



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

**Finance Committee Meeting Minutes
Wednesday, December 4, 2024**

Committee Members Present

- Mr. Kevin Settles, Chair
- Mr. Greg Donaca, Vice Chair (via videoconference)
- Dr. Cynthia Fairfax (via videoconference)
- Ms. Jennifer Palagi for Director Alex Adams (via videoconference)

Others Present

- Mr. Pat Kelly, Your Health Idaho
- Mr. Kevin Reddish, Your Health Idaho
- Ms. Kilee Lane, 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 12:13 p.m., Wednesday, December 4, 2024, at the offices of Your Health Idaho. In accordance with Idaho Code Section 74-203 (1), the meeting was open to the public and streamed in video conference format via GoToMeeting and the Idaho Public Television website. Members of the public were encouraged to access the audio stream by dialing into a telephone number and view the materials by accessing a meeting link that were included in the notice of meeting posted on the Exchange Board's website, social media platforms, and at the meeting location.

2. Roll Call

Chair Settles called roll and determined that Mr. Donaca, Dr. Fairfax, and Ms. Palagi representing Director Alex Adams were present, resulting in a quorum. Senator Hartgen and Ms. Malek 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: Dr. Fairfax moved to approve the meeting minutes from the September 5, 2024, Finance Committee meeting as presented today. **Second:** Mr. Donaca. **The motion carried.**

4. Review Agenda

Chair Settles reviewed the agenda, no changes were made.

5. Review Roadmap

Chair Settles reviewed the roadmap, no changes were made.

6. FY25 Q1 Financial Review

a. 2024 Enrollment

Ms. Lane reported the continuation of strong in-year retention, with nearly 117,000 enrollments currently on the marketplace. Average monthly premium fiscal year to date (YTD) is 1% above budget and assessment fees fiscal YTD are 6% above budget, driven by higher member months. September 2024 effectuated enrollments were 119,654, with the majority of enrollments held by Blue Cross of Idaho, Select Health, and Regence.

b. FY25 Financial Results

Ms. Lane presented a review of Fiscal Year 2025 (FY25) quarter one results, comparing actuals to budget. For the Your Health Idaho (YHI) results, total income shows favorability of \$212,000 driven mainly by higher enrollments. Total operating expenses are favorable by \$277,000 driven by open positions and lower personnel costs. Net operating income is \$489,000 favorable to budget and CapEx favorability of \$175,000 is driven by lower than anticipated CapEx for quarter one.

For View Pointe, total income favorability of \$15,000 is due to interest earned on Certificates of Deposit (CDs). Expenses are basically on budget with \$3,000 in unfavorability. Net operating income is \$12,000 favorable to budget and CapEx shows \$14,000 favorable to budget, driven by lower than anticipated CapEx for quarter one.

The consolidated income statement shows total income favorability of \$227,000 and total operating expense favorability of \$275,000, for net operating income favorability of \$502,000.

Motion: Mr. Donaca moved that the Finance Committee recommend to the Board approval of the financial results through September 30, 2024, as presented today.

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

c. 2025 Open Enrollment

Ms. Lane stated as of December 1, there were 124,331 enrollments, which is the highest enrollment in YHI history. More than 90% of those enrollments have a tax credit. Daily enrollments are 8% lower than last year due to Thanksgiving falling at a later date. Weekly enrollments show strong momentum after a slow first week. The majority of enrollments are projected to come in the final weeks of OE. Blue Cross of Idaho, Select Health, and Regence have the majority of enrollments at 71%. Dental enrollments continue to grow, representing 15% of total enrollments.

There was discussion about where the enrollment growth could be coming from and the total number of potential enrollments in the state.

