

***Executive & Finance Committee Minutes***  
***January 25, 2024***  
***8:00 AM – 10:00 AM***

**Board Members Present:** Annie Lee, Lorez Meinhold, Rob Ruiz-Moss, and Dick Thompson

**Staff Present:** Brian Braun, David Hague, Kevin Patterson, Ilana Rivera, Alan Schmitz, and Lisa Sevier

**I. Welcome & Introductions**

Lorez Meinhold called the meeting to order at 8:02 a.m., welcoming everyone in attendance. The October Executive and Finance Committee meeting minutes were reviewed and approved.

**II. February Draft Board Agenda**

The Committee reviewed the draft February Board agenda.

**III. HB24-1035**

Staff updated the Committee members on HB24-1035: Modernize Health Benefit Exchange Governance.

Connect for Health Colorado staff recommend supporting this bill. Given the timing of the bill, the Executive Committee can move forward with a recommendation of blocking or supporting the bill.

Annie Lee made a motion to support HB24-1035, Dick Thompson seconded the motion. Ms. Meinhold opened the motion to public comment. There was no public comment.

The motion to support HB24-1035 was approved unanimously.

**IV. Open Enrollment PY 2024**

Staff presented record-breaking numbers for the plan year (PY) 2024 open enrollment. And the possible impacts of open enrollment budget projects, etc.

Projections

As part of our ongoing monitoring of long-term financial sustainability the organization regularly revises their long- range (3 year) financial projections. Based on enrollments for plan year 2024 being considerably higher than what was anticipated in the budget the organization has rolled the 3 year projections forward with the higher enrollment levels. There will be more certainty with the 2024 enrollment level in the next 30-60 days as plan effectuation data is finalized and update the projections if needed.

- The key assumptions in these projections include:
- 2024 enrollments/premiums increase by 15% over prior budgeted levels
- 5% increase in enrollments/premiums in plan year 2025
- 20% decrease in enrollments in plan year 2026 due to end of enhanced subsidies in 2025
- Expedited technology roadmap development in 2024 and 2025
- Build reserves to reach target levels for operating and capital reserves by end of 2025
- Collection of \$2.8 million Friday Health receivable in 2024
- SB-81 donations of \$1.5 million annually

Based on these assumptions, revenues trend upward in 2024 and 2025 and drop in 2026 driven by lower issuer fee revenue in 2026. Expenditure levels are higher in the 2nd half of 2024 and 2025 due to higher spending on capital projects.

The resulting cash flows are positive but trend downward due to increased capital investments in 2024/2025 and reduced revenues in 2026.

Attributable to the higher cash flows in 2024 and 2025, overall cash balances increase through 2025 and, based on the projections, reach targeted reserve levels by the end of 2025.

**V. Quarterly Financial Updates**

Staff presented the 2<sup>nd</sup> quarter report for the 2024 fiscal year. Financial results through the first 6 months of the fiscal year exceeded the budgeted expectations with overall earnings before depreciation coming in \$1.3 million better than budget (\$7.5 million compared to \$6.2 million budgeted). These higher earnings were primarily the result of lower expenditures for the period.

**VI. Board Advisory Group**

Staff updated the Committee on a proposed restructure to the Board Advisory Group (BAG); as well as as recommendations for group appointments.

The Committee unanimously accepted the recommendation for Lindsay Vigoda to to become an advocate member of the BAG.

**VII. Public Comment**

Public comment given by Daniela Gosselova

Meeting adjourned at 9:04 a.m.

Respectfully Submitted,

Lorez Meinhold  
Committee Chair