



2016 STRATEGIC & FINANCIAL PLAN: PROPOSED FINAL DRAFT

Prepared for the Connect for Health Colorado
Finance & Operations Committees
June 1, 2015

Executive Summary

Connect for Health Colorado staff has completed the 2016 planning and budget process, and present this draft as the proposed 'final' for the joint Committees' consideration and approval for recommendation to the Board.

The Strategic Plan and Budget proposed best accomplishes the three goals kept constant throughout the plan development process:

1. Optimize the customer experience
2. Stabilize & right-size staffing, systems, processes
3. Put the Marketplace on the path to financial sustainability

The FY2016 Budget generates*:

Revenue:	\$40.3m
Operating Expense:	\$44.9m
Operating Deficit:	(\$4.6m)
Capital investment:	\$8.7m
Net Deficit:	(\$13.3m)

**Figures above are on a cash basis; the final Budget will be converted to an accrual basis for future reporting*

Strategic Plan Introduction

- The Strategic Plan is written to align with the legislative intent as articulated in Senate Bill 11-200 and the Marketplace's Mission:
 1. Presents the strategic directions for the organization, key project investments, FY2016 Budget, and longer-range financial forecasts
 2. Incorporates input from Marketplace stakeholders that have greatly influenced our priorities for the next year and beyond
 3. The Plan is derivative of the many Marketplace value propositions
 4. Utilizes a Balanced Scorecard-type framework to organize and connect the moving parts and priorities
 5. Carves a path toward fulfilling its mission most effectively while using its limited resources most efficiently.

Stakeholder Input

Audiences

- *Customers* – Feedback from all sales channels, Service Center comments; customer satisfaction surveys; social media; emails
- *Staff* – bi-monthly meetings; strategic planning exercises; team meetings
- *Advisory Groups* – Rural AG, Individual Experience AG, Outreach & Communications AG – feedback meetings conducted in summer 2014, winter 2014 and March 2015
- *Brokers* – Monthly focus groups; state/regional meetings; emails; one-on-ones; special projects
- *Assistance Network* – daily HCG support calls; twice-monthly HUB meetings; feedback surveys; regional gatherings; site visits; emails; one-on-ones
- *Carriers* – Daily, weekly & monthly meetings; multiple surveys; focus groups
- *Service Center* – Daily director meetings; daily report feedback; staff huddles; surveys
- *Community organizations and thought-leaders* – One-on-one meetings; participation in Advisory Groups
- *State partners* – Div. of Insurance weekly meetings, annual planning; Healthcare Policy/Finance annual planning

What Worked Well

- 150,000+ enrolled to date in 2015 plans
- 54% of customers received financial assistance
- 46% of customers had no financial assistance
- 26.3% of enrollees are between 18 and 34 years old
- Every county (except one) had an increase in enrollments during second enrollment period compared with active policies in December 2014
- Managed through significant market pricing volatility impacting APTC index and net cost of coverage for thousands of Coloradans
- Very high effectuation rate
- Incredible partner collaboration—Health Coverage Guides (HCG's), Carriers, Brokers, Vendors—everyone wants this to work!
- Decision support tools proved invaluable and effective to customers
- Having in-person enrollment events in local communities
- Local community organizations and agencies were a great referral base
- More people were spreading word of mouth to get covered
- Brokers and HCG's were able to partner to help customers apply and enroll
- Spanish outreach and media were improved

