

**Board Meeting Minutes**  
*Connect for Health Colorado Meeting Room*  
*East Tower, Suite 1025*  
*3773 Cherry Creek N Dr., Denver, CO 80209*  
**November 9, 2015**  
**8:30 AM – 12:00 PM**

**Board Members Present:** Adela Flores-Brennan, Eric Grossman, Denise O’Leary, Sharon O’Hara, David Padrino, Marc Reece, Marguerite Salazar and Nathan Wilkes

**Board Members Joining via Phone:** Steve ErkenBrack, Davis Fansler and Jay Norris

**Board Members Absent:** Sue Birch

**Staff Present:** Gabriela Aguilar, Brian Braun, Marcia Benshoof, Luke Clarke, Cheryl Ierna, John Neumeier, Kevin Patterson, Alan Schmitz, Lisa Sevier and Adele Work.

Approximately 15 guests attended the meeting in-person and the conference line was available for people to join by phone.

**I. Business Agenda**

- Board Chair Sharon O’Hara, called the meeting to order at 8:30 am and welcomed those in attendance, both in-person and on the phone.
- The minutes from the October 12, 2015 Board meeting were voted on and approved.
- The agenda was reviewed and no changes were made.
- Alan Schmitz, General Counsel, reviewed the conflict of interest policy with the Board. Mr. Schmitz stated that if a Board member believes they have a conflict of interest, they probably do. In such cases, the best protocol for the individual is to identify the conflict of interest and make a determination if it appropriate for him/her to cast a vote in the specific instance. It was clarified that if there is a conflict of interest the Board member can still fully participate in the discussion and abstain from the vote. Additionally, Board members can raise concerns about any other member’s possible conflicts at any time and the individual can be pulled from the vote.
- Disclosure of Conflicts of Interest: None.

**II. Contracts & Policy**

Brian Braun, Chief Financial Officer, reviewed changes to the Finance Policies that the Finance & Operations Committee discussed at the last Committee meeting, primarily some additional clarifications and controls. Some of the significant changes to the policies are:

- The clarification of the Board of Directors role of oversight.
- The authorization matrix spells out who has signature authorization for checks, credit and financial obligations.
- Segregation of duties
- Quality control review process and report to the Board.
- Credit card policy

- Investment policy
- Financial reporting – reporting will be done on an accrual basis, unless stated differently
- Contract management (18:29)
- Small purchases
- Federal & State awards

The Finance & Operations Committee voted to present the Finance Policies to the full Board for a vote.

The motion to approve the updated Finance Policies were unanimously approved by the Board by voice vote.

### III. Board Development and Operations

Ms. O’Hara stated that the Legislative Oversight Committee unanimously approved moving forward with naming Kevin Patterson as the permanent CEO of Connect for Health Colorado.

The next Legislative Oversight Committee meeting in December will include:

- Discussion on the impact of federal actions on the Marketplace
- Impact of the decertification of the Colorado HealthOp on Open Enrollment
- Lessons learned on Open Enrollment

Next, Ms. O’Hara discussed Kevin Patterson’s letter of agreement with Connect for Health Colorado, a draft is being circulated throughout the Board and will be finalized by early the next week. Included in the agreement are Mr. Patterson’s goals which include:

- Improving the customer experience
- Outreach
- Building a strong leadership team, board governance and organization
- Long term sustainability and fiscal management

The Policy and Finance & Operations Committees will have a joint committee meeting on November 23, 2015. The public and advisory committee members are encouraged to attend all the Committee meetings. All meetings are posted on the website and Board and staff encourage the public to participate through many avenues including social media.

Adela Flores-Brennan suggested restructuring the Advisory Groups and utilizing them more often. Mr. Patterson discussed encouraging more dialogue with the public and stakeholders.

#### **Action item**

- *Discuss how to structure working with Advisory Groups and stakeholders to encourage more engaged participation.*

### IV. Marketplace Development and Operations

Kevin Patterson, CEO, announced that Connect for Health Colorado has agreed to be part of a Healthy Communities Challenge made by the White House. The winner of the challenge will be the state with the highest decrease in the uninsured population.

Marcia Benshoof and Adele Work gave an update on Open Enrollment 3:

