

Finance & Operations Committee Meeting Minutes

Connect for Health Colorado Meeting Room

East Tower, Suite 1025

3773 Cherry Creek N Dr., Denver, CO 80209

October 23, 2017

9:30 AM – 11:30 AM

Action	Who By	Due
Complaints process and results reporting review	Appeals & Legal Department	January committee meeting
A supplemental budget will be created to include Medicaid reimbursement	Finance Department	November committee meetings
A formal Reserves Policy	Finance Department	December 2017

Board Members Present: Davis Fansler, Adela Flores-Brennen, Denise O’Leary and Nathan Wilkes

Staff Present: Abe Barela, Brian Braun, Kelly Davies, Beth Deines, Claudia Farnham-Wittner, Molly McClurg, Kevin Patterson, Carolyn Pickton, Arba Robinson, Jackie Sanderson, Alan Schmitz, Lisa Sevier and Ezra Watland

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 September committee meeting minutes were approved.

II. Fiscal Year 2017 Financial Audit Presentation

Tiffany Knight with Kunderling, Corder & Engle, P.C. gave a report out on the financial audit for fiscal year (FY) 2017. Key highlights of the financial statements include:

- Total year end assets: \$51,018,419
- Total cash assets: \$32,290,729
- Capital assets: \$18,635,962
- Total liabilities: \$4,913,257
- Net position at end of year: \$46,105,162
- Unrestricted net position: 27,338,439
- Overall decrease in net position: 10,103,111
- Revenue was increased by \$2.1 MM
- Expenses were decreased by \$2.6 MM
- Total operating revenues: \$47,496,011
- Total operating expenses: \$57,599,122

Ms. Knight identified one of the significant audit findings:

Significant accounting estimates include the following: the collectability of receivables, accounts receivable for carrier fees, accounts receivable for Medicaid cost reimbursements due from the Colorado Department of Health Care Policy and Financing (HCPF), the amortization period of deferred costs, the depreciable lives of capitalized assets, and the accrued liability recognized for HCPF costs.

Additionally, Ms. Knight noted that there were no audit adjustments made as part of the audit.

The auditors are required to make a growing concern assessment for one year after the financial statements are issued, through October 23, 2018. The auditors found no concerns from the financial perspective. From a legislative perspective, currently there is nothing to indicate that the organization will not exist in a year.

The tax return has been extended to May 15, 2018.

The report will be submitted to the full board during the November board meeting.

III. Quarterly Financials

Financial Report

Chief Financial Officer, Brian Braun, reviewed the quarterly financials with the committee. The quarterly financials exceeded expectations. Expenses came in under budget, primarily due to timing issues with marketing and the assistance network. Revenues came in higher than budgeted, by \$645,000. The cash balance as of September 30, 2017 was \$1.8 million higher than budget projections.

At this point in the fiscal year there are no indications that original projections derived through the budgeting process have significantly changed, aside from the impact of the new source of funding related to Medicaid cost reimbursements. The Medicaid cost reimbursement is estimated to be around \$700,000. A supplemental budget will be created to include the reimbursement dollars.

Quarterly KPI's

New graphs and details have been added to the quarterly key performance indicators (KPI's), including dental effectuated enrollments, customer satisfaction and additional details for all performance indicators.

An ask was made by the committee to include trend reporting and comparison data with the customer satisfaction KPI, it was noted that due to the specialized survey it would be difficult to align with other data. The current data will be used to create a baseline for the future and staff will research what information may be available to help create a comparison.

Revised appeals reporting, including cumulative data and further categorization of appeals, will be reviewed at the November committee meeting.

IV. Quarterly Audit Update

Mr. Braun gave a brief review of completed audits conducted since 2014. Currently there is one audit still open. The audit is with the Office of the Inspector General.

Further items of note:

- CMS has accepted all A-133 findings and has closed out the grant
- SMART audit operational issues continue to be worked on in partnership with HCPF

V. Review Finalized Contracts

A brief status was given as follow up on procurements approved by the board on June 26th, 2017. All procurement items came in slightly under the approved amount.

A portion of the Assistance Network site contracting funds were held out as contingency funds if needed.

VI. December/January Committee Meeting

The December committee meeting falls on the Christmas Holiday. The committee suggested having a combined board & committee meeting on December 18th. This suggestion will be brought to the Policy Committee and if in agreement, the board for a decision.

VII. Public Comment

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

VIII. Executive Session

Alan Schmitz offered a motion for approval to move into Executive Session by the Board to discuss matters concerning a sensitive and confidential issue around a contractual matter. A vote was called for and passed with unanimous approval.

The Executive Session is permitted pursuant to CRS §24-6-402(4)(e) & (c).

As there was no discussion in the Executive Session leading to a need for a decision, the public portion of the Finance & Operations Committee meeting was adjourned.

IX. Adjourn

Meeting adjourned at 10:30 a.m.

Respectfully submitted,

Nathan Wilkes
Committee Chair