

Finance & Operations Committee Minutes
October 28, 2019
9:30 PM – 11:30 PM

Board Members Present: Adela Flores-Brennan, Annie Lee, Lorez Meinhold and Dick Thompson

Staff Present: Brian Braun, Kelly Davies, Kelly Guthner, Lisa Sevier and Ilana Rivera

I. Welcome & Introductions

Brian Braun called the meeting to order at 9:36 a.m., welcoming everyone in attendance. The September 23rd meeting minutes were reviewed and approved.

II. Technology & Operations Update

The Committee reviewed a presentation on current technology & operations updates outlining the platform modernization efforts, service center transition and new vendors. Connect for Health is currently engaged with vendors for the following efforts via the preferred vendor list:

- CGI Development support – Platform Modernization
- Quanta Development support – Platform Modernization
- CoalFire security support – Platform Modernization
- CGI Testing Support – Platform Modernization
- Contract Project management support – Platform Modernization

The following maintenance and operations (M&O) contracts are in place to support the existing technology stack:

- CGI M&O
- hCentive M&O
- Quanta M&O

The Faneuil transition is on schedule. Faneuil has begun shadowing the member services unit (MSU) to see all functions and processes performed by the team.

III. 1st Quarter Financials & Projections

The Committee reviewed the quarterly financials for the 1st quarter of fiscal year (FY) 2020. The report outlined key performance indicators, financial results and 24-month projections.

Key metrics for the first quarter were close to targets for enrollments and financial measures. Cash remains in excess of target levels. The projection of cash flows has changed from the previous projection due to the decrease in insurance rates for the 2020 plan year.

First quarter results for the 2020 fiscal year came in better than expected. For the 3 months ending September 30, overall earnings (including depreciation) were slightly over \$5.6 million, exceeding expectations by \$473,000.

Revenues were on target for the 1st quarter. Cash is below forecasted levels due to delays in collections of receivables for carrier fees and for Medicaid cost reimbursements. The carrier fee delay is due to the transitioning of the billing administration and is expected to be a one-time occurrence. The delay in payments for the Medicaid reimbursements is the result of changes in the data sources being used for the cost allocation. Connect for Health Colorado is working closely with state partners to resolve.

Given the recent publication of 2020 insurance rates and based on the organization's analysis of the impact of the rate changes, projections have been updated. Because of the significant impact of reinsurance on 2020 rates it is assumed average premiums will drop by 20% for the last 6 months of the fiscal year and continue at that level for the following year. The fiscal year 2020 budget did not originally anticipate this reduction.

Public Comment

None

IV. Adjourn

Meeting adjourned at 10:12

Respectfully Submitted,

Lorez Meinhold
Committee Chair