



**Idaho Health Insurance Exchange
DBA Your Health Idaho**

**Board of Directors Meeting Minutes
Friday, September 16, 2022**

Board Members Present

- Mr. Stephen Weeg, Chairman
- Ms. Janice Fulkerson, Vice Chair
- Mr. Kevin Settles, Treasurer
- Mr. Hyatt Erstad, Secretary
- Mr. Brett Thomas (via videoconference)
- Ms. Carolyn Lodge (via videoconference)
- Dr. Cynthia Fairfax
- Senator David Nelson (via videoconference)
- Mr. Greg Donaca (via videoconference)
- Ms. Karan Tucker (via videoconference)
- Ms. Margaret Henbest (via videoconference)
- Mr. Peter Sorensen (via videoconference)
- Representative Rod Furniss (via videoconference)
- Mr. Shane Leach for Director Jeppesen (via videoconference)
- Mr. Wes Trexler for Director Cameron

Others Present

- Mr. Pat Kelly, Your Health Idaho
- Mr. Kevin Reddish, Your Health Idaho
- Ms. Kilee Lane, Your Health Idaho
- Mr. Bobby Vernon, Your Health Idaho
- Ms. Nichol Lapierre, Your Health Idaho
- Ms. Kelly Fletcher, Your Health Idaho
- Ms. Julie Sparks, Your Health Idaho
- Mr. Matt Fuhrman, Your Health Idaho
- Ms. Stephanie Husler, Your Health Idaho
- Mr. Tom Martell, Hawley Troxell
- Ms. Shannon Hohl, Idaho Department of Insurance
- Ms. Kathy McGill, Idaho Department of Insurance
- Mr. Kevin Smith, Eide Bailly
- Mr. Matt Wolff, St. Luke's Health Plan
- Mr. Nate Pierce, St. Luke's Health Plan
- Mr. Marc McDonald, St. Luke's Health Plan
- Mr. Alan Vandagriff, St. Luke's Health Plan

1. Call to Order

Following proper notice in accordance with Idaho Code Section 74-204, the Board of Directors meeting of the Idaho Health Insurance Exchange (Exchange) was called to order by Mr. Weeg (Chair) at 8:32 am, Friday, September 16, 2022, 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.

2. Roll Call

Mr. Erstad called roll and determined that Chair Weeg, Ms. Fulkerson, Mr. Settles, Mr. Thomas, Ms. Lodge, Dr. Fairfax, Senator Nelson, Mr. Donaca, Ms. Tucker, Ms. Henbest, Mr. Sorensen, Representative Furniss, Mr. Leach as delegate for Director Jeppesen, and Mr. Trexler as delegate for Director Cameron were present, resulting in a quorum. Ms. Hart, Senator Rice, Ms. Malek, Mr. Nate, Director Jeppesen, and Director Cameron were absent.

3. Prior Meeting Minutes

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

Motion: Ms. Fulkerson moved to approve the meeting minutes from the June 17, 2022, board meeting. **Second:** Mr. Erstad. **The motion carried.**

Chair Weeg began the meeting with several housekeeping items. Participation and engagement from all board members, particularly those attending virtually, is encouraged. Virtual attendants may use the chat or “hand raise” function in the virtual meeting room to raise comments or questions. Mr. Reddish will monitor the chat and Chair Weeg will call on people as needed.

This is an important meeting for the Your Health Idaho (YHI) Board for a number of reasons. Mr. Settles and the auditors will present the annual audits. Mr. Trexler from the Department of Insurance (DOI) will present the plans for certification, as it is this board’s responsibility to certify the plans for the exchange. Ms. Henbest will discuss committee structures and the results of the annual board survey.

4. Review Agenda

Chair Weeg reviewed the agenda, no changes were made.

5. Review Roadmap

Chair Weeg reviewed the roadmap, no changes were made.

6. Executive Summary

Mr. Kelly began the executive summary by saying that the investments we have made are paying dividends. Enrollment is incredibly steady, and we believe that is driven by a combination of Always Present Advertising, Real-Time Eligibility (RTE) and the enhanced subsidies.

Our customer experience has recovered and returned to historical levels, with a Net Promoter Score (NPS) of 41 for July and August. As of this morning, the NPS for September month to date is 48.

The board approved our Request for Applications (RFA) for enrollment entities in June and we had one entity apply, Idaho Community Health Centers (IDHC). In addition to engaging them for traditional enrollment entity activities, a supplemental grant was awarded to them for a focus on the Hispanic market. You will notice a focus on the Hispanic community throughout this meeting as they represent the largest demographic of the uninsured population in the state of Idaho.

As we approach Open Enrollment (OE), we are being mindful of lessons learned last year to ensure a smoother OE this year. There were two key drivers of challenges during OE last year: technology and staffing. The launch of RTE has addressed the eligibility-related technology challenges. Vigilance around redeterminations and renewals will mitigate risk associated with that workstream which will be discussed in greater detail later this morning. Sufficient staffing continues to be a point of focus, and we have multiple contingency plans to ensure we have enough people to serve Idahoans during the upcoming OE. We had eight new hires start a training class this week and another class will begin in two weeks, in addition to multiple classes and contingencies beyond that.

With the addition of new members to the executive team, we have our first ever retreat planned for next week. This is critical to ensure success and will encompass leadership training and how best to work together, communication, transparency, and collaborative problem solving. Many of my team members have not yet been through OE, so we will spend some time discussing what to expect. Going forward, we will have an annual, strategic retreat in February, with a focus on lessons learned from the past OE, as well as looking forward and planning for the upcoming fiscal year.

The 1332 re-insurance waiver submitted by DOI was approved on August 6, 2022, delivering a 12% decrease for premiums for plan year 2023 compared to what rates would be without the waiver. Preliminary rates show an average decline of 3% which is in line with the assumptions in YHI's approved budget.