Stakeholder Input: Learnings

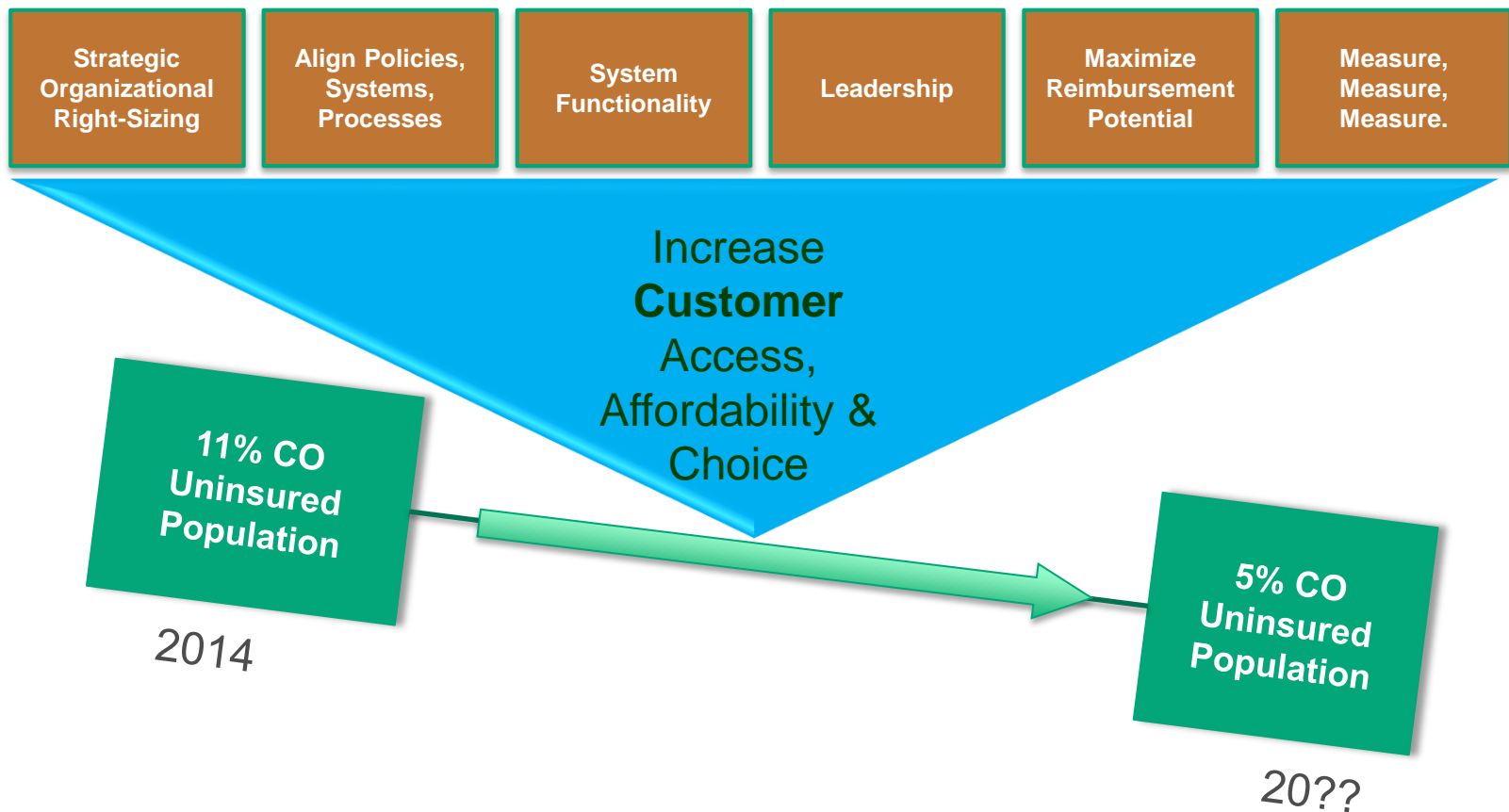
- **Key learnings include:**
 - The need to simplify the technology and ensure it works before the next enrollment period;
 - Wait/hold/response times for Customer Service (both Marketplace and Medicaid) were too long
 - Follow-up on reported issues is not happening in acceptable time-frame
 - Inability to make changes to accounts and within financial applications is a big problem
 - Make the entire process more consumer-friendly and carrier-friendly; improve training and communications;
 - Enhance renewal processes: move up timing; do not cancel passive renewals; better communication to customers; improve service center training on products
 - Manage simultaneous enrollment process
 - Prioritize enrollment data process improvement
 - Give Brokers, Health Coverage Guides, Certified Application Counselors and Service Center Representatives the tools they need to more effectively help Coloradans obtain coverage.

Stakeholder Input: Key Value Propositions

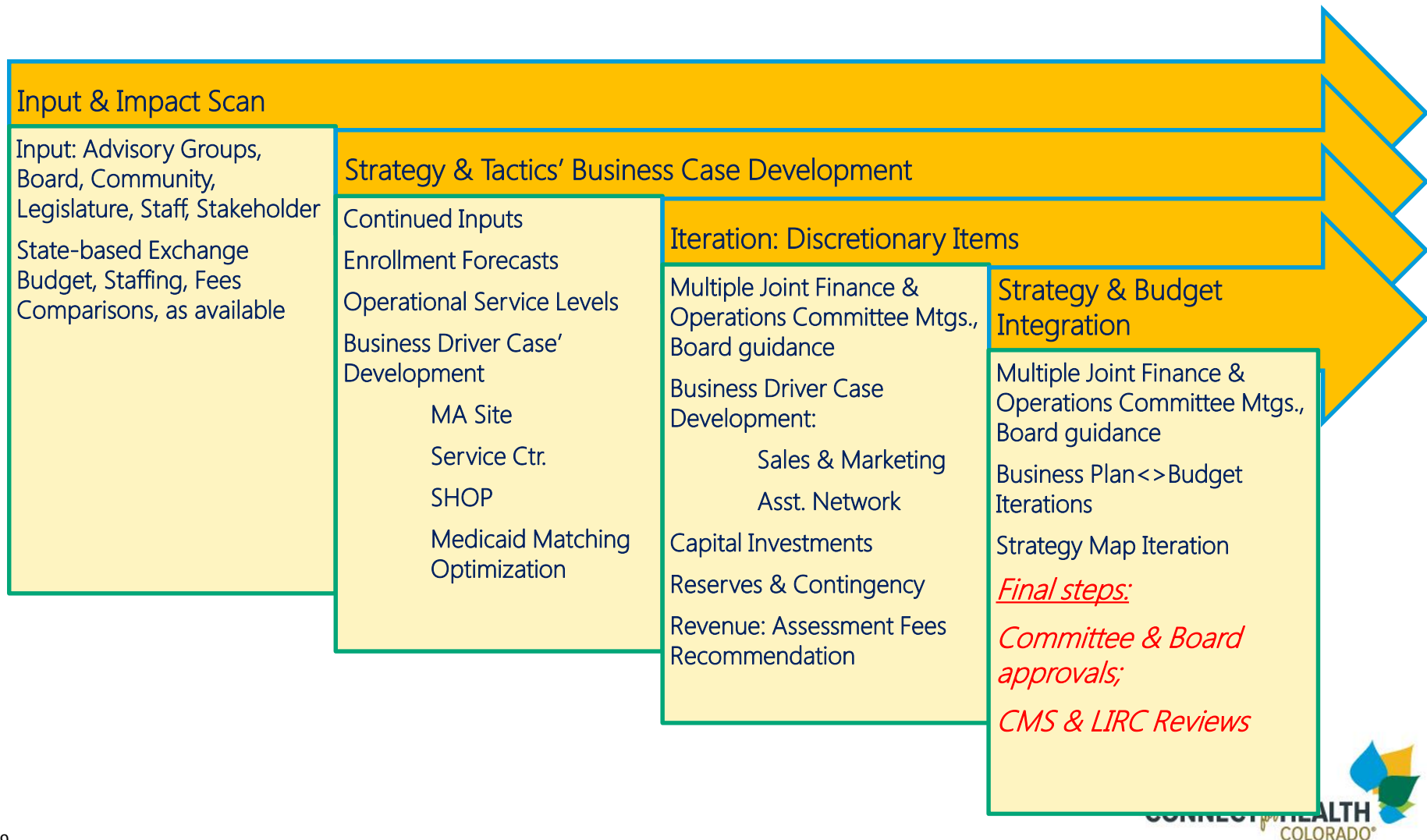
In addition to the many already-known value propositions, such as the Marketplace being the ONLY source for advance premium tax credits, several others have emerged:

