

Modeling Scenario at Original Mid-Level Enrollment Projection - 136,300

Connect for Health Colorado
Current and Anticipated Budget and Funding

Model Assumptions

COHBE's portion of CoverColorado 2015 reserve is \$8.5 million

Annual operating budget of \$26 million

| | 2nd half 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| <u>Enrollment & Premium Assumptions</u> | | | | | |
| Average Estimated Sales Projections | 0 | 136,300 | 220,000 | 250,000 | 300,000 |
| Average Estimated Premium per member per month | \$0 | \$337 | \$352 | \$370 | \$390 |
| Administrative Fee | 0.00% | 1.40% | 1.4%-1.7% | 1.4%-1.7% | 1.8%-2.1% |
| <u>Revenue Assumptions</u> | | | | | |
| Exchange Revenue from Admin Fees | \$0 | \$7,716,761 | \$13,009,920 | \$15,523,200 | \$26,676,000 |
| Estimated portion of Federal Grant Funding (2013-2016) | \$66,069,622 | \$60,984,119 | \$15,386,639 | \$0 | \$0 |
| Revenue from CoverColorado/Unclaimed Property Fund | \$15,000,000 | \$0 | \$0 | \$0 | \$0 |
| Revenue from CoverColorado/Reserve Balance | | | \$8,500,000 | | |
| Revenue from General Market Health Insurer Assessment (\$1.00-\$1.50 PMPM) | | | \$10,500,000 | \$10,500,000 | |
| Revenue from Premium Tax Credit Donations | \$5,000,000 | \$5,000,000 | \$5,000,000 | \$5,000,000 | \$5,000,000 |
| Potential Foundation Grants | \$2,010,000 | \$2,000,000 | | | |
| Total Income | \$88,079,622 | \$75,700,879 | \$52,396,559 | \$31,023,200 | \$31,676,000 |
| Expected Operating/Technology Budget | \$75,239,971 | \$26,000,000 | \$26,000,000 | \$26,000,000 | \$26,000,000 |
| Remaining Implementation/Enhancement Costs estimated for 2014 & 2015 | | \$37,057,020 | \$15,725,785 | | |
| Additional Implementation Expense (not Federally grant funded) | \$2,010,000 | \$9,716,761 | | | |
| Total Expenditures | \$77,249,971 | \$72,773,781 | \$41,725,785 | \$26,000,000 | \$26,000,000 |
| Net Income/Expense by year | \$10,829,651 | \$2,927,099 | \$10,670,774 | \$5,023,200 | \$5,676,000 |
| Technology Obsolence Solution begins after Operational Reserve reaches 50% of annual budget | \$0 | \$756,749 | \$11,427,524 | \$16,450,724 | \$22,126,724 |
| Cumulative Operational Reserve/(Shortfall) at approximately 50% of annual budget | \$10,829,651 | \$13,000,000 | \$13,000,000 | \$13,000,000 | \$13,000,000 |