

Board Meeting Minutes

*Connect for Health Colorado Meeting Room
East Tower, Suite 1025*

3773 Cherry Creek N Dr., Denver, CO 80209

April 13, 2015

8:30 AM – 12:00 PM

Board Members Present: Sue Birch, Steve ErkenBrack, Mike Fallon, Davis Fansler, Adela Flores-Brennan, Sharon O’Hara, David Padrino, Arnold Salazar, Marguerite Salazar and Nathan Wilkes.

Board Members Joining via Phone: Eric Grossman

Board Members Absent:

Staff Present: Marcia Benshoof, Luke Clarke, Dave Coren, Gary Drews, Cheryl Ierna, John Neumeier, Lynn Pressnall, Sharon Roberts, Taylor Roddy, Alan Schmitz, Lisa Sevier, James Turner, John Wetherington and Adele Work.

Approximately 26 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 8:27 am and welcomed those in attendance, both in-person and on the phone.
- A change was made in the agenda for the Board to go into Executive Session immediately.

Ms. O’Hara entertained a motion to move into Executive Session to discuss a matter relating to a personnel matter related to a search for the next CEO; required to be kept confidential under state law. A vote was called for with unanimous approval.

The Executive Session is permitted pursuant to CRS §24-6-402(4)(f).

The Board returned from Executive Session at 9:05 am.

- The minutes from the March 9th, 2015 Board Meeting; as well as the Operations Committee Meeting minutes from the March 5th and March 20th meetings were voted on and approved.
- The agenda was reviewed and no other changes were made.
- Disclosure of Conflicts of Interest: None

II. Board Development and Operations

- Board Chair Ms. O’Hara and Board member Steve ErkenBrack met with the Legislative Health Benefit Exchange Implementation Review Committee’s

Subcommittee concerning the Marketplace's CEO/Executive Director appointment, to walk through the search process.

- Ms. O'Hara made a note that an article on Health Care Transparency in Kaiser Health News used Connect for Health Colorado as a prime example of an exchange that offers tools for shoppers to compare insurance companies based on covered pharmaceuticals and providers.

III. Marketplace Development and Operations

1. CEO Report

Interim CEO Gary Drews gave his CEO Report as follows:

- The Marketing and Outreach Team recently started partnering with the State Department of Labor and Employment to take part in transition events for employees that have a recent change in employment, to assist them with information on insurance needs.
- The Marketplace conducted a market research survey with 1200 respondents, the results are being compiled for the next Board Meeting.
- The Sales and Strategy Team has been conducting meetings with stakeholders and advisory groups for feedback.
- The tax form 1095 focus is mostly complete for this year. Approximately 110,000 1095's went out to customers, 4% of the total required corrections – mostly due to income changes.
- The Request for Proposal (RFP) for the end to end review went out on March 25th. Connect for Health Colorado has received responses from five vendors. The project should begin the first week of June.
- Denver hosted a meeting of the State Based Exchanges to discuss shared purchasing strategies amongst other subjects; including Tech vendors, audit support, etc.
- Thank you to the consumer groups, Colorado Consumer Health Initiative (CCHI), Colorado Center on Law & Policy (CCLP) and Covering Kids and Families, for the valuable feedback provided in designing the eligibility solution.

IV. 2016 Planning

Mr. Drews began the 2016 Planning discussion stating that the objectives for the discussion are to deliberate Connect for Health Colorado's 'key decision' technology and operational proposal to position the Marketplace for a successful November open enrollment; as well as, to review the budget process to address 2016 sustainability needs.

In comparison to four of the five other top state based exchanges, Colorado has the highest enrollment goals while retaining the lowest fees and fewest employees. In order to achieve sustainability, amongst other important items, the need to right-size the organization by adding critical staff, as well as maximizing revenue – particularly through reimbursement potential – is essential.

Marguerite Salazar reminded the Board that stabilization in the market will not be possible for a few years due to the continuing implementation of the Affordable Care Act (ACA). As carriers continue to submit their plan's changing rates there is going to be fluctuation

throughout the Market. Consequently the Service Center costs are going to continue at the current rate, or potentially increase. Additionally, with the discontinuation of the non-compliant plans, and the ending of the large group market of 50-100, which will now become part of the small group market, there is a huge potential of people coming into the Marketplace and Connect for Health Colorado has to be prepared for that.

Steve ErkenBrack would like the organization to engage with the carriers, business community and consumers to have a consensus in regards to the need to raise the rates and fees.