The Inflation Reduction Act (reconciliation bill) was signed into law on August 16, 2022, extending enhanced tax credits through December 31, 2025.

The Biden administration announced plans to address the family glitch in March 2022 and while the rule is not final, we expect it to be implemented as proposed and will be included in our eligibility rules for OE 2023.

Finally, the Federal Public Health Emergency (PHE) has been extended to October 13, 2022. Health and Human Services (HHS) has committed to providing 60 days' notice of the end of the PHE. That notice would have come in August, so we expect it will be extended again into January.

Chair Weeg asked if the PHE were to end after OE, would the people affected be able to enroll in January or February.

Mr Kelly replied those who are on protected Medicaid when the PHE ends and are no longer eligible for Medicaid will lose coverage. That is a loss of minimum essential coverage, which creates a Qualifying Life Event (QLE) and they would then be able to enroll with YHI. The latest data that we have shows about 131,000 Idahoans on protected Medicaid and we expect about 25,000 of those could be eligible for a tax credit. When the PHE ends, we have a plan in place with the Idaho Department of Health and Welfare (DHW) to process those applications, minimize the impact on the consumer, maximize the enrollment opportunity, and connect them with agents and brokers.

Mr. Erstad asked if finalization by the IRS was the delay on the family glitch.

Mr. Trexler replied that the rule is not yet final so he is not aware when it will come out, but it would be great if it came out before OE.

Mr. Erstad stated that once the correction is made, it will give people who have employer sponsored coverage that is too expensive for their dependents the opportunity to receive a tax credit.

7. Strategic Initiatives

We have three primary initiatives that support our strategic goal: improve the customer experience, increase operational efficiencies, and lower the uninsured rate in Idaho through increased enrollment on the exchange. Our overall strategic goal is 125,000 enrollments by 2025. In order to achieve that, we have seven different areas of focus, some of which are complete and others still in progress. The budget was approved for fiscal year 2023 and RTE went live as scheduled and has been a considerable success. The SharpenCX telephony platform went live August 15. Based on feedback from agents, brokers, carriers, and consumers, anonymous shopping is back on the table and will begin October 1. OE will begin on October 15 and run through December 15, with coverage beginning January 1, 2023. Always Present Advertising will end September 30 and our

OE paid media will begin October 15. Our hours of operation are being finalized and our chat functionality will go live September 23.

As Chair Weeg said earlier, we are trying to increase conversation at the board meeting, so we pose these questions:

Is there any outreach opportunity we are overlooking?

Any suggestions on growing the connector network?

What technology could we leverage to reach more Idahoans?

Ms. Henbest stated that as the Hispanic community is the largest uninsured group in the state, she appreciated the focus on them. She asked what else we could do to reach out to that community.

Mr. Kelly responded we have found that this community wants to see us at events and build long-term relationships. Our outreach team is at events specifically targeting the Hispanic community all weekend and others in the coming weeks. For instance, Hispanic Heritage Month kicked off yesterday at the Capitol and will continue through this weekend. We also have supplemental funding for our enrollment entity, specifically targeting health centers that are Hispanic focused. In addition to providing in-language collateral for health centers and community events, we have increased paid media for the Hispanic community, which tends to be more focused on radio than broadcast TV.

Ms. Henbest asked if we had any relationships with influential leaders in the Hispanic community that we could leverage.

Mr. Sorensen said that Juan Alvarez is a Hispanic leader who is a senior vice president at INL. Mr. Alvarez is well connected throughout Idaho so we can reach out and work with him.

Ms. Tucker asked what data we have regarding who is uninsured and where they are located. She also asked how we partner with health districts across the state for outreach.

Mr. Kelly replied there was a census published about six months ago that showed where Idaho's Hispanic population is located. In addition, it showed the areas with the highest concentration of uninsured people within that population. These areas are mostly in the Treasure and Magic Valleys, which is where we are focusing our efforts. There are specific Hispanic media contacts throughout the state that we can leverage.

In terms of the community health centers, our enrollment entity, ICHC, helps us focus on the health districts in the Hispanic community as well.

Mr. Donaca said Delta Dental's community outreach goes into all underserved schools in Idaho. They have seen about 15,000 kids this year and many of them are from the

population that is being discussed. They send home materials with the kids about oral health and could additionally send materials about YHI.

Mr. Kelly replied that YHI is connected with the Delta Dental outreach team, and they already have our collateral.

Ms. Fulkerson commented that at the Marketplace Committee meeting, they talked about many of these things, in addition to public service announcements and taking a “Yes, and” approach. For example, saying yes, let us focus on this population and then see if there are other groups of people we can identify that might fit into an uninsured category. They also discussed the Employer’s Health Coalition, who Mr. Kelly has already reached out to and other Treasure Valley human resource associations who could address outreach and speak to the family glitch.

8. Financial Audits

Mr. Settles reported that we worked with Mr. Smith and Ms. Duncan of Eide Bailly to complete three audits this year: the financial, single, and programmatic audits. The audits are performed to evaluate financial statements and ensure internal controls are fair and accurate.

a. FY22 Financial Audit

Mr. Settles began with an explanation of the management report, saying it explains how the organization runs, how money coming in and going out is accounted for, and what kind of activities are going on. He stated that he thinks Eide Bailly did a very thorough job, and the report is well written.

In the early documents, it was reported that they had identified two significant risks: management override of controls and improper revenue recognition. Discussion with Eide Bailly revealed that YHI had not done anything wrong, Eide Bailly is required to state that these are possible risks that had been identified. Mr. Smith further stated that he does not know of any business where those two things are not risks. The results of the audit were that the financial statements were free from material misstatement in accordance with Generally Accepted Accounting Principles (GAAP).

The single audit was performed in accordance with the modernization grant requirements to ensure that the grant we received was properly disbursed.

