



HCENTIVE CONTRACT

December 12, 2016

Board Meeting

C4HCO management would like to request approval of a Fixed Capacity Model contract

As discussed in the 11/28 Finance and Operations committee, C4HCO is requesting approval to execute a contract on the following parameters:

- Reduces total cost across existing M&O, M&S and expected system development costs for hCentive
- Contract value of up to \$1.8M annually (final expected contract value will be ~\$1.7M)
- Provides capacity to enhance system, fix defects and ensure smooth operations
- Up to a 24-month commitment to hCentive
- Opportunity to terminate at 18 months in the case of there being no public individual open enrollment for plan year 2018

This contract will provide the following benefits:

- Reduces costs by \$300-500k per year for next two years
- Provides C4HCO IT management additional control over priorities, workflow, staffing and quality
- Allows team plan over a 12 month horizon rather than focusing on the next Open Enrollment
- Provides substantial flexibility in the case of fundamental business shifts for C4HCO