

Board Meeting Minutes
Connect for Health Colorado Meeting Room
East Tower, Suite 1025
3773 Cherry Creek N Dr., Denver, CO 80209
June 12, 2017
8:30 AM – 11:30 AM

Board Members Present: Kyle Brown, Sue Birch, Mike Conway as Proxy for Marguerite Salazar, Adela Flores-Brennan, Davis Fansler, Marc Reece and Nathan Wilkes

Board Members Joining via Phone: Jay Norris

Board Members Absent: Steve ErkenBrack, Sharon O’Hara and Denise O’Leary

Staff Present: Brian Braun, Traci Butzen, Luke Clarke, Saphia Elfituri, Kate Harris, Judith Jung, Pattie Mayorga, Ian McMahon, Kevin Patterson, Alan Schmitz, Lisa Sevier and Michael Stephen

Approximately 5 guests attended the meeting in-person and the conference line was available for people to join by phone.

I. Call to Order

- Board Chair Adela Flores-Brennan, called the meeting to order at 8:30 am and welcomed those in attendance, both in-person and on the phone.

II. Executive Session

Ms. Flores-Brennan entertained a motion to move into Executive Session to discuss matters concerning sensitive and confidential issues around a personnel matter. A vote was called for and passed with unanimous approval.

The Executive Session is permitted pursuant to CRS §24-6-402(4)(f).

The Board returned from Executive Session at 9:27 am.

III. Business Agenda

- The minutes from the May 8, 2017 board meeting were amended and approved to note that Marc Reece had called into a portion of the May board meeting.
- There were no changes to the agenda.
- Disclosure of Conflicts of Interest: none.

IV. Board Report

Ms. Flores-Brennan gave a brief report out on the Executive Session which consisted of a fiscal year-end review of the CEO’s, Kevin Patterson, performance around his goal and objectives. The Board has determined that Mr. Patterson has met and exceeded his goals and his performance has been commendable. Specifics were given around the stabilization of the organization and improved

relationships with legislators and stakeholders throughout the state. Additionally, it was emphasized that the organization is in the best financial state possible given the outside factors, and there has been a continuous improvement in operations and technology.

V. CEO Report

Strategic Plan

Ross Weiler, with Day Health Strategies, updated the board on the 2017–2020 Strategic Plan. This update will mark the beginning of the public comment period, to end at the July board meeting when the board will vote for approval of the plan.

- The framework of the strategic plan was presented to the Board on May 8th. As a result of the discussion seven changes were made to the success measures. The changes were made and reviewed by the board during the May 22nd Policy Committee meeting.
- As a result of the discussion during the Policy Committee meeting a total of eight changes were made to the strategies and success measures.
- The plan was also presented to the Board Advisory Group and feedback was gathered from the group.
- The framework, changes and feedback were gathered and used to create the current Strategic Plan, including detailed goals, objectives, success measures and strategies for the plan.

The next step will be for Connect for Health Colorado’s staff to complete a tactical plan, including metrics. The tactical plan will become the internal management tool for the organization to identify the steps needed to successfully complete the Strategic Plan.

It was noted that the success measure under goal 1, objective 2 was misplaced and should have been placed under objective 1. The success measure that should be under objective 2 is “Increase market share in rural Colorado year-after-year in 2018, 2019 and 2020.” This will be corrected in the final draft.

The Strategic Plan will be posted on the Connect for Health Colorado website no later than Monday, June 19, 2017, to allow three weeks for the public to comment. Comments can be emailed to Board@C4HCO.com.

SHOP Press Release

On May 15th, 2017, The Centers for Medicare & Medicaid Services (CMS) issued a press release announcing a plan to change the way that small businesses enroll in insurance coverage through the Federal exchanges. While waiting for clarifying guidance from CMS, Connect for Health Colorado is in the process of conducting outreach to stakeholders and talking to other states and vendors to look for opportunities around what can be done differently to improve efficiencies, create cost savings and improve the customer experience.

It was noted that currently the cost to maintain the SHOP program is three times the revenue the program brings in.

VI. Finance & Operations Committee Report

FY 2018 Budget Overview

Brian Braun, Chief Financial Officer, reviewed the quarterly financial report with the Board. The report reflects the quarter ending December 31, 2016. The key metrics ended the quarter on the positive side, in line with or better than the projected. The average effectuated enrollments for the three months was 137,000, the target was 125,000.

Connect for Health Colorado is doing better than expected for the first six months of fiscal year 2017 (FY17). This has been driven by higher revenue streams from the carrier fees. This pattern of exceeding expectations should continue through the second half of the fiscal year, as long as effectuated enrollments remain in line with the past open enrollments.

Expenditures are running better than expected; however, it was noted that some of the expenditures are based on a timing issue and will run closer to budget over the remainder of the year.

If revenues continue as they are, budget expectations should be exceeded by around \$2M by the end of the fiscal year.

