

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

*Connect for Health Colorado Meeting Room*

*East Tower, Suite 1025*

*3773 Cherry Creek N Dr., Denver, CO 80209*

***January 22, 2018***

***9:30 AM – 11:30 AM***

**Board Members Present:** Kim Bimestefer, Claire Brockbank, Adela Flores-Brennen, Denise O’Leary and Nathan Wilkes

**Staff Present:** Dustin Arnette, Brian Braun, Luke Clarke, Kelly Davies, Beth Deines, Claudia Farnham-Wittner, Kelly Guthner, Kate Harris, Molly McClurg, Kevin Patterson, Carolyn Pickton, Alaina Ramirez, 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 November committee meeting minutes were approved.

**II. Kelly Guthner - CIO**

Kevin Patterson, Chief Executive Officer, introduced the organization’s newest member, Kelly Guthner, who will be filling the role of Chief Innovation Officer.

Mr. Guthner’s work experience includes Chief Technology Officer for the state of New York’s Medicaid program, the build out of Arizona’s health exchange and work in public access health care systems.

Kim Bimestefer was introduced as the new Executive Director of the Colorado Department of Health Care Policy and Financing (HCPF) and the newest ex-officio member of the board.

**III. Open Enrollment Status Report**

Year over year submitted enrollments, including dental, are up 4% at 170,924. Financial assisted (FA) enrollments are at 72% vs 63% in plan year 2017, and non-financial assisted (NFA) enrollments are at 28% this year vs 37% in plan year 2017. Average effectuated premiums for both are \$621.02, compared to last years \$468.69. Premiums after FA stayed relatively flat averaging at \$138.74 compared to last years \$132.89.

Claudia Farnham-Wittner highlighted some of the Service Center year-over-year statistics including:

- Average Speed of Answer (ASA): 2 minutes 43 seconds compared to last year’s 5 minutes 45 seconds
- Service level (SL): at 85.00% vs 68% last year

- Average handle time (AHT): 15:44 vs 18:59
- First call resolution: (FCR): 90% vs 63%
- Abandonment rate: 3% vs 6%
- Quality assurance audits (QA): 96% vs 92%
- Customer satisfaction (Csat): 72% vs 59% (there was a change in the customer satisfaction survey this year)

The Marketplace is working to create a method to increase customers visibility into the ticket process. Phase one will include email information specific to the issue being resolved. This will allow the customer, in cases of multiple issues or tickets, to note which is being resolved, alleviating confusion around what ticket is being closed and why.

Phase two will allow the customer a better view of the status of their ticket as a resolution is being worked on, including next steps.

Kelly Davies gave an overview of system performance through the month of December. All service level agreements were exceeded through open enrollment as well as the previous six months. Additionally, due to the high performance of the system during OE5, the organization was able to continue working on enhancements to the system, putting the organization in a positive light for future enhancements.

A change to the agenda was proposed and approved to move the order to eligibility changes, then CHP+ contingency plan after capital investment planning.

#### IV. Quarterly Financials

Brian Braun, Chief Financial Officer, reviewed the second quarter financials for fiscal year 2018:

- Effectuated enrollments are just under projections.
- Per member per month (PMPM) fees and PMPM operating expenses are on budget.
- Days cash on hand is significantly higher than targeted at 243 days.
- Earnings came in better than expected, main drivers are lower expenditures and the Medicaid reimbursement.

Projections have been made out to the end of the 2020 fiscal year, with the organization maintaining a cash balance in excess of \$15 MM. Key assumptions for the projections include:

- No changes in the federal and state rules impacting the organization over the plan period.
- Enrollment projection is based on effectuated enrollment staying the same over the projection period (2018-2020) as the 2017 plan year (average of 142,000).
- Average medical premiums grow by 5% for the subsequent plan years (2019 & 2020).
- Operating expenses are assumed to increase by 5% in fiscal year 2019 and 2020.
- Capital investments related to replacements/improvements to eligibility, marketplace and customer service technology platforms totaling over \$18 MM.

## V. Capital Investment Planning

Mr. Braun introduced a high level view of the four general areas the organization is looking to invest capital, which include:

- Marketplace/exchange technology
- Eligibility (APTC) technology
- Customer service center technology
- Corporate facilities FF&E and technology

A more detailed financial analysis will be brought before the board for each project. Multiple questions must be considered when making the decision including a return on investment analysis (ROI), how aggressive does the organization want to be, as well as what are the assumed scenarios for enrollment and the future of the organization.

## VI. Eligibility Changes

The committee was presented a more detailed view into the goals for the proposed eligibility changes:

- Improve the customer experience
- Bring Connect for Health Colorado into compliance in significant areas
- Increase ability to predict and control technology costs
- Decrease Eligible but Not Enrolled (EBNE) population and increase enrollment overall
- Increase APTC uptake

Currently eligibility determination takes place in the shared eligibility system. All necessary determination interactions must go through the Program Eligibility and Application Kit (PEAK) then return to the Connect for Health Colorado system for the shopping experience.

The proposed system interaction would keep the customer in Connect for Health Colorado's system, reducing complexity and creating a two-way path of communication. This will allow the organization to have its own Federal Data Service Hub (FDSH) connection, which will give the organization the ability to address challenges with complicated households and people who go back and forth between Medicaid and APTC, as well as improve on compliance concerns.

The initial investment would be between \$2.7 MM (low) and \$5 MM (high) and the net incremental investment would total between \$3,185,000 and \$2,900,000. It was noted that this change will allow the organization to avoid the costs of the SMART Audit compliance, as well as transformation costs; which otherwise would be in the \$1.8 MM to \$3 MM range. The cash flow analysis over three years, shows a net cash flow of between a cost of \$1,565,000 and savings of \$4,395,000.

Staff will compile a more specific total for the initial investment to bring to the February board meeting with a request for up to \$3 MM for vendor contracts.

**VII. CHP+ Contingency Plan**

A presentation on communications between Connect for Health Colorado, HCPF and carriers was included in the committee packet. A letter was sent to the entire congressional delegation, on behalf of the Board of Directors, in support of the long-term extension.

A six-year extension to the Child Health Plan program has been approved by the Senate and will go back to the House of Representatives for approval.

**VIII. Financial Policy**

The committee did an annual review of the Finance Policy. There were no major changes to the policy, most changes were related to changing the Audit & Finance Committee to the Finance & Operations Committee. A change was made in the financial reporting of the quarterly financial statements to “reviewed by the Board of Directors” in lieu of “approved by the Board of Directors”.

**IX. Complaint Process**

Alan Schmitz, General Counsel, reviewed the complaint process including the appeals process. The changes to the process were made due to a recommendation from the State Auditor. Specific changes include the simplifying the ability for a customer to file a complaint by clarifying access to the complaint process and making it more visible to the customer, and to track complaints in order to provide meaningful metrics with respect to both complaints and appeals to the Board of Directors.

The Finance & Operations Committee recommended bringing the complaint and appeals process to the February board meeting for full approval of the board.

**X. Public Comment**

Public comment was given by:  
Bethany Pray, Colorado Center on Law and Policy

**XI. Adjourn**

Meeting adjourned at 11:40 a.m.

Respectfully submitted,

Nathan Wilkes  
Committee Chair