- Decision Support tools available to consumers, brokers, HCG's
- Able to gear strategies toward Colorado's specific needs, geography, and populations
- No Wrong Door Consumer support -- Consumers should obtain the correct support (the right door) based on their needs
- Local governance of the Marketplace
- Brokers, Coverage Guides and interfaces with Medicaid supports are local and directly connected to the Marketplace (certified)
- Stakeholders are able to provide input and feedback to design, functionality, training, operations
- The Marketplace and State own the data, and can use it, report on it, and learn from it (e.g. FFM does not provide full data to the states)
 - FFM, by comparison, also excludes above elements and their fees exclude several million in state-based costs that would still be incurred

Sustainability



2016 Planning & Budget Process



Business Cases

Description	Top Decision Components	Direction
Enrollment Targets Sales Business Case	<ol style="list-style-type: none"> 1. Enhancements to SHOP product offering 2. Development of strategy re; transition plans 3. SES functionality, effectuation rate 	<ol style="list-style-type: none"> 1. The Committees recommended proceeding as presented with the moderately aggressive 3-year targets presented with enrollment drivers
Service Center Structure/Re-negotiation	<ol style="list-style-type: none"> 1. Expectations regarding service levels 2. Physical location of primary and overflow service centers 3. Strategies for non-Marketplace calls (re-direct or support) 	<ol style="list-style-type: none"> 1. Committees and Board approved pursuit of contract re-negotiation with the current two vendors, incorporating a fixed price contract, identified service levels, strategy, staffing locations, CRM system, contract structure, and management/oversight structure
SHOP	<ol style="list-style-type: none"> 1. Completion of market due diligence 2. Financial ROI's of sustaining structure vs. outsourcing 3. Expansion of Small Group Market 	<ol style="list-style-type: none"> 1. The Committees recommended proceeding with outsourcing approach, pending further information and contract approval.
Sales Channels	<ol style="list-style-type: none"> 1. Distribution of appropriate level of sales targets across channels 2. Initiatives that will support and drive sales and engage key channels 3. Development of Broker lead tool 	<ol style="list-style-type: none"> 1. Committees reviewed sales channel strategies, plans, estimated enrollment projections by channel, Board support required for success
Assistance Network (AN)	<ol style="list-style-type: none"> 1. Development of alignment strategy 2. Refocusing enrollment best practices 3. Significant partnering with Marketing and Outreach teams and community based champions 	<ol style="list-style-type: none"> 1. Board approved minimum funding commitment of \$500k to assist in grant award and bridge funding for the AN

