New Technology Projects - Financial Impacts

November 23, 2020

Technology Projects Planned

- **Efforts Tied to Legislation**
  - Colorado Health Care Coverage Easy Enrollment Program (SB 20-1236)
  - Colorado Health Care Affordability Enterprise (SB 20-215)

- **Technology and Operations Support Efforts**
  - Complete modernization of shopping and enrollment platform (In progress)
  - Refine API stack to achieve additional savings
  - 2- Way Street with CBMS/PEAK

- **Strategic Opportunities**
  - Enhanced Direct Enrollment
  - Issuer Portal

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HB 20-1236: Colorado Health Care Coverage Easy Enrollment Program

Background

During the 2020 legislative session the Colorado General Assembly passed House Bill 1236, creating the Health Care Coverage Easy Enrollment Program (known as Easy Enrollment or "EE").

Under EE the Colorado state income tax return will include a question allowing tax filers to consent to the Department of Revenue (DOR) sharing filing data with C4HCO so that C4HCO may assess whether uninsured household members are potentially eligible for coverage through HCPF or for subsidized coverage on the exchange. If the tax filer requests that the eligibility of uninsured household members be assessed under the program, the tax filer will receive information about coverage options and assistance with preliminary enrollment.

The bill also creates the EE Advisory Committee to guide implementation of the program. The Advisory Committee is chaired by the Monica VanBuskirk and Amber Egbert from DOR, appointed by their Executive Director.

Through EE, C4HCO anticipates seeing an increase in first-time customers applying for coverage.

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C4HCO's EE Requirements

To successfully implement the EE program, C4HCO must:

- Collect tax filer information from DOR in real-time

- Send tax filers a targeted notification to help them understand what they may qualify for and next steps

- Direct tax filers to an EE-specific landing page on our website

- Conduct a preliminary eligibility determination for C4HCO and HCPF programs

NOTE: The bill requires EE to go live on January 1, 2022 (for the 2021 tax year)

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SB 20-215: Colorado Health Care Affordability Enterprise

Background

During the 2020 Legislative Session, the General Assembly passed Senate Bill 215, authorizing the creation of the Colorado Health Insurance Affordability Fund (also referred to as the "Health Insurance Fee Enterprise" or "HIFE") as an enterprise housed in the Colorado Division of Insurance. Through its board, HIFE is going to distribute collected fees to three different buckets:

- Funding Colorado's reinsurance program to help reduce premiums on the individual market
- Enhancing the tax credit purchasing power for individuals and families who buy insurance on the exchange, referred to as the "state wrap"
- Utilizing a Public Benefits Corporation (PBC) to provide individuals and families who were left out of the Affordable Care Act with opportunities to purchase health insurance.

C4HCO is focused on the second and third bullet points and is going to utilize its existing PBC.

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C4HCO's HIFE Requirements

State Wrap:

- While C4HCO is not dispersing state wrap funds, it is ultimately responsible for implementing the subsidy and ensuring eligible customers receive it when they purchase health plans.
    - Efforts to date focused on determining the size of the subsidy (the current estimate is that $10 million annually) along with the eligibility criteria
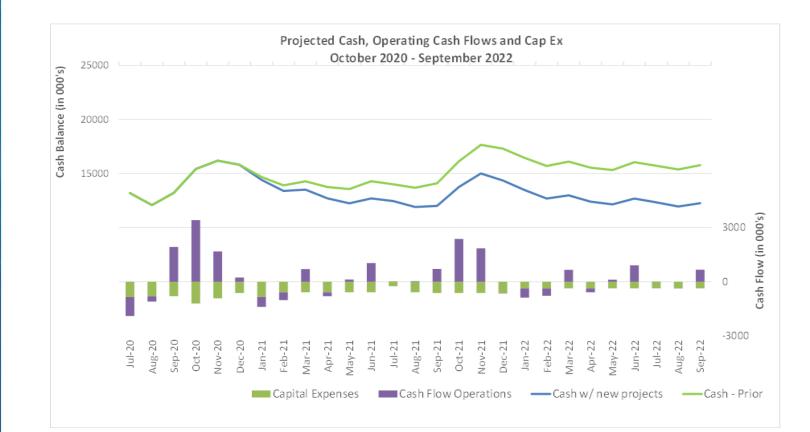   - Policy Team completed an internal analysis of impacts to the organization

PBC:

- The PBC will serve as a stand-alone entity, separate from C4HCO

NOTE: The bill requires C4HCO to offer the state wrap subsidy by January 2022 and PBC subsidies by January 2023

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Estimated Financial Impacts of Additional Projects

Projected Cash, Operating Cash Flows and Cap Ex
October 2020 - September 2022

- Potential cash impact over 24 months is $3 million – tied to additional capital expenditures

- Cash metric projected to stay at or above target of 120 days cash on hand

- Additional cost savings and revenues from projects being quantified – not reflected in projection

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