



## *Board Meeting Minutes*

**Mile High Room, COPIC  
7351 E. Lowry Blvd. Denver, CO 80230  
December 10, 2012  
8:30 AM – 12:00 PM**

**Board members present:** Richard Betts, Susan Birch, Steve ErkenBrack, Mike Fallon, Eric Grossman, Gretchen Hammer, Robert Ruiz-Moss, John Postolowski (representing Jim Riesberg), Arnold Salazar, Beth Soberg, and Nathan Wilkes.

Staff present: Cammie Blais, Stephanie Eng, Jessica Dunbar, Adela Flores-Brennan, Patty Fontneau, Caren Henderson, Lindy Hinman, Kyla Hoskins, Bill Jenkins, Patti Meyer, Myung Oak Kim, Lynn Pressnall, Kelly Ryan, Jim Sugden, Jed Summerton, Laura Villanueva, and Adele Work.

Approximately 40 people attended the meeting in person and additional people joined by phone.

### **I. Business Agenda**

There were two proposed edits made to the November 26, 2012 Board meeting minutes:

1. On page 3, Arnold Salazar's motion should be to "withdrawal" and not to "postpone."
2. There needs to be clarification on Richard Betts' motion about the appeals process being resolved and the vote.

Gretchen Hammer stated that they would defer approving the November 26, 2012 minutes until the next Board meeting, after the corrections have been made.

There were no changes made to the agenda.

There were no disclosures on any new conflicts of interest.

### **II. Board Development and Operations**

#### **1. Board Chair Report**

Gretchen Hammer reminded the Board about the holiday party at the Governor's residence from 5-7:30pm on December 12, 2012. Gretchen also brought up the requirement COHBE has under Senate Bill 200 to submit a report to the legislature by January 15, 2013. COHBE staff will work on outlining this report and it will be reviewed during the January Board meeting.

### **III. Exchange Development and Operations**

#### **1. Report from CEO/ED**

Patty Fontneau reported that the Colorado's Exchange Blueprint was given conditional approval. She will share the letter with the Board once she receives it in writing. COHBE will post the required sections on our website within 10 business days.



Patty Fontneau also announced that Board committee meetings will occur on the 4<sup>th</sup> Monday of the month during the timeslot that was once allotted for the Board meeting. There will be two standing committee meetings – Finance and IT & Implementation – and the other committees that do not meet regularly will schedule their meetings within the remaining timeframe on an ad hoc basis.

Patty Fontneau introduced two new employees: Laura Villanueva, Documents and Meetings Coordinator and Patti Meyer, SHOP Coordinator. She also announced that one new staff member, Heather Tabor, will be coming on board later in December as the Navigator Coordinator to assist Adela Flores-Brennan with the Navigator Program Development.

Patty Fontneau gave a reminder about the upcoming meetings:

1. Rules and Regulations Review Board Committee, meeting on December 18<sup>th</sup> at 11 am.
2. A joint advisory group meeting on Navigators on December 18<sup>th</sup> at 3pm.

Patty Fontneau also mentioned that COHBE will be conducting interviews around the User Interface to gather feedback from a variety of constituents.

2. Policy & Process Topics – IT & Implementation Committee Update

*a. Report on Protection from Fraud, Waste & Abuse – Technology*

Cammie Blais introduced the 6 primary controls for the Fraud, Waste & Abuse Technology report:

1. A contract for the development and delivery of the system.
2. Close oversight of contractual work.
3. Formal internal controls.
4. Third-party Independent Verification and Validation (IV&V).
5. Formal processes for project controls and standards, and for managing issues and risks.
6. Complete documentation.

The document outlining these controls was first introduced during the November 12, 2012 Board meeting. The IT & Implementation Board Committee reviewed this document in depth on November 29, 2012. After review during the Committee meeting, the [document was updated](#) based on recommendations at that time.

*i. Recommendation from IT & Implementation Committee*

**Nathan Wilkes moved on behalf of the IT & Implementation Committee to accept the recommendations as presented in the most updated document.**

No further Board discussion.

*ii. Public comment*

There was no public comment.

*iii. Vote*

**Vote:** The motion was unanimously approved. There were 8 voting members present.

***b. Report on Protection from Fraud, Waste & Abuse - Security***

Cammie Blais introduced the Fraud, Waste, & Abuse [recommendations](#).

*i. Recommendation from IT & Implementation Committee*

**Nathan Wilkes moved on behalf of the IT & Implementation Committee to accept the recommendations.**

Gretchen Hammer inquired about the time frame for hiring a Security Officer. Cammie responded that it is currently a contract position being filled by Bill Jenkins. Cammie stated that the role may be combined with an existing staff position or may require someone full-time. It will be staffed as required to allow for full oversight of the program.

*ii. Public comment*

There was no public comment.

*iii. Vote*

**Vote:** The motion was unanimously approved. There were 8 voting members present.

**3. Update on recently released regulations**

Kyla Hoskins presented a [summary](#) of the proposed federal regulations recently released on November 20, 2012.

Arnold Salazar commented on the short time frame to submit comments. Patty Fontneau let the Board know that staff had put together summaries of each of the proposed regulations for the Board to review with recommendations.

Susan Birch noted that HCPF is very interested in participating in deeper discussions about wellness program incentives. She asked that HCPF be included as this discussion moves forward.