Business Cases

Description	Top Decision Components	Direction
IT, Decision Support, Broker Portal, V.3.0	<ol style="list-style-type: none"> 1. ROI, Funding Prioritization 2. Functionality improvement, regulatory reqs 3. Evaluation of enhancements in new version of code and relative impact on sales & costs 4. Stay on most current versions of code to stay under warranty and receive product fixes 5. Decision Support tools' effectiveness 	<ol style="list-style-type: none"> 1. Committees reviewed projects and capital budget requested
Marketing Branding Health Literacy	<ol style="list-style-type: none"> 1. Educating and raising awareness of financial assistance & Marketplace w/out ad \$ 2. Support Navigators/Brokers w/ltd resources 3. Still meet enrollment goals 	<ol style="list-style-type: none"> 1. Committees concurred with strategic direction, albeit with concern for the much-reduced budget allocation and aggressive enrollment targets
Staffing Plan	<ol style="list-style-type: none"> 1. Balancing replacement consulting staff with FTEs and prioritization of same 2. Staffing plan to support FY2016, growth initiatives, and reduce staff turnover 	<ol style="list-style-type: none"> 1. Committees concurred with the need for additional positions to support workloads, quality and functionality
Fees	<ol style="list-style-type: none"> 1. Preliminary operating and capital expenditure models & associated cash flow expectations 2. Develop revenue budgets and recommendations for fees 3. Timing requirements (Carriers, DOI, Marketplace) 	<ol style="list-style-type: none"> 1. Board approved Assessment Fees at 3.5% and \$1.80

ENROLLMENT TARGETS, MARKETING & OUTREACH

2016 Enrollment Targets

Situation:

- Several unique market forces are presenting an increased “sales” opportunity in FY16 and FY17.
 - The end of transition plans in both segments
 - Recapture of lost 2015 customers with better-working tech systems
 - Expansion of the definition of small group business
- Connect for Health Colorado has refined its partnership with Brokers and Health Coverage Guides-now we must capitalize on their passion and the books of business they have entrusted to the Marketplace

Plan:

- Forecasts are moderately aggressive, dependent on technical and process enhancements, AND are imminently achievable with all ‘pistons firing’
- Low-end projections are set at 2015’s target enrollment, which would have been achievable with fully functioning systems and moderate volatility

Financial Impact:

- Enrollment projections generate approx. \$29m in revenue for FY2016

FY 2016-2018 Enrollment Projections

Enrollment Type	Covered Lives 6/30/15	Mid-Level Projection:		Low Projection % Inc. 2016 v 2015	Low		High		Mid-Level Projection:		Mid-Level Projection:	
		Covered Lives 6/30/16	Low Projection % Inc. 2016 v 2015		Projection	% of Mid	Projection	% of Mid	Covered Lives 6/30/17	% Inc. 2017 v 2016	Covered Lives 6/30/18	% Inc. 2018 v 2017
Individual- Gross	142,896	217,306	52%		195,237	90%	227,619	105%	256,242	18%	295,178	15%
Individual- Effect.	123,462	169,499	37%		152,285	90%	177,542	105%	204,994	21%	236,142	15%
SHOP Groups	336	763	127%		686	90%	839	110%	1,220	60%	1,867	53%
Covered Lives	2,688	6,881	156%		6,193	90%	7,569	110%	12,249	78%	15,923	30%

Primary Enrollment Drivers & Assumptions:

- Effectuation rate (current 86%; used 78% for out-year forecasts)
- Retention rate (66%)
- New business: General
- New business: Eligibility process improved thru-put and recapture
- New business: Non-ACA Transition plan expiration
- Life Change Event volume
- SHOP 51-100 size group increase
- SHOP system functionality improved
- APTC Index assumed more stable
- Broad market plan pricing: 2% overall market increase ('16)

2016 Overarching Marketing & Outreach Strategy

Situation

- *More aggressive enrollment targets*
- *Lower budgets*
- *Harder-to-reach populations*
- *Success contingent on systems and processes working for consumers*

Plan:

- Grow Awareness AND understanding of Connect for Health's services and value
 - Raise awareness 5%, measure through market research
 - Drive enrollments in targeted regions with population-specific messaging
- Use a data-driven approach to optimize education, outreach, advertising, communications and other marketing, emphasizing grassroots tactics and enrollment opportunities to reach new customers and retain current customers
- Educate about which "door" can best help people for their needs
- Collaborate with others in local communities to increase coverage
- Work closely with brokers, Assistance Network, and stakeholders to provide the tools and information they need to be successful

Financial Impact:

- \$1.4m Budgeted (2015 Budget \$4.8m)

Communications

- Inform and educate
 - Briefings to discuss renewals, OEP3 in key media markets
 - State tour to update business, stakeholders
- Ensure consistency & accuracy
 - Review all noticing for language/consistency
 - 'Audit' materials across channels
- Strengthen touch-points with current customers to improve retention
- Update and optimize content, tools and channel partnerships to drive higher engagement
- Continue to drive awareness of in-person assisters and enrollment centers with qualified marketplace customers
- Collaborate with partners on health literacy campaigns and education on coverage value and access
- Actively reach out to brief media, legislators and business groups

Grassroots Outreach

- **Increase awareness and enrollment among hard-to-reach and eligible but not insured (for tax credits/private insurance) populations across Colorado**
 - Data-driven focus on high concentrations of eligible-but-not-insured in key areas across state
 - Organize, promote community engagement and enrollment events in key zip codes across all geographies
 - Create collateral for non-English-speaking and immigrant populations
- **Maximize sales channels' and stakeholders' resources to increase coverage**
 - Include school-based, faith-based, clinic-based
- **Educate about health insurance and value of coverage (literacy)**
- **Enlist a diverse coalition of organizations willing to be community based Certified Enrollment Assistors to help educate & begin the enrollment process**
 - Warm hand-offs/referrals to Brokers and Health Coverage Guides

