

2013 ANNUAL REPORT



Message from the Chair and the Executive Director

It has been a privilege and a tremendous responsibility to be charged with establishing Your Health Idaho, our state's health insurance exchange. Our extremely dedicated Board, supported by a diligent, hard-working and talented staff has accomplished what some thought impossible – stand-up a professional, statewide exchange in a matter of five months. Needless to say, we have been on a fast and steep learning curve. YHI faced the unique challenge of both building a new corporate entity and marketing and producing a product simultaneously in a very compressed time frame. Nothing like this has been done before and, while we are extremely proud of the accomplishments of YHI, we recognize that the pace and scope of what we have needed to accomplish has caused some to question, and properly so, a few decisions along the way. We committed early on to learn at every step of this complicated process, and that commitment guides us always.

Our Board and staff are completely committed to creating an exchange that is designed and implemented by Idaho to meet the unique needs of Idahoans, is simpler and less expensive to operate and, as the Legislature and Governor have made clear, to prevent federal intervention. We are succeeding in that goal and we will continue to succeed in that goal.

The first few months have been demanding and rewarding. Our admiration for the Idaho spirit of cooperation and “can do” attitude of the thousands of Idahoans who have helped us achieve so much in such a short period knows no bounds. That admiration extends to our YHI Board members, state government agencies, Idaho's insurance agents and brokers, and our In-Person Assister organizations – their hard work and commitment have made possible all we've accomplished in 2013. Despite the malfunctions of the federal website, by the end of December we have helped almost 20,000 Idahoans enroll in health insurance through Your Health Idaho.

As we look ahead to 2014, we are determined to stay firmly focused on the goal of providing an exchange that is specifically designed by Idahoans for Idahoans. We welcome your feedback and suggestions at any time as we move ahead to fulfill the mandates of the Idaho Legislature and the Governor to create, operate and sustain a health insurance exchange that is appropriate to the needs of our citizens.

Stephen Weeg,
Chair

Amy Dowd,
Executive Director

2013 Significant Accomplishments

Among the most significant accomplishments since the YHI Board was constituted in the spring of 2013 are these:

- We have built a new organization, an “independent body corporate and politic” from the ground up, starting with no funds, no staff, no policies and procedures, and no financial systems.
- We have put in place a highly professional – and exceptionally streamlined – staff. In fact, Idaho has the smallest exchange staff in the nation and is currently establishing a state-based marketplace with one of the smallest federal grants in the nation.
- We have used market rates to set YHI staff salaries, while using contractors and vendors with specialized skills for time-limited periods.
- We set up and fine-tuned governance and accountability standards.
- We have operated totally on the basis of federal grant dollars, and no state of Idaho funding has been utilized.
- We decided to use the federal technology platform for 2014 in order to allow the necessary time to diligently procure a technology vendor and implement a fully-functioning and tested state-based exchange.
- We were able to temporarily borrow the federal technology platform free of charge for 2014.
- We have a low initial 1.5% assessment fee on insurance plans that stays in Idaho – if Idaho had a federal exchange, the fee would be higher and the money would flow to the federal government. The plans offered through YHI have undergone review by the Idaho Department of Insurance and were approved by the YHI Board – if Idaho had not decided to establish a state-based exchange, that review and approval would have been done by the federal government.
- We successfully completed our first formal financial audit.
- We have conducted an unprecedented statewide outreach campaign involving thousands of stakeholders in every corner of Idaho.
- We have met all federal regulatory requirements to keep Idaho in control and qualified as a state-based marketplace.
- We have identified a plan to achieve self-sustainability of the exchange in 2016.
- We established a website to act, for this first year, as a portal to the federal exchange.
- In October, we quickly created specific Idaho-based resources for consumers to make up for the shortcomings of the federal website, including tools to estimate tax credits, find consumer assistance and compare plans.
- We built a network of over 500 agents and brokers who have the primary role to help Idahoans shop for and select a plan on the marketplace.
- We established over 300 In-Person Assistors across the state requiring background checks and formal training.
- As of the end of December 2013, nearly 20,000 Idahoans had secured insurance coverage through the exchange.

About This Report

This report has been prepared for the citizens of the state of Idaho and their elected representatives, and provides an accounting of the activities, plans and financial status of the Idaho health insurance exchange, now known as Your Health Idaho. Our report is intended to be responsive to the reporting requirements of Chapter 61, Title 41 of Idaho Code, the Idaho Health Insurance Exchange Act, which says:

1. The exchange shall submit a written report of its activities and the condition of the exchange to the director [of the Department of Insurance], the governor and the director of the legislative services office for distribution to all legislators on or before January 31, 2014, and annually on or before each January 31 thereafter. The exchange shall also report to the appropriate senate and house of representatives germane committees on any changes to its bylaws or policies and any changes or updates from the federal department of health and human services (HHS) regarding essential health benefits or operation or conditions of the exchange on or before January 31, 2014, and annually on or before each January 31 thereafter.

2. For any changes by the board to the fee schedule charged to exchange users or participants, the exchange shall, at the next legislative session, report to the appropriate senate and house of representatives germane committees on or before January 31.

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Idaho Benefits from a State-Based Insurance Exchange:

- 1. In Idaho, we manage and regulate the health plans.** In federally managed states, plans are selected and regulated by the federal government. In Idaho, we have 146 plans available through our exchange, offering consumers a competitive marketplace.
- 2. In Idaho, agents and brokers are the primary resource for consumers.** In federally managed states, agents and brokers have limited roles. In Idaho, we have over 500 licensed agents and brokers helping Idahoans find the right plan to fit their needs.
- 3. In Idaho, we set our initial fee at 1.5% and will run a right-sized operation.** In federally managed states, consumer fees are set at 3.5%. The residents of federally managed states have no voice in the amount of the fee, how it is paid, or where it goes. In Idaho, we can and will run our marketplace more efficiently and save consumers money by doing so.
- 4. In Idaho, the marketplace is governed by a board of Idahoans.** In federally managed states, the states do not have the authority to govern or control funding. In Idaho, Idahoans determine how funds are used and how the marketplace is implemented.
- 5. In Idaho, we made security our top priority.** Our In-Person Assisters’ (IPA) training and background checks are more rigorous than in federally managed states. In federally managed states, IPAs and navigators are not chosen or controlled locally. In Idaho, we chose six well-respected community organizations to help protect consumers.

