

Finance & Operations Committee Meeting Minutes

Connect for Health Colorado Meeting Room

East Tower, Suite 1025

3773 Cherry Creek N Dr., Denver, CO 80209

November 27, 2017

9:30 AM – 11:30 AM

Action	Who By	Due
Complaints process and results reporting review	Appeals & Legal Department	January committee meeting

Board Members Present: Claire Brockbank, Davis Fansler, Adela Flores-Brennen, Denise O’Leary and Tom Massey

Staff Present: Abe Barela, Brian Braun, Luke Clarke, Kelly Davies, Beth Deines, Claudia Farnham-Wittner, Kate Harris, Molly McClurg, Kevin Patterson, Carolyn Pickton, Arba Robinson, Jackie Sanderson, Alan Schmitz, Lisa Sevier and Ezra Watland

I. Welcome & Introductions

Adela Flores-Brennan chaired the meeting and called the meeting to order at 9:30 a.m., welcoming everyone in attendance, both in-person and on the phone. The October committee meeting minutes were approved.

II. Open Enrollment Status Report

Kelly Davies and Claudia Farnham-Wittner gave an update on open enrollment. All service level agreements (SLA)s were exceeded for the month of October. This is due to improvements made to system capacity as well as the response time.

This open enrollment (OE) the staff worked with vendors to move to a fixed capacity model, which recognizes the set number of resources and focuses them on significant, higher priority fixes aimed at improving customer experience. In prior open enrollments the system had experienced up to 2000+ defects, whereas this year there has been a small number of defects reported with only one major defect impacting a total of 26 households.

The customer service center reported the following:

- 79% of the forecasted call volume for November occurred within the first 14 days of OE
- First call resolution has increased from last year’s 54% to 79%
- Overall customer satisfaction has increased over last year, from 54% to 70%
- A 25% reduction in tickets pending/open problem tickets
- Call drivers include:
 - Enrollment/technical support (includes user name/password reset) – 58%

- Life change events – 11%
- Account or application corrections – 9%
- Medicaid/CHP+ support – 5%
- Individual Effectuated Medical Enrollments with Financial Assistance is higher at 83% vs last year 75%
- Average Premiums are than higher expected

III. Supplemental Budget Request

Brian Braun, Chief Financial Officer, provided a draft supplement budget request to the committee. The supplemental funds will come from the Medicaid cost reimbursement funds for FY 2018, estimated to be \$3MM, based on last year's preliminary numbers. It was noted the funds are not yet available. The budget request focuses on the following area:

- SES Transformation - \$339,861. Includes reviewing work associated with changes and systems testing.
- SEP Reporting/Rules - \$403,000. SEP Reporting via EDI to carriers.
- Initial Budget Reduction - \$478,705 Original budget for SHOP and BI was reduced pending approval of Medicaid reimbursement plan.
- CHP Uncertainty - \$484,000. Additional call center costs due to higher call volumes resulting from CHP uncertainty
- Medicaid MBU Impacts - \$301,000. Additional call center costs due to higher call volumes resulting from Medicaid MAGI updates to Monthly Budget Unit Logic.
- Open Enrollment - \$509,000. Additional outreach, marketing, broker support and media buy spending due to ACA changes, uncertainty and reduced Federal spending on outreach for open enrollment.
- State Audit Response - \$93,333. Increase appeals resources and assistant network administration spending.
- Legislative/Policy Planning - \$101,000. Additional policy and legal support related to legislative actions, ACA changes and compliance.
- Additional Staff/HR Support - \$79,500. Enhancements to training and HR support functions.

Staff noted that some of the requested expenditures are immediately necessary to prevent a break in services which would directly affect the customer experience. The finance department will provide the committee with a breakdown of capital vs. expense and cash flow impacts at the next committee meeting in January.

The committee raised concerns around the governance of the Shared Eligibility System (SES) changes and whether Connect for Health Colorado was included during the decision making, was the organization in agreement about the assessed expense and whether the expenses would be subject to a federal match.

Committee members expressed concern with spending funds prior to receiving them, a request was made to prioritize the spending requests when reviewing the budget with the full board. Additionally, the staff will offer return on investment analytics as well as timing around the expenditures.

IV. Reserve Policy Draft Review

The committee reviewed an initial draft of the reserve policy. The purpose of the Reserve Policy is to build and maintain an adequate level of unrestricted net assets to support the organization's day-to-day operations in the event of unforeseen shortfalls and to set aside funds for future capital asset needs.

There were two types of reserves proposed:

1. Operating Reserve: intended to provide an internal source of funds for situations such as for nonrecurring or unforeseen needs that arise during a fiscal year and new obligations created by federal and state law or new health coverage needs or requirements that have been identified after the budget process has occurred.
2. Capital Reserve is intended to provide a ready source of funds for repair, acquisition, or development of IT, buildings, furniture, fixtures and equipment necessary for the effective operation of the organization and programs.

It was proposed that the Operating Reserve target will be calculated using a risk based approach that takes into account both revenue and expense risks that may materially affect the organizations bottom line in the future and will be funded with available unassigned operating funds.

The committee discussed the terms around using an Operating Reserve and the overall need for a reserve policy. Staff will incorporate the committee's feedback, revise the draft policy and provide more context for the need for an operating reserve at the next committee meeting in January.

V. Appeals Reporting Follow-up

A brief update was given on inquiries around past quantitative data provided from the appeals department. Staff is currently working on measurement tools to improve reporting on ongoing statuses for appeals cases and should have something available for review during the next upcoming Finance & Operations Committee meeting in January.

VI. Public Comment

Public comment was given by:

Bethany Pray, Colorado Center on Law and Policy – Addendum A

VII. Adjourn

Meeting adjourned at 11:33 a.m.

Respectfully submitted,

Nathan Wilkes
Committee Chair