



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

**Board of Directors Meeting Minutes
Friday, June 17, 2022**

Board Members Present

- Mr. Stephen Weeg, Chairman
- Ms. Janice Fulkerson, Vice Chair (via videoconference)
- Mr. Kevin Settles, Treasurer
- Mr. Hyatt Erstad, Secretary
- Dr. Cynthia Fairfax
- Ms. Heidi Hart (via videoconference)
- Senator Jim Rice (via videoconference)
- Ms. Margaret Henbest (via videoconference)
- Mr. Peter Sorensen
- Representative Rod Furniss (via videoconference)
- Mr. Trent Nate
- Mr. Wes Trexler for Director Cameron (via videoconference)

Others Present

- Mr. Pat Kelly, Your Health Idaho
- Mr. Kevin Reddish, Your Health Idaho
- Ms. Frances Nagashima, Your Health Idaho
- Ms. Kilee Lane, Your Health Idaho
- Ms. Julie Sparks, Your Health Idaho
- Mr. Matt Fuhrman, Your Health Idaho
- Ms. Stephanie Husler, Your Health Idaho
- Mr. Mike Stoddard, Hawley Troxell
- Ms. Tresa Ball, HR Precision

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 8:30 am, Friday, June 17, 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, Dr. Fairfax, Ms. Hart, Senator Rice, Ms. Henbest, Mr. Sorensen, Representative Furniss, Mr. Nate, and Mr. Trexler as delegate for Director Cameron were present, resulting in a quorum. Mr. Thomas, Ms. Lodge, Senator Nelson, Mr. Donaca, Ms. Tucker, Ms. Malek, 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: Mr. Erstad moved to approve the meeting minutes from the March 18, 2022, Board Meeting. **Second:** Mr. Settles. **The motion carried.**

4. Review Agenda

Chair Weeg reviewed the agenda, no changes were made.

5. Review Roadmap

Chair Weeg reviewed the roadmap, no changes were made.

Chair Weeg took a moment to recognize Frances Nagashima, who has tendered her resignation as Director of Operations. Ms. Nagashima has done an incredible amount of work for our organization and been key to our success. Our good image with agents, brokers, and customers is largely due to the work of Ms. Nagashima and her team. She has made a huge difference in the lives of thousands of Idahoans, and she will be missed.

Mr. Kelly commented that Ms. Nagashima's departure is bittersweet and added that she had been recognized as one of Idaho Business Review's 50 Women of the Year.

6. Executive Summary

Mr. Kelly stated we have hired a new Director of Marketing, Communications, and Outreach. Nichol Lapierre starts Monday, June 20.

He continued that the Your Health Idaho (YHI) team has been all hands on deck for nearly a year preparing for Real-Time Eligibility (RTE) and extended his thanks to Mr. Reddish, Ms. Husler, Mr. Fuhrman, Ms. Nagashima and their teams. We would not be poised for go-live without our partners from GetInsured and the Department of Health

and Welfare (DHW). Our partnerships have been the cornerstone to our success, and we are on track for go-live in 12 days. We have selected a support center technology vendor, Sharpen CX, and work is already underway to ensure we have an August 1 go-live.

The Department of Insurance (DOI) has submitted a 1332 reinsurance waiver. The Centers for Medicare and Medicaid Services (CMS) has confirmed that the application is complete, but it will likely be a few weeks before we know more on the status of that application

The deadline to notify states of the end of the Public Health Emergency (PHE) has passed so we now expect it to be extended to October 15. We have plans in place with DHW to process redeterminations once the PHE is lifted.

The Biden administration issued a rule to fix the family glitch in March of this year. This rule is expected to be finalized and in place for the upcoming Open Enrollment (OE) and effective for plans on January 1, 2023.

Chair Weeg asked the board if they knew what the family glitch is.

Dr. Fairfax said it would be good to review.

Mr. Kelly explained that the family glitch is how affordability of employer-sponsored coverage is calculated in the Affordable Care Act (ACA). If a person has access to employer-sponsored coverage and it is deemed affordable, that person is not eligible for a tax credit. If it is deemed unaffordable, they are eligible for a tax credit. The family glitch is when coverage is affordable for the employee but not affordable for the rest of the family, as dependent premiums tend to be higher. In that scenario, the entire family is ineligible for a tax credit.

Chair Weeg added a lot of smaller employers can afford to pay all or some of the employee share of the premium but nothing for the families. The families end up left in the lurch because they cannot get a tax credit and they cannot afford to pay for employer-sponsored coverage. A lot of teachers in Idaho were in that situation because many school districts covered the teachers but charged 100% of the family coverage and most teachers cannot afford it.

Mr. Kelly stated the Biden administration's rule will fix the glitch by having affordability calculated on the entire tax household instead of just the employee.

Mr. Erstad added that something brokers see within the marketplace is in the 50-plus category, employers can opt to not cover dependent spouses, although the law requires them to cover dependent children. The fix will make it so those dependent spouses can receive a tax credit and coverage through the exchange.

Mr. Kelly stated the American Rescue Plan Act (ARPA) and the enhanced subsidies are scheduled to sunset at the end of this year and Congress is working to find a way to extend these.

Mr. Nate asked if there had been any evaluation of how the family glitch might impact enrollment.

