

***Board Meeting Minutes***  
**Connect for Health Colorado**  
***May 14, 2018***  
***8:30 AM – 11:30 AM***

**Board Members Present:** Kyle Brown, Steve ErkenBrack, Adela Flores-Brennan, Jay Norris, Sharon O’Hara, Denise O’Leary, Marc Reece and Nathan Wilkes

**Board Members Joining via Phone:** Claire Brockbank, Mike Conway and Tom Massey

**Board Members Absent:** None

**Staff Present:** Brian Braun, Luke Clarke, Kelly Davies, Beth Deines, Kelly Guthner, Kate Harris, Kevin Patterson, Alaina Ramirez, Alan Schmitz, Lisa Sevier and Ezra Watland

Approximately 2 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 March 12, 2018, April 9, 2018 and April 16, 2018 meetings were voted on and approved.
- There were no changes to the agenda.
- Disclosure of conflicts of interest: none.

**III. Board Report**

**Board Development**

The Board announced plans to become members of the National Association of Corporate Directors to take advantage of the association’s resources as they continue to evaluate the appropriate role of the board of directors as the organization matures. This will assure that all the board members are supported as they provide support to Connect for Health Colorado staff and the organization.

A committee of the board has been working to identify an appropriate vendor to complete some analysis of executive level compensation to ensure the organization’s compensation model allows for the recruitment and retention of the best talent possible for the organization. The committee is completing some due diligence, has narrowed options to three vendors and should make a decision in the next few weeks.

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

##### Eligibility Update

Kelly Davies, Director of Product Development, gave a progress report on the New Eligibility System (NES). Key activities include the creation of the user interface implementation and style guide. Additionally, the second round of stakeholder interviews with the UI/UX consultant have been completed and findings have been presented.

Key activities for next month include:

- New application screens being designed and developed.
- Testing of new application screens on consumers to validate research and identify gaps.
- Development of eligibility rules engine.
- Ongoing design sessions with the Colorado Department of Health Care Policy & Financing (HCPF) and the Office of Information Technology (OIT) regarding changes in CBMS/PEAK.

Current risks and mitigation strategies include:

- Risk: Salesforce Transformation release dates are within weeks of open enrollment
  - Mitigation: Looking to increase testing support and volume to identify any system defects prior to the system release.
- Risk: CMS approval for Salesforce Transformation project and Connect for Health Colorado's eligibility application.
  - Mitigation: Continue to partner with HCPF and OIT to confirm that NES related project work is not dependent upon/will not be impacted by Transformation and CMS approval timelines.
- Risk: Potential for scope changes due to the complexity of the project.
  - Mitigation: Explore additional technology options and opportunities to mitigate limitations.

#### **V. Finance & Operations Committee Report**

##### FY 2018 Quarterly Financials

Chief Financial Officer, Brian Braun, gave a report out on the fiscal year (FY) 2018 third quarter financials. The organization continues to exceed its financial goals. This is primarily due to the addition of reimbursements for Medicaid related expenses.

Key notes include:

- Effectuated enrollment came in slightly below budget expectations.

- Revenue came in over budget due to higher premiums.

Operating expenses are slightly over budget. This is primarily due to work on the NES project. Additionally, customer service expenses are running slightly over due to call volumes exceeding expectation during open enrollment.

The cash balance as of December 31, 2017 was \$4.8 million higher than budget projections.

#### FY 2019 Budget

The proposed FY 2019 budget was reviewed in the Finance & Operations Committee. Major assumptions used in the budget include:

- FY 2019 and 2020 carrier fee revenue based on current (plan year 2018) enrollment and average premium levels.
- Medicaid cost reimbursements continue throughout the period.
- Reduction in grant funding from \$2.5MM in FY 2018 to \$500k in FY 2020.
- Continuation of tax credit donations.
- Operating expenses remain flat for both FY 2019 and FY 2020.
- Estimating capital expenditures over 2-year period of \$15 million for refresh of exchange and customer service technology.
- Depreciation is based on estimated depreciation resulting from new capital expenditures and represents needed replenishment of capital reserve for future technology refresh and enhancements. Current high levels of depreciation are due to initial large investment in technology.

Technology and Operations assumes the continuation of existing vendor contracts. Software design and development costs are due to ongoing enhancements and updates to the existing platform, the eligibility project design and noncapitalizable development expense.

The Service Center budget assumes no change in the current contract. The Medical Assistance site includes a slight increase due to the new eligibility project transition.

The Assistance Network includes changes to the scope of work with adjustments to the disbursement of funds.

Support services show an increase in personnel due to lower prior year expenses resulting from unfilled positions, all positions are expected to be filled in FY 2018. There is a decrease in the facilities costs due to lower lease/occupancy costs resulting from the recent move.

The public was invited to comment on the FY 2019 budget. There was no public comment.

Ms. Flores-Brennan asked for a vote to approve the FY 2019 budget. The budget was unanimously approved as follows:

- Yes:** Claire Brockbank, Steve ErkenBrack, Adela Flores-Brennan, Jay Norris, Sharon O’Hara, Denise O’Leary, Marc Reece and Nathan Wilkes  
**No:** None  
**Abstain:** None

#### Audit Update

- The single audit was completed with no findings. A report was shared with the Finance & Operations Committee.
- The organization is working on a response to the findings for the state audit. The audit will be reported to the State Audit Committee in June.
- Connect for Health Colorado continues to work with the Office of Inspector General on the audit findings that were released last year. The final report will be shared with the board when it is received.

#### Appeals Quarterly Report

Alan Schmitz, General Counsel, gave a quarterly update on the Appeals Department. The main drivers for appeal inquiries continue to be effective date changes (invalid appeal), carrier issues (invalid appeal) and incorrect income (valid appeal).

The appeals processing timeframes:

- Average days to close an Appeal - 61
- Average days an open Appeal has been open - 100
- All Cases Average Days Open - 83

The department is focused on lowering the average days an appeal is open to less than 90 days.

## **VI. Policy Committee**

#### Legislative Update

Connect for Health Colorado’s lobbyists gave the board a review of the 2018 legislative session.

- SB 18-136: Health Insurance Producer Fees and Fee Disclosure
  - Signed into law
- SB 18-132: 1332 State Waiver Catastrophic Health Plans
  - Signed into law
- HB 18-1405: Financial Relief Defray Individual Health Plan Costs

- Failed in the Senate
- HB 18-1384: Study Health Care Coverage Options
  - Failed in the Senate
- HB 18-1392: State Innovation Waiver Reinsurance Program
  - Failed in the Senate
  - Connect for Health Colorado supported

Focus Group Update

Perry Udem has conducted focus groups on people who are eligible for financial assistance but enrolled elsewhere. The focus groups took place in Colorado Springs, Denver and Grand Junction. The purpose of the focus group was to understand the population, their reasons for not seeking the financial assistance and what can be done to bring them to the Marketplace in the future. A report will be completed and presented at the June board meeting.

Board Advisory Committee

There are currently two provider vacancies on the committee and one industry vacancy. The industry vacancy has been assigned to the Colorado Association of Health Plans (CAHP) and the Policy Chair would like to keep it open for CAHP to fill.

The board is calling for applications for the provider vacancies.

**VII. Public Comment**

Public comment was given by:

A.J. Erhle, Broker

Brad Niederman, Niederman Insurance Agency

Meeting adjourned at 11:00 am.

Respectfully submitted,

Claire Brockbank

Secretary of the Board

**Next Meeting**

June 11, 2018 from 8:30 am – 12:00 pm