

TO: CONNECT FOR HEALTH COLORADO FINANCE AND OPERATIONS COMMITTEE
FROM: BRIAN BRAUN, CHIEF FINANCIAL OFFICER
SUBJECT: CAPITAL INVESTMENT BUDGET TO ACTUAL– NOVEMBER 30, 2015
DATE: 12/22/2015

The total approved technology capital investment budget for Fiscal Year 2016 is \$8.7 million. Through November, funds spent totaled \$6.8 million. An additional \$1.1 million is committed. The following table summarizes the spending with a comparison to the approved budget.

Capital Budget Items	Approved FY 2016 Budget	Actuals - FY 2016			Variance from Budget
		Commitments	Forecasted Expenditures	Total Expected	
SES Improvements	\$4,640,000	\$4,110,351	\$350,000	\$4,460,351	-\$179,649
Marketplace Improvements	\$750,000	\$2,241,320	\$0	\$2,241,320	\$1,491,320
Carrier EDI Improvements	\$500,000	\$507,000	\$0	\$507,000	\$7,000
Migration to Target Architecture and OE4 Planning	\$1,500,000	\$780,000	\$200,000	\$980,000	-\$520,000
SHOP Migration	\$500,000	\$0	\$0	\$0	-\$500,000
BI Improvements	\$250,000	\$76,000	\$0	\$76,000	-\$174,000
Other Projects, ongoing costs and contingency	\$640,000	\$200,000	\$580,000	\$780,000	\$140,000
Total Budget	\$8,780,000	\$7,914,671	\$1,130,000	\$9,044,671	\$264,671

Based on this analysis and projected expenditures, overall spending for the fiscal year is projected to exceed the budget by \$264,000. Projected expenditures are being analyzed to determine feasibility of staying within the approved budget. Any commitments made that result in exceeding the approved total budget of \$8.7 million will be subject to review by the Board.

Explanations of the significant budget line variances follow:

Marketplace Improvements (\$1,491,320) - Higher due to:

- Underestimation of changes needed to hCentive code to support OE3 non-SES requirements
- Need for additional SHOP improvements for OE3 due to change in direction regarding SHOP outsource.

See detail of expenditures

Migration to Target Architecture and OE4 Planning (-\$520,000) - Costs for OE4 and target architecture under evaluation

SHOP Migration (-\$500,000) - Postponed migration - evaluating options

Other Projects, Ongoing Costs and Contingency (-\$140,000) - CGI, hCentive and other vendor improvements and support costs including those related to the HealthOp transition and the impact on customers, renewals and plan shopping; additional software releases to support both SES and non-SES requirements and code fixes for OE3; regulatory changes to 1095/IRS reporting; carrier EDI enhancements; and ongoing support for life change events and other issues identified in the interfaces between systems.