Marketing & Advertising

- Strengthen brand loyalty among consumers, sales channels and stakeholder organizations
 - Identify and empower ‘brand ambassadors’
 - Optimize tools & materials available to channels
 - Partner with Carriers
- Promote enhanced Small Business Marketplace, its benefits & expanded criteria (2-100 employees)
- Use lessons of OEP2
 - Constantly evaluate data to measure and regroup
 - **Consider value of enrollment centers based on timing, location**
 - Integrate aspects of WordPress and shopping portals to help consumers’ decision-making
 - Leverage existing community events & opportunities
- Re-purpose advertising materials and use data, new technology to ‘hyper-target’ eligible consumers to enroll or renew
- Maximize Social Media channels to reach targeted and broad populations

Public Policy & External Affairs

- Define and develop public policy and advocacy strategies for organization
- Define external communication process for organization
- Identify new partners for collaboration (local, state, national) and continue targeted stakeholder engagement
- Increase education and awareness with state legislature, business groups, other organizations (see examples)
- Policy Maintenance
 - Identify policy levers that can support the business' strategic plan
 - Pursuit of policy or statutory changes
 - Review approved Board policies
- Improve constituent escalation process

SALES & SERVICE CHANNELS

Service Center

Situation:

- Connect for Health Colorado has 3 primary vendors for service center activities. There is no single vendor who can be held accountable for service center performance:
- CGI provides call center agents, supervisors and management for both front- and back-office functions in the service center, overflow resources are provided under a contract to C3 managed by Eventus.
- Eventus built the service center and is responsible for
 - Managing C3 for overflow calls and some outbound campaigns
 - Maintenance and support of the CRM tool (Oracle CX)
 - Maintenance and support of the service center technology Manual balancing of calls between CGI and C3 service centers
- 3T provides help desk services to service center agents in Colorado Springs (e.g., desktop and phone issues, setup of new agents, etc.)

Plan:

- Renegotiate with current Connect for Health vendors for a fixed price, integrated service center, including technology, staffing, systems, quality, maintenance
- Contract with Medical Assistant site (see MA Site section)

Financial Impact:

- Complete cost, including the renegotiated package, associated internal costs, and MA Site outsourcing is budgeted for \$18.1m (2015 forecasted total is \$22m).

Assistance Network Alignment Strategy

Situation:

- Connect for Health Colorado endorses the imperative value of the Assistance Network to its mission
- Now is the time to build on 2 years of broad outreach and the fine work by 50+ Assistance Sites- best practices, winning strategies, etc.
- Evolving the program to focus on contribution to Marketplace sustainability, i.e.: balance between revenue contribution and fiscal conservatism needed to maintain this imperative program for the long term
- Ensuring the grants received to support Marketplace are not redundant
- Focus resources, efforts, lessons learned to key communities across the geography and demography of Colorado

Plan:

- Consolidate the number of sites and HCGs by at least 60%. Focus on best practices for enrollment and align across sites on achieving targets

Financial Impact:

- \$3m Budgeted, with \$2.5m requested from the Colorado Health Foundation to support state-wide enrollment and the 'No Wrong Door' concept

Assistance Network Funding Plan

Distribution of ~ 24 Sites	
Number of Sites	Funding Range
2	Less than \$50,000
5	\$50,000 to \$99,999
9	\$100,000 to \$150,000
8	\$200,000 to \$250,000
<ul style="list-style-type: none">• Estimated \$3 million for distribution• ~ 20 to 23 organizations geographically focused• ~ 3 to 5 organizations targeting specific populations statewide	

Medical Assistance Site

Situation:

- As customers proceed through Eligibility Determination and **if they do NOT receive a RTE**, Marketplace-Brokers and HCGs have no way to intervene without CBMS access
- Verifications require access to and in depth knowledge of CBMS
- Simultaneous Enrollment can be more tightly managed with end-to-end intervention ability
- Currently, Marketplace customers are being handled by a multitude of Medical Assistance Sites. Connect for Health needs to own the customer experience
- Supports Medicaid strategic referral initiatives; thus resourcing Medicaid eligible folks to counties, etc. who are the experts with systems' access
- Supports pursuit of cost allocation efforts to mitigate costs related to MA Site activities related to Medicaid eligibility

Plan:

- Contract with a current MA Site able to staff and perform CBMS-related work for Marketplace and associated Medicaid customers
- Gain cost allocation from CMS (thru HCPF)

Financial Impact:

- \$1.2m budgeted (in Service Center); contract negotiations in process

SHOP Strategy

Situation:

- SHOP functionality was limited in prior seasons, thus limiting enrollment as well. Other system issues diverted staff resources away from SHOP improvement
- Demand for SHOP options is believed to be substantial with a fully-functional system
- Current costs outweigh benefits
- A Small Group Marketplace is required by federal law
- Colorado is a state of small businesses, with 85% of companies employing 10 employees or less
- 2016 poses great growth opportunity w/Transitional plans
- 2017 poses great growth opportunity w/Expanded market

