

Board Meeting Minutes
Connect for Health Colorado Meeting Room
East Tower, Suite 1025
3773 Cherry Creek N Dr., Denver, CO 80209
February 13, 2017
8:30 AM – 11:30 AM

Board Members Present: Adela Flores-Brennan, Sharon O’Hara, Denise O’Leary and Nathan Wilkes

Board Members Joining via Phone: Sue Birch, Kyle Brown, Davis Fansler, Jay Norris, Marc Reece and Marguerite Salazar

Board Members Absent: Steve ErkenBrack and Eric Grossman

Staff Present: Brian Braun, Traci Butzen, Luke Clarke, Kate Harris, Judith Jung, Kevin Patterson, Carolyn Pickton, Taylor Roddy, Alan Schmitz, Lisa Sevier and James Turner

Approximately 10 guests attended the meeting in-person and the conference line was available for people to join by phone.

I. Call to Order

- Board Chair Adela Flores-Brennan, 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. Flores-Brennan entertained a motion to move into Executive Session to discuss 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)(e) & (c) and §24-6-402(4)(f).

The Board returned from Executive Session at 9:10 am.

III. Business Agenda

- The minutes from the January 9, 2017 board meeting were voted on and approved.
- There were no changes to the agenda.
- Disclosure of Conflicts of Interest: none.

IV. Board Report

Ms. Flores-Brennan and Kevin Patterson reported on the House and Senate Joint Health and Human Services Committee meeting, where they addressed the committee with a brief review of the history of the Marketplace for the new legislators, answered questions and delivered the Annual Report.

V. CEO Report

OE4 Update

Judith Jung and James Turner, Chief Operation Officer and Chief Technology Officer, gave an update on Open Enrollment 4 (OE4).

As of January 31st, the total number of enrollments was 176,595, up 12% from open enrollment 3 (OE3). It was noted that Healthcare.gov halted all marketing at the end of OE4, which may have had an effect on the last few days of open enrollment.

Connect for Health Colorado extended open enrollment until February 4th for in-process enrollments. This was due to the high phone call volumes causing the system to trunk out; as well as a short outage on the website that morning. Additionally, there is a special enrollment period (SEP) until March 1 for customers who lost their carrier or plan from OE3.

Mr. Turner gave a review of the status of customer's enrollments that were impacted by technology issues.

- \$0 APTC messaging: Outreach to customers has been completed
- Changes to plans applied incorrectly: Workaround in place with a permanent fix in progress
- CBMS incorrectly determining Medicaid eligibility: Workaround in place
- Changes to supplemental security income (SSI): Data fixes being actioned by the MA site
- Customers receiving "case closed" message: Ticketing and resolution process in place
- Confidential combo cases: Work in process

Due to an issue with the second lowest-cost silver plans calculations, several customers received an incorrect APTC calculation. This affected 1095's which had already gone out to the customers. All customers affected were notified on February 2nd and all 1095 forms were re-generated and offered electronically by February 3rd, with paper copies mailed out by February 6th.

Other 1095 issues were incorrect APTC changes applied to the full term of some customers plans due to incorrect payloads and issues with 2017 enrollments causing issues with 2016 plans. These were resolved prior to 1095s going out or are in process for full resolution.

The customer Service Center has returned to pre-open enrollment service levels. There is 26% reduction in calls specific to 1095s compared to this time last year. This is believed to be due to the customer outreach and the swift corrections with the 1095 issues.

VI. Finance Committee Report

Quarterly Report

Brian Braun, Chief Financial Officer, reviewed the quarterly financial report with the Board. The report reflects the quarter ending December 31, 2016. The key metrics ended the quarter on the positive side, in line with or better than the baseline. The average effectuated enrollments for the three months was 137,000, the target was 125,000.

Connect for Health Colorado is doing better than expected for the first six months of fiscal year 2017 (FY17). This has been driven by higher revenue streams from the carrier fees. This pattern of exceeding expectations should continue through the second half of the fiscal year, as long as effectuated enrollments remain in line with the past open enrollments.

Expenditures are running better than expected; however, it was noted that some of the expenditures are based on a timing issue and will run closer to budget over the remainder of the year.

If revenues continue as they are, budget expectations should be exceeded by around \$2M by the end of the fiscal year.

The organization is regularly revising its long range financial projections. The latest projections are based on the first six months of the year and more clarity around enrollment for the year. 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 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.
- Operating expenses are assumed to be reduced annually by 5% for fiscal year 2018 and 2019.