Motion: Mr. Donaca moved that the board approve the Audited Financial Statements and Audit Reports for the financial year ended June 30, 2022, including additional information contained in the report and as presented today. **Second:** Mr. Settles. **The motion carried.**

b. FY22 Programmatic Audit

The programmatic audit evaluates compliance with Title 45 part 155 of the Code of Federal Regulations. The results of the audit were in compliance without findings.

Motion: Mr. Settles moved that the board approve the Programmatic Audit Report for the financial year ended June 30, 2022, including additional information contained in the report and as presented today. **Second:** Mr. Sorensen. **The motion carried.**

c. FY22 Financial Review

Mr. Kelly presented some highlights from the financial review of the year ended June 30, 2022. The consolidated income statement that includes both the View Pointe building and YHI operations shows that we beat the revenue budget by about \$600,000. The two primary drivers were \$900,000 in grant income that was not budgeted, offset by unfavorable assessment fees of about \$300,000. The assessment fee unfavorability was driven by lower premiums, partially offset by higher enrollment than budgeted.

In addition to the revenue favorability, we had favorability in our operating expenses of just over \$1 million, with the bulk of that driven by lower eligibility costs as we took over the tax credit work from DHW. The other two key drivers were marketing and outreach. We had budgeted for 12 months of activity but only had nine, which drove about \$250,000 favorability. Our people-related expenses had favorability of about \$150,000. Overall, net operating income beat budget by \$1.6 million.

d. FY22 Financial Forecast

Mr. Kelly said our budget was approved at the March board meeting and there have been a few items to update since that approval. For YHI operations, DOI announced 2023 preliminary rates are estimated to decline 3%, which is in line with the FY23 budget. We also had a discussion in June about how we could take advantage of the current interest rate activity, so we took \$7 million of our cash reserves and put it in a fully secured certificate of deposit (CD) where it is earning 105 basis points (bps) over 90 days. We only did a 90-day term so we can take advantage of continued federal reserve activity and expect to have a longer term when the CD matures in October. We closed out our modernization grant, using all but \$600 of the \$1.1 million that we received. The SharpenCX platform was deployed and both operating costs and capital expenditures are under budget.

For the View Pointe forecast, we were able to extend the lease on one of our tenants. It will go through the end of 2024 with an option to renew for an additional three years. We have invested in several minor repairs and made some improvements to the common spaces to make them more usable and inviting.

For fiscal year 2023, we are projecting about \$160,000 of favorability in our income, primarily driven by grant income that was budgeted for the prior year. We have other income from the higher interest rates and some favorability in assessment fees. We may see additional favorability in revenue, but we want to continue to be conservative in these projections. In operating expenses, we have had a few things come in favorable and we are essentially banking that favorability for the possibility of additional seasonal workers to ensure we have enough people for OE. Overall, we expect our net operating income to beat budget by just under \$200,000.

Regarding sustainability, we have traditionally held about \$6 million in operating cash reserves and about \$1.5 million in CapEx reserves. The approved budget and financial forecast show that we will stay above the cash reserves, but we also realize that the PHE is a big driver of enrollment in plan year 2023. We looked at a scenario showing what would happen if the PHE is never lifted. While this is a very conservative assumption, we remain above our cash reserves through the end of 2027, which would give us plenty of time to adjust.

Chair Weeg asked how much it cost to have GetInsured help us get set up for RTE and where the funds came from.

Mr. Kelly replied that the contract with GetInsured is structured in such a way that we pay maintenance and operations costs monthly, while the upfront development costs will be paid over the next six years. The contract was negotiated this way to avoid large expenditures up front and smooth out our cash flows so that it is timed to coincide with when we see the enrollment increase delivered by RTE.

Mr. Settles commented that one of the reasons he finds it easy to understand the audit reports is that they are essentially just more detailed reports of the regular financials. By the time he sees the audit, he has already seen the information multiple times.

9. Operational Update

a. Enrollment Update and Customer Experience

Mr. Kelly began the update on 2022 enrollment by saying the pandemic and special enrollment periods (SEP) that came in response to the American Rescue Plan Act (ARPA) have caused stability in enrollments over the last three years. Since the end of the first quarter, not only have enrollments stabilized but there have been slight increases in July and August. We think these increases are due to a combination of our Always Present Advertising campaign, enhanced tax credits, and the move to RTE. As of September 1, there are 77,831 Idahoans enrolled in coverage. This is the most stable YHI's enrollments have been since the beginning of the exchange. We are encouraged about what the combination of Always Present Advertising, enhanced tax credits, and RTE may hold for the future.

Ms. Henbest observed that the power of the enhanced subsidies is apparent, as affordability drives our customers. This shows what may happen if the enhanced subsidies go away.

Mr. Kelly continued, saying that as the budget was being set in March, questions arose around what premium trends look like, what our net premium trends look like, and how consumer behavior is changing. For the last several years, about 85% of our customers received an Advance Premium Tax Credit (APTC) and on average, those people pay about \$73 a month per policy. In 2021, the average payment per policy for people with an APTC was \$35 and in 2020, it was \$66. What we learn from this is that bringing in new carriers tends to drive down the overall price point, as well as consumer price sensitivity. With the combination of new carriers and consumer price sensitivity, overall premium has declined from \$589 to \$520 over the last three years. We believe that the PHE has allowed people to stay on Medicaid when they may otherwise be eligible for a Qualified Health Plan (QHP) and receive a large tax credit on the exchange. That, plus the benchmark price points coming down, has driven the fluctuation in APTC amounts. We think that not having those larger tax credits is increasing the net premium in 2022. Then, as new market entrants come in, the second lowest cost silver is often lower, which is then driving the APTC dollars down as well.