Plan:

- Outsource SHOP to to an integrated business solution utilizing a “white label” approach through a partner already equipped with solid technology, small group expertise and market credibility

Financial Impact:

- Increase Revenue to \$400k+ (gross, accrual); Expenses remain @ \$3m in 2016 and reduce substantially in out years as the strategy takes hold

Staffing Plan

Situation:

Current Staffing:

- 53 FT positions (filled + open), plus 11 individual contractors
- **Total: 64 FT positions**

Plan:

Proposed Staffing:

- 78 positions, plus 0 long-term individual contractors*
- **Total: 78 FT positions**
 - Net 14 New positions
 - 11 Contractor Conversions to FTE

Financial Impact (approx.):

- Salary & Benefits: Increase \$3.5m
- Contractor Budget: Decrease \$1.8m
- Net Position Budget Change: \$1.7m

* Temporary and/or specialist/project contractors will continue to be utilized on an on-going needs basis

CAPITAL & PROJECT REQUIREMENTS

Key IT projects over next 20 months

OEP Begins

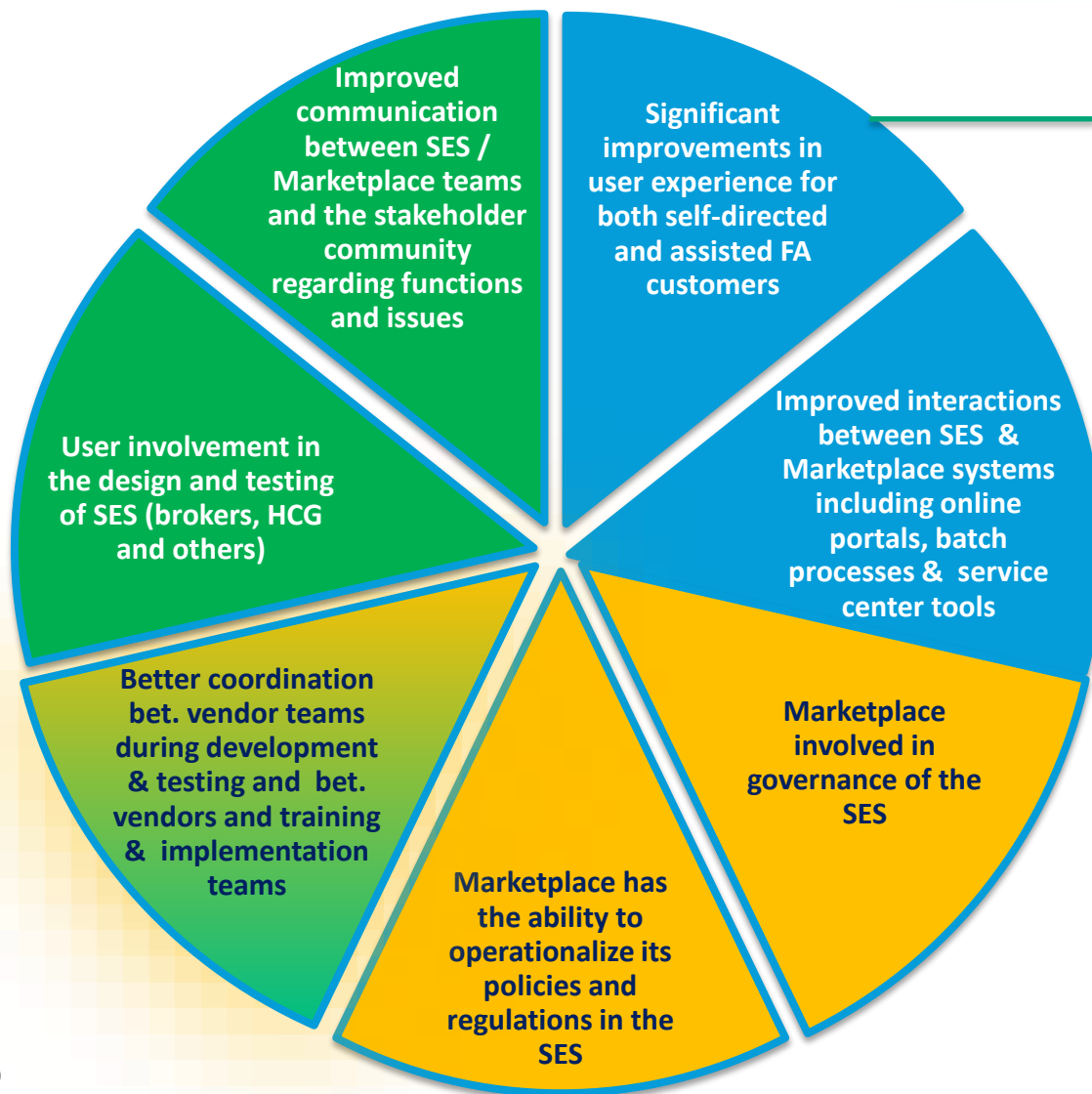
Projects	FY2015		FY 2016				FY 2017	
	Calendar Year 2015				Calendar Year 2016			
	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016
Shared Eligibility System Improvements		SES improvements				Follow – on SES improvements		
2015 Marketplace improvements		Marketplace “3.0”						
Carrier EDI improvements		Change EDI implementation			Complete Change EDI			
				Renewals				
				OEP	Ongoing improvements			
Target architecture / 2016 Marketplace improvements (“4.0”)		Planning and Preparation			Execution			
SHOP			Implementation	Transition				
BI improvements			Planning and implementation		Ongoing improvements			
Service Center Technology Refresh			Planning and implementation		Ongoing improvements			
Contract review and renegotiation	Planning and analysis		Negotiation					

