



**IDAHO HEALTH INSURANCE EXCHANGE  
DBA YOUR HEALTH IDAHO  
GOVERNANCE COMMITTEE  
MINUTES  
TUESDAY, DECEMBER 5, 2017**

**1. COMMITTEE MEMBERS PRESENT**

- Ms. Margaret Henbest, Chair
- Mr. Hyatt Erstad, Vice Chair
- Mr. Dave Jeppesen (via teleconference)
- Ms. Karen Vauk (via teleconference)

**2. OTHERS PRESENT**

- Mr. Pat Kelly, Your Health Idaho
- Mr. Kevin Reddish, Your Health Idaho
- Ms. Cheryl Fulton, Your Health Idaho
- Ms. Alanee DeRouen, Your Health Idaho
- Mr. Mike Stoddard, Hawley Troxell
- Ms. Tresa Ball, HR Precision
- Ms. Cathy McGill, Idaho Department of Insurance

**3. CALL TO ORDER**

Following proper notice in accordance with Idaho Code §74-204, the Governance Committee meeting of the Idaho Health Insurance Exchange (Exchange) was called to order by Ms. Margaret Henbest, Chair of the Committee (Chair), at 3:32 p.m., Tuesday, December 5, 2017, 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 Mr. Erstad, Mr. Jeppesen (via teleconference), and Ms. Vauk (via teleconference) were present, resulting in a quorum. Director Cameron and Rep. Erpelding were absent.

## 5. APPROVE PRIOR MEETING MINUTES

The Chair noted there were no edits to the August 29, 2017 meeting minutes.

**Motion:** Mr. Erstad moved to approve the minutes as presented from the August 29, 2017, Governance Committee meeting. **Second:** Mr. Jeppesen. **The motion carried.**

## 6. REVIEW AGENDA

There were no changes made to the Agenda.

## 7. REVIEW COMMITTEE ROADMAP

The Chair reviewed the Roadmap and said there are no changes.

## 8. ANNUAL PLAN OF OPERATIONS

### *a) Plan of Operations*

Chair Henbest said at the last meeting, this Committee discussed what the Plan of Operations contains and the responsibility of reviewing the Plan of Operations documents. She said there are two primary categories of the Plan of Operations. The first is the Governing documents and policies such as the Idaho Health Insurance Exchange Act, Bylaws, Committee Charters, Conflicts of Interest Policy, Privacy and Security policies, and the Public records policy. There are also Operational documents including the financial year budget, Board and Committee roadmaps, and Committee and Board Decisions. And finally, connecting the governing and operational documents are the resolutions made at the Committee and Board level. What the Committee was looking for in September was to understand the processes engaged in over the year to ensure that we are updating the policies in accordance with the Plan of Operations.

### *b) Document Review and Updates*

Chair Henbest said she and Mr. Kelly reviewed the policies, how they are brought to various Committees and how they flow through to the Board for approval primarily through the Finance and Governance Committees. The Finance Committee primarily reviews key accounting policies, Procurement policy, and the Travel policy in March of each year, leading up to the annual audit. The Governance Committee primarily reviews Employee related policies, Privacy and Security policies, as well as conflicts of interest documents, public records, and records retention policies. The Committee roadmaps provide a timeline for required policy reviews throughout the year.

Ms. Henbest added that the YHI executive team evaluates operational practices to ensure compliance and recommends updates to the appropriate policies. Additionally, YHI's general counsel performs an annual review of governance documents and the Committee Charters to

ensure YHI has taken all necessary actions and performed the necessary reviews of the documents that make up the Plan of Operations.

*c) Document Revisions*

Mr. Kelly shared the changes that have occurred over the last 12 months and said YHI tracks every decision that has been made by the Board since inception.

Mr. Kelly said there were six updates since the last review and include Charter revisions, changes to the Delegation of Authority, Employee Handbook edits, and revisions to the Compensation Policy.

Mr. Kelly said proposed changes today are to the Roles and Responsibilities document and changes to the Finance Policy to reflect current DoA spending limit authorities which have already been approved by the Board. The redlines for both documents are included in your packet today.