Mr. Kelly responded that there had not been any research in Idaho that he was aware of, as most efforts have been focused on operational items such as our technology improvements. However, we do know the potential impact for the end of the ARPA subsidies. When ARPA was implemented, we saw about a 36% decline in net premium so there is likely to be a reversal of that if ARPA is not extended. Older demographics will be disproportionately impacted, and we are hopeful it will be extended beyond the end of the year.

We are excited to welcome three new carriers to the exchange for plan year 2023. The addition of these carriers, St. Luke's Health Partners, Moda Health, and Guardian, will bring the total number of medical carriers on the exchange to eight and the total number of dental carriers to four. Many thanks to Director Cameron and Deputy Director Trexler for their work to increase competition and consumer choice to the Idaho market.

Mr. Kelly provided an update on team member engagement. Through the stay interviews we have conducted we have found that YHI is doing a lot of things right. We have developed a culture of caring, support, and transparency while also providing opportunities for growth. We have opportunities around improving communication, slowing the frenetic pace of the last year and getting back to normal, and keeping an eye on the dynamics of the overall employer market. The team is tired but energized about what is coming this summer and fall.

7. Strategic Initiatives

Our strategic initiatives remain focused in three key areas: improve the customer experience, increase operational efficiencies, and lower the uninsured rate in Idaho by increasing enrollment with YHI. These key pillars will continue to drive our goal of 125,000 enrollments by 2025.

Our foundational efforts are progressing nicely. OE 2023 dates have been set for October 15 – December 15, Always Present advertising is in place, and our resourcing is where we need it, both with headcount and technology.

RTE is on track and set to go live June 29. This work has been broken down into two primary workstreams. As of the morning of June 15, we are 100% complete with IRS requirements and have a green light from them to go live on June 29. We have done test cases with CMS and the Center for Medicaid and CHIP Services (CMCS). All eligibility test cases and Medicaid assessments have passed. We received suggested verbiage

changes for the application for financial assistance and we are working with our partners on how best to implement those suggested changes, some of which will need to be made before go-live on June 29. We continue to revisit our contingency plans in case the need arises to make any adjustments.

Wednesday night we had a successful migration to Amazon Web Services GovCloud, which is a critical part of our infrastructure change relative to RTE.

Chair Weeg asked if there were any red lights at this point.

Mr. Kelly replied that we do not have any red lights. Making the verbiage changes is the last item we need to figure out. We have requested verbiage from CMS, and we will put it into the application.

Chair Weeg inquired about the readiness of the staff.

Mr. Kelly responded we have been conducting training for our team members, agents, and enrollment counselors since May. We feel comfortable that we have the right training in place. On June 23, we will go dark for new applications for one week. During that time, we will conduct more intensive training on the new eligibility system for those who have been more focused on customer service. We are following a day by day, week by week plan to have everyone ready by June 29. As with any big deployment, we expect there will be a few bumps in the road and that they may linger for a couple of weeks due to the nature of a system change this significant.

8. Operational Update

Ms. Henbest reported that the Governance Committee met on June 1. The agenda included a review of employee engagement, operational goals for both fiscal years 2022 and 2023, and a review of our privacy and security policies. They reviewed the results of the stay interviews and findings in preparation for annual reviews and compensation changes coming later this month. Noted were opportunities concerning creating flexibility around remote work options. They reviewed the current year's goal progress, including some discussions around Risk Management and Idahoans' Experience. The proposed goals for FY23 were reviewed by the committee and they were recommended for approval by the board today. The committee reviewed and discussed the updates to the privacy and security policies and reviewed the results of our external auditor. The policies were recommended for approval today as well.

Ms. Fulkerson said that at the June Marketplace Committee meeting, they reviewed 2022 enrollment customer profile summaries. They assessed enrollment activities and noted that enrollment activity seemed to stabilize. The enrollment trends toward silver and gold plans show the impacts of the enhanced subsidies. The committee spent time looking at the current customer support metrics and discussed the higher call and email volumes during OE. These are beginning to normalize, as are the Qualifying Life Event (QLE)

requests and appeal volume. The lack of formal appeal hearings was also noted, and the committee discussed the increased appeal volumes earlier in the year. With OE largely over, the committee noted Net Promoter Scores (NPS) are recovering with positive trends in April and May. They discussed the work underway to prepare for plan year 2023 OE. They discussed potential impacts and contingency plans if the PHE ends during OE. The new eligibility platform was discussed and any possible delays. The Customer Service Center (CSC) Technology Request for Proposals (RFP) had an excellent response and is in the final stages. The motions in the Marketplace Committee meeting were recommended for approval in today's board meeting.

Mr. Settles said the Finance Committee met on June 3. Enrollment and average cost of policy are meeting budget for the first time in a while. YHI is exceeding the income budget due in part to the grant money. They considered different options for cash investments and one of those options will be recommended later today. The committee reviewed the proposed operation goals to ascertain that they suit the budget. They discussed insurance requirements and the audit plan which is now underway and will be completed in July. The committee discussed how the change to RTE may affect security and were comfortable with the overall approach.

a. Enrollment Update and Customer Experience

Mr. Kelly said we are excited to see the impacts of the OE backlog are largely settled and that enrollment trends are aligning more historically. We think the enrollment stability in April, May, and June bodes well for enrollments for the remainder of the year and the revenue forecast. As of this morning, enrollments are still above 78,000 with less than 1% in a pending status.

