

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

**PERSONNEL COMMITTEE  
MINUTES  
THURSDAY, OCTOBER 9, 2014**

**1. COMMITTEE MEMBERS PRESENT**

- Ms. Margaret Henbest, Chair
- Ms. Zelda Geyer-Sylvia
- Mr. Kevin Settles
- Mr. Scott Kreiling

**2. OTHERS PRESENT**

- Mr. Pat Kelly, Your Health Idaho
- Ms. Cheryl Fulton, Your Health Idaho
- Ms. Tresa Ball, HR Precision
- Mr. Steve Berenter, Hawley-Troxell

**3. CALL TO ORDER**

Following proper notice in accordance with Idaho Code § 67-2343, the Personnel Committee meeting of the Idaho Health Insurance Exchange (Exchange) was called to order by Ms. Henbest, Chair of the Committee (Chair), at 8:02am, Thursday, October 9, 2014, 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 Ms. Geyer-Sylvia, Mr. Settles and Mr. Kreiling were present, resulting in a quorum.

Ms. Vauk and Director Armstrong were absent.

**5. APPROVAL OF PRIOR MEETING MINUTES**

Motion: Ms. Geyer-Sylvia moved to approve the minutes from the August 11, 2014 and September 5, 2014 meetings.

Second: Chair Henbest.

The motion carried.

**6. REVIEW OF AGENDA**

There were no changes to the agenda.

## 7. COMMITTEE ROADMAP REVIEW

The Chair reviewed the roadmap and noted upcoming Committee activities and also discussed moving into a quarterly meeting schedule.

Ms. Geyer-Sylvia asked about the variable compensation policy and the timing of meetings. The Committee discussed this and determined that the FY15 calendar was different than what the FY16 calendar will look like due to timing of defining strategic goals and the variable compensation program. The Chair clarified that the reference to conducting a 360° review is simply to add direct-report feedback to the annual performance review process of the Executive Director. Therefore, the Chair contemplated the use of the term “360°” and suggested removing it from the title on the roadmap.

Mr. Settles asked about the employee handbook review which is slated for November and whether this was something the Governance Committee was also working on since it was originally in their purview. Ms. Ball said after the Handbook started with the Governance Committee, previously called Operations and later the responsibility moved to the Personnel Committee. There will be some changes coming around security. The changes and resulting review of the employee handbook are not anticipated to be extensive.

## 8. RESOURCING

### (a) Resource Needs and the Personnel Committee

Mr. Kelly said that as YHI prepares for open enrollment, a top priority is evaluating the organizational structure to ensure that YHI is right sized, cost-efficient and has the appropriate resources to provide for a secure and seamless consumer experience.

This year, the Personnel Committee has established a compensation policy for Your Health Idaho, a structure for employee evaluation and resourcing. This policy provides the Executive Director with a sound infrastructure to make key tactical and operational decisions on resources and a headcount to ensure that the Exchange can fulfill its mission within its allocated budget. The Executive Director also works in close coordination with the Finance Committee to ensure that the resource needs are contemplated in the annual budget. Unexpected needs that fall outside of the budget during the year will be brought to the attention of the Finance Committee for review.

### (b) Resource Assessment

Mr. Kelly said there are 3 key areas of the Exchange with current headcount changes or reallocation:

1. **Operations:** With the Program Specialists and Consumer Support Specialists in place, the team is conducting an analysis to assess if YHI is able to fulfill obligations to stakeholders and consumers with the existing headcount.
2. **Finance:** The team is currently reviewing resource needs with the vacancy of the Finance Director position. The current thinking is to bring on support for Mr. Cummins and have him step up to a higher role.

3. **Privacy & Security:** Privacy & Security remains a top priority for Your Health Idaho. YHI is reviewing findings from the MARS-E audit and evaluating recommendations from the PMO Privacy & Security team on what YHI needs to do to ensure the security of Idahoans' information. The team embraces the concept of being lean while protecting the privacy and security of Idahoans and are looking at, at least, 1 security manager and possibly up to 3 security analysts.

