

2019 ANNUAL REPORT

Colorado's official health
insurance marketplace



GOVERNOR JARED POLIS
State Capitol
200 East Colfax Avenue
Denver, CO 80203

THE HONORABLE LEROY GARCIA
President, Colorado State Senate
200 East Colfax Avenue
Denver, CO 80203

THE HONORABLE KC BECKER
Speaker, Colorado State House
200 East Colfax Avenue
Denver, CO 80203

Dear Governor Polis, President Garcia and Speaker Becker,

It is my pleasure to present the **Colorado Health Benefit Exchange 2019 Annual Report** on behalf of my colleagues on the Board of Directors and Connect for Health Colorado staff.¹

This year, I am proud to share how we continued to make strides toward our mission to **increase access, affordability and choice** for individuals, families and small business owners purchasing health insurance.

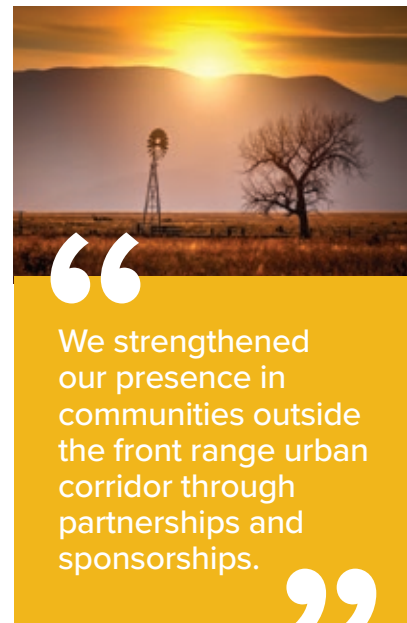
We organized our own statewide **#CoverCO tour** ahead of the enrollment period, convening hundreds of enrollment assisters from community-based organizations, as well as certified brokers, carriers, and policymakers, to discuss healthcare in their communities.

We strengthened our presence in communities outside the front range urban corridor through partnerships and sponsorships. We also increased our outreach personnel on the Western Slope, which put us in a better position to **respond quickly to the needs of rural Coloradans** and the enrollment teams who help them apply.

We were happy to see **choices increasing** for residents in Summit County and the Denver metro area. We worked closely with Peak Health Alliance and Oscar Health to onboard new plans. That brought the number of companies offering health plans through the Marketplace to eight.

We continued to make considerable investments in our technology and customer service operations. Enhancements to our eligibility system provided our customers with a faster and easier application process. We redesigned the organization's website, **ConnectforHealthCO.com**, to better align with user feedback and the latest industry practices.

In addition to our focus on local collaborations, we continued to work in earnest with state policy makers on **innovative approaches to reduce the cost of health care**. We welcomed opportunities to bring our organization's perspective to the work done by our partners in support of the reinsurance program, HB 19-1168, and study of a state option, HB 19-1004.



Looking Forward

2020 is going to be another busy year as we explore more ways to increase access, affordability and choice for Coloradans. We will continue to adapt our technology to meet our customers' needs, so more residents can apply for financial help and health insurance. As the health care reform implementor for Colorado and trusted advisor for residents buying their own health insurance, we look forward to bringing our expertise to discussions with state and legislative partners. We are very proud to continue to deliver health care coverage to residents and contribute to a healthier state.



ADELA FLORES-BRENNAN
Chair of the Board
Connect for Health Colorado

¹The Colorado Health Benefit Exchange (known as Connect for Health Colorado®) presents an annual report that contains the financial and operational plans of the Exchange and the major actions taken by the board in accordance with CRS 10-22-101.

Executive Summary

Sixth Open Enrollment

Connect for Health Colorado's sixth Open Enrollment period ran from Nov. 1, 2018 through Jan. 15, 2019.

More than 170,000 Coloradans signed up for a medical plan during that period.

Approximately 76 percent of people who signed up qualified for financial help. That was a seven percentage point increase from the previous Open Enrollment period. The increase in financially-assisted people served was evidence of how our technology investments made it easier for Coloradans to apply for financial help and get the coverage they need.

By the end of plan year 2019, **almost 200,000 Coloradans** enrolled in a health insurance through the Marketplace.

