

Board Meeting Minutes

Connect for Health Colorado Meeting Room

East Tower, Suite 1025

3773 Cherry Creek N Dr., Denver, CO 80209

November 10, 2014

8:30 AM – 1:05 PM

Board Members Present: Steve ErkenBrack, Mike Fallon, Davis Fansler, Eric Grossman, Gretchen Hammer, Sharon O’Hara, Arnold Salazar, Marguerite Salazar and Nathan Wilkes.

Board Members Joining via Phone: Susan Birch, Ellen Daehnick (left the meeting at 9:20 am) and Kevin Patterson

Board Members Absent: None

Staff Present: Camisha Bailey, Marcia Benshoof, Adiel Brasov, Luke Clarke, Gary Drews, Proteus Duxbury, Lindy Hinman, Cheryl Ierna, Roxanne Johnson, Linda Kanamine, Jeff Masongsong, Karen Phillips, Lynn Pressnall, Alan Schmitz, Lisa Sevier and Adele Work.

Approximately 20 guests attended the meeting in-person and the conference line was available for people to join by phone.

I. Business Agenda

- 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 September 19th Executive Session and the October Board Meeting were voted on and approved.
- The agenda was reviewed and amended as follows: a Call Center expansion recommendation.
- Ms. O’Hara announced the December Board Meeting was being moved to December 2nd.
- Disclosure of Conflicts of Interest: None

II. Procurement Process Update

General Counsel, Alan Schmitz, discussed a change in the contract procurement process. Connect for Health Colorado (C4HCO) is reworking the policy and procedures as to how C4HCO tracks material agreements and the documentation of how the Board reviews the processes.

Mr. Schmitz explained that up to now the process has been cumbersome because the Board does not meet often enough to review every material contract. The new plan is to create a process that has more business practicality to it.

One item specifically to be address is the original policy containing a revision that the Board will review all contracts that are in excess of \$150,000. However, the policy doesn’t address what happens when a single contract and several Statements of Work, each singularly staying under the \$150,000 threshold, but cumulatively surpassing that amount.

Additionally, for the purposes of tracking contracts, C4HCO is implementing a policy using an Excel spreadsheet format to track every material approval and Board decision. This spreadsheet is to include all previous decisions as well.

III. Board Development and Operations

Chair Sharon O'Hara emphasized that it is C4HCO's responsibility to continue to engage Stakeholders and educate everyone on how to keep moving forward on longer range issues; especially around sustainability.

IV. Exchange Development and Operations

1. CEO Report

Interim CEO Gary Drews gave his CEO Report as follows:

- The New Marketplace is live.
- C4HCO did lease the additional office space.
- Budget to actual financial statements are now available on a monthly basis.
- The Financial Forecast framework will be presented to the Finance Committee on November 18th.
- All Renewal Notices have gone out.
- A draft of Board Committee Charters will be provided at the next Board Meeting.
- The Supreme Court will listen to the issue of Tax Credits and their availability through the Federal Marketplace. A decision will be made by early summer.
- A long range planning process is being put together. The plan for this is to align a longer term of strategic directions for C4HCO.

Ms. O'Hara announced a slight switch in the agenda, moving the readiness report ahead of the Call Center expansion recommendation.

2. Readiness Update

a) Marketing and Outreach

Chief Marketing Officer, Linda Kanamine, presented the Marketing and Outreach section of the readiness report.

Ms. Kanamine noted that similar to last year's Open Enrollment, there will be shifts in messaging over time. Specifically going from renewals to encouraging shopping and new enrollments. Adding that the message can and will change if needed, according to weekly responses from the public.

Steve ErkenBrack expressed concern for messaging customers whose original projected income for 2014 differs from their actual income and how this may affect their taxes. Marcia Benshoof, Chief Strategy and Sales Officer, assured the Board that there is continual messaging reminding customers to report any income changes. Additionally, if a customer has variability in their income they can utilize a tool in the marketplace that allows them to decide how much of their tax credit they are taking at any given time.

Ms. Kanamine discussed that C4HCO is making a concerted effort with media education, as well as throughout the sales channels to make sure people are aware the tax credits are changing. This is in addition to possible changes in provider networks and prescription plans. Marguerite Salazar added that as soon as the information on the changes in the Advanced Premium Tax Credit (APTC) were released, everyone involved has been working hard to get the message out with every opportunity.

