



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

**Governance Committee Minutes
Friday, December 2, 2022**

Committee Members Present

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

Others Present

- Mr. Stephen Weeg, Board Chair (via videoconference)
- Mr. Pat Kelly, Your Health Idaho
- Mr. Kevin Reddish, Your Health Idaho
- Ms. Nichol Lapierre, Your Health Idaho
- Ms. Kelly Fletcher, Your Health Idaho
- Ms. Julie Sparks, Your Health Idaho (via videoconference)
- Mr. Mike Stoddard, Hawley Troxell (via videoconference)
- 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 11:03 a.m., Friday, December 2, 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. 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 Mr. Erstad, Ms. Hart, Ms. Tucker, and Ms. McGill (for Director Cameron) were present, resulting in a quorum.

3. Prior Meeting Minutes

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

Motion: Mr. Erstad moved to approve the meeting minutes from the August 30, 2022, Governance Committee meeting as presented today. **Second:** Ms. Tucker. Ms. Hart abstained. **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.

6. Team Member Engagement Update

Ms. Fletcher said in September and November we invited our SIMPLE IRA account manager to have an on-site information session and these sessions resulted in increased participation in that plan. In the past three months, our team members have participated in Halloween costume and decorating contests, gratitude boards, and a potluck lunch. In the month of December, we will have another holiday decorating contest and a Toys for Tots drive. Development of our hybrid work policy continues, and we are committed to have that in place by February of 2023.

During variable pay goal development for Fiscal Year 2023 (FY23), Your Health Idaho (YHI) committed to implementing additional tools besides the Gallup Q12 survey to measure team member engagement. One of the new tools we have used is the employee Net Promoter Score (eNPS), and the first eNPS survey was conducted in November. It is a single question survey, "How likely are you to recommend YHI as a place to work" and measures team member satisfaction and loyalty, is anonymous, and administered through our human resource information system, Bamboo HR. Scores can range from -100 to +100 with any score over 30 being categorized as "Very Good." The November survey had 77% response rate and the overall eNPS was 54, which we found exciting. The eNPS also gives team members the opportunity to provide comments and we will use these as a roadmap to identify areas of opportunity. We will continue to deploy the eNPS every quarter, with the exception of when the Gallup Q12 is deployed.

Ms. Hart asked if there was any concern of over-surveying employees by conducting the survey quarterly.

Ms. Fletcher replied that while we do not want to give our team survey fatigue, the eNPS survey was brief and optional. We think it will be helpful to have a snapshot of how things are going at different times of the year, for instance during Open Enrollment (OE) versus quieter times.

Chair Henbest had a similar question in terms of survey fatigue and questioned if the validity of the survey would be affected by the number of times it goes out and if there were guidelines for that.

Ms. Fletcher responded the recommendation from Bamboo HR is to offer the survey multiple times. They suggest quarterly or twice a year, with the idea being to collect historical data so we can see trends.

7. Employee Handbook Updates

Ms. Fletcher continued and said YHI conducts a comprehensive review of the employee handbook each year. No new policies were added this year, but we made minor updates to some existing policies. Those updates are shown in the redlines for the handbook, which were included in the Committee materials.

Motion: Ms. Tucker moved that the Governance Committee recommend to the Board the updates to the Employee Handbook as presented today. **Second:** Mr. Erstad. **The motion carried.**

8. Employee Benefits Update

Ms. Fletcher said each year, YHI evaluates employee benefits options and costs. While evaluating options for Plan Year 2023 (PY23), we focused on minimizing costs for our team members and staying within our budget, which assumed a 15% increase. Staying with our current medical carrier would have resulted in a 35% increase, so we shopped other carriers. Moving to PacificSource ensures YHI meets budget requirements and allows several options for team members, while minimizing any cost increases to team members. Enrolling in the Navigator network will result in no change to team member costs and team members have the option to buy up to the Voyager network for access to additional providers. Also offered is a High Deductible Health Plan (HDHP) with a Health Savings Account (HSA). YHI will contribute to HSAs and enable team members to contribute through payroll deductions.