YHI – Fast Pace,

Significant Accomplishment

Late Start Necessitates Creativity, Use of Federal Platform in Year One

The establishment of the YHI Board of Directors in April left less than six months for Idaho to be ready for the October 1 start of open enrollment. The earnest debate that characterized the Idaho Legislature's March approval of legislation creating the Idaho Health Insurance Exchange shifted to intense preparation for meeting the October deadline. The pressure was real – if the state was not ready to stand up an exchange by October, the Obama administration would have imposed a federal exchange in Idaho. The Board rejected the idea of the federal government operating an exchange in Idaho, and knew it needed to move quickly and act creatively.

Idaho's late start date left insufficient time to implement a state-based technology solution; most state-based marketplaces have taken at least 18 months from the start of their procurement process until implementation. And experience in these other states illustrates the necessity of allowing sufficient time for system testing prior to going "live."

In light of the short timelines and the complexity associated with building a functional marketplace, the YHI Board decided in May to move on parallel tracks: it would use the federal marketplace temporarily, in year one, while setting up its own technology platform for year two and beyond. This decision covered both the marketplace for individuals and families and the Small Business Health Options Program, the portion of the exchange that will serve small businesses. The Board's decision was driven by a unanimous commitment to maintaining state control, even if it means temporarily borrowing technology from the federal government.

If the state was not ready to stand up an exchange by October, the Obama administration would have imposed a federal exchange in Idaho.

YHI Receives Federal Start-Up Grants, Repays Loan

One element of Idaho's decision to establish a state-based health insurance exchange was a commitment to do so without using state tax dollars. In 2011, the state of Idaho applied for a \$20.3M grant from the U.S. Department of Health and Human Services, in the event the state decided to proceed with establishment of Idaho's own state-based health insurance Exchange. HHS awarded the grant in November 2011 and, after the state made the decision to proceed, the full amount of the grant was made available in July 2013.

Receipt of the federal grant allowed YHI to repay a loan of \$385,000 in federal dollars it received in May from the Idaho Department of Health and Welfare that was utilized to cover start-up costs for Idaho's state-based health insurance marketplace. The source of the loan was discretionary federal funds the Idaho Department of Health and Welfare received from a high-performance bonus award. The Idaho Medicaid Program is federally mandated to interface with YHI, and any delays would have caused missed deadlines and the potential for the state to be penalized millions of dollars. The loan meant that YHI was able to begin work immediately, increasing the possibility for Medicaid to meet its deadlines and ensuring that Idaho's insurance exchange remains under Idaho control. The loan was paid back in full on September 25, just four months after the loan was received.

On August 13, the YHI Board voted to approve to proceed with a second start-up grant submission to the U.S.

Department of Health and Human Services. Notification was received in October that HHS had awarded \$48.0 million to YHI. The two federal start-up grants will cover the cost of stakeholder involvement (consumer assistance, outreach and education), a state-based enrollment technology platform, an Idaho-based call center, and oversight and program integrity and business operations as YHI works to fulfill its mandate of being completely self-sustaining by 2016.

One element of Idaho's decision to establish a state-based health insurance exchange was a commitment to do so without a cost to Idaho taxpayers.



Small Full-Time Staff Hired

The Idaho exchange staff is the smallest in the nation, but also highly qualified. As of the end of 2013, the Executive Director managed a staff of five full-time employees. The YHI Board utilized the services of an independent compensation consultant to determine staff compensation levels. The consultant relied on comparable market rates to inform the Board regarding compensation for YHI staff members.

Procurement Policy Adopted

Soon after its creation, the YHI Board began the development of a series of policies to guide YHI operations. One of those policies was focused on procurement activities; in light of the need to move quickly with several procurement actions, an interim procurement policy was put in place in May 2013 with plans to revisit the policy later in the year.

In October 2013, partly in response to concerns raised about the award of a no-bid information technology contract to former YHI Board member Frank Chan, a contract that was subsequently withdrawn, the YHI Board adopted a permanent procurement policy and delegation of authority policy (detailed in full in the Appendix), reviewed its conflict of interest policy and specified the limited circumstances when contracts can be authorized without full Board approval. The Board included in its procurement policy a one-year “cooling off period” before any member who leaves the Board can be eligible for any contract with the exchange. The Board has also adopted a code of ethics, a public records policy, a travel policy and a fee-assessment policy and is in the process of developing others, including a document retention policy. Copies of all approved policies as of December 2013 are included in the Appendix to this report.

A subsequent independent review of the circumstances surrounding the contract issued to Mr. Chan’s firm was conducted by the law firm Holland and Hart. This review found that no violation of law had occurred, but that there had been lapses in judgment in awarding the contract.

Temporary Contracts Issued for Professional Services, Outreach & Education, Legal and Other Support

In keeping with the vision of the Legislature and the Governor of a health insurance exchange that is right-sized for Idaho, the YHI Board determined to keep permanent staff levels to a minimum and to augment that staff with temporary, targeted contract support to assist YHI through the start-up phase.

The first significant vendor contract was awarded in June, when YHI announced it had selected Public Consulting Group as the winning bidder from a group of four companies that competed to provide professional services, including information technology, to YHI. PCG is supporting YHI under a \$1.38 million contract running from July 1, 2013, to December 31, 2014. PCG is a provider of management consulting services to state, county and municipal governments across the United States and internationally, with a primary focus on health care and government information technology.

PCG’s scope of work included development of our In-Person Assister Program, technology market research, and procurement support for our state-based technology platform, our Program Management Office vendor, and our Independent Verification and Validation vendors.

