

# CONNECT FOR HEALTH COLORADO

## FISCAL 2017 BUDGET INITIAL DRAFT DISCUSSION

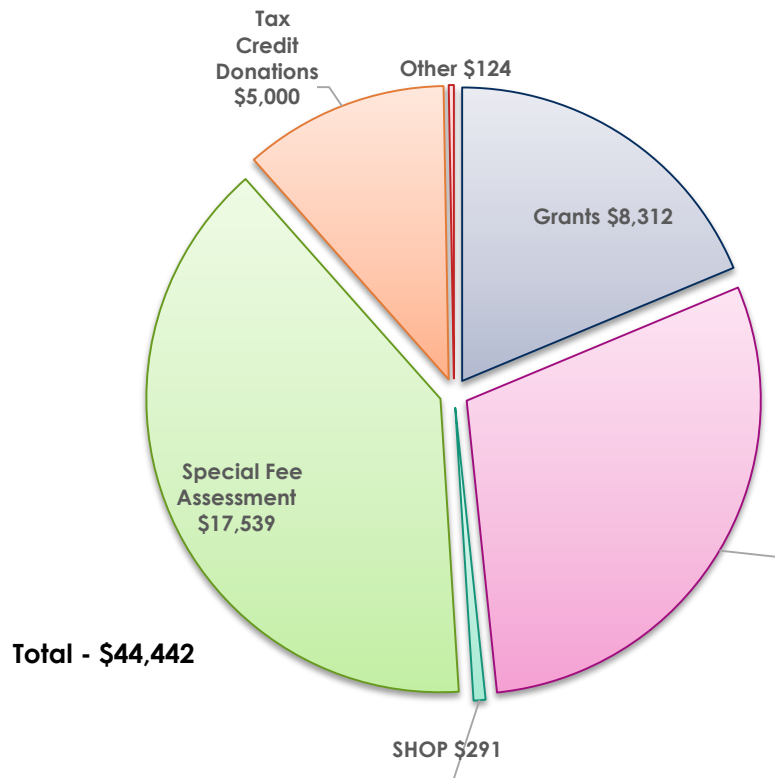
APRIL 25, 2016

# Key FY 2017 Budget Assumptions

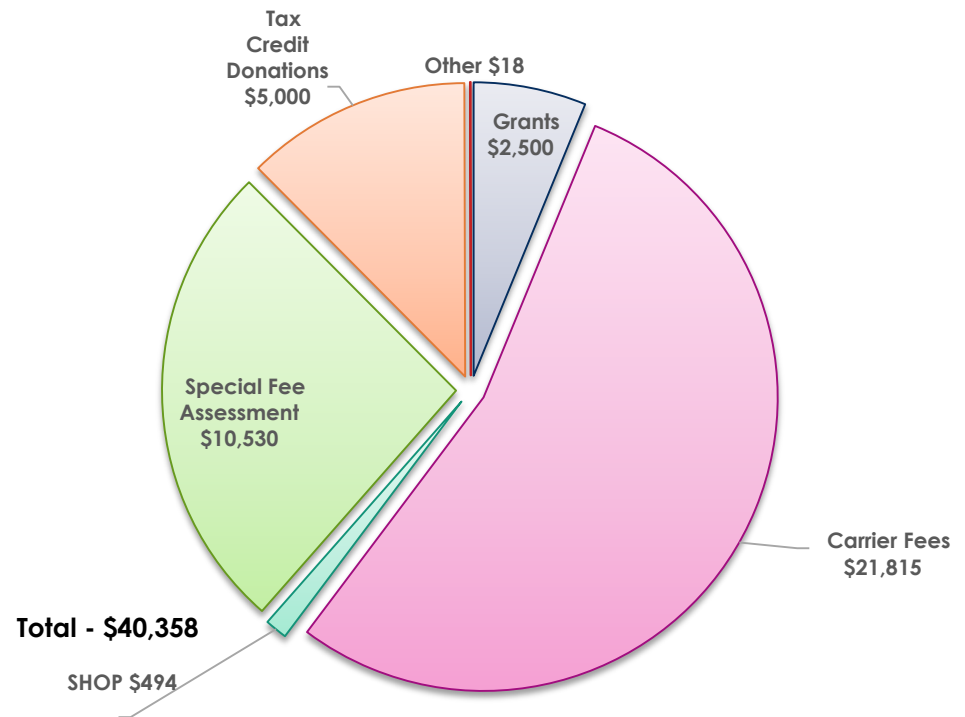
- Carrier fee of 3.5% for entire period,
- Special Fee Assessment of \$1.80 per covered life ends Dec.31, 2016
- OE3 effectuated enrollment of 120,000, enrollment grows by 15,000 in OE4 (135,000), average PMPM premium grows by 5%
- Tax credit donations - \$5 million
- Grant funding for Assistant Network continues at current levels
- Modest growth in SHOP
- No new revenue sources
- Capital expenditure reserve establishment

