

Finance & Operations Committee Meeting Minutes

Connect for Health Colorado; East Tower, Suite 1025

3773 Cherry Creek N Dr.

Denver, CO209

February 22, 2016

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
Provide enrollment based cost metrics.	Finance Department	Ongoing
Provide metrics on the use of technology & the customer service center.	Finance Department	Ongoing
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
Gather further data for the federal platform scenario.	Finance Department	Next Finance & Operations Committee Meeting – 3/28/2016
Provide research on states that have gone to the federal platform.	Kevin Patterson/Finance Department	Next Finance & Operations Committee Meeting – 3/28/2016
Present a budget strategic plan timeline.	Finance Department	Next Finance & Operations Committee Meeting – 3/28/2016

Board Members Present: Adela Flores-Brennan, Nathan Wilkes

Board Members Joining via Phone: Eric Grossman

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

I. Welcome & Introductions

Kevin Patterson, Chief Executive Officer, facilitated the Committee meeting and called the meeting to order at 9:30 am, welcoming those in attendance, both in-person and on the phone. The January Finance and Operations Committee minutes were voted on and approved.

II. Financial Scenario Projections

Brian Braun, Chief Financial Officer, gave a report to the committee members on the financial scenario projections with the following assumptions.

Overall:

- Carrier fee of 3.5% for the entire period
- Special Fee Assessment of \$1.80 per covered life to end Dec.31, 2016
- Enrollment growth of 15,000 each year (165,000 by 2018)
- Tax credit donations of \$5 million per year
- Staffing at 71 FTE
- Annual capital expenditures of \$5 million
- Medicaid cost allocations were not included in the assumptions

The three scenarios are based on planning for the next two fiscal years, through June of 2018.

Scenario 1 (Status Quo) – No change in current expenditure levels over 24 month plan period

Scenario 2 (Expense Management) – 10% expenditure reductions in fiscal year (FY) 2017 and additional 5% reduction in FY 2018. Ongoing sustainability by last quarter of FY 2018 (April-June 2018). Maintain cash balance of at least \$10 million.

Scenario 3 (Lease Federal Platform) – Starting in FY 2018. Lease cost is 3% of premiums. Reductions in customer service center costs (90%), general and administrative (G&A) costs (25%) and technology costs (50%). Transition costs are unknown. The Federal assumptions are premature and will require more work.

III. Procurement Policy Revisions

Alan Schmitz discussed the Procurement Policy revisions including:

- Clarification around time periods to include 12 consecutive months as well as a calendar year.
- Multi-year procurements that have a cumulative value that exceeds \$150,000 will be reviewed by the Finance Committee.
- Defining what constitutes a material variant, how it's tracked against budget and reported to the Finance Committee.
- Sole source procurements in excess of \$150,000 shall require Board approval with presentation of cost/price analysis or other information sufficient to allow informed Board review.

The Committee will recommend approval of the changes to the Board.

IV. Fiscal Year vs. Calendar Year

Mr. Braun began a discussion on the benefits and drawbacks of Connect for Health Colorado

moving to a calendar year instead of its current fiscal year. There were clear arguments for both, a calendar year budget would benefit the planning for open enrollment through clearer forecasting. However, it would be very difficult to build a strategic budget while simultaneously going through an open enrollment. Management's recommendation was not to move to a calendar year budget and the Committee members agreed.

V. Technology Update

Adele Work updated the Committee on open enrollment four (OE4) and fiscal year 2017 capital projects budget planning. The list of projects under consideration for OE4 is being refined and is aligned with the FY2017 budget planning cycle. Any ideas that fall out of consideration for OE4 will receive evaluation for OE5 and beyond.

Remaining capital projects to be evaluated include:

- Regulatory Requirements
- Ongoing user experience improvements
- SHOP improvements
- Health Coverage Guide/CAC tools
- Broker portal and access improvements
- Carrier improvements
- Business Intelligence improvements
- Operational improvements

The costs for work to comply with the regulatory requirements, specifically the CMS requirements for a single FDSH connection and IRS FTI data, will likely use up all of the remaining FY2016 capital funds. The non-regulatory projects will be prioritized and the organization may come back to the Board to determine if a project needs to be reallocated to FY2017 or beyond.

Ms. Work provided an overview of the three strategic technology options for Connect for Health Colorado:

- Status Quo
 - Continue to have multiple systems that customers use to access insurance affordability programs (IAPs). The Shared Eligibility System will continue to determine eligibility for programs.
- Closer Alignment with Health Care Policy and Finance (HCPF)
 - Create synergies between the systems used by applicants seeking an IAP or reporting a change in circumstance, that affects the program or the eligibility for a program in which they are currently enrolled.
- Federally-facilitated Exchange
 - HHS operates; however, State may elect to perform, or can use, Federal government services for specific activities.

VI. Consumer Rating Tool for Shopping Portal

Connect for Health Colorado is required by federal law to have a Quality Rating System (QRS) in place by 2017. One component of the system is to use the National Committee for Quality Assurance’s (NCQA) qualitative data, the other part is to include a consumer satisfaction rating. The Marketplace is determining the best route for providing this information keeping in mind that the huge challenge is trying to provide the most up to date ratings, as most ratings will be from the previous year. The hope is to be able to further enhance the shopping experience based on actual customer satisfaction.

VII. Strategic Options for Calendar Year 2016

Marcia Benshoof reviewed the key initiatives for the business component of the organization, which includes:

- Broker Team
- Community Based Programs
- Training and Performance
- Carrier Team
- Rural Outreach Team
- Service Center Team
- Marketing and Outreach Team
- Business Enterprise (CSO)

VIII. Medical Assistance Site Migration

Ms. Benshoof reported on background information and gave an update on the Medical Assistance (MA) site migration.

The three work-streams handled by the Marketplace Medical Assistance Site include:

- 25% of customers seeking financial assistance do not obtain a real time determination and require intervention to finalize advanced premium tax credit (APTC) and cost share reduction (CSR)
- Verification of income, lawful presence and other requirements to enroll on the Marketplace
- Case assignment – ongoing Colorado Benefits Management System (CBMS) case maintenance of any individual or family that has at least one member who is APTC eligible

As of today:

- Colorado Access is currently contracted for Medical Assistance (MA) Site services to Connect for Health Colorado through June 2016
- The MA Site is performing very well
- Timeliness and customer impact has much improved
- Year one cost estimated is at \$1.3mil (budgeted)
- Management desires to evaluate insourcing the MA Site
- Colorado Access does not wish to re-contract
- Connect for Health Colorado supervisor is very strong

- Strong timeliness performance on eligibility and 1095b corrections
- The criteria for case assignment must be looked at
- Connect for Health Colorado is motivated to reduce annual spend, while improving all work streams

IX. Public Comment

There was no public comment

Meeting adjourned at 11:41 a.m.

Respectfully submitted,

Eric Grossman
Committee Chair