

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

*Connect for Health Colorado Meeting Room
East Tower, Suite 1025
3773 Cherry Creek N Dr., Denver, CO 80209
September 28, 2015
9:30 AM – 11:30 AM*

Board Members Present: Denise O’Leary

Board Members Joining via Phone: Nathan Wilkes

Staff Present: Brian Braun, Luke Clarke, Kevin Patterson, Alan Schmitz, Lisa Sevier and Adele Work.

I. Welcome and Introductions

- Interim CEO, Kevin Patterson chaired the Committee meeting and called the meeting to order at 9:30 am and welcomed those in attendance, both in-person and on the phone.
- The minutes from the August 24th Finance & Operations Committee meeting were voted on and approved.

II. Financial Update

Brian Braun, Chief Financial Officer, gave a Financial Report through August 31st, 2015.

- There is a positive variance of \$666,000 for the first 2 months of the fiscal year.
- Revenue is slightly below budget.
- There is a full analysis being conducted of allowable expenses under federal grants to possibly bring in more revenue. Some adjustments are related to the A133 findings of last year
- The Broad Market Assessment fees are estimated to be running about \$500,000 in the negative, as original figures from the early analysis may have come in high. Further analysis on this is being conducted and will be reported back to the committee.
- Expenses had a positive variance. Many of the expense variances are due to timing.
- General administrative salaries are coming in better than budget.
- The Customer Service center had the largest variance with a number of items that will be reimbursed back to the Marketplace.

Mr. Braun is working on a 24 month rolling forecast for Connect for Health Colorado. Additionally the finance department is working on a few revenue scenarios.

Mr. Patterson stated that of the things being taken into consideration, one is possibly leveraging costs with the state partners. Denise O’Leary agreed with this, adding that it is important to look at the operating performance in line with the net asset position.

III. Broad Market Assessment Report

To ensure that the numbers that are coming in are accurate, the Finance Department is conducting research with the carriers included. However, at the moment, the expectation is that there will be a shortfall. Mr. Braun’s key action plan is a 24 month long forecast, so that predictions can be made on a rolling basis.

The Marketplace is looking to manage expenses on a department level. Department managers will become more actively involved in managing their department expenses. Additionally, the contract expense tracking methodology will become automated in order to systemize the contract accounting.

IV. Budget

Currently there is not an investment committee or a portion of the Finance and Operations Committee that addresses investments. Generally, non-profits try not to get too aggressive with investments. Currently the cash investment is invested safely with a low return. In the future the Marketplace will want to develop an investment policy.

Action item

- *Once the 24 month forecast has been created, an investment strategy will be developed.*

Mr. Braun stated that the Finance Department is working closely with the state auditor’s office to refresh Connect for Health Colorado’s responses to the audit committee. A more refined set of internal procedures will come out of this, particularly in the area of financial procedures.

V. Public Comment

None.

Meeting adjourned at 9:57 am.

Respectfully submitted,

Kevin Patterson