Idaho Health Insurance Exchange
DBA Your Health Idaho

Governance Committee Minutes
Wednesday, May 31, 2023

Committee Members Present

- Ms. Margaret Henbest, Committee Chair
- Mr. Hyatt Erstad, Vice Chair (via videoconference)
- Ms. Heidi Hart
- Ms. Karan Tucker
- Mr. Wes Trexler for Director Dean Cameron (via videoconference)

Others Present

- Mr. Pat Kelly, Your Health Idaho
- Ms. Nichol Lapierre, Your Health Idaho
- Ms. Kelly Fletcher, Your Health Idaho
- Mr. Matt Fuhrman, Your Health Idaho
- Mr. Mike Stoddard, Hawley Troxell
- Ms. Tresa Ball, HR Precision

1. Call to Order

Following proper notice in accordance with Idaho Code Section 74-204, the Governance Committee meeting of the Idaho Health Insurance Exchange (Exchange) was called to order by Ms. Henbest (Chair) at 9:02 a.m., Wednesday, May 31, 2023, at the offices of Your Health Idaho. In accordance with Idaho Code Section 74-203 (1), the meeting was open to the public and streamed in video conference format via GoToMeeting and the Idaho Public Television web site. Members of the public were encouraged to access the audio stream by dialing into a telephone number and view the materials by accessing a meeting link that were included in the notice of meeting posted on the Exchange Board’s website, social media platforms, and at the meeting location.

2. Roll Call

Chair Henbest called roll and determined that Ms. Hart, Ms. Tucker, and Mr. Trexler for Director Cameron were present, resulting in a quorum. Senator Ruchti was absent. Mr. Erstad joined via videoconference at 9:07 a.m.
3. **Prior Meeting Minutes**

Chair Henbest asked if there were any changes to the minutes from the prior meeting and there were none.

**Motion:** Ms. Tucker moved to approve the meeting minutes from the March 3, 2023, Governance Committee meeting as presented today. **Second:** Ms. Hart. **The motion carried.**

4. **Review Agenda**

Chair Henbest reviewed the agenda, no changes were made.

5. **Review Roadmap**

Chair Henbest reviewed the roadmap, no changes were made to the roadmap for the current quarter. However, she asked if the MARS-E audit results could be reviewed during a quarter when the committee meeting had a lighter agenda. Mr. Fuhrman mentioned that the MARS-E audit would occur in February next year and January the year after which may allow for a review earlier in the year, possibly the March Governance meeting. Ms. Henbest suggested we review the timing in the spring and strive to include the results in the March committee meeting.

6. **Team Member Engagement**

Ms. Fletcher shared that she recently attended a conference for HR professionals that focused on employee engagement, and she was pleased to find that Your Health Idaho (YHI) already does a lot of the suggested activities. She gave a brief overview of those things, saying that YHI is open and transparent about the organization’s progress and makes senior leaders available to all team members. We engage with team members through the eNPS (employee Net Promoter Score) and Gallup surveys and provide opportunities throughout the year to give and receive feedback, along with activities to show our support. YHI has a casual dress code, provides snacks and drinks, and keeps team members up to date on everything YHI through our intranet. All team members are offered a comprehensive benefits package, ongoing professional development opportunities, and their own account for Pryor+ online training. A lot of the activities we do are scheduled throughout the year on a weekly, monthly, or a quarterly basis.

YHI committed to implementing tools other than the Gallup Q12 to measure team member engagement, and the eNPS survey is one of those tools. It measures team member satisfaction and loyalty, is anonymous, and measured through Bamboo HR. Scores can range from -100 to +100, with -100 to 10 being low or okay, 10 to 30 is good, and anything over 30 is considered very good. The results of the three eNPS surveys we have deployed are as follows: 77% response rate with an overall eNPS of 54 in
November 2022, 82% response rate with an overall eNPS of 31 in February 2023, and a 75% response rate with an overall eNPS of 32 in May 2023. Some trends that we saw repeated in all three surveys were that promoters mentioned people at work, benefits, the culture, and leadership. Neutral responses tended to mention the desire for training for consistency, training for growth opportunities, and remote work opportunities. Trends in detractor responses mentioned the desire for a pay audit to address market and cost of living and consistency in practices. New comments from promoters mentioned pay, perks, and recognition, while detractors mentioned staffing, scheduling, and work-life balance.

