



CONNECT FOR HEALTH COLORADO

Legislative Oversight Committee Meeting

April 13, 2016



Planning Process Timeline

March

April

May

June

July

Strategic Plan

Conduct on-site interviews with C4HCO Board, staff and stakeholder text

Board retreat to review results of interviews and project future goals

Iterative plan drafting process will continue with input from C4HCO staff

- Finalize Plan
- Deliver to Board
- Publish to public

Implementation and monitoring of strategic plan goals

Fiscal Year Budget

- Baseline Budget - Manager Input Completed
- Refine "short list" of new projects
- Update enrollment projections based on OES

- Finalize Baseline Budget, add impact of new projects
- Finalize enrollment projections
- Present initial draft budget to Finance and Ops Committee

- Refine draft budget based on new inputs
- Present draft budget to Board
- Revise budget per Board input
- Present final budget to Finance and Ops

- Present final budget to Legislative Oversight Committee for approval
- Present final budget to Board for approval

- Implement departmental budget to actual reporting for FY 2017
- Finalize organization chart to align with changes resulting from budget and strategic plan

Scenarios

Scenario identification and research:
(1) Baseline
(2) Streamline
(3) SES migration
(4) Federal (FFM)
(5) Other

- Refine scenario financial projections and feasibility analysis
- Adopt streamline scenario as basis for fiscal year budget preparation

Continue development and refining of other scenarios in accordance with strategic plan

Continue development and refining of other scenarios in accordance with strategic plan text

Continue development and refining of scenarios in accordance with strategic plan taking into account environment changes

Stakeholder Input

- Present future options to Board and public
- Consultant initial interviews with stakeholders
- 1-1 stakeholder meetings with Connect for Health Colorado staff
- Public comment opportunity at Board Meeting

- Present future options to Oversight Committee
- Public comment at Board Retreat
- 1-1 stakeholder meetings with staff
- Consultant stakeholder interviews
- Outreach & Communications Advisory Group meeting
- Public comment opportunities at Board Retreat & Committee meetings

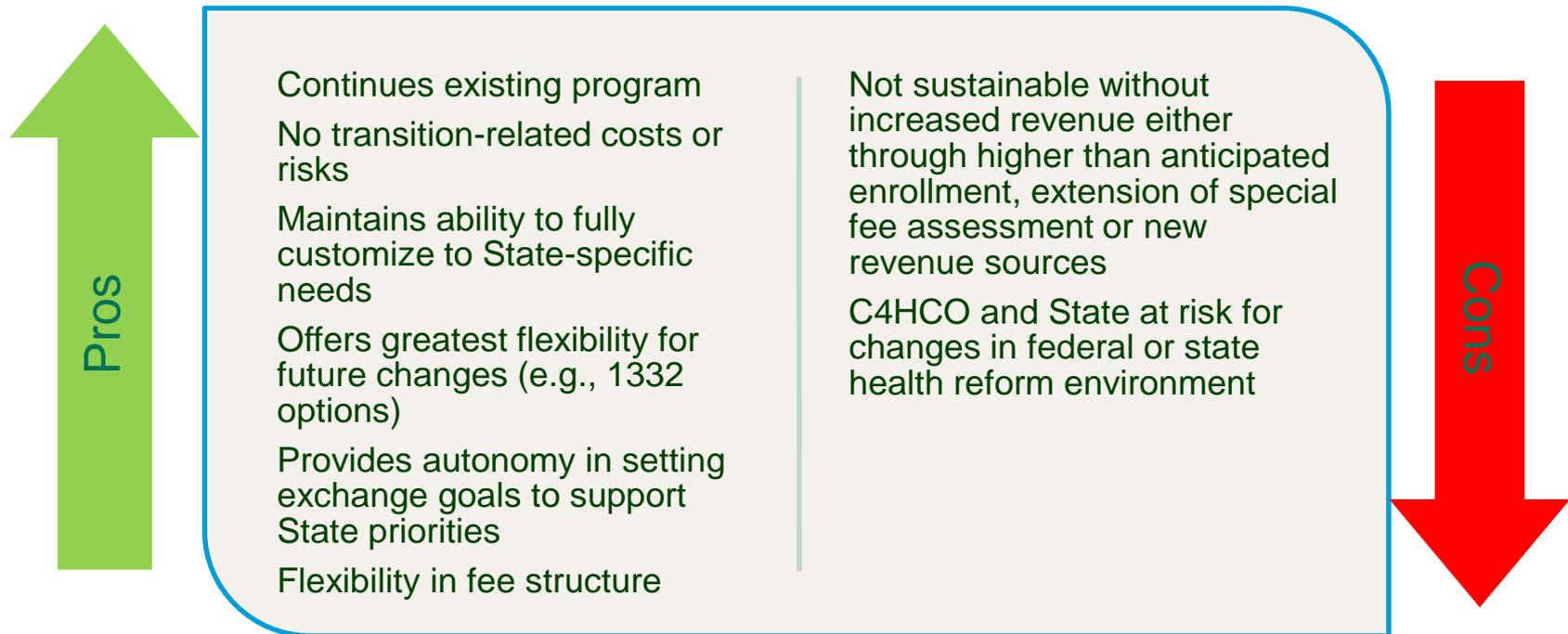
- 1-1 stakeholder meetings with staff
- Consultant stakeholder interviews
- Collect feedback from focus group members
- Conduct consumer survey
- Outreach & Communications Advisory Group meeting
- Public comment at Board Meeting & Committee meetings

