

August Board Report

August 10, 2026



Board Report



CEO Report

CEO Travel Update

- July 23, Washington, D.C
 - Met with Jen Stolbach regarding compliance update
- August 1, Douglas County Fair
- August 25-27, Dallas, Texas
 - Attending ICHRA Summit Conference
- August 28, Legislative BBQ, Pueblo, CO
- September 1, Denver Rustlers, Pueblo, CO



HCPF Update



DOI Update

Executive & Finance Committee

Fiscal Year 2026 Financial Highlights

- Revenues exceeded budget expectations by 24% - \$15 million
 - Plan year 2026 enrollments higher than expected
 - SB81 donations higher than prior year
- Expenditures were below budget by 5% - \$3.5 million
 - Delays in new hirings due to uncertainties of enhanced subsidy impact
 - Lower service center staffing needed during open enrollment
 - PMPM operating expenses below target by 15%
- Cash reserves are higher due to positive financial results
 - Excess reserves to be reinvested over next 3 years
- The complete financial report is available in the appendix.

Board Financial Oversight – Key Responsibilities

Board Approval

- Annual budget & significant changes
 - Financial & Investment policies
 - Strategic plan
 - Executive Director compensation
 - Carrier fee % (annual)
 - Procurements over \$350,000
 - Selection of financial auditor
 - Acceptance of audited financial statements
-
- New bank accounts / debt agreements
 - Board Chair approves CEO expenses and disbursements over \$100k

Board Review

- Quarterly financial reports
- Annual Form 990 tax filing
- Special audit reports
- Annual report to Governor & Legislature

***Full report in Appendix**



Policy and Operations Committee

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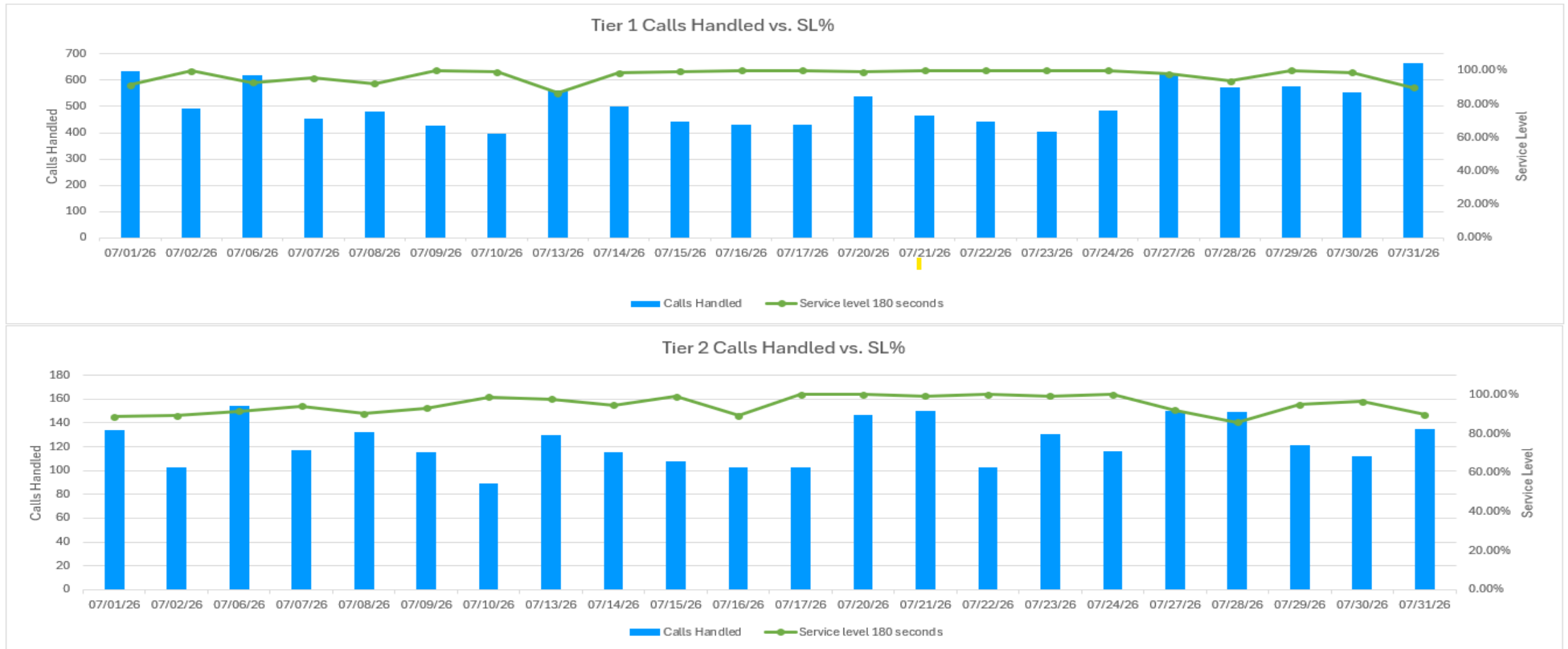


