

Finance & Operations Committee Meeting Minutes

Connect for Health Colorado Meeting Room

East Tower, Suite 1025

3773 Cherry Creek N Dr., Denver, CO 80209

August 22, 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	Improvements in predictive modeling for enrollment to improving timeliness and accuracy of enrollment projections. Review progress at October 24, 2016 meeting.
Create a schedule of possible revenue opportunities.	Finance Department	Developed in conjunction with Strategic Planning efforts, update to be provided at October 24, 2016 meeting.
Star ratings for customers. What would stakeholders like to see?	Operations Department	Ongoing analysis. We will follow the federal pilot to see what we can learn.
Provide accounts receivable metrics monthly.	Finance Department	Ongoing. Provide update at September 26, 2016 meeting on DSO improvement measures discussed at July 26, 2016 meeting.
Medicaid Cost Allocation plan for FY17.	Finance Department	Reviewed at July 26, 2016 meeting. Ongoing updates to be provided.
What is the IT spend for other state based exchanges?	Finance Department	PMPM comparison to be reviewed at September 26, 2016 meeting. Researching IT specific expenditures.
Monthly update of audit and compliance items with status column to document.	Finance Department & IT Department	Ongoing.
PMPM report.	Finance Department	Draft report to be reviewed at October 24, 2016 meeting.
What type of reporting will be valuable to the Board &	Finance & BI Department	Provide sample reports at October 24, 2016 meeting.

Committee from the BI Department?		
Cash Flow analysis for funds available to invest/Finalize investment policy.	Finance Department	To be reviewed at September 26, 2016 meeting.
Quarterly report of investments and outcome.	Finance Department	Future quarters.

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

Staff Present: Brian Braun, Christine Gavin, Kate Harris, Caren Henderson, Judith Jung, Kevin Patterson, Carolyn Pickton, Alan Schmitz, Lisa Sevier and James Turner

I. Welcome & Introductions

Nathan Wilkes chaired the Finance & Operations Committee meeting and called the meeting to order at 9:30 a.m., welcoming everyone in attendance, both in-person and on the phone. The Committee approved the July Finance & Operations Committee minutes.

II. Staff Attrition Report

Mr. Braun presented a report on staff attrition. While terminations have been running at a modest level, the 2016 calendar year for Connect for Health Colorado is at 7.7% attrition rate compared to an average of 20% across Colorado. Historically, there has been higher attrition during open enrollment. Involuntary terminations are at less than 25%; while 50% of other terminations were for new jobs.

III. Financial Update

Mr. Braun updated the Committee on finances for July 2016.

- Effectuated enrollment is at 140,722 compared to the budget target of 125,000.
- Operating expenses are at \$2,721 in line with the budgeted amount.
- Accounts Receivable are \$12,747 in line with the budgeted amount.
- Accounts Payable are \$3,071 compared to the budgeted amount of \$4,445.
- Working Capital is \$23,792 ahead of the budgeted target of \$21,016.

IV. Status Report on OE4 Technology Projects

James Turner, IT Director, discussed the highlights of the Open Enrollment Four (OE4) technology projects.

- Project Highlights
 - Initiated a marketing project for outreach to customers who received an eligibility determination but did not enroll.
 - Currently in discussions with CGI to contract work for analytics to support customer retention.
 - Initiated a project to assist Health Coverage Guides and Certified Assistance Counselors with stronger customer service and streamline certification processes.
 - Development is in process for the ability to transfer clients between broker and agency.
 - Federal Data Services Hub - income checks have been delivered to testing. This will go live for OE4 opening.

- Financial Update for OE4 Technology Projects (FY2016-2017 budget)
 - On track to deliver all projects within the original budget.
 - Ability to transfer clients between broker and agency costs project increased due to design changes.
 - Compliance projects costs increased due to several new compliance projects being implemented.
 - Original estimate for all projects with contingency is \$1,476,000 compared to the expected final cost of \$1,467,000.

- Compliance Dashboard
 - Demographic verifications – Plan/mitigation mutually agreed to with regulatory agencies.
 - Enrollment process – Negotiating changes to online application with The Center for Medicare and Medicaid Services (CMS).
 - Advanced Premium Tax Credit determination – Design in progress. Currently discussing with CMS.
 - Privacy & security – Plan being developed with the Office of Information Technology (OIT) and the Department of Health Care Policy & Finance (HCPF) to address findings from Authority to Connect (ATC).
 - Operational processes – Awaiting feedback from CMS regarding policy level reporting. Currently in compliance by using manual workarounds.

V. Audit & Compliance Update

Mr. Braun requested approval from the Committee to use the auditing firm, Kunding, Corder & Engel for Connect for Health Colorado’s annual audits. Predicted fees are capped at \$55,000.00 compared to \$65,000.00 in 2015. Finalization goal of the financial portion of the audit is October 2016. The A-133 audit may go into November. There was a unanimous vote by the Committee to recommend using Kunding, Corder & Engel to the Board.

Mr. Braun indicated that OIG is still conducting their financial and internal control audit. The audit has been ongoing for the past two years. OIG will be visiting the Connect for Health Colorado office the week of August 29. There are no specific issues to report at this time.

VI. Business Intelligence Initiatives

Carolyn Pickton, Business Intelligence Director presented the phase one self-service business intelligence initiative to the Committee. This will enable self-service reporting for both IT and business end users. The design will enable summarized and non-Personal Identifying Information (PII) to be visible on a hosted, secure cloud-based solution. This will enable Connect for Health Colorado to have up-to-date numbers around enrollment and Marketplace eligibility for reporting and analysis.

Phase two is to be proposed for predictive analytics, statistical analysis and modeling for end users, such as enrollment probability, geographic classification, time series forecasts and probable outcome. The visualization outcome can be delivered in dashboards, spreadsheets and other reporting methods.

Working with Mr. Braun, the Business Intelligence team will be manually modeling and forecasting specific process and financial metrics over the next two quarters. The proposed, phase two will enable automation of the data modeling for these more sophisticated analytics and models.

VII. Benchmarking Update

Mr. Braun presented a benchmarking update to the Committee. The report shows per member per month (PMPM) revenue and expenses over the next four fiscal years.

- A modest assumption for growth in enrollment at 10% per year is assumed.
- In FY2018 relying solely on carrier fees for revenue source.
- \$18.00 PMPM revenue.
- Continued reduction in expenditures.
- FY2016 & FY2017 investment in technology & process improvements to bring costs down.
- The goal of below \$15.00 PMPM expense within next 3 years.
- eHealth is under \$15.00 PMPM in comparison.

VIII. Investment Policy

Mr. Braun presented a draft of the investment policy for Connect for Health Colorado. The Committee determined that management would make investment decisions and update the Committee and Board quarterly. The four primary objectives of the policy are:

- Preservation of principal.
- Maintenance of sufficient liquidity to meet cash needs.
- Maximize the rate of return in prevailing market conditions for eligible securities.
- Diversification of investments to avoid incurring unreasonable risk regarding any single issuer, asset class or maturity.

IX. Public Comment

None.

X. Adjourn

Meeting adjourned at 10:53 a.m.

Respectfully submitted,

Nathan Wilkes