# Revenue Comparison

Fiscal Year 2016 Projected Revenue



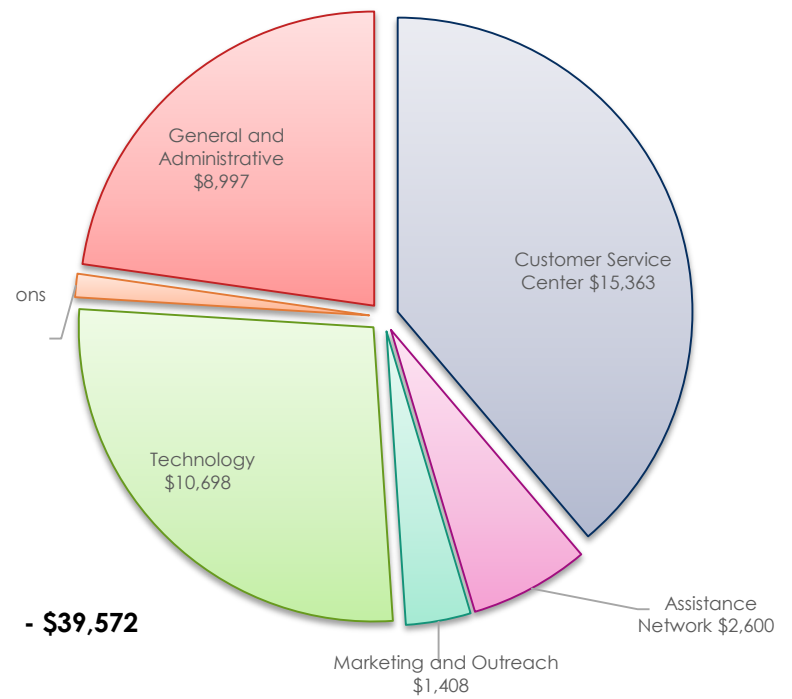
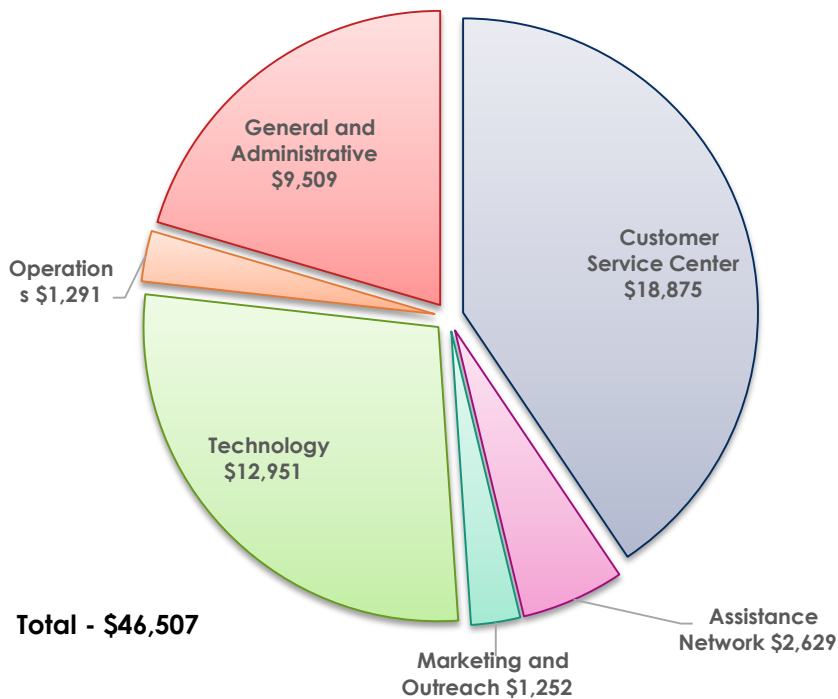
Fiscal Year 2017 Projected Revenue