Ms. Hart asked for clarification on whether compensation had been mentioned by promoters or detractors.

Ms. Fletcher replied that it was both. We had total compensation conversations with our team members between the February and May surveys and we were able to raise team members’ awareness of not only their pay but the value of things like their benefits package. Ms. Fletcher stated that the promoters likely realize that there is more to it than pay.

Chair Henbest asked if we had been able to dig deeper and find the root of those responses.

Ms. Fletcher said that we recently conducted stay interviews, which gave some insight into the responses. We can sort eNPS data into different departments while maintaining anonymity, and we also discuss these results at our All-Hands meetings.

Ms. Fletcher continued, saying that this was the eighth time that YHI did the Gallup survey, which measures the strength of a workplace via 12 questions asked on a scale of 1-5 with 1 being strongly disagree and 5 being strongly agree. We had a 98% response rate and the overall Gallup survey grandmean decreased 0.06 points, from 4.47 to 4.41. While this score was lower than last year’s, it is still a very good score and the second-highest score YHI has achieved. It is possible that the 2022 eNPS and Gallup scores were anomalies, as we had just established real-time eligibility and that success may have affected the way people responded to the surveys. We will continue to conduct these surveys and compare the results to prior years. YHI was in the seventy-fourth percentile compared to the Gallup database and we scored over four out of a possible five on every question on the survey.

Ms. Fletcher said that stay interviews were conducted in April and May. They were conducted by Ms. Fletcher and the HR Coordinator who met one on one with team members. The interview questions were the same across departments and positions and covered topics such as professional and career development, training, compensation, and retention. Most team members are aware that YHI offers professional development opportunities, which is thanks in part to total compensation conversations. Regarding the quality of training that team members felt that they received when they were first hired, the general consensus is that training has improved over time. Team members acknowledged that while they feel at times that we are understaffed, they know that
hiring has been ongoing and is currently difficult for employers in general. Most team members said that they can see themselves staying at YHI for at least two more years. When asked what improvements team members would like to see, themes included more company-wide activities, hybrid work options, and availability of private space and breakout rooms.

In summary, YHI places a high priority on team member engagement and team members recognize and appreciate YHI’s efforts. The surveys and stay interviews give team members the opportunity to provide feedback, opinions, and suggestions and we plan to use these rich sources of information to effectively improve and enhance team members’ experience and professional growth.

Ms. Tucker observed that we have some great tools to keep team members engaged and to receive feedback and she asked if there were any other resources or support needed to continue this work.

Ms. Fletcher responded that we have some exciting ideas and as we continue to pull information together, we will keep the Board updated.

Ms. Hart asked if there were any trends between the seasonal employees and the direct hires.

Ms. Fletcher said that we intentionally engage with both the seasonal and permanent team members from the beginning, knowing that we may end up converting the seasonals to permanent. If they do not stay at YHI, they have the potential to become customers or engage with other customers in the community, so we want to make sure that their experience with YHI is positive.

7. FY23 Goals Update

Mr. Kelly gave an overview of the status of our active variable pay goals. On the Idahoan’s Experience goal, our current Net Promoter Score (NPS) is 65, which is 100% outcome compared to a goal of 39 for the non-Open Enrollment (OE) period.

The Risk Management goal focuses on our phishing campaigns. Performance on the first campaign was not good but the second one was much better. We are trending in the zero-payout range with response rates at 11%. Proper reporting is currently at zero payout with 92% but trending upward. Mr. Kelly stated that the team believes that there was too much time between campaigns and that people let their guard down, so moving forward we will be having phishing campaigns monthly. We will run two more phishing campaigns for this goal period and if the trend continues, we hope to be in the 60% outcome range for this goal.

