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Idaho Health Insurance Exchange
DBA Your Health Idaho

Governance Committee Minutes
Thursday, August 31, 2023

Committee Members Present

- Ms. Heidi Hart, Committee Chair (via videoconference)
- Mr. Hyatt Erstad, Vice Chair (via videoconference)
- Senator James Ruchti (via videoconference)
- Ms. Karan Tucker (via videoconference)
- Mr. Wes Trexler for Director Dean Cameron (via videoconference)

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. Julie Sparks, Your Health Idaho
- Mr. Mike Stoddard, Hawley Troxell

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. Hart (Chair) at 10:00 a.m., Thursday, August 31, 2023, at the offices of Your Health Idaho. In accordance with Idaho Code Section 74-203 (1), the meeting was open to the public and streamed in video conference format via GoToMeeting and the Idaho Public Television 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 Hart called roll and determined that Mr. Erstad, Senator Ruchti, Ms. Tucker, and Mr. Trexler for Director Cameron were present, resulting in a quorum.

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3. Prior Meeting Minutes

Chair Hart asked if there were any changes to the minutes from the two prior meetings and there were none.

Motion: Mr. Erstad moved to approve the meeting minutes from the May 31, 2023, and June 6, 2023, Governance Committee meetings as presented today. **Second:** Ms. Tucker. **The motion carried.**

4. Review Agenda

Chair Hart reviewed the agenda, no changes were made.

5. Review Roadmap

Chair Hart reviewed the roadmap, no changes were made.

6. Talent Team Update

Ms. Fletcher stated that Your Health Idaho (YHI) aims to be one of the premier employers in the Treasure Valley and she outlined several activities that we have undertaken in pursuit of that goal.

One of the items where we put a lot of focus is team member engagement. For the last several months, the executive team has been reading a book called Flying in the Face of Fear, written by the niece of former YHI Board Chair Stephen Weeg. We are reading two chapters at a time and meeting to discuss the lessons we have learned from the author's experience and how they translate to practices at YHI. Once the executive team has finished with the book, the rest of the management team will read it and we will have two more leadership development workshops to discuss it with them.

Another way we promote team member engagement is through our employee Net Promoter Score (eNPS) survey. This monthly survey measures team member satisfaction and loyalty, is anonymous, and is administered through our payroll system. Scores can range from -100 to +100, with -100 to 10 being low or okay, 10 to 30 being good, and any score greater than 30 considered very good. We track the comments from each eNPS survey to identify trends and areas for improvement. In August, we had 74% participation and achieved a score of 60. Our lowest score was 31 in February and the average for the last six months is 52. Ms. Fletcher shared highlights of some trends we have noticed from the comments. Team members are interested in more communication when our internal knowledge base is updated. Some team members have noted that they have seen recent improvements in pay, staffing, workload, and communication. Additional comments said that the complexity of the customer advocate job requires more follow-up training.

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One of our favorite engagement activities is team member appreciation week which took place in early August this year. Team member appreciation week encompasses five days of activities, fun, prizes, food, and our annual cornhole tournament. That week we closed early on Friday and had a mini carnival complete with dunk tank, food truck, and carnival games.

Ms. Fletcher stated that the job market has continued to present some challenges. One of the ways that we have dealt with those challenges is by working with a staffing agency to help us fill seasonal Customer Advocate (CA) positions for Medicaid unwinding. Other positions have proved more difficult to fill, so we have continued to add more targeted recruiting sources to our hiring toolbox and have leveraged the assistance of an external recruiter. Additionally, we have attempted to reduce some bottlenecks that exist in the current recruiting process. Our HR Coordinator spends a lot of time communicating back and forth with candidates, which may result in losing them to other organizations if they reach those candidates first. We are in the process of moving to Paylocity's recruiting platform to automate this process.

Chair Hart asked what kind of positions have been difficult to fill.

Ms. Fletcher said the harder-to-fill positions generally have very specific skill sets.

7. Revisit FY24 Variable Pay Goals

Mr. Kelly reminded the committee that goals for our variable pay program were presented at the June board meeting. YHI has strong performance in many areas, and there was discussion about the difficulty in showing growth when performance is already so high. Maintaining high performance was a theme, and with this in mind, the board requested YHI revisit the metrics for two of our goals.

