

**Board Meeting Minutes**  
*Connect for Health Colorado Meeting Room*  
*East Tower, Suite 1025*  
*3773 Cherry Creek N Dr., Denver, CO 80209*  
**February 12, 2018**  
**8:30 AM – 11:30 AM**

**Board Members Present:** Claire Brockbank, Kyle Brown, Mike Conway, Adela Flores-Brennan, Tom Massey, Jay Norris, Sharon O’Hara and Nathan Wilkes

**Board Members Joining via Phone:** Steve ErkenBrack and Marc Reece

**Board Members Absent:** Davis Fansler & Denise O’Leary

**Staff Present:** Brian Braun, Luke Clarke, Kelly Davies, Claudia Farnham-Wittner, Kelly Guthner, Kate Harris, Kevin Patterson, Carolyn Pickton, Alaina Ramirez, Alan Schmitz and Lisa Sevier

Approximately 11 guests attended the meeting in-person and the conference line was available for people to join by phone.

**I. Call to Order**

- Board Chair Adela Flores-Brennan, called the meeting to order at 8:30 am and welcomed those in attendance, both in-person and on the phone.

**II. Business Agenda**

- The minutes from the January 8, 2018 meeting were voted on and approved.
- There were no changes to the agenda.
- Disclosure of conflicts of interest: none.

**III. Board Report**

The board discussed changes to the cadence of the regular board and committee meetings. It was noted that any change to the cadence would require a change in the board Governing Principles and By-laws. Staff suggested alternating board meetings and committee meetings on every other month. This would ensure continued monthly communication and noticing time allowance. Additional meetings would be added as needed. This will be reviewed as a possible change in the next fiscal year.

The Executive Committee has finalized the Board Advisory Group nominees to replace the members who have left. The nominees are: Alicia Plantz, Nikki Meredith and Lucy DePretis. More information on them can be found in the [Policy Committee Update](#) found in the board materials. Applications are being accepted for other vacancies and can be found on the website.

The board officers have reached their term, Ms. Flores-Brennan asked board members who are interested in becoming an officer to reach out to the Executive Committee.

#### **IV. CEO Report**

Kevin Patterson, Chief Executive Officer, will be traveling to Nevada and Idaho to meet with their health exchange senior officers. The purpose of the trip is to share information and ideas, including collaborative possibilities.

April 5<sup>th</sup> & 6<sup>th</sup>, Connect for Health Colorado will be hosting the National Academy for State Health Policy (NASHP) spring forum. Health exchange senior management from all over will attend and Randy Pate, the Director of the Center for Consumer Information and Insurance Oversight (CCIIO) has been invited to address the forum and meet with the Executive Directors of the attending exchanges.

#### **V. Eligibility Changes**

The organization is proposing changes in the system it uses to determine eligibility. Staff have been, and continue to, work with and seek feedback from various stakeholders and partners, including Health Care Policy and Financing (HCPF), the Governor's office and the Governor's Office of Information and Technology (OIT), in order to best coordinate the proposed changes with all affected agencies. Additionally, the process will leverage the experience and knowledge of user interface and user experience experts.

The guiding principles of the project are to simplify and create a more user-friendly process, while adding an innovative approach.

The benefits of the new eligibility system include:

- Improve the customer experience
- Bring Connect for Health Colorado into compliance in significant areas
- Increase ability to predict and control technology costs
- Decrease Eligible but Not Enrolled (EBNE) population and increase enrollment overall
- Increase APTC uptake

Over three years, there will be a cost of \$4.4 MM during the first year, vs the expected cost of close to \$3 MM if the organization continues with the current system. However, the net result after three years would result in an annual net cash flow of approximately \$600,000 vs a cost of approximately \$300,000 with the current system.

Nathan Wilkes motioned to approve a procurement, not to exceed \$2,800,000 to support the organization's direction of bringing eligibility for qualified health plans (QHPs) and advanced premium tax credit (APTC)/cost sharing reductions (CSRs) under Connect for Health Colorado's authority, in order to comply with outstanding audit requirements from Centers for Medicare and Medicaid (CMS), better predict and control technology expenses moving forward, and improve the customer experience. Procurement costs include contracted services to support the project management, design, development, coding, testing and implementation of the New Eligibility System (NES).

Jay Norris seconded the motion.

Ms. Flores-Brennan called for public comment. Public comment was given by:  
Bethany Pray, Colorado Center on Law & Policy  
Sharon McDermott, Alpine Life Strategies Planning  
Loni Kreutzer, Alpine Life Strategies Planning  
Garry Manchulenko, Broker  
Jackie Healy, Broker & President, Colorado State Association of Health Underwriters

Ms. Flores-Brennan called the motion to a vote. The motion was unanimously approved as follows:

**Yes:** Claire Brockbank, Steve ErkenBrack, Adela Flores-Brennan, Jay Norris, Sharon O'Hara, Marc Reece and Nathan Wilkes

**No:** None

**Abstain:** None

## VI. Finance & Operations Committee Report

### Quarterly Financials

Brian Braun, Chief Financial Officer, gave an overview of the second quarter financials for fiscal year 2018. Due to a combination of lower expenditures and reimbursements for Medicaid related expenses, the organization continued to meet its financial goals for the 2nd quarter of the fiscal year.

