



Finance Committee Meeting Minutes
Connect for Health Colorado Meeting Room
East Tower, Suite 1025
3773 Cherry Creek N Dr., Denver, CO 80209
November 18, 2014
8:00 AM – 9:15 PM

Board Members Present: Arnold Salazar.

Board Members Joining via Phone: Ellen Daehnick, Mike Fallon, and Eric Grossman.

Staff Present: Luke Clarke, Dave Coren, Gary Drews, Proteus Duxbury (by phone), Karen Phillips (by phone), Lisa Sevier and Adele Work.

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

I. Business Agenda

- Finance Committee Chair Arnold Salazar called the meeting to order at 8:00 am and welcomed those in attendance, both in-person and on the phone.

II. Review September Financial Statements

Karen Phillips, Controller, briefed the Committee on the Statement of Activities through September 30th, 2014.

Ms. Phillips explained that the \$18.7 million under-budget amount of the Federal Grant monies are the amounts Connect for Health Colorado (C4HCO) has drawn down total.

The \$62 million Federal Grant money budget that was presented to the Board in June was the money available to C4HCO. There are two ways to present these monies:

1. Total grant monies available to us vs what we have drawn with the remaining balance shown as an asset.
2. Present the variance as monies actually received vs what we had anticipated to have drawn down.

Mike Fallon stated that he did not have preference on how the monies are presented, as long as there is consistency. Ms. Phillips explained that the finance department reports monthly to the Federal Government to show agreement with what monies C4HCO has used of the grant along with the available balance.

Mr. Salazar mentioned that he would like the balance sheet to reflect the remainder of the available grant money.

Adele Work, who oversees the Service Center, discussed that overages for labor in the Customer Service Center were based on unforeseen variables. When the budget was created last spring, there was an

expectation that after Open Enrollment there would be a large drop in call volume and C4HCO could scale down to a more skeletal crew in both the back and front offices. However, the Service Center has been experiencing about 4000 Open Enrollments a month, 200 calls a day involving life change events, carriers and processing change requests, simultaneous enrollment and verification activities. All of which made it difficult to reduce personnel as planned while still maintaining C4HCO's service levels. The month of June had the lowest call volume at 32,000, compare that to our highest call volume month (March) which was at 72,000 and it is apparent that the service level needs throughout the year still have remained significant.

Additionally, C4HCO has kept a high level of outreach and communication with customers which, it is believed, has been instrumental in the ability to maintain high retention levels. Another part of this equation is the cost of supporting dual eligibility, i.e., "no wrong door" with Medicaid, Child Health Plan (CHP) and the Advance Premium Tax Credit (APTC), which was higher than what had been anticipated. Finally, adding to all of this is the amount of churn that has occurred in the Medicaid/APTC level of consumers.

Gary Drews, Interim CEO, covered the technology portion of the Statement of Activities, noting that technology consulting is slightly over budget due to the project management work done for the Shared Eligibility System.

Ms. Phillips then explained that the Shared Eligibility System is not C4HCO's asset; rather it is an enhancement to the Marketplace and is owned by the Department of Health Care Policy & Financing (HCPF). The cost of the system is being shared between HCPF & C4HCO.

Otherwise most of the line items for technology are under budget except for CGI maintenance and support, which is showing as over-budget due to a contractual amount that was originally under budgeted against the contract. This will be something that is recurring.

Mr. Drews further explained that when the organization was started it was built on a grant budget. In this kind of format there is no opportunity to budget for things such as depreciation. C4HCO is in the process of converting all financials to an annual basis as opposed to the grant basis; which, up to now, C4HCO has been reporting on.

Mr. Fallon made a motion to approve the financial statements as presented to the Committee. Mr. Salazar seconded the motion. Ms. Daehnick was absent. The motion was passed.

Ms. Work stated that unofficial enrollment numbers were currently at 2500 enrollments with over 1000 coming in on Monday, November 17th.

Mr. Salazar adjourned the meeting at 9:05 am.

Respectfully submitted,

Arnold Salazar
Finance Committee Chair