For the Low-Cost Promise goal, the forecast shows Net Operating Income at $264,000 versus the goal of $155,000, which is 100% outcome.
As Ms. Fletcher mentioned, we are very proud of our 4.41 grandmean in the Gallup survey. However, we missed the target of 4.47 so there will be no payout for the Employee Engagement goal.

Mr. Kelly noted that Medicaid unwinding is relevant to retention and enrollment moving forward and will therefore impact our goals. As of this morning, we have about 9,000 enrollments due to Medicaid unwinding, which is short of the target of 10,000 but we are seeing continued growth. The activity at the Idaho Department of Health and Welfare (DHW) pushed some of their re-evaluations out, which in turn pushed our enrollments out. While we missed the May enrollment goal, we have already surpassed the June goal. Total enrollments are 99,500, which is well in line with where we need to be. This evening, tens of thousands of enrollees will be procedurally terminated, which is what happens when a person does not complete their re-evaluation. We will do outreach to those people to encourage them to apply for a tax credit with the exchange.

Chair Henbest noted that phishing emails are getting more sophisticated and harder to spot and asked if we consider that when we conduct our phishing campaigns.

Mr. Fuhrman said that he reviews the phishing emails that our system blocks and the ones that get through and builds the campaigns around those. He said performance in the last campaign was much better than the first and agreed with Mr. Kelly that the poor performance was likely due to an out of sight, out of mind mentality with the team. We have learned that we need to stay on top of phishing and run campaigns more frequently. Moving forward, we will be doing campaigns at least once a month.

Ms. Hart stated that the team not getting a payout for the Employee Engagement goal did not sit well with her. She said that a 4.41 is still a great score and not that different from a 4.47. She asked if we had given consideration to making the goal to be at or above a certain point instead of requiring that the score be higher than last year’s.

Mr. Kelly said that there had been conversation around this topic but ultimately the decision was made that a goal is a goal, however uncomfortable that decision may be. He added that the proposed goals for 2024 use a broader lens to measure the outcome than a single score and noted that the previous score of 4.47 was likely an anomaly due in part to the launch of real-time eligibility that occurred immediately previous to the survey.

Chair Henbest added that she and Mr. Kelly had previously discussed that when the team is already doing really well, it is extremely difficult to increase the score and the measurement may lack relevancy.

Ms. Hart agreed and said she felt that it is important to celebrate when an organization maintains high performance and high engagement. She stated that the YHI leadership team was doing great work and not paying out on this goal sends the wrong message. She said it was appropriate to ask the board for relief to allow for partial payout of this goal.

Mr. Erstad agreed with Ms. Hart and said that since the goal results were in the excellent category, the team should be rewarded for an excellent job.
Chair Henbest asked Mr. Kelly to discuss this with his team and bring a proposal for payout to the board.

8. **FY24 Strategic and Variable Pay Goals**

Mr. Kelly stated that when he and his team developed the Fiscal Year 2024 (FY24) goals, they kept in mind the six strategic goals that were endorsed by the Board in the March 2023 meeting. All of the variable pay goals we will discuss momentarily, ladder to one or more of these strategic initiatives. In a couple of the variable pay goals, we have shifted from overall corporate measurements into individual accountability. As a reminder, a person’s role in the company is considered when weighting their individual variable pay goals so, for instance, a customer-facing role would have more weight on Flawless Customer Experience than Low-Cost Promise and a finance centric role would have more weight on Low-Cost Promise.

Mr. Kelly said Flawless Customer Experience is proposed to be a two-part goal, with the first part being Net Promoter Score (NPS). The fiscal year will be divided into two periods of performance: July thru December and January thru June. Understanding that the current NPS is extremely high, increases to that score are expected to be moderate. The second part of the goal is Brand Image, which measures how favorably consumers view YHI, based on the results of the annual customer survey.