Customers who do not have an APTC have a much higher mix of bronze, lower silver, and higher gold than those with an APTC. We believe that this means people are getting bronze because they want health insurance but do not think that they will use it much. Then we have those on gold which is the opposite: they are paying full price and know they will need to use it. It is important to note that these theories exclude any revenue recognition that can distort premiums. Revenue recognition refers to the practice of reporting any prior period adjustments in the current period. You could have several thousand dollars of adjustments in a current period that actually belong to a prior month, which skews your premium. This analysis excludes those impacts.

Ms. Fulkerson said this was a slide that the Marketplace Committee spent a lot of time talking about and they wanted to make sure that the board had time to look at it and ask questions. When we have new plans come in, it is nice for the consumer but when you consider a few other things, such as the 1332 waiver and the PHE, it creates the need for education and discussion about what is driving the changes in the marketplace.

Mr. Trexler said this largely aligns with what DOI has seen in overall market premiums across the board, which is a return to higher medical trends. While it would be wonderful if medical trends were to go negative long term, that is not likely.

Mr. Settles related his agent approached him several months before renewal to prepare him for increases of up to 35% in the small business market. It is nice to see a positive trend on the exchange.

Mr. Erstad said he is seeing trends with renewals in the 14%-16% range. The return to elective procedures that were tabled during the pandemic is having an impact on utilization.

Mr. Trexler added the small group market is a very different market and it is not impacted by the waiver because there are no APTCs in the small group market. It is important to reinforce that the individual market trends may look very different from small group markets.

Chair Weeg asked Mr. Kelly if YHI is in the small group market and what this will mean to the team's health insurance costs going forward.

Mr. Kelly replied that for team members' insurance, yes, YHI is a small group. There was a significant increase in cost last year and we have assumed a significant increase for this year. The challenge with the small group is that it is specific to the team members so it can have differing impacts for different companies.

Ms. Henbest noted that with the increase in insurance costs for the YHI team last year, the decision was made for YHI to absorb the increase. That does not seem sustainable. She asked if there was a plan for adjusting or sharing the costs with employees.

Mr. Kelly responded that last year, the bulk of the increase was covered by YHI and there was a moderate increase for team members. It is too early to tell what it will look like this year as we do not yet have our renewal rates. When we get those rates, we will have a discussion to find the balance between what will work best for YHI, the team members, and the budget, although there was a significant increase assumed in the budget.

Mr. Thomas said that the Marketplace Committee spoke at length about premium trends. One of the issues that they are seeing is that when new carriers come in with lower rates, it causes a disruption in the second lowest cost silver plans and creates unnecessary movement. While adding new carriers to the exchange is a good thing, the initial lower costs for the second lowest cost silver plans cause a decrease to consumers' APTC. He asked about regulation and if that was something DOI could look at as we are approving plans.

Mr. Trexler replied that the way the APTC works, the differences in premium between plans feels magnified to the consumers. The actual difference may be small but if the majority of a person's premium is paid by APTC, it can feel to the consumer that their premium goes up exponentially. DOI is aware of this and realizes there is value in consumers feeling like the market is stable and if they have a plan they like, they can stay on it. While DOI does not have the authority to set rates, there are laws and processes in place to ensure that premiums are not excessive. The carrier's actuaries must show how the premium was developed and certify that it

follows actuarial principles of reasonable assumptions. No carriers are allowed to take a negative profit margin to lower their rates.

i. Customer Profiles

Mr. Kelly moved on to the update of key customer profile demographics. Demographics are very stable, both with seasonality and over time. There are an average of 1.77 household members on each enrollment. There are slightly more women than men enrolled, which is consistent with prior years. Our largest age groups are pre-retirement 55- to 64-year-olds and people under 18 years old. One point of note is the increase of enrollments in the 55-64 age, which we think may be early retirees who are looking to cover the gap between employer sponsored coverage and Medicare.

We continue to see impacts to the metal tier mix from the enhanced subsidies. Comparing data from July 2020 – July 2022, we see that the percentage of bronze in overall enrollments has dropped. We believe that is because the enhanced subsidies have delivered affordability and allowed people to buy up, which you can see in the growth of silver by about 1.3%. There has also been a little bit of growth in gold. Dental continues to grow and now makes up about 13.3% of our overall enrollment.

ii. Customer Experience

To help understand what the customer-facing roles are seeing, Mr. Kelly discussed inbound volumes, which include inbound phone calls, Customer Access Portal (CAP) tickets, and emails. This past year, volume has been significantly higher due to YHI assuming the APTC workstream from DHW. There is also seasonal behavior, where volume diminishes over the summer and increases in the fall as we approach OE. We are encouraged to see more normalized levels of activity and we are excited that our NPS has started to recover. In April, NPS was three. In July and August, it was 41, and for September month to date it is 48.

b. Real-time Eligibility Update

As we have worked through the data for RTE, the ease in process is clear through a 10% year over year increase in July enrollments with APTC. Not only are we seeing a higher percentage of enrollments with tax credits, but the rate of the growth is increasing as well. Enrollment conversion increased from 48% in July to 54% in August. However, if you remove the people who did not have an opportunity to enroll because they were referred to DHW for Medicaid eligibility assessment, that conversion goes up to 73%. An opportunity that we have noticed is to do better targeted communications for consumers who have not completed their application. We can also remind consumers who have an eligibility decision to select a plan and enroll. Additionally, we have an opportunity to work with our partners at DHW for referrals to YHI to complete an application.

Mr. Donaca commented that he felt that the enrollment conversion percentage that did not include Medicaid eligible was a more accurate number because that is out of YHI's control.

Chair Weeg asked how we know that our system is making accurate determinations with regard to people being approved or not.

Mr. Kelly replied when the rules are established in the GetInsured system, it goes through user acceptance testing for our site. It has also been through programmatic audits in other states. Additionally, we go through an operational readiness review with the Centers for Medicare and Medicaid Services (CMS) where they give us complex test cases that have to be run through the system and correctly handled.

