

Special Meeting of the Board
Finance & Operations Committee Meeting Minutes
Connect for Health Colorado Meeting Room
East Tower, Suite 1025
3773 Cherry Creek N Dr., Denver, CO 80209
June 26, 2017
9:30 AM – 11:30 AM

Action	Who By	Due
Expense benchmarking with other Exchanges.	Finance Department	Further research in process for IT specific expenditures.
Explore adding a satisfaction survey for customers who use the customer service center.	Operations Department	
Explore the possibility of different grant funding opportunities	Finance Department	
Review finalized contracts that were approved during the June 26 Board meeting	Finance Department	
CGI to give a previous and current work, and project overview to the Finance & Operations Committee members	Finance & Operations	July or August Committee Meeting

Committee Members Present: Steve ErkenBrack, Davis Fansler, Adela Flores-Brennen, Jay Norris, Sharon O’Hara, Denise O’Leary, Marc Reece and Marguerite Salazar

Staff Present: Brian Braun, Luke Clarke, Dave Coren, Kelly Davies, Kate Harris, Caren Henderson, Judith Jung, Kevin Patterson, Alan Schmitz, Lisa Sevier, Ezra Watland and Tina Zelenko

I. Welcome & Introductions

Adela Flores-Brennan chaired the meeting and called the meeting to order at 9:30 a.m., welcoming everyone in attendance, both in-person and on the phone. The April committee meeting minutes were approved.

Ms. Flores-Brennan indicated that the first hour of the meeting will be a special meeting of the board and acknowledged that a quorum of board member was in attendance.

II. Board Approval

Board Members Present: Steve ErkenBrack, Davis Fansler, Adela Flores-Brennen, Jay Norris, Sharon O’Hara, Denise O’Leary, Marc Reece and Marguerite Salazar

Per the fiscal year (FY) 2018 Budget approval, there are four contracts that exceed the \$150,000 threshold and require full board approval in order to complete the procurement.

Customer Service Center Technology Procurement

Mr. Braun, reviewed the first board approval request to consolidate customer service center technology infrastructure and telecom services into the existing CGI customer service contract. Currently the telecom and technology service providers are directly contracted with Connect for Health Colorado. By moving these services to CGI the organization will reduce costs, by \$100,000 annually, and address service network and compliance risks. However, it was noted that as part of the cost reduction, the organization may contract directly with the telecom provider.

Best operational metrics will be included in the contract to ensure services will be delivered as contracted.

Ms. Flores-Brennan called for a motion to contract for up to \$1.95 MM over a 2-year period for technology infrastructure and telecom services.

Sharon O’Hara motioned for approval. Denise O’Leary seconded the motion.

Ms. Flores-Brennan called for discussion. There was no discussion.

Ms. Flores-Brennan called for public comment. There was no public comment.

Ms. Flores-Brennan called the motion to a vote. The motion was unanimously approved as follows:

Yes: Steve ErkenBrack, Davis Fansler, Adela Flores-Brennen, Jay Norris, Sharon O’Hara, Denise O’Leary and Marc Reece

No: None

Abstain: None

Technology Contract Extension

A procurement request was made to the Board for technology enhancement and maintenance & operation services to be provided by CGI for FY 2018. The services will support the maintenance and operations of the marketplace along with the design, development, coding, testing and implementation of enhancement/compliance projects. The total estimated cost for these services for the fiscal year is \$6,035,000 consisting of \$4,995, for ongoing maintenance and operations and \$1,040,000 for platform enhancements. Mr. Braun noted that there is some flexibility in the contract around ramping down activities or contract renegotiation if it becomes necessary due to

the uncertainty around possible legislation and other issues that may occur throughout the next year.

Ms. Flores-Brennan called for a motion to contract with CGI for \$6,035,000 for FY 2017-2018 for extended technology enhancement and maintenance & operations services.

Ms. O’Leary motioned for approval. Ms. O’Hara seconded the motion.

Ms. Flores-Brennan called for discussion. A request was made for CGI to present a previous and current work and project overview to the Finance & Operations Committee members

Ms. Flores-Brennan called for public comment. There was no public comment.

Ms. Flores-Brennan called the motion to a vote. The motion was unanimously approved as follows:

Yes: Steve ErkenBrack, Davis Fansler, Adela Flores-Brennen, Jay Norris, Sharon O’Hara, Denise O’Leary and Marc Reece

No: None

Abstain: None

Assistance Network Procurement

Mr. Braun made a request to the Board for approval to proceed with an annual renewal for contracting with the assistant network grantees. This approval is specifically for grantees that will receive funds in excess of \$150,000.

