

Board Meeting Minutes

Connect for Health Colorado Meeting Room

East Tower, Suite 1025

3773 Cherry Creek N Dr., Denver, CO 80209

October 13, 2014

8:30 AM – 12:00 PM

Board Members Present: Susan Birch (arrived at 8:50 am), Steve ErkenBrack, Davis Fansler, Gretchen Hammer, Sharon O’Hara, Kevin Patterson, Arnold Salazar and Marguerite Salazar

Board Members Joining via Phone: Ellen Daehnick, Mike Fallon and Nathan Wilkes

Board Members Absent: Eric Grossman

Staff Present: Marcia Benshoof, Dave Coren, Gary Drews, Proteus Duxbury, Lindy Hinman, Roxanne Johnson, Linda Kanamine, Mary Obee, Taylor Roddy, Alan Schmitz, Lisa Sevier and Adele Work.

Approximately 15 guests attended the meeting in-person and the conference line was available for people to join by phone.

I. Business Agenda

- Chair Sharon O’Hara called the meeting to order at 8:35 am and welcomed those in attendance, both in-person and on the phone.
- Ms. O’Hara announced Board Member Richard Betts resignation and the addition of Davis Fansler to the Board.
- The minutes from August, September and the August 15th Board Conference Call were voted on and approved.
- The agenda was reviewed and amended as follows: a lease extension to the facilities was added
- Disclosure of Conflicts of Interest: None

II. Board Development and Operations

Chair Sharon O’Hara stated that the Board is continuing its focused efforts in the search for a permanent CEO.

- Qualifications for the CEO position are posted to the Connect for Health Colorado website.
- Comments can be emailed to the Board at ExecutiveDirector@ConnectforHealthCo.com.
- Timeline for the search is early November for selected candidate interviews.
- Presentation of a candidate to the Legislative Oversight Committee is planned by early December.
- Per the Board’s request there will be weekly closed Executive Session Meetings presented as a personnel matter; and will include the search firm, EFL Associates.
- The Board has opted to operate as one committee for the search, rather than have a separate search committee.

Ms. O'Hara announced that Arnold Salazar has agreed to Chair the Finance Committee, replacing Richard Betts.

III. Exchange Development and Operations

1. CEO Report

Interim CEO Gary Drews gave his CEO Report as follows:

- Connect for Health Colorado (C4HCO) completed a number of support tools for brokers, assistance network guides and consumers; including an avatar name "Kyla" to help guide enrollees.
- C4HCO has certified over 500 brokers to date and expect to have close to 1000 in place by Open Enrollment on November 15th.
- Grant determination for the assistance sites will be going out in the next week.
- To date the exchange has 145,000 people enrolled.
- Of the original 3000 enrollments that were lacking sufficient documentation of citizenship, this has now been whittled down to 750 facing disenrollment at the end of the month.
- C4HCO is working on income verification to ensure people are receiving the correct tax credits.
- C4HCO is pursuing up to 7 points of contact to reach all customers.
- Over 170 plans through carriers are in place for Open Enrollment.
- Last month the Legislative Review Committee (LIRC) met to review C4HCO's progress on all fronts; they seemed generally pleased with C4HCO's progress.
- C4HCO is in good shape financially and is tracking two known challenges:
 - There was no financial history when the budget was originally built. As new information comes in and more finely tuned variables are identified by the Finance Committee, the financial pro forma forecast is being updated and will be presented at the next committee meeting.
 - C4HCO continues to fully support the call center as enrollment and renewals remain top priority. As discussed during the last board meeting, Call Center expenses are expected to exceed budget in order to achieve acceptable service level standards.
- C4HCO continues to experience a high degree of government reviews, audits and reporting requirements; now counting nearly 30 in two and a half years. This is an enormous number and very consuming for the staff.
- The Finance Committee has discussed pausing the shifting of the fiscal years. It has been agreed that right now the focus for C4HCO needs to be on Open Enrollment, the audits and managing the staff changes. The fiscal year change will be revisited in early 2015.
- The single eligibility system application between HCPF & C4HCO is running and deep in its testing phase. It will eliminate last year's two-step financial determination process.
- A report has been released, sponsored by the Colorado Health Foundation and conducted by Rand Corporation, titled *Barriers to Enrollment in Health Coverage in Colorado* found at http://www.rand.org/pubs/research_reports/RR782.html. The report is a great source for looking at how C4HCO is reaching and enrolling people.
- Renewals have started as of today.
- November 9th the 2.0 system and Shared Eligibility System will be up and running.

- The Building Better Health Conference will begin tomorrow. This conference, sponsored by the Colorado Health Foundation will include over 900 brokers, health coverage guides and carriers. Mr. Drews referred to a statement made by Sue Birch, Executive Director of Healthcare Policy and Financing for the State of Colorado, that “this is one of the greatest opportunities to have all constituents working on helping Colorado come together with one goal in mind – to create better health for Coloradans.”

