



Board Meeting Minutes

**COHBE Meeting Room, East Tower, Suite 1025
3773 Cherry Creek N Dr., Denver, CO 80209
April 8, 2013
8:30 AM – 12:00 PM**

Board members present: Richard Betts, Susan Birch, Steve ErkenBrack, Mike Fallon, Eric Grossman, Gretchen Hammer, Tom Abel (representing Jim Riesberg), Arnold Salazar, Beth Soberg (via phone), and Nathan Wilkes.

Staff present: Marcia Benshoof, Cammie Blais, Lorraine Dominguez, Adela Flores-Brennan, Patty Fontneau, Lindy Hinman, Joshua Kaskin, Patti Meyer, Myung Oak Kim, Jim Sugden, Heather Taber, Laura Villanueva, and Adele Work.

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

I. Business Agenda

There was one edit made to the March 11, 2013 Board meeting minutes. Eric Grossman suggested that the language under the Finance Committee Update on Page 3 be changed to reflect the Board action taken. Instead of “Cammie Blais presented on the ongoing sustainability for the Exchange,” Eric suggested rewording to say “Cammie Blais presented on sustainably and carrier administrative fees for Year 1 of the Exchange.”

Vote: The minutes were unanimously approved with the noted change. There were 8 voting members present.

There were no changes made to the agenda.

Gretchen Hammer shared with the Board that her organization serves as a fiscal agent for South Metro Health Alliance (SMHA), which she recently learned is in the process of applying for Assistance Network funding. However, there will be no direct conflict as SMHA will be utilizing a different fiscal agent for their application. In the interest of full disclosure, Gretchen thought it best to inform the Board.

II. Board Development and Operations

1. Board Chair Report

Gretchen Hammer asked Board members to continue to make themselves available for Committee meetings as COHBE staff works to schedule them on an as needed basis.

III. Exchange Development and Operations

1. Report from CEO/ED

Patty Fontneau gave a brief update on the Single Streamlined Application (SSAp). Since the January release of the federal guidelines on the SSAp, COHBE staff has been meeting with HCPF staff regularly to evaluate the federal application and determine what changes should be made to accommodate Coloradans. COHBE and HCPF have also been in communication with the DOI and are aligning where necessary.



Patty Fontneau introduced two new COHBE staff members: Lorraine Dominguez, Call Center Director and Joshua Kaskin, Health Plan Account Manager.

Patty Fontneau recognized Lynn Pressnall for her work in making the new meeting space at COHBE available for all future Board meetings. She also highlighted that a significant amount of the furniture was donated or purchased used. Patty quipped: if it's a comfy chair, it was probably free. Arnold Salazar suggested the Board send a thank you letter to COPIC for allowing COHBE to meet in their space.

2. Grant Committee Update

a. Level 2 Grant Application

Gretchen Hammer provided a brief recap of the Grant Review Committee meeting that occurred on March 29th. COHBE staff is in the process of reconciling components of the Level 2 Grant where detail must be applied. The Grant Review Committee believes the Board needs more discussion on the following items:

1. The size and scope of the Assistance Network
2. The size and scope of the Marketing Plan
3. The ongoing technology development, maintenance and upgrades

Gretchen informed the Board that a letter of intent to apply for the Level 2 Grant is required under the federal guidelines. She emphasized that this letter will not include grant content, but is simply a formality that will allow the federal government to ensure they have the appropriate number of review teams in place. This letter will be submitted within the week. The Finance and Grant Review Committees will have a joint meeting on April 19th to discuss the grant and will bring their recommendations to the Board in the next meeting. After the full Board has had an opportunity for discussion, COHBE will need to engage with the Legislative Implementation Review Committee (LIRC) in order to have the application ready for submission by May 15th. Gretchen added that this will be the first time COHBE is engaging with the LIRC while they are in session. Gretchen, Patty Fontneau, and Cammie Blais will work with the LIRC to find a time what will be best to meet. Patty Fontneau added that she has already spoken to Senator Aguilar on this upcoming need in order to make the Senator aware that COHBE will likely need to meet with LIRC before their session ends on May 8th.