Mr. Reddish said we leverage the federal data services hub for a lot of those interactions, which allows us to lean on technology to automate those processes. The operational readiness review with CMS was a rigorous process. They gave us complex scenarios to make sure that our system could meet them, and it did.

Ms. Husler added the testing with DHW and CMS was thorough, and as people get more familiar with RTE, they are asking questions to make sure things are correct. We review escalated cases regularly to make sure that everything is functioning properly.

Ms. Fulkerson referred to Mr. Donaca's comment about excluding the people who were referred to DHW for Medicaid and said that she would like to continue to see both numbers. One of our strategic initiatives is to lower the uninsured rate in Idaho, so it is good to be able to see the collaboration between YHI and DHW.

c. PY23 Preparations

i. Certification and Training Update

Mr. Kelly continued, saying one of our key pillars to success is our agents, brokers, and enrollment counselors, who we refer to collectively as Connectors. All Connectors must be certified by YHI. Our certification training classes began August 16 and must be completed prior to October 15. The classes were live virtual, which allowed a greater attendance for those in rural areas where they would have had to travel to attend in person. With this format we can also monitor the level of engagement by seeing if the training window is live. We had about 950 certified Connectors last year and we are seeing a similar number in terms of interest in certification this year.

The other key part to our success is the people in this building who directly serve Idahoans, and we have put together some tools to help our team more effectively do so. SharpenCX is our new telephony platform, and we encountered some challenges on August 1 when we tried to go live but had a contingency plan in

place. Given those challenges, we fell back to our legacy provider and once the technology challenges had been worked through, we were up and running on August 15. With this improved interface comes more robust reporting capabilities, including voice and screen capture for quality assurance. This will provide opportunities to find ways to provide a better experience for the consumer, reduce handle time, and become more efficient.

Another change we have made to the customer experience is all of our customer advocates have completed universal training. This means that when you call into the support center, you will be able to be helped by one agent from beginning to end. While there will still be a few calls that will need to be transferred, universal agents will improve the customer experience and lower handle time.

A common topic of conversation in nearly every meeting is ensuring that we have enough people in the support center during OE. We have a class of eight people that started this week and another class starting October 3. If necessary, we have the ability to fit more classes in, creating multiple contingency plans to hire enough seasonal people and direct hires.

Chair Weeg said in thinking about the difficulties that we encountered with OE last year, the challenge of taking over the eligibility process has been helped with the realization of RTE. The new SharpenCX platform has helped as well, by lowering handle times and increasing efficiency. The last significant repeated challenge from last year that we need to overcome in the next month is having enough people.

Mr. Kelly agreed and added that a critical part of that is Mr. Vernon's focus on inventory levels, which is the number of tickets that are open, documents needing verification, and other similar items. We are currently at the lowest level of inventory since June of last year by quite a distance. The reason this is important is that by keeping inventory low, we avoid duplicate calls from consumers who are checking on unfinished items. There has been a huge effort the past couple of weekends to lower inventory and make sure we are ready to go October 15.

At this time, the board took a break from 10:00 am – 10:11 am.

ii. Redeterminations and Renewal Timeline

Mr. Kelly highlighted some key dates as we move toward OE. Today, Mr. Trexler will present plans recommended by DOI for certification by the board. Final rates will be posted on October 1, which is also when anonymous shopping begins. APTC redeterminations will begin October 3, as well as enrollment renewals for plan year 2023. On October 14, renewal notices will be sent to consumers, showing their plan and tax credit. We believe this will deflect calls into the customer support center (CSC) as the letter will have the information they need to

evaluate their 2023 plan. Finally, we will be open on Saturday, October 15 for the first day of OE. December 15 is the day OE will end.

iii. Technology Updates

Mr. Kelly said while we have invested a lot of energy and hours in RTE and SharpenCX, we have not lost sight of other things that will continue to make us successful. Our September technology update includes redeterminations, renewals, and the family glitch, in addition to periodic data matching, which is the twice annual running of verifications for income and tax credits.

January's update is light and includes the annual compliance update for 1095-A forms.

There are two tentative items in March: one is a behind-the-scenes simplification of the carrier invoicing process. The second is regarding automatic noticing to employers if an employee states coverage is unaffordable.

The June release content is TBD, as we want some time to reflect on lessons learned and to give us the opportunity to be thoughtful about what enhancements might take place in the June release.

Ms. Fulkerson noted that the family glitch is tagged with an asterisk, denoting its pending status. She asked if it would continue to move forward on the technology roadmap depending on the status with the fix.

Mr. Kelly replied the plan is to include the family glitch in the September release, barring any delays, however, there are no indications at this time that that will be the case. We need to be mindful of implementing things that are still in a proposed rule status.

d. Marketing and Outreach

The Always Present Advertising campaign launched in March 2022 and will pause at the end of September to switch to OE advertising. Performance continues to be strong with total digital impressions in excess of seven million and digital spend to date is just under \$80,000. Cost per conversion is \$1.83. Having YHI in the market year-round and keeping it top of mind has contributed to the stability of our enrollment.

