

CONNECT FOR HEALTH COLORADO

24 MONTH FISCAL YEAR FINANCIAL PROJECTIONS

*DRAFT FOR FINANCE AND OPERATIONS
COMMITTEE DISCUSSION PURPOSES*

Key Projection Assumptions

- **Overall:**
 - Carrier fee of 3.5% for entire period,
 - Special Fee Assessment of \$1.80 per covered life ends Dec.31, 2016
 - Enrollment grows by 15,000 each year (165,000 by 2018)
 - Tax credit donations \$5 million per year
 - Staffing at 71 FTE
 - Annual capital expenditures - \$5 million
- **Scenario 1 (Status Quo)** – No change in current expenditure levels over 24 month plan period
- **Scenario 2 (Expense Management)** – 10% expenditure (operating or capital) reductions in FY 2017 and additional 5% reduction in FY 2018. Ongoing sustainability by last quarter of FY 2018 (Apr-June 2018). Maintain cash balance of at least \$10 million.
- **Scenario 3 (Lease Federal Platform)** – Start in FY 2018. Lease cost is 3% of premiums. Reductions in customer service center costs (90%), G&A costs (25%) and technology costs (50%). Transition costs unknown – placeholder of \$5 million each year (same as capital expenditures in Scenario1)

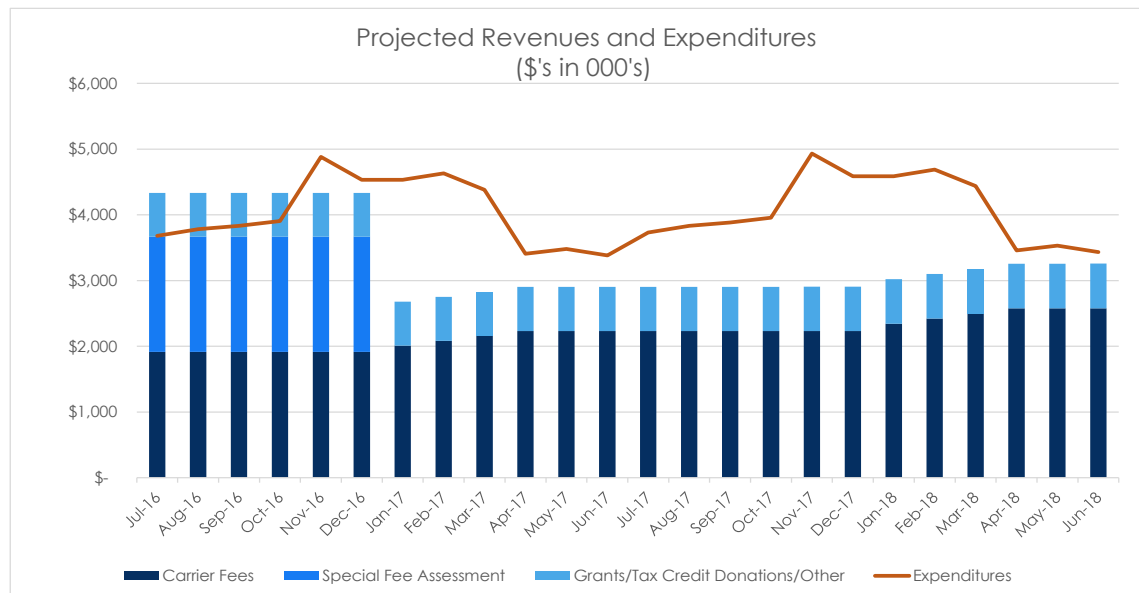
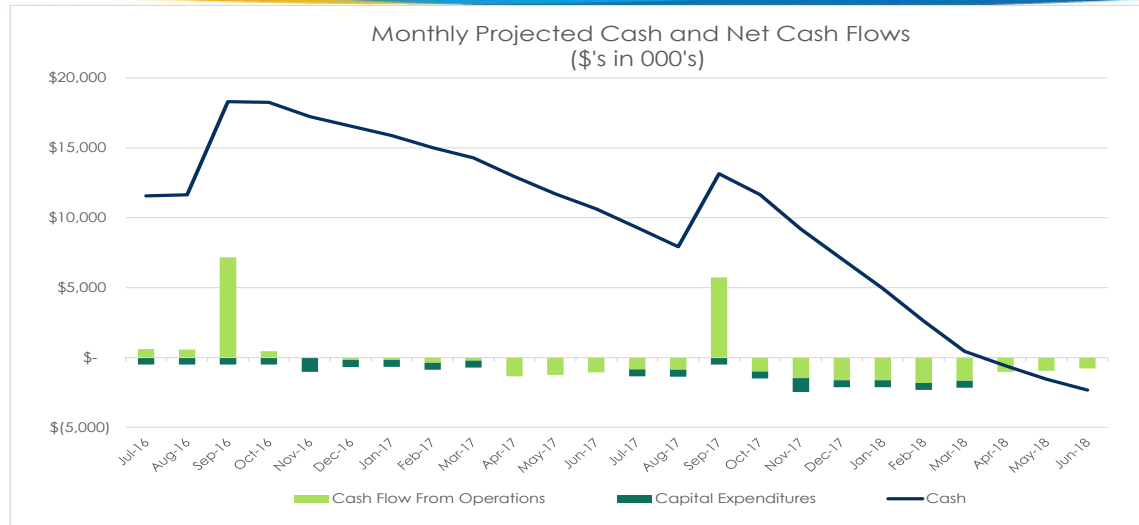
Scenario Summary - Projected Revenue and Expenses – FY 2017 and 2018

