



To: Connect for Health Colorado Finance & Operations Committees

From: Kevin Patterson
Gary Drews

Subject: FY 2016 Strategic Plan & Budget

Date: June 1, 2015

The attached documents represent the FY 2016 Strategic Plan & Budget, which presents the strategic directions for the organization, business cases for the next year's key project activity and investments, the FY2016 Budget, and longer-range financial forecasts that will further guide Connect for Health Colorado's path toward sustainability.

The organization's planning process was initiated in December 2014 with a simple framework to gather the appropriate input to inform business requirements and resource prioritization, examine key projects and investments closely for mission relevancy and return on investment strategic viability, identify the optimal funding stream against financial and staffing requirements, and financially resource the key strategies and tactics for the Marketplace's next enrollment period.

The organization is self-funding through primarily earned revenue sources as the remaining Federal grants are allocated. While fees were increased for the year ahead, the cash will not be received until the final quarter of FY2016. With the Marketplace in a period of funding transition, it is vulnerable to external industry and regulatory forces -- management is keenly aware of the need to tightly manage the Marketplace's cash environment over the next twelve months.

We sought much input from all Marketplace stakeholders that truly influenced our strategic priorities and solutions presented here. The Strategic Plan is derivative of the many value propositions it provides stakeholders, and ultimately links the strategic goals of the organization in preparation for the upcoming 2016 enrollment cycle with tactical goals and objectives.

The Budget incorporates the newly increased fee levels for Calendar Year (CY) 2016, and results in a cash operating deficit of \$4.6m and total deficit after capital/project investments of \$13.3m. It is expected that additional revenue sources will be generated and secured to erase projected future year deficits.

We greatly appreciate the Finance and Operations Committees' guidance on the Plan's many components and overall direction. At this stage in the process, management is requesting the Committees to approve for recommendation to the full Board the submitted FY2016 Strategic Plan and Budget.

On behalf of Connect for Health Colorado staff, thank you for your consideration and support.