Mr. Erstad asked for clarification that the Navigator network only included the St. Luke's network, but the Voyager network included both St. Luke's and St. Alphonsus. He asked if YHI was taking the difference between the regular plan and the HDHP and putting it in the HSA.

Mr. Kelly replied yes, the networks included the health systems as Mr. Erstad stated. Regarding the HSA, the YHI portion that would otherwise pay for the base plan will fund the HSA.

Ms. Ball added that the way YHI has approached this is a positive way to reinforce employee choice without the high expense. The employees' ability to buy up or opt out into the HSA is a good balance.

Ms. Hart said that she was not familiar with the previous benefit package and asked how significant the change to the new provider was. She also asked what the adoption rate is for the team members to the new package.

Mr. Kelly replied that the incumbent carrier for PY22 had a much broader network, so we have cautioned people to make sure their providers are in network. Our OE is still going on through the end of the day, so we do not yet have the breakout of who bought up or the HSA adoption. In terms of how the costs compare, YHI pays 100% of employee medical for the Navigator network. We have kept the employee costs flat from PY22 – PY23, so depending on how many people are on the plan, we pay between 90% and 93% of the dependent premiums.

Ms. Hart asked if that level of support from YHI was sustainable.

Mr. Kelly responded the dollar for dollar increase year over year moving to PacificSource was about 8% and we had higher participation than the original budget assumed. Between those two things, we were able to stay within the budget for calendar year 2023. Mr. Kelly said that he did not know about next year, but our broker does an excellent job of providing options so that we can maintain the same level of benefit structure for our team members. He added that overall, feedback from the team members was very positive. Our long-term budget had assumed a 15% medical increase so we will see how that plays out as utilization and medical inflation increase.

Chair Henbest asked Mr. Erstad what he was seeing on average in terms of cost increases or projections for next year.

Mr. Erstad stated that as the High-Risk Pool board prepared to set some of the reinsurance rates for the individual marketplace, they anticipated an 8% to 10% increase. In his business, he generally advises his clients to expect an annual increase of 12% to 15% and that this year was further complicated due to inflation. He added that he was surprised that YHI's medical had increased 35% but that is not that uncommon.

Ms. Hart asked about the decision to not include the Saint Alphonsus Health Alliance (SAHA) network as an option.

Mr. Kelly replied that it had not been listed as an option between Navigator and Voyager.

Ms. Hart recommended that YHI monitor the SAHA network as an option to help manage and control costs in the future.

Ms. Ball added that as you look at sustainability and cost containment, it is important to consider plan design and deductible amount.

Mr. Kelly said part of the redesign of our plan was an increase in the deductible for both individual and family. The individual deductible went from \$500 to \$1,500, however, the maximum out of pocket cost reduced from \$5,000 to \$4,000.

Mr. Erstad said that adding the SAHA network as Ms. Hart suggested may add some flexibility. He also said that having a maximum out of pocket cost of \$4,000 when the Affordable Care Act (ACA) has set the maximum at \$9,900 also gives flexibility to mitigate future increases.

Chair Henbest said that she believes it is helpful for the committee to maintain perspective and share with the YHI team what is happening elsewhere in the marketplace.

9. Annual Plan of Operations

Mr. Kelly gave a brief refresher on how the plan of operations is structured. It is a collection of everything from day-to-day policies to long term governance-type documents and they are grouped into two different categories. There are the more static documents like our enabling legislation, bylaws, and committee charters. The other group of documents is operational documents that are more dynamic, like the approved financial year budget, the roadmaps, and committee and board decisions. Connecting those two groups of documents are the committee recommendations and board resolutions and decisions.