Mr. Drews emphasized that C4HCO takes its role in educating people on how to shop for insurance and all the factors involved with that very seriously.

Mike Fallon expressed concern about the clarity of the messaging and Ms. Hammer cautioned balancing the messaging so as not to cause undo concern in customers that will not be affected by the changes.

b) Sales Channels

Ms. Benshoof reviewed the Sales Channels portion of the readiness report.

Eric Grossman observed that a lot of tools currently offered to brokers are line of business tools; however, he is interested in what is available to prepare the Brokers and Service Center for the specific renewal customers that will want to shop for plans. Ms. Benshoof explained that Brokers have been provided with a Book of Business report which allows the Brokers to view who has auto-renewal and who has been impacted by the changes to the APTC so they can prioritize their business.

c) Service Center and Marketplace Implementation

Adele Work updated the Board on the Service Center and the Marketplace implementation.

Mr. Grossman inquired about a more thorough metric that will encompass all the departments and include budget to actual. Mr. Drews explained this is a plan in process which includes the top items requested with enough information to drive the Board's decisions. This plan in process will be coming up over the next 4 to 5 months.

d) Information Technology

Proteus Duxbury, Chief Technology Officer, updated the Board on the Command Center's progress. Including introducing an Akamai 'waiting room' for high volume times, as well as being part of the Command Center enhancements.

Mr. Grossman wanted to know if there is satisfaction with the current Service Level Agreements (SLAs). Mr. Duxbury stated that C4HCO has been working closely with CGI to review the SLAs in preparation of Open Enrollment. Further explaining there are areas where C4HCO would like them to be more broad and deeper. However, with the need to get everything into place for this Open Enrollment period, the decision has been made to measure all levels of SLAs during Open Enrollment and utilize this information during discussions for next year.

Mr. ErkenBrack wanted further information on addressing issues with the APTC calculation's accuracy.

Ms. Work explained that C4HCO has addressed the root cause of the APTC Calculation issue so moving forward the past issues should not be happening. C4HCO continues to work on reconciling the issues from the past. The 1095 reports need to go out in January and it is critical that they are correct, so there is intent focus on the APTC calculations.

Mr. ErkenBrack also brought up concerns with the simultaneous enrollment between Medicaid and the Exchange. Requesting a standing agenda item for these types of issues so there is no chance of losing track of them.

Ms. Benshoof assured that when a customer has been re-determined as eligible for Medicaid and they have a commercial policy, C4HCO reaches out to the customer in advance of the effective date to mitigate the consequences that can happen when there is double coverage.

The Board took a minute recognize all the hard work and effort that the leaders and staff of C4HCO have put into getting the Exchange ready for this Open Enrollment period.

3. Call Center Expansion Recommendation

Nathan Wilkes introduced an urgent issue dealing with the Service Center staffing, due to call volume increases based on recent changes in the APTC and pricing for premiums. The net increase is expected to be 60,000 calls between November 15th and December 15th. In order to continue the service philosophy of: Provide responsive, cost effective customer service while managing to the current SLAs as volume permits. The Operations Committee recommends that:

The Board allow an increase in Call Center staff in November and December to maximum optimal capacity at an estimated cost of \$875,000. As well as pursue additional mitigations

- Aggressively monitor activity, strategies, forecasts and opportunities for efficiencies within the service center
- Accelerate deployment of the avatar and other low-cost decision support tools to improve customer self-service capabilities.

Ms. Work further explained that the recommendation will buy the ability for the Service Center to answer 50,000 to 55,000 more calls than they were originally prepared for. Without the recommendation in place the Service Center will not be able to answer all the additional calls.

Mr. Drews clarified that this solution is opening up all the controls to allow the Service Center to handle as much as possible. Recognizing there are variables that can't be predicted.

Mr. Salazar spoke in support of the recommendation, discussing the importance of understanding that this is a changing and moving start-up with a new concept of changing how insurance is bought and consumer's perspective of what insurance is. Mr. Salazar added that the Finance Committee will discuss the impact of this decision at a later date.

Mr. Grossman agreed with Mr. Salazar while adding the importance of being fiscally prudent.

Mr. Fallon wondered if this is with the assumption that the time with customers for renewal will take as long as new enrollments. Ms. Work explained that for people who decide to shop, rather than auto-renew, the time may be longer due to questions about the changes to APTC and the impacts on their net amount.