As in previous years, our enrollments continue to be bookended with about a quarter below the age of 18 and another quarter between the ages of 55-64. An interesting statistic from OE was an increase in the number of enrollments in the 55-64 age group. We believe this is due in part to the Great Resignation with people leaving the workforce and going into retirement early, therefore losing employer sponsored coverage. The other area of interest for us is the change in the metal tier mix, which is the percentage of enrollments across bronze, silver, and gold plans. This is primarily driven by the impacts of ARPA and its enhanced tax credits. With the additional savings from those tax credits, we saw the percentage of customers enrolling in a bronze plan drop and the percentage of enrollments in both silver and gold increase. This is a reversal of a trend that we saw for several years with people moving toward bronze.

Chair Weeg commented that Congress's decision about whether to continue ARPA will have a significant impact in 2023 in terms of what plans people will take. If the tax credit is still there, they will likely stick with what they have. If the tax credit is lost, we will probably see a trend back to bronze and lower membership.

Mr. Kelly responded when the Executive Directors of all the state-based exchanges recently met with members of Congress in Washington, D.C. they shared operational impacts should the tax credits not be extended or if a decision is not made until later this year. Although support for the ACA is generally partisan, everyone understands that the impacts from ARPA provided more affordability than ever before. We advocated for a decision as soon as possible but ideally before the July 4 recess. If we perform redeterminations and renewals in August and September and then have to do that again later in the year, it will cause a lot of confusion in the market for consumers. Our primary message to Congress was that timing is very important.

Chair Weeg asked if we would have to do redeterminations and renewals twice if Congress waits until the end of September.

Mr. Kelly confirmed and added that it would not just be redeterminations, but also include noticing and all customer facing things like the cost estimator, what their new Advance Premium Tax Credit (APTC) is, etc. It is not a small impact. If you then layer on top the potential for the PHE to end in the middle of OE, it would be the perfect storm for consumer confusion. We will continue to work our federal partners and stress the importance of clarity. YHI does not advocate for specific policy, but we do stress the operational impacts of a decision like that.

Chair Weeg asked if those impacts had been communicated to our congressional delegation.

Mr. Kelly replied that they had. He met with three of our four congressional delegates and expressed the importance of timing and at a minimum avoiding a cliff of a complete stop of the enhanced tax credits. If they are not extended as is, providing a measured wind down in terms of impact to the consumer would be best.

Ms. Henbest commented that Mr. Kelly had mentioned that YHI's role is not to analyze policy. She asked where those resources are in Idaho and who we could ask questions about forecasting and impacts in Idaho.

Mr. Kelly responded that he had not expressed that correctly, that there are policy resources at YHI. He clarified that YHI does not advocate for a particular policy. We use our policy knowledge to understand the operational impacts of a particular policy decision.

Mr. Kelly said call and email volumes are normalizing following the backlog of OE. The year over year increase in both call and email volume is largely attributed to the tax credit eligibility work that is now coming directly to YHI. Other support center metrics such as First Call Resolution (FCR) and NPS are recovering and trending upward. NPS has been positive since March and the June score is hovering around 20.

In anticipation of the launch of RTE and to serve our customers more efficiently, all customer advocates in our support center will be universally trained by June 30. This

means that for most calls, consumer concerns will be resolved with the customer advocate that answers the phone and they will not need to be transferred elsewhere within YHI.

Mr. Sorensen asked if there was a target for FCR.

Mr. Kelly replied that historically, less than 5% of our calls require three or more contacts. In the past, we had three or more contacts due to interactions with DHW, agents, brokers, and carriers. We do not have a new baseline established because we do not know what our baseline will be when we move away from our reliance on DHW. Currently, 3.6% of our customers require three or more contacts to resolve their issues. That is likely inflated given that we are in the QLE period of the year and those are typically more complicated issues that require more documentation than during OE.

Mr. Kelly stated we have finally seen a break in the hiring challenges that plagued us over the last 12 months. We have onboarded about 20 people in the last six or seven weeks. Not only does this benefit YHI now, but it serves as a good indicator of the hiring pool as we look ahead to seasonal hiring.

b. PY23 Operational Preparations

Mr. Kelly said we have been hard at work connecting with agents, brokers, and enrollment counselors across the state after the challenging OE. These meetings and presentations are two-fold. First, we seek to repair strained relationships with our agents and brokers. Second, we are providing training for RTE. In April and May we held meetings with numerous health underwriter groups, as well as meetings with agents and agencies. Overall, the reception has been positive, and everyone is excited about the coming changes.

In August we will deliver our annual certification training in a live virtual format. This provides more opportunities for attendance, particularly for people in rural parts of the state. It is a two-course training and will be held over two weeks in August to avoid conflicts with carrier training that occurs in September.

Mr. Erstad asked when those dates would go out to brokers and agents.

Mr. Kelly replied that the dates were already available via YHI's monthly bulletins.

Chair Weeg stated that repairing the relationships is important because the struggles of the last year hurt us with our broker/agent community. He asked Mr. Erstad and Mr. Nate if there was more we could do in terms of rebuilding and reconnecting.