Adela Flores-Brennan and Cammie Blais jointly [presented](#) an update on the Assistance Network. Adela reviewed the federal guidelines and Board approved guiding principles. Adela also recapped the strategy for the program as discussed in the previous January 14th Board meeting. Adela concluded her part of the presentation with a graph showing how COHBE foresees an inverse relationship between the size of the Assistance Network program and Customer Awareness, and that over time the program will decrease in size as awareness increases.

Gretchen Hammer asked Adela to confirm that the slide depicting Statewide Coverage was simply graphic in its presentation and not indicative of any future placements COHBE sees for Regional Hubs, Assistance Sites, or Health Coverage Guides. Adela confirmed that this was correct as the application process was still in progress and that no decisions have been made.

Cammie Blais continued the presentation with a discussion on the budget considerations for the program size options. Three scenarios were presented, each decreasing in the maximum number of individuals that could be served and the amount of time allotted to assist in the enrollment process. Each scenario also showed an annual scaling down of the program in future years. Cammie clarified that the time listed included application assistance time as well as pre & post enrollment education. Under Scenario 1, the 90 minutes allotted per individual is less



than other data points COHBE has from other states and similar programs for basis of comparison.

Jim Sugden was introduced to give insight into the application process from his background as an insurance broker. Jim stated that the time it takes to assist a consumer depends heavily on that consumer's knowledge. The shopping process for an educated consumer could take as little as 15 minutes. Others who need more assistance and education could need anywhere from 30-45 minutes plus several additional phone calls. Then there is the additional step of setting up an online account and completing a series of application pages with numerous health questions. Although the health underwriting will be replaced with financial underwriting, Jim's experience is that clients tend to be very meticulous with the information they are reporting in order to ensure accuracy, regardless of what information is being asked. COHBE recognizes the shopping process will change and that the time an application takes is very elastic. However, Jim believes the comparison of the experience to Travelocity is not accurate, and that with the new required financial component, the process will be more reflective of the Turbo Tax experience.

Richard Betts asked how the cost under Scenario 1 compares to what Jim has seen in terms of cost. Jim Sugden replied that based on his experience the cost was probably comparable.

Mike Fallon asked what final number will be required of people in order to determine financial eligibility for any tax credits. Adele Work replied that there are a variety of questions that relate to income. Should a user's expected income be within 10% of what was reported to the IRS, it could take as few as one question. However, someone with multiple sources of income could potentially have several pages of information to complete.

Mike Fallon asked how many people COHBE estimates will have a significant income difference from 2013 to 2014. He expressed his opinion that the elimination of health questions will cut down on the application time as he believe the vast majority of people will not have a substantial income change. Adele Work replied that the estimated time includes not only the income reporting but also the shopping process. Gretchen Hammer added that COHBE expects to assist a new market of individuals who have never had health insurance or have not had health insurance in a while. These individuals will require additional time to be oriented for the first time or reintroduced to the health insurance process.

Eric Grossman asked Jim Sugden if most of the advice given to clients was on setting up the account or on which policy to choose. Jim replied that it depended on the individual. Patti Meyer from COHBE added that she went through the process of completing a draft version of the federal application. It took her 38 minutes to complete the application at a regular pace with several children and multiple incomes to report.

Gretchen Hammer reminded the Board that the goal for the day was not for a decision but rather to give the COHBE staff and the Committees a sense of direction on how they should proceed.

Arnold Salazar stated that he shared Mike Fallon's concern about designing for a worst case scenario and then falling into the trap of fulfilling that scenario. However, he appreciated that Cammie Blais made it clear that the program is scalable. With that in mind, he asked staff to look at streamlining the enrollment process as much as possible and scale back as needed. Pushing for efficiency is not only good for COHBE; it is good for the consumer as well.

Adela Flores-Brennan added that the 90 minutes is not a prescription for how people work, but that it is an assumption that was needed in order to create the program budget. Based on what COHBE knows about other similar programs, how they operate, and how long assistance takes, COHBE did its best in planning for the unknown. The size and scope of the Assistance Network program will change over time and COHBE wants to make sure they encompass these changes as they move forward.



Eric Grossman commented that in the end, COHBE is looking to create a lot of different channels for people to receive help. As a consumer, he would find it helpful to understand how one eventually gets through the process of obtaining health insurance. Gretchen Hammer suggested that they segue into the next update to hear more on the marketing plan as it relates to Eric's comment.

