

Finance & Operations Committee Meeting Minutes

Connect for Health Colorado Meeting Room

East Tower, Suite 1025

3773 Cherry Creek N Dr., Denver, CO 80209

January 23, 2017

9:30 AM – 10:30 AM

Action	Who By	Due
Medicaid Cost Allocation plan for FY17.	Finance Department	Ongoing updates to be provided.
Expense benchmarking with other Exchanges.	Finance Department	Further research in process for IT specific expenditures.
Committee quarterly metrics. Add customer satisfaction and outstanding help desk tickets to the key metrics	Finance Department	Tie metrics to Strategic Plan goals – in development in conjunction with strategic plan. Bring straw man model to the February committee meeting
Compare plan years 2016/2017 & customer changes in level tiers	BI Department	April committee meeting
Create a break-out of customers choosing a HSA qualified plans	BI Department	April committee meeting

Board Members Present: Adela Flores – Brennen and Nathan Wilkes

Staff Present: Brian Braun, Luke Clarke, Dave Coren, Christine Gavin, Kate Harris, Judith Jung, Kevin Patterson, Carolyn Pickton, Alan Schmitz, Michael Stephen and James Turner.

I. Welcome & Introductions

Kevin Patterson chaired the Finance & Operations Committee meeting and called the meeting to order at 9:30 a.m., welcoming everyone in attendance, both in-person and on the phone. The November and December 2016 minutes were approved.

II. Financial

a. Quarterly report

Brian Braun, Chief Financial Officer reviewed the key metrics table. While the current metrics looked solid, Mr. Braun asked the committee for any changes or additions to the table. The committee made a request to add metrics indicating customer satisfaction, as well as review help desk tickets.

Financial Overview

- Earnings before depreciation exceeded budget expectations by \$1.2 million.
- Revenues are \$775,000 higher than budgeted.
- Expenses are \$459,000 below budget.
- Cash flow is at \$21M.

Revenue

- Higher revenues were primarily the result of higher than expected effectuated enrollment.
- Effectuated enrollment has remained flat during 2017 with a slight drop off in the fourth quarter of 2017.
- Based on plan selections and expected effectuation rates, the Exchange should hit the budgeted enrollment targets for plan year 2017 and exceed the average premium per member that was assumed in the budget.

Expenditures

- Marketing and Outreach is \$650,000 under budget resulting from timing of assistant network partner payments and media buy expenditures.
- Customer Service \$296,000 over budget due to higher than expected call volumes.
- General & Administrative/Salary and Benefit Expenses is \$157,000 below budget due to lower than anticipated training costs along with lower staff cost resulting in unfilled vacant positions during the 6 months.

Cash

- The cash balance on December 31, 2016 was \$2.3 million higher than budget projections. This was due in part to higher earnings for the quarter along with the acceleration of the accounts receivable collection period over the last 9 months.

b. Revised projections

Based on the results of the first 6 months of the year and more clarity in regards to enrollment for the 2017 plan year, the financial projections were revised for the 36 months ending June 30, 2019. The key assumptions made in the revised projections include:

- No changes in the federal and state rules impacting the organization over the plan period.
- Enrollment projection is based on current levels of plan selections in open enrollment 4 (OE4) and assumes effectuation rates will be consistent with the last open enrollment period.
- Enrollment and average premium per member for the projected months (Jan 2017 – June 2019) is assumed to remain flat (no annual increases).
- Operating expenses are assumed to be reduced annually by 5% for fiscal year 2018 and 2019. This is in line with prior projections.

Based on these assumptions the revised projection results in overall positive cash flow over the plan period.

c. Review adequacy of financial metrics

Connect for Health Colorado projects adequate cash balances through the plan period for operating and maintaining the exchange; as well as provide the funds needed for capital investment to improve the infrastructure and continue to deliver on the mission of the organization. This capital reserve will be important in addressing the changes that may occur during the plan period.

The organization will continue to monitor and update the financials as the market changes and keep the board and public advised of what the impact will be to Connect for Health Colorado as well as its customers.

III. OE4 Update & BI Enrollment Metrics

Judith Jung, Chief Operating Officer updated the committee on OE4 enrollment metrics. The Marketplace continues to see a 15 to 18 percent increase in enrollments over this time period. This is expected to begin to flatten out going in to next month.

- Percentage of new versus returning customers show that returning/re-enrolling customers is higher than last year.
- There has not been that much difference in the metal level choice of plans.
- There has not been that much change in non-financial assistance vs. financial assistance.

Customer Service Center – January 2017 to date

- Percentage of calls answered in less than five minutes is 95%
- Average wait time is 57 seconds
- Average handle time is 15 minutes 49 seconds
- Top call drivers include:
 - Account corrections
 - Eligibility determination
 - Verifications
 - Enrolling
 - Coverage confirmation

IV. Short-term Technology Roadmap

James Turner, Chief Technology Officer gave an update on the hCentive contract and short-term technology roadmap.

hCentive Contract

- The revised master service agreement (MSA) and statement of work (SOW) are currently with hCentive for final review and execution.
- The original terms of the contract which were approved by the board on 12/12/16 have been met.

- There is a final contract value of \$1.84M per year. Which is \$40,000 more than the approved amount.
- The contract amount is significantly less than what has been paid in previous years.
- The contract is set to start on February 1, 2017.

46:00

Short-term Technology Roadmap

- Moving to a regular monthly release schedule.
- Contingency plans have been made to enable space for any new initiatives.

V. Annual Privacy & Security Update

Michael Stephen, Privacy and Security Officer presented the Annual Privacy & Security Update to the committee.

Privacy Security Office (PSO) Program Overview

- **PSO**
 - Manage and continuously improve the privacy and security programs.
 - Maintain compliance
 - Handling of multiple audits.
 - Annual penetration testing, risk, and privacy assessments.
 - Provide security analysis and guidance within all Connect for Health Colorado projects.
 - Manage CGI contract for security services and drive resources.
 - Incident response.
- **Combined (ATC) Authority to Connect (ATC)**
 - Center for Medicaid & Medicare Services (CMS) now views Connect for Health Colorado and the Department of Healthcare Policy & Finance (HCPF) as a single “combined” ATC. The privacy and security programs are viewed and reported as one.
 - This update reports on the C4HCO privacy and security program only and does not include State updates.

2016 Significant Highlights and Achievements

- ATC & IRS Approval Update
- Risk Reduction

Security Framework Update

- Per a CMS Mandate, the Marketplace moved to a new, updated framework (MARS-E ver2) as part of the ATC process.

Policy Development

- Critical policies developed, approved, and implemented: Rules of Behavior, Privacy policy, Retention policy, Standards for Handling of PII.

Business Support

- PSO supported projects: Medical Assistance (MA) Site contract, multiple OE4 projects, external requests for data, new CGI contract, updates to security awareness training, and strategic planning initiatives.

Business Continuity Plan

- Significant update to BCP plan; several risks identified and addressed.

Security Program

- 2016 compliance requirements are being met.
- The Privacy and Security Office is continually improving and maturing its processes.

VI. Public Comment

There was no public comment.

VII. Adjourn

Meeting adjourned at 10:36 a.m.

Respectfully submitted,

Nathan Wilkes
Committee Member