



Board Meeting Minutes

Connect for Health Colorado Meeting Room

East Tower, Suite 1025

3773 Cherry Creek N Dr., Denver, CO 80209

May 11, 2015

8:00 AM – 12:00 PM

Board Members Present: Sue Birch, Steve ErkenBrack, Mike Fallon, Adela Flores-Brennan, Eric Grossman, Sharon O’Hara, David Padrino, Arnold Salazar, Marguerite Salazar and Nathan Wilkes.

Board Members Joining via Phone: Davis Fansler

Board Members Absent: None

Staff Present: Marcia Benshoof, Adiel Brasov, Luke Clarke, Gary Drews, Cheryl Ierna, Linda Kanamine, Nick Kovach, John Neumeier, Blaine Newby, Kevin Patterson, Taylor Roddy, Alan Schmitz, Lisa Sevier, Heather Taber, James Turner, John Wetherington and Adele Work.

Approximately 16 guests attended the meeting in-person and the conference line was available for people to join by phone.

I. Business Agenda

- Board Chair Sharon O’Hara, called the meeting to order at 8:00 am and welcomed those in attendance, both in-person and on the phone.
- The minutes from the March 23rd Board meeting, April 13th Board Meeting, April 1st Executive Session, March 18th Finance Committee Meeting and April 6th Finance Committee Meeting were voted on and approved.
- The agenda was reviewed and no changes were made.
- Disclosure of Conflicts of Interest: Steve ErkenBrack stated a conflict of interest during discussions involving the Carrier Administration fee.

II. Board Development and Operations

- Ms. O’Hara noted that the Colorado Health Insurance Exchange Oversight Committee will be meeting Wednesday, May 13th from 9:00 am to 1:30 pm.
- Anyone interested in serving on the Executive Board of Connect for Health Colorado should submit an application no later than early June.
- Kevin Patterson has started in his new role as Interim CEO for Connect for Health Colorado.
- Gary Drews will stay on for a short time to help provide a smooth transition.

III. Marketplace Development and Operations

Outgoing Interim CEO Gary Drews gave an update on the Marketplace development and Operations:

- The Board members have received a copy of the 990 tax return which will be submitted by the end of the week. The Internal Revenue Service requires all Board members be familiar with this tax return.
- To date the Marketplace has enrolled approximately 150,000 individuals.

IV. **Marketing and Outreach Report**

Chief Marketing Officer, Linda Kanamine discussed the Marketing Awareness and Perception Report. Reminding the Board that this is the third year for measuring statewide awareness and perception of Connect for Health Colorado:

- Total uninsured Coloradans has dropped to 11%.
- Awareness of the Marketplace has increased by 13% since the first Open Enrollment Period (OEP).
- More than half of those who have heard of Connect for Health Colorado believe it has had a positive impact on Coloradans.
- The majority of Coloradans believe health insurance is extremely valuable.
- There is still some confusion regarding what the Marketplace is; 55% believe it is a government backed insurance plan and many believe it is Medicaid.
- There is awareness of the penalty for not having insurance; but low awareness that the penalty increases each year.

Arnold Salazar stressed that the value of insurance needs to be emphasized even more in the Marketing message.

V. **2016 Strategic and Financial Planning**

The staff reviewed the 2016 Strategic and Financial Planning Update. Mr. Drews gave a summary of the planning to date. Connect for Health Colorado is approximately mid-way through the planning process and continues to receive valuable input from all the stakeholders. There is solid direction coming from Board members through the ongoing Operations and Finance Joint Committee meetings.

Chief Strategy and Sales Officer, Marcia Benshoof presented the enrollment projections for Open Enrollment 2016, noting that the primary drivers will be:

- Retention rates
- New business in general, as well as through the eligibility process improvements and the transition plans
- Life Change event volume
- Effectuation rates
- SHOP Group increase through the addition of the 51 – 100 employee businesses

Mr. ErkenBrack cautioned that this is the first year the carriers will be building the rates on actual utilization of the full experience from 2014, so there is a large unknown as to what the rates will be and this may have an effect on the enrollment projections. Ms. Benshoof assured the Board that there are some risk assumptions built into the projections.