Mr. Drews publicly thanked Cammie Blais, former CFO, who left the company earlier in the month. Additionally, he announced that Lindy Hinman, COO will be leaving C4HCO after Open Enrollment begins in November. Mr. Drews explained that the departures are to be expected given the start-up nature of the organization. He assured everyone that the company is well covered internally and searches are underway for permanent leadership in these positions.

Marguerite Salazar expressed how impressed she is that 75% of renewals will be completed automatically. Adele Work, Director of Product Implementation, clarified that the hope is 75% of the current customer base will go through the process and be eligible; not that they will be automatically renewed.

Ellen Daehnick was concerned that there will be a large number of people needing to go through manual renewals. She requested that the Board receive early reports of work capacity and throughput to gauge any possible risk as to how this may impact customer service. Ms. Work stated that one of the metrics being tracked includes the predicted volume of people who will fall out from the auto renewal process due to aging out of plans or lack of complete information for auto determination. This metric will be used to gauge the accuracy of the renewal process along the way.

IV. Lease Extension to the Facilities

Mr. Salazar stated that C4HCO has been notified that the office space on the 7th floor of the Ptarmigan building currently leased on a month-to-month basis will no longer be available at the end of the month. Mr. Salazar and Mr. Drews have analyzed possible alternatives for the needed space. It has been determined that the best alternative is to lease the open space adjacent to suite 1025, this will require surpassing the \$150,000 limit given to the CEO for making financial decisions. Specifically, over the entirety of the current lease for suite 1025, although on a year-to-year basis it falls under the \$150,000 maximum.

Mr. Salazar further stated that the risk of bringing this decision to the Finance Committee and then before the Board will likely result in loss of the space as the building is 90% occupied and the space is being sought after by other entities.

Gretchen Hammer suggested constructing a motion so that the CEO and key members of the Board can negotiate up to, or within a cap specified by the board.

Nathan Wilkes concurred that the Board can delegate authority to negotiate up to a particular dollar amount approved by the Board.

Sue Birch stated it would be wise to restrict any motion to this issue, as there will likely be future budget variations that will need to come before the full Board. Mike Fallon concurred to restrict the current motion to the specific lease issue in question until such time as the Board is able to more thoroughly look at the current dollar limit policy.

The motion was presented: in regards to the issue of rent and space the CEO has the authority, with the consent of the Board Chair and the Chair of the Finance Committee, to negotiate over the current policy and report back to the full Board upon completion of the actions.

- Mr. ErkenBrack moved to accept the Motion and Ms. Hammer seconded.
- There was no public comment.
- **Vote:** The vote was called for the unanimous approval as follows:
Yes: Ellen Daehnick, Steve ErkenBrack, Mike Fallon, Davis Fansler, Gretchen Hammer, Sharon O'Hara, Arnold Salazar, Nathan Wilkes.
No: None
Absent: Eric Grossman

V. **Open Enrollment Readiness**

Mr. Drews presented the [Open Enrollment Readiness Report](#) giving an update on each department's readiness for this year's Open Enrollment Period.

Ms. Hammer commented that this is a new reality for C4HCO given the combination of renewals and open enrollment. She queried about a differentiation in the marketing strategy that is focused on this new role of the marketplace that would serve to encourage both types of customers to investigate the options within the marketplace. Specifying how C4HCO is strategically looking at both events happening almost simultaneously.

Linda Kanamine, Chief Marketing Officer, stated that the biggest change in advertising is in the message. Additionally, all available mediums will be used; in particular, direct outreach. The issue is brand awareness with a heavy hit on renewal messaging starting right after the election up through December 15th.

Marcia Benshoof, Chief Strategy and Sales Officer, added that this is the first chance to renew C4HCO's book of business; so the plan is to cast a net of awareness and engage every channel available. There needs to be a strong focus on new business and cultivating all business.

Mr. Salazar questioned how the staffing in the Call Center is being formulated during this new era of renewals, with the additions of the shared eligibility systems and the new tax form. Lindy Hinman, COO, explained that C4HCO has a baseline from last year as well as regular forecasting on a daily, weekly, 6 week and rolling basis. This means that there is constant evaluation on the numbers as they change throughout the course of the year.

Further, there are four major variables factored into determining staffing: renewals, deployment of the new shared eligibility system, the tax season beginning early next year and the determination that the Call Center was understaffed last year from a service level perspective. C4HCO is roughly doubling the staff compared to last year due to these factors.

Mr. Salazar inquired whether there are different staffing requirements with individuals vs. SHOP. Ms. Hinman explained we are staffing people specialized in helping with SHOP.

VI. SHOP

Ms. Benshoof and Ms. Work gave a presentation on SHOP. Emphasizing that though SHOP is not a large part of C4HCO's business, it is a significantly important part of the mission. C4HCO is required by law as a part of the Affordable Care Act - as a state based marketplace, to have a SHOP and C4HCO has one of the more successful SHOP's.