Regarding the increase in security headcount, Mr. Kreiling asked if YHI could stair-step into this. Mr. Kelly said the intent is to get the manager in place, work through the compliance efforts with the help of the vendors and then evaluate what YHI's security needs will be. He suggests taking a measured approach. Mr. Kelly said there is a level of security on the front end portal that needs to be monitored and secured. The stair-step approach will allow YHI to determine what the headcount needs will be in a thoughtful manner. There was additional discussion of what the security needs are, what role YHI has in it, and what external vendor's responsibilities will be.

Resource assessments will be ongoing. If resource needs drive additional funding requirements over and above the approved budget, YHI will seek approval for those additional funds with the Finance Committee.

Ms. Geyer-Sylvia commented that carriers have concerns to include that YHI may have significantly more manual input of data, which may result in higher staffing needs for open enrollment than was originally anticipated. Mr. Kelly appreciated Ms. Geyer-Sylvia's feedback and will work to determine contingency plans for additional temporary staffing. It was determined that this is a budget issue and not a Personnel Committee issue.

## **9. VARIABLE PAY PLAN**

### **(a) Strategic Goals – Fiscal Year 2015**

Mr. Kelly said that on June 20, 2014, the Board adopted six strategic goals that were originally discussed at the May 21, 2014 Board retreat.

### **(b) Variable Pay Plan for YHI**

Review of variable pay plan process

- On June 20, 2014, the Board approved a variable pay plan to be incorporated into the FY15 Budget.
- YHI is using strategic goals adopted by the Board to define the variable pay plan:
  - 3 key strategic goals are used for measuring variable pay;
  - Other strategic goals will be included in the team member's individual performance plan.
- Team member specific goals are weighted depending on their area of responsibility:
  - Letters to employees with specific goal weights will be provided;

- Variable pay is pro-rated for those employees who joined YHI after July 1, 2014;
- Day-to-day tactical responsibilities ladder up to these strategic goals and are identified in the team member's individual goals and performance plan.
- Progress against each goal will be tracked no less than quarterly and progress will be reported to the Board
- Target payout for meeting each specific strategic goal is 80%:
  - Payouts may be lower or higher than 80% based on performance, but will not exceed 100%.

**(c) Overall Goal Distribution**

- ~90% of variable pay is distributed among 3 of the 6 key strategic goals, with the remaining 10% based on the remaining strategic goals

**(d) Measurement of Goal Achievement**

Goal measurement for the 3 key strategic goals was discussed at 60%, 80%, and 100% payout levels.

**(e) Executive Director Variable Pay**

The variable pay plan policy states that the Board approve the Executive Director's variable pay plan. This plan includes three key strategic goals plus:

- Employee Engagement (80%) – payout achieved by maintaining employee retention.
- Idaho Control (80%) – Idaho receives Authority to Connect and Authority to Operate prior to November 15 and Idaho implements paper based SHOP application and enrollment process by November 15, 2016.

Ms. Geyer-Sylvia suggested that the Executive Director have the ability to achieve 100% on both. She also suggested that the Executive Director variable pay plan be changed to reflect a 100% achievable goal for the Idaho control piece and a 100% goal for the retention piece and well as a 60% goal.

Motion: Ms. Geyer-Sylvia moved that the Personnel Committee, in accordance with the Compensation Policy approved by the Board on May 22, 2014, recommend that the Board approve the total variable pay percentage of base compensation which will be weighted as provide by the plan and weighting of the YHI Executive Director strategic goals, with the amendment that the Idaho Control piece at 100% and the Retention as amended to allow for payout at 100%, 80% and 60% based on employee retention.

Second: Mr. Kreiling.

The motion carried.

**10. NEXT MEETING**

The next Personnel Committee meeting was discussed but not scheduled at this time.

**11. ADJOURN**

The Committee adjourned at 8:55 am.

Signed and respectfully submitted,

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

Ms. Margaret Henbest, Committee Chair