In July, YHI interviewed four bidders (out of an initial field of eight) to assist with outreach efforts and selected a communications team led by the Idaho office of Gallatin Public Affairs. Other members of the Gallatin team include Boise-based GS Strategy Group, a firm with local and national expertise in public opinion and consumer behavior research, and Burson-Marsteller, a full-service, integrated public relations firm with extensive experience in large-scale public education campaigns. YHI has budgeted up to \$5.7 million through April 2014 for an outreach campaign, including branding, advertising, outreach events, website and social media development, media interface and other communications services.

In May, YHI contracted with the Boise-based law firm Hawley Troxell to serve as the exchange’s legal counsel. The firm provides advice on a wide range of legal issues, including organizational structure and governance, procurement, personnel, trademark protection, and adherence to open meeting and public information requirements. The hourly contract with Hawley Troxell is open-ended.

In addition, YHI has entered into smaller contracts with Idaho-based entities to provide a wide range of temporary support. Idaho entities under contract with YHI include:

- In-Person Assister Organizations (see discussion below)
- ProPeople staffing – Consumer Resource Center employees (see discussion below)
- Idaho Department of Health and Welfare – Consumer Resource Center workspace and equipment
- Idaho Independent Bank – banking services and line of credit
- Valley Office Systems – copier rental
- Treasure Valley IT – IT maintenance and support
- HR Precision – human resource consulting services
- Rix It Services – project management services
- St. Michael’s Parish – office space
- 1010 Jefferson LLC – office space

The Idaho exchange staff is the smallest in the nation, but also highly qualified.

With a significant share of our federal grant dollars being spent on contract support, YHI has made vendor management a top priority. To date, we have negotiated approximately \$800,000 in savings on our vendor contracts, and we will continue to manage our contracts to keep overall costs low.

Substantial Number of Insurance Plans Available

At its core, YHI is a marketplace where Idaho families and small businesses can shop for, compare and choose health insurance that is right for them. An essential component to the success of YHI is the availability of a wide range of plans from which to choose.

In September, YHI announced that a total of 146 health insurance plans from seven Idaho insurance companies would be available through YHI. This wide range of plans represents a robust marketplace, which includes 61 individual health plans, 55 small group health plans for small business, 13 individual dental plans and 17 small group dental plans.

All 146 plans available via Your Health Idaho were reviewed by the Idaho Department of Insurance (DOI) and approved by the YHI Board. This is an important advantage of a state-based exchange; if Idaho had not decided to establish a state-based exchange, the plan review and approval would have been done by the federal government.

The DOI review ensured that the plans offered on the exchange include a standardized package of coverage and services known as essential health benefits, including: hospitalization, emergency services, prescription drugs, preventative and wellness care, pediatric care, maternity care, ambulatory patient services, mental health and substance abuse disorder service, rehabilitative and habilitative services and laboratory services.

Standardized benefits will allow Idahoans to make true apples-to-apples comparisons between different health plans of all metal levels based on: the plan's monthly premium price, the plan's network of healthcare providers, the plan's deductible, and the amount co-pays and co-insurance an individual will pay for different health services and prescriptions.

An essential component to the success of YHI is the availability of a wide range of plans from which to choose.



YHI Brand, "Front Door" Website, Social Media Launched

Research conducted for YHI shows that Idahoans are overwhelmingly supportive of the concept of a state-based marketplace, built by Idahoans for Idahoans, where they can shop for competitively-priced insurance plans offered by competing carriers. These and other research insights helped inform the branding of YHI and establishment of the YHI website.

In August, Governor C.L. "Butch" Otter unveiled the YHI name, logo and consumer-friendly website. The name Your Health Idaho was chosen to highlight the independent spirit of Idahoans. In this first year, the YHI website, www.yourhealthidaho.org, serves as a "front door" to the federal insurance marketplace; in coming years, it will serve as the front door to the state-based marketplace. The website provides tools and resources in both English and Spanish to help Idahoans shop for, compare and choose the health insurance plan that works for their families and their budgets.

The website has proven to be an extremely valuable means of reaching the people of Idaho. As of the end of 2013, more than 173,000 unique visitors (and nearly 275,000 total visitors) had accessed the site, with a total of more than 810,000 page views.

Accompanying the launch of the website was the establishment of YHI presence on Facebook and Twitter, two highly-used social media platforms. Both the Facebook page and the Twitter account give YHI a low-cost and flexible way to provide information, answer questions and raise awareness about Idaho's state-based health insurance marketplace.

Tribal Consultation Begun, Policies Drafted

By virtue of the U.S. Constitution, numerous treaties, statutes, federal case law, regulations, and executive orders, the United States has established and defined a trust relationship with the nation's Native American tribes. As a result, a unique government-to-government relationship exists between the tribes and the federal government.

The Affordable Care Act extends special benefits and protections to American Indians and Alaska Natives, including limits on cost-sharing and special monthly enrollment periods in the health insurance exchanges, and an exemption from the individual mandate. Under the ACA, YHI has an obligation to consult with tribal governments in the planning, establishment, and ongoing operation of exchanges.

YHI has met regularly with representatives of the five federally-recognized tribes in Idaho – the Coeur d'Alene, Kootenai, Nez Perce, Shoshone-Bannock, and Shoshone-Paiute – and is committed to strengthening and sustaining effective government-to-government relationships by cultivating reciprocal trust and respect through a meaningful consultation process. At present, YHI is working with representatives of each tribe to determine the appropriate form of that consultation process for each individual tribe. Our plan is to formalize a consultation policy with each tribe during 2014.