Mr. Erstad replied he thinks that Mr. Kelly's and Ms. Nagashima's participation with health underwriters around the state had been effective. He suggested that YHI should

try to attend or have a booth any time the underwriters had a meeting. He asked Ms. Nagashima if the response to their attendance had been favorable.

Ms. Nagashima said that the response from agents was positive regarding the willingness to have a conversation and the invitation to have personal meetings. We have had a lot of good feedback around what we need to do and what we can do better.

Mr. Nate commented the feedback he has heard most is anticipation of RTE. He thinks that the successful launch of that along with good communication will cover a lot of historical missteps. There is optimism and excitement and smoothing things out moving forward will fix most remaining issues.

Mr. Kelly stated OE is just four months away and reviewed several important dates in the timeline. On July 27, proposed rate increases will be posted on the DOI website. At the September board meeting we will certify plans as recommended by DOI and in mid-September APTC redeterminations will begin. This will be the first time that we do redeterminations on our new system. On October 1 all final rate increases will be posted on the DOI website. OE begins October 15 and ends December 15.

Given all the activity, we do not plan to have an anonymous shopping period and there will also no longer be a seven-day grace period following the end of OE. That grace period was typically to account for the application processing times that are no longer needed with the launch of RTE. We are excited about doing this the Idaho way as we are the only state that plans to start OE early.

Chair Weeg commented that this reinforces the need for Congress to make a timely decision about ARPA.

c. Marketing and Outreach Update

Always Present advertising is part of our strategic initiatives and was initiated in March. The overall goal of Always Present is to increase awareness of the YHI brand through a mix of traditional and digital channels. The first two months the campaign drove over one million impressions. From March to April, we increased our spend about 35% but saw an increase of over 39% of impressions, which speaks to the efficiency of the advertising spend.

Mr. Settles asked what an impression is and why it was worth \$11, referring to the slide.

Mr. Kelly responded that \$11 is the cost per 1,000 impressions and an impression is the number of times that content is displayed. When a person goes online and sees our content that is an impression. A conversion is when a person clicks on the content, goes to our site, and takes an action.

Outreach activities are also ramping up, both in person and connections with hospital systems and community health systems. In March, we hired Mr. Will White as our Community Relations Manager and he has already secured presentations with local business groups and community organizations.

In May, we traveled to Pocatello to meet with the Portneuf Medical Center and the hospital cooperative, which convenes a regular meeting of hospital CEOs. These meetings were well received, and we are excited about these new partnerships. We plan to follow up with another trip in July or August which should align with the release of the enrollment entity Request for Application (RFA). We also hope to build on these meetings with other hospital systems in eastern Idaho as well as north Idaho. Thanks to Chair Weeg for providing an introduction into eastern Idaho and we may be calling on other board members to help with introductions in other parts of the state. These relationships are mutually beneficial as we can help them increase the number of insured patients and help us reach our strategic initiatives of lowering the uninsured rate.

d. Technology Roadmap

In addition to RTE, we continue to deploy improvements to the customer experience in the health exchange technology platform. In the June release, we will deploy a new notice content management system, along with RTE. This will provide greater flexibility to make changes in our notice content. In September, we will deploy updates related to redeterminations and renewals in preparation for OE and also enable functionality to do data matching relative to tax credit eligibility. This is required to align with the federal requirements to do so twice per year. In January, we will do our standard 1095 update to ensure compliance with the delivery of tax forms. In March, we will deploy improvements to the carrier invoicing process.

e. Privacy and Security Policies

As mentioned in the committee summaries, we discussed our Minimum Acceptable Risk Standards for Exchanges (MARS-E) infrastructure and reviewed the privacy and security audit. All privacy and security policies were reviewed by an external auditor as part of the annual MARS-E audit to ensure compliance with our federal framework. Updates to these policies include minor updates like adding the appropriate hyperlink for references to the Code of Federal Regulation (CFR) and updating our Bring Your Own Device policy to reflect our current password requirement, which also ties into our Identity and Access Management policy. Finally, we have a new policy that was required by the IRS as part of our security safeguard report that was required for RTE to go live. This policy formalizes processes around application updates, patch management, penetration testing and vulnerability scanning. YHI is already doing all these activities, this policy was to formalize those processes and make them part of the security safeguard report.

Motion: Mr. Erstad moved that the Board, as recommended by the Governance Committee, approve the revisions to the Privacy & Security policies, as presented today. **Second:** Mr. Settles. **The motion carried.**

f. Organization Updates

i. FY22 Goals Update

Mr. Kelly began the update on FY22 goals with the Idahoans' Experience goal. This goal has three parts: FCR, Turn Around Time (TAT), and NPS. FCR, which is centered on our ability to resolve a customer's concern on the first call, is currently at the 100% threshold. TAT and NPS are both below the payout thresholds but improving. NPS was positive for both April and May. Both NPS and TAT were impacted by OE and related backlog.

The next goal, Retention and Enrollment, is at 100% achievement. We had 81,315 enrollments as of April 1.

Our Risk Management goal, which concerns phishing and social engineering, has two parts: proper reporting and response rate. Reporting is currently at the 60% threshold. Our response rate is at 0.8% which projects a 100% payout. We still have a couple of campaigns this year and we continue to watch these rates.