V. Shared Eligibility System

Adele Work presented a proposal for the Shared Eligibility System (SES):

- A more streamlined user experience, with the ability to easily correct data entry errors.
- Better stakeholder engagement during design, training and issue resolution.
- More robust governance and vendor coordination.
- Vendor contracts based on a fixed fee for delivery and acceptance of software.

The proposal requires an investment of \$4.1 to \$5.1 mil, which will be significantly offset by an expected \$6 mil in cost reduction and revenue uplift within 15 months of the 'go-live' of the enhancements.

There are several factors that will ensure the improvements to the SES will work. The process has begun and there are a variety of people looking at the system from all perspectives and weighing in on the decisions. However, at the end of the day the Marketplace must contract through the Office of Information Technology (OIT) and the Colorado Department of Health Care Policy and Financing (HCPF) as the Marketplace has no direct relationship with Deloitte.

Sue Birch, Executive Director of HCPF, assured the Board that HCPF holds their vendors accountable, and she is confident the next version of the SES will have significant improvements. However, there will be ongoing technology related investments due to policy changes and federal upgrades that will drive expense to the bottom line budget.

The Marketplace will hold their vendors accountable through fixed price contracts. Once a complete understanding of what is to be built and designed by Deloitte is determined, CGI and hCentive will determine what needs to be done on their part. The fixed price contracts payments will be based on delivery of key deliverables, withholding based on ensuring everything works as it should, as well as acceptance criteria defined in the contracts. Finally, withholding will be paid once all the milestones and acceptance items have been approved.

Arnold Salazar made a motion that Connect for Health Colorado invest up to \$5.1 mil in 2015 which will be significantly offset by an expected \$6 mil in cost reductions and revenue uplift within 15 months of 'go live' of the enhancements. This estimate is conservative, with a further \$3 mil in potential cost savings and revenue uplift not included.

Davis Fansler seconded the motion.

Nathan Wilkes made an amendment to the motion striking 2015 and adding: \$2.2 mil in fiscal year 2015 cap and \$2.9 mil in fiscal year 2016.

Steve ErkenBrack seconded the amendment.

Ms. Work interjected that Deloitte is requiring the full \$5.1 mil amount be placed into an accessible account this quarter to be drawn on as needed.

Ms. O'Hara called the amendment to the motion for a vote and the motion failed unanimously.

Mr. Wilkes made a second amendment to the original motion to strike 2015 and replace it with: across fiscal years 2015 and 2016.

Mr. ErkenBrack seconded the amendment.

Ms. O'Hara called the amendment to the motion for a vote and the motion passed unanimously.

The amended motion is stated as follows:

Connect for Health Colorado will invest up to \$5.1 mil across fiscal years 2015 and 2016 which will be significantly offset by an expected \$6 mil in cost reductions and revenue uplift within 15 months of 'go live' of the enhancements. This estimate is conservative with a further \$3 mil in potential cost savings and revenue uplift not included.

Ms. O'Hara opened the motion for public comment.

Weddington Bland, a customer of the Marketplace, believes that an investment such as this needs to happen if the organization believes in its mission.

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

Yes: Steve ErkenBrack, Mike Fallon, Davis Fansler, Adela Flores-Brennan, Eric Grossman, Sharon O'Hara, Arnold Salazar and Nathan Wilkes

No: None

Abstain: None

VI. Public Comment

Ms. O'Hara opened the meeting for public comment.

Weddington Bland stated he is in favor of moving a medical assistance site under the umbrella of Connect for Health Colorado. He believes in the no wrong door policy and this would be an important step toward ensuring the policy.

John Barela, a member of the public, cautioned the Board to be proactive toward change outside of its control in relation to the market. Particularly around the Service Center, he urged the Board to build in leeway for market change. Mr. Barela also suggested the Marketplace begin using a monthly budget, as this will allow the Board to get out in front of any market changes.

Debbie Jenkins, a health coverage guide (HCG) for Clear Creek and Gilpin Counties, would like a citizen advisory committee for HCG's and brokers to meet on a monthly basis to advise the Marketplace during the planning process.

Alyssa Naroski, a health coverage guide, asked that HCG's be given a chance to voice their concerns regularly.

Mr. ErkenBrack agreed with Ms. Naroski stating that the Board should be seeking feedback from brokers, consumers, carriers and HCG's quarterly during Board meetings.

Meeting adjourned at 11:15 am.

Respectfully submitted,

Mike Fallon
Board Secretary

Next Meeting

May 11, 2015 from 8:30 am – 12:00 pm.