Ms. Flores-Brennan called for a motion to approve contracting with the assistance network sites for FY 2018 up to \$2,075,000.

Davis Fansler motioned for approval. Jay Norris seconded the motion.

Ms. Flores-Brennan called for discussion. There was no discussion.

Ms. Flores-Brennan called for public comment. There was no public comment.

Ms. Flores-Brennan called the motion to a vote. The motion was unanimously approved as follows:

Yes: Steve ErkenBrack, Davis Fansler, Adela Flores-Brennen, Jay Norris, Sharon O’Hara, Denise O’Leary and Marc Reece

No: None

Abstain: None

Consolidation of C4B Contracting

The staff is requesting approval to proceed with the contracting of C4B services to support the continued design, development, coding, testing and implementation of the

Quick Cost and Plan Finder Tool and the consolidation of maintenance and operation services with C4B for previously developed licensed tools. Total costs associated with this request are estimated to be \$558,000.

Use of the Quick Cost and Plan Finder Tool is anonymous. The tool is meant to give users an estimate of what their tax credit and total out of pocket costs will be. This is calculated through the All Players Claims Data Base integrating with the chosen plan and includes the average cost for prescriptions as applied to the plan.

Ms. Flores-Brennan called for a motion to approve Connect for Health Colorado to contract with C4B Services for software enhancement, maintenance and operations for FY 2018, for a total consolidated cost of \$558,000.

Ms. O’Leary motioned for approval. Ms. O’Hara seconded the motion.

Ms. Flores-Brennan called for discussion. There was no discussion.

Ms. Flores-Brennan called for public comment. There was no public comment.

Ms. Flores-Brennan called the motion to a vote. The motion was unanimously approved as follows:

Yes: Steve ErkenBrack, Davis Fansler, Adela Flores-Brennen, Jay Norris, Sharon O’Hara, Denise O’Leary and Marc Reece

No: None

Abstain: None

The special meeting of the board ended at 10:31 a.m.

III. Small Business Marketplace Options

Judith Jung, Chief Operations Officer, Updated the committee members on the options the organization is reviewing for SHOP (Small Business Health Options Program).

In mid-May the Centers for Medicare and Medicaid Services (CMS) issued a press release indicating that they were divesting themselves of the SHOP marketplace and passing all consumers interested in the product directly to brokers.

Connect for Health Colorado wants to continue working with SHOP, but is looking for ways to reduce cost and provide a better experience to SHOP users. It was noted that the early platforms which were designed to support SHOP were not sustainable from a cost or a service experience perspective. However, there are a number of vendors that may offer a resource services, or a benefits administrative, platform.

The organization is looking into simplifying the up-front quoting, shopping application and enrollment functionality, while improving the customer experience.

Currently, the average monthly cost for running the SHOP back office since January 2017 has been around \$125,000, against an average monthly revenue of approximately \$39,000. Customers are having difficulty with account maintenance issues such as waiting too long to enroll new hires or COBRA. And, the technology is not aligned with policies such as not allowing the enrollment of a business group of one.

The organization is considering the following options:

1. Continue with the current expensive and inefficient system.
2. Identify a more advantageous model –
 - More simplified functionality for shopping and quoting, employer application/account set-up, and employee enrollment.
 - Transfer data to carriers, who will take full responsibility for all account administration.
 - Ability to offer a full set of ancillary products
3. Direct small businesses elsewhere
 - Either direct to carrier, managing general agent, broker, or other entity
4. Create a private exchange with the same model as #2
 - Only beneficial if:
 - CMS eliminates the tax credit or offers it to off exchange
 - No carriers offer SHOP plans on the exchange

Regardless of which option Connect for Health Colorado pursues as a replacement for the small group marketplace, staff is evaluating steps for immediate cost reductions in the SHOP Back Office.

Next steps for staff include:

- Begin opportunity for the public to understand the various options and provide comment
- Continue discovery and due diligence in researching available products/vendors
- Await guidance from CMS on tax credit and state flexibility for SHOP
- Determine carrier interest for Options 2 & 4 as well as what carriers are looking for in PY2018 for a public exchange
- Develop ROIs for different vendor combinations and other options
- Explore ways to reduce back office costs associated with the maintenance of SHOP over the short and long term

IV. Bank Accounts

Currently the organization is considering consolidating bank accounts and adding some investment accounts. Mr. Braun would like to bring forward a committee recommendation to the Board to open three new accounts with the current banks: 1) an initial operating account, 2) money market account and 3) investment account.

V. Public Comment

There was no public comment

VI. Adjourn

Meeting adjourned at 11:00 a.m.

Respectfully submitted,

Adela Flores-Brennan
Board Chair