

## CEO Report

*Following is an update on Connect for Health Colorado’s Readiness for this year’s Open Enrollment from our functional areas. We are continuing the written version of this ala last Board meeting to allow you to digest the content ahead of time, and given our system is planned to go up live during the Board meeting, we are also covering this material as a brief presentation in order to address any questions you may have. We are hoping this approach will accomplish several goals: 1) providing updates in advance of meetings in order to spend more of our meeting time in Board-level dialogue, 2) increasing visibility into the organization’s workings, risks and opportunities, and 3) moving toward a more strategic and consistent presentation of materials.*

Timeline			
11/9/14	11/15/14	12/15/14 Last	2/15/15
Go Live SES	Open Enrollment	Enrollment Day for Jan 1 Coverage	End Open Enrollment

## Marketing

### Marketing & Outreach Preparedness

Core Materials are ready. Content and design are ready for ‘go live’ on November 10<sup>th</sup>, on the educational website for current and new customers. The PlanFinder tool has been live for more than a week, so Coloradans can preview and compare 2015 plans in advance of open enrollment.

A toolkit for brokers and health coverage guides was designed and has been distributed to help them become more familiar with our decision support tools.

New collateral has been available to sales channels to order supplies in our online store – both in Spanish and English. Additional materials will be produced if unique needs are identified; the shortened open enrollment period makes this challenging to deliver quickly and effectively.

### Education and Enrollment

Education and enrollment Presentations have been ongoing as requested and recommended in communities across the state to providers, civic groups, local organizations, policymakers, town halls. Connect for Health Colorado staff has done more than 35 presentations since July, with dozens more done by the Assistance Network.

We’ve mapped out, and are planning the Enrollment Tour that will begin in the Eastern Plains and Central Mountains November 15<sup>th</sup>, continuing thought December 15<sup>th</sup> with almost 50 town & city stops.

Two branded Suburbans will be eye-catching for local attention and help promote the events.

Retail or walk-in sites will open November 15<sup>th</sup> in Greeley, downtown Denver, Lafayette and the Tech Center. These are planned in collaboration with brokers and health coverage guides. Additionally, others will be following in Lakewood, Aurora, Thornton, Colorado Springs, Pueblo, the Western Slope and Foothills.

Weather will likely be a factor in the success of some enrollment events. And staffing will be a challenge since we are adding events & walk-in sites. We are pursuing creative ideas for supplementing staff with trained volunteers.

### **Advertising**

Advertising is ramping up now; real customers from across Colorado are telling their stories on TV, web & social media both in English and Spanish. We have also launched our additional campaign - “We All Need Health Insurance”- on radio, online, and in print. And, we’ll be adding the new TV spots to run alongside our Customer stories just after open enrollment begins both in English and Spanish.

We will be measuring effectiveness and reach of our advertising against enrollments so we are flexible and can change messages, mediums and saturation as needed by geography or target audience – and anticipate the need to make changes throughout open enrollment as we learn more about the buying behavior. We also will be doing more local messaging to support in-person assistance and enrollment events. This requires more effort in ensuring programs are fulfilled on time. Our media buying agency is tasked with close, continual tracking along with the Marketing team.

### **Communications and Media Outreach**

Public interest in open enrollment is already on the rise, gauging from calls and emails, especially from media. We anticipate there will be a steady increase over the next few months; but it is difficult to estimate the volume of inquiries during second open enrollment. We do anticipate they will ramp up closest to the various deadlines. Because this coincides with when we are at our busiest operationally, it will challenge our resources. Our director of communications is working with public affairs consultants to help plan for proper triage and timely response to inquiries.

- Our team has developed and provided talking points and handouts on renewals, APTC and open enrollment for our sales channels, stakeholders, policymakers.
- We’ve engaged in proactive education with key reporters on renewals, APTC and open enrollment preparations in an effort to improve accuracy and better understanding of what we do so that consumers can also have a clearer picture.
- We plan a robust outreach with local media throughout open enrollment, particularly around our events and walk-in sites.

- Additionally, we will conduct regular, weekly media briefings around key topics and enrollment metrics.
- We are planning a twice-monthly joint press release with HCPF around metrics.

Perhaps the biggest unknown affecting all aspects of our marketing and communications efforts is public perception as influenced by media and misperceptions within communities. Additionally, we may see changing deadlines or regulations as we did last year that impact our operations. We remain a nimble organization used to change and able to adapt quickly.

