

Board Meeting Minutes
Connect for Health Colorado Meeting Room
East Tower, Suite 1025
3773 Cherry Creek N Dr., Denver, CO 80209
November 13, 2017
8:30 AM – 11:30 AM

Board Members Present: Mike Conway, Steve ErkenBrack, Adela Flores-Brennan, Sharon O’Hara, Denise O’Leary and Nathan Wilkes

Board Members Joining via Phone: Kyle Brown, Davis Fansler, Jay Norris and Marc Reece

Board Members Absent: None

Staff Present: Brian Braun, Luke Clarke, Kelly Davies, Claudia Farnham-Wittner, Kate Harris, Caren Henderson, Ian McMahon, Kevin Patterson, Carolyn Pickton, Jackie Sanderson, Alan Schmitz, Lisa Sevier and Ezra Watland

Approximately 4 guests attended the meeting in-person and the conference line was available for people to join by phone.

I. Call to Order

- Board Chair Adela Flores-Brennan, called the meeting to order at 8:30 am and welcomed those in attendance, both in-person and on the phone.

II. Executive Session

Ms. Flores-Brennan entertained a motion to move into Executive Session to discuss matters concerning a personnel matter and to obtain input from the auditing firm concerning management’s cooperation during the audit process. A vote was called for and passed with unanimous approval.

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

The board returned from Executive Session at 9:25 am.

III. Business Agenda

- The minutes from the October 9th, 2017 meeting were voted on and approved.
- There were no changes to the agenda.
- Disclosure of Conflicts of Interest: none.

IV. Fiscal Year 2017 Financial Audit

Steve Corder and Tiffany Knight with the auditing firm of Kunding, Corder & Engle, P.C., reviewed the fiscal year (FY) 2017 financial statement audit with the board. Mr. Corder noted that the financial audit had been reviewed with the Connect for Health Colorado Finance &

Operations Committee and approved, as well as discussed in the board's executive session.

Internal controls are included in the audit, no matters were discovered to be required to be reported.

Important points in the financials include:

- **Statement of Net Position**
 - Assets at the end of FY 2017 are \$51,018,419
 - Almost half of the assets are cash or cash equivalent
 - Capital assets were \$18.6 MM
 - Total liabilities were \$4.9 MM
 - Net position is \$46 MM
- **Income Statement**
 - Overall decrease in net position is \$10 MM
 - Bottom line has been increased by \$3 MM
 - Fees for revenue service is \$26 MM, an increase of \$12 MM
 - Program Revenue is \$18 MM
 - Estimated Cost Revenue of \$2.8 MM due to the Medicaid cost allocation from the Colorado Department of Health Care Policy & Financing (HCPF)
 - Total Operating Expenses were about \$57 MM, a decrease of \$1.1 MM from the previous year

There were no adjustments as a result of the audit. The audit firm will complete the tax returns in December.

V. Board Report

Outreach & Communications Advisory Group Acknowledgement

The Outreach & Communications Advisory Group (OCAG) has made the decision to dissolve. Ms. Flores-Brennan acknowledged the group for its service, pointing out the advisory group chairs Adam Fox and Mary Castro.

December Board & Committee Meeting

Due to the holidays, the board made the decision to combine the December board meeting and committee meetings into one date, scheduling it for Monday, December 18th, 2017.

Sue Birch, Executive Director of Colorado Department of Health Care Policy & Financing (HCPF), will be leaving her position with HCPF and, as a result, will no longer be a member of the Connect for Health Colorado Board of Directors. Ms. Birch has been on the board since the inception of the organization and has been a valuable member of the board.

A replacement for the board vacancy left by Eric Grossman has been named. Claire Brockman will join the board in December.

VI. CEO Report

Open Enrollment Update

Kelly Davies, Director of Product Development, gave the board an update on open enrollment. The system had a successful opening on November 1st and has been performing consistently with no major issues:

- One reported defect, impacting 26 customers, is now resolved
- November 15th will be the next release and will be the only planned down time
- Enrollment is up over last year at approximately 17,000

A full report on enrollments will be presented at the next Finance & Operations meeting.

Board Certification of 2018 QHP Plans

The board is obligated to certify the qualified health plans (QHP)s offered for sale on the Marketplace on an annual basis. Historically this has not been done as a formal process; however, moving forward the process will become a more formal certification process, beginning with the 2019 plan year. For the 2018 plan year the staff is requesting a ratification, rather than certification, due to the certification process changing because of administrative orders issue from the federal government.