Consumer Resource Call Center Established

Choosing health insurance can be complicated. YHI has a mission to make it easy for Idahoans to get answers to their questions about Idaho's Health Insurance Marketplace, including information on plans, premium assistance and cost. With that in mind, on September 25, YHI announced the opening of its Consumer Resource Center – a week ahead of the October 1 schedule. The Center is staffed by trained experts ready to assist Idahoans as they shop, compare and choose a health insurance plan that best fits their individual, family or small business needs. Consumer Resource Center staff also help Idahoans locate in-person assistance in their communities in the form of Consumer Connectors, including agents, brokers and Your Health Idaho trained In-Person Assisters who can help Idahoans understand the plans, rates and what kind of premium assistance or cost-sharing options they may be eligible for.



The Consumer Resource Center is open Monday through Friday from 8 a.m. to 5 p.m.

The Consumer Resource Center is open Monday through Friday from 8 a.m. to 5 p.m. In addition to answering calls, the Consumer Resource Center accepts questions through standard mail and email. The bilingual center staff can assist Idahoans in English and Spanish, and through the use of The Language Line can accommodate more than 150 languages. The Consumer Resource Center can be reached at 855-YH-Idaho (855-944-3246), via email at info@yourhealthidaho.org or via standard mail at PO Box 943, Boise, ID 83701. As of the end of December, the call center had responded to more than 10,000 phone calls and more than 600 emails.

It's important to note that the Center currently provides limited support; because Idaho is relying on the federal system for the 2014 open enrollment period, many of the questions directed at our Center have to be answered by federal call center staff. Starting in 2015, expanded services will be required which may need to be secured via contract.

The Affordable Care Act extends special benefits and protections to American Indians and Alaska Natives.





Consumer Connectors inform Idahoans about their options so consumers can make informed choices about purchasing a health insurance plan that is best for them.

Consumer Connectors Trained, Deployed; Agents, Brokers Play Major Role

As part of its outreach efforts, Your Health Idaho has trained Consumer Connectors, including insurance agents, brokers and In-Person Assisters, who are available across the state to help Idahoans navigate their health insurance options both online and offline. Consumer Connectors inform Idahoans about their options so consumers can make informed choices about purchasing a health insurance plan that is best for them.

YHI's focus on the role of agents and brokers is an essential element of YHI's approach to creating health insurance exchange services that are designed to meet Idaho's needs. In states that rely on the federal exchange, Navigator programs – staffed by groups picked by the federal government – assume the role agents and brokers typically fill. Idaho chose to go in a different direction – because as a state exchange we can control the design and selection of our consumer assister program. Currently, YHI has over 500 agents/brokers participating in the YHI marketplace. Agents provide a critical path for consumers and small businesses to review, understand, apply for and enroll into insurers' Qualified Health Plans. Agents/brokers are compensated by the insurance carriers, resulting in no cost to YHI other than for training, certification and ongoing technical support. Producers will continue to play a primary role in the success of YHI.

Many of the referrals to Idaho's agents/brokers come from our In-Person Assisters (IPAs). YHI designed Idaho's IPA program with consumer protection and trust in mind, specifically partnering with six well-established and trusted community organizations.

- Community Action Partnership of Idaho
- Idaho Association of Counties
- Idaho Hospital Association
- Idaho Primary Care Association
- Idaho's Public Health Districts
- Mountain States Group

Additional IPA agreements with each of Idaho's five tribes are in process for completion in 2014.

These community-based organizations provide application assistance and plan information, and assist in enrolling clients into the Qualified Health Plans offered on the exchange. IPA organizations also play a vital role in assisting clients in any escalation or appeal-related issue. For the six months of open enrollment and minimal support beyond open enrollment, YHI has 335 IPAs across the state for a budget not to exceed \$1.7 million. IPAs will continue to play an important role in the success of YHI.

In Idaho, our IPAs must complete rigorous training and pass FBI background checks. In contrast, federally managed states are not able to ensure that "navigators" go through extensive training and background checks.

Outreach Campaign Begins

Idahoans know – and YHI survey results confirm – that Idahoans like to get their news and information from people they trust. Friends, family and neighbors rank high on the list of people whose advice Idahoans value the most. YHI built its public outreach campaign with this reality in mind.

From late August through the end of December, YHI representatives appeared at more than 100 public events across the state attended by tens of thousands of Idahoans. From distributing materials at the state's largest county fairs to speaking to handfuls of Idahoans at small-town Chambers of Commerce and places of worship, YHI representatives worked with IPAs, insurance agents and brokers and other volunteers to ensure Idahoans had the tools and resources they need to make an informed choice about their health insurance.

Web Tools Augmented

On October 1, YHI was ready for action. The Consumer Resource Center was up and running. In-Person Assisters were trained. The “front door” website was populated with useful resources and provided a direct connection to the federal online marketplace. Thousands of Idahoans had been informed about YHI through outreach events and earned media.

Unfortunately, the online federal marketplace was not nearly as prepared as YHI for the start of open enrollment. But YHI was ready with a contingency plan in the event the federal website didn’t work. In response to the well-publicized (and now largely remedied) problems with the federal marketplace, YHI quickly took several actions to make additional tools and resources available to Idahoans through the YHI website.

As a first step, in late October, YHI published a new plan and rate booklet, where Idahoans can view insurance plan information and estimated plan premiums. The resource posted at www.yourhealthidaho.org/additional-resources/plan-information-page/ displayed price estimates for each of the plans available to Idahoans.

Users of the booklet will see plans available in their county and can view plan information from the carriers grouped in metal levels; bronze, silver, gold and platinum and can also view catastrophic plans. Lower metal level plans generally feature lower premiums in exchange for higher costs when using medical services, while higher metal level plans feature higher premiums in exchange for lower costs when using medical services. Catastrophic plans usually have lower premiums than a comprehensive plan, but cover you only if you need a lot of care. They basically protect you from worst-case scenarios. They are available to people under the age of 30 and people with hardship exemptions.

