

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

**Finance Committee Meeting Minutes
Wednesday, May 29, 2024**

Committee Members Present

- Mr. Kevin Settles, Chair
- Mr. Greg Donaca, Vice Chair (via videoconference)
- Ms. Tara Malek
- Ms. Jennifer Palagi for the Department of Health and Welfare (via videoconference)

Others Present

- Mr. Pat Kelly, Your Health Idaho
- Mr. Kevin Reddish, Your Health Idaho
- Ms. Nichol Lapierre, Your Health Idaho (via videoconference)
- Ms. Kilee Lane, Your Health Idaho
- Ms. Julie Sparks, Your Health Idaho
- Mr. Wes Trexler, Idaho Department of Insurance (via videoconference)
- Mr. Robert Anderst, Risch Pisca

1. Call to Order

Following proper notice in accordance with Idaho Code Section 74-204, the Finance Committee meeting of the Idaho Health Insurance Exchange (Exchange) was called to order by Kevin Settles (Chair) at 2:03 p.m., Wednesday, May 29, 2024, 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 website. 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 Settles called roll and determined that Mr. Donaca, Ms. Malek, and Ms. Palagi representing the Department of Health and Welfare were present, resulting in a quorum. Dr. Fairfax and Senator Hartgen were absent.

3. Prior Meeting Minutes

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

Motion: Ms. Malek moved to approve the meeting minutes from the February 22, 2024, Finance Committee meeting as presented today. **Second:** Mr. Donaca. **The motion carried.**

4. Review Agenda

Chair Settles reviewed the agenda, no changes were made.

5. Review Roadmap

Chair Settles reviewed the roadmap, no changes were made.

6. FY24 Results for 3Q

Ms. Lane presented an update on current and projected enrollment. Effectuations for Plan Year 2024 (PY24) are 7% above budget, signaling strong retention for PY24. The average premiums are lower than budgeted, offsetting the high enrollments and putting the assessment fee revenue on budget for the first half of PY24.

For March actuals to budget, average premiums of \$387 per member are 9.8% unfavorable to budget. Effectuations of 120,814 are over budget by 7.3%, making assessment fee revenue slightly unfavorable by 0.8%. Year-to-date average premiums are unfavorable to budget by 5.4% and total assessment fee is above budget by 3.6%.

Blue Cross, Select Health, and Regence hold 74% of enrollments, accounting for 80% of assessment fee revenue.

Total income year-to-date favorability of \$431,000 is primarily driven by higher enrollments, along with higher interest earned on Certificates of Deposit (CDs). Total operating expense favorability of \$328,000 is primarily driven by open positions, lower co-op marketing expense, and lower identity management expense. Net operation income stands favorable to budget at \$759,000. Capital expenditures are favorable to year-to-date budget by \$444,000 due to CapEx planned for the fourth quarter of FY24.

Moving on to View Pointe results, Ms. Lane said total income year-to-date favorability of \$36,000 is driven by higher interest earned on CDs, rent billbacks, and common area maintenance adjustments for FY22 and FY23. Total operating expenses are unfavorable by \$54,000, driven by higher utilities, repairs, and maintenance. Net operating income is

unfavorable by \$19,000, and CapEx is favorable by \$35,000 due to CapEx planned for the fourth quarter of FY24.

Consolidated results show total net operating income favorability of \$741,000 to budget.

Motion: Ms. Malek moved that the Finance Committee recommend to the Board the approval of the financial results through March 31, 2024, as presented today. **Second:** Mr. Donaca. **The motion carried.**

7. FY24 Forecast

Ms. Lane presented an overview of the FY24 forecast. Assessment fee revenue is forecasted to be \$277,000 above budget as enrollments are higher than expected for the fiscal year, offset by a lower-than-expected average premium. Interest income from CDs is \$117,000 favorable to budget. Operating expenses are projected to be lower than budget by \$224,000 due to open positions, lower seasonal staffing costs, the identity management expense, and Connectors' costs. Net operating income is forecasted to be favorable by \$618,000.

For View Pointe, revenue is expected to exceed budget for \$42,000 due to interest income and bill-back revenues. Expenses are expected to miss budget by \$74,000 due to repairs and higher costs of utilities. Net operating income is forecasted to be unfavorable by \$32,000.

