

**Finance & Operations
Committee Meeting Minutes**

*Connect for Health Colorado; East Tower, Suite 1025
3773 Cherry Creek N Dr.
Denver, CO209
December 28, 2015
9:30 AM – 11:30 AM*

Summary of Action Items

Action	Who By	Due
Create a monthly cash flow statement by scenario to determine impact on cash flow and when triggers will occur and what can be done	Finance Department	Ongoing
Add a policy requiring Board approval for contract lengths	Finance Department/Board	February Finance & Operations Committee Meeting – 2/22/16
Update on eligibility & technology investment	Information Technology Dept.	Next Finance & Operations Committee Meeting – 1/25/16
Include a 24 month rolling cash flow report in the quarterly report	Finance Department	Next Finance & Operations Committee Meeting 1/25/16
Provide enrollment based cost metrics	Finance Department	Next Finance & Operations Committee Meeting – 1/25/16
Provide metrics on the use of technology & the customer service center	Finance Department	Next Finance & Operations Committee Meeting – 1/25/16
Strategy for SHOP for OE4	Operations & Technology	Next Finance & Operations Committee Meeting – 1/25/16

Board Members Present: Nathan Wilkes

Board Members Joining via Phone: Sue Birch and Eric Grossman

Staff Present: Brian Braun, Luke Clarke, Christine Gavin, Kevin Patterson, Adele Work

I. Welcome & Introductions

Eric Grossman chaired the Joint Committee meeting and called the meeting to order at 9:30 am and welcomed those in attendance, both in-person and on the phone.

II. Open Enrollment Update

Adele Work, Chief Information Officer, updated the committee members on open enrollment.

- Currently there are 126,321 enrollments.
- There are less than 5% enrollment issues compared to 10% in OE2.
- 80% of calls are answered in 300 seconds or less. This is less than what was targeted due to a new staff learning curve. This will be improved upon for next open enrollment.

III. **Cash Flow Projections**

Brian Braun, Chief Financial Officer, gave a report on the [cash flow projections](#) for Connect for Health Colorado. Indicating that there is an opportunity to manage the financial scenarios through management of expenditures and revenues.

- Strategies including increasing enrollment, revenue diversification, SHOP and the possibility of the Special Assessment Fee extension will have a significant impact on increasing revenue.
- Expense saving strategies include expense management exercises and Health Care Policy & Finance cost sharing for Medicaid expenditures.

Key conservative assumptions that were made in this projection include the following:

- Effectuated Individual Enrollment (125,000 CY 2016 and 135,000 CY 2017).
- Carrier Fee 3.5% of premiums, Special Assessment Fee \$1.80 (CY 2016 only).
- Average monthly premium per covered life (\$340 CY 2016 and \$350 CY 2017).
- Annual tax credit donation of \$5MM.
- No new revenue streams or large increases in SHOP enrollment.
- Colorado Health Foundation annual funding of the assistance network (\$2.5MM).
- Staffing at 71 FTE.
- Capital expenditures beyond OE3 - \$5MM annually.
- No Medicaid cost allocation/reimbursement assumed.

IV. **Budget to Actual Results Through November**

Mr. Braun discussed the [budget to actual results through November 2015](#). Interim results are positive compared to budget.

Revenue

- The net change in assets before depreciation for the 5 months ending November 30, 2015 exceeded budget expectations by \$1.2 million (\$1.07 MM compared to a budgeted \$150,000 loss).
- Revenues for the period came in below budget by \$1.6 MM. The primary cause of the negative variance was due to lower special fee assessment revenue (\$1.4MM).
- Not included in the variances is \$4.7 MM of Federal Grant revenue recognized during the period due to prior year adjustments for unallowable costs.
- The impact of the Colorado Health Co-op shutting down is still being analyzed. Connect for Health Colorado is currently awaiting \$1 million in uncollected revenues.

Expenditures

- Customer Service Center (\$1.47 MM) – under budget.

- Assistance Network (\$-700,000) – is under budget, due to a result of timing.
- General & Administrative Salary and Benefit Expenses (-\$508,000) – expenses are lower than budget due to postponing some hiring along with the budget not accounting for staff attrition.

V. Development Project Financial Review

Mr. Braun explained the [development project financial review](#), stating that the total approved technology capital investment budget for Fiscal Year 2016 is \$8.7 million. Total funds spent through November \$6.8 million, with an additional \$1.1 million committed. Based on this analysis and projected expenditures, overall spending for the fiscal year is projected to exceed the budget by \$264,000. Explanations of the budget line variances include:

- Shared Eligibility System (SES) improvements
- Marketplace improvements
- Carrier electronic data interchange (EDI) Improvements
- Migration to target architecture and OE4 planning
- SHOP Migration – put funding towards marketplace improvements
- Business Intelligence Improvements – Team and technology. New regulations and requirements influence spending.
- Other projects, ongoing costs & contingency – Co-op and significant changes after the first year of 1095 reporting that we didn't plan for that will be implemented in the next month.

VI. Public Comment

VII. Public Comment on the phone

Meeting adjourned at 10:42 a.m.

Respectfully submitted,

Eric Grossman
Committee Chair