Importantly, the plan rates listed in the booklet cannot reflect the lower costs that a specific individual or family may qualify for on the marketplace based on their household size and income. Many Idahoans will qualify for Advanced Premium Tax Credits (as well as federal cost-sharing, which will help cover out-of-pocket expenses such as deductibles and co-pays). So, in early November, YHI added an online Premium Assistance Estimator Tool to its website. This tool allows Idahoans to determine if they are eligible for the Advanced Premium Tax Credit, and to estimate how much they may save on their monthly premiums when they buy a health insurance plan sold on Your Health Idaho. APTC is generally available to individuals and families with incomes between 100 percent and 400 percent of the Federal Poverty Level – for example, an individual with an income between \$11,490 and \$45,000 a year, and a family of four who earns between \$23,550 and \$94,000 – that purchase health insurance through Your Health Idaho.

The savings and premiums displayed on the tool are just estimates; the premiums and costs an individual and family will pay may differ from the estimates, perhaps significantly. To receive an official determination of tax credit eligibility, Idahoans need to complete an application for coverage and have this information verified.

Unfortunately, the online federal marketplace was not nearly as prepared as YHI for the start of open enrollment.



Advertising Coincides with Repairs to Federal Marketplace

Like any new marketplace, to be successful YHI must create awareness of its existence and the products it offers. Unfortunately, the difficulties with the federal marketplace posed real problems for YHI's advertising plans. Simply put, YHI didn't want to launch an advertising campaign and drive Idahoans to a federal marketplace that wasn't working. Advertising was delayed until December, when the performance of the federal website improved considerably.

In December, YHI launched an information-heavy advertising campaign using digital, radio, and print media. The focus of the campaign was two-fold – raise awareness of Idaho's state-based health insurance exchange and issue a "call to action" for Idahoans to become enrolled. The heavy use of digital and radio was in keeping with the results of research conducted by YHI, which showed that a very high percentage of Idaho's uninsured are regular radio listeners and are heavy users of social media, particularly Facebook.

In early 2014, YHI's advertising will be expanded to include broadcast and cable television, out-of-home and other advertising media to reach an even broader cross-section of Idahoans.

RFPs Issued for Idaho Technology Platform and Project Management

In September, YHI issued a Request for Proposals (RFPs) to build and implement the technology platform for a fully-functioning state-based health insurance exchange. The RFP called for the platform to be operational no later than October 1, 2014. The selected contractor will implement an exchange solution that includes functionality for a web portal, enrollment, plan management, financial management, and Small Business Health Insurance Options Program (SHOP). The Exchange solution must also support consumer assistance activities, notices and reporting, and administrative functions (audits and analytics).

In December, and in light of the well-publicized failure of the federal government to effectively manage the health insurance exchange technology development, YHI issued a separate RFP for professional services to provide project management organization support necessary for establishment of Idaho's online health insurance marketplace.



Robust Enrollments

The purpose of the exchange is simple – to provide a means for Idahoans to select and purchase health insurance. And despite the rocky start for the federally-based system, Idahoans have indeed enrolled in insurance plans – in fact, nearly 20,000 had secured insurance coverage by the end of December.

"We are taxpaying, hardworking Americans who could not get health insurance, until now,"
said Kymberly L.

"I have personally helped around 60 people navigate through the health insurance exchange and every one of those Idahoans has done much better by purchasing a plan through the exchange rather than keeping their old plans,"
said Kevin L.

"I am very pleased with Your Health Idaho. My husband and I are getting 10 times the coverage for a wonderful price. We are extremely happy"
said Mary Ann M.

"I worried about something big happening, every day of my life. You just never know."
said Bradley P.

Nearly 20,000 people had secured insurance coverage by the end of December.

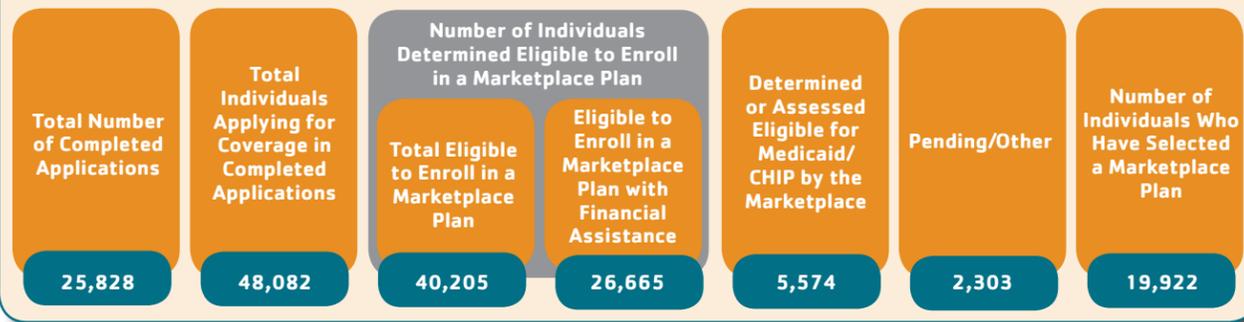
Kevin L., a health insurance agent and broker

Kymberly L. is self-employed and her husband Doug S. works for an Idaho company. The couple has had trouble getting insurance in the past because of pre-existing conditions.

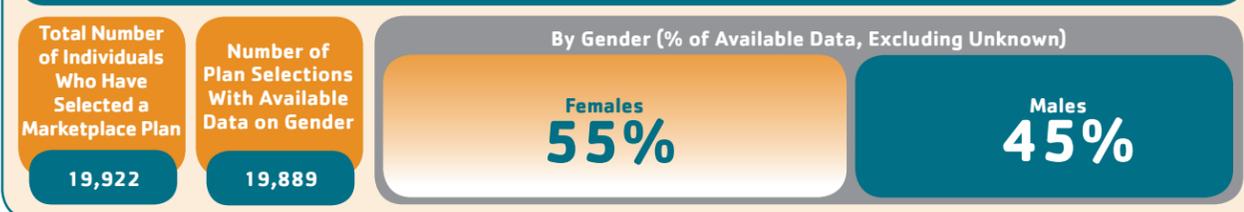
Bradley P. is a seasonal employee who says the last time he had insurance was nearly a decade ago.