Myung Oak Kim introduced Tom Leydon, CEO of Pilgrim Advertising, who jointly presented with her on the education, communications, and marketing [overview](#). Tom outlined the challenges COHBE faces and summarized the research findings. With this information in mind, Tom presented the guiding principles for the marketing plan. Gretchen Hammer expressed concern that there was no mention of being culturally relevant in the guiding principles. Tom Leydon replied that the slide was missing three additional guiding principles:

11. Use research to inform our decisions
12. Honor the state's geographic, economic and ethnic diversity
13. Leverage the experience of other states

Richard Betts asked what marketing tools COHBE anticipates making available for small businesses. Tom Leydon replied that items such as fact sheets and a poster for the employee break room are just some of the examples Pilgrim had in mind for COHBE to offer.

Tom Leydon concluded his part of the presentation with a discussion of the target audiences and the marketing plan goals for Years 1-3. Myung Oak Kim continued with a brief update of the planning process and current activities. A longer update will be provided in an upcoming Board meeting.

Gretchen Hammer requested that in an upcoming update, COHBE address access points and consumer engagement.

3. Policy and Process Topics – Carrier Dedicated Sales Teams

i. Presentation

Jim Sugden [presented](#) background on COHBE's recommendation that Exchange Qualified Health Plans (QHPs) should be allowed to be offered to consumers via carrier dedicated sales teams. He highlighted the statistic that 30% - 50% of individual health insurance policies are purchased by consumers who contact carriers directly for information and plan enrollment. Jim also discussed the [feedback](#) from consumer advocates in a previously held merged Advisory Group meeting. With this feedback in mind, Jim requested that the Board also vote to allow COHBE to support the Division of Insurance in any disclosure notifications that they require of carriers to send to consumers.

Eric Grossman asked if a consumer directly contacted a carrier, would the individual have to go to the Exchange if they decided to purchase a product. Patty Fontneau clarified that the recommendation is to allow carriers to enroll users through the Exchange system if they (the carrier) are contacted directly by the consumer and the consumer wishes to purchase one of the carriers' Exchange products.

Nathan Wilkes asked how the tax credits will be discussed if the consumer is talking with the carrier over the phone. Patty Fontneau replied that the carriers' licensed agents will be able to go through the process with the consumer. If the consumer does not wish to share their financial information over the phone, the carrier would be able to direct them to the Exchange website.

Nathan Wilkes asked for clarification on how the carriers' sales force notification would be different than a broad



market broker. Patty Fontneau replied that in this instance, the consumer would have contacted the carrier directly and the licensed agent would have identified themselves as a representative of that carrier, so the notification process would be different.

Steve ErkenBrack prefaced his comments with a note that he had a conflict of interest and would be abstaining from the vote. He commented since COHBE does not know the volume of questions and requests an “all hands on deck” approach is a good idea. He asked if COHBE had considered allowing the carrier dedicated sales teams to offer consumers the Exchange QHPs for the first few years only and not on a permanent basis. Patty Fontneau replied that COHBE would like to make the process as easy as possible for a consumer, regardless of whether they call a carrier in the first year or five years from now.

Beth Soberg expressed her opinion that having all avenues to get to the Exchange is the best option. She commented that the Board should acknowledge that people will contact carriers in the manner they find most comfortable, so having all doors available is in the best interest of the Exchange. She added that it helps the Exchange to grow if they do not create barriers that may cause the carrier dedicated sales teams to compete with the Exchange for the consumer’s business.

Richard Betts agreed with the previous opinions that making it simple for carrier dedicated sales forces to sell products on the Exchange is in COHBE’s best interest.

Gretchen Hammer clarified COHBE’s recommendation and asked for a motion.

Nathan Wilkes commented that the language in the second recommendation should be changed to reflect that COHBE would be working with the DOI and not just supporting them in the disclosure notification process. He also asked for language to clarify that an individual who calls a carrier would be able to receive verbal notification that financial eligibility can be provided directly to the Exchange.

With these changes noted, Nathan Wilkes moved to approve COHBE’s recommendations that 1) COHBE allow Exchange QHPs to be offered to consumers via carrier dedicated sales teams and 2) COHBE will work with the Division of Insurance in any disclosure notifications. Consumers will also be notified that they have to option to provide their financial information directly to the Exchange. Arnold Salazar seconded the motion.