The Low-Cost Promise goal is a measure of financial performance relative to budget. There is still a lot of pressure on this goal, but it is at the 100% threshold. It has fluctuated a lot in terms of costs and revenue in the last two months as we continue to navigate the impacts of carrier flexibility and staffing.

COMPASS card participation makes up the Employee Engagement goal. This goal completed on Wednesday, June 15 and we achieved 80% payout for the quarter. Our participation rate across the year was 77%. It is a great way to recognize peer to peer behaviors.

Part of the Employee Engagement goal is the Gallup Q12 survey. It has been moved to July or August and outcomes will be shared at the August and September meetings.

ii. FY23 Strategic and Operational Goals

In 2017, the Board endorsed a single strategic goal: provide a flawless customer experience. Almost five years later, that goal rings true and YHI continues to see this goal as our true north. This goal is measured by the percentage of customers who require three or more touches to resolve their concern. In December 2017, 8% of our customers required three or more contacts to resolve their concern. When that is below 5%, we believe we have delivered a flawless customer experience. We have been below 5% every quarter since this goal was

implemented except for the last OE. We are not recommending any changes to this as our strategic goal.

FY23 goal categories are the same as previous years but proposed metrics reflect simplification and sharper focus on areas that align with our strategic enrollment goal. We recognize we do not have a baseline for many of the metrics that we have used historically because we are moving to new systems for RTE and the new Customer Service Center (CSC) technology platform.

Idahoans' Experience goal will continue to focus on responsiveness to the customer but will move from three metrics to a single metric, NPS. NPS will be measured twice: once during OE and once after OE. The baselines that we will measure against are from 2020 since the more recent periods are impacted by our staffing challenges and taking on APTC eligibility work from DHW. For the OE period of performance, we recommend an increase of 5% from a baseline of 41. While this increase might seem small, our baseline performance is nearing world class levels which means it gets increasingly difficult to see large improvements. Outside of OE, we have a baseline that is slightly lower, due to the complexity of the of the calls we receive and related work. We are proposing a 5% and 10% improvement off of that baseline. FCR and TAT will be tracked this fall in preparation for FY24 variable pay goals.

For Retention and Enrollment, we are proposing a move from measuring effectuations as of April 1 to measuring plan selections at the end of OE. We have very little influence on someone's ability to pay their premium and by measuring plan selections instead of effectuations, a consumer's ability to pay is not brought into play. We plan to have all team members have variable pay weighting for this goal as it will reflect outreach, education, marketing, customer service, technology, training with connectors, etc. For the goal, we are proposing two different metrics. The first assumes the Public Health Emergency (PHE) ends with a 100% threshold of 106,000 enrollments. That is an increase of 21,000 enrollments over where the last OE ended. The second metric proposed assumes the PHE does not end or is extended. We have projected that we will get about 10,000 enrollments from the end of the PHE; that is the difference between the plan selection targets.

Mr. Sorensen questioned how this goal would change if the PHE was extended beyond OE.

Mr. Kelly replied that in that scenario, the goal would be 96,000.

Mr. Sorensen asked if there was an assumption that there will be a Special Enrollment Period (SEP) since that will be a loss of Minimum Essential Coverage (MEC).

Mr. Kelly said our current plans with DHW can pivot to whenever the PHE is lifted. There are roughly 125,000 Idahoans that are on protected Medicaid and DHW plans to redetermine those over four months. We would work together to redetermine the estimated 25,000 of those who are APTC eligible in one month. Putting them into one month allows us to better track them, more concisely communicate with our agents and brokers, and minimize the potential for gaps in coverage. Losing Medicaid coverage would create a loss of MEC, which then drives an SEP. We do not anticipate a separate SEP for the end of the PHE because everyone will be given an SEP due to loss of MEC.

Mr. Sorensen stated that is a lot of people to redetermine, and he thinks SEPs are good for 63 days after loss of MEC. He asked if there was the potential for an extension for those people in case DHW cannot get it done in time.

Mr. Kelly stated that his understanding was that if a person is redetermined in the month of July, their coverage goes through the end of August and their 60-day SEP would start September 1. The SEP does not start when the PHE ends, it starts when Medicaid coverage ends, which is at least 30 days after redetermination. Currently, there is no plan to adjust that plan, but we intend to watch consumer volume and, if necessary, work with carriers to determine the best option.

Mr. Sorensen observed it has been a long time since there was an addressable market of 25,000 in a concentrated period and this may strain the broker community.

Mr. Kelly replied we are aware of the higher volumes that would be associated with this. DHW would assess eligibility, those people would come into our new system and go through the automated eligibility process, and that should lift some of the burden on the agents and brokers.

Chair Weeg noted that this is another reason that it would be best for Congress to act now and not wait until the end of December. There are too many things that could stack up and make the problem worse.