Certain policies are reviewed at specific times of the year, which are shown on the committee roadmaps. For Finance, there are a number of policies reviewed this quarter and a few other policies are reviewed in the first quarter of the calendar year. In the second quarter, Governance reviews the employee handbook, and the privacy and security policies are reviewed in June. In September, each of the committees reviews their charter as they complete the annual committee self-assessments. In addition to these reviews, the YHI executive team evaluates operational practices to ensure compliance and in the case of changes provides recommended updates. Our general counsel performs an annual review of policies and practices to ensure compliance and that all policies are reviewed in accordance with the committee charter requirements or as business practices change. External auditors play a key role in ensuring YHI's operational compliance with policies.

Mr. Kelly continued, saying some of the key policy revisions that will be presented at the December board meeting are updates to the employee handbook as presented earlier today. The Finance Committee met earlier this week and reviewed several of their policies. The most significant change for finance was an increase in the limit for Executive Director approval authority, from \$15,000 to \$25,000. In 2013 when the financial policies were established, there was a \$15,000 limit that triggered a competitive

bid process. Given the length of time that has passed since 2013, along with some of our recent purchases and the impacts of inflation, the Finance Committee agreed with the recommendation to increase the threshold. It is important to note that the signature authority limits and invoice approval were not changed, only the threshold that triggers the competitive bid process. Servers cost upwards of \$20,000 and there is some HVAC work that needs to be done in our building that was quoted at \$24,000, so these are items that would now fall under that \$25,000 limit.

The Privacy and Security policies were updated in June to align with federal requirements and YHI's organizational structure. We added one new policy to formalize things that we already did around patching or updating software.

All of the committee charters, including the Executive Committee charter, were revised based on the committee's annual self-assessments. Both the Finance and Marketplace Committees recommended their charters for approval at the next board meeting.

Ms. Hart asked if there had been any requirements around insurance for privacy and security that had required updates to policies or if we anticipated any requirements in the upcoming year that would necessitate policy changes.

Mr. Reddish said that we were compliant with everything requested of us for insurance and we did not have to update any policies. The new Vulnerability Management Policy noted on this slide was added as part of our integrated eligibility. It had been part of an existing policy, but the IRS required it to be a stand-alone policy.

Mr. Stoddard reminded the board that since we are not subject to the state's policy, it is important for us to review this and keep it updated

Motion: Mr. Erstad moved that the Governance Committee recommend to the Board approval of the Annual Plan of Operations as presented today. **Second:** Ms. Tucker. **The motion carried.**

10. Operational Goals Update

Mr. Kelly said that as we are just five and a half months into our financial year, many of our goals have not progressed enough for us to have definitive outcomes.

While Idahoans' Experience is still in process, this year, our performance is only being measured against Net Promoter Score (NPS). The target for the goal is about 40 during OE and as of this morning, our period to date NPS is 71. As of today, we are trending toward a 100% outcome. Of interest is that for the most part, the score has not diverged more than a few points under or over 70, which speaks to the experience that most Idahoans have when interacting with us.

For the Retention and Enrollment goal, auto-renewals were fantastic, with 99.9% of eligible consumers enrolled. It is too early to tell where we will end after OE, as we tend

to get the majority of our enrollments in the last two weeks of OE. With the Public Health Emergency (PHE) expected to be formally extended to April 11, 2023, our enrollment goal is to end OE at or above 96,000.

The first two components of Risk Management are centered on our phishing campaigns. Period-to-date response rates are 1.5%, which is 100% outcome. However, only one campaign has been completed. Proper reporting is at 92%, which is 0% payout. We have implemented additional focus on communicating the criticality of reporting phishing emails. The third component is customer sentiment. We will deploy our customer survey in January 2023 and measure customer sentiment from that.

Our Low-Cost Promise goal is the measurement of our budget as it relates to net operating income. There are currently a lot of moving parts with our operating expenses and trying to figure out what staffing levels are needed for the end of the PHE. Because of this, coupled with the uncertainty of where our enrollments will finish for PY23, it is too early to tell what the outcome of this goal will be.