Steve ErkenBrack declared a conflict of interest and opted to abstain from the vote.

No further Board discussion.

ii. Public comment

George Lyford from the Colorado Center on Law and Policy (CCLP) expressed his concern that many consumers that have existing relationships with carriers may be happy with their provider and wish to continue that relationship in 2014. The proposal as outlined would essentially allow these consumers to bypass the Exchange portal and never allow them to access the “state of the art” marketplace that provides a meaningful comparison shopping experience. He believes the Exchange not only provides access, it provides a competitive marketplace. The Exchange will help people understand their level of tax credit, feature calculators that allow users to see the impact their subsidy would have on a plan’s premium and cost sharing, link to provider and broker directories, etc. George stated his concern that the policy as structured would not allow consumers to see their subsidy and its effect on a plan until after they have made their choice with a particular carrier. If consumers do not understand their level of tax credit before making a plan selection, they may not get the best plan at the best cost for



themselves. He asked how COHBE would ensure that people would know their tax credit and effect on premium and cost sharing before making a plan selection.

George then provided his comments on the consumer notices. He believed that the notices should reference more than the Exchange being a place to receive a potential tax credit and should include all of the added benefits previously mentioned. He expressed his dissatisfaction with COHBE's recent merged Advisory Group process that he felt limited discussion. George concluded with asking for more time with the COHBE staff and Board to have CCLP's concerns and questions addressed in a public forum before moving forward with a vote. Marc Reece from the Colorado Association of Health Plans (CAHP) expressed support for COHBE's recommendations. Without passage, carriers would have to act as agents for all plans (which is not possible) or put the Exchange at a disadvantage as their dedicated sales teams would only be allowed to sell non-Exchange products. Sue Birch asked Marc's opinion on the time limitations as suggested by Steve ErkenBrack. Marc replied that there is as much chance as a new enrollee calling a carrier directly in Year 5 as there is in Year 1, so he does not believe a time limitation would make sense.

Steve Smith, an owner of an insurance brokerage firm in Wheat Ridge, commented that although the health history is no longer a required component of the application, it is still important for there to be discussion with the consumer's health needs in mind. He asked for further discussion in order to clarify at what point a licensed agent should advise a consumer that they may not have the best providers suited for the consumer's needs. Eric Grossman asked how that is different than what exists in the current market. Steve replied that he thinks there may be opportunity to keep the consumer safe.

Debra Judy, Policy Director at the Colorado Consumer Health Initiative (CCHI), asked how they can encourage folks to utilize the Exchange as they go through this process. She expressed concern that there is confusion surrounding the process from beginning to end but likes the idea of the notice, and would like to make sure that consumers are clearly aware of their choices.

Mike Rankin from Kaiser Permanente shared with the Board that 50% of new sales come from brokers, 50% of sales come from a carrier dedicated sales force. 80% of consumer purchasing is happening online. With the number of people coming up for enrollment, there will be hundreds of individuals to interact with and assist over the phone every day. He expressed his support of allowing the carrier dedicated sales teams to offer the consumer their products on the Exchange. Eric Grossman asked if there has been contemplation on the cost impact of the Board decision. Mike Rankin replied that there has been discussion on the cost factor and sheer volume, and the costs should be effective.

After hearing the public comments, Beth Soberg declared a conflict of interest and opted to abstain from the vote.

iii. Vote

Vote: The motion was unanimously approved, with two members abstaining from the vote. There were 8 voting members present (Yes: Richard Betts, Mike Fallon, Eric Grossman, Gretchen Hammer, Arnold Salazar, and Nathan Wilkes. Abstain: Steve ErkenBrack and Beth Soberg).

4. Policy and Process Topics – Facilitated Enrollment

i. Presentation

Jim Sugden [presented](#) background on COHBE's recommendation to partner with carriers to develop an approach that allows carrier's existing consumers to make an active Exchange product selection directly from their carrier.



In this process consumers should be made aware of their right to shop in the market but they should not be required to do so.