The return to normal in-person gatherings and events has allowed us to get back out into the community. We continue to focus on building relationships with health centers across the state, as well as building relationships within the Hispanic community. YHI will enter into the second year of the two-year contract with Learfield, adding year-round, monthly social media health tips with Boise State University. The theme of the OE 2023 marketing campaign is "Living in the Moment." Last year's market study showed that Idahoans know that they need health

insurance, they just do not think they can afford it. Bearing that in mind, we will continue to reinforce “Health, yeah!” and “As low as \$0” messaging while retaining an 80/20 split prioritizing awareness. Marketing will target emphasis on the Hispanic community and the family glitch. We plan to reduce marketing around the elections but will start back up in mid-November.

e. Human Resources Update

i. Gallup Q12 Survey

The annual Gallup Q12 survey measures the strength of a workplace via 12 questions measuring employee engagement on a scale of one through five. The survey was deployed the week of July 18 to 63 team members who have been with YHI for at least 60 days and had 100% participation. The overall grand mean increased 3% from 4.35 to 4.47. A follow-up survey was deployed immediately following the Gallup survey to get timely feedback on areas of opportunity. The participation rate on the second survey was 80%. Key takeaways from the survey are making sure that opinions count and with that, follow-up with team members on their ideas is critical, even if the idea was not implemented. Another takeaway was regarding recognition and sharing their progress with team members. We have stressed our best practices around our monthly 1:1 meetings, which are a mini review. Feedback needs to be tailored to the team member and the Platinum Rule needs to be kept top of mind. To promote understanding of the Gallup questions and emphasize their importance, we will continue the conversation throughout the year utilizing Round Up and All Hands meetings, Insider posts, and lunch and learns.

ii. Team Member Engagement

A couple of weeks after the Gallup survey, we held our annual team member appreciation week. We started the week with a hand-written note of appreciation for each team member. There were treats, meals, gifts, themed dress up days, and our second annual cornhole tournament. We also brought in a money machine and each team member had the opportunity to have a turn in it.

Mr. Kelly continued, saying we are still seeing a challenge with hiring people, whether it be finding candidates or getting people in the door. Compensation is still one of the components, and we have seen that culture is playing a bigger part. Some of our candidates have said that they had a great experience as a customer of YHI and wanted to come work here, so we know that the culture we have can help us attract talent to our team. To help address the challenge with compensation, we are now including total compensation in offer letters. This will show the benefits structure, wages, and the many other benefits they get as part of the YHI team.

iii. Remote / Hybrid Work Policy

Mr. Kelly stated remote work continues to be a theme with team members and potential candidates. In August, a survey was deployed to ensure we understood the needs of the team. The results were basically evenly divided over three options: work four ten-hour days, work from home one or two days per week, or close the office at 1:00 pm every Friday except during OE. When we combined the results of the survey with other knowledge gained, we found there are four key pillars for a successful hybrid work policy.

First is stability. There needs to be a schedule so we know when team members will be in the office. Second, accountability. We need to make sure that our productivity stays the same, whether we are in or out of the building. Third, there will be some meetings all team members need to attend in person. The fourth and overarching pillar is adherence to privacy and security requirements.

Ms. Fulkerson stated she currently manages twelve people, all remote. She thinks the proposed plan has all the measures of success and she is excited for the implementation of the plan.

Mr. Donaca said Delta Dental has a similar structure and they have one day a week when they require everyone to work from the office. That is the day that they hold any all-company or management meetings.

Mr. Kelly said we want to do this right so it will take some time to deploy. It will likely be January or February before it is rolled out.

10. Board and Committee Governance

a. Board Survey Results

Ms. Henbest said all members of the board had the opportunity to participate in the annual survey, and this is one of the items the Governance Committee monitors. Last year, there was a spike in answers with 100% agreement and this year the responses have normalized.

Out of the 19 board members, 13 participated in the survey which is historically typical but continues to be a concern. Ms. Henbest encouraged all board members to participate in the future. Thirteen statements have 100% agreement and one statement increased in agreement by double digits. This question was "The board guides the strategic planning process of YHI and receives timely updates from the Executive Director." This caught the attention of the Governance Committee as it is a two-part question, and you could have a different response for each part. They feel it would be best to separate this into two questions next year. There were some comments saying that there could be more discussion, the board members

were unsure if the board actually guided the strategic planning process, and that there were opportunities for support involving strategic planning. Because of these comments, the committee will continue to review and make recommendations.

Three statements decreased in agreement by double digits: "The board presents a common presence to the public in alignment with YHI's mission and strategies," "Clearly defined parameters exist that define the governance responsibilities of the board in relation to the overall responsibilities of the Executive Director," and "Board members avoid any conflicts of interest between his/her board responsibilities and his/her personal or professional responsibilities consistent with the board's conflict of interest policy." Again, there were comments that the board members did not participate in discussions during meetings as often as they could, that the board may benefit from discussion about how best to represent YHI to the community, and that there have been some failures of board members to prioritize YHI over their day jobs.

Given the results of the survey and the comments, the committee discussed remote participation, the participation in the survey, board member engagement, the public face of the board, and conflicts of interest.

In terms of remote participation, the committee discussed how remote attendance can affect board member engagement and they acknowledged that remote involvement helps to increase attendance, particularly for those who would have significant travel difficulties to attend in person. They discussed ways to encourage engagement during meetings by setting up practices to ensure that those who are attending virtually have the opportunity to pose comments or questions.

Ms. Henbest added the committee talked about supplementing the board training in December with a presentation from either Chair Weeg or Ms. Henbest about the duty and responsibility of being a board member. They discussed the committee chairs taking a more active role in board meetings by presenting key points discussed in their respective committee meetings. During the recent Governance Committee meeting, Ms. Tucker made the suggestion that the YHI leadership team routinely highlight some public talking points that reflect current initiatives. These could be sent out with Mr. Kelly's routine updates.

Regarding the comments around the conflicts of interest, the YHI Board is statutorily created and has representatives from the legislature and from industry and the potential conflict is inherent in those assignments. There is a need to continue to emphasize in board education the duty of loyalty and care and the importance of being transparent about those existing conflicts.

Ms. Henbest asked the board for thoughts or ideas about increasing the participation of the board and guiding the strategic planning process.

Mr. Donaca said a simple idea is a phone call or personalized email outreach to remind people that the survey is there and the importance of completing it. This could be from Mr. Kelly or someone on his team.

