



Board Meeting Minutes
Connect for Health Colorado Conference Call
May 14, 2015
4:00 PM – 5:00 PM

Board Members Joining via Phone: Steve ErkenBrack, Mike Fallon, Davis Fansler, Adela Flores-Brennan, Eric Grossman, Sharon O’Hara, David Padrino, Arnold Salazar, Marguerite Salazar and Nathan Wilkes.

Board Members Absent: Sue Birch

Staff Joining via Phone: Marcia Benshoof, Luke Clarke, Gary Drews, Jason Green, Kevin Patterson, Lisa Sevier, John Wetherington and Adele Work.

I. Business Agenda

- Chair Sharon O’Hara, called the meeting to order at 4:00 pm and welcomed everyone on the phone.
- The agenda was reviewed and no changes were made.
- Disclosure of Conflicts of Interest: Steve ErkenBrack recused himself from voting on the Carrier Administration Fee and Broad Market Assessment Fee due to a conflict of interest.

II. Carrier Administrative Fee & Broad Market Assessment Fee

Outgoing Interim CEO, Gary Drews, gave summation from the May 11th Board meeting on the discussion of the Carrier Administration Fee and Broad Market Assessment Fee. He referred the Board to the [2016 Strategic and Financial Plan](#) from the May 11st Board meeting, beginning at page 35.

Mr. Drews reminded the Board that timing for the vote 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 affect 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 through calendar year 2016.
- A 3.5% Carrier Administration fee and \$1.80 per month per policy (pmpm) Broad Market Assessment Fee, operations will be funded at least through calendar year 2017.
- A 4.5% Carrier Administration fee and \$1.80 per month per policy (pmpm) Broad Market Assessment Fee, operations will be funded at least through calendar year 2018.

Mr. Drews advised the Board that the Broad Market Assessment fee is only available for one more year – fiscal year 2016. The timing of the fee is critical for cash flow purposes, to maximize the amount of capital dollars as well as reserves for any possible unforeseeable events in the future. The Board was reminded that the Broad Market Assessment fee comes from Covered Colorado, the entity that insured high-risk people prior to the Marketplace’s existence. Covered Colorado’s monthly fee had been \$3.80 per policy per month (pmpm).

One day prior to this meeting Connect for Health Colorado’s Leadership hosted a call with the carriers to give them an overview of the budget and intended system improvements along with the possible rate change amounts.

Ms. O'Hara asked Steve ErkenBrack to give the Board and public an update on the discussion that took place at the Colorado Health Insurance Exchange Oversight Committee on May 13th, 2015.

Mr. ErkenBrack stated that the Oversight Committee expressed concerns that the Marketplace wants to raise the fees when the last Open Enrollment had a number of issues; additionally there was apprehension that the enrollment projections were high. The Oversight Committee emphasized their desire for complete transparency and that they are interested in helping Connect for Health Colorado become sustainable as well as have a successful next Open Enrollment. Finally, the Oversight Committee offered any needed help with retrieving Medicaid reimbursements.

Recognizing that the Marketplace has always been underfunded, Eric Grossman expressed concern with the organization getting expenses in line with revenue. Mr. Drews stated that the last piece of the revenue puzzle lies in the total amount of reimbursement from Medicaid for services Connect for Health Colorado has provided to support Medicaid eligible individuals.

Mr. ErkenBrack cautioned the Board to have realistic projections. Mr. Drews stated that the projections are possible as long as everything is working as it should. This past Open Enrollment did not reach the higher projections due to the unforeseen issues of the change in the tax credits, which occurred when the second lowest Silver plan was priced so low, and the issues with the Shared Eligibility System. The Marketplace is now working to manage possible volatility such as what has been experienced in the past.

Mike Fallon expressed concern that expanding the Broad Market Assessment Fee will take pressure off of Medicaid to fully reimburse the Marketplace. If Connect for Health Colorado is underfunded it's because Medicaid is not paying its share of services provided.

Kevin Patterson stated that all the State Based Marketplace's (SBM)'s are trying to work out how to move from the capital expenses that come from a start-up and fairly assess the market to create competition. For Connect for Health Colorado there is more of a challenge as this organization is structured different from any of the other SBM's.

Adela Flores-Brennan asked that the organization analyze the impact of any rate increase, as well as look into other possible avenues for revenue.

Arnold Salazar made a motion to increase the Carrier Administration Fee to 3.5% and the Broad Market Assessment Fee to \$1.80 pmpm.

Davis Fansler Seconded the Motion.

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

Sara Orange, Associate Director of the Colorado Association of Health Plans Clarified that the increase in the two fees will begin calendar year 2016.

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

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

No: None

Abstain: Steve ErkenBrack due to a Conflict of Interest.

The meeting adjourned at 5:30 pm.

Respectfully submitted,

Mike Fallon
Board Secretary

Next Meeting

June 11, 2015 from 8:30 am to 12:00 pm.