Although the projections are on the aggressive side, they have been supported by the Joint Operations and Finance Committees. The staff has made a request to the Board for support through:

- Accountability to deliver the Shared Eligibility System (SES) enhancements.
- A commitment to the Assistance Network (AN).
- Participation in Broker appreciation events.
- Visits to the Service Center.

- Participation in community awareness and brand building events.

The Assistance Network (AN) will be reduced in fiscal year 2016 to approximately 24 sites. The focus will be to continue building on the strong relationships with statewide partner organizations and the appreciation of Colorado's unique needs and regional diversity. To do this there is a need to retain the experienced Health Coverage Guides so they can continue to do this important work.

A grant application has been submitted to The Colorado Health Foundation for \$2.5 mil for fiscal year 2016. Connect for Health Colorado is seeking approval from the Board for a base amount and minimum commitment of \$500,000 to serve as the required matching operating funds to proceed with securing the grant.

The Board asked for data to facilitate cost allocation with the AN Sites, specifically when it comes to Medicaid customers. However, it was noted that for many family units there may be some members getting enrolled in private insurance and some getting enrolled in Medicaid/CHP+ and not separating them is important during their Assistance Network experience.

The Board was presented with two options for the Marketplace to have Medical Assistance (MA) site capabilities:

Option 1: Connect for Health Colorado becomes an MA Site.

Option 2: Connect for Health Colorado contracts with an MA Site.

Ms. Benshoof explained that the Joint Operations and Finance Committees are supporting option 2, primarily for the speed and execution advantage.

The Joint Committees have agreed that the Small Business Health Options Program (SHOP) needs to move from an IT platform to an integrated solution. The plan is to create a partnership using a "white label" product with a vendor that has proven solid technology, small group expertise and market credibility. Connect for Health Colorado is looking to select a "white label" partner for SHOP in June.

It was suggested that the staff look into SHOP becoming a General Agent (GA) for Brokers. Ms. Benshoof assured the Board that all possible avenues have been, and continue to be, explored with the Brokers.

Two vendors have submitted proposals to manage the Service Center. The proposals will be presented during the Executive Session at the end of the Board meeting.

Mr. Drews presented to the Board with three financial models for fiscal year 2016, including revenue and expense. Explaining that in this first draft the first model will cover operational costs only through 2016, the second model through 2017; while the third model would be optimal for the organization, covering costs beyond 2018. In all of the models Medicaid reimbursement is a must. Additionally, Mr. Drews cautioned the Board that the Marketplace needs to pre-fund its growth.

Kevin Patterson, incoming Interim CEO, called attention to the fact that the Marketplace has utilized cost reduction where possible; as well as focused on repairs and improvements that are important to the stakeholders and customers.

Mr. Drews initiated a discussion on the fiscal year 2016 Carrier Administration and Broad Market fees. Timing is crucial as carriers must submit their rates to the Department on Insurance (DOI) no later than May 29th, 2015. Both fees' impact will primarily begin to effect the Marketplace in fiscal year 2017. The three financial models offered show funding through the fees as follows:

- At the previously projected level, operations is funded likely through calendar year 2016.
- At a 3.5% Carrier Administration fee, operations may funded at least through calendar year 2017.
- At a 4.5% Carrier Administration fee, operations may be funded at least through calendar year 2018.

The recommendation to the Board is as follows:

- Place the Carrier Administration fee at 3.5% or higher.
- Place the Broad Market fee at \$1.8 pmpm.
- Aggressively continue pursuit of Medicaid recapture funding
- Continue long-term revenue strategy development as a primary Finance Committee focus post-budget completion.