Mr. Fallon understood the need for increased call service, given all the variable that have occurred in the last 2 month; however, from a financial standpoint the requested increases to the budget since June is concerning to him. Specifically considering the Exchange must be self-sustaining in 6 weeks. Knowing this, the question remains as to where the additional funds will come from.

Mr. Drews stated that this is rooted in the direction the organization is taking into the long term future. Specifically creating the system and getting it to where it is today, our primary responsibility is helping people enroll. Starting January 1st C4HCO will work on strategic planning to create a direction that is unified and aligned between management, the Board, partners and customers. C4HCO is working with the best forecast it can have at this point given the variables that are in place of which many could not have been anticipated.

Mr. Fallon concurred that C4HCO is in a very early start-up time; however, there is a set budget and when more funds are required, there needs to be a source for those funds. Costs need to be re-allocated from somewhere.

Mr. Wilkes argued that the other part of this equation is the increased revenue. Mr. Fallon agreed with the increased revenue but questioned its ability to offset the cost. Mr. ErkenBrack recognized the reality of the moment, the requirement of unbudgeted funds for unexpected developments while lacking a strategy to deal with the situation.

Ms. Benshoof explained that while C4HCO is utilizing every alternative available, this is a situation that calls for the use of the operating reserves to address a strategic imperative for the Exchange. Mr. Fallon cautioned there will always be the next crisis, so there needs to be a plan to prevent this from happening.

Mr. Fallon noted there are political polls stating that 40% of people currently enrolled in the Affordable Care Act (ACA) do not plan to enroll next year. Ms. Work stated that originally C4HCO based some assumptions on the polls which stated up to 30% of enrollees would not pay their premiums and be terminated by the end of the year. However, the actuality is that only 12 – 15 % of the people did not pay.

Ms. Salazar noted this is a huge market shift that was not expected and has been very impactful. Rates dropped which has caused the APTC to go down and this will continue as the carriers figure out where they need to be.

Mr. Salazar stated it is reasonable for the Finance Committee to look over the budget as it stands and determine where the money will come from. Mr. Fallon asked for a plan detailing cutting costs to cover the expense.

While Mr. Salazar agreed cutting costs would be one option; he suggested this venture has been under-capitalized since the beginning. Mr. Salazar further stated that the customers can't be serviced if there are no finances.

Ms. O'Hara opened the motion for Public Comment.

Carol Pace, a consumer and representative of AARP, commented that the press is sending a message that is confusing to the consumer. Ms. Pace suggested working with the press to better clarify the information being released by the media.

Tammy Niederman, Co-owner of Niederman Insurance Agency and Legislative Chair for the Colorado State Association of Health Underwriters, stated that adding a third party between the consumer and health insurance companies has made the process difficult. She suggested bringing everyone together as a team to better streamline the processes rather than adding money to the Customer Service Center.

There were no further comments from the public.

Ms. O'Hara called the recommendation for a vote and was approved as follows:

Yes: Steve ErkenBrack, Eric Grossman, Davis Fansler, Gretchen Hammer, Sharon O'Hara, Arnold Salazar, Nathan Wilkes.

No: Mike Fallon

Absent: Ellen Daehnick

V. Making Health Coverage Meaningful: Mitigating the Effects of Churn

Ryan Biehle, Policy Associate with the Consumer Colorado Health Initiative, presented a brief on mitigating the effects of churn.

Mr. Fallon expressed concern that the Medicaid physician lookup tool on the Medicaid site is not kept up to date. He suggested this could be something C4HCO could add to the exchange in the future, recognizing that it may take some time. Mr. ErkenBrack agreed suggesting this has been made more difficult due to the Medicaid expansion.

Mr. Grossman stated that the high volume of churn has strong implications operationally and financially with C4HCO.

VI. Public Comment

There was no public comment.

VII. Executive Session

Ms. O'Hara entertained a motion to move into Executive Session to discuss the following matters:

- Relating to the search for a new CEO;
- Required to be kept confidential under state law; and
- Relating to a specific legal issue

Mr. Salazar moved to accept the motion. Mr. Wilkes seconded the motion. A vote was called for with unanimous approval.

Ms. O'Hara indicated that the Executive Session is permitted pursuant to CRS Sections 24-6-402 (4)(b), (4)(c) and (4)(f).

Meeting adjourned at 1:05 pm

Respectfully submitted,

Mike Fallon
Board Secretary

Next Meeting

December 2, 2014 from 8:30 am – 12:00 pm