\$'s in 000's

	Scenario 1 (Status Quo)		Scenario 2 (Expense Management)		Scenario 3 (SBM-FP)	
	FY 2017	FY 2018	FY 2017	FY 2018	FY 2017	FY 2018
Total Revenues	42,973	36,501	42,973	36,501	42,973	36,501
Operating Expenses						
Customer Service Center	19,000	19,380	19,000	19,380	19,000	1,900
Assistance Network	2,500	2,500	2,500	2,500	2,500	2,500
Marketing and Outreach	1,350	1,350	1,350	1,350	1,350	1,350
Technology	10,516	10,516	10,516	10,516	10,516	5,414
Technology - Fed Platform (3%)	-	-	-	-	-	24,045
Operations	300	300	300	300	300	300
General and Administrative	9,769	10,013	9,769	10,013	9,769	7,696
Total Operating Expenses	43,435	44,059	43,435	44,059	43,435	43,205
Income (loss) from Operations	(462)	(7,558)	(462)	(7,558)	(462)	(6,704)
Cash Flow Adjustments (timing)	4,639	(399)	4,639	(399)	4,639	(1,641)
Cash Flows From Operations	4,177	(7,957)	4,177	(7,957)	4,177	(8,344)
Capital Expenditures	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
Expenditure Reductions/Reimbursements	-	-	4,800	7,560	-	-
Net Cash Flows	(823)	(12,957)	3,977	(5,397)	(823)	(13,344)
Beginning Cash	11,456	10,634	11,456	15,434	11,456	10,634
Net Cash Flow	(823)	(12,957)	3,977	(5,397)	(823)	(13,344)
Ending Cash	10,634	(2,324)	15,434	10,036	10,634	(2,710)

