

Finance Committee Meeting Minutes
Connect for Health Colorado Meeting Room
East Tower, Suite 1025
3773 Cherry Creek N Dr., Denver, CO 80209
January 8, 2015
9:00 AM – 11:00 AM

Board Members Present: None

Board Members Joining via Phone: Mike Fallon, Eric Grossman and Arnold Salazar.

Staff Present: Marcia Benshoof, Luke Clarke, Protues Duxbury, Gary Drews, Karen Phillips, Alan Schmitz, Lisa Sevier, James Turner and Adele Work.

I. Introductions

- Chair Arnold Salazar called the meeting to order at 9:00 am and welcomed those in attendance, both in-person and on the phone.
- The minutes from the November Finance Committee Meeting were voted on and approved.
- The agenda was reviewed and there were no changes made.

II. CFO Report

Interim CEO Gary Drews gave the CFO Report as follows:

- As of January 7th there were 119,000 commercial insurance covered lives – 19,500 dental and 116, 000 medical.
- Non-financial assistance enrollments have gone through smoothly and efficiently.
- Financial assistance enrollments have met with issues. Most of which the Connect for Health Colorado has been able to discover & remediate fairly quickly.
- There is a problem with the hand off of accounts through the Shared Eligibility System (SES) on both the eligibility side and the Marketplace side of the system.
- The revenue portion of the Financial Forecast is close to completion. The Marketplace is upgrading the tool to create a more refined forecast and include a month to month basis, in order to view trends.

III. Financial Reporting

Karen Phillips, Controller, presented the financials – the Statement of Activities and the Statement of Financial Position.

To date the Marketplace has invoiced carriers for a total of 1.85 million of revenue and, as of December, have received \$1.8 million. Another \$3.6 million will be invoiced in January. Accounts receivables is still planning to complete the carrier pipelines within the next six month which will help make the carrier billing more regularized.

Ms. Phillips noted that the current expenditures total variance in labor and back office for the Service Center does not reflect the financial increase approved by the Board since the initial fiscal budget from July 2014.

The Committee decided to leave the budget and total variance unchanged, and add the increase as a footnote instead of a line item. This way Connect for Health Colorado is tracking the decisions while keeping true to the initial budget as approved.

Ms. Phillips presented the State Audit Implementation Plan. Explaining the purpose of the plan is to ensure Connect for Health Colorado is implementing all recommendations made by the State Audit.

IV. Contract Review and Approval

Alan Schmitz, General Counsel, introduced three contracts for review: hCentive M&O, Carrier Coordinator Team and Enrollment Workaround and Support Contract:

- New hCentive M&O Agreement – Cost neutral: This is a new agreement direct with hCentive for a custom management and Operations.
- Carrier Coordinator Team - \$190,000: This is a plan to transition the Carrier Coordinator Team from CGI to the Marketplace.
- Enrollment Workaround and Support - \$322,000: Development of a workaround and interim support for change processing for customers with APTC/CSR.

Proteus Duxbury, CTO, explained that regarding the workaround and support contract, there is a need for product customization as Colorado is the only state with a Shared Eligibility System and there is no current product that can cover all the needs required by the system.

The Committee expressed concern that the information presented should be vetted by the Operations Committee and the focus for the Finance Committee needs to be the numbers. Mike Fallon specifically questioned why the Operations Committee had not been previously made aware that the contracts were being discussed.

Mr. Drews explained that the fluidity of the situation along with the emergent timing of Open Enrollment is a strong factor as to why these contracts are currently being presented to the Finance Committee. He suggested approval of the contracts for a one month time period while having long term discussions with the Operations Committee.

Mr. Duxbury expressed concern that due to the unexpected need for customization caused by the SES, the contracts are needed through the next year. During that time analysis and planning can take place to focus on more efficient long term solutions.

Mr. Fallon stated he understands that much of this is necessary; however, there is a level of frustration around the immediacy of the decisions vs. having time for discussion and analysis with the Committee.

Mr. Drews concurred, explaining that the 'never done before' aspect of the Marketplace produces many unknowns.

Eric Grossman asked for clarification on the impact of the three contracts to the budget, specifically given current enrollment. Additionally, Mr. Grossman proposed working with CGI as a partner instead of an hourly contractor.

Mr. Drews agreed with Mr. Grossman's concerns and mentioned that Connect for Health Colorado and CGI are looking into a partnering plan for the future. Mr. Drews further stated that the issue at the moment is attaining sustainability for the Marketplace given the continued learning curve of making this business successful. The hCentive contract is cost neutral, the Carrier Coordinator Team is replacing CGI resources doing this work and the Enrollment Workaround contract will need to be funded from reserves due to its emergent nature.

Mr. Salazar recommended that all three contracts go the Operations Committee for more direction.

Due to time constraints the remainder of the agenda was tabled for a future Committee Meeting.

Meeting adjourned at 11:00 am

Respectfully submitted,

Arnold Salazar
Finance Committee Chair