

Technology Project Budget Request

December 14, 2020 Board Meeting



Fiscal Year 2021* Technology Budget Summary

- **Original Fiscal Year 2021 Technology Budget Assumptions:**
 - Completion of infrastructure modernization including migration to cloud.
 - Modernization of shopping and payment screens, improvements to user experience
 - Bulk of development effort (modernization) was assumed to occur in first 6 months of year, only small projects post open enrollment
 - Modernization efforts would result in reductions in technology maintenance and operations costs in the 2nd half of the fiscal year
 - Total fiscal year technology budget is \$17 million, 35% dedicated to technology projects
- **Activities Completed in first 6 months of the Fiscal Year (July-December 2020):**
 - Migration to AWS
 - IRS Authority to connect/security infrastructure enhancements
 - Replacement of Oracle
 - Implementation/go live of new shopping screens
 - New identity manager and password reset functionality
 - New admin portal for service center representatives
 - New “Agile” based contract with CGI allowing for more flexibility in contractor resources

* Fiscal Year 2021 is July 2020-June 2021

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Fiscal Year 2021 Technology Project Budget Impacts

- **Unanticipated events impacting technology project budget:**
 - COVID
 - New Legislation (Easy Enrollment & Health Insurance Fee Enterprise “HIFE”)
 - Complications with integration data migration between remaining SaaS platform and custom code
 - Middleware vendor cost increase due to Salesforce purchase
- **Impact of events on project budget:**
 - Due to resource constraints from COVID and integration difficulties with existing SaaS product, completion of modernization effort extending into 2nd half of fiscal year (Jan-June 2021)
 - Need to move to different middleware solution to reduce operating costs (costs to move will be recouped by cost savings within 1 year)
 - New legislation (Easy Enrollment & HIFE) timeframe requires development effort to commence in 1st quarter of calendar year 2021 (Jan-Mar)

Current and Anticipated Fiscal Year 2021 Technology Projects

Projects currently underway:

- Complete modernization of shopping and enrollment platform:
 - Bug resolution and system stabilization
 - Broker portal improvements
 - Shopping and enrollment improvements – replace legacy functions in the enrollment platform
 - Improve communication between C4 and issuers (including EDI updates)

Projects planned to start in 1st quarter (Jan-Mar) calendar year 2021 and continue into 2nd quarter:

- Replace middleware / refine API stack to achieve additional savings
- Colorado Health Care Coverage Easy Enrollment Program (SB 20-1236)*
- Colorado Health Care Affordability Enterprise (SB 20-215)*
- Completion of legacy platform replacement and improvements to application security by April

* The Easy Enrollment and HIFE projects will continue into fiscal year 2022, based on current estimated costs it is anticipated these will be the only significant projects we can undertake through 2022.

Fiscal Year 2021 Estimated Additional Project Funding Needed

1st Quarter Calendar Year 2021 (Jan-Mar) funding needs:

- Expedite stabilization and improvements to shopping and enrollment platform, including legacy platform replacement
- Commence development efforts in response to Easy Enrollment and HIFE legislation in order to meet deadlines (scope of projects currently being determined)
- Commence middleware replacement project
- **Estimated additional funding needed in 1st Quarter for these efforts is \$1.5 million for staff/contractor resources**

2nd Quarter Calendar Year 2021 (April-June) funding needs:

- Complete platform stabilization and improvements to shopping experience
- Continue build of Easy Enrollment and HIFE solutions
- Continue middleware replacement
- **Estimated additional funding needed in 2nd Quarter for these efforts is \$1.5 million for staff/contractor resources**

Total estimated fiscal year 2021 additional funding needed is **\$3 million** to support these efforts – Board will be provided revised estimates and long-term technology plan prior to start of 2nd quarter of 2021 (April). This will also be used as input for the preparation of the fiscal year 2022 budget.

Estimated Financial Impacts of Additional Funding Request

- Total estimated request of \$3 million will reduce cash reserves from previous estimates. Assuming we continue to maintain budgeted cash flow levels, aside from this additional request, we should still be within our 120 days cash on hand target levels.
- Requirements gathering is underway for the Easy Enrollment and HIFE projects including input from the respective governing bodies over the coming months. This may impact cost estimates for these solutions.
- Revenue impacts related to the Easy Enrollment and HIFE projects are being determined. This will ultimately offset some of the costs for these projects. We will incorporate impacts into future budgeting and financial projections.