# Operating Expense Comparison

Fiscal Year 2016 Operating Expenses

Fiscal Year 2017 Operating Expenses



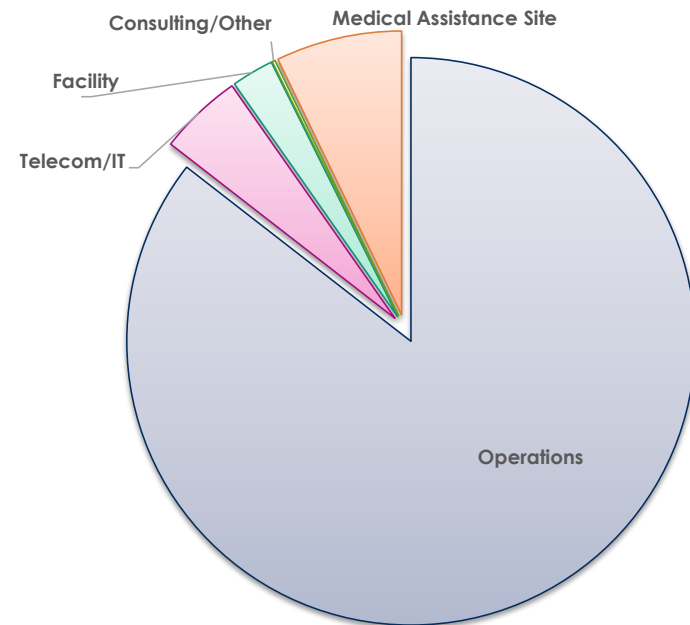
# Fiscal Year Comparison - FY 2016, 2017 and 2018

\$'s in 000's

	Total FY 2016	Total FY 2017	Total FY 2018
<b>Revenues</b>			
Grants	8,312	2,500	2,500
Carrier Fees	13,177	21,815	25,652
SHOP	291	494	585
Special Fee Assessment	17,539	10,530	-
Tax Credit Donations	5,000	5,000	5,000
Other	124	18	18
<b>Total Revenues</b>	<b>44,442</b>	<b>40,358</b>	<b>33,755</b>
<b>Operating Expenses</b>			
Customer Service Center	18,875	15,363	13,746
Assistance Network	2,629	2,600	2,600
Marketing and Outreach	1,252	1,408	1,408
Technology	12,951	10,698	9,262
Operations	1,291	506	506
General and Administrative	9,509	8,997	8,267
<b>Total Operating Expenses</b>	<b>46,507</b>	<b>39,572</b>	<b>35,789</b>
<b>Income (loss) from Operations</b>	<b>(2,065)</b>	<b>786</b>	<b>(2,034)</b>
<b>Cash Flow Adjustments (Receivables/Payables)</b>		4,003	3,068
<b>Cash Flows From Operations</b>		<b>4,789</b>	<b>1,034</b>
<b>Beginning Cash For Operations</b>		<b>12,180</b>	<b>12,000</b>
Net Cash Flow		4,789	1,034
Capital Reserve Change		4,969	31
<b>Ending Cash For Operations</b>		<b>12,000</b>	<b>13,002</b>
<b>Ending Capital Reserve</b>		<b>4,969</b>	<b>5,000</b>
<b>Total Ending Cash including Reserves</b>		<b>16,969</b>	<b>18,002</b>

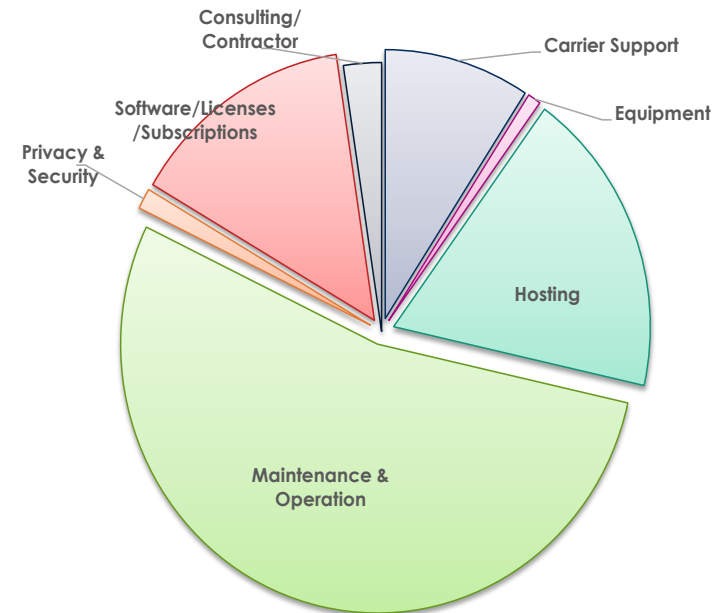
# Budget Line Components – Customer Service