## Sales

### Sales Channels

Preparing Connect for Health Colorado's sales channels for open enrollment commenced in earnest in July 2014. Over the summer we developed and executed a variety of sales initiatives specifically for each channel. Recertification training was developed and sales partnered with marketing and outreach to align and focus efforts on high impact activities. Sales targets were developed and include a new business target of 80,000 covered lives for the period of 11/15/14- 2/15/15 and a retention target of 70% of Connect for Health Colorado's book of business.

Connect for Health Colorado initiated a Broker Focus Group in July 2014, to serve as pragmatic sources of feedback and improvement ideas on sales, marketing and service. The Assistance Network has focused on best practices for reaching hard to reach populations, enrollment strategies and reporting. Of special note is the partnership that is developing between Brokers and Health Coverage Guides. Our Service Center has focused on sales training/resources, increasing product knowledge, quality and accuracy. The direct sales forces of our Carrier partners under represented enrollments in 2013-2014 Open Enrollment and so much attention and planning has been focused on this channel. Efforts have included co-marketing and championing sales with our Carrier Direct channel to emphasize the value proposition of the Marketplace to their customers who have not been evaluated for financial assistance. For our Self-Serve (Do It Yourself) customers, we have directed our sales efforts at improving the Individual and SHOP technology, developing decision support tools, simplifying our website and knowledge base. Sales has partnering with Marketing and Communications on marketing, outreach, enrollment retail sites and events. Likewise, training for new and returning Brokers, Web Brokers, Health Coverage Guides, Certified Application Counselors and Direct Carrier Sales has been instrumental in driving readiness, engagement and alignment among our sales channels.

Significant planning and effort has been focused on the design and implementation of decision support tools that include: Tax Credit Estimator, Plan Finder, Complex Household Calculator, Small Business Quick Calculator, End-to End SES Simulator, Sandbox, Sales Toolkit with PDF, Formulary and Provider Search and an Interactive Coach. The development of these tools included input from stakeholders and users and they have been instrumental in driving sales preparedness and momentum.

Again this year we are planning focused and high impact Out Bound Campaigns to follow-up with new and renewing customers, as well as, high touch customers who require more support to make coverage

choices. Out Bound campaigns will be used to direct consumers to a variety of enrollment retail sites and events. Our Brokers, Health Coverage Guides and staff will work these venues. We are exploring a partnership with Liberty Tax, as well.

Conditions that impact readiness related to sales are:

- Short Duration OEP – Our renewing customers must complete their renewal by 12/15 to secure 1/1/15 coverage. This book of accounts equals 100,000 households and small employers and approximately 148,000 covered lives. 30 days to renew this core group of valuable customers and attract, assist and enroll new customers is a challenge and will stress the capacities of our sales channels. In addition, many of our Brokers are also working with their Medicare clientele, whose open enrollment period coincides with C4HCO's.
- Increase of Customer's APTC Net Share- The auto renewal process was conceived to address the press of renewing customers who were not experiencing changes in APTC or their renewal plan. We estimated that approximately 75% of our customers with financial assistance would auto renew, based upon the historical experience for auto renewals among our Carriers. However, with the effect of competitive pricing on the second lowest cost Silver plan and the attendant increase in the net share cost for consumers, we now estimate that only 15% of customers with financial assistance will auto renew and the balance of our financial assistance customers will be better served with active guidance and assistance. This dynamic will challenge the capacity of our sales channels, and it is imperative that our customers obtain the help they need to make the most effective coverage choice for their situation.

## Service Center

The C4HCO service center has (CGI and C3 facilities) has been preparing for this year's open enrollment period for several months. The Service Center has focused on sales training/resources, increasing product knowledge, quality and accuracy. Additionally, service center and back office staff has been actively involved in testing key new business functions and streamlining enrollment and support processes.

Conditions that impact readiness related to the service are:

- Increase of Customer's APTC Net Share – Service center forecasts indicate that changes in the net amount owed by our renewing FA customers could increase call center call volume by as much as 72% for the 10 weeks between 11/3/2014 and 1/11/2015. C4 leadership is working with CGI, Eventus and C3 to develop mitigation strategies to redirect and reduce the total number of calls and looking at overall staffing levels to identify options to preserve service levels.
- Modifications to verifications and eligibility processes - Many of the services provided to customers during the last OEP were in support of eligibility activities. With the introduction of the SES, the C4HCO service representatives do not have the same ability to answer APTC/CSR eligibility questions and to modify APTC / CSR results due to data entry errors. Customers must go to SES to report a change if they make mistakes during the application process. We are

limited in our ability to process applications for consumers who have not received an eligibility result and have been not been able to finalize our contract with HCPF for staff to support eligibility and verifications processing.

