

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

**FINANCE COMMITTEE  
MINUTES  
OCTOBER 17, 2014**

**1. COMMITTEE MEMBERS PRESENT**

- Mr. Kevin Settles
- Mr. Fernando Veloz
- Dr. John Livingston
- Ms. Geyer-Sylvia
- Representative Kelley Packer (via teleconference)

**2. OTHERS PRESENT**

- Mr. Pat Kelly, Your Health Idaho
- Mr. Trent Cummins, Your Health Idaho
- Ms. Cheryl Fulton, Your Health Idaho
- Mr. Brody Aston, Lobby Idaho, LLC

**3. CALL TO ORDER**

Following proper notice in accordance with Idaho Code § 67-2343, the Finance Committee meeting of the Idaho Health Insurance Exchange (Exchange) was called to order by Mr. Kevin Settles, Vice Chair of the Committee (Vice Chair), at 1:05 pm, Friday, October 17, 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 Vice Chair called the roll and determined that Mr. Veloz, Ms. Geyer-Sylvia, Dr. Livingston and Representative Packer (via teleconference) were present resulting in a quorum.

Senator Rice and Mr. Agenbroad were absent.

**5. APPROVE PRIOR MINUTES**

Motion: Ms. Geyer-Sylvia moved to approve the meeting minutes as presented from the September 18, 2014 Finance Committee meeting.

Second: Dr. Livingston.

The motion carried.

## **6. REVIEW OF AGENDA**

There were no changes made to the agenda

## **7. FINANCE COMMITTEE ROADMAP**

Mr. Kelly walked through the Finance Committee Roadmap and the October actions which included the removal of the business process items. Today's items include the quarterly financial statements and a discussion around grant funding with the approval of the grant funding moving to November. The Committee will be working towards quarterly meetings when appropriate and the consolidation of all other items. The quarterly review of financials will be handled via email, and in November the Committee can make any necessary changes in process to the Delegation of Authority. The Investment Policy discussion is currently slated for November but will likely occur in January.

Vice Chair Settles suggested that Chair Agenbroad be included in a more robust discussion about the change to quarterly meetings.

The Committee briefly discussed the short and long term investment of the Assessment Fee income which will be explored in depth in January.

## **8. FINANCIAL RESULTS THROUGH SEPTEMBER 30, 2014**

### **(a) Financial Highlights thru Sept '14**

Mr. Cummins began with the financial highlights which reflect pretty stable results compared to prior months. Assessment Fee revenue was around \$300k and the cash spend for September was close to \$3M.

### **(b) Grant Draws**

Mr. Cummins said Grant 1, level 1 was fully drawn in September. That is the first portion of the grant funding and YHI is in the process of closing that out with CMS. The draw-down of grant 1 was on schedule with YHI's previous estimates.

### **(c) Assessment Fee and Enrollment Highlights**

Mr. Cummins added that Assessment Fee revenues are around \$310,000 and is relatively stable compared to prior months. YHI now has slightly above \$2.1M in Assessment Fee revenues and effectuated members of 79,505 in September. The average premium is around \$291 in September compared to \$297 in August.

### **(d) YTD Expenses**

Mr. Cummins reviewed the table presented and drew attention to some favorable variances in employee and related costs due to turnover and timing of new hires. The second favorable variance was in Outreach & Education which resulted from a delay in the advertising spend. Those dollars are expected to be incurred, just not in the current quarter. There is an unfavorable variance in the insurance portion due to the insurance expense being fully spent in September

instead of over the full 12 month period. Mr. Veloz asked about the AT&T bill which was extremely high in the month of September. Mr. Cummins said he has looked into options for reducing the per-minute rate and will update the Committee once new rates are negotiated. Ms. Fulton is researching web conferencing options and appliances to ensure a lower web conferencing bill in future months.

The Committee discussed the Assessment Fee and the variances from month to month and from 2014 Open Enrollment to 2015 Open Enrollment. Mr. Kelly said that the insurance plans that will be purchased in the upcoming Open Enrollment will affect the Assessment Fee revenues and YHI will have preliminary estimates of plans that are being purchased by the end of December.

#### **(e) YTD Break out of O&E Spend**

Mr. Cummins said there was overall favorability driven by the timing of the advertising spend as the O&E Committee continues to discuss timing and placement of Open Enrollment ads. It is still anticipated to remain as budgeted, however the August and September amounts are delayed to October.