- HB 1148 implementation: advisory groups begin
- 1-1 stakeholder meetings with staff
- Collect feedback from focus group members
- Public comment opportunities at Board & Committee meetings

- Continue receiving stakeholder feedback as scenarios are refined
- Outreach and Communications Advisory Group meeting
- Public comment opportunities at Board & Committee meetings

Option 1 - Stay the Course

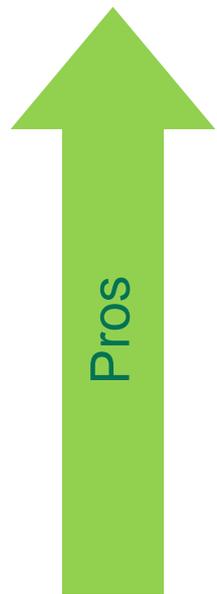
Continue Connect for Health Colorado (C4HCO) with no major changes or new revenue sources and operations continue at current expenditure level.



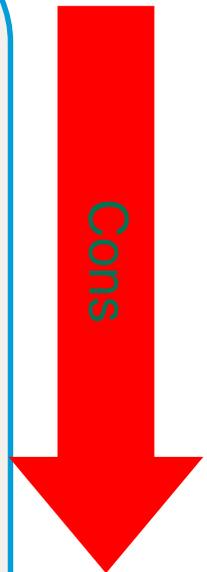
Financial Implications: Assuming starting enrollment of 135,000 with 10% annual increase and current expenditure levels, financial resources are depleted by April, 2018.

Option 2 - Streamlined SBM

Continue full Connect for Health Colorado operations with expenditure reductions to stabilize budget under current revenue projections.



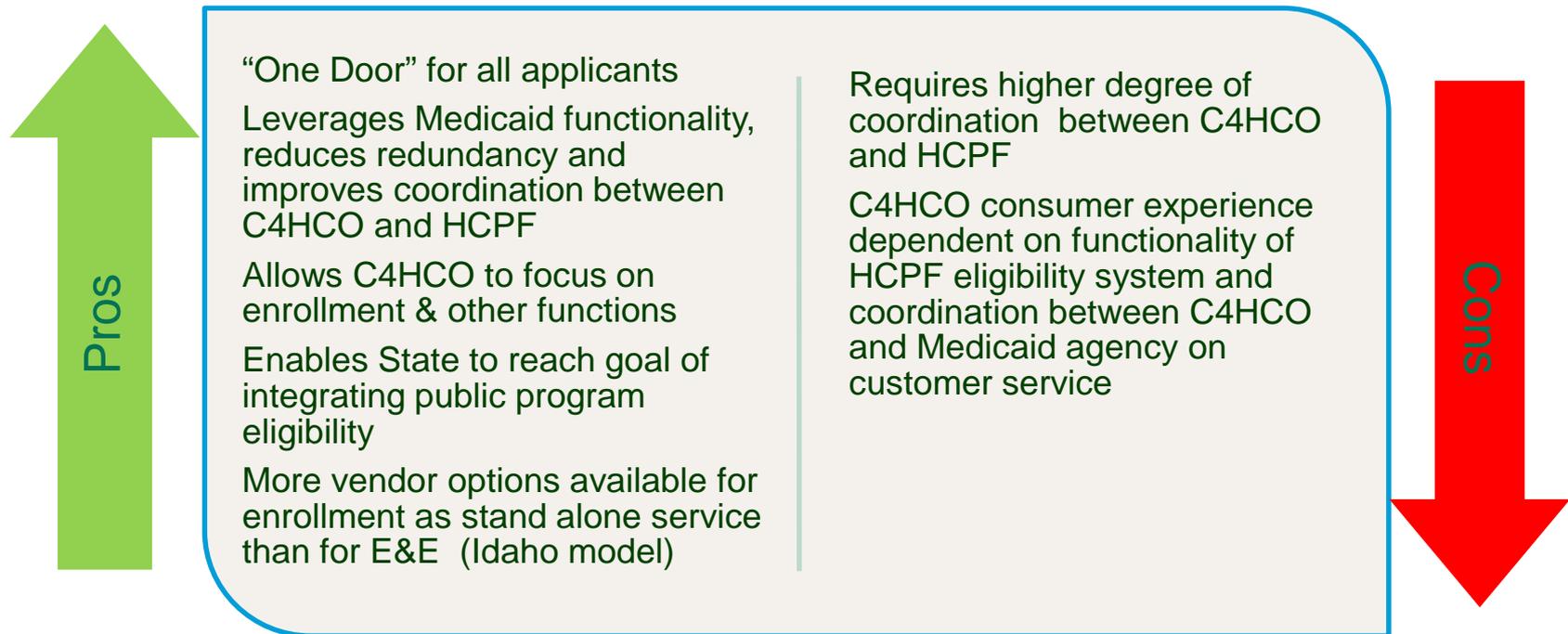
<p>Maintains most of existing programs and Option 1 pros</p> <p>Retains C4HCO/State control over where reductions occur</p> <p>Preserves flexibility for future changes (e.g., 1332 options)</p> <p>Forces movement to more nimble organization with a focus on strategic initiatives and ROI</p> <p>Can be implemented relatively quickly</p>	<p>May require C4HCO/State to postpone or eliminate some platform improvements</p> <p>Cuts in technology and customer service may lead to less enrollment, lower revenue and increased customer frustration</p>
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Financial Implications: Assuming starting enrollment of 135,000 with average 10% annual increase and 15% reduction in annual expenditures by year 2, a \$10 million cash balance is maintained over the next 2 years and financial sustainability beyond.