## **Marketplace Implementation**

C4HCO and CGI have been aggressively testing the new system and are nearly complete with testing all planned R2 functions. Key areas of the marketplace are significantly improved. These include:

- Streamlined eligibility with SES including single sign on
- Support for complex families and multiple plans per household
- Significant usability improvements to the SHOP system
- Tools for brokers and agents to better manage their clients
- Improved plan benefit displays
- Online support for life change events

Our Business Acceptance Test (BAT) team executed 100% of all test cases at least once. 100% of go-live test cases have been regression tested. We have a 91% pass rate for go live test cases. As of 6pm on November 5<sup>th</sup>, there are 23 open go-live defects with a plan for a software drop tonight.

Conditions that impact readiness related to the service are:

- Functionality gaps – There are a small number of items that were expected to be included in R2 that we do not believe will be working as expected by 11/15/2014. We are developing workarounds and revises training for these items – the most significant of which is the integrated proposal system for brokers.

## **IT**

An Akamai ‘waiting room’ is being deployed that will prevent users from coming into our web site if our systems are overloaded due to an unplanned spike in volume or other severity 1 technical problem. As we get closer to open enrollment we are busy implementing our capacity plans and performance testing all key marketplace components including the hCentive portal, Shared Eligibility System (SES), telephony in the service center and our anonymous plan browsing functionality. We are adding up to 17 new Virtual Machines to our data center to handle 15,000 potential enrollments a day with a peak of up to 21,000.

In parallel we have started looking at cloud hosting providers in order to understand how we can reduce our operating costs by moving to a pay for compute model. We have a proposal from ntirety to make recommendations on enhancing the efficiency of our database, applications and middleware.

Command center preparation is in full swing and we are updating process documentation and creating new escalation and business contact lists. Dry runs are being scheduled this week and we are working closely with HCPF and the service center to ensure everything is in place for a smooth rollout.

A number of security reports are being finalized and submitted to CMS. These are to Security Safeguard Report (SSR), Plan of Action and Milestones (POA&M), System Security Plan (SSSP), and the Privacy Impact Assessment (PIA). In addition we are currently assisting with two audits one from OIG which will conclude on November the 6th and one from IRS which will continue into 2015.

We have been working hard on getting the Renewal Book of Business Reports for carriers, brokers and HCGs developed, tested and delivered. These were sent this week. We continue to monitor simultaneous enrollments and will be creating the monthly report that was requested by the task force. For the start of open enrollment we are building an operational dashboard, renewal report and a real-time eligibility report. In addition we are building IRS monthly, 1095 reports and CCIIO updates.

Our new Director of Enterprise Architecture is working closely with carriers to shore up EDI (Electronic Data Interchange) with carriers in preparation for go-live. Renewals testing is currently in progress and planning is underway to resume payment web services and 820 testing soon after go-live. Ongoing governance has been agreed with carriers and a weekly technical forum has been established to communicate technical issues.

## Finance

### Finance

The Finance Team has been working on improving and solidifying processes around vendor and contract management. The Team has been working on creating a streamlined approach for onboarding new vendors, managing current vendors and working with General Counsel to ensure contracts meet all federal and state requirements as well as our own corporate guidelines and requirements before execution.

Along with these activities the Team has started work on updating the procurement policy and the independent contractor procurement policy. The financial/A133 Auditors have been enlisted to provide examples of procurement policies that meet federal guidelines. These policies will be brought before the Board for approval. Specific items being addressed are:

- Type of vendor contract – Sole Source, Competitive Bid or other means
- Levels and types of approvals needed
- Steps to take when multiple Statements of Work with one contractor exceeds the \$150,000 threshold

Additionally, the Team is creating contract-to-spend tools to show on a monthly basis the open contracts with vendors, amount spent to date and balance owing on the contract.

The Finance Team is working on budget-to-actual reporting and monthly/weekly tools for the Executive Team and management staff. This will be helpful for management department budgets and provide our Board and Executive Team with reports needed to track current spending and help with forecasting for future months/years.

C4HCO is creating a process that will provide our Community Based Assistance Program Team with up-to-date reports regarding the expense reimbursement claims submitted by the Assistance Network organizations. These reports will highlight which organizations have been slow or remiss in submitting expense reimbursement paperwork, and help with forecasting of future needs for the organizations that are currently participating in the program.

Although the reconciliation efforts with carriers have forestalled progress in billing new carriers for administrative fees; progress has been made with individual administrative fees in processing 820 files and invoices for some carriers. C4HCO has now generated invoices for 30% of all backlogged administrative fees.

The DOI Hearing for the Special Assessment Fee took place on November 5<sup>th</sup>. A final regulation is expected to be issued this month. The anticipation is that the final regulation will be consistent with C4HCO's expectations and will keep on track with respect to revenue forecast for the coming year.