

Finance & Operations Committee Meeting Minutes
Connect for Health Colorado; East Tower, Suite 1025
 3773 Cherry Creek N Dr.
 Denver, CO209
January 25, 2015
9:30 AM – 11:30 AM

Summary of Action Items

Action	Who By	Due
Create a monthly cash flow statement by scenario to determine impact on cash flow and when triggers will occur and what can be done.	Finance Department	Ongoing
Update the procurement policy to include contract terms.	Finance Department/Board	Next Finance & Operations Committee Meeting – 2/22/16
Update the Committee on financial scenarios.	Finance Department	Next Finance & Operations Committee Meeting – 2/22/16
Create more forward looking metrics vs historical data; such as the number of months of cash on hand.	Finance Department	Next Finance & Operations Committee Meeting – 2/2/16
Provide enrollment based cost metrics.	Finance Department	Ongoing
Provide metrics on the use of technology & the customer service center.	Finance Department	Ongoing
Analysis of tech investment costs over the past 12 months.	Information Technology Dept.	Next Finance & Operations Committee Meeting – 2/22/16
Provide heat map to compare changes in enrollment density in counties from last year to this year.	Operations Department	Next Finance & Operations Committee Meeting – 2/22/16

Board Members Joining via Phone: Sue Birch, Davis Fansler, Denise O’Leary and Nathan Wilkes

Staff Present: Marcia Benschopf, Brian Braun, Luke Clarke, Christine Gavin, Kevin Patterson, Alan Schmitz, Lisa Sevier and Adele Work

I. Welcome & Introductions

Kevin Patterson chaired the Joint Committee meeting and called the meeting to order at 9:30 am and welcomed those in attendance, both in-person and on the phone. The December Finance and Operations Committee minutes were voted on and approved.

II. Open Enrollment Update

Marcia Benshoof and Adele Work updated the committee members on open enrollment as of January 20, 2016.

- 143,617 total enrollments.
- 116,007 enrolled through the website and 27,610 were auto renewed.
- Auto renews are done from last year, primarily due to the Colorado HealthOp closing.
- 36% of enrollments were due to new customers.
- The Marketplace systems performance has been good with less than 30 minutes total down time.
- All transaction time and screen time service level agreements (SLA's) have been met.
- Less than 2% of customers have had issues within the Marketplace system.
- In SHOP, out of 97 groups renewing, 70 were retained.
- SHOP had 217 new applications and, as of January 20th have sold 94.
- The Broker lead tool has had 9,752 leads with an enrollment rate of 23%.
- The Assistant Network sites have had 9,958 appointments with a 54% rate of enrollment.

III. Strategy for SHOP for OE4

Ms. Benshoof discussed the strategy for SHOP for the next open enrollment. Connect for Health Colorado is obligated by law to have a small group marketplace. This year the Marketplace rebuilt and enhanced its current technology for SHOP. The Marketplace had been looking for a partner platform to help create a seamless, positive experience with the SHOP process. After an in-depth search, it was determined that it was best to not make a change in the platform, and instead continue to make improvements on the current technology.

For open enrollment 4 (OE4), a search will be conducted to help improve the front end, to make it more familiar and workable for Brokers.

Further Strategies for the next open enrollment are:

- Continue to recruit carriers
- Continue to stabilize and improve the current platform
 - a. Including improving the handling of exception cases
- Continue with outreach and marketing

IV. Eligibility & Technology Investment

Adele Work discussed the probability of a need to ask for more funds for open enrollment 4 technology improvements to help cover some of the strategic moves the Marketplace wants to make in order to better align for sustainability, as well as technological needs to move beyond OE4. This will be brought to a future Finance and Operations Committee meeting if it is

determined to be needed.

V. Quarterly Financial Results

Brian Braun, CFO, reviewed the quarterly financials for the 2nd quarter of the fiscal year.

Currently, Connect for Health Colorado is right on budget on an accrual basis.

- Program revenues were lower than budget, this is due to a couple of factors:
 - The Special Fee Assessment is under budget. This is due to incomplete data that was used to forecast the Special Fee Assessment when the budget was created.
 - There is a \$1 million fee revenue project from the Colorado HealthOp, this is being reserved due to uncertainty of payment.
- There are some expenditures on the Federal grant funds from the past that were taken off due to being disallowed. These expenditures are now being reapplied to allowable expenditures in the current year.
- The Marketplace is also under budget on the expenditure side:
 - The Customer Service Center is under budget by \$1.6 million.
 - The general and administrative continues to run significantly below budget.
- The variances on the revenue and expenditure sides equal each other out.

Connect for Health Colorado is working with CMS and HCPF with cost allocation methodology around Medicaid reimbursement and hope to come to an agreement over the next couple of months. In looking out over the next six months the organization is projecting the budgeted deficit to decrease between now and the end of the fiscal year.

VI. 24 Month Projections

The projections show that with the current state of expenditure models, a modest 10% increase in enrollment and no Medicaid cost reimbursement, the cash flow from operations are sufficient to maintain a positive cash balance over the next 24 months. Although, positive, there is still an indication of a steady decline at the current rate. This indicates the importance of focusing on making changes starting immediately such as:

- Examining cost structures and contractual relationships
- Medicaid reimbursement
- Exploration of increasing fee revenues

VII. Draft Metrics

A draft of important metrics were introduced to the Committee to measure performance and to keep the Board abreast of activities including any areas of concern. Mr. Patterson explained that these key metrics will be used to create a dashboard to allow a high level of oversight for the Board. Further examination of pertinent metrics will be made.

VIII. Procurement Follow up from Board Meeting

During the last Board meeting a request was made for adjustments to the Procurement Policy.

- Contract terms should be taken into account and reviewed by the Finance and Operations Committee.
- Full term of a multi-year contract is to be taken into account when reviewed by the Finance and Operations Committee, specific to total costs beyond the \$150,000 and \$250,000 thresholds.

Currently the Procurement Policy does not have a stipulation for requiring a request for proposal (RFP) for contracts; however there are stipulations around sole sourcing contracts. Anything over the \$150,000 and \$250,000 thresholds require an RFP process, as well as Finance and Operations Committee and Board involvement. Mr. Braun did note that there are instances where a sole source contract is prudent and there are various criteria in the policy that specifies this. This is an area to be reexamined to determine if clarifications or changes need to be made.

IX. Public Comment

Meeting adjourned at 11:05 a.m.

Respectfully submitted,

Kevin Patterson
CEO