Mr. Kelly moved on to discussion of the proposed Risk Management goal metrics. This year we are proposing two parts to this goal. The first part is the social engineering aspect, with proper reporting and response rate on phishing. For proper reporting we are proposing a 5% increase from our baseline and for response rate we are proposing a two-percentage point increase from our baseline. The second part of the goal is new this year and is focused on YHI's image and brand reputation. The metric for this part of the goal will be based on the output of the GS Strategies customer survey that is done every year at the end of OE. The baseline measures the difference between the percentage of people who see us favorably and those who see us unfavorably. From a baseline of 53% favorable, the 100% threshold would be 59%, which is slightly more than a 10% increase.

There are no changes to the proposed metric for Low-Cost Promise. The 100% threshold is a 10% improvement which we can achieve through improving revenue, i.e., enrollment or more tightly managing expenses.

We are proposing simplification of the Team Member Engagement goal into a single metric which is the Gallup Q12 survey. Our Gallup results are quite strong. As such, we are recommending a modest increase from our baseline. That baseline will be established when we deploy the goal in July or August, and we will bring those results to the Committees and Board at the September meetings. Variable pay relating to the survey would apply to team members with direct reports. We are proposing that we remove COMPASS cards from variable pay, although we will continue COMPASS card recognition, just not as part of the variable pay plan. We plan to investigate other engagement tools such as “e”NPS and “modern workforce index,” which is in our payroll platform, Paylocity.

Chair Weeg said to Mr. Settles that it is nice to have good net operating income but not if we have to restrict operations to get there. He added the Board trusts the Finance Committee to keep an eye on that.

Mr. Settles agreed and said that is why we pay attention to what our customers are saying and our metrics. The downside of always exceeding the net income goal is that it is because we have had a hard time fully staffing. It is not just about saving money; it is about having a healthy entity long term.

Motion: Ms. Henbest moved that the Board, as recommended by the Governance Committee, approve the FY23 Operational and Strategic Goals as presented today. **Second:** Mr. Erstad. **The motion carried.**

g. Contract Addendums

i. Risch Pisca SOW

Risch Pisca, PLLC will continue to work with YHI as the educational liaison for state and federal regulation and legislation. Deliverables will include state legislative and regulatory updates and issues tracking, interpretation, and strategic counsel on policy reform. SOW #6 remains consistent with the prior year at a not-to-exceed amount of \$48,000, which is a fixed price, which is included in the approved FY23 budget.

Motion: Ms. Fulkerson moved that the Board, as recommended by the Marketplace Committee, approve the Risch Pisca SOW #6 in an amount not to exceed \$48,000. This amount is included in the FY23 Budget. **Second:** Mr. Nate. **The motion carried.**

ii. **Drake Cooper SOW**

Drake Cooper will continue working with YHI as the provider of Creative Services. In alignment with strategic goals, the scope of work has been expanded to include Always Present advertising in addition to the annual OE campaign. Deliverables include both OE and SEP period campaign strategies, asset design and production, media services, and campaign performance reporting. SOW #10 is at a not-to-exceed amount of \$850,000, which is included in the approved FY23 budget.

Motion: Ms. Fulkerson moved that the Board, as recommended by the Marketplace Committee, approve the Drake Cooper SOW #10 in an amount not to exceed \$850,000. This amount is included in the approved FY23 budget.

Second: Dr. Fairfax. **The motion carried.**

iii. **DHW MOU**

DHW provides services centered on health care assistance and support as they relate to eligibility shared services, including referrals for potential APTC customers. The MOU articulates responsibilities for DHW and YHI and there were significant changes due to the launch of RTE. DHW will decommission the tax credit rules in their eligibility system. This amendment would extend the current term to July 31, 2023. Costs are included in the approved FY23 budget and are expected to be minimal compared to previous costs. The MOU has been reviewed by DHW's legal team and reflects operational realities moving forward.

Motion: Ms. Fulkerson moved that the Board, as recommended by the Marketplace Committee, approve the DHW MOU in an amount consistent with the FY23 Budget, as presented today. **Second:** Mr. Erstad. **The motion carried.**

iv. **Enrollment Entity RFA**

Enrollment entities provide counselors who assist Idahoans in understanding their eligibility and the application process. Agents and brokers are recommended for plan selection. The entities work with underserved populations who may have limited English skills or access to computers. The entities report on the monthly total of people served, including demographic and geographic information. The annual RFA will be issued in July for a total amount not to exceed \$310,425.77, which is included in the approved FY23 budget.

Chair Weeg asked for a reminder of who our enrollment entities were.

Mr. Kelly replied that the entities that we have had are St. Luke's Health System and the Idaho Primary Care Association (IPCA).

Mr. Sorensen asked if there was a potential conflict of interest with St. Luke's being an insurance company on the exchange and being an enrollment entity.

Mr. Kelly responded the current engagement with the two existing entities ends on September 30. The new RFA contract period is October to September. Mr. Kelly and Mr. Stoddard have discussed the possibility of a legal conflict and while technically there is not a conflict, it may not have the best optics. When this year's applications are received, a review team will determine the appropriate entities to engage with.

Motion: Ms. Fulkerson moved that the Board, as recommended by the Marketplace Committee, release the Enrollment Entity RFA and authorize the RFA Review Team to select the enrollment entities and authorize the Executive Director and the Marketplace Committee Chair to execute the Enrollment Entity contracts at an amount not to exceed \$310,425.77 collectively. This amount is included in the approved FY23 budget. **Second:** Mr. Settles. Abstaining were Ms. Hart and Mr. Erstad, as IPCA is a client of Mr. Erstad's and Ms. Hart is IPCA's Chair. **The motion carried.**

The board took a break from 9:59 am to 10:12 am.