Operations Update

July Performance

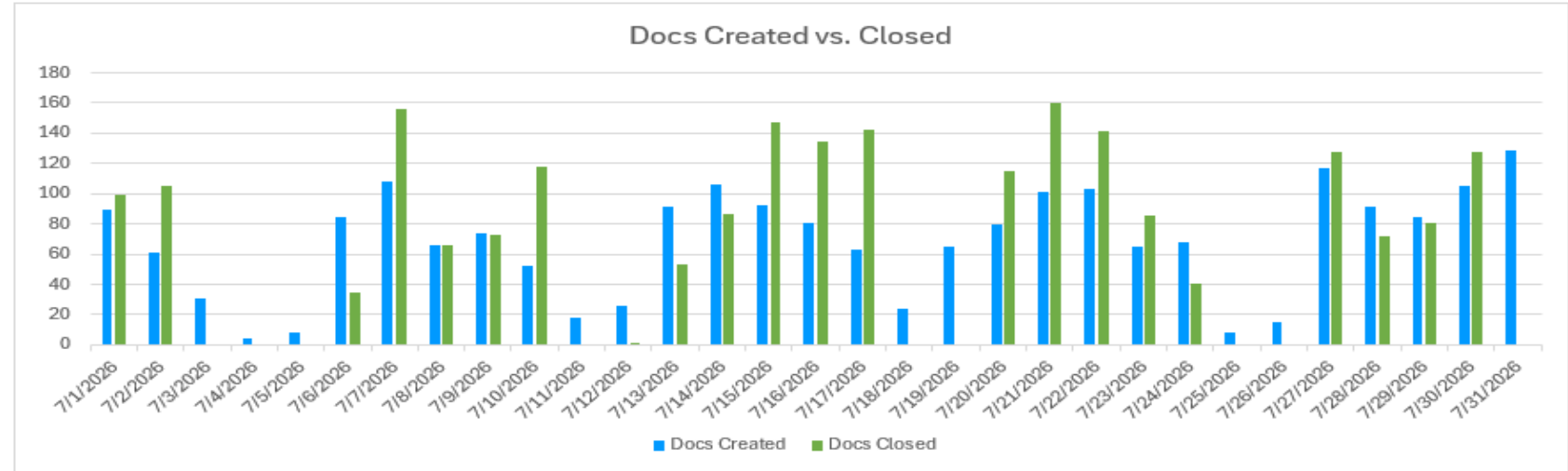
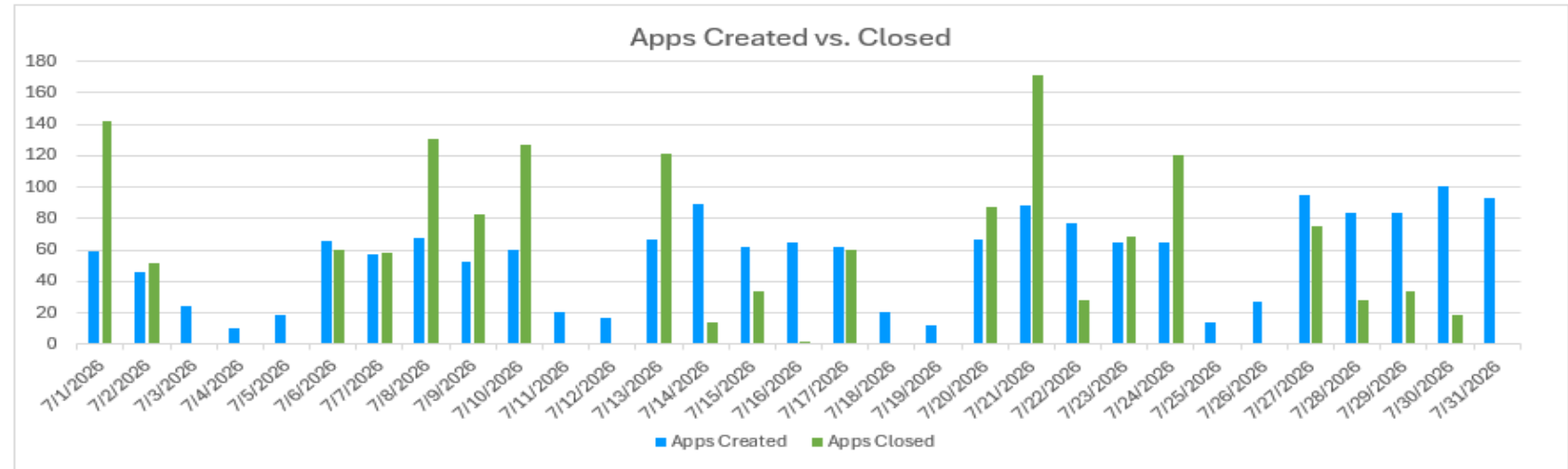
July Stats by Group				
Group/ Year	Tier 1 2026	Tier 1 2025	Tier 2 2026	Tier 2 2025
Average Handle Time	12:12	14:05	15:33	15:44
Average Speed of Answer	0:27	0:55	0:38	0:42
Calls Offered	11,464	13,016	2,717	2,703
Calls Handled	11,188	12,576	2,654	2,599
180 Second Service Level %	96.65%	91.49%	94.55%	94.19%

