

Board Meeting Minutes
Connect for Health Colorado Meeting Room
East Tower, Suite 1025
3773 Cherry Creek N Dr., Denver, CO 80209
February 8, 2016
8:30 AM – 12:00 PM

Board Members Present: Sue Birch, Steve ErkenBrack, Adela Flores-Brennan, Jay Norris, Sharon O’Hara, David Padrino, Marc Reece, Marguerite Salazar and Nathan Wilkes

Board Members Joining via Phone: Davis Fansler

Board Members Absent: Eric Grossman and Denise O’Leary

Staff Present: Gabriela Aguilar, Brian Braun, Luke Clarke, Christine Gavin, Caren Henderson, Cheryl lerna, Kevin Patterson, Taylor Roddy, Alan Schmitz, Lisa Sevier and Adele Work

Approximately 12 guests attended the meeting in-person and the conference line was available for people to join by phone.

I. Call to Order

- Board Chair Sharon O’Hara, called the meeting to order at 8:30 am and welcomed those in attendance, both in-person and on the phone.

II. Executive Session

Ms. O’Hara entertained a motion to move into Executive Session to discuss a matters concerning sensitive and confidential issues around a personnel matter. A vote was called for and passed with unanimous approval.

The Executive Session is permitted pursuant to CRS §24-6-402(4)(f).

The Board returned from Executive Session at 9:24 am.

III. Business Agenda

- Ms. O’Hara noted that going forward the Board meeting minutes will not reflect public comments. Members of the public can submit documentation in writing at the time of public comment and the documentation will be added to the minutes as an appendix.
- The minutes from the December 17, 2015 and the January 11, 2016 Board meetings were voted on and approved.
- The agenda was reviewed and one change was made:
 - A discussion on product ratings was added.
- Disclosure of Conflicts of Interest:
 - Adela Flores-Brennan disclosed that she is the Executive Director of a public policy organization which takes positions on legislation and has taken position on legislation that will be discussed during the meeting.

IV. Board Development and Operations

Connect for Health Colorado presented the Annual Report to the Joint Health Committee on January 21, 2016.

V. Marketplace Development and Operations

Kevin Patterson, CEO, updated the Board on the following:

- A draft of the State Health Reform Assistance Network's Strategic Planning Process for the Marketplace was introduced.
 - The Network will provide technical assistance to assist in the creation of a long-term strategic plan, and will be working directly with Board members, stakeholders and staff to create the plan.
 - Considerations for ongoing operations and opportunities will be analyzed and brought to the Legislative Oversight Committee.
 - A strategic planning Board retreat will take place in April, replacing the regularly scheduled monthly Board meeting.
 - Advisory Groups will be consulted during this process.
- Marcia Benshoof, Chief Strategy and Sales Officer, will be leaving the organization at the end of February. Ms. Beshoof's department will report to Mr. Patterson during the transition.
- Adele Work, Chief Information Officer, gave a brief update on Open Enrollment:
 - Currently there are 157,981 individual enrollments
 - 3100 enrollments through SHOP bringing the total covered lives to over 158,000
 - 75,000 enrollments have been through Brokers
 - Approximately 12,000 enrollments have been through Health Coverage Guides
 - There have been over 245,000 calls to the Service Center since the beginning of Open Enrollment with an average speed of answer (ASA) of around 3 minutes, with a service level of 63%.
 - There have been 50,000 new enrollments in the Denver area.
 - Of the Colorado HealthOp customers inside the Marketplace:
 - As of February 3, 2016 59% have taken no action, 39% have purchased a plan on the Marketplace, 1% have started shopping, but haven't enrolled as of yet.
 - Outreach is being conducted for Colorado HealthOp customers in La Plata and Garfield Counties, where Denver marketing efforts do not reach.
 - There have been 50,000 new enrollments in the Denver area.
 - Less than 2% of people have experienced a glitch with technology.
 - 105,000 1095's went out the end of the past week.

Action Item

- *Analyze how many Colorado HealthOp customers felt motivated to enroll during the Special Enrollment Period due to having a health incident vs waiting to enroll for financial reasons.*

Action Item

- *Work with HCPF and the DOI to analyze the different outcomes that result from people becoming insured.*

VI. Fiscal Year Vs. Calendar Year

Referred back to the Finance & Operations Committee.

VII. Policy Committee Update

Adela Flores-Brennan advised the Board on the Policy Committee's discussions from the January Policy Committee meeting.

