



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

**Finance Committee Meeting Minutes
Monday, March 3, 2025**

Committee Members Present

- Mr. Greg Donaca, Chair
- Ms. Tara Malek
- Mr. Kevin Settles
- Ms. Miren Unsworth for Director Alex Adams

Others Present

- Mr. Pat Kelly, Your Health Idaho
- Mr. Kevin Reddish, 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 Mr. Donaca (Chair) at 10:03 a.m., Monday, March 3, 2025, 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 virtual meeting via a link that was included in the notice of meeting posted on the Exchange Board's website, social media platforms, and at the meeting location.

2. Roll Call

Ms. Sparks called roll and determined that Chair Donaca, Ms. Malek, Mr. Settles, and Ms. Unsworth representing Director Alex Adams were present, resulting in a quorum. Senator Bernt was absent.

3. Prior Meeting Minutes

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

Motion: Mr. Settles moved to approve the meeting minutes from the December 4, 2024, Finance Committee meeting as presented today. **Second:** Ms. Malek. **The motion carried.**

4. Review Agenda

Chair Donaca reviewed the agenda, no changes were made.

5. Review Roadmap

Chair Donaca reviewed the roadmap, no changes were made.

6. FY25 Results for 2Q

Ms. Lane presented a review of Fiscal Year 2025 (FY25) quarter two results, comparing actuals to budget. For the Your Health Idaho (YHI) results, total income shows favorability of \$262,000, driven by higher enrollments and higher interest earned on Certificates of Deposit (CDs). Total operating expenses show unfavorability of \$18,000, which is driven mainly by higher personnel costs due to open enrollment and variable pay paid at our stretch goals offset by lower seasonal costs due to direct hire and savings from identity management software. Net operating income is \$245,000 favorable to budget and CapEx unfavorability of \$385,000 is driven by the office refresh for the Customer Service Center approved FY24.

For View Pointe, total income favorability of \$24,000 is driven by higher interest earned on CDs while total operating expenses show favorability of \$10,000. CapEx favorability of \$15,000 is driven by CapEx planned for quarters three and four of FY25.

The consolidated income statement shows total income favorability of \$513,000 and total operating expense favorability of \$267,000, with net operating income favorability of \$787,000.

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

7. FY25 Forecast

Ms. Lane reviewed the FY25 forecast versus budget. For YHI operations, assessment fee revenue is forecasted to be \$1,053,000 above budget as enrollments are higher than expected for the fiscal year. Interest income from CDs is \$41,000 favorable to budget. Operating expenses are projected to be lower than budget by \$7,000 due to an increase in medical premiums and retirement participation, an increase in paid advertising, and noticing offset by the favorability of seasonal staffing, the identity management expense, and Connectors' costs. Net operating income is projected to be favorable by \$1,101,000.

For View Pointe, revenue is expected to exceed budget by \$48,000 due to interest income. Expenses are expected to miss budget by \$8,000 due to property management fees for the HVAC project offset by favorability on utilities.

The consolidated income statement shows net operating income \$1,141,000 favorable to budget.

Ms. Lane presented an update on 2025 enrollment, saying enrollments as of February 1 are 139,252, which is a slight decline from January. February member months are over 10% above FY25 budget, average monthly premiums fiscal year-to-date (YTD) are 2% above budget, and assessment fees fiscal YTD are 7.5% above budget.

8. Executive Session

Motion: Chair Donaca moved that the Committee, pursuant to Idaho Code Section 74-206(1), convene in Executive Session to consider records that are exempt from disclosure, including those documents covered under Your Health Idaho's Privacy and Security policies and public records policy pursuant to Idaho Code Section § 74-206 (1)(d).

Executive Session Roll Call: Ms. Sparks took a roll call vote and determined Chair Donaca, Ms. Malek, and Mr. Settles were present and agreeable, resulting in a quorum.

The committee entered into executive session at 10:25 a.m. and reconvened at 10:48 a.m. No final actions nor decisions were made while in executive session.

9. FY26 Budget

Ms. Lane explained the budget process and reviewed key items to consider for FY26. The per member per month (PMPM) model for assessment fees will continue and enrollments for Plan Year 2025 (PY25) were higher than expected. Enhanced tax credits are scheduled to expire on December 31, 2025, and YHI will continue to focus on pop-up enrollment centers and outreach.

For YHI operations, current staffing levels are expected to be sufficient to support budget enrollment assumption. A merit recommendation of 3% is consistent with historical practices and norms and a market recommendation of 1% is informed by a compensation survey. No Economic Impact Adjustment is assumed, and team member vacancy is assumed at 1%. The variable pay program aligns with strategic and operational goals and will remain the same. Employee benefit structure remains unchanged for FY26 with an assumption of a 12% increase to the medical premium and historical increases for other benefit programs.