- As of Friday, November 6th the total enrollment is 6,718 which is ahead of last year's enrollment.
- All certified and certification training has been completed. Now the focus is on sales support and problem solving.
- The Service Center has answered 15,918 calls, average speed to answer is at 3 minutes with a handle time of 22 minutes.
- There is a marked increase in service performance vs last year.
- The Colorado HealthOp contingency plan was successfully launched.
- All 18 enrollment centers opened November 1<sup>st</sup>.
- Brokers are being supported by tools including the ACCESS portal and the Broker Lead Tool.
- The Connector Tool for the assistance network has resulted in 1335 appointments as of this morning.
- Digital and community focused campaigns include literacy videos.
- Outbound campaigns have commenced.
- New self-service tools have been introduced.
- Colorado HealthOp transition:
  - Removal of all HealthOp plans for 2016.
  - Re-ran entire renewal data for Health Op customers as well as customers with APTC (HealthOp was the second lowest silver plan).
  - Re-ran and tested all renewal letters.
  - Outreach and Outbound calls with HealthOp customers.
  - Carrier impact scenario by county.
  - SHOP strategy for small group employers.
- Upgraded CBMS, Peak, and Marketplace systems in production since October 18<sup>th</sup>.
- Command center is fully operational and taking calls.
- Tickets have been generated for any issues reported tickets to track problem – issues have been minor.
- Carrier reconciliation was completed prior to renewals processing.
- Electronic data interchange (EDI) between the Marketplace and the Carriers is flowing.
- Carrier, health coverage guide and broker 'book of business' reports successfully generated.

The Board discussed potential financial incentives for brokers who work with small group employers in SHOP. Jay Norris questioned whether the incentives would violate the broker contract with Connect for Health Colorado. Mr. Schmitz stated that the language in the contract does not prohibit providing an award to brokers for placing SHOP clients, but does state that generally the Marketplace will not give financial awards.

Mr. Patterson emphasized the importance of taking this to the Policy Committee for a full conversation, to ensure feedback from all stakeholders involved. It was noted that there will be

no referral from the Policy Committee regarding this, since two of the Committee members will have a conflict of Interest.

**Action item**

- *Bring a discussion around financial incentives for brokers who work with SHOP customers to the Policy Committee.*

**V. Financials**

Finance & Operations Committee Chair, Eric Grossman, stated that the goal for the Committee is to employ 5 to 10 metrics to ensure a clear view of the operational health of the organization.

Brian Braun, CFO, reviewed the quarterly report with the Board indicating that financial reports for the quarter are positive with a positive variance on the bottom line of 1.5 million.

- Revenues came in slightly under budget due to the special fee coming in lower than budgeted, this negative variance is being investigated to determine if it will continue.
- Some federal grant revenues that will extend into this year due to some adjustments of allowable costs.
- The Customer Service Center is below budget.
- Technology operations is below budget.
- General administrative is below budget.

Mr. Braun stated that cash flows are showing a discrepancy because the budget assumed the Marketplace would be receiving cash donation credits during this quarter. However, the credits will be coming in the second quarter. Additionally, there were payables that were to be paid out the end of last fiscal year which weren't paid out until this quarter.

The cash position and working capital position at the end of the quarter show positive variances as well.

**Action item**

- *Give an audit update during the next Finance & Operations Committee*

**VI. Report on Legislative Oversight Committee**

Policy Committee Chair, Adela Flores-Brennan, gave a report on the last Policy Committee meeting including the potential bills coming from the Legislative Oversight Committee. The Legislative Oversight Committee met on October 27th and three of the four potential bills that were introduced were pulled. The final bill referred out of the Legislative Oversight Committee is the bill that requires the Marketplace to refer business to brokers. It was noted that this is something Connect for Health Colorado already does.

Ms. Flores-Brennan reviewed a matrix of policy decisions made in the past by the Board. The Policy Committee recommended re-addressing four of these past decisions after open enrollment, with the exception being the broker incentives discussion from earlier in the meeting.

Steve ErkenBrack discussed the impact on the stability of the Marketplace due to changes such as the risk corridor program. The program was set up so that carriers whose premiums exceed claims and other costs by more than a certain amount pay into the program, and carriers whose claims exceed premiums by a certain amount receive payments for their shortfall. The Centers for Medicare and Medicaid Services (CMS) announced in early October that the risk corridor payouts would not be funded by 100%, but would be funded by 12.6% which had a significant impact on a number of carriers, including the demise the Colorado HealthOp as well as several other health ops. Mr. ErkenBrack emphasized the need for Connect for Health Colorado to communicate to the federal government the importance these decisions have on the health exchanges stability.

**Action item**

- *The Finance Committee and Policy Committee is to further investigate the risks of federal decisions on the Marketplace.*

**VII. Public Comment**

John Luhman, with All Health Options, stated that this open enrollment period has been going much smoother than the past two enrollments. The system is working well. He encouraged the Board to clear up the question around the broker compensation issue. Mr. Luhman also asked for more information to reassure Colorado HealthOp customers that their coverage is still good through the end of the year.

Gary Manchulenko, with Alpine Life Planning Strategies, emphasized that the current broker lead system is working very well and there is no need for a bill to encourage what is already being done. Mr. Manchulenko stated that carriers do offer an incentive to brokers to move away from SHOP, he believes it would be helpful for Connect for Health Colorado to offer an incentive as well.

Chuck Hoppe, with Alpine Life Planning Strategies, agreed that the system is working very well this open enrollment and he appreciates all the Marketplace has done for the brokers.

Meeting adjourned at 11:27 am.

Respectfully submitted,

Davis Fansler  
Secretary

**Next Meeting**

December 17, 2015 from 8:30 am – 12:00 pm