As a state based exchange Connect for Health Colorado offers strong value to the state compared to the Federally Facilitated Marketplace (FFM):

- Focus is on Colorado's specific needs, geography and population.
- Stakeholders provide input and feedback in all avenues.
- The Marketplace and Colorado own the data.
- Decision support tools such as provider and formulary lists.
- Local governance of the Marketplace.
- Carriers continue to be reached out to, and the market is open to as many carriers as possible.
- Strong outreach and education from Connect for Health Colorado and the state.
- Economic development – the jobs stay in Colorado.

Mr. Salazar made a motion to commit to provide a minimum of \$500,000 budget allocation to the fiscal year 2016 Assistance Network Program.

Adela Flores-Brennan seconded the motion.

Ms. O'Hara Opened the motion to public comment.

Brad Niederman of Niederman Insurance and John Luhman, a broker, asked the Board to consider the return on investment for investing in the AN program.

Lauren Wazik, a Health Coverage Guide, stated that a quantitative measure such as return on investment cannot be used to determine the value of the Assistance Network. Health Coverage Guides contribute a great deal overall.

Deb Judy, of Colorado Consumer Health Initiative, concurred with Lauren Wazik that the Assistance Network and Health Coverage Guides contributions go beyond quantitative measures, and include furthering health literacy and the value of insurance

Lisa Joiner, with the North Colorado Health Alliance, stated that the total enrollments driven by Health Coverage Guides cannot be fully captured.

Ms. O'Hara called the motion for a vote and the motion was unanimously approved as follows:

Yes: Steve ErkenBrack, Mike Fallon, Davis Fansler, Adela Flores-Brennan, Eric Grossman, Sharon O'Hara, Arnold Salazar and Nathan Wilkes

No: None

Abstain: None

James Turner, Director of technology operations, advised the Board about the Shared Eligibility System (SES) end-to-end review. The vendors have been shortlisted for the review. The average cost proposed is \$200,000 with a timeline of 10 weeks. Mr. Salazar was concerned that due to the improvements and changes currently being implemented, findings in the review will have little influence on the SES in the long run. Additionally the cost of the \$200,000 may be better focused elsewhere at this point in time.

Mr. Salazar motioned to delay the SES end-to-end review until after the SES is built.
Mike Fallon seconded the motion.

Ms. O'Hara called the motion for a voice vote. The motion failed unanimously.

Nathan Wilkes motioned to cancel the current SES end-to-end review.
Mr. Salazar seconded the motion.

Ms. O'Hara called the motion for a vote and the motion was unanimously approved as follows:

Yes: Steve ErkenBrack, Mike Fallon, Davis Fansler, Adela Flores-Brennan, Eric Grossman, Sharon O'Hara, Arnold Salazar and Nathan Wilkes

No: None

Abstain: None

The Board agreed to re-address an end-to-end review at a later date.

VI. Public Comment

Ms. O'Hara opened the meeting for public comment.

Ben Price with the Colorado Association of Health Plans stated that carriers are invested in Connect for Health Colorado. Asking that the Board be diligent and choose the right Carrier Administrative fee and choose quickly.

Brad Niederman, Niederman Insurance, asked the Marketplace to hand Medicaid and CHP+ people to the Colorado Department of Health Care Policy and Financing (HCPF) as soon as possible. Additionally, Mr. Niederman asked the Board to not raise the Carrier Administrative fee higher than 3.5%.

Bethany Pray of the Colorado Center for Law and Policy, clarified that Connect for Health Colorado is required by federal law to provide eligibility services to anyone who comes to the Marketplace for determination regardless if they buy private insurance or enroll in Medicaid/CHP+.

Tammy Niederman with the Colorado State Association of Health Underwriters is concerned that people coming off the discontinued plans will not qualify for assistance.

John Barela with iTriage, LLC, stated that some of the people whose health insurance plan is being discontinued stayed with the non-conforming plans primarily due to cost.

VII. Executive Session

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

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

The Board will not return from Executive session.

Meeting adjourned at 11:30 am.

Respectfully submitted,

Mike Fallon
Board Secretary

Next Meeting

June 8, 2015 from 8:30 am – 12:00 pm