9. Financial Update

a. Financial Results through March 31, 2022

In a review of enrollment highlights by carrier, Mr. Kelly reported Blue Cross and SelectHealth continue to hold about 70% of our overall enrollments. Dental enrollment also continued to grow, and all our new carriers saw a gain in enrollments. The OE backlog did not disproportionately impact one carrier over another.

The third quarter ended March 31. Net operating income was \$755,000, which is just over \$900,000 favorable to budget. That favorability is driven by grant income of \$618,000 and operating expenses coming in about \$260,000 below budget. The bulk of the operating expense favorability is from eligibility support services with DHW. Year to date, net operating income was \$566,000, which is almost \$1.5 million above budget. This is driven by grant income of about \$618,000 and expense savings of almost \$1 million. The expense savings are primarily driven by personnel costs due to open positions, marketing costs due to year-round advertising not beginning until October of 2021, and almost \$400,000 of savings from eligibility support services with DHW.

Reviewing the financial results for View Pointe, net operating income was \$154,000, which met budget expectations. Rent revenue was slightly favorable at \$5,000 and it was offset by operating expense unfavorability of about \$5,000. That unfavorability was driven by utilities, repairs, and maintenance costs. Year to date net operating income is about \$450,000, which is about \$20,000 below budget. Revenue is

essentially on budget and the overage in operating expenses is also driven year to date by utilities as we had a very warm summer last year. That is still impacting our year-to-date results and we have had repair and maintenance costs throughout the year. Overall, the building has been a great investment for YHI.

Consolidated financial results are dominated by YHI operations. Year to date net operating income is just over \$1 million, which is \$1.5 million better than budget. Cash balance is also above budget by just over \$1 million.

Motion: Mr. Settles moved that the Board, as recommended by the Finance Committee, approve the financial results through March 31, 2022, as presented today. **Second:** Dr. Fairfax. **The motion carried.**

b. FY22 Financial Forecast

Mr. Kelly stated the end of FY22 is just a couple of weeks away. We expect overall net operating income of \$1.4 million, which beats budget by \$1.6 million. Most of this is driven by grant income of \$1 million and nearly \$1 million in operating savings.

Chair Weeg asked if we are still over budget if you do not count the grant income.

Mr. Kelly responded if you adjust for the grant income, which was not in the budget, we still beat budget by \$600,000.

Dr. Fairfax asked if the exchange was ever legislated out of existence and we covered the unwinding costs with the money that had been set aside for that purpose, what would happen to any money that might be left over.

Mr. Kelly said we have a little over \$10 million in cash today. We have traditionally reserved about \$6 million for operating reserves, which would cover the unwinding costs if that were to happen. We also set aside about \$1.5 million for capital expenditures, which could be anything from a large system change to having to re-tenant a space at View Pointe. That leaves about \$3 million. If this situation ever happened, we would work with our general counsel to figure out what the statutory obligations are for that cash reserve. It would most likely go back to a program that serves a similar consumer group as where the money originated from. We would do managed disenrollment for our consumers and then work with our vendors and partners to determine how best to unwind that and then we would have time to figure out what to do with whatever is left over.

Mr. Stoddard added that the other likely scenario is that we would go into a legislative session. Between the governor's office and the legislature, there may well be legislation that describes where the money goes. There are some limitations constitutionally in terms of what we could do with the money, although we do not

have anything in our statutes dictating that. We would probably depend on higher levels of state government to direct what would happen to the money.

c. Cash Balance Investment Options

Mr. Kelly said that given the recent economic dynamics, we have looked at our investment strategy for our cash reserves. Currently we hold our cash in a secured money market account with Idaho First Bank. The return is about 20 basis points (bps), so we have looked at different options. After the Federal Reserve action on Wednesday, we had further discussions with our bank. The following are the options we have discussed.

Option 1: Do nothing and stay with the current secure money market account earning 20 bps. This option is secure and low risk.

Option 2: Laddered Certificate of Deposit Account Registry Service (CDARS) Deposits over \$250,000 are eligible to receive FDIC insurance coverage (up to \$50 million). The current rate for a two-year term is 35 bps. This spreads the investment across multiple financial institutions where no CD is more than the FDIC limit, so it is fully secured by the Federal Reserve. The risk is similar to the current investment.

Option 3: Purchase a Treasury Bill, which is a short-term U.S. government debt obligation backed by the Treasury Department with a maturity of one year or less. The current rate for the one-year term is 250-275 bps, which would earn us about \$175,000 over a year.

Option 4: Purchase a one-year CD with Idaho First Bank at 240 bps. This would give a return of \$168,000 on \$7 million.

The original recommendation was to place \$7 million in a Treasury Bill for a term of one year, with a return of about \$175,000. We considered our relationship with the bank and the procurement policy, which encourages YHI to engage with and support Idaho businesses. We are proposing that we go with the fourth option and stay with our current bank. The return is slightly lower, but it aligns with our procurement policy and general practice of supporting Idaho businesses.

Mr. Stoddard mentioned that YHI is statutorily obligated to support Idaho businesses when possible.