7. FY25 Financial Forecast

Ms. Lane reviewed the FY25 forecast vs budget. For YHI operations, higher enrollments in Plan Year 2024 (PY24) drive favorability in the first half of FY25. Year to date, effectuated member months are 4.2% favorable to budget and assessment fee revenue is 6.7% favorable to budget. Two CDs totaling \$7 million will mature in February and July 2025. Operating expenses are under budget as we experienced personnel favorability from open positions and the identity management expense that will not occur for FY25.

For View Pointe, five CDs totaling \$1.4 million will mature in February and August 2025. Net operating income is projected to be favorable to budget by \$34,000 due to interest earned on CDs.

Ms. Lane updated the committee on the progress of the View Pointe building projects. These include the fire panel, HVAC, roof repairs, elevator, tree removal and trimming, and tenant renewals.

The FY25 YHI forecast income statement compared to budget shows \$487,000 favorability in total income, driven by higher enrollments in PY24. Total operating expenses show \$145,000 in favorability, largely driven by open positions and other personnel expenses and the identity management expense that will not occur in FY25. Net operating income shows \$632,000 favorable to budget and CapEx is \$425,000 unfavorable, due to the office refresh and window replacement approved in FY24 with completion in FY25.

On the View Pointe side, total income favorability of \$42,000 is driven by interest earned on CDs. CapEx unfavorability of \$187,000 is driven by HVAC and fire panel projects that were approved in FY24 with completion in FY25.

Ms. Lane reviewed some potential medium-term impacts if Congress does not extend the enhanced tax credits set to expire on December 31, 2025. Not only could there be considerable confusion in the marketplace, but Idahoans receiving an Advanced Premium Tax Credit (APTC) would see their monthly net premium almost double. Idahoans enrolled through the marketplace without a tax credit may also see an increase in their monthly premium cost. An increase in net premiums may drive healthy Idahoans to leave the market, further increasing the cost of net premiums. YHI has run scenarios to account for the expiration of these tax credits, which is a 25% decline in our enrollment and revenue. Ms. Lane presented these scenarios and there was discussion amongst the committee and the YHI team about the timing of any potential extensions, possible declines in enrollment, discussions with external groups and other exchanges about the importance of extending the tax credits, and increased enrollments in other states due to the enhanced tax credits.

8. Financial Policies Review

Ms. Lane stated all financial policies are reviewed annually. This year, changes were made to several policies to reflect current practices. These changes include the removal of the Board Vice Chair as an authorized signer, updating the revenue source to the Per Member Per Month method, process updates, and formatting.

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

9. Finance Committee Training – View Pointe Tenant Vacancy

Ms. Lane presented an overview of the current tenanting of the View Pointe building and the intent of the tenants to vacate when their respective leases end in 2026. YHI received proposals from Colliers and TOK and recommend moving forward with TOK. The committee discussed the modernization and remodeling of the lobby and potential tenant improvements. They also reviewed cash impacts from the remodel, vacancy, and re-tenanting.

Motion: Mr. Donaca moved that the Finance committee recommend to the board approval of TOK as the listing agent for View Pointe re-tenanting and delegate authority to the Executive Director to execute such agreement, any contrary requirements in YHI's procurement policy are waived to allow the awarding and execution of the contract. **Second:** Dr. Fairfax. **The motion carried.**

Motion: Mr. Donaca moved that the Finance committee recommend to the board that the authority for the approval of the selection of a vendor, including soliciting no less than two bids, to complete the work necessary to modernize the lobby and common areas of the View Pointe property, shall be delegated to the Executive Director in his discretion to meet the goals of the project, including the execution of any necessary agreements; such amounts to complete the project are not to exceed any funds not expended from the prior approved budget for the heating, ventilation, and air conditioning upgrades, and any contrary requirements in YHI's procurement policy are waived to allow the awarding and execution of contracts. **Second:** Dr. Fairfax. **The motion carried.**

10. Next Meeting

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

11. Adjourn

There being no further business before the committee, the Chair adjourned the meeting at 1:22 p.m.

Signed and respectfully submitted,

Kevin Settles, Committee Chair