- Total FY 2017 Budget - \$15,365,000
- Operating Costs – vendor costs for staffing and management of service center
- Telecom/IT – Telephony, Data and IT support services for CO service Center
- Facility Costs – Rent and Supplies for CO service Center
- Medical Assistance Site Costs – staffing, facility and telecom costs
- Savings Potential – continuous performance improvement, technology enhancements to reduce call volume



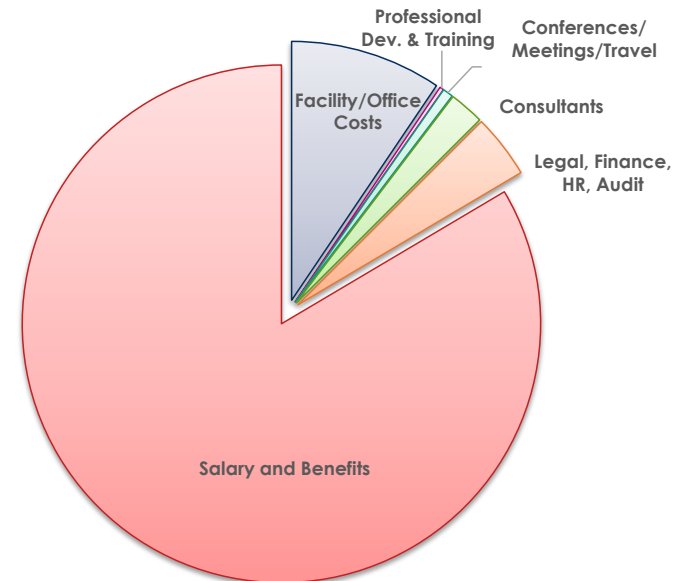
# Budget Line Components – Technology

- Total FY 2017 Budget - \$10,698,000
- Hosting – marketplace hosting
- Maintenance and Support – ongoing system maintenance/defect fixes, marketplace, SES, integration, corp systems
- Privacy and Security – consulting support
- Software Licenses/Subscriptions – Oracle, corporate system licenses
- Carrier Support – vendor support of carrier integration/EDI
- Consulting /Contractor – professional consultants, testing
- Savings Potential – redundancy reductions between vendors and C4, system enhancements to reduce maintenance/support costs



# Budget Line Components – General and Administration

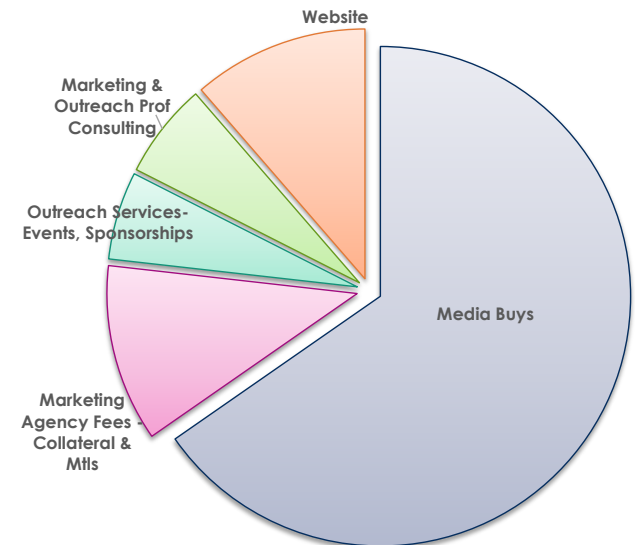
- Total FY 2017 Budget - \$8,997,000
- Salary and Benefits – employee salaries and benefits
- Facility/Office Costs – Office rent, supplies, telephone/internet/copiers
- Professional Dev. & Training – internal training
- Legal, Finance, HR, Audit – auditor costs, payroll and accounting system costs, HR, contractors
- Conference, meetings, travel – staff meeting, travel costs
- Consultants – strategy, public affairs consulting





# Budget Line Components – Marketing and Outreach

- Total FY 2017 Budget - \$1,408,000
- Website – Support, programming, strategy, updates, URL renewals
- Marketing & Outreach Professional Consulting – surveys, video
- Outreach Services Events, Sponsorships - community meetings and events, broker/HCG meetings and events
- Marketing Agency Fees Collateral and Materials – graphic design, printing, translations, annual report
- Media Buys – paid media, planning, social media boosting



# Budget Line Components – Operations

- Total FY 2017 Budget - \$506,000
- Health plan administration / COO – professional consulting,travel
- Broker support – lead tool, quoting
- External training – professional trainers, training system costs

# Budget Line Components – Assistance Network

- Total FY 2017 Budget - \$2,600,000
- Grants to assistance sites
- Other network assistance costs are included in G&A and Marketing line items