



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

**Finance Committee Meeting Minutes
Wednesday, November 29, 2023**

Committee Members Present

- Mr. Kevin Settles, Chair
- Mr. Greg Donaca, Vice Chair (via videoconference)
- Ms. Tara Malek (via video conference)

Others Present

- Mr. Pat Kelly, Your Health Idaho
- Ms. Kilee Lane, Your Health Idaho
- Ms. Kelly Fletcher, Your Health Idaho
- Ms. Nichol Lapierre, Your Health Idaho
- Ms. Julie Sparks, Your Health Idaho

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 12:38 p.m., Wednesday, November 29, 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 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 and Ms. Malek were present, resulting in a quorum. Dr. Fairfax, Senator Wright Hartgen, and Director Jeppesen 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: Mr. Donaca moved to approve the meeting minutes from the August 28, 2023, Finance Committee meeting as presented today. **Second:** Ms. Malek. **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 Q1 Financial Review

a. 2023 Enrollment and Medicaid Unwinding

Ms. Lane said a new Special Enrollment Period (SEP) was approved on September 19, allowing anyone who lost Medicaid coverage until November 30 to enroll. Your Health Idaho (YHI) has 13,900 enrollments from Medicaid unwinding, which is a conversion rate of about a 30%. The new SEP likely drove hundreds of enrollments that replaced natural attrition from September through October. Natural attrition is expected to cause a decline through the end of Plan Year 2023 (PY23).

b. 2024 Open Enrollment

Ms. Lane said that application volume is a leading indicator of enrollment and application volume for Open Enrollment 2024 (OE24) is 33% higher than OE23. 54% of applications received are either in process or ready to enroll, indicating future enrollments. As of November 26, YHI has 108,448 enrollments, which is the highest enrollment total in the history of the exchange. Of the 18,121 enrollments that occurred during OE23, 8,310 occurred in the last four business days.

Looking at 2024 enrollment, Blue Cross of Idaho and Select Health have the greatest number of enrollments. Metal tier shows a slight shift from bronze to silver, driven by Medicaid unwinding and a change in default plan sort in 2024.

Year to date, average monthly premium is 2.5% unfavorable to budget due to a combination of a change in carrier and metal mix. Effectuated member months is 6.2% favorable to budget due to higher enrollments from Medicaid unwinding and assessment fee revenue is 3.6% favorable to budget due to higher enrollments.

On the September 2023 YHI income statement, total income is \$137,000 favorable to budget driven by higher enrollments. Total operating expense is favorable by \$142,000 due to the tight labor market and inability to fill open positions. CapEx shows favorability of \$138,000 due to lower than anticipated CapEx for the first quarter of Fiscal Year (FY24).

For the View Pointe income statement, total income favorability is \$5,000, driven by interest earned on Certificates of Deposit (CDs), while higher utility costs, general maintenance and repairs drove \$13,000 in total operating expense unfavorability. CapEx is favorable by \$15,000 due to lower than anticipated CapEx for the first quarter of FY24.

The consolidated income statement shows total income favorability of \$142,000, total operating expense favorability of \$129,000, for a net operating income of \$271,000.

Motion: Mr. Donaca moved that the Finance Committee recommend to the Board the approval of the financial results through September 30, 2023, as presented today. **Second:** Ms. Malek. **The motion carried.**

7. FY24 Financial Forecast

Ms. Lane stated for YHI operations, higher enrollments in PY23 drive favorability in the first half of FY24 due to Medicaid unwinding. CD rates and return and maturation rates for both YHI operations and View Pointe were discussed.

Net operating income is projected to miss budget by \$15,000 due to higher utility costs, with the tenants' portion recovered through billback.

YHI forecast to budget shows \$133,000 of favorability, driven by the higher interest rate earned on the CDs. Total operating expense favorability of \$156,000 is driven mainly by open positions and the Identity management expense not expected as budgeted. Revenue favorability of \$133,000 and operating expense favorability of \$156,000 drive net operating income favorability of \$289,000.

Chair Settles asked if the agents who were participating in the marketing co-op program were having any success and Ms. Lapierre said that she believed they were but would debrief with them after OE for more in depth feedback.

Ms. Lane continued with the View Pointe forecast, saying total income favorability is projected at \$20,000 due to the higher interest rate earned on the CDs. Total operating expenses are unfavorable to budget by \$36,000 due to higher utility costs, for a net income of \$17,000 unfavorable to budget.

The FY24 sustainability cash flow is expected to stay above the cash reserve until 2029, at which point it will dip into the cash reserve due to the compounding impact of the lower premiums in PY24. This gives us plenty of time to watch and review and take action to prevent dipping into the cash reserve.

8. Financial Policies Review

Ms. Lane stated that all eight of YHI's financial policies are reviewed annually to ensure they reflect current practices. After this year's review, we are recommending minor changes to the Accounts Payable and Travel and Other Expense Reimbursement Policies regarding the timing of the submission of receipts.

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

9. Operational Goals Update

Mr. Kelly gave a review of the five variable pay goals and the current progress with each. The Idahoans' Experience goal is comprised of two parts. Net Promoter Score (NPS) is the first part and as of November 27, YHI has achieved an NPS of 69 for an estimated payout of 110%. The second part of the goal, brand image, will be based on a survey deployed in January. The Enrollment goal is based on total enrollments at the end of OE. As of November 29, YHI has 109,200 enrollments, which is a payout of 92%. Most enrollments come after Thanksgiving, so we expect this to increase. The Low-Cost Promise goal is based on performance to budget. The FY24 forecast estimates a 3% improvement to budget or an 80% payout. Risk Management is an individual accountability goal based off each team member's performance in our monthly phishing campaigns. All team members are still eligible after four campaigns. The primary metric for the Corporate Leadership and Culture goal is our employee Net Promoter Score (eNPS). Through November, eNPS is 56, which is 100% payout. While not tied to compensation, leadership development workshops are ongoing to ensure we are building bench strength and engagement.

Mr. Donaca asked if all of the goals capped at 100% and Mr. Kelly replied that they all cap at 100% with the exception of Idahoans' Experience and Enrollment, which cap at 110%.

10. Finance Committee Training

Chair Settles presented the annual Finance Committee training. The committee discussed the potential risks to the interest rates on the CDs and other possible ways to invest the funds. Bringing on the services of a financial advisor was discussed.

Mr. Kelly discussed the risk to premiums if rates remain flat or decline, and one way to mitigate that risk is to move to a Per Member Per Month (PMPM) model, which is a flat rate instead of a percentage. A PMPM has not been possible for YHI before due to reporting constraints. However, reporting needed to facilitate a PMPM model is under development.

11. Committee Survey Results

The committee discussed the results of the annual committee survey which were predominantly positive. Chair Settles and Mr. Donaca expressed appreciation to the YHI team for the work they do keeping things moving smoothly and efficiently.

12. Next Meeting

The next committee meeting will be held in late February or early March. Ms. Sparks will reach out to schedule the meeting.

13. Adjourn

There being no further business before the committee, the Chair adjourned the meeting at 1:44 p.m.

Signed and respectfully submitted,



Kevin Settles, Committee Chair