Mary Ann M. and her husband were covered by what would be similar to a catastrophic plan. But now, through Your Health Idaho, they have complete medical coverage.

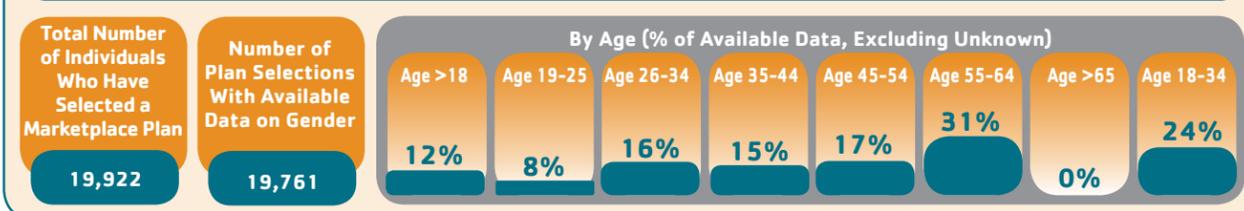
Total Idaho Marketplace Applications, Eligibility Determinations and Marketplace Plan Selections



Idaho Marketplace Plan Selection by Gender



Idaho Marketplace Plan Selection by Age



Idaho Marketplace Plan Selection by Metal Level

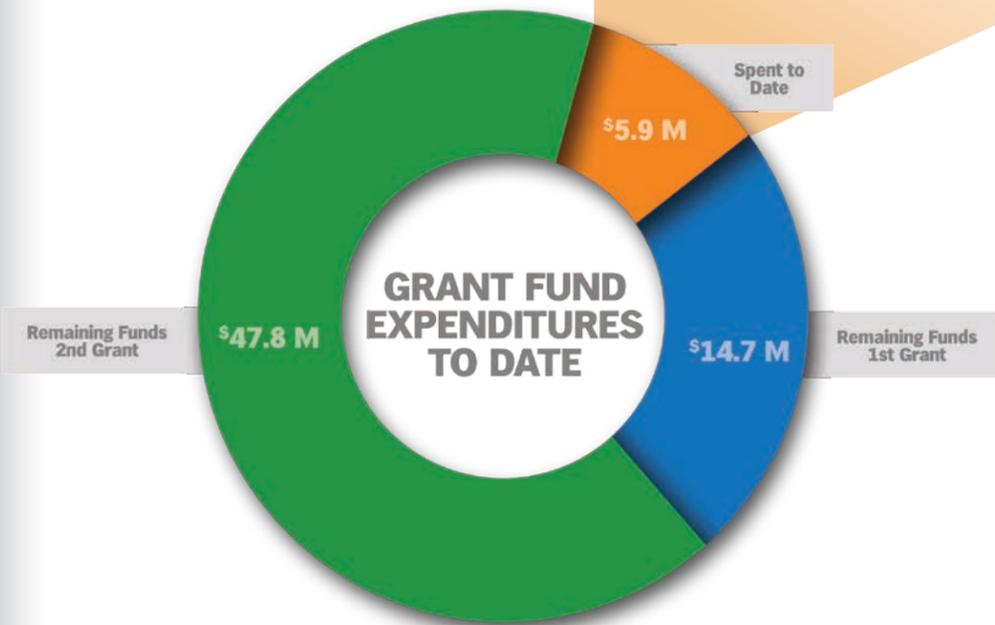
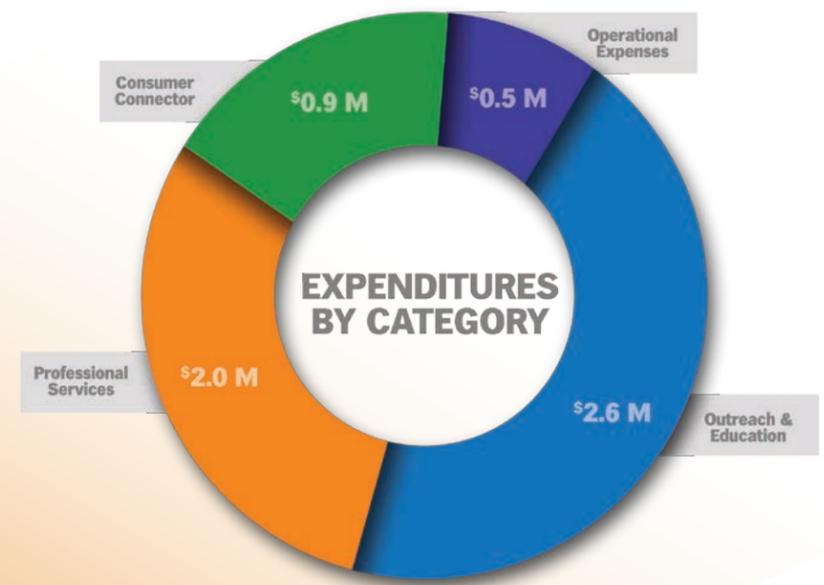


Idaho Marketplace Plan Selection by Financial Assistance



Financial Information

More detailed financial information is contained in the annual report Appendix. These charts provide a preliminary overview of YHI expenditures to date.



The Year Ahead

2014 will be another crucial year for Your Health Idaho, which intends to become a fully-functioning state-based exchange by the start of the open enrollment period commencing on November 15, 2014.

Build and Launch an Idaho-Based Technology Platform

Of all the important activities planned for 2014, the most closely-watched will likely be the development and introduction of an online, Idaho-based health insurance marketplace. With the early failures and lingering problems encountered by the federal exchange and several state-based exchanges, YHI is committed to learn from the mistakes of others in the development of Idaho's health insurance exchange. By implementing a state-based exchange a full year later than most states, Idaho is in the enviable position of being able to vet potential vendors based on their actual technology roll out in other states, rather than on performance promises.