The Board inquired as to whether there is a way to formulize what the average tax break is for a small business using SHOP. Ms. Benshoof explained that, unlike the Premium Tax Credit which is administered through C4HCO, the tax credit for employers is the exclusive domain of the Internal Revenue Service. Therefore, we can educate the employer and talk to them about the process, but C4HCO doesn't have knowledge of what the award would be.

The Board suggested reaching out to Colorado business communities to inquire what C4HCO can do, that isn't already being done, to help small businesses insure their employees.

Marc Reece, Associate Director of the Colorado Association of Health Plans, discussed that 99% of feedback from SHOP deals with usability amongst the brokers. If brokers aren't buying through the SHOP product, C4HCO will never get the volume that it wants. The key will be conveying the value proposition of providing choice along with the usability of SHOP Version 2.0.

Ms. Salazar stated that Colorado is making a difference through the use of SHOP because small businesses were in mind when the ACA was passed. The IRS is a partner in all of this as well. One of the most misunderstood pieces of SHOP is the tax credit. Many people don't realize that small businesses can go back to prior years and get the credit. C4HCO should work closer with that constituency to learn more about it. In fact, the tax credit is available to nonprofits as well.

Mr. Reece added that the industry in general is trying to figure out what the SHOP marketplace desires. The SHOP environment offers the ability to provide variability and diversity in plans. Ms. O'Hara observed that before SHOP, employers offered 2 or 3 plans and now the employees have a plethora to choose from, which can be confusing. Ms. Benshoof explained that with the new SHOP decision support tools the brokers can be decision strategists for the employees.

Ms. Salazar stated that upwards of 90% of Colorado businesses are small businesses. Of that, 23% of small businesses provide a group product for their employees. Mr. ErkenBrack explained that many small employers look at insurance differently than large employers in that they believe their workforce would be eligible for tax credits and it makes more sense for the employees to use the individual exchange.

VII. Public Comment

Ms. O’Hara asked for public comment. There was no public comment.

VIII. Board Retreat Follow-up

The board members were provided with a document titled Guidance for Directors of Nonprofit Organizations prepared by C4HCO’s General Counsel, Alan Schmitz.

Mr. Drews explained that the Board’s goal is to define the committees and how they interface with the Board. Specifically what decisions are appropriate to the different bodies involved. Who handles approval, who handles review and who handles recommendation; and outline this so there is a high level of understanding across the entity. This will go a long way to direct C4HCO when something enters the board’s purview the C4HCO hasn’t dealt with before.

Ms. Salazar questioned the role of the Legislative Oversight Committee and how the Board intersects with the Committee. Colorado is one of the only states that has this component to its exchange. Ms. Hammer explained that as a public entity C4HCO has a responsibility to be in relation with certain members of the public. Including members of the Legislative Implementation Committee and General Assembly.

Mr. ErkenBrack stated that there is value to a strong relationship with the Legislative Committee as a strategic component. Mr. Salazar concurred that this is a great opportunity for a political interface to help with the politics related to what the exchange does.

Ms. Birch explained the importance of a permanent ongoing alignment to protect all the eligibility and enrollment functions. This kind of alignment has to be organizational as well in that both the public and the private sector understands they are inextricably linked. The exchange needs a permanence built in if it is to continue the quasigovernmental, private/public partnership.

Ms. Hammer added that building on that the annual cadence of frequency for some of the Board decisions seems a little long. It makes more sense to have a cadence of a quarterly review, such with as a Board approved strategic plan locked down on one portion; but then staff has flexibility within other sections to make quarterly modifications.

Mr. Drews suggested the equivalence of a governing handbook that spells out how the Board works alongside a defined set of management limitations, thereby defining what the CEO and staff are allowed to do more definitively.

Mr. Salazar discussed combining the Finance and Operations Committees; as these two committees often need to meet together to resolve issues that affect them both. Mr. ErkenBrack stated that once C4HCo is more established this may make sense. However, he anticipates there will be some very significant operations challenges for the next several years and it makes sense to keep the two committees separate.



Mr. Drews suggested looking at partially shifting the Operations Committee to a more strategic focus next year, adding that it would benefit C4HCO to have a committee that is looking forward further. Ms. O'Hara agreed, adding this is something to look into doing sooner rather than later.

Mr. Salazar stated that the Board is a challenging size and does demand a large amount of time commitment and accountability.

Davis Fansler observed that the exchange is still very new and the maturation of the build requires patience and it needs to evolve. He suggested the Board continue reviewing and modifying accordingly.

IX. Public Comment

Meeting adjourned at 11:50 am.

Respectfully submitted,

Mike Fallon
Board Secretary

Next Meeting

November 10, 2014 from 8:30 am – 12:00 pm