishment activity, development and implementation of digital ads will be paid for with Assessment Fee revenue.

Mr. Kelly said next steps, pending today’s Board vote, include the finalization of requirements, development and testing, selling of ad space, and Go live on November 1.

**Motion:** Dr. Livingston moved that the Board, as recommended by the Governance Committee, approve the Digital Advertising Policy and related form of contract for use, and that the Executive Director and Staff are directed to implement such policy. **Second:** Mr. Erstad. **The motion carried.**

**Motion:** Dr. Livingston moved that the Board, as recommended by the Governance Committee, authorize the Executive Director to enter into contracts with advertisers, such contracts being consistent with the proposed Digital Advertising policy and form of contract attached thereto. **Second:** Ms. Fulkerson. **The motion carried.**

## 16. PRIVACY & SECURITY POLICY REVIEW

Mr. Kelly said as part of the YHI’s annual policy review, YHI reviewed and made minor edits to the Privacy and Security policies. These updates were primarily centered on realigning the responsibilities between the Director of Operations and the Director of Technology Operations, Privacy and Security officer. This reflects the changes since YHI’s reorganization earlier this year. Additionally, YHI also streamlined the escalation paths in the event they are needed. Finally, Privacy controls were added to the existing Risk Management Policy. All of these policies ensure that YHI maintains compliance with Federal regulations and continues to safeguard Idahoans’ data.

**Motion:** Dr. Livingston moved that the Board, as recommended by the Governance Committee, approve the changes to the Privacy & Security Policy as discussed today. **Second:** Mr. Erstad. **The motion carried.**

## 17. COMMITTEE SELF-ASSESSMENTS

Mr. Kelly said each Committee discussed the effectiveness of the committee, charter, and meeting content and cadence. Overall, the Committees were pleased with the cadence and materials and felt that the resulting actions aligned well with the charter.

Some areas for opportunity centered on the scheduled duration of the meeting which didn't always align with the scope of the materials. Additionally, materials could be more consistently delivered seven days prior to the meeting.

Finally, there was some discussion of potential consolidation of Committees. This was primarily driven by the maturation of the business and that some Committee content is starting to overlap. As such, YHI leadership will work with legal counsel to evaluate possible consolidation of Committees and report back to the Governance Committee and Board during the December meetings.

## 18. GALLUP Q12 ENGAGEMENT SURVEY RESULTS

Mr. Kelly said in July, YHI implemented its first employee engagement survey utilizing the Gallup Q12 tool. All team members with tenure greater than 90 days were asked to respond and had 100% participation. Overall, YHI had an aggregate score of 4 out of 5, which is good and it also identified areas of opportunity. A small work group within YHI has been formed and is comprised of five team members from different functional areas.

The initial focus is on two primary questions: There is someone at work who encourages my development; and at work, my opinions seem to count. This work group is meeting weekly to identify specific items to implement over the next six weeks and will then move on to other areas of opportunity. That cycle of identifying areas of opportunity and implementing changes will continue throughout the year. A resurvey is planned for July of 2017.

## 19. EMPLOYEE HANDBOOK

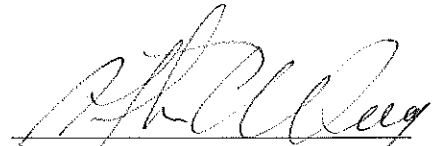
Mr. Kelly noted that on August 1, 2016, and in conjunction with the integration of the support center, relevant updates to the Employee Handbook were made. Key policy updates included the addition of an introductory period of employment, clarification on attendance and workplace attire, clarification on use of PTO, enhanced Privacy and Security policies, and the addition of FMLA language due to the number of FTEs expected in the future.

**Motion:** Mr. Erstad moved that the Board, as recommended by the Personnel Committee, approve the changes to the Employee Handbook as presented today. **Second:** Mr. Kreiling. **The motion carried.**

## 20. ADJOURN

The Chair noted that the next Board meeting will be held in early December with the appropriate Committee meetings scheduled in the weeks prior to that. There being no further business before the Board, the Chair adjourned the meeting at 11:26 a.m.

Signed and respectfully submitted,



A handwritten signature in black ink, appearing to read 'S. Weeg', written over a horizontal line.

Stephen Weeg, Chairman of the Board