The projections will continue to be revised in accordance with any possible changes over the next months; at this time, they have been revised for the 36 months ending June 30, 2019. With the current key assumptions, the projections indicate a consistent cash balance. Revenues will stay flat for carrier fees and expenses assume an annual 5% reduction. This will allow for capital investment, which will be important for addressing changes that may occur during the plan period.

The healthy financial status of the organization is due to a combination of higher revenues and cost containment. As it currently stands, Connect for Health Colorado is a sustainable organization.

An independent third party analysis was completed, measuring the economic impact of the Marketplace on the state's economy. By keeping the dollars in state the Marketplace brings \$29M into the state annually and 540 jobs are supported by the state exchange.

Audit Update

Connect for Health Colorado has not heard back on its response to the Office of Inspector General's audit findings.

The State Auditors are conducting a full performance audit, some areas the state is auditing are:

- Customer experience and complaints
- Business Intelligence data
- Financials

VII. Policy Committee

Legislative Update

Arlene Miles and Megan Dubray, lobbyists for Connect for Health Colorado, gave an update on state legislation. SB17-003 demands the repeal of the Colorado Health Benefit Exchange Act. There are a few Republican Senators who are hesitant to vote for the bill due to the strong response from constituents who are for the exchange. However, Republican leadership is behind the bill so there is a good chance the bill will pass the Senate.

After the Senate, the bill will go to the House of Representatives, where the Democrats are strongly for the Colorado Health Benefit Exchange.

Currently the bill is in the Senate Appropriations Committee and will most likely move forward later in March.

Kate Harris, Director of Policy and Research, reviewed federal legislation. Tom Price has been confirmed as secretary of Health and Human Services. More information should be coming out around Health and Human Services plans now that the confirmations are in place.

Staff has made a recommendation to take the position to oppose SB17-003. Mr. Patterson discussed the January 2008 “208 Commission” that listed 32 bipartisan principles derived from a statewide group of stakeholders who envisioned a connector that became the foundation for the enabling legislation in 2011, and led to the creation of the Exchange. The legislative intent states that the exchange is to address access, affordability, and choice in the market.

Mr. Patterson also noted the importance of keeping the Marketplace, realizing that as new federal legislation and rules are created there will be many questions of how the state would implement something new, and what infrastructure, if any, would exist in Colorado to move forward. The Marketplace already possesses an infrastructure in Colorado that allows flexibility and adaptability with this organization, as a non-profit, to fit within multiple structural options that are being discussed and created in the national policy conversations.

Additionally, Connect for Health Colorado has reached a state of sustainability and has received the top second ranking amongst the state exchanges and Healthcare.gov for its Quick Cost and Plan Finder tool.

Per staff recommendation, Mr. Patterson asked that the Board vote to take a stand to oppose SB17-003. Sharon O’Hara made a motion for the Board to oppose the bill. Nathan Wilkes seconded the motion. There was no discussion.

Ms. Flores-Brennan called for public comment. There was no public comment.

Ms. Flores-Brennan called the motion to a vote. The motion was unanimously approved as follows:

Yes: Davis Fansler, Adela Flores-Brennan, Jay Norris, Denise O’Leary, Sharon O’Hara and Nathan Wilkes

No: None

Abstain: None

Strategic Plan - Goals

The board reviewed the most recent version on the organization’s strategic goals. The present version reflects input from the Policy Committee; as well as a review by the Board Advisory Group. The goals are purposefully more flexible to allow the incorporation of funding mechanisms for both the organization and customers, and product development. Due to the unknown factors around the Affordable Care Act, the strategic planning will be focused on the next 3 years, as trying to project beyond three years would be difficult at this point.

Ms. Jung noted that goal two is focused on maximizing the number of enrollees going through the Marketplace, and is open to new sources of funding and new opportunities based on legislation and regulation. Goal three addresses health literacy and post-enrollment support for the consumer. Nathan Wilkes requested the addition of a specific objective under the second goal which explores options around providing customer satisfaction and quality ratings for the insurance plan.

The board requested better clarification around goals two and three. Once there is agreement around the goals, the staff will start working on the objectives. Additionally, the staff was asked to streamline the objectives to focus more on the timeline and metrics.

VIII. Public Comment

The following members of the public gave comment:

A.J. Earl IV, Broker

Gail Snyder, Broker

Meeting adjourned at 11:23 am.

Respectfully submitted,

Davis Fansler
Secretary

Next Meeting

March 13, 2017 from 8:30 am – 12:00 pm