The consolidated forecast shows total net operating income favorability of \$586,000 to budget.

Ms. Lane and the committee discussed the maturity dates, renewals, and interest rates of the CDs held by Your Health Idaho (YHI) and View Pointe. Earned interest from these CDs for FY24 is forecasted at \$358,000 for YHI and \$64,000 for View Pointe.

8. FY24 Goals Update

Mr. Kelly gave an update on the status of the variable pay goals for FY24 which will end on June 30. A period-to-date Net Promoter Score (NPS) of 68 puts us at 110% payout for the Idahoans' Experience goal. The Low-Cost Promise goal is measured based on performance to budget for net operating income. To date, that amount is \$440,000, which is well above the 100% payout. The Risk Management goal is an individual goal based on monthly phishing campaigns. Currently, two team members are at 0% payout, eight team members are at 80% payout, and 59 team members are at 100% payout. Employee Net Promoter Score (eNPS) is the primary metric for the Corporate Leadership and Culture goal. While the period-to-date eNPS of 52 is not in the payout range for this goal, it is important to recognize that a 52 is considered excellent or world-class.

The committee and Mr. Reddish discussed the measures taken for team members who are not successful with the Risk Management goal, which is a follow-up with remedial training on phishing.

9. FY25 Variable Pay Goals

Mr. Kelly presented three new proposed goal categories for FY25, referencing discussion at the March board meeting that indicated a desire to simplify the goals and ensure they ladder to the strategic pillars. The first proposed goal category is Idahoans' Experience, which would be measured by NPS. The second goal, Enrollment, would be measured by plan selections at the end of Open Enrollment 2025 (OE25). The third and final proposed goal is Low-Cost Promise. This goal would be measured by net operating income, or assessment fee revenue less controllable operating expenses.

There was discussion among the committee about the general approval of the proposed goals and whether the YHI team feels comfortable with these goals, which they do. The committee also discussed how the YHI team decided what metrics were achievable for the goals and the impact that advertising has had on enrollments.

On the individual accountability side of the FY25 variable pay goals, Risk Management remains unchanged. The Quality Assurance goal will move from semi-annual to quarterly, and a "Workiversary" award will be implemented, with team members receiving \$100 for each year of service on each anniversary of joining the YHI team.

Motion: Ms. Malek moved that the Finance Committee recommend to the Board approval of the FY25 Variable Pay Goals as presented today. **Second:** Mr. Donaca. **The motion carried.**

10. Secondary Income Verification Discussion

Mr. Kelly and the committee discussed the new requirement in the Notice of Benefit and Payment Parameters (NBPP) for 2025 that requires states to pay for secondary income verifications. Previously, the Centers for Medicare and Medicaid Services (CMS) covered the cost for the service to be provided by Equifax. YHI is working with the Idaho Department of Labor (DOL) as a potential secondary income verification.

11. FY24 Audit Plan

Ms. Lane explained the timeline for the annual financial and programmatic audits, which will be done by Eide Bailly. The audits will consist of both remote and on-site work during the months of June and July.

12. Insurance Requirements

Ms. Lane reviewed the renewals of YHI's insurance policies with the committee. She reminded the committee that Hawley Troxell provides a legal review of all policies to ensure proper coverage and how the primary and excess policies interact to provide comprehensive coverage.

13. Budget and Management Plan

Ms. Lane reviewed the budget and management plan for both YHI and View Pointe with the committee. YHI remains transparent with communication through periodic reviews with YHI team members and TOK representatives.

14. Executive Session

Motion: Chair Settles 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 Settles took a roll call vote and determined Mr. Donaca and Ms. Malek were present and agreeable, resulting in a quorum.

The committee entered into executive session at 2:55 p.m. and reconvened at 3:13 p.m. No final actions nor decisions were made while in executive session.

15. Next Meeting

The next committee meeting will be held at the end of August or beginning of September. Ms. Sparks will reach out for scheduling.

16. Adjourn

There being no further business before the committee, the Chair adjourned the meeting at 3:15 p.m.

Signed and respectfully submitted,



Kevin Settles, Committee Chair