The final goal is Employee Engagement. We have continued to focus on education and understanding around the Gallup Q12 survey, which is planned for May 2023. In keeping with our commitment to implement other initiatives for employee engagement, total compensation for new hires will be deployed in January or February and as discussed earlier, eNPS was deployed in November. We are continuing to audit the frequency of one-on-one meetings.

Chair Henbest asked with relation to Low-Cost Promise, where are we finding favorability in the budget right now?

Mr. Kelly replied that revenue for the first half of this year was about \$250,000 favorable in assessment fees. We have another \$150,000 in grant income, which was planned for last year but recognized this year, and then about \$150,000 in favorability in operating expenses, primarily relating to employees. We have made a lot of progress but are still anxious about the second half of the financial year, because the budget assumed the PHE was going to end. Our revenue will likely be below budget for the second half of the financial year.

Chair Henbest asked if the employee related operating expenses were a combination of benefits, merit increases, and headcount.

Mr. Kelly responded the primary driver of the favorability is open headcount.

11. Committee Charters Update

Chair Henbest said at the last Governance Committee meeting, the committee did its annual self-assessment. One of the assessment criteria is to evaluate if the committee is doing what the charter says we need to do. We looked at the charters for each committee a little more critically than we have in the past and started to have questions about the

charters themselves and whether they were up to date with the current practices and maturity of YHI. Taking into consideration the thoughts and concerns of the committee, Chair Henbest and Mr. Kelly came up with some recommended changes to the charters. Four-year terms were established for all officers, with one additional term, with the exception of the Board chair. There were some updates to reflect current practices and scope for each committee, along with added expertise expectations for committee members. Terms for committee chairs and members were clarified with the intent to ensure continuity of knowledge of committee activities.

Ms. Tucker asked if it was the responsibility of the Governance Committee to review and approve the selection of who completes the Minimum Acceptable Risk Standards for Exchanges (MARS -E) audit.

Mr. Kelly replied that the way we have handled the selection of the auditors for both the financial and MARS-E audits is to bring a Request for Proposal (RFP) to the board that outlines the scope of the audit. In the RFP motion we include the establishment of a Proposal Evaluation Team (PET), which is comprised of the Director of the requesting department, Mr. Kelly, another YHI team member, and at least one member of the germane committee, although any committee members who wish to join are welcome. The PET evaluates the responses to the RFP and selects the final vendor.

Ms. Tucker asked if the Governance Committee charter should call out the committee's involvement in the MARS-E audit or if mentioning the overseeing of privacy and security policies was inclusive enough.

Mr. Kelly responded that perhaps we could be a little less descriptive than saying "MARS-E" and keep it more general by saying "third party audit." We need to be careful about how it is defined so we do not make the scope too narrow and make it difficult to execute the responsibilities as defined in the charter.

Ms. Tucker said that Mr. Kelly makes a good point, and maybe it could even be as general as ensuring the completion of third-party IT audits or something similar. She said it seems worth calling out as we have been discussing term limits and having different committee members rotate through.

Chair Henbest said it sounds like what Ms. Tucker wants to call out is not only should the committee review the results of an audit and make adjustments based on those results, but that it is also the responsibility of the committee to make sure that we have the right auditor, and that the audit is completed.

Mr. Kelly stated while we can add the discussed language to the charter if desired, the annual audit is required by the Centers for Medicare and Medicaid Services (CMS). They do not articulate which auditor we use, but completing the audit is a requirement.

Mr. Reddish added that CMS has eligibility requirements for third party auditors which we can share with the committee. He also agreed with Mr. Kelly's recommendation to

avoid using the MARS-E acronym, as CMS has said that they are looking to change the acronym.

The committee, along with Board Chair Weeg, Mr. Stoddard, Ms. Ball, and the YHI team discussed verbiage suggestions and edits to the charter. It was suggested that the review of committee and board member tenure be the responsibility of the Governance Committee. Mr. Kelly stated that the review would be added to the Governance Committee roadmap to be completed quarterly and then changed to annually once a good rhythm was established. He added that the new tenure tracking document that had been created would be included with the Governance Committee meeting supplemental materials and reviewed before each meeting. The committee would be notified if and when action needed to be taken regarding the expiration of committee and board membership terms.