Technology Advances in 2019

Connect for Health Colorado continued to invest in technology to improve the user experience. We made it easier for more residents to apply for Qualified Health Plans and financial help through the Marketplace by making our website and shopping tool more mobile friendly. This fall, we redesigned and launched a new version of our website, **ConnectforHealthCO.com**, in English and Spanish. We also introduced a mobile version of our Quick Cost & Plan Finder, an anonymous tool which helps shoppers compare plans and costs. These advances allowed us to support customers who do not have immediate access to traditional desktops and laptops.

In addition, we replaced application renewal and results screens in our eligibility system, so customers can easily navigate their enrollment results and report changes. Overall, we enhanced our technology to simplify the path to find information on our website and within the application.

Operations, Budget and Oversight

In 2019, Connect for Health Colorado met our operational goals and continued to transition key services and expertise in-house. Financial sustainability was maintained for the year through a continued focus on cost control and the stabilization of enrollment levels. In addition, the investments in our technology and customer service operations that began in the year are expected to further improve operations and provide future cost savings.



For fiscal year 2020, the Board of Directors approved the annual operating budget of \$42 million. As a result of the customer service transition, operations and the 2020 investments in technology, both

operating expenses and capital expenses are budgeted to increase. This is expected to be a one-time increase that will result in **long-term expense reductions in both customer service and technology operations**. These expenses make up two-thirds of the organization's expenses today. The investments will enable the organization to be more flexible in the future and adapt to expected changes in the healthcare industry.

Seventh Open Enrollment

Connect for Health Colorado's seventh Open Enrollment period began on Nov. 1, 2019. By the deadline for Jan. 1, 2020 coverage, more than 153,000 Coloradans selected a medical insurance plan. This is comparable to medical enrollments for the same period last year.

2019 Annual Enrollment Highlights

172,178

paid enrollments

6.5%

Colorado's
uninsured rate

76%

of customers qualified for
financial assistance

\$120

average net premium for
financially-assisted plans

2019 Board of Directors

The Board of Directors of Connect for Health Colorado was appointed in compliance with Senate Bill 11-200, passed by the General Assembly in 2011. The Board meets monthly to discuss and vote on a range of issues related to the operations of the Marketplace. Board members also participate in three board committees. Board meetings are made public.

Board Chair



ADELA FLORES-BRENNAN

Executive Director
Colorado Consumer Health Initiative

Board Vice-Chair



MARC REECE

Senior Director, State Government
Affairs, Western Region
Aetna

Board Secretary



CLAIRE BROCKBANK

Principal
Segue Consulting



PATRICK GORDON

President
Rocky Mountain Health Plans



ANNIE LEE

Executive Director, Community
Health & Medicaid Strategies
Children's Hospital Colorado



LOREZ MEINHOLD

Executive Director
Caring for Denver Foundation



SHARON O'HARA

Director
Chronic Care Collaborative



MIKE STAHL

Chief Executive Officer
Hilltop Community Resources



DICK THOMPSON

Executive Director
Quality Health Network



ELISABETH ARENALES

Senior Advisor for Health
Governor Polis' Office
Ex-Officio (non-voting member)



KIM BIMESTEFER

Executive Director
Colorado Department of Health Care
Policy and Financing
Ex-Officio (non-voting member)



MIKE CONWAY

Commissioner of Insurance
Colorado Department of Regulatory
Agencies
Ex-Officio (non-voting member)

2019 Oversight Committee

Senate Bill 11-200 (CRS 10-22-101) established a committee of 10 state legislators to guide the implementation of Colorado's health insurance exchange and make recommendations to the General Assembly.

SENATOR BRITTANY PETERSEN (CHAIR)
SENATOR JOANN GINAL
SENATOR JIM SMALLWOOD
SENATOR ANGELA WILLIAMS
SENATOR ROB WOODWARD

REPRESENTATIVE SUSAN LONTINE (VICE CHAIR)
REPRESENTATIVE MARK BAISLEY
REPRESENTATIVE SUSAN BECKMAN
REPRESENTATIVE SONYA JAQUEZ LEWIS
REPRESENTATIVE KYLE MULLICA



2017-2020 Strategic Plan & Goals

In July 2017, the Connect for Health Colorado Board of Directors adopted a strategic plan for 2017-2020. We set **four goals** in the strategic plan which move forward our mission to increase access, affordability and choice for all Coloradans.