Mr. Settles stated Ms. Ball sends him email reminders every year until he completes the survey.

Mr. Erstad said the fact that not every board member completes the survey was discussed in the Governance Committee meeting. As volunteer members, it is critical that board members fulfill their obligations and one of those is the annual survey.

Mr. Settles mentioned that pre-pandemic, the board used to do some kind of retreat. He said that YHI and the board are headed in such a good direction that we may not want to upset the status quo, but it would help with strengthening board relationships and be a reminder that we are here to represent everybody. He suggested starting to hold the Christmas dinner again.

Chair Weeg noted that the meetings have gotten very functional and that the return of the holiday dinner could be a way for people to get together in an informal setting and build relationships that would make the harder discussions a little easier.

Ms. Fulkerson added the retreat and quarterly two-on-two meetings are helpful as oftentimes some of the strategic conversations start in the less formal settings and grow into the board meetings. Regarding the board meetings, the functionality and efficiency of the meetings are appreciated, so it is important to find a balance between the two.

Ms. Lodge noted there is a difference between strategic planning, which tends to be more heads up and open minded, versus the functional work which is more tactical and focused. There are limitations to what we can do at the board meetings, which are very efficient and focused on the materials. The dinner in December is important not only for the cultivation of relationships, but for the opportunity to talk about more big-picture items.

Chair Weeg said December's meeting agenda is typically fairly full due to the annual board training and the wrapping up of OE, but maybe we could find time in December or March to structure an hour of the meeting around visioning and strategic planning. This would be especially helpful as we look at the end of the PHE.

Ms. Henbest said it sounds like it is important for the board to again become socially more engaged, which was disrupted due to COVID and turnover on the

board. It is also important to move ahead with keeping the meetings more operational but make time for strategy as well.

Ms. Fulkerson suggested that a discussion on loyalty and accountability to YHI as a board is added to the December training and include meeting involvement, completing the conflict-of-interest form, and survey participation to the list of things board members are required to do.

Ms. Henbest stated she and Chair Weeg and Mr. Kelly would continue the discussion about how to increase the board's involvement in strategic planning.

b. Annual Committee Self-Evaluation

Ms. Henbest said another responsibility of the Governance Committee is to guide the annual committee self-evaluations.

The Marketplace Committee members felt that the meeting frequency, length, and action items aligned with the charter. Meetings are well-run, organized, and have gotten more efficient. All members appreciated the flexibility of remote participation. At this time, there are no suggestions for improvement.

The Governance Committee reviewed the charter and identified areas that need to be updated and clarified. Members agreed that the agenda and materials were received well in advanced of meetings. Remote participation over the past year contributed to the effectiveness of the committee.

The Finance Committee did not have a quorum at their last meeting, so the decision was made to wait until more members were present to complete the evaluation.

The Governance Committee performed an in-depth review of their charter and discussed the makeup of all committees, including the number of members on each committee, term limits, and rotation of committee members. The Finance Committee charter is the only charter that sets requirements for membership. The YHI Treasurer acts as Finance Committee chair and they may serve two consecutive terms. Terms should be staggered, and one member should have GAAP experience or expertise.

Governance and Marketplace Committees must each have four members, but no other stipulations are made in the respective charters. Revisions to charters and a proposal for committee member term limits will be developed and brought back to the December meetings for discussion and possible approval.

Chair Henbest asked for comments and discussion on the proposed committee membership and rotation.

Ms. Fulkerson was enthusiastic about the idea of rotating members through the committees and said it would create a broader understanding of how the committees interface and interact.

Some trepidation was expressed at the thought of serving on the Finance Committee, and Mr. Settles said that the YHI team did a thorough job of explaining things. He said that while it is important to have some historical knowledge of committee actions, it would not be difficult to serve on the committee simply because it is so well explained.

Chair Weeg commented that the rotation of members through the committees would likely always be an evolutionary work in progress, but he felt it was a good idea and worth investigating.

Ms. Henbest said the Governance Committee would continue to work through this and hopefully have recommendations to bring to the board soon.

11. Plan Certification

Mr. Trexler gave a brief overview of the certification process for QHPs and Qualified Dental Plans (QDPs). YHI, through its board of directors, has authority as to the health plans certified as QHPs and QDPs sold on the exchange. DOI ensures that all health plans offered in Idaho – whether on or off-exchange – comply with state and federal requirements. Each spring, carriers submit the plans they intend to offer for the next calendar year and DOI reviews the plans to ensure they comply with all applicable criteria. This is a back-and-forth process between the carriers and DOI. DOI recommends to the board the plans that they have found to meet the requirements for certification and the board votes on whether to accept the DOI's plan certification recommendations, part of the recommendations, or some other action.

The standards for certification state that carriers must be licensed in Idaho and in good standing with DOI. They also need to be accredited by a federally recognized accrediting entity or pursuing accreditation if the first year on-exchange.

The medical plans need to meet the designated actuarial value (AV) for the metal level and provide coverage for all Essential Health Benefits (EHB) in Idaho's benchmark plan. The plans may not discriminate due to race, color, national origin, age, disability, sex, or health status. Plans must be meaningfully distinct from each other. Individual market plans need to include zero and limited cost sharing plan variations for American Indian and Alaska Native enrollees. Silver QHPs also include cost sharing variants with an AV of 73%, 87% and 94%, which are plans designed for low-income enrollees.

Provider networks are reviewed to make sure they are sufficient in number and types of providers to ensure availability of services to members within a reasonable time frame.

Provider networks must include at least 35% of federally designated essential community providers.

A health plan's formulary includes at least the number of prescription drugs in each United States Pharmacopeial Convention (USP) category and class as Idaho's EHB benchmark plan. Additionally, it must include at least one drug in every USP category and class if missing from the benchmark. Premium rates must be fair, varying only by rating area, age, tobacco use, and plan design.