#### **(f) YTD Break out of IPA and Tribal Contracts**

Mr. Cummins said the two existing Tribal IPA organizations will continue through November 2015. The outstanding tribal agreement with the Sho-Ban Tribe is now off the table and YHI is now pursuing next year's contract with the Sho-Ban Tribe.

#### **(g) YTD Project Expenses around technology**

Mr. Cummins said project expenses are broken out in various categories including Accenture (PMO), DHW, GetInsured (technology) and First Data (IV&V), and the favorability and unfavorability associated with those categories. Mr. Cummins reminded the Committee that the technology spend will be within budget but won't be in the timeframe as originally projected. Most of these have similar reasons for the favorability or un-favorability and it's around timing of payments.

Mr. Settles asked about the DHW/YHI shared resource and asked why it is unfavorable. Mr. Kelly said it was because Mr. Moran has spent much more time than anticipated working on the Grant reporting and less time on the DHW side.

Dr. Livingston asked about identity proofing and Mr. Kelly said YHI is not contracted directly with Expedient but it comes through the DHW cost allocation for the call center and YHI uses the services via DHW.

Ms. Geyer-Sylvia asked how the expenditures that were approved in the Marketplace Committee the day prior fit into the budget. Mr. Cummins said those dollars were included in the security budget but the details of those dollars were not available yet. Ms. Geyer-Sylvia asked that YHI include in the motions whether the Committee is approving new dollars or if it is to be included in the approved budget.

#### **(h) September consolidated cash flow**

Mr. Cummins pointed out the cash balance at end of the period is \$1.8M in a separate account and the operating account was at a zero balance.

**(i) Consolidated B/S Assets**

Mr. Cummins noted grant receivables which largely reflects expenses related to those that fall under the grant. Prepaid expenses are all around YHI's business insurance policies.

**(j) Consolidated B/S Liabilities**

Mr. Cummins briefly reviewed the Liabilities and Equity statement which includes accrued expenses, payroll liabilities and deferred revenues.

**9. FY 15 FORECAST UPDATE**

Mr. Cummins reminded the Committee of the original approved budget of \$9.8M for FY15. There is some un-favorability around the addition of the employee headcount in the security space, Mars-E audit and some additional expenses. There was favorability around the employee headcount due to timing of employees that left YHI and those that joined. There was some un-favorability around DHW cost allocation which is essentially a result of when DHW first provided guidance. The number which YHI was provided initially was on the low end of where it ended up. Mr. Kelly added that the cost was on the high end of what DHW projected. Seasonality will also affect it greatly but there isn't any history yet on which to base those fluctuations.

The Enrollment Entity Agreement (EEA) proposals for the former In-Person Assistants (IPA's) were much lower than originally estimated based on a dollar per consumer assisted proposal as opposed to a large lump sum. Kudos to the team for coming up with a different plan this year.

Mr. Cummins said that for FY 15 there is a favorable variance of about \$83K.

Motion: Dr. Livingston moved to recommend to the Board for approval the financial results through September 2014.

Second: Mr. Veloz.

The motion carried.

**10. GRANT FUNDING**

The Vice Chair said that it is critical to ensure that YHI complies with the final date of November 14. The Committee will discuss some options around asking the Board to give the Finance Committee authority to approve the final grant request.

Ms. Geyer Sylvia likes and recommends this approach. This is a request for funds that may or may not be granted and may or may not be used and is more of a projection.

Mr. Kelly said the grant request is a very separate event from that which is granted by CMS and what YHI budgets to spend. There are a number of different safeguards put in place before any

money is spent that would enable the Finance Committee to vet those funds at numerous times before they are actually spent.

Mr. Settles voiced his concern that the Committee could end up at a juncture at a critical time where the Committee could end up having to push through a number that they don't feel comfortable with. He said the Committee would like to see deeper insight into the details of the grant request and could go back to the Board if necessary.

The Finance Committee would like to reconvene on or around the 7<sup>th</sup> via teleconference or in person to discuss and approve the final grant funding proposed.

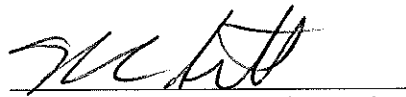
## **12. NEXT MEETING**

The next meeting of the Finance Committee will be held on or around the 7<sup>th</sup> of November. Ms. Fulton will send a poll to determine the best day and time.

## **13. ADJOURN**

There being no further business before the Committee, the Vice Chair adjourned the meeting at 2:10 pm.

Signed and respectfully submitted,



Kevin Settles, Committee Vice Chair