Mr. Jeppesen asked about the Finance Policy and asked if they had been reviewed by Finance. Mr. Kelly said they will go through the Finance Committee tomorrow.

Mr. Kelly noted the Governance Summary and said YHI's recommendation is to have the Governance Summary removed from the Plan of Operations.

There is one new document up for consideration and he asked YHI's legal counsel, Mr. Stoddard to review it.

Mr. Stoddard said that the legal team went through all the policies, procedures and actions and found a document that was voted on by the Board back in 2013, and while distributed to the Board, the press of other issues facing YHI resulted in no completion and execution by board members. He said the purpose of the Indemnification document, while arguably not providing additional substantive protection, was to provide additional procedural protections for the Board members. Many public corporations have these agreements but government entities generally do not, so it is up to this Committee to determine if we revisit this document.

Mr. Erstad said since legal counsel believes the Board needs that extra layer of procedural protection, then he recommends that we get this done. Mr. Jeppesen and Ms. Vauk agreed.

**Motion:** Mr. Erstad moved that the Governance Committee, recommend to the Board, approval of the Annual Plan of Operations as presented today. **Second:** Mr. Jeppesen. **The motion carried.**

## 9. ANNUAL BOARD TRAINING PLAN

Mr. Kelly said Annual Board Training is a requirement in our Bylaws. 2018 will continue to present challenges as the future of federal health care policy continues to be debated in Washington. YHI has been successful because it remains focused on business-as-usual. YHI continues with New Board Member orientation with the Board Chair, the Executive Director and general counsel. YHI also continues Board training with the standard operating items that Ms. Fulton created and sent out to Board members last month. This includes directions for accessing documents in Sharefile, Doodle polls, and Committee and Board document processes.

As we looked toward March and the Annual Board Training, we looked at two areas of content. These areas included standard training on public records, public meeting laws and key policies – the typical training done by legal counsel. Ms. Vauk, Mr. Settles and Mr. Kelly attended the National Association of Corporate Directors (NACD) event called Back to Basics and propose that the second part of training be focused on key concepts from the NACD including 1) Duty of Care, 2) Duty of Loyalty, and 3) Duty of Attention.

*Duty of Care* includes standards such as good faith, with the care an ordinary prudent person would exercise under similar circumstances, and in a manner acting in the best interest of the organization.

*Duty of Loyalty* would cover misuse of position or information, conflicts of interest, and corporate or organizational opportunity.

*Duty of Attention* includes meeting attendance, material review prior to meetings, and staying informed on the industry and organization.

This would be a good add to our traditional Board training. This will be discussed on December 15 at the Board meeting. If supported by the full Board, we will put more detail behind this and bring it back to the Governance Committee for approval in March and then move forward with training at the March Board meeting.

Mr. Jeppesen asked if the Board has transitioned recently from an operational Board to a governance Board, would it be helpful to include information relevant to that shift? Ms. Henbest said it was hard to shift from an operational Board to a governance Board and asked the Committee if they feel like that transition has been made or if they think we are still in it.

Ms. Vauk added that from her perspective, that transition has been made. Mr. Erstad agreed that the Board has moved out of operation mode to governance mode. He said as we focus in on the March training, a refresher would be good as our roles have evolved.

Chair Henbest said this is a unique Board. Directors are appointed by the Governor, based on the position or seat they represent. Reinforcing the duty of care, loyalty and attention is important because of the makeup of the Board and each member's unique circumstance.

Mr. Stoddard said that transition will be discussed as we move through this. The second point is that when we talk about these three duties, we will talk about them in relation to our Charters and

our unique structure. Board members serve at the pleasure of the Governor and that may cause additional confusion.

Ms. Vauk added that Board members represent the organization but also represent the constituency that they are representing. Mr. Stoddard added the business layer on top of that as some Board members represent companies that are in business with the Exchange like producers and carriers.

Chair Henbest said we will move forward on the plan, bring it to the Committee and then to the Board in March and then move forward with it.

