

Finance & Operations Committee Meeting Minutes

Connect for Health Colorado Meeting Room

East Tower, Suite 1025

3773 Cherry Creek N Dr., Denver, CO 80209

May 23, 2016

9:30 AM – 11:30 PM

Summary of Action Items

Action	Who By	Due
Create a monthly cash flow statement by scenario to determine impact on cash flow, 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 monthly statement of cash flow.	Finance Department	Ongoing
Provide a monthly high-level status for current audit findings.	Finance Department	Ongoing
Create a schedule of possible revenue opportunities.	Finance Department	After completion and approval of fiscal year 2017 budget
Comparable analysis for G&A by line item.	Finance Department	Work in progress to be presented at 6.27.16 meeting
Create benchmark against other Exchanges.	Finance Department	Work in progress to be presented at 6.27.16 meeting
Add measures for collectables and receivables.	Finance Department	Work in progress to be presented at 6.27.16 meeting
Second scenario budget for FY 2018 with triggers (open enrollment, etc.)	Finance Department	Budget package modified to address FY 2018 deficit. Rolling 24 month projection will incorporate revenue sensitivity analysis and impact on cash

Board Members Present: Sue Birch, Adela Brennen-Flores, Eric Grossman, Denise O’Leary and Nathan Wilkes

Staff Present: Abe Barela, Nyle Boyd, Brian Braun, Luke Clark, Christine Gavin, Kate Harris, Kevin Patterson, Arba Robinson and Alan Schmitz,

I. Welcome & Introductions

Eric Grossman chaired the Joint Committee meeting and called the meeting to order at 9:30 a.m., welcoming everyone in attendance. The Committee approved the April Finance & Operations Committee minutes.

II. FY 2017 Budget Review

Brian Braun, Chief Financial Officer, reported that Connect for Health Colorado will be presenting the fiscal year 2017 budget to the legislative oversight committee in June. Fiscal year (FY) 2017 budget projections show a positive operating income for the fiscal year. Significant differences from the budget presented in April include, carrier fees in the revenue section increasing due to an estimated 5,000 effectuated enrollees. Overall, Connect for Health Colorado is making conservative assumptions on savings and expenditures.

In preliminary comparisons with other exchanges, Connect for Health Colorado's budget for FY 2017 comes in \$40 less per enrollee for operating costs, with other exchanges coming in at \$350 per enrollee vs. the Marketplace's proposed \$310.

Projected revenues for FY 2017 will decrease due to federal grants funds going away as well as the special fee assessment. However, fees to the Marketplace will increase from 1.4% to 3.5%, the average insurance premium will increase and enrollment is projected to increase by 10%.

Potential additional revenue and expense impacts include:

- Carrier fees are being reviewed for discrepancies, which could result in additional revenues
- The Public Benefit Corporation
- Medicaid Cost Allocation
- Technology savings through vendors and enhancements to the platform
- Customer Service Center savings & call volume reduction
- General and administrative savings through the reduction of contractors and consultants
- Future facility cost reductions

The operating expense comparison for FY 2016 and 2017 indicates that the customer service center expenditures will decrease due to vendors having been paid out in FY 2016.

The Finance & Operations Committee recommended that the FY 2017 budget be presented to the Legislative Oversight Committee.

III. Internal Audit Monitoring Plan

Arba Robinson, Internal Compliance and Audit Manager for Connect for Health Colorado presented the 2016 internal audit plan. Ms. Robinson identified several areas to monitor to allow the Marketplace to be more proactive and improve processes. The areas identified include financial policy implementation, procurement & purchasing, as well as contract management. Ms. Robinson will provide updates to the Finance and Operations Committee as well as the Board in the future.

IV. Public Comment

There was not public comment.

Meeting adjourned at 11:04 a.m.

Respectfully submitted,

Eric Grossman
Committee Chair