July Calls Handled vs. Service Level

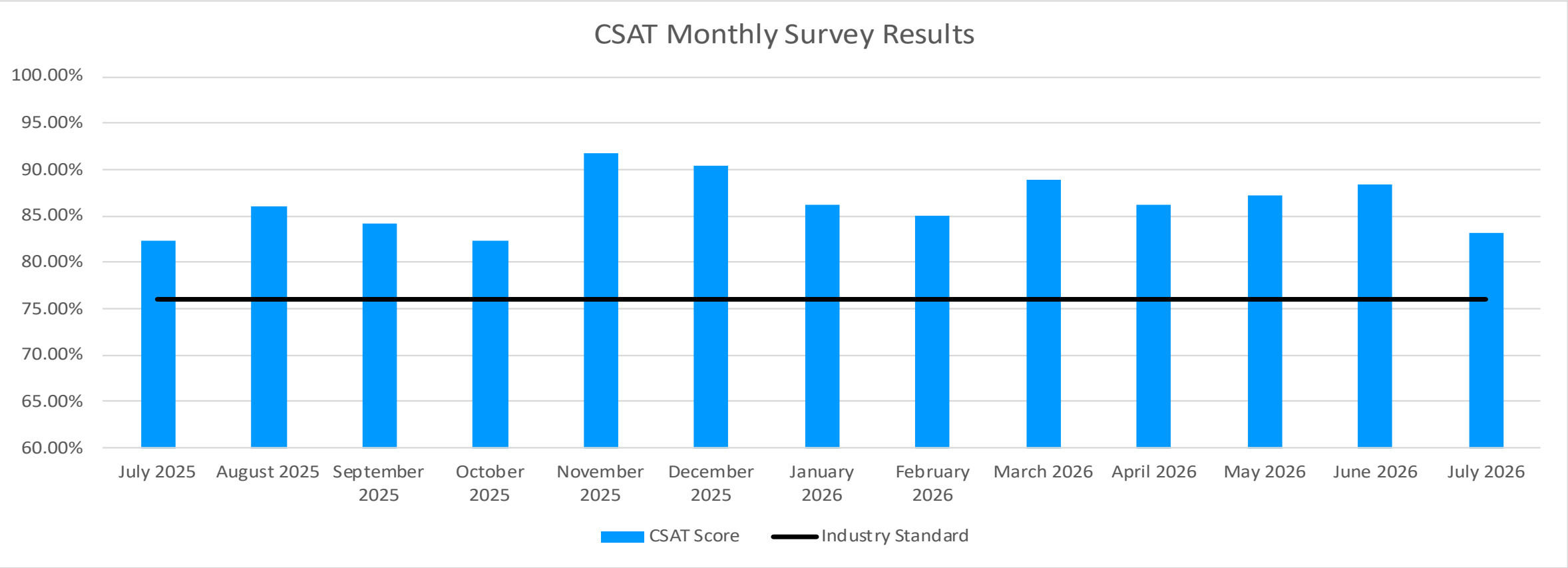


MA Site Work Received/Processed

	Received	Completed
MA Applications	1,033	840
Change reports	705	690
Documents	2,111	2,230
Total	3,849	3,760



