



FINANCE & OPERATIONS COMMITTEE

Full implementation / operational costs for HB17-1235
March 27th, 2017

Summary: State bill HB17-1235

- The bill provides extra funding for people between 400-500% of FPL where LCBP exceeds 15% of MAGI
 - Majority of eligible people will be in rural areas
- Our ability to execute on this quickly & accurately demonstrates the importance of the state exchange. C4HCO considers it important to develop a mature solution for at least the customer-facing portions of this

Analysis

- C4HCO's estimation is that this would give us an 4,000 additional effectuated enrollments from July 1st 2017 for 18 months
 - Assumes bill is funded
 - Implies additional revenue of \$221k in 2017 and \$442k in 2018
- C4HCO has been operating under the assumption that this bill will be successful
 - Development is in progress in order to achieve a go-live prior to June 1st

Total cost of the state bill HB17-1235

- Total cost of this project will exceed \$250k procurement limits
- We are requesting approval of the below approximate budget for the project

Vendor	Item	Cost	Source
CGI	Design, Dev, Impl. Feb-June. Approximate value of internal team	~\$240,000	Included in discretionary hours
CGI	3 FTEs for additional support up to decision point (4/21)	\$93,600	Contract signed
CGI	Additional CGI resources after decision point to complete implementation and to provide production support	~\$200,000	Pending board approval to project. Will contract between board approval 4/10 and before 4/21
hC	Integration of CGI solution	~\$50,000	Included in fixed capacity model
TBD	Operational support for implementation	~\$220,000	Pending board approval to project and if staff determines appropriate
n/a	Contingency	\$160,000	20% contingency
	Total:	\$963,600	



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Customer Retention Statistics

March 27th, 2017

Retention measures from 2016→17 are similar to 2015→16

- Ability of the exchange to allow customers to passively auto-renew is critical to our enrollment numbers
- A customer that can passively auto-renew would have to actively opt-out of their renewal in order count against the %s below
- Vast majority of customer that have to actively shop were due to loss of MEC caused by carrier departure / PPO / reduction of coverage areas / unavailability of a crosswalk plan

% retained *	2015 → 2016	2016 → 2017
Eligible for passive auto-renewal	97%	96%
Active shopping required	48%	47%

* Percentage of on-exchange medical customers that were effectuated on approximately ~Oct 1st that actively/passively selected a medical plan in the following year. Data taken at the end of OE / loss of MEC SEP. Measures are for plan selections, not effectuations.