- The Committee reviewed Board Policies, including the Broker Policy and determined that many had been passed by the Board in 2012 and could be refreshed to ensure the decisions are still relevant and up-to-date. The bottom line is ensuring that the policies continue to fulfill the mission of Connect for Health Colorado.
 - It was noted that the Broker Policy is silent on some key issues, and there may need to be some more specific guidelines in the case of some of the practices. This will be reviewed further.
 - The Committee discussed the importance of creating policies based on specific principles so as to avoid attempting to create them while in a reactive position.
 - There needs to be better understanding of what is appropriate for policy on a Board level vs what is appropriate on a staff level.
- The current legislative bills were outlined:
 - HB16 – 1015: Changes to, or a repeal of, the ACA would bring a repeal of the aligned state laws. Bill died in Committee.
 - HB16 – 1148: Provides a large amount of additional oversight by the Legislative Oversight Committee. This bill is currently being amended. The Policy Committee is monitoring this bill.
 - SB16 – 002: Send the question of whether the carrier fees are appropriate under the Tabor Law. Passed the first committee hearing and is in appropriations. The Policy Committee is monitoring this bill.
 - SB16 – 006: Requires the Marketplace to set up a system for working with brokers. The Bill was voted down, but not postponed indefinitely, it has been amended to inform customers that they are able to get assistance in various ways including brokers and Health Coverage Guides. The Policy Committee is monitoring this bill.

VIII. Capital Projects/Budget Update

Ms. Work reviewed the status of Capital Projects with the Board:

- 8.8 MM was allocated in the FY 2016 budget for capital projects. The projects were for OE3 as well as to initiate the plan and design process for OE4 and beyond.
 - \$4.6 MM to the Shared Eligibility System, the current spend is \$4,110,351.
 - \$3 MM for Marketplace improvements, the current spend is \$3,286,329.
 - \$500,000 for Carrier EDI improvements, the current spend is \$507,000.

- \$640,000 was for other projects, ongoing costs and contingency, the current spend is \$200,000.
- The remaining budget of \$676,320 is for design and planning for open enrollment 4.
- Call center costs for 6 months between 7/1/15 and 12/31/15 are approximately \$1.7M less than the same period in 2014.
- The increased accuracy in APTC resulted in \$8.8M less discrepancy between Connect for Health Colorado and carriers and will result in fewer 1095 issues.
- Operational costs in Call Center are projected to be \$3.0M less in FY2016 than 2015.

The next steps and timeline for open enrollment 4's design and planning will be the foundation for the budget planning for the next fiscal year.

IX. Finance

Brian Braun, Chief Financial Officer, reviewed the financials, beginning with the second quarter financials for FY 2016. Some key financial measures:

- Revenues were below budget expectations and expenditures were below budget as well, resulting in a positive variation.
- Drivers on the revenue side were low due to the special fee assessment; as well as a reserve on the Colorado HealthOp's fees due to uncertainty of payment.
- Drivers on the expenditure side are due largely to the Customer Service Center costs coming in under budget; as well as general and administrative salary and benefit expenses being lower than budgeted.
- The cash balance is higher than budget projections, primarily due to starting the fiscal year at a higher cash balance than anticipated in the budget.
- Cash flow decrease is slightly better than budget expectations. In addition to the impact of the current periods operating loss on cash contributors to the decrease are:
 - Large vendor liabilities incurred in the prior fiscal year and paid in the current year.
 - Marketplace software enhancements during the period along with non-cash revenue recognized due to the deferral of Federal revenue from the prior year.

Mr. Braun gave an update on the budget planning and financial scenarios. Due to the revenue shortfalls, the finance department is not relying heavily on the current budget for future planning. Over the next couple of months the focus will be on creating a budget that goes beyond FY 2017, up to 24 months.

X. Financial Scenarios for the Future

The financial scenarios will be dependent on fully understanding the change in revenue, particularly with the Special Assessment Fee ending at the end of calendar year 2017. There are three financial scenarios the organization is focusing on:

1. Status Quo
2. Expense Management
3. Federal Option

XI. Product Ratings

Nathan Wilkes addressed the possibility of creating consumer product rating capabilities for the on the website. This will enhance the consumer experience when they are making insurance decisions. The CMS Quality Rating System should be in place for plan year 2017. Connect for Health Colorado is looking into how to incorporate this, with the Colorado consumer experience, as part of the Marketplace tools. This will take some effort, but could be an opportunity to further distinguish Colorado.

Sue Birch noted that this work is an enormous undertaking. There is work going on that includes the state, federal government and Connect for Health Colorado, aiming toward a central quality rating system. However, it is important to make sure the federal Quality Rating System is in place prior to any investment the Marketplace might make.

Action Item

- *Gather information from the federal government and other exchanges to determine the readiness of the quality rating system.*

XII. Metrics Update

A draft of Marketplace key metrics was reviewed for input from the Board. The metrics are to give a snapshot of the health of the organization. The key metrics are measured against their baseline and include:

- Cumulative Covered Lives
- Effectuated Enrollments by Channel
- Percentage of Call Answered in 300 Seconds
- Number of Hours System is Down/Month
- Months of Cash
- Net Operating Ratio
- Average Monthly Operating Expenses Per Effectuated Enrollee

Suggested additions to the key metrics would be retention rate and customer satisfaction rate, as well as consistency on the measured timelines including month-to-date and year-to-date.

XIII. Public Comment

Meeting adjourned at 11:27 am.

Respectfully submitted,

Davis Fansler
Secretary

Next Meeting

March 14, 2015 from 8:30 am – 12:00 pm