Gretchen Hammer asked when consumers will have the opportunity to shop and compare products in the Exchange if they determine that the Exchange products available through their current carrier are not ones that fit their needs. Patty Fontneau indicated that it is anticipated that the Division of Insurance will require carriers to notify customers about the Exchange. In addition, the Exchange will have an active marketing and outreach campaign.

Gretchen Hammer commented that the recommendation currently reads that COHBE should partner with carriers. She recommended that COHBE also work with stakeholders.

Nathan Wilkes commented that since the plans today will not exist in their current form, he would like to make sure that COHBE has the appropriate transparency in process. Patty Fontneau replied that the notification will be made from the carrier under the guidance of the DOI. Nathan asked when the draft notification would be available from the DOI. Tom Abel replied that the DOI is still in the process. The DOI expects that the notices should be finalized in the near future.

Gretchen Hammer clarified COHBE's recommendation and asked for a motion.

Arnold Salazar moved to accept the recommendation from COHBE that COHBE should partner with carriers and stakeholders to develop an approach that allows carrier's existing consumers to make an active Exchange product selection directly from their carrier. Consumers should be notified of the Exchange and their right to shop in the market, but they should not be required to do so. Richard Betts seconded the motion.

Both Steve ErkenBrack and Beth Soberg declared a conflict of interest and opted to abstain from the vote.

No further Board discussion.

ii. Public comment

George Lyford from the CCLP reiterated his earlier concern that if consumers do not understand what their tax credit eligibility looks like upfront, it will be difficult for them to make a decision that is best for themselves and their family. He believes the relationship between an enrollee and the Exchange is an important one that should be separate from their relationship with a carrier, especially since the enrollee will need to work with the Exchange in reporting income and life changes as it pertains to tax credit eligibility. Consumers should have the right to maintain their relationship with their carrier if they wish, but this should not sidestep the tools that the Exchange will offer them.

Tom Crennen, a broker and founder of ColoradoHealth.com, expressed his support of the recommendation and his appreciation of COHBE looking to allow the transition to be as smooth as possible. Marc Reece from CAHP and Joel Rosenblum from the Colorado State Association of Health Underwriters (CSAHU) also expressed support of the recommendation.

Steve Roper, President of Roper Insurance and a member of the National Association of Health Underwriters (NAHU), also agreed with the proposed recommendation. He commented that COHBE should take care to make sure consumers are aware of the decisions they will need to make so they do not find themselves without insurance. He asked the Board to consider how the Exchange will handle consumers who miss deadlines.

iii. Vote

Vote: The motion was unanimously approved, with two members abstaining from the vote. There were 8 voting members present (Yes: Richard Betts, Mike Fallon, Eric Grossman, Gretchen Hammer, Arnold Salazar, and Nathan Wilkes. Abstain: Steve ErkenBrack and Beth Soberg).

5. Sale of Ancillary Products

Patty Fontneau provided a very brief update on the recently released guidance from HHS on the sale of ancillary products. In a [FAQ form](#) provided from HHS, it is clearly stated that Exchanges may only offer QHPs, which include stand-alone dental plans. COHBE did intend to offer vision as a part of the Exchange platform in 2014. As a result of this guidance, the Exchange will no longer offer vision as part of the shopping experience this October.

6. Technology Update

Adele Work provided an implementation [overview](#) and discussed the current technology outlook. She reviewed COHBE's high level schedule and release plan, the status of key CGI deliverables, and COHBE's current status dashboard. Adele concluded with identifying the key implementation risks and updating the Board on COHBE's response to the initial IV&V findings.

Eric Grossman asked for a point of view on the overall status of the key CGI deliverables. Adele Work replied that about 70% - 80% of these are complete; there are no significant late deliverables and overall they are on track with a highly aggressive plan.

Eric Grossman asked where the Assistance Network fits into the plan. Adele Work replied that this presentation focuses on the technology plan, but that the high level schedule slide shows how the non-technical components fit into the overall timeline.

Eric Grossman asked if there is a Plan B for additional requirements that may come through. Patty Fontneau replied that at this stage of design, development and testing, the system is complete and nothing else can be added to the release schedule to meet the October 1st deadline. There are requirements that will not be automated in the first year that will be performed manually in the back office. There will be an effect on the budget for those items.

IV. Adjourn

The Board meeting adjourned at 12:00 PM.