Ms. Fulkerson asked if the provider network is where you look at in network, out of network, and out of area coverage within the benefits or if that is done when the plan is certified.

Mr. Trexler responded that while out of network benefits are generally not as comprehensive as in network benefits, DOI ensures that they are not overly terrible and there are caps on how much out of pocket can be paid for out of network coverage. DOI also works with carriers to make sure that their in-network coverage is accessible, so that if a member uses an out of network provider, it is by choice rather than necessity.

Mr. Trexler said Idaho's section 1332 state innovation waiver application was approved on August 16, 2022. It reduces the cost of individual market health insurance by offsetting the premium impact of high-cost health conditions. In 2023, individual market insurance premiums will be 12% lower than they would have been without the waiver. Carriers submitted their 2023 rates taking the impact of the waiver into consideration. Due to the waiver, individual market premium rates will decrease from 2022 to 2023; in future years, premiums will continue to increase as a result of rising health care costs, but the waiver will keep premiums lower than they would have been without the waiver.

As of 2023, there will be eight carriers offering individual on-exchange health plans, with the addition of Moda Health and St. Luke's Health Plan. All carriers will offer silver and gold plans; seven carriers will offer bronze plans, and three carriers will offer catastrophic plans. All counties will have a minimum of four carriers offering plans.

Chair Weeg noted that carrier representation tends to not be as strong in northern Idaho as it is in southern Idaho and asked if that was due to demographics.

Mr. Trexler replied it is a matter of certain networks working with certain health systems. We do not have provider systems that are statewide. DOI has engaged with every carrier to discuss their long-term plans to expand access and DOI has the expectation that carriers work toward better access.

St. Luke's Health plan is a new carrier in their first year on the exchange, covering southwestern and south-central Idaho. They offer four plans: two expanded bronze, one silver and one gold.

SelectHealth has a new network, the St. Alphonsus Health Alliance network (SAHA) that offers coverage in the Treasure Valley. They are offering 24 plans on three networks, with three plans discontinued from last year.

Regence Blue Shield of Idaho is offering 14 plans, with most plans offered on their two networks. They have one new plan this year and have discontinued four plans from last year. There was no change to their service areas from 2022.

PacificSource is offering 14 plans this year, with two new plans and four plans discontinued from last year. Their service areas did not change.

Mountain Health Co-op has submitted 18 plans for certification, and they discontinued six plans. They have three networks in Idaho.

Chair Weeg commented that in the past, the viability of the co-op model had been questioned. He asked if Mountain Health was one of the last.

Mr. Trexler said Mountain Health is one of three remaining co-ops in the nation and added that Mountain Health offers plans in Montana and Wyoming, as well as Idaho.

Mr. Erstad asked if it was administered out of Utah.

Mr. Trexler said that he thought it was administered by the University of Utah.

Molina Healthcare is in their second year on the exchange and have submitted five plans to be certified. They have discontinued two plans and their service area is not changing.

Moda Health Plan is the other new entrant for 2023. They submitted six plans: two each of bronze, silver, and gold. Five of the plans include a vision benefit. Their service areas are in southwest and southeast Idaho, they hope to expand into additional counties next year.

Ms. Fulkerson asked if any carriers other than Regence and Moda had a separate pharmacy deductible.

Mr. Trexler said SelectHealth does as well, but he is not sure if those are the only three carriers who do. They are the only ones that call it out in the name of the plan.

Ms. McGill said the majority of carriers have a combined deductible.

Blue Cross of Idaho has eight networks that combined cover the entire state, with some networks offering coverage in multiple counties. They discontinued four plans per network, for a total of 32 plans discontinued. The SAHA network was discontinued, which is an additional six plans discontinued this year. There are two new plans and five continuing plans for each network, which totals 56 plans submitted for certification.

Mr. Trexler continued with the small group medical highlights. In Rating Areas 1, 2 and 5, the number of on-exchange small group plans decreased from 2022 to 2023 and increased in Rating Areas 3, 4 and 6. As of 2023, Moda Health and St. Luke's Health Plan will join the carriers offering on-exchange small group plans, while Regence and UnitedHealthcare will continue to offer small group plans off-exchange. SelectHealth increased the number of small group plans offered from 30 in 2022 to 52 in 2023 through the new "Med" and "SAHA" plans.

There are a total of six on-exchange dental carriers, which is one more than last year. Guardian Life Insurance Company of America was on the exchange in the earlier years of the exchange. They stopped participating for a few years and are back on the exchange again.

In summary, DOI has reviewed 141 individual medical plans, 209 small group medical plans, 21 individual dental plans, and 16 small group dental plans for a total of 387 plans recommended for certification.

Mr. Donaca asked how the small group dental worked in conjunction with YHI.

Mr. Trexler replied because there is no online shopping platform, the small group medical and small group dental function similarly. They are reviewed to ensure they meet certain criteria, and the carriers can then state that those plans are certified.

Mr. Donaca stated the plans are rigorously reviewed and certified and he is comfortable approving them.

Mr. Erstad added once the plans become certified in the small group arena, they are eligible for the small employer tax credit. If they meet the necessary criteria, they can apply to the Small Business Health Options Program (SHOP).

Motion: Ms. Fulkerson moved that the board accept the recommendation of the Department of Insurance and approve and certify the 387 plans as qualified health and dental plans for plan year 2023 as presented today. **Second:** Mr. Erstad. **The motion carried.**

12. Next Meeting

The next meeting will be held December 16, 2022.

13. Adjourn

There being no further business before the board, the Chair adjourned the meeting at 11:53 am.

Signed and respectfully submitted,

A handwritten signature in black ink, appearing to read 'Stephen Weeg', written over a horizontal line.

Stephen Weeg, Chairman of the Board

APPROVED