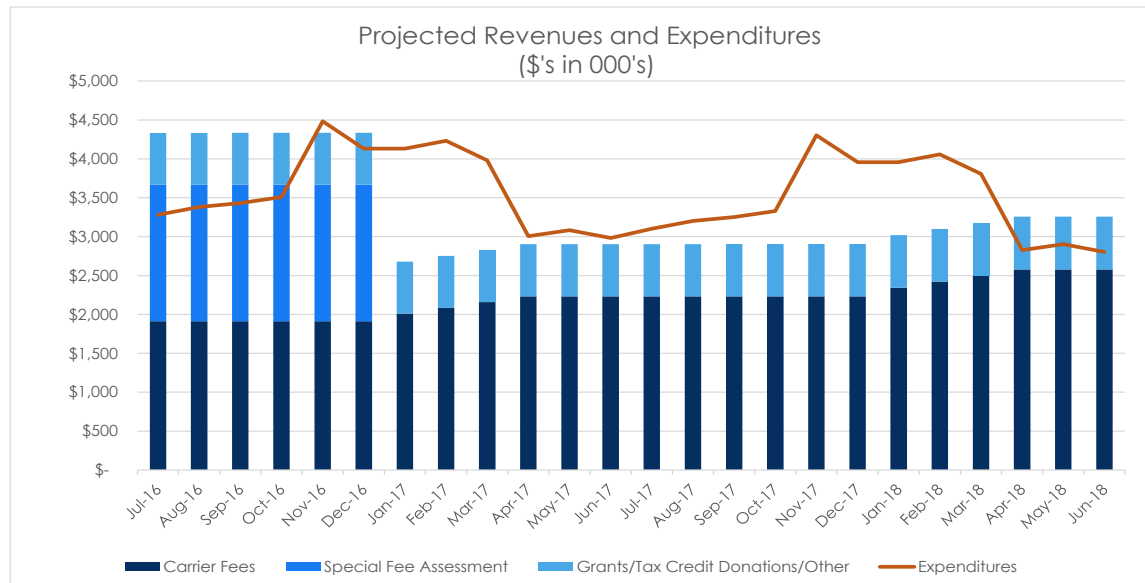
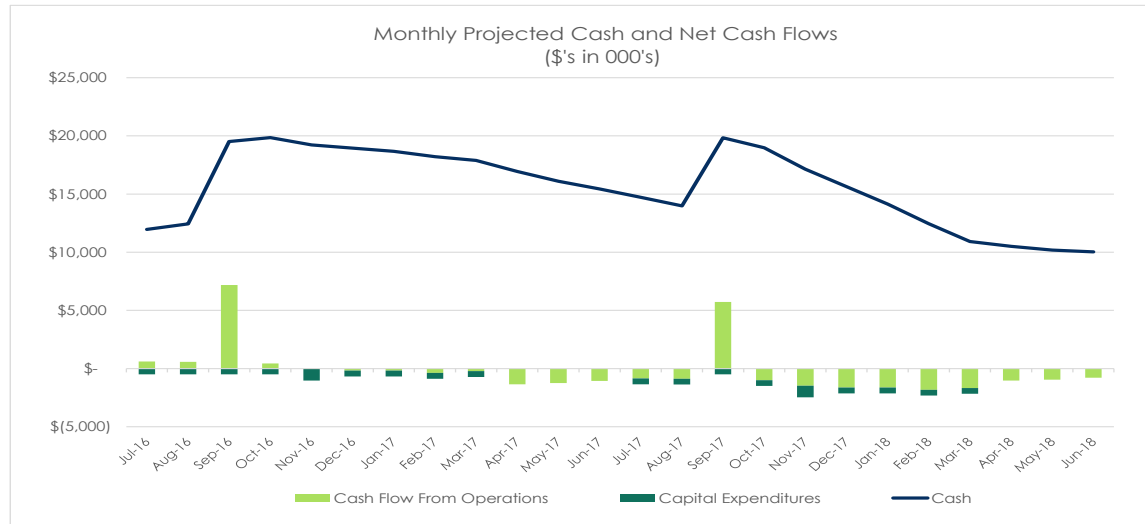
Scenario 1 (Status Quo)

Monthly Summary



Scenario 2 (Expense Management)

Monthly Summary



Scenario 3 (Federal Platform Lease)

Monthly Summary

