

Colorado Health Benefit Exchange

Near-term Strategic Decisions for the
Board of Directors

August 22, 2011

Planning Assumptions & Principles

- The overall goal is to increase the number of insured in Colorado through a level playing field and competitive market.
- The organization will be built to maximize the use of existing (and emerging) capabilities in the insurance, managed care and information technology industries
- The exchange will not add administrative burdens or costs to consumers in excess of the added value provided in the market.
- An ongoing, reliable revenue stream will be required to support operations
- Financial reserves will be required to meet working capital needs of the business
- A competitive cost structure will be required to ensure sustainability
- Costs will be higher during the startup phase (years 1-3) as new business processes are established; system efficiencies can be expected to be achieved only after processes are stable.

HHS Grant Timeline

- **6/30/12** Level Two Grants Due (final)
- **3/30/12** Target for Level Two submission for COHBE
- **3/15/12** Approval of Level Two by full legislative oversight committee (LOC)
- **2/29/12** Submit Level Two to LOC
- **2/13/12** Board approves Level Two
- **1/16/12** Board grant review subcommittee begins section reviews

- **12/30/11** Level One Grants Due (final)
- **9/30/11** Target for Level One submission for COHBE
- **9/20/11** Approval of Level One by Chair and Co-chair of legislative oversight committee and Chair of BOD

Operational Start-up Goals

- **1/1/15** **COHBE fully operational and self-sustaining**
- **1/1/14** Customers of COHBE receiving benefits from health plans
- **10/1/13** First open enrollment period for customers
- **7/1/13** “Soft” launch open-for-business
- **Q1-Q2/13** COHBE begins certifying health plans to be sold in exchange
- **1/1/13** Certification by HHS that COHBE will be ready for open enrollment by 10/1/13 – “deemed ready”
- **1/1/13** Plans must be notified of intended user fees

Decision #1

Approve business model, operational plan, and budget

- Scope
- Budget
- Financing
- Sustainability

2/1/12

Decision #2

Systems Alignment

- Customer experience
 - Efficiencies
- Levels of interoperability and interfaces
 - Maximization of federal funding
 - Privatization/outourcing

9/16/11

Decision #3

SHOP Services and Functionality

- Size
- Scope
- Market Rules
- Product offerings for small employers

2/15/12

Decision #4

Plan Certification Criteria & Process

- Response to federally defined essential benefits
 - Colorado-specific mandates
- Mandatory vs “extra credit” to define value-added plans
 - Approach to negotiations with plans

6/1/12