The organization is regularly revising its long range financial projections. The latest projections are based on the first six months of the year and more clarity around enrollment for the year. Key assumptions made in the revised projections include:

- No changes in the federal and state rules impacting the organization over the plan period.
- Enrollment projection is based on current levels of plan selections in open enrollment 4 and assumes effectuation rates will be consistent with the last open enrollment period.
- Enrollment and average premium per member for the projected months (Jan 2017 – June 2019) is assumed to remain flat.
- Operating expenses are assumed to be reduced annually by 5% for fiscal year 2018 and 2019.

The projections will continue to be revised in accordance with any possible changes over the next months; at this time, they have been revised for the 36 months ending June 30, 2019. With the current key assumptions, the projections indicate a consistent cash balance. Revenues will stay flat for carrier fees and expenses assume an annual 5% reduction. This will allow for capital investment, which will be important for addressing changes that may occur during the plan period.

The healthy financial status of the organization is due to a combination of higher revenues and cost containment. As it currently stands, Connect for Health Colorado is a sustainable organization.

An independent third party analysis was completed, measuring the economic impact of the Marketplace on the state's economy. By keeping the dollars in state the Marketplace brings \$29M into the state annually and 540 jobs are supported by the state exchange.

Broker Recertification

Connect for Health Colorado has not heard back on its response to the Office of Inspector General's audit findings.

The State Auditors are conducting a full performance audit, some areas the state is auditing are:

- Customer experience and complaints

- Business Intelligence data
- Financials

VII. Policy Committee

Legislative Update

Arlene Miles and Megan Dubray, lobbyists for Connect for Health Colorado, gave an update on state legislation. SB17-003 demands the repeal of the Colorado Health Benefit Exchange Act. There are a few Republican Senators who are hesitant to vote for the bill due to the strong response from constituents who are for the exchange. However, Republican leadership is behind the bill so there is a good chance the bill will pass the Senate.

After the Senate, the bill will go to the House of Representatives, where the Democrats are strongly for the Colorado Health Benefit Exchange.

Currently the bill is in the Senate Appropriations Committee and will most likely move forward later in March.

Kate Harris, Director of Policy and Research, reviewed federal legislation. Tom Price has been confirmed as secretary of Health and Human Services. More information should be coming out around Health and Human Services plans now that the confirmations are in place.

Staff has made a recommendation to take the position to oppose SB17-003. Mr. Patterson discussed the January 2008 “208 Commission” that listed 32 bipartisan principles derived from a statewide group of stakeholders who envisioned a connector that became the foundation for the enabling legislation in 2011, and led to the creation of the Exchange. The legislative intent states that the exchange is to address access, affordability, and choice in the market.

Mr. Patterson also noted the importance of keeping the Marketplace, realizing that as new federal legislation and rules are created there will be many questions of how the state would implement something new, and what infrastructure, if any, would exist in Colorado to move forward. The Marketplace already possesses an infrastructure in Colorado that allows flexibility and adaptability with this organization, as a non-profit, to fit within multiple structural options that are being discussed and created in the national policy conversations.

Additionally, Connect for Health Colorado has reached a state of sustainability and has received the top second ranking amongst the state exchanges and Healthcare.gov for its Quick Cost and Plan Finder tool.

Per staff recommendation, Mr. Patterson asked that the Board vote to take a stand to oppose SB17-003. Sharon O’Hara made a motion for the Board to oppose the bill. Nathan Wilkes seconded the motion. There was no discussion.

Ms. Flores-Brennan called for public comment. There was no public comment.

Ms. Flores-Brennan called the motion to a vote. The motion was unanimously approved as follows:

Yes: Davis Fansler, Adela Flores-Brennan, Jay Norris, Denise O’Leary, Sharon O’Hara and Nathan Wilkes

No: None

Abstain: None

Strategic Plan - Goals

The board reviewed the most recent version on the organization’s strategic goals. The present version reflects input from the Policy Committee; as well as a review by the Board Advisory Group. The goals are purposefully more flexible to allow the incorporation of funding mechanisms for both the organization and customers, and product development. Due to the unknown factors around the Affordable Care Act, the strategic planning will be focused on the next 3 years, as trying to project beyond three years would be difficult at this point.

Ms. Jung noted that goal two is focused on maximizing the number of enrollees going through the Marketplace, and is open to new sources of funding and new opportunities based on legislation and regulation. Goal three addresses health literacy and post-enrollment support for the consumer. Nathan Wilkes requested the addition of a specific objective under the second goal which explores options around providing customer satisfaction and quality ratings for the insurance plan.

The board requested better clarification around goals two and three. Once there is agreement around the goals, the staff will start working on the objectives. Additionally, the staff was asked to streamline the objectives to focus more on the timeline and metrics.

VIII. Public Comment

The following members of the public gave comment:

A.J. Earl IV, Broker

Gail Snyder, Broker

Meeting adjourned at 11:07 am.

Respectfully submitted,

Davis Fansler
Secretary

Next Meeting

March 13, 2017 from 8:30 am – 12:00 pm