Ms. Hart asked what a realistic top NPS would be.

Mr. Kelly responded that there is a company that he works with in the Treasure Valley that is in a different industry doing something that is fun and enjoyable and their NPS is in the 80s. Because of the type of industry that YHI is in, 70 is about the highest NPS that we could maintain, so 65 is achievable and 67 is a stretch.

In addition to NPS and Brand Image, we are proposing that we add an individual accountability performance metric to recognize the top performers in the Customer Support Center (CSC). Using the Quality Assurance (QA) program already in place, Customer Advocates (CAs) and leads will be recognized for exceptional performance. Based on a 20-60-20 bell curve, team members will be recognized with the top 20% receiving $200 and the middle 60% receiving $100. Periods of performance would be July thru December and January thru June and the budget will be funded from the existing compensation plan, estimated to be $6,000 per year.

Chair Henbest asked if, moving forward, this $6,000 would be funded out of the variable pay budget.

Mr. Kelly said that for this first year, this will be funded out of the money set aside for spot incentives or sign-on bonuses. As we plan variable pay next year, we will evaluate if this incentive was effective and, if so, the budget would be funded with the rest of the variable pay incentives.
The Enrollment and Low-Cost Promise goals are in many ways tied together. If we make our Enrollment goal, Low-Cost Promise is that much easier to achieve, and vice versa. Enrollment is based on our budget and given the 23% increase for Open Enrollment 2024 (OE24); it is very challenging. 116,000 enrollments as of the end of OE represents the 100% threshold and 110,00 enrollments is the 80% threshold. While we are seeing enrollment growth this year due to Medicaid unwinding, we know that population is likely more transient than our base population, so this goal is still significant.

Mr. Erstad asked where we thought we would end up.

Mr. Kelly said that we have assumed that we will get a total of 10,000 enrollments from Medicaid unwinding. We currently have about 9,000 of those, so a good guess is that we will peak at 100,000 or a little over. As the year goes on, that typically declines as people move onto other programs or get employer sponsored coverage.

Ms. Hart asked why there was not a payout for 60% at 100,000 enrollments.

Mr. Kelly said that offering a payout for less than 110,000 enrollments would put too much pressure on the budget, which then seems counterintuitive to pay an incentive.

The Low-Cost Promise goal measures improvement from the approved FY24 budget Net Operating Income. A 3%, or $97,000 improvement for Net Operating Income budget is the 80% threshold and a 5%, or $162,000 improvement is the 100% threshold.

The Risk Management goal will continue to be measured by phishing campaigns, but we are shifting from a team goal to individual accountability. There will be six phishing campaigns and in order to reach 100% achievement, you have to properly report and not respond to all six campaigns. The 80% achievement would be reached by those who miss one. We have found that the same people miss campaigns over and over, so anyone who misses more than one will not receive any payout for that period.

Ms. Hart said that she recognizes the difficulty of getting team members to pay attention, participate, and follow through on a goal where the risk is to the company, and she commended the YHI team for the way they are tackling this goal.

Chair Henbest asked if the payout for this goal was already included in the budget, and Mr. Kelly said that it was.

Mr. Kelly continued to present the variable pay goals, saying leadership development is critical to building bench strength and YHI’s long-term success. YHI will continue to provide online learning to all team members via our online training platform, Pryor+. While online training is great for developing many skills, it lacks the inter-personal interactions that in-person meetings provide. We are proposing that YHI develop two different tracks for in-person leadership development and YHI would provide quarterly progress reports to the Governance committee and Board. The first track is for the senior
leadership team, with required attendance at professional development workshops where they take turns leading the discussion.

The second track is for all team members with direct reports to attend leadership development workshops facilitated by Ms. Fletcher or our training specialist. This will reinforce the concepts that the senior leadership team is working on with the rest of the leadership team and build core corporate culture and reinforce how important leadership development is. There is not a variable pay component tied to either of these tracks. Measurement will be the level of engagement and application of concepts throughout the year, and this will be reflected in their annual performance review.