First was Idahoans' Experience, which has two components: Net Promoter Score (NPS) and brand image. We were asked to focus on the NPS portion of the goal. Our current NPS is 63 and we have not seen scores above 70 since Open Enrollment (OE) ended. The original proposed goal was 100% payout for a score of 67, with a 60% payout for a score of 65. We recognize that those are high scores to achieve, so we are proposing a range of payouts and stretch goals, with scores 60-64 receiving 60%-100% payout and 65-67 receiving a payout of 100%-110%. Mr. Kelly said that achieving 110% would be about a $6,000 increase in our overall variable pay budget, which is a relatively small amount but meaningful to the team.

The other goal that we revisited is our Enrollment goal. We are currently at 104,000 enrollments, with 116,000 as our goal for the end of OE which would require substantial growth. While stretch goals are great, we want to make sure they are still attainable. The new proposed goal is a payout of 60%-100% for reaching targets of 105,000-110,000 and a stretch goal of 100%-110% payout for reaching 110,00-116,000. This change would also be about a $6,000 increase in the variable pay budget.

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Chair Hart expressed gratitude to the YHI team for revisiting the goal metrics and expressed the board's desire to make sure the team was recognized for their hard work.

Motion: Mr. Erstad moved that the Governance Committee recommend to the Board approval of the FY24 Variable Pay Goal revisions as presented today. **Second:** Ms. Tucker. **The motion carried.**

8. Team Member Retirement Plan Options

Mr. Kelly stated one of the questions that has come up several times over the course of YHI's history is whether we have different options for retirement plans for our team. We currently have a Simple IRA that was established in 2013 and was fit for purpose in the formative days of the exchange. It requires a 3% dollar for dollar employer match. Over the past few months, Mr. Kelly, Ms. Lane, and Ms. Fletcher have looked into what options are available to YHI. While YHI's entity cannot have a 401(k), we can have a 457(b). With a 457(b), there are annual administrative costs of about $6,500 and a $6,000 one-time startup cost.

The benefit of changing from a simple IRA to a 457(b) is that with a 457(b) we could have a discretionary match of up to another 3%, allowing team members to receive an additional match from YHI. The other benefit is that team members can make a higher annual contribution, where the simple IRA maxes out at $13,500 and the 457(b) maxes out at $22,500.

Mr. Erstad asked who the plan administrator would be.

Mr. Kelly replied that we have considered Signature Retirement Plan Services as a third-party administrator. We will also work with our legal counsel to ensure that the plan documents are appropriate. The financial advisor we use would be the same one that we use today, which is Dan Edmonds at Northwestern Mutual.

Ms. Tucker asked if any of them offer one-on-one financial planning and support to individual employees.

Mr. Kelly said yes, Mr. Edmonds frequently comes onsite to meet with new participants and help them select investment options. Additionally, he is available each year to meet with people as needed. Separate from that, we also have our Employee Assistance Program, which provides services around wills and other retirement related documents that team members may need.

Chair Hart commented that she understood that the initial financial impact of switching to a new retirement plan was not unmanageable and asked if there was any concern regarding YHI's financial ability to sustain the new benefit over time.

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Mr. Kelly stated that YHI's financial forecast, which goes through 2029, shows the cash reserve staying above the operating reserves of $6 million. Of note is that the current estimate for 2024 premiums is lower than we had budgeted, which causes the cash forecast to be lower in 2027 and beyond than originally estimated. However, that is far enough in the future that there is plenty of time to make any needed changes to maintain funding for the retirement plan. Mr. Kelly said that he is not concerned about the financial commitment that comes with exercising a new retirement plan option.

Motion: Ms. Tucker moved that the Governance Committee recommend to the Board approval of establishment of a 401(K), 457(b), or similar retirement plan in accordance with applicable law to be utilized in lieu of the existing SIMPLE IRA plan effective January 1, 2024. **Second:** Mr. Erstad. **The motion carried.**

Mr. Stoddard asked if the board needed to give approval to terminate the Simple IRA and Mr. Kelly replied that the authority to move to a new plan included the authority to terminate the old plan.

Chair Hart recommended that a basic outline showing the necessary steps involved in the transition to the new plan be provided to the board.