CSAT Survey Results





Quarterly Financial Report

12 Months Ending June 30, 2026

TO: CONNECT FOR HEALTH COLORADO EXECUTIVE AND
FINANCE COMMITTEE

4600 South Ulster Street | Suite 300
Denver, CO 80237

FROM: BRIAN BRAUN, CHIEF FINANCIAL OFFICER, DAVID HAGUE, CONTROLLER

SUBJECT: QUARTERLY FINANCIAL REPORT 4TH QUARTER FISCAL YEAR 2026

DATE: 7/23/2026

Key Performance Indicators	Status	YTD -12 Months Ending 06.30.26		
		Actual	Budget	% of Target
Effectuated Enrollment (average)	●	247,000	219,700	112.4%
Net Operating Margin	●	31.4%	11.3%	
Per Member Per Month (PMPM) - Carrier Fees	●	\$21.8	\$20.1	108.4%
Per Member Per Month (PMPM) - Operating Expenses	●	\$17.5	\$20.7	84.7%
Months Cash on Hand	●	12.3	7.1	172.4%
Working Capital Ratio	●	6.5	6.7	96.6%
Net Promoter Score (NPS) -	●	53 average for FY26 compared to 55 for FY25 and 50 for FY24		

Key measures for the 12 months ending June 30, 2026 exceeded expectations due to favorable revenue and expenditure budget variances further explained below.

Financial Results (in 000's)	Status	YTD - 12 Months Ending 06.30.26		
		Actual	Budget	% of Budget
Revenues:				
Carrier Fees	●	64,583	53,009	121.8%
Program Revenue	●	10,558	8,189	128.9%
Grant/Other Revenue	●	5,417	3,545	152.8%
Total Revenue	●	80,557	64,743	124.4%
Expenditures:				
Technology	●	29,079	29,889	97.3%
Customer Service	●	10,138	10,875	93.2%
Marketing and Outreach	●	7,255	8,365	86.7%
Support Services	●	12,769	13,310	95.9%
Facilities	●	774	1,026	75.5%
Total Expenditures	●	60,015	63,465	94.6%
Less Capital Expenditures	●	(4,784)	(6,055)	79.0%
Earnings Before Depreciation	●	25,326	7,333	345.4%
Earnings After Depreciation	●	21,642	3,138	689.6%
Cash Flows	●	20,791	(2,478)	
Cash	●	55,394	32,125	172.4%
Working Capital	●	58,145	41,481	140.2%

Financial Results Overview

Earnings continued to be healthy for the quarter resulting in significantly higher than anticipated net income for the year - \$25 million compared to \$7 million budgeted. Much of this difference was the result of budget assumptions that predicted a significant drop in enrollments as the result of the expiration of the enhanced subsidies. Further adding to the difference were lower expenditures largely due to deferred spending in anticipation of lower enrollment levels. Details of variances are provided in subsequent slides.

Since this is the end of the fiscal year, the financial information reported is preliminary and will be undergoing some additional review and pre-audit reconciliations that may result in some changes. Specific areas that may result in adjustments to these preliminary year-end results include:

- Recording of noncancelable leases and subscriptions – not a significant impact on earnings
- Finalization of Colorado Connect fee calculation and consolidation (currently and estimate)
- Capturing of any late payables/liabilities that may arise and evaluation of long-term liabilities
- Medicaid Cost reimbursements – 3rd quarter calculation in process (currently estimated)

The following are high level explanations of budget to actual variances.

Revenue

Total revenues for the year were \$16 million better than budgeted expectations. Significant contributors to this variance included:

- Enrollments for the 2026 plan year surpassed budget expectations, despite anticipated declines from expiration of enhanced subsidies.
- Larger than expected increases in premium levels also contributed to higher carrier fee revenue.
- SB-81 donations were considerably higher than anticipated (\$2.2 million compared to \$300,000 budgeted). The budget for these funds was based on the prior year donation level.
- Fees from Colorado Connect exceeded expectations due to higher HIAE enrollments.

Expenditures

Expenditures for the year were \$3.5 million below budget. Significant contributors to this variance included:

- Customer operations costs were \$700,000 lower than budgeted. The budget had assumed higher costs related to verification work and related calls. Despite lower spending, open enrollment went smoothly and we saw improvements in our operating metrics.
- Marketing and outreach expenditures were also significantly below budget for the period (\$1.1 million). Department reorganization and related staffing changes were a significant contributor.
- Overall technology expenditures (operating and capitalized expenditures) were \$800,000 under budget for the year. Hiring of new positions was delayed due to enrollment level uncertainty.
- Support and facilities costs were \$800,000 lower than budget due in part to staff vacancies and delayed hiring due to enrollment level uncertainty during the first 6 months of the year. Lower training/staff event costs and lower travel expenditures were also contributors to the variance.
- Travel and business expenditures by the CEO for the 4th quarter of \$10,668 were below the budgeted amount of \$16,875. Year to date CEO travel related expenditures were \$30,096,

compared to \$67,500 budgeted. Of the total amounts for the quarter and year to date, \$112 and \$508 were respectively spent on business meals.