Ms. Ball suggested that we consider utilizing Mr. Miller and Ms. Stewart from Best Day HR for some of the leadership development workshops.

Mr. Kelly replied that we plan to leverage the resources at Best Day HR for his team’s offsite retreats in the fall and spring.

For the Employee Engagement variable pay goal, we are proposing that we shift from using the results of the Gallup Q12 survey to using the eNPS survey results. The eNPS survey delivers both a top line metric and invaluable comments and feedback from team members on strengths and opportunities for YHI. Since quarterly surveys may not capture trends in a timely manner, we plan to shift to a monthly eNPS. Concern around over-surveying is offset by the simplicity of the eNPS, which has just one question and a comment section. This goal will be measured during OE and non-OE periods, just like the other goals. Progress will be measured using the most recent six-month average compared to the prior six-month average, with the high and low score dropped for both periods. A 3% increase in the baseline average would be the 80% threshold and a 6% increase would be the 100% threshold.

Chair Henbest asked if the intent is to stop using the Gallup survey or just stop tying it to variable pay.

Mr. Kelly replied that we will continue to deploy the Gallup survey annually in May but no longer have it tied to variable pay.

The last item related to leadership is succession planning, which has been and continues to be regularly discussed amongst YHI senior leadership. Specific activities and documentation include executive director succession plans that are articulated in Exhibit A of the Executive Committee charter. The process is outlined for both a long- and short-term leave of absence or departure. A specific successor is not identified, as that will be dependent upon the team members present at the time of the absence or departure. A monthly Risk Register meeting is held with senior leadership and includes a discussion around team member departures, two simultaneous departures, and potential risk associated with those departures. Senior leadership’s weekly execution meeting provides insight into all workstreams, current initiatives, and status, which builds cross functional knowledge and bench strength. The executive director maintains a written plan for direct
report departures and the respective succession plans. This is reviewed quarterly as part of committee and board meeting preparations.

Motion: Mr. Erstad moved that the Governance Committee recommend to the Board approval of the FY24 Variable Pay Goals as presented today. Second: Ms. Tucker. The motion carried.

9. Annual Board Survey

Chair Henbest gave a reminder that the annual Board survey will take place in August, and the committee effectiveness surveys will take place at the August and September meetings. The questions were revised in 2020 and no additional charges are proposed. Results of the surveys will be provided to the Governance Committee and Board at the August and September meetings.

10. Annual Conflict Disclosure

Chair Henbest stated that it was time for Board members to submit their annual conflict disclosure. There are no changes proposed to the form, so Ms. Sparks will send those forms out via email on June 1. Board members should review their current form and fill out and sign a new one if there are changes. If there are no changes, simply reply to Ms. Sparks’ email that there are no changes. Board members can email the signed forms or turn in forms at the June 16 Board meeting in person. The final deadline to have the completed forms returned to Ms. Sparks is June 23.

Mr. Stoddard suggested that it would be a good idea to have the Governance Committee review the Conflict of Interest Disclosure and Ethics Policy at the September Governance Committee meeting, just to make sure that there are not changes that need to be made. He added that a review of these documents could be added to the board training that takes place at the December Board meeting to give board members greater understanding of the details of those policies.

Ms. Hart shared that she recently attended a training course where it was suggested that language around confidentiality be added to the organization’s Ethics Policy, to make sure there is an understanding of the Directors’ duty of confidentiality. She said since we plan to review those documents later this year, perhaps we should consider adding similar language.

Mr. Stoddard replied that while this is a good idea, we have to be careful with the phrasing. Since our board members are appointed by the Governor, something like this would have to be presented more as a request or suggestion that they run any public comments past the board chair or legal counsel first, just to ensure that the board is speaking with one voice.
Chair Henbest agreed with Ms. Hart and said that during the suggested review of these policies, we can note the current language and highlight the boundaries and suggestions more clearly.