There was discussion amongst the committee to revisit the amount of the market recommendation in order to keep up with inflation. This will be raised for discussion at the March 14 Board meeting.

Ms. Lane went on, saying Always Present marketing and outreach continues and is a driver of enrollment stability throughout the year. There is an increase in IT/Privacy and Security due to IT upgrades and subscriptions, maintenance, and support. Business insurance assumes growth consistent with historical experience. The GetInsured FY 26 contract will increase by \$104,000 and the seasonal workforce supports the workload during Open Enrollment (OE).

For YHI CapEx, FY26 and beyond assumes technology enhancements of \$300,000. Other CapEx assumes \$100,000 for break/fix items and contingency.

For View Pointe, the Catholic Diocese lease ends February 2026, and the Armstrong lease ends June 2026. Revenue aligns with current leases and assumes a six-month vacancy after lease expiration. Expenses reflect current contracts and CPI increases of 3%, with tenant improvement assumed at \$15/square foot. CapEx of \$60,000 is for break/fix items and contingency.

Ms. Lane continued with the budget assumptions for revenue. There was a 15% year-over-year increase for OE25, and we believe there are still opportunities for enrollment growth with 150,000 uninsured Idahoans. The enhanced tax credits expire on December 31, 2025, driving loss of enrollment during OE26 through March 2026. Growth is assumed at 5% over OE25 and the expiration of enhanced tax credits causes a 10% decline at the end of OE26. For PY27 and beyond, there is an assumed enrollment increase 5% increase year-over-year. Inflation and competitive market dynamics continue, with in-year enrollment stability plus continued growth due to Always Present and Real-Time Eligibility.

For the YHI operations FY26 budget quarterly income statement, a decrease in revenue of \$132,000 over FY25 is anticipated. Total operating expenses are expected to increase by \$671,000. Factors driving the increase are FY25 backfills and Economic Impact Adjustment, merit, benefits, payroll taxes, and the focus on outreach and advertising. Net operating income is projected to decrease by \$803,000 over FY25. Favorability of \$285,000 is anticipated for CapEx due to the office refresh taking place in FY25.

Ms. Lane reviewed the View Pointe FY26 quarterly income statement. Total income is expected to decrease by \$162,000, driven by the expiration of the Catholic Diocese lease and the decrease in interest from CDs. A slight decrease in total operating expense of \$16,000 is due to the absence of property management fees for HVAC projects in FY25. Net operating income shows a decrease of \$146,000, and CapEx of \$60,000 is back to business as usual in FY26.

The consolidated income statement shows net operating income unfavorable to the FY25 forecast by \$950,000 driven mainly by the expiration of the enhanced tax credits. With the CapEx projects in FY25, FY26 is expected to be back to normal.

The seven-year consolidated income statement shows the effects of enhanced tax credits going away in PY26 which impacts FY26 and FY27. Moderate growth returning in PY27 and beyond. The cash balance remains above the cash reserve threshold.

a. Financial Sustainability

Ms. Lane presented the sustainability cash flow projection through 2032 and the most likely scenario. The cash curve is business as usual as the proposed budget. There was discussion regarding the changes to PMPM in the coming years.

b. Sensitivity Analysis

Ms. Lane presented potential scenarios that could occur, dependent upon enrollment growth and the expiration of the enhanced tax credits. The two potential scenarios are a growth scenario with enhanced tax credit extended or harvest scenario with the enhanced tax credit expiring.

Motion: Ms. Malek moved that the Finance Committee recommend to the Board Your Health Idaho Assessment Fees for Qualified Health Plans (QHPs) of \$11.75 and Qualified Dental Plans (QDPs) of \$0.75 for Plan Year 2026. **Second:** Mr. Settles. Chair Donaca abstained. **The motion carried.**

Motion: Ms. Malek moved that the Finance Committee recommend to the Board approval of the Fiscal Year 2026 budgets as presented today. **Second:** Mr. Settles. **The motion carried.**

10. FY26 Audit Firm Discussion

Ms. Lane stated that Eide Bailly was approved by the board to continue audit services through FY25 with the change of the audit partner. There was discussion around continuing with Eide Bailly or issuing a Request for Proposal (RFP) for a new audit firm. The committee was supportive of continuing with Eide Bailly.

Motion: Ms. Malek moved that the Finance Committee recommend to the Board to continue with the services of Eide Bailly for one year. **Second:** Mr. Settles. **The motion carried.**

11. Next Meeting

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

12. Adjourn

There being no further business before the committee, the Chair adjourned the meeting at 11:36 a.m.

Signed and respectfully submitted,

Greg Donaca, Committee Chair