The board does not stand in place of the Division of Insurance (DOI) in this certification process. The board criteria are based on whether the sale of the plans meet the mission of Connect for Health Colorado.

Steve ErkenBrack made a motion to ratify the certification of the QHPs, including dental plans, being offered for sale on the Marketplace for plan year 2018. Sharon O’Hara seconded the motion.

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-Brennan, Jay Norris, Sharon O’Hara, Denise O’Leary, Marc Reece and Nathan Wilkes

No: None

Abstain: None

VII. Finance & Operations Committee Report

Quarterly Financials

Chief Financial Officer, Brian Braun, reviewed the first quarter financials for FY 2018.

- Effectuated enrollments are just above projections at 144,680
- Net operating income margin is better than anticipated at -6.1%
 - Earnings are better than expected - primarily due to the Medicaid cost allocation
- Both per member per month (PMPM) carrier fees and operating expenses are at expectations
- Days cash on hand is better than targeted at 200.8 vs 120
- No changes in 12-month cash flows

- Number of complaints is 4
- Percent of first call resolution is at 79%
- Customer satisfaction is at 70%

Office Space

Connect for Health Colorado staff are requesting approval to enter in to a lease with Metropoint I for approximately 21,230 square feet of office space, with a total commitment of 65 months and a total base lease cost estimated to be \$2,750,000 over the contract period. The current lease expires on March 31, 2018. A thorough search for space was conducted, which included touring no less than 18 different properties. Factors taken in to account in finalizing the decision included:

- Costs – including base rents, utilities, parking
- Location – maintain similar average overall commute time
- Amenities
- Amount of light in space and flexibility in design of space
- Ability to consolidate all operations on one floor
- Public and staff meeting space and parking availability

Sharon O’Hara made a motion to accept the recommendation of staff to enter into a lease agreement with the proposed property, effective April 2018. Denise O’Leary seconded the motion.

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-Brennan, Jay Norris, Sharon O’Hara, Denise O’Leary, Marc Reece and Nathan Wilkes

No: None

Abstain: None

VIII. Policy Committee

Ms. O’Hara shared with the board that the Board Advisory Group continues with discussions around benefit design. Guiding principle in the discussion include:

- Is allowable within existing legislative authority (of Connect for Health Colorado, the Division of Insurance, and/or Department of Health Care Policy & Financing)
- Does not duplicate work with the Division of Insurance
- Encourages carrier participation and supports continued carrier competition
- Advances Connect for Health Colorado’s mission of expanding access, affordability, choice for consumers
- Supports Connect for Health Colorado’s strategic plan goal of helping consumers find and select the best coverage to fit their needs

Legislative Update

Kate Harris, Director of Policy and External Affairs, updated the board on current legislation in Washington D.C.

Current tax reform does not include a provision around the individual mandate; however, there is the possibility of an executive order which could allow US Health & Human Services Department to bring in exemptions.

CHP

Authorized coverage for 75,000 children and 800 pregnant women enrolled in the Child Health Plan program (CHP) ended September 31, 2017. Colorado has enough funding to continue CHP through January 31, 2018, after which these children are at risk of losing coverage. A bill for reauthorization of CHP has passed in the House of Representatives and is now with the Senate Finance Committee.

Ms. Harris and Nina Schwartz, Strategic Policy Manager with HCPF, reviewed a draft sunset timeline for CHP members focusing on outreach messaging for CHP members and their families. HCPF has created a link on its website with updated information for CHP members, eligibility partners, providers and applicants <https://www.colorado.gov/hcpf/future-child-health-plan-plus-chp>.

Connect for Health Colorado will launch a page on its website specific to CHP members in late November. Additionally, there is ongoing training for the service center, carrier partners, brokers and Health Coverage Guides.

The loss of CHP will qualify as a special enrollment period.

IX. Public Comment

The following members of the public gave comment:

Thomas Dyer, London Visa in Cyprus - addendum A attached

John Luhman, Broker – addendum B attached

Meeting adjourned at 11:21 am.

Respectfully submitted,

Davis Fansler
Secretary

Next Meeting

December 18, 2017 from 8:30 am – 12:00 pm