11. Board and Committee Tenure

Chair Henbest noted as suggested by the roadmap, the tenure of board officers, committee chairs and committee members was reviewed. The next term to expire will be the Office of Treasurer in December 2024, a position currently held by Mr. Settles. The new Treasurer will also be the Finance Committee Chair. There are no other officer or committee membership expirations to discuss at this time.

12. Privacy and Security Policies Update

Mr. Fuhrman stated that per our annual Minimum Acceptable Risk Standards for Exchanges (MARS-E) federal requirements, all our privacy and security policies have been reviewed, both internally and by an external auditor. There were no changes to 19 of the 24 policies, and five policies were updated as follows.

The Identity and Access Management Policy was updated to reflect the changes to the overall password requirements and temporary accounts timeline for MARS-E v2.2 that were implemented August 2022. The Incident Response Policy was updated to reflect the changes to training of incident response personnel timeline and timeframe required to notify incident response personnel of personnel changes for MARS-E v2.2 that were implemented August 2022. The Remote Access Policy was updated to reflect ITS Security and Privacy Alert around Internet of Things devices from October 2022. The Risk Assessment Policy and Vulnerability Management and Vulnerability Management Policy were updated to reflect the changes to vulnerability scanning period for MARS-E v2.2 that were implemented August 2022, and incorporated suggestion from auditors to add remediation timelines from MARS-E v2.2.

Ms. Hart asked what YHI does regarding Multi-factor Authentication (MFA).

Mr. Fuhrman replied anyone with privileged access requires MFA, which is basically everyone except the customers. There are plans to extend MFA to the customers in the future. Anyone who is working outside of the building requires MFA as well.

Motion: Ms. Tucker moved that the Governance Committee recommend to the Board approval of the revisions to the Privacy and Security policies, as presented today.

Second: Ms. Hart. The motion carried.
13. Executive Session

**Motion:** Chair Henbest moved that the Committee, pursuant to Idaho Code Section 74-206(1), convene in Executive Session to consider the evaluation of an employee pursuant to Idaho Code Section §74-206 (1)(b).

**Executive Session Roll Call:** Chair Henbest took a roll call vote and determined Ms. Hart, Ms. Tucker, Mr. Erstad, and Mr. Trexler for Director Cameron were present and agreeable, resulting in a quorum.

The committee entered into executive session at 10:23 a.m. and reconvened at 11:18 a.m. No final actions nor decisions were made while in executive session.

**Motion:** Mr. Erstad moved that the Governance Committee recommend to the Board approval of the FY24 Executive Director Annual Variable Pay Weighting as determined today and subject to approval at the June 16, 2023, Board of Directors meeting. That weighting is Flawless Customer Experience at 20 percent, Enrollment at 20 percent, Low-Cost Promise at 20 percent, Risk Management at 20 percent, and Corporate Leadership and Culture at 20 percent. **Second:** Ms. Hart. **The motion carried.**

**Motion:** Mr. Erstad moved that the Governance Committee recommend to the Board approval of the FY24 Executive Director Long Term Incentive Variable Pay Weighting as determined today and subject to approval at the June 16, 2023, Board of Directors meeting. That weighting is Flawless Customer Experience at 20 percent, Enrollment at 20 percent, Low-Cost Promise at 20 percent, Risk Management at 20 percent, and Corporate Leadership and Culture at 20 percent. **Second:** Ms. Tucker. **The motion carried.**

**Motion:** Mr. Erstad moved that the Governance Committee recommend to the Board approval of the Compensation Policy as presented to the Committee. **Second:** Ms. Hart. **The motion carried.**

14. Next Meeting

The next Governance Committee meeting will be in September. Ms. Sparks will send a Doodle poll for availability.

15. Adjourn

There being no further business before the committee, the Chair adjourned the meeting at 11:18 a.m.
Signed and respectfully submitted,

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Margaret Henbest, Committee Chair