FY2016 Capital Investments

Project	FY 2016 Capital Budget	FY 2017 Cost Estimates	Total FY 2016/17 Projections	Comments
SES improvements	\$ 4,640,000	\$ 800,000	\$ 5,440,000	Assumes addl. charges post-OE3 to complete SES fixes; \$160k FY16 SES costs in salaries
2015 Marketplace Improvements	\$ 750,000	\$ -	\$ 750,000	Assumes limited ability to make changes to Marketplace for 2016 OEP other than SES (e.g, defect fixes, renewals processing improvements, some usability improvements)
Carrier EDI improvements	\$ 500,000	\$ 300,000	\$ 800,000	Assume EDI will be completely working with all carriers by end of FY 2016 and ongoing improvements costs are about \$300K/yr
Migration to target architecture/ 2017 OEP changes*	\$ 1,500,000	\$ 2,000,000	\$ 3,500,000	Assumes that we will reduce the number of products in the Marketplace to allow us to realize more fully the benefit of hCentive product enhancements and reduce overall M&O costs
SHOP migration	\$ 500,000		\$ 500,000	Currently waiting for vendor proposals for more definitive costs
BI improvements	\$ 250,000	\$ 200,000	\$ 450,000	Medicaid & Data Capture, Analysis
Service center technology refresh				Included in service center proposals
Other projects, ongoing costs & contingency	\$ 640,000	\$ 1,700,000	\$ 2,340,000	Includes desktop maintenance and other costs, new products development, \$900k contingency in FY17
Total	\$ 8,780,000	\$ 5,000,000	\$13,780,000	

NOTE: FY2017 figures are preliminary (+/- 20%) cost estimates for new / ongoing project work.

Shared Eligibility System: Must-have solution components



What we heard:

#1 priority is 1) a much faster path for families with straightforward income and households and 2) to simplify the process and questions for people with more complex situations

Legend

1) More streamlined user experience

2) Better stakeholder engagement during design, training, & issue resolution

3) More robust governance and vendor coordination

FY2016 BUDGET

2016 Assessment Fees

Situation:

- Marketplace Revenue Sources: Marketplace Health Insurance Administrative Fee; Broad Market Assessment, Carrier donations, Grant Revenue, Other, potential Medicaid Reimbursement
- Carrier Administrative Fee: CY2015 was set at 1.4% of premiums
- Broad Market Assessment: carried over from Cover Colorado, then \$3.79 pmpm
 - 2014 Fee was waived; 2015 set at \$1.25 pmpm. Maximizing the Broad Market fee during its short availability is critical for bridging Federal Grant to earned revenue

Plan:

- In order to build and bridge revenue as volume is built up to ensure sustainability; ensure adequate capital, operational reserves and sufficient near-term capacity to gain system and staffing stability, rates were selected as follows:
 1. Marketplace Health Insurance Administrative Fee: 3.5%
 2. Broad Market Assessment: \$1.80 pmpm (Converted to a % of the average Marketplace premium, \$1.80 = .5%)

Financial Impact:

- Fee rates selected will generate forecasted revenue of \$29.6m in 4th quarter, 2016

Critical Budget Assumptions

1. Budgets are presented on a **cash basis**, i.e. when funds are received and spent. For reporting purposes, the Budget will be converted to a GAAP accrual basis, which will alter the bottom lines accordingly.
2. Budgeted revenue and variable expenses are **based on the proposed enrollment** figures above.
3. **Average premiums** per effectuated enrollee are budgeted to increase 2% for plan year 2016 (individual market), and 2.9% thereafter.
4. **Broad Market Assessment basis** (policy holders) remains constant through 2016
5. Assumes **federal grant is closed out** and all funds spent
6. Staffing budget assumes **same benefit rates**
7. Work flow and reduction in consulting budgets assumes **new/replacement positions hired in a timely manner**
8. Assumes total **foundation grants** are maintained at \$2.5m per year in FY16-18.