## 10. MARS-E ASSESSMENT RFP

Mr. Reddish said Idaho's ability to operate as a state exchange is contingent on the Authority to Operate. One of the main components of this Authority to Operate is the Authority to Connect package. YHI was given another 3-year approval package, which includes a third-party assessment of the MARS-E control framework of both YHI and GetInsured. This is to ensure that all the safeguards that the federal government requires are in place. This annual assessment is used by YHI leadership to continue to assess overall security posture of YHI and GetInsured to safeguard Idahoan's information. This RFP would span the entire 3-year ATC period through Open Enrollment of 2020.

**Motion:** Mr. Jeppesen moved that the Governance Committee recommend to the Board that the Board authorize the Governance Committee to 1) conduct an RFP for a MARS-E Security Assessment Report (SAR) services, 2) establish a Proposal Evaluation Team (PET) to evaluate the responses to the RFP, and 3) accept the recommendations of the PET; and that upon such acceptance the Executive Director and the Chair of the Governance Committee may negotiate and execute the contract with an amount not to exceed \$60,000 per year over a three year term, of which the current funds are included in the approved budget. **Second:** Mr. Erstad. **The motion carried.**

## 11. EMPLOYEE / TEAM UPDATE

### *a) Team Pulse Check and Compensation*

Mr. Kelly said team morale is high and the increased volumes have not brought morale down. Teams are staffed appropriately in finance, communications and IT. The year-round support center team is settling in a lower than budgeted headcount. Ramping for OE is a known occurrence, but the year-round headcount may be lower than originally anticipated. YHI just has a better understanding of the volumes now that the support center has been integrated. In terms of compensation, market review will be done and any changes will be specific just to areas that need attention.

For the employer portion of benefits, YHI will revisit to ensure current market relevance. Internal OE just completed and YHI provided a base plan and then a buy down and a buy up, providing options for the team. Ms. DeRouen will be building an employee wellness program that is low cost with high impact to employees.

***b) Employee Engagement Task Force***

Mr. Kelly said last year, the EETF focused on two areas from the Gallup Q12 survey. This year, the EETF focused on one question “I know what is expected of me at work.” The question was chosen not because it received a low score on the survey, but because the team felt the learning from this question would cascade into other areas. Recommendations following team interviews focused on four key areas: Communication Effectiveness, COMPASS Integration, Training and Assessment, and Peer/Team input for annual reviews.

- *Communication Effectiveness* was enhanced simply by making sure meetings happened in the right order so that information coming out of those meetings would be communicated accurately and effectively. The information can get stale if too much time goes by. This has already been implemented and the team is already seen positive results.
- The entire team developed *COMPASS* and the EETF recommended it as an area to focus on to reinforce *COMPASS* in everything we do. *COMPASS* was incorporated in the 1:1 coaching document and will be a topic at each of the monthly all hands meeting to reinforce the values of *COMPASS*. In addition, there will be cards that team members can hand out to other team members when they see one of the *COMPASS* values being performed. Those cards will all then be entered into a monthly drawing for a small prize.
- The *Training & Assessment* recommendation is still under development. Will include semi-annual training on respectful workplace and general workplace expectations. There will also be an employee handbook assessment two weeks’ post hire.
- Finally, the *360 Review Process* that is done for the Executive Director is being worked on for the entire team. The real challenge is how to do that in a way that is efficient. The EETF is researching this and trying to find a fit-for-purpose solution.

Mr. Erstad noted that in the past, he received numerous calls from producers that were having issues. This year he has not had a single call from producers. Mr. Kelly added that YHI had one returning seasonal worker this year that was very impressed with the changes that have occurred over the past year.

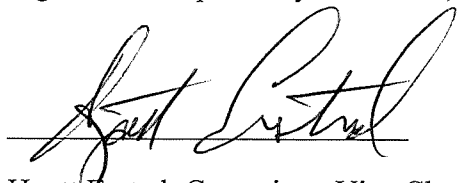
**12. NEXT MEETING**

The Chair noted the next meeting of the Governance Committee will be held in late February.

**13. ADJOURN**

The Committee adjourned at 4:47 p.m.

Signed and respectfully submitted,



Hyatt Erstad, Committee Vice Chair