Hire an Independent Verification & Validation Contractor

A key component of the effort to establish a state-based insurance exchange will be the hiring of an independent contractor to conduct necessary validation and verification reviews. The selected vendor will assess the exchange implementation against industry best practices and will provide assessments of key exchange functions. A winning bidder will be selected in the first quarter of 2014.

Finalize Tribal Consultation Policies, IPA Contracts

Our consultation efforts to date have led to significant progress, including interest by all five of Idaho's federally-recognized tribes in providing In-Person Assister services. During 2014, we intend to finalize both the tribal consultation agreements and IPA contractual arrangements with each of the five tribes.

Continue Preparations for Transition to a Navigator Program

YHI's establishment grant will be exhausted by 2016, and the marketplace will be self-sustaining. It is the plan at that time to transition from an In-Person Assister program to a Navigator Program. As YHI transitions from the use of federal grants to the use of enrollment fees to fund its operations, the Affordable Care Act requires YHI to establish a Navigator program to help enroll individuals in health plans on the exchange. The YHI Navigator Program will be significantly scaled down in cost, but the network of assisters shall remain fairly robust in this new program and could involve continued work with our current network of IPA partners.

Continue Outreach, Marketing Efforts

The process of educating Idahoans about the exchange won't be finished in year one. With the enrollment period for 2015 coverage set to run from November 15, 2014, to January 15, 2015, YHI will again need to reach out to Idahoans through advertising, YHI-sponsored outreach events, and participation in widely-attended functions such as state fairs and other public events. YHI will learn from and build on its 2013 outreach and marketing experiences to ensure that outreach funding is spent in the most effective and efficient way possible.

Steady Progress to Self-Sufficiency

The goal of our activities in 2013, 2014 and beyond is to establish a fully state-based health insurance exchange that must be self-sustaining by January of 2016. The exchange will be funded through fees assessed on the insurance plans offered on the exchange; the YHI Board has initially set this fee at 1.5 percent of the policy premium, compared with the 3.5 percent fee assessed on plans offered on the federal exchange. Importantly, by running a state-based exchange, the fees paid by Idahoans stay in Idaho instead of being used to support operation of the federal exchange.

The goal of our activities in 2013, 2014 and beyond is to establish a fully state-based health insurance exchange that is self-sustaining by 2016.

As we look ahead to 2014 and beyond, our commitment to the people of Idaho and their elected leaders is to:

- Manage and regulate our health plans in a way that minimizes federal interference;
- Employ Idaho's insurance agents and brokers as the primary resource for consumers to find the right plan to fit their needs;
- Run our marketplace efficiently and save consumers money by doing so;
- Have Idahoans determine how funds are used and how the marketplace is implemented; and
- Make security and consumer protection our top priorities.



How YHI is Structured

The Your Health Idaho Board is authorized by the Idaho Legislature to set the policies, procedures and bylaws for Your Health Idaho, Idaho's Health Insurance Marketplace. The Board is comprised of 19 members from across the state, including two non-voting members: The directors of the Department of Insurance and the Department of Health and Welfare.

Three members of the Board represent health carriers, two members represent producers, three members represent individual consumer interests, four members represent small employer interests with various numbers of employees, and two members represent health care providers. These fourteen members are appointed by the governor and are subject to confirmation by the Idaho State Senate. The Idaho Health Insurance Exchange Act specifies that all appointees are able to exercise the full power of a Board member pending Senate confirmation.

Additionally, three Board members represent the Idaho Legislature with one appointed by the Speaker of the Idaho House of Representatives, one by the President Pro Tem of the State Senate and another by the minority leadership of the legislature.

Governor Otter named Stephen Weeg of Pocatello, retired executive director of Health West and one of three members representing consumer interests, as chairman of the Board.

Other board members are:

