

Finance & Operations Committee Meeting Minutes

Connect for Health Colorado Meeting Room

East Tower, Suite 1025

3773 Cherry Creek N Dr., Denver, CO 80209

September 25, 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	
Present final analysis on EBNE effort for FY 2017	Finance Department	Finance & Operations Committee Meeting
Complaints process demonstration	Appeals & Legal Department	December or January Finance & Operations Committee Meeting

Board Members Present: Sue Birch, Adela Flores-Brennen, Davis Fansler and Nathan Wilkes

Staff Present: Brian Braun, Kelly Davies, Claudia Farnham-Wittner, Kevin Patterson, Carolyn Pickton, Arba Robinson, Jackie Sanderson, Alan Schmitz and Lisa Sevier

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 August committee meeting minutes were approved.

II. IT Assessment

In addition to assisting Connect for Health Colorado with the strategic plan, Day Health Strategies did a review of the information technology (IT) and customer service call center technologies to seek options to streamline, simplify and limit exposure to costs in both IT and related services in order to lay a foundation for the unforeseen future. Juan Montanez with

Health Management Associates, an affiliate of Day Health Strategies, discussed Day Health's assessment and recommendations.

Mr. Montanez listed various areas that were assessed and found to be in need of improvement:

- Plan management
- Eligibility management
- Marketplace experience management
- Enrollment management
- Premium and cost offsets management
- Broker and navigator management
- Appeals management
- Customer service
- Financial management
- Information/knowledge/content management

Five fundamental pathways to improvements were considered. Of the five pathways, Day Health Strategies recommends an information and communications technology (ICT) overhaul with select contact management insourcing. The main benefit of this recommendation will be to replace the current ICT with industry-proven commercial off the shelf (COTS) products and services, most notably performance based SaaS (software as a service).

The key risks for this proposed route include the need to obtaining approval and support to insource, and the replacement of multiple vendors and technology solutions. However, with this path it is believed that Connect for Health Colorado will be able to decrease per member per month (pmpm) costs to \$15.50 – \$ 19.50 and completion could be done in stages over a span of two years or less.

Next steps include assembling the necessary documentation and determining the best public process to begin this course of action. It was noted that as the process continues, stakeholder input will be an important factor in the selection process.

III. **SHOP: Financial Options**

Chief Financial Officer, Brian Braun, gave an overview of the current costs for the Small Business Health Options Program (SHOP); as well as possible ways to reduce the overall expense of the program.

The organization's priorities for SHOP include:

- Continue to renew existing customers and process new enrollments
- Continue to provide current level of service to customers
- Reduce administrative costs without reduction in service level
- Work with existing SHOP carriers to find efficiencies and streamline processes

- Work collaboratively with stakeholders to address the challenges of small businesses in providing health benefits to employees
- Continue to fulfill State and Federal SHOP obligations

Cost reduction strategies will consist of:

- Consolidation of SHOP administrative and customer service operations
- Leverage existing financial and data systems and staff
- Reduction in management overhead, leverage existing management capacity
- Work with existing SHOP carriers to find efficiencies and streamline processes
- Clarify and communicate SHOP policies to reduce exception processing
- Simplify treasury processes and relationships
- Reduction in volume of trouble tickets and related processing costs

Currently the net income loss for SHOP is over \$1MM a year. With the cost reduction strategies, the total net income loss is projected to be reduced to \$248,000 or \$565,000, depending on enrollment levels. Additionally, the staff continues to determine additional cost reductions to achieve a breakeven point.

IV. Status: State Audit Recommendations

The organization is on track to having all the state audit recommendations fully implemented by the end of the year. The recommendation for the complaint process should be in place within the next two months. All policies & procedures are being finalized and staff training will be expanded to include the new policies & procedures.

V. Public Comment

Public comment was given by:
Bethany Pray, Colorado Center on Law and Policy

VI. Adjourn

Meeting adjourned at 10:55 a.m.

Respectfully submitted,

Adela Flores-Brennan
Board Chair