

***Joint Committee Meeting Minutes
Operations & Finance***

*Connect for Health Colorado Meeting Room
East Tower, Suite 1025
3773 Cherry Creek N Dr., Denver, CO 80209
May 4, 2015
7:30 AM – 9:30 AM*

Board Members Present: Mike Fallon, Adela Flores-Brennan, Eric Grossman, David Padrino, Arnold Salazar and Nathan Wilkes.

Board Members Joining via Phone: Davis Fansler

Staff Present: Marcia Benshoof, Adiel Brasov, Luke Clarke, Gary Drews, Alan Schmitz, Lisa Sevier, John Wetherington and Adele Work.

I. Welcome and Introductions

- Arnold Salazar chaired the Joint Committee meeting and called the meeting to order at 7:30 am and welcomed those in attendance, both in-person and on the phone.

II. 2016 Strategic Update & Financial Plan

Interim CEO, Gary Drews, gave a summary of the organization's position since the last Joint Committee meeting.

- The adjusted forecast is on target.
- The goals for the 2016 Strategic and Financial Plan are:
 - Optimize the customer experience.
 - Stabilize and right-size staffing, systems & processes.
 - Put Connect for Health Colorado on the path to financial sustainability.
- Staff is incorporating feedback from the last Joint Committee meeting into enrollment projections, the Small Business Health Options Program (SHOP), Medical Assistance (MA) Site contracting and the Service Center improvement process.
- The Shared Eligibility System (SES) end-to-end review recommendation, Service Center and MA Site contract negotiation guidance discussions will come before the Board on May 11th.
- The Marketplace is seeding sales channel, Assistance Network (AN) and IT strategy guidance from this Joint Committee meeting.
- Financial projections have been updated as new revenue, expense data and policy guidance come in.

Chief Strategy and Sales Officer, Marcia Benshoof, explained that the individual enrollment projections for fiscal year 2016 is moderately aggressive. This is reflective of the end of the transition plans and gaining back customers due to the planned SES enhancements; while noting the projections gain tapers off in fiscal year 2017.

Ms. Benshoof gave an overview of the different sales channels within the Marketplace which include:

- Brokers & Agents
- The Assistance Network
- Carrier Direct
- Do it yourself (DIY)
- Service Center

To increase sales staff is looking to the Board for accountability to deliver the SES enhancements, Commitment to the Assistance Network direction, and participation in supporting the awareness and appreciation of the various channels.

The Joint Committees recommended proceeding as presented with the moderately aggressive 3-year targets presented with enrollment drivers.

Adiel Brasov, Director of Training and Performance Management, gave an update on the Assistance Network (AN). The AN provides education, outreach and in-person assistance to enroll customers in private health insurance coverage through Connect for Health Colorado. As such, in many cases the AN program, Health Coverage Guides and Certified Application Counselors are the face of Connect for Health Colorado throughout the state. Currently the AN program is facing a reduction in funding of 64% for fiscal year 2016.

The strategic focus for the AN in Fiscal Year 2016 is:

- Maintaining geographic reach throughout the State.
- Leveraging existing community trust, relationships and partnerships.
- Proper alignment of resources with the Marketplace.
- Capitalizing on each partner organization's expertise to identify, engage and enroll the target populations in their area.

It was noted that Connect for Health Colorado is required to have an Assistance Network program. Staff is looking for the Board to:

- Endorse the value of the Assistance Network to the mission of Connect for Health Colorado.
- Recognize that this is the right time to strategically align the AN.
- Understand that the Marketplace has submitted a grant application to the Colorado Health Foundation for \$2.5 mil for fiscal year 2016. This grant is directly dependent on the AN providing a portion of matching operating funds.
- Guidance and/or input on the direction of the AN to further enhance the mission and vision of connect for Health Colorado.

The Joint Committees recognized the importance of the AN Sites and agreed to bring a request to the Board for \$500,000 in operating funds as a match to the grant request made to the Colorado Health Foundation.

Chief Information Officer, Adele Work, presented an overview on IT and the goals for fiscal year 2016, which include:

- Reduction in technology, Service Center and operations costs in line with sustainability.
- Stabilizing the use of services and enrollment for customers.
- Further protect the security of information and infrastructure.
- Build a high performing technology group.

Mr. Drews discussed the financial scenarios, giving three cash revenue scenarios to the joint committees:

Model 1: Based on rates that were projected a year ago at 1.8%/2.8% Carrier Administration fee and a \$1.60 Broad Market Assessment fee.

Model 2: Carrier Administration fee rate is set at 3.5% with a \$1.80 Broad Market Assessment fee.

Model 3: Carrier Administration fee rate is set at 4.5% with a \$1.80 Broad Market Assessment fee.

Under preliminary expense modelling, the first revenue model does not bring in enough revenue to cover operations, the second model will cover operations through 2017, while the third model will cover operations over the long term. Beyond the scenarios, Medicaid cost recovery is crucial, but the total amount is unknown at the moment.

Of the financial scenarios, the expenses in an area where the Marketplace has a little more control and Ms. Work pointed out that Service Center costs will lower in the outlying years because fiscal year's 2016 costs include transition and build costs.

Next week's Joint Operations and Finance Committee meeting will cover the balance of 2016's key planned activities, including discussion on fee levels and staffing requirements.

III. Public Comment

There was no public comment.

Meeting adjourned at 9:30 am.

Respectfully submitted,

Arnold Salazar
Finance Committee Chair