Gretchen Hammer reminded everyone that the Rules and Regulations Review Board Committee will discuss the proposed regulations in depth during their meeting on December 18<sup>th</sup> at 11 am.

**4. Marketing and advertising contract**

Patty Fontneau provided an [overview](#) of the marketing and advertising vendor evaluation and recommendation. Based on the information gathered, COHBE recommended contracting with CCT Advertising.

Patty Fontneau asked for the Board's authorization to spend up to the amount allocated in COHBE's current grant. Patty noted that the bulk of the cost would be allocated to media buys. She also highlighted the flexibility COHBE will have in severing ties with CCT Advertising if their work does not meet our requirements, which is encapsulated within the CCT contract.



Susan Birch asked how CCT proposes to interface with the contractors DOI has secured for outreach and education. Myung Oak Kim stated that COHBE has let their partners know they are bringing CCT to the table in order to help plan the broader outreach effort together; consistency in materials is of great importance for the future ground and air campaign.

Steve ErckenBrack mentioned that Rocky Mountain Health Plans currently uses CCT Advertising.

Nathan Wilkes asked about the total contract value. Patty Fontneau explained that because the contract includes both fixed pieces as well as projected media buys, the current contract value is a variable amount, but emphasized that the maximum amount that could be spent falls under what COHBE's current grant allows. The contract with CCT would allow COHBE staff to continue to negotiate and manage the contract. Patty went on to state that the Board will be able to approve the line items for marketing in the next grant, thus ensuring that the Board has oversight of cost limits.

**Arnold moved to allow Patty Fontneau to execute the CCT contract up to the amount in COHBE's current grant. Richard Betts seconded the motion.**

*i. Public comment*

There was no public comment.

*ii. Vote*

**Vote:** The motion was unanimously approved. There were 8 voting members present.

5. Overview of Sustainability Plan

Cammie Blais and Patty Fontneau presented an [overview](#) of how COHBE will move to a fully sustainable entity by January 1, 2015. She identified the following three types of revenue streams to pursue:

1. Transitional revenue – Two revenue streams requiring legislation were reviewed. These funding sources would provide stability to COHBE during its early years of building enrollment.
2. Enrollment based revenue – would involve and administrative fees.
3. Future opportunities – available later on as COHBE moves forward, such as website advertising, supplemental products, cost sharing with other states, and foundation grants.

Patty Fontneau shared that COHBE is building an infrastructure that we can share with other states, and there have been preliminary discussions about partnering with other states.

COHBE recommends the following strategy:

1. Balance multiple revenue streams to ensure stability for the organization while enrollment builds
2. Strive to contain and reduce costs whenever possible
3. Reduce administrative fees in response to adequate revenues through enrollments
4. Continue to develop products and services to better serve the community

Steve ErckenBrack asked if the funding mechanism should be as broad as possible or predominantly funded by those using the Exchange. The response was that the current proposal was balanced. He asked if there is there a sense from stakeholders about where they stand in regards to this funding mechanism. Cammie Blais replied that



the response has been very balanced in understanding the economics and risks when looking at potential first year enrollments.

Arnold Salazar asked why unclaimed property tax won't be a revenue stream. Patty Fontneau replied that it is COHBE's understanding that numerous other groups are targeting this, so we did not want to add to the complexity.

Beth Soberg commented that she likes the balance proposed. As we continue discussing this model it will be helpful to understand the value of the Exchange and be able to explain this to employers and other stakeholders.

Nathan Wilkes made a comment about user fees. Patty Fontneau replied that the system was built to accommodate user fees but there were no current plans to assess a user fee.

Gretchen Hammer commented that the expense structure is significantly leaner in comparison to national standards and to other states that have a similar population. Similar states are projecting \$58 million in expenses, while some smaller states have projected estimates around \$34 million.

Susan Birch asked if there is an update on any other states who are interested in buying our services and if so, have we thought about inserting that revenue into the sustainability model. Patty Fontneau replied that those have to be future conversations. Our focus is on implementing COHBE in October.

Gretchen Hammer made note that no formal Board action is needed at this time and that the Board recognizes that pieces will become more detailed as time goes on.

#### 6. Introduction to Legislation Approach

Gretchen Hammer expressed the need to codify in a formal memo or process how we want to engage in legislation moving forward. There was Board discussion, and Gretchen indicated the she and Patty would document for the next Board meeting.

Patty Fontneau asked if the Board had concerns with the proposed revenue approach, as COHBE would need to know that before talking to the legislature. There were no concerns expressed by the Board. Steve ErkenBrack replied that we will need to look to the Executive Committee to move with more speed than within the Board as a whole, since monthly meetings will not work with the legislative session.

Gretchen Hammer reiterated that the overall sentiment seems to be that the Board should be as least involved as possible, but that it is likely there are some political issues they will need to be involved with to some extent. The Board will need to take action in January.

No further comments.

#### **IV. Executive Session – Personnel Discussion**

**Richard Betts moved to go into executive session to discuss a personnel matter involving the annual review for Patty Fontneau. Steve ErkenBrack and Arnold Salazar seconded the motion.**

No discussion on motion.



**Vote:** The Board unanimously approved the motion to go into executive session to discuss confidential personnel matters. There were 9 voting members present.

The executive session adjourned at Noon.

**V. Adjourn**

The Board meeting adjourned at Noon.