

IDAHO HEALTH INSURANCE EXCHANGE

FINANCE COMMITTEE MINUTES

November 7, 2013
4:00 PM – 5:00 PM

Offices of Hawley Troxell
877 Main Street, Boise ID 83702

Chair Jeff Agenbroad called the meeting to order at 4:02pm.

Roll Call

Kevin Settles provided the roll call

Members:

Jeff Agenbroad, Kevin Settles, Fernando Veloz, and via telephone Kelley Packer

Others:

Pat Kelly, Finance Director, YHI
Mike Stoddard, Hawley Troxell
Bill Shrum, Senior Manager (Harris & Co.)

Adoption of Prior Minutes (10/25/13)

The committee reviewed the minutes from the prior meeting dated 10/25/2013.

Motion: Rep. Packer moved to adopt the minutes

Second: Mr. Veloz, motion carried

Review of Agenda

The committee reviewed the agenda and no changes were required.

Acknowledging and curing an unintentional voting/meeting violation

Chair Jeff Agenbroad stated the following:

“In early October the Finance Director asked this Committee to consider a lease for additional office space, and there was arguably an unintentional violation of the Open Meetings Law as, given the press of time, the Finance Committee members communicated their thoughts and recommendations regarding the proposed lease via e-mail. No public notice was given of a meeting of the Finance Committee, and no action was taken to hold such a meeting at a particular location as would normally be required by law. The Finance Committee has

provided no recommendation nor has the Board addressed the lease, nonetheless to avoid any appearance of impropriety, I recommend that a motion be made acknowledging such potential violation and declaring that all approvals or recommendations made by the Finance Committee via those e-mail communications shall be void.”

Motion: Rep. Packer moved to approve the motion for acknowledging and curing an unintentional voting/meeting violation

Second: Mr. Settles, motion carried.

Office Lease review and associated expenditures

Mr. Kelly presented the committee with an overview of the additional office space required for Your Health Idaho. Pat explained to the committee that the current space at 714 State Street is at capacity, and they move into Phase 2 additional space will be required for the project staff. Several additional locations had been investigated and removed from consideration due to risk of expanding beyond future needs. The lease available at 1010 Jefferson enables optionality to consolidate to one location in the future.

Pat provided an estimate for the full start up expenditures including build out cost at less than \$40,000. The space would incorporate 21 work areas (4 offices, 3 reception areas, 14 bull-pen workstations and a full conference room with furniture. He noted that the workstation area would have flexible furniture that could be configured as needed. He said that an additional note is the telephony; YHI are entering into an agreement to purchase equipment where the State Street telephony will decrease by \$400 a month, saving \$4,800 per year. All costs are covered under the grant.

Committee Chair Mr. Agenbroad asked if the correct procurement procedures were followed.

Mr. Kelly responded that he didn't think any of these items fall into an RFP.

Chair Agenbroad agreed that in all fairness this process started prior to the new procurement process.

Mr. Settles stated that given the area, the space lease sounded reasonable, and the flexibility of the space has been reviewed thoroughly. Chair Agenbroad agreed.

Motion: Rep. Packer moved that the committee present the lease and build-out to the board, as presented

Second: Mr. Veloz, motion carried.

FY13 Audited Financial Statements

Mr. Kelly said that House Bill 248 requires an annual financial audit. RFP's were sent to five accounting firms, and four responded. After review YHI decided on Harris and Co. as the auditor. Preliminary financial statements were submitted to the State Controller's Office on September 27, 2013 as requested. He reviewed the proposed timeline for finalization.

Mr. Kelly said that he expects the audited financial statements will be presented during the 2014 legislative session.

The total liabilities and net position was \$731,804. The committee reviewed this information and there were no questions.

The total expenses during the period 5/9/13 to 6/30/13 were \$342,097.

The net cash used in operating activities showed a total of \$33,064 for the same time period. Mr. Kelly noted that it did reflect the payable of \$385,000 to the Department of Health and Welfare.

Chair Agenbroad asked Pat Kelly if the verbiage had been discussed with the Department of Health and Welfare to ensure that has been titled correctly. Pat Kelly responded that when YHI received payment of the advance, the letter stated it was start-up money. When they repaid it, YHI stated it was from our federal grant.

Rep. Packer said she would recommend that it reflects that it was a federal grant that was used temporarily.

Mr. Kelly said that he would clarify the source was federal dollars.

Motion: Mr. Veloz moved that the Finance Director present the FY13 Audited Financial Statements to the board at the next meeting (with the clarification of the funds)

Second: Mr. Settles, motion carried.

FY14 Financial Results Review (through September 2013)

Mr. Kelley presented the committee with financial reporting of the current period. He said that YHI is asking the committee to request Board approval for FY14 spending of \$12.8M which is 100% federal grant funded. After much discussion the committee agreed.

Motion: Mr. Settles moved to accept the request as presented and present to the Board

Second: Mr. Veloz, motion carried.

Carrier Invoicing process overview

Mr. Kelly discussed the current environment with the committee. He said that YHI needs enrollment statistics totals in order to correctly calculate the assessment. He said the 820

Forms will not include data on those that do not receive APTC. The enrollment and premium reports are expected from CMS, and eventually they can go back and audit. Until the CMS reporting is available YHI will rely on self-reporting.

Other Business

There being no other business, Chair Agenbroad said the meeting could adjourn at 5:43pm

Motion: Mr. Settles moved to adjourn the meeting

Second: Mr. Veloz

Signed and respectfully submitted by:



Jeff Agenbroad, Chair