



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

**Finance Committee Meeting Minutes
Thursday, September 5, 2024**

Committee Members Present

- Mr. Kevin Settles, Chair
- Mr. Greg Donaca, Vice Chair (via videoconference)
- Dr. Cynthia Fairfax
- Senator Linda Hartgen (via videoconference)
- Ms. Tara Malek
- Ms. Jennifer Palagi for the Department of Health and Welfare (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
- Mr. Kevin Smith, Eide Bailly
- Ms. Ellen Duncan, Eide Bailly
- Ms. Santina Zito, Eide Bailly

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 1:02 p.m., Thursday, September 5, 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 Dr. Fairfax, Senator Hartgen, Ms. Malek, and Ms. Palagi representing Director Alex Adams were present, resulting in a quorum. Mr. Donaca joined at 1:19 pm.

3. Prior Meeting Minutes

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

Motion: Ms. Malek moved to approve the meeting minutes from the May 29, 2024, Finance Committee meeting as presented today. **Second:** Dr. Fairfax. **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. FY24 Audit Results

Mr. Smith and Ms. Duncan from Eide Bailly presented the results of the Fiscal Year 2024 (FY24) financial and programmatic audits. The results of the financial audit were free from material misstatement in accordance with GAAP (unmodified opinion). The programmatic audit results were in compliance without findings.

7. Executive Session

Motion: Chair Settles moved that the Committee, 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: Chair Settles took a roll call vote and determined Mr. Donaca, Dr. Fairfax, Senator Hartgen, and Ms. Malek were present and agreeable, resulting in a quorum.

The committee entered into executive session at 1:21 p.m. and reconvened at 1:27 p.m. No final actions nor decisions were made while in executive session.

Motion: Dr. Fairfax moved that the Finance Committee recommend to the Board approval of the Audited Financial Statements and Audit Report for the financial year ended June 30, 2024, including additional information contained in the report and as presented today. **Second:** Ms. Malek. **The motion carried.**

Motion: Dr. Fairfax moved that the Finance Committee recommend to the Board approval of the Programmatic Audit Report for the financial year ended June 30, 2024, including additional information contained in the report and as presented today. **Second:** Ms. Malek. **The motion carried.**

8. FY24 Financial Review

Ms. Lane presented the Your Health Idaho (YHI) income statement for FY24 with the year ending June 30, 2024. Total income favorability of \$436,000 is driven by higher enrollments and interest earned on Certificates of Deposit (CDs). Total operating expense favorability of \$411,000 is primarily driven by lower personnel costs, no contractual engagement with the ShoBan tribe, and Idaho Department of Health and Welfare (DHW) savings. Net operating income is favorable to budget by \$847,000. Capital expenditure (CapEx) favorability of \$461,000 is largely driven by lower-than-expected CapEx for FY24. The CapEx favorability will be spent in FY25 with the office refresh.

For View Pointe results, total income favorability of \$47,000 is driven by higher interest earned on CDs and utility billbacks to tenants. Total operating expenses are unfavorable by \$72,000, driven by higher utility costs and general maintenance and repairs. Net operating income is unfavorable by \$25,000 and CapEx is unfavorable by \$10,000 due to the main water line repair and backflow replacement.

Consolidated results show total net operating income favorability of \$822,000 to budget.

9. FY25 Financial Forecast

For YHI updates, Ms. Lane said 2025 preliminary rates are estimated with an average market change of 6%, and reminded the committee that the FY25 budget will move to per member per month (PMPM) for Plan Year 2025 (PY25). There is currently \$7,000,000 split into two CDs with one maturing in February of 2025 and one in July 2025. Revenue is projected to be 2.4% above the FY25 budget due to higher enrollments in the first half of FY25. Expenses assume a 3% Cost of Living Adjustment (COLA) as of January 1, 2025, and all positions filled. CapEx includes the office refresh that will be completed September 2024.

For View Pointe, two CDs maturing in November 2024 and February 2025 total \$1,400,000. Several leases are coming up for renewal, with an amendment expected for the Catholic Diocese, as their new building was approved by the city. The committee and YHI team discussed the rent reduction for one of the rooftop tenants. Ms. Lane updated the committee on the progress of the fire and HVAC system repairs on the View Pointe property.

Ms. Lane reported strong in-year retention, with PY25 effectuations 3% above budget. Assessment fees fiscal year to date are 5% above budget driven by higher member months.

For the financial forecast for the YHI income statement, revenue is projected to be favorable to budget by \$343,000 driven by higher enrollments in PY24 and interest earned on CDs. Total operating expenses are expected to be \$56,000 favorable to budget due to the identity management expense not occurring as expected. Unfavorability of \$425,000 in CapEx is due to the office refresh project that was not in the budget but used favorability from FY24. The committee and YHI team members discussed YHI's investments, cash flow, and cash reserve.

Ms. Lane gave an overview of the View Pointe forecast. Total income is forecasted to be \$40,000 favorable to budget driven by interest earned on CDs. CapEx shows \$111,000 favorable due to updated costs and timeline for the HVAC project.

The consolidated forecast projects net operating income favorable to budget by \$437,000.

10. Finance Committee Training Topics

Chair Settles and the committee discussed suggested topics for the upcoming committee training in December. These topics include impacts on cash due to vacancy, preparation, and releasing of the space in the building.

11. Committee Charter Review

Mr. Kelly stated committee charters are reviewed each year, both internally and by legal counsel. There are no suggested changes to the Finance Committee charter at this time.

12. Board Survey and Annual Committee Self-Assessment

Mr. Kelly reviewed the annual committee self-evaluation and survey results with the committee. The outcome of the survey indicates committee members feel overall that the work the committee is doing is efficient and effective.

13. Next Meeting

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

14. Adjourn

There being no further business before the committee, the Chair adjourned the meeting at 2:05 p.m.

Signed and respectfully submitted,



Kevin Settles, Committee Chair

APPROVED