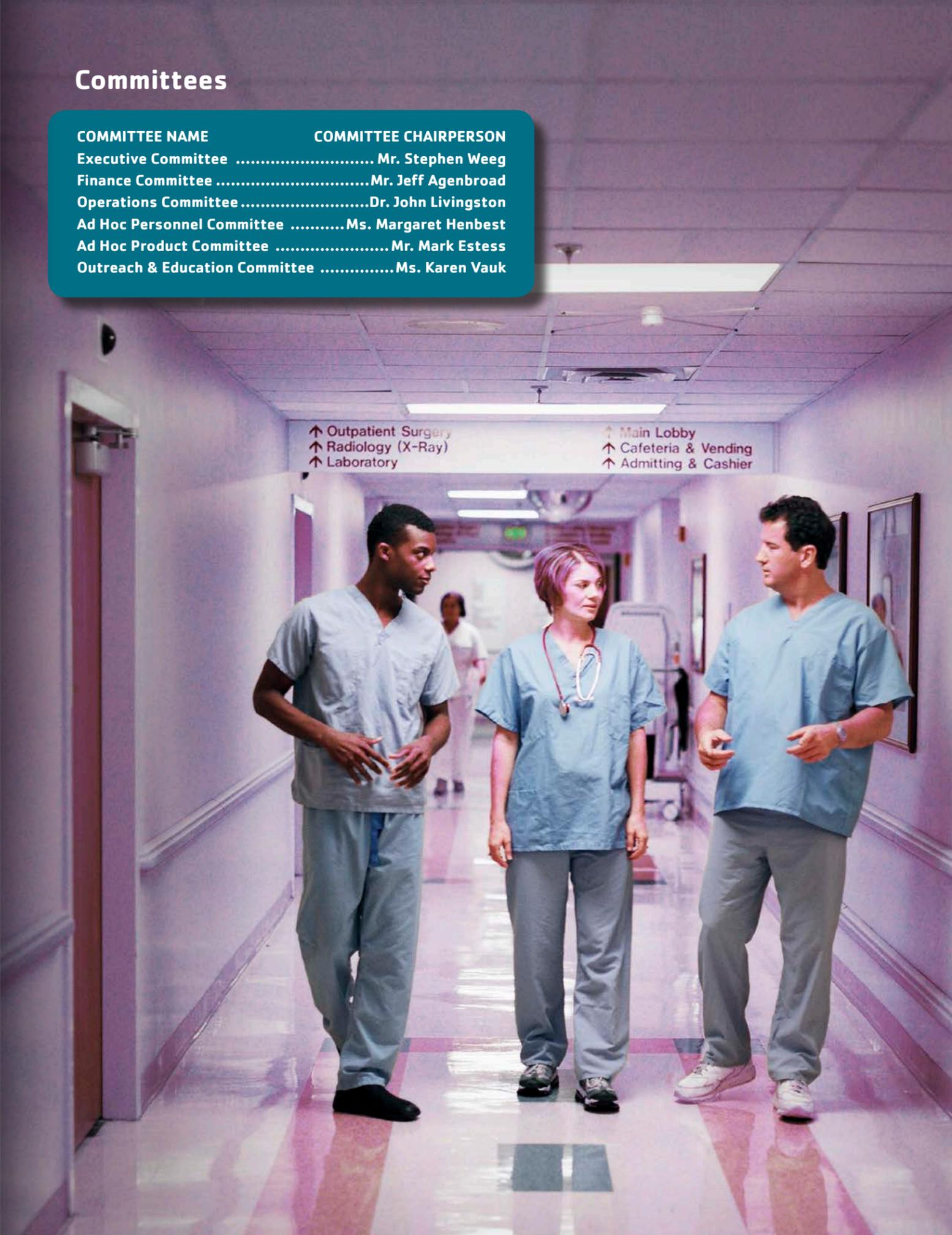
- Two additional consumer-interest representatives: Mark Estess, Idaho director of AARP; and Karen Vauk, president and CEO of the Idaho Food Bank.
- Three members representing health insurance carriers: Dave Self, senior vice president and regional director for Pacific Source; Scott Kreiling, president of Regence Blue Shield of Idaho; and Zelda Geyer-Sylvia, president and CEO of Blue Cross of Idaho.
- Two members representing companies that sell health insurance products: B. Hyatt Erstad of Erstad and Co. in Boise; and Tom Shores of Shores Insurance in Boise.
- Three members representing small employer business interests: Jeff Agenbroad, owner of Since 86, Inc. in Nampa; Kevin Settles, owner of Bardenay Restaurant and Distillery in Boise, Eagle and Coeur d'Alene; and Fernando Veloz of MS Administrative Services in Meridian, chairman of the Employers Health Coalition of Idaho.
- Two members representing health care providers: John Livingston, M.D., of Boise, a doctor of internal medicine and general surgery; and Margaret Henbest of Boise, a registered nurse, former Idaho legislator and executive director of the Nurse Leaders of Idaho.
- Legislative leadership appointed Sen. Jim Rice of Caldwell, Rep. Kelley Packer of McCammon and Rep. John Rusche of Lewiston to the Board.
- Idaho Department of Insurance Director Bill Deal and Idaho Department of Health and Welfare Director Richard Armstrong are non-voting ex-officio members of the Board.

Frank Chan, owner of Applied Computing, LLC in Boise, resigned from the Board in October.

The YHI Board has worked closely and effectively during 2013 to accomplish a wide range of difficult tasks in a very short time frame. To facilitate those efforts, the Board of Directors operates five standing committees and has the ability to create ad hoc committees as needed. There is one Your Health Idaho ad hoc Committee charged with matters related to personnel and a second one charged with contractual matters.

Committees

COMMITTEE NAME	COMMITTEE CHAIRPERSON
Executive Committee	Mr. Stephen Weeg
Finance Committee	Mr. Jeff Agenbroad
Operations Committee	Dr. John Livingston
Ad Hoc Personnel Committee	Ms. Margaret Henbest
Ad Hoc Product Committee	Mr. Mark Estess
Outreach & Education Committee	Ms. Karen Vauk





Action of the Idaho Legislature

During March 2013, both houses of the Idaho Legislature passed, and on March 28, 2013 Governor C.L. “Butch” Otter signed into law, legislation establishing the Idaho Health Insurance Exchange.

The Legislature’s intent in establishing the exchange was to minimize federal interference into state affairs. Specifically, the Legislature stated that: “It is the public policy of the state of Idaho to actively resist federal actions that would limit or override state sovereignty under the 10th Amendment of the United States Constitution. Through this legislation, the state of Idaho asserts its sovereignty by refusing to surrender decision-making authority over health care issues, which are matters appropriately left to states and individual citizens. The purpose of this chapter is to establish a state-created, market-driven health insurance exchange that will facilitate the selection and purchase of individual and employer health benefit plans. The creation of a state-based health insurance exchange will provide an Idaho-specific solution that fits the unique needs of the state of Idaho. Participation in the exchange is voluntary in that no person or employer shall be required by this chapter to purchase a health benefit plan through the exchange. Creation of the exchange and its operation is deemed a public purpose intended to enhance Idaho residents’ choice regarding options and access to health insurance.”



**FOR INFORMATION ABOUT INSURANCE PLANS
AVAILABLE THROUGH THE EXCHANGE, PLEASE VISIT:**

**www.YourHealthIdaho.org
or call 1-855-YHIdaho (1-855-944-3246)**



Mission of Your Health Idaho

The mission of Your Health Idaho is to maintain maximum control of Idaho's health insurance marketplace at minimal cost to Idaho's citizens.

In doing so, YHI will:

- Establish a new online marketplace for Idaho, where individuals and small businesses can search for, compare and make an informed decision about the health insurance coverage that is best for them and their families, leading to a significant number of newly insured Idahoans.
- Provide individuals and small businesses access to tools, easy to understand information and expert resources that will empower them to use Your Health Idaho to protect their long-term economic interests, the well-being of their families and, in the case of businesses, their employees.
- Establish a fully-functional, self-sustaining, state-based health insurance exchange.
- Establish systems and maintain staffing and expense levels that are right-sized for the Idaho marketplace.