Mr. Erstad asked if the existing funds would stay in the Simple IRAs or if they would be rolled over. He also recommended that we get a bid from local third-party administrator, AmeriBen, if a Request for Proposal (RFP) is sent out.

Mr. Kelly replied there is a restriction for six months after the termination of the Simple IRA before funds can be rolled over and that they would be within the same advisor groups.

9. Committee Charter Review

Chair Hart stated it is standard practice to review the committee charters annually. A comprehensive review was completed last year to clarify responsibilities and committee chair and member tenures. The Governance committee reviews both the Governance and Executive Committee charters. This year, only minor grammatical and formatting changes are proposed.

Ms. Tucker asked if the changes are just minor grammar and formatting changes if board and committee approval is really necessary.

Mr. Stoddard replied that approval was necessary, and Chair Hart added that it was about transparency and ensuring that everyone has visibility of any and all changes.

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

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10. Board Survey and Annual Committee Self-Assessment

Chair Hart said the board survey is an online survey which measures board engagement and provides insights into areas of strength and / or opportunities for the board. In the past, it has been administered by an independent third party which was important in YHI's formative days. The full results of the survey are shared with the executive director, the Governance Committee, and the board. Pending board approval, the board survey will be administered by YHI's Director of Talent moving forward.

The annual committee self-assessments have previously been done during the committee meetings and are more informal in nature, with feedback only shared with those in attendance.

We are proposing that the committee self-assessment be incorporated into the annual board survey. It will be administered in November and discussed at the December committee and board meetings.

11. Board and Committee Tenure

Chair Hart stated the tenure of board officers, committee chairs, and committee members is reviewed quarterly as suggested by the roadmap. The next term to expire will be the Office of Treasurer in December 2024. The Treasurer also acts as the Finance Committee Chair and this position is currently held by Mr. Settles. There are no other officer or committee member expirations to discuss at this time.

Chair Hart asked Mr. Kelly for an update on new board member recruitment.

Mr. Kelly stated that the departures of Mr. Weeg and Ms. Henbest had left two open positions on the board, one for a healthcare provider and one to represent consumer interests. We have been working with Chair Fulkerson to evaluate candidates, one of whom has submitted their application to the Governor's office. While we have not yet received confirmation regarding this appointment, we do not anticipate any problems with this candidate.

Earlier this summer, we created a one-page document giving an overview of YHI and expectations for the board and sent it to current board members. We encourage them to share this overview with anyone they know who may be interested in serving on the board.

Mr. Stoddard asked if there were any expertise or experience requirements needed for the Treasurer or committee chairs.

Mr. Kelly replied that when we performed the in-depth review of the charters last year, we added the requirement for at least one member of each committee to have relevant

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experience germane to that committee. For the Finance Committee, they are specifically required to have experience with financial statements and the running of an organization, so while there are requirements for committee members, there is no specific requirement for the Treasurer. He added that at this time, there is one other member of the Finance Committee and one other member of the board who have the necessary experience to act as Finance Committee Chair.

12. Annual Board of Directors Training Content

Chair Hart stated that Mr. Stoddard will lead the annual board training at the December board meeting. Key areas of focus will include open meetings laws, conflicts of interest, media reminders including social media expectations, board and committee roles and responsibilities, including interactions with YHI team members, the extra care and diligence required for virtual meetings, National Association of Corporate Directors governance topics, and privacy, security, and phishing. Mr. Stoddard added that he intends to include information on several bills proposed over the last few years that impact YHI's operations and he will emphasize some of the open meeting and other issues that have gotten a lot of publicity recently.

Ms. Tucker suggested that during the training, we reinforce the importance of board members' participation in the annual self-assessments and Mr. Kelly's annual evaluation.

Ms. Hart expressed her appreciation to Mr. Stoddard for including the information around compliance and suggested that we consider if there are other ways to ensure the board stays apprised of compliance-related items.

13. Next Meeting

The next Governance Committee meeting will be in late November or early December. Ms. Sparks will reach out for scheduling.

14. Adjourn

There being no further business before the committee, the Chair adjourned the meeting at 10:50 a.m.

Signed and respectfully submitted,

DocuSigned by:
Heidi Hart
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12/1/2023

Heidi Hart, Committee Chair