

Finance & Operations Committee Meeting Minutes
August 27, 2018
9:30 AM – 11:30 AM

Board Members Present: Adela Flores-Brennan and Nathan Wilkes

Staff Present: Brian Braun, Luke Clarke, Kelly Davies, Beth Deines, Kelly Guthner, Kate Harris, Caren Henderson, Carolyn Pickton, Arba Robinson, Jackie Sanderson, Alan Schmitz, Lisa Sevier and Ezra Watland

I. Welcome & Introductions

Nathan Wilkes started 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 July committee meeting minutes were approved.

II. FY 18 4th Quarter Financial Statement

The quarterly financial report for the final quarter of fiscal year (FY) 2018 were reviewed. The financial statements are preliminary, there may be some movement on the numbers once the yearly audit is complete.

The financial results for the year exceeded budgeted expectations by \$3.6 million (before depreciation). This positive variance is primarily due to the successful implementation of the Medicaid cost allocation plan resulting in the reimbursement of Medicaid related expenses incurred by the organization. The reimbursements were not included in the original budget. In addition, carrier fee revenues came in higher than expected for the last six months of the fiscal year.

Operating expenses came in slightly over budget by \$648,000 (1.7%) for the fiscal year. This negative variance is the result of an uptick in both customer service and technology expenses. The technology increases are primarily tied to work on the new eligibility system (NES) project previously discussed with the Board.

Cash metric of days cash on hand exceeds the target (203 days vs 120 days) and allows for sufficient reserves for future expected capital expenditures

Currently, the 24 month projections are close to the projections made as part of the current fiscal years budgeting process. The projections will be updated to reflect any changes in revenues and expenses once more information is available around the upcoming open enrollment as well as vendor contracting.

Included in the cash projections are assumptions for capital investments over the projection period. These investments are primarily related to replacements/improvements to the eligibility, marketplace and customer service technology platforms and total close to \$15 MM. Over the next 60 days staff will be bringing further information to the board to possibly include new investments as well as current vendor contract renewals.

III. Service Center

As a part of continuing improvements and enhancements for the Connect for Health Colorado's customer service center, key areas identified include:

- Up to 30% of customer service calls require help from the Medical Assistance (MA) Site. In the past, staff in the MA Site would relay information to the customer through the customer service center. MA Site staff are currently being trained to communicate directly with the customer, cutting out the need for information to go through a third party.
- The organization is working with its current vendor to quantify call volume expectations from October 2018 through FY 2019 based on the NES, focus on tiering calls and allowing the MA Site direct access to the customer.

IV. Media Buy Contract Procurement

Staff requested a recommendation for the Board, from the Finance & Operations Committee, for approval to proceed with procurement of \$1,109,174 for the open enrollment 6 media buy for both English and Spanish paid media from Emico Media and Evolution Communications.

Funding will be provided directly by Connect for Health Colorado and was included in the approved budget for the FY 2019 marketing budget.

The increase in funding from the previous year is to increase brand awareness across the state and combat the aggressive marketing from imposter websites.

The Finance & Operations Committee approved the recommendation of approval to the board, to proceed with the procurement of at least \$1,109,174 for the open enrollment 6 media buy for both English and Spanish paid media from Emico Media and Evolution Communications.

V. NES Project Costs Update

The NES project is coming in \$1 MM lower than originally estimated over the next three years. This is due to lower costs in staffing, security and some state costs.

VI. Quarterly Audit Update

The annual financial audit is on track to provide a preliminary report during the October Board Meeting, with the final report complete by the end of October, to be presented during the November Board Meeting.

VII. Quarterly Appeals & Complaints

A quarterly update was provided for both appeals and complaints.

The average number of days for valid open appeals cases year to date for 2018 are 80. This is an improvement from the first quarter of 2018, which averaged 95 days.

Complaint metrics remain consistent and include both issues the organization can address directly, as well as issue that are out of the organization's purview.

VIII. Public Comment

None

IX. Adjourn

Meeting adjourned at 10:44 a.m.

Respectfully submitted,

Nathan Wilkes
Committee Chair