In 2019, we used a variety of tactics to help more Coloradans stay healthy and covered.

Working Toward Our Goals in 2019

1 Advocate to improve access to coverage in rural areas of Colorado.

We expanded our outreach staff in Western Colorado to better understand and respond to the needs of rural Coloradans. Through **strategic sponsorships**, we invested in communities in the Eastern Plains and Western Slope, which led to engaging new audiences. We also convened hundreds of enrollment assisters, brokers and community leaders in Keystone, Greeley, Durango, and Grand Junction, among other urban areas, at the #CoverCO tour.



2 Maximize the number of consumers and employers who shop and enroll through the health insurance marketplace and apply for available financial assistance.

We held six regional conferences as part of the **#CoverCO tour**, where our staff prepared enrollment teams and community leaders for the enrollment period. We also expanded our direct engagement with customers through a robust email marketing campaign targeting six segments of our customer base. By simplifying our application screens and eligibility system, we saw a **3 percent increase** in enrollments from 2018.

3 Improve the ability of customers to attain and retain the right coverage for their needs.

We launched a new version of our website, **ConnectforHealthCO.com**, to make it easier for customers to learn about financial help and ways to get enrolled. All seven health insurance company partners returned, and we brought on two new options, Oscar Health and Peak Health Alliance. Some customers will pay **reduced premium costs for 2020** because of the reinsurance program. We emphasized the importance of shopping to take advantage of the savings available.



4 Ensure that Connect for Health Colorado is a healthy and thriving organization.

We strengthened our in-house expertise to better respond to the needs of customers. The organization expanded our staff and currently has 120 full-time employees. Overall, we **invested in our workforce, new technology and supporting the statewide network of community partners** who assist our customers with the enrollment process.

2019 Financials

Connect for Health Colorado continued to produce positive financial results in 2019. The year saw stable enrollment levels, which lead to predictability in our revenues for the year. The primary source of revenue continued to be fees collected from carriers tied to Marketplace enrollments. The organization generated a surplus with steady operations and cost control measures in place. This surplus contributes to the necessary financial reserves at this point in the organization's maturation.



Expenditures

Total expenditure levels, including operations and capital, were about **2 percent lower** than in prior years. Despite lower expenditures, our organization saw increased operational activities, which are expected to produce even greater cost-reductions and improved customer service in 2020.

Customer service operation initiatives during the year included:

- Moving some of the more complex enrollment functions in-house.
- Procurement of a new customer service center contractor.
- Investments in technology infrastructure.

We expect the customer service enhancements to result in greater call handling efficiencies, reduced costs and improved customer experience. On the technology front, we continued to make improvements to the new application and eligibility system that was implemented in 2018. We commenced extensive planning and development to modernize the shopping platform, which is apart from the eligibility system. The most extensive part of this modernization effort will take place in 2020. Ultimately, this initiative will lead to a **more flexible and sustainable technology infrastructure** for our customers, as well as the staff, enrollment personnel and contractors who support them.

Sustainability Update

Based on its current revenue and cost structure, Connect for Health Colorado is operationally sustainable. With the operational surpluses generated over the last two years, the organization has been able to build reserves for operations and capital investments. The funds will be used for significant capital investments over the next two years to modernize the technology platform and implement new service center technologies. These investments will allow us to adapt to the opportunities and challenges ahead while delivering a high level of service to our customers.

Financial Summary

	Fiscal Year 2019 Actual	Fiscal Year 2020 Budget
Revenues		
Fees for Service	\$36,084	\$37,388
Grants and Program Revenue	\$10,609	\$8,440
Total Revenue	\$46,693	\$45,828
Operating Costs		
Customer Service	\$15,154	\$15,677
Technology	\$12,002	\$13,493
Marketing and General Operations	\$13,035	\$13,036
Total Operating Costs	\$40,191	\$42,206
Income from Operations	\$6,502	\$3,622
Capital Expenditures	\$2,817	\$7,707

\$'s in 000's



ConnectforHealthCO.com