- Effectuated enrollment is slightly below budget expectations
- Revenues came in higher than budget by \$636,000
- Operating expenses came in under budget by \$238,000
- As of December 31, 2017, the cash balance was \$2.6 million higher than budget projections

Based on the results of the most recent open enrollment, 24-month projections have been revised based on expected levels of enrollment and average expected premium levels. Projections now include projections of Medicaid cost reimbursements that had not previously been added. Also included in the new cash projections are assumptions for capital investments over the projection period. Over the next two years, with the estimated capital investments, the organization projects to maintain a cash balance in excess of \$15MM during the period.

### Financial Policy

The organization conducts an annual review of the financial policies. Minor changes were made to the financial policies and the authorization matrix.

Mr. Wilkes made a motion to approve the financial policies and the authorization matrix as amended.

Mr. Norris seconded the motion.

Ms. Flores-Brennan called for public comment. There was none.

Ms. Flores-Brennan called the motion to a vote. The motion was unanimously approved as follows:

**Yes:** Claire Brockbank, Steve ErkenBrack, Adela Flores-Brennan, Jay Norris, Sharon O'Hara, Marc Reece and Nathan Wilkes

**No:** None

**Abstain:** None

#### Audit Report

Arba Robinson, Internal Audit & Compliance Manager, gave an update on the internal audit focus. Over the previous months the organization has been updating procedures and putting into place systems to help with compliance. Upcoming focuses for the department are:

- Procurement Audit Process, scheduled to start Spring 2018, and will include:
  - Sufficient detail for the history of the process to ensure competition
  - Proper approval levels
  - Proper approval timing
- Contract Management Audit, scheduled to start Spring 2018, and will include:
  - Contract billing documentation
  - Contract monitoring
  - Contract reporting
- Sub-Recipients (assistors) Audit, to include:
  - Payment support
  - Compliance monitoring
- Appeals Supervision and Review, started in November 2017, periodic review and feedback of:
  - Complete data records in ATLAS
  - Timeliness of resolution
  - Prioritization of cases
- Complaints Review, started in January 2018, periodic review and feedback of:
  - The complete data records in Atlas
  - Accurate categorization
  - Timeliness of resolution
  - Accurate disposition

Internal control improvements have been implemented, including:

- Purchase Request Form and process
- Updating and implementing financial policies and procedures
- Open accounting vacancies filled
- Review and updated certain vendor contracts
- Guidance for monitoring, reporting and documentation
- Quarterly audit updates to Finance and Operations Committee
- Individual staff training and development on contract management
- Quarterly review of policies and procedures to match the organization's practices
- Tools implemented for staff accountability regarding monitoring budgets and contracts

Internal control improvements currently in Process:

- Individual staff training and development on procurement process
- Distribute training modules through the Learning Management System to

## VII. Policy Committee

Some customers have been encountering an issue with their income getting “zeroed out” within the Colorado Benefits Management System (CBMS), which has caused them to be incorrectly eligible for Medicaid. Connect for Health Colorado has been in communication with OIT to determine the root cause. Staff is requesting a full report of the impacted population from OIT in order to reach out to them directly to resolve the issue.

For customers who have discovered they are affected; the organization is asking them to contact the Customer Service Center to make sure their income and eligibility are corrected.

### Board Advisory Group

This was addressed in the Board update.

### Legislative Update

Late last week federal legislators passed a resolution to continue funding the government through late March; this resolution did not include CSRs or funds for reinsurance.

Three bills have been introduced in the Colorado state session that Connect for Health Colorado is watching.

- HB 1205: Financial Relief Defray Individual Health Plan Costs - Provides \$6 MM to individuals and families between 400%-500% FPL in the 3 highest cost rating areas paying more than 20% of their income for the lowest-cost bronze plan available.
  - Implementation by June 2018
- SB 132: 1332 State Waiver Catastrophic Health Plans – Instructs the DOI to apply for a waiver to remove the age 30 and hardship exemption requirements on catastrophic plans.
  - 2020 Implementation
- SB 132: 1332 Health Insurance Producer Fees and Fee Disclosure – Allows brokers to charge fees to clients when not receiving a commission from the carrier.
  - Implementation before next open enrollment

### Plan Display and Design Options

The committee continues to work with various stakeholder groups to gather suggestions around plan benefit design. DOI Commissioner Mike Conway has agreed to set up a meaningful choice task force to further the discussion.

A brief review of progress to date and next steps was discussed, including:

- Display Changes - Connect for Health Colorado will update functionality to display CSR Silver plans to enrollees who are eligible for CSR.
- Choice Optimization - Connect for Health Colorado will research and report back on decision support tools and functionality that could help consumers with their plan choices that can further assist them in selecting the right coverage to fit their needs.

- Benefit Design - The DOI will review meaningful difference standards and lead a stakeholder workgroup to review opportunities for updates to regulatory guidance.

**VIII. Public Comment**

The following members of the public gave comment:

Loni Kreutzer, Alpine Life Strategies Planning

Garry Manchulenko, Broker

Meagan Fearing, Broker

Meeting adjourned at 11:50 am.

Respectfully submitted,

Adela Flores-Brennan  
Chairman of the Board

**Next Meeting**

March 12, 2018 from 8:30 am – 12:00 pm