FY 2016 Budget: Revenue

Revenue Budget (000's)					
Category	2015 Estimate		FY 2016	FY 2017	FY 2018
2014 Assessment Fees	5,100		200	0	0
Marketplace Health Insurance Administrative Fee	987		9,610	24,899	30,321
Special Broad Market Assessment	4,500		19,980	19,440	0
Tax Credit Donations	5,000		5,000	5,000	5,000
SHOP (w/ new investment)	120		293	1,223	2,056
Vision	9		18	20	24
Foundation Grants (<i>estimates only - no commitments received</i>)	2,500		2,500	2,500	2,500
Interest Income	46		25	3	3
New Product Development			0	40	60
Medicaid Cost Recovery	0		2,500	2,000	2,000
Level 2 Grant	60,500		200	0	0
CoverColorado	14,034		0	0	0
Total Revenue	92,796		40,325	55,126	41,964

FY2016 Budget:

Operating Expense & Capital Investment

Expense Category	FY 2015 Forecast (000's)	FY2016 (000's)
General & Administrative	7,325	10,738
Salaries & Benefits	5,515	9,048
Rent, Tech systems, equip, connectivity	797	780
Other	1,013	910
Marketing & Public Relations	4,771	1,364
Assistance Network	6,040	3,030
Operations	2,683	1,451
Business Development	673	405
Carrier Support & Other Operations	731	348
Training	324	80
Other	955	618
Customer Service Center & MA Site	21,280	18,123
Technology	10,942	9,438
Hosting	2,108	2,053
M&O Costs	6,653	5,588
Maintenance/Enhancements	986	888
Other	1,195	909
Contingency		750
Total Operating Expense	53,041	44,894
Technology CapEx and Other Projects		
Migration to Target Architecture		1,500
Marketplace Improvements/Licenses	15,531	750
SES (Excl \$160k in Salaries)	7,060	4,640
Shop		500
EDI		500
Other		890
Total CapEx and Projects	22,591	8,780
Total Cash Outlays	75,632	53,674

FY2016 Budget Summary

Budget Summary					
Category	FY 2015 Estimate		FY 2016	FY 2017	FY 2018
Total Revenue	92,796		40,325	55,126	41,964
Total Operating Expense	53,041		44,894	45,215	45,697
Operating Surplus (Deficit)	39,755		(4,594)	9,911	(3,733)
Total CapEx and Projects	22,591		8,780	5,000	5,000
Net Surplus (Deficit)	17,164		(13,349)	4,911	(8,733)

Takeaways:

- Revenue set at 3.5% and \$1.80 pmpm for CY 2016, cash received 2nd qtr
- Deficit generated in FY2016 is funded by reserve capital
- Continuing to pursue additional revenue options, reimbursement opportunities, and expense efficiencies

	Cash Balance Forecast (\$000's)							
		6/30/15	12/31/15	6/30/16	12/31/16	6/30/17	12/31/17	6/30/18
Cash Available		28,500	16,000	14,000	21,000	19,500	16,500	10,000

Strategy Map Metrics—DRAFT In Development

2016 STRATEGY MAP

The mission of Connect for Health Colorado is to increase access, affordability, and choice for individuals and small employers purchasing health insurance in Colorado.

Customers	Value Proposition	Strategy	Metric
	Leverage APTC	Conduct Strategic Direction Planning	APTC Coverage Ratios
	System Usability, Shopping comparison, decision support tools	Enhance Health Insurance & Health Literacy	Health Outcomes ROI
	Transparent & Competitive Pricing	Provide & Right-size Products	Feedback Loop Utilization
	No Wrong Door access to public and private insurance	Improve Consumer Navigation	
	Customer Aggregation & Support		
Finance Goals	Value Proposition		Metric
	Consumer Cost/Value < FFM + State costs		Financial Ratios
	Business Efficiency utilizing State systems	Reduce Costs against Support Costs and	Value to Price ratios
	Leverage Marketplace Platform	Free Structures	Carrier ROI on Mktplace
	Medicaid reimbursement	Vendor & Partner re-bids	
		Reduce Vendor Risk/Tighten Mgt	
		Fund depreciation/capital reinvestment	
		Tighten Compliance Processes	
Mission-critical Business Systems		Strategy	Metric
	Customer	Increase 'Control' Levers	Tickets/Enrollment Ratio
		Improve SLA Management	SLA Achievement
	Sales	Develop User-friendly Eligibility Assessment	Compliance Adherence
	Compliance	Plug & Play Carrier Connections	Total Carrier Cost/enrollment
		Improve internal decision-making processes	
		Infrastructure assumptions-capacity & function & service	
		Tighten Compliance Processes	
Organizational Learning & Growth	Value Proposition	Strategy	Metric
Organization Structure & Design	Operational & Strategic Efficiency	Conduct Org Design Process	Staffing Ratios
Staff Capacity	Continuous Improvement	Improve Board Support	Board Satisfaction
Aligned Goals, Strategy & Performance	Staff Capacity Maximized	Strengthen strategy culture	Staff Satisfaction
Feedback Loops	Oversight Efficiency	Improve staff / contractor ratio	Feedback Loop Utilization
Policy/Advocacy	Informed Legislation	Up-level director authority	
		Enhance Financial culture	

Takeaway: Balanced Scorecard's Metrics Section is in development in order to improve data-driven decision-making organization-wide.

BOARD APPROVAL