Mr. Erstad asked if YHI has an investment policy.

Mr. Kelly stated that he was unsure if we had a policy that articulates where we are required to put our money. In 2014 or 2015, we did a full RFP for investment services. At that time, YHI was very risk averse and that has not changed over time. It is not truly our money, and we have to be good stewards of that money. That is what initially drove us to a CDARS, although the rates were much better.

Mr. Erstad said that the high-risk pool has a policy in place that limits them to treasuries, and they can go up to four-year terms. YHI might want to incorporate something like that down the road that would dictate a maximum period and other guidelines. He added that if we do the CD, it would only be insured up to \$250,000.

Mr. Kelly responded the bank has committed to securing the entire amount of the CD.

Mr. Settles said we need to be risk averse and the money needs to be somewhat accessible. This is a unique time, and we are not concerned about being eliminated by the legislature. He asked if the bank's proposal was a CDARS structure. In that case, you can cash part of it.

Mr. Kelly responded that he does not know if it is a CDARS program or if it is a single CD. Either way, the bank quoted a fully secured CD for one year at 240 bps. We could talk with our bank to see if they would be willing to split the investment across multiple CDs. It would give us more flexibility and seems like a reasonable ask. The bank has worked hard to get us an attractive rate. Obviously, they want to keep our money in their bank.

Mr. Settles asked if that was Mr. Kelly's recommendation.

Mr. Kelly replied that the difference in the rate of return is relatively small, plus our statutory requirement and our procurement policy favor Idaho businesses. He said he would prefer to stick with our bank.

Chair Weeg asked if we invested \$7 million, would we still have a reserve.

Mr. Kelly said we would have roughly \$3 million in unrestricted cash in the bank. We looked at our cash curves and we do not approach the \$7 million or \$8 million threshold until sometime in 2024.

Chair Weeg asked if the readily available \$3 million would cover our routine upgrading needs so we would not have an urgent need for the \$7 million.

Mr. Kelly said yes and added that Mr. Settles' suggestion to split it into multiple CDs would mitigate the risk of having to cash out the entire \$7 million if we needed the money. For instance, if we did seven \$1 million CDs and something unexpected happened and we needed \$1 million, we would only forfeit the interest on that single, cashed out CD.

Representative Furniss proposed that, since we know that the Federal Reserve is going to raise rates during the year, we may get a higher rate if we stagger the investments. We could do \$2 million this month, \$2 million the next month, \$3 million the next.

Motion: Mr. Settles moved that the Board delegate to the Executive Director the responsibility to negotiate with Idaho First Bank to invest up to \$7 million with that bank for the best structure and rate for that investment which is secured in the full amount. The Executive Director will then review the recommendations with the Board Chair and Finance Committee Chair for final approval. We do not believe this comes under the current Procurement Policy but if, after review, it is found to do so, we see it as an approved exception to the Procurement Policy. **Second:** Senator Rice. **The motion carried.**

Mr. Erstad suggested the Governance and Finance Committees work together to create an investment policy, such that YHI is able to invest moving forward.

Mr. Kelly said he would be happy to look into an investment policy and determine the appropriate committee to see that through.

10. Executive Session

Motion: The Chair moved that the Board, 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: Mr. Erstad called roll and determined Chair Weeg, Ms. Fulkerson, Mr. Settles, Dr. Fairfax, Ms. Hart, Senator Rice, Ms. Henbest, Mr. Sorensen, Representative Furniss, and Mr. Nate were present and agreeable, resulting in a quorum.

The Board entered into Executive Session at 10:45 am and reconvened at 11:45 am. No final actions nor decisions were made while in Executive Session.

11. FY22 Executive Director Compensation and Variable Pay

Motion: Ms. Henbest moved that the Board delegate to the Board Chair and the Governance Committee Chair the annual base pay adjustment for the Executive Director within the approved budget. **Second:** Mr. Sorensen. Mr. Settles abstained from voting. **The motion carried.**

Motion: Ms. Henbest moved that the Board approve the Executive Director's FY22 variable pay, which is included in the approved budget, for achievement of FY22 operational goals and authorize the Board Chair to release the payment once goal achievement is reached. **Second:** Mr. Erstad. Mr. Settles abstained from voting. **The motion carried.**

12. FY23 Executive Director Variable Pay Weighting

Motion: Ms. Henbest moved that the Board, as recommended by the Governance Committee, approve the Executive Director's variable pay weighting for FY23 as Idahoans' Experience at 35%, Retention and Enrollment at 20%, Risk Management at 15%, Low-Cost Promise at 20%, and Employee Engagement at 10%. **Second:** Mr. Erstad. Mr. Settles abstained from voting. **The motion carried.**

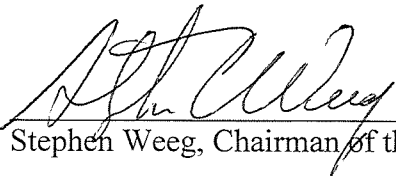
13. Next Meeting

The next meeting will be held the third Friday of September.

14. Adjourn

There being no further business before the Board, the Chair adjourned the meeting at 11:50 am.

Signed and respectfully submitted,



Stephen Weeg, Chairman of the Board