Ms. Hart asked if the annual training required of the board was industry specific and there was a lengthy discussion about this by members of the committee. Chair Henbest committed to looking into training, seeing what was available, and reporting back to the committee.

Mr. Erstad suggested that Mr. Kelly reach out to Mr. Settles, as he is involved in other national organizations and might be a good source of information.

Mr. Kelly stated before he and Chair Henbest look into specific training requirements for exchange boards, he would like to review the activities that the exchange already does that comply with the requirements of the charter as currently stated.

Chair Henbest said it appears there are two issues to check into: ensuring that the exchange and its committees are compliant with federal requirements and looking into other things that may help with due diligence to ensure we are doing everything that we can to fulfill our responsibilities.

Chair Henbest questioned if the charter needed to be reworked and edited before a motion was made to recommend the charter to the board. Mr. Stoddard said that the wording of the motion would serve to capture all of the discussion and suggested changes.

Motion: Ms. Tucker moved that the Governance Committee recommend to the Board changes to the Governance Committee Charter as presented and discussed today.

Second: Mr. Erstad. **The motion carried.**

Chair Henbest said that in reviewing the charters and terms, we found that Mr. Erstad has served two consecutive four-year terms as YHI Board Secretary. Because of this, we would like to extend his position until the next committee meeting so we can find someone else to fill the position.

Motion: Ms. Tucker moved that the Governance Committee recommend to the Board the extension of Mr. Erstad's office as YHI Board Secretary by 90 days to allow the Board time to fill that position. **Second:** Ms. Hart. **The motion carried.**

Chair Henbest said there had been two minor changes to the Executive Committee charter, one around committee composition and the other regarding remote participation.

Motion: Mr. Erstad moved that the Governance Committee recommend to the Board changes to the Executive Committee Charter as presented today. **Second:** Ms. Hart. **The motion carried.**

12. Board Training Content Discussion

Mr. Kelly gave a brief overview of the content of the training that would be presented to the board at the upcoming board meeting in December. He said that Mr. Stoddard or one of his associates would cover the review of Open Meeting laws and any legislative updates, along with conflict of interest and media reminders. Mr. Reddish will join Mr. Stoddard in covering privacy, security, and phishing. Board Chair Weeg will cover board member engagement and expectations. He will share our history, discussing where we came from, where we are, and why that is critical to keep in mind as we chart our path forward. Committee Chair Henbest will report on takeaways from the board survey centered around engagement during meetings and being mindful that remote attendees are given plenty of opportunities to participate. Board Chair Weeg's and Committee Chair Henbest's reports would fulfill the National Association of Corporate Directors (NACD) duty of care, loyalty, and attention. We will discuss strategic planning and the role of the board to participate in that planning and hope to have robust discussion regarding that. We will close with Mr. Stoddard presenting information from the Office of the Attorney General.

Chair Henbest said that this training would be a little different than what we are used to in the past. We listened to Ms. Tucker's suggestion in the last meeting that the discussion about board engagement and responsibilities should come from Board Chair Weeg and Committee Chair Henbest, rather than a legal perspective.

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, dismissal or disciplining of, or to hear complaints or charges brought against, a public officer, employee, staff member or individual agent, pursuant to Idaho Code 74-206 (1)(b).

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

The committee entered into executive session at 12:47 p.m. and reconvened at 1:32 p.m. No final actions nor decisions were made while in executive session.

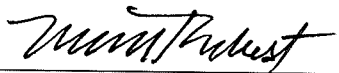
14. Next Meeting

The next Governance Committee meeting will be in March. 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 1:33 p.m.

Signed and respectfully submitted,



Margaret Henbest, Committee Chair