Board Meeting Minutes
Connect for Health Colorado Meeting Room
East Tower, Suite 1025
3773 Cherry Creek N Dr., Denver, CO 80209
May 8, 2017
8:30 AM – 11:00 AM

Board Members Present: Kyle Brown, Steve ErkenBrack, Adela Flores-Brennan, Jay Norris, Sharon O'Hara, Denise O'Leary, Marguerite Salazar and Nathan Wilkes

Board Members Joining via Phone: Davis Fansler

Board Members Absent: Sue Birch and Marc Reece

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

Approximately 6 guests attended the meeting in-person and the conference line was available for people to join by phone.

I. Business Agenda

- 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.
- The minutes from the April 10, 2017 board meeting were voted on and approved.
- There were no changes to the agenda.
- Disclosure of Conflicts of Interest: none

II. Board Report

Board Meeting Cadence

The Board discussed keeping the board meetings monthly or changing them to an every other month cadence.

It was determined that the organization will continue with the monthly meeting cadence while the organization finalizes the strategic plan. This discussion will be reintroduced during the summer after the strategic plan has been finalized and more information is available on the federal government's plan for the future of the Affordable Care Act.

III. CEO Report

Strategic Plan

Kevin Patterson introduced Ross Weiler with Day Health Strategies. Connect for Health Colorado has contracted with Day Health Strategies to act as consultants during the planning process. Mr. Weiler gave the board an update on the process for creating the organization's strategic plan.

For each of the four goals, which had been determined by the staff and board members previously, objectives have been developed along with success measures. For each of the objectives, a tactical plan will be created, as well as metrics for the tactics. Finally, a tracking method and dashboard will be established to help monitor the progress of the strategic plan, allowing the organization to take the appropriate action should adjustments be needed. It was noted that the four goals were not in any priority order; rather, their focus is more along the lines of access, affordability and choice.

The four goals of the plan as determined by Connect for Health Colorado previously are:

1. Advocate to improve access to coverage in rural areas of Colorado.
2. Maximize the number of consumers and employers who shop and enroll through the health insurance marketplace, and apply for available financial assistance.
3. Improve the ability of customers to attain and retain the right coverage for their needs.
4. Ensure that Connect for Health Colorado is a healthy and thriving organization.

The objectives for each of the goals are as follows:

- Goal #1
    - Encourage carrier participation in rural areas to ensure rural customers have options that fit their health and financial situation.
    - Increase awareness among rural Coloradans on the benefits available through Connect for Health Colorado.
    - Work with stakeholders to address the high cost of health coverage.
- Goal #2
    - Increase enrollment overall.
    - Increase customer satisfaction.
- Goal #3
    - Assist consumers in better understanding their coverage and how to use it.
    - Continue to make improvements in the customer eligibility and enrollment experience
    - Ensure that customers continue to have choice in selection of carriers and QHPs by improving the value proposition that the Marketplace offers to carriers.
- Goal #4
    - Engage in activities that continue to improve upon the fiscal stability of the organization.
    - Implement activities that further develop human capital and engagement.

The Board expressed concerns about whether goal #1 is achievable, as Connect for Health Colorado lacks leverage to improve access to coverage in rural areas and it could set the organization up to be held accountable for things it can't control. Kevin Patterson, CEO, acknowledged that there are limits to what the organization can do. However, Mr. Patterson clarified that the staff views the goal as 1) an opportunity to advocate for improving access and 2) an opportunity to increase awareness and help customers better understand how to access services in the way that best works for them.

Comments and suggestions from the Board meeting will be added to the current plan and next steps are to bring the plan to board committees and Stakeholders for input. Since the May Finance & Operations Committee will be focused on finalizing the fiscal year (FY) 2018 budget, the Policy Committee will focus on the objectives for the strategic plan. The full Board is encouraged to attend the Policy Committee to

aid in providing feedback to the plan. Further feedback will then be obtained from the next Board Advisory Group.

Mr. Patterson shared information which came out of a meeting with CMS Administrator Seema Verma and the state based marketplace (SBM) executive directors. The exchanges emphasized to Ms. Verma that Cost Shared Reduction (CSR) is a main concern, as well as each state's desire to have the flexibility to determine what works best for them and having more certainty around the federal administration's decisions.

IV. Finance Committee Report

Quarterly Financials

Brian Braun, CFO, reviewed the third quarter financials. Effectuated enrollment continues to exceed the target for the year by over 8%, resulting in revenues exceeding budgeted expectations. With expenditure's slightly lower than budget, combined with higher fee revenues, net operating income is 40% higher than expectations for the first 9 months of the fiscal year coming in at $4.3 million versus the target of $3.1 million. The positive financial results have allowed for the sustaining of a sufficient cash reserve to serve as a buffer for possible future turbulence in the industry.

Due to the results of the first 9 months of the year and more clarity regarding enrollment for the 2017 plan year, the financial projections were revised for the 36 months ending June 30, 2019. Based on key assumptions, the revised projections result in overall positive cash flow over the plan period. The ending cash level decreased from the previous projection by $300,000 ($20.1 MM to $19.8MM) due to the refining of effectuated enrollment data to more accurately reflect the results of the last open enrollment. Further evaluation of projections will be conducted as part of the fiscal year 2018 budget process.

Preliminary Budget Overview

Mr. Braun gave an overview on the fiscal year (FY) 2018 preliminary budget planning. The budget is reliant on revenue expectations, the first 6 months of the revenue period are clear. The 2018 plan year is challenging in that there are a lot of dynamics that can affect it.

A few scenarios have been created to get an idea of what the organization can expect. The conservative scenarios include enrollment staying flat, enrollment decreasing by 10% and enrollment decreasing by 15%. General assumptions used during the budget planning are:

- Carrier fee of 3.5% of exchange generated premiums for entire period,
- Effectuated enrollment averages 142,000 for plan year 2017 based on March actual effectuations,
- No Medicaid cost allocation reimbursement (estimated $3MM),
- Tax credit donation - $5 MM,
- Grant funding for Assistant Network continues at current levels,
- No other new revenue sources,
- Maintenance of capital expenditure reserve,
- Expenditure levels adjusted to not exceed revenues

With enrollment remaining flat, there will still need to be a year-over-year budget decrease of 7%, with the other two scenarios having larger decreases of 11% and 18% respectively.

The finance department will reevaluate the budget in December, once the organization has a sense of how open enrollment is going and the effect of the political environment.

Form 990

The Board was provided with a copy of the Form 990. The Form will be filed with the IRS by the end of the week. The board has been encouraged to review the form and provide any feedback to Mr. Braun no later than Thursday, May 11th.

V. Policy Committee

Legislative Update

With two days left in the state legislative session SB17-003 will most likely be laid over to the next session. HB17-1235 died in the Senate, but opened conversations on ways to better support high-cost regions. SB17-300, which instructs the Division of Insurance to study the expense to high cost and high-risk individuals and strategies to help reduce costs, is under watch by Connect for Health Colorado. In a final note: the CMS cost allocations made it through the budget and are waiting on CMS Approval.

On the Federal side, the American Health Care Act (AHCA) passed through the House and will most likely change in the Senate. Current language in the AHCA changes the tax credit structure starting in 2018; though it does not overhaul the structure until 2020. Additionally, the continuous coverage provision will be implemented for special enrollment periods only starting in 2018.

VI. Public Comment

There was no public comment.

Meeting adjourned at 10:50 am.

Respectfully submitted,

Davis Fansler
Secretary

Next Meeting

June 12, 2017 from 8:30 am – 12:00 pm