Option 3 - SBM with Medicaid Eligibility Platform

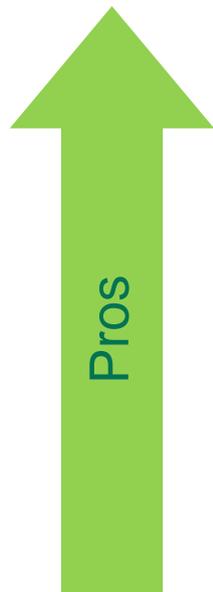
Exchange relies on Health Care Policy and Financing (HCPF) for eligibility services and retains control over enrollment and other functions.



Financial Implications: Costs savings resulting from operational efficiencies and expected transition costs are under evaluation with C4HCO and HCPF vendors. Findings will be reported to Board at future meetings.

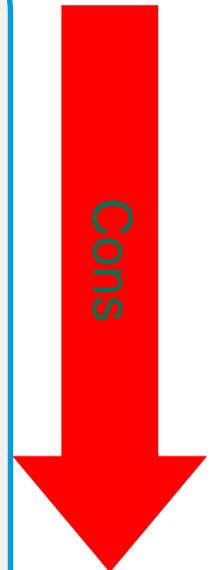
Option 4 - SBM with Federal E&E Platform

Federal Facilitated Marketplace (FFM) provides eligibility and enrollment services for C4HCO, State maintains an E&E system for Medicaid and accepts hand-offs from FFM, HCPF transfers QHP cases to FFM for tax credit eligibility, C4HCO responsible for plan management and consumer outreach.



State retains control of traditional state functions (insurer regulation and consumer services)
FFM offers E&E solution for consumers with an improving consumer experience
Reduced technology risks once transition done

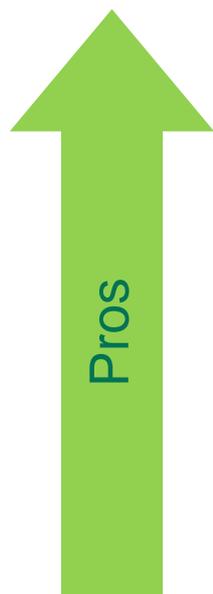
Limited flexibility for state-specific initiatives and 1332 options
Fee increases are uncertain but likely as early as 2018
Requires account transfers between FFM and HCPF
Customer service operations managed by FFM
Customers lose ability to auto renew in first year after transition (impact ~ 25k customers this year)



Financial Implications – FFM fee structure originally proposed at 3% of exchange premiums subsequently reduced to 1.5% for first year with annual reset, future increases uncertain. Transition costs based on state circumstances – TBD. Cannot implement prior to 2018 open enrollment period.

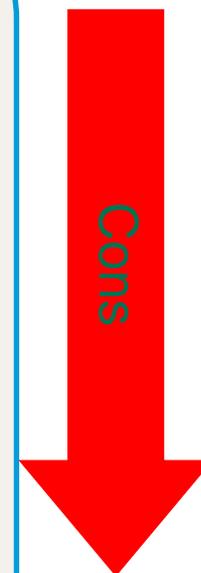
Option 5 – Full Service Federally Facilitated Marketplace

FFM provides all exchange services, State maintains an E&E system for Medicaid and accepts hand-offs from FFM, HCPF transfers QHP cases to FFM for tax credit eligibility.



State retains control of traditional state functions (insurer regulation and consumer services)
FFM offers E&E solution for consumers with an improving consumer experience
Reduced technology risks once transition done

Limited flexibility for state-specific initiatives and 1332 options
Fee (3.5% of exchange premiums) paid to FFM, funds do not stay in state
Requires account transfers between FFM and HCPF
State cedes management and budgeting for customer service operations, plan management and outreach in addition to E&E
Customers lose ability to auto renew in first year after transition (~25k this year)



Financial Implications – current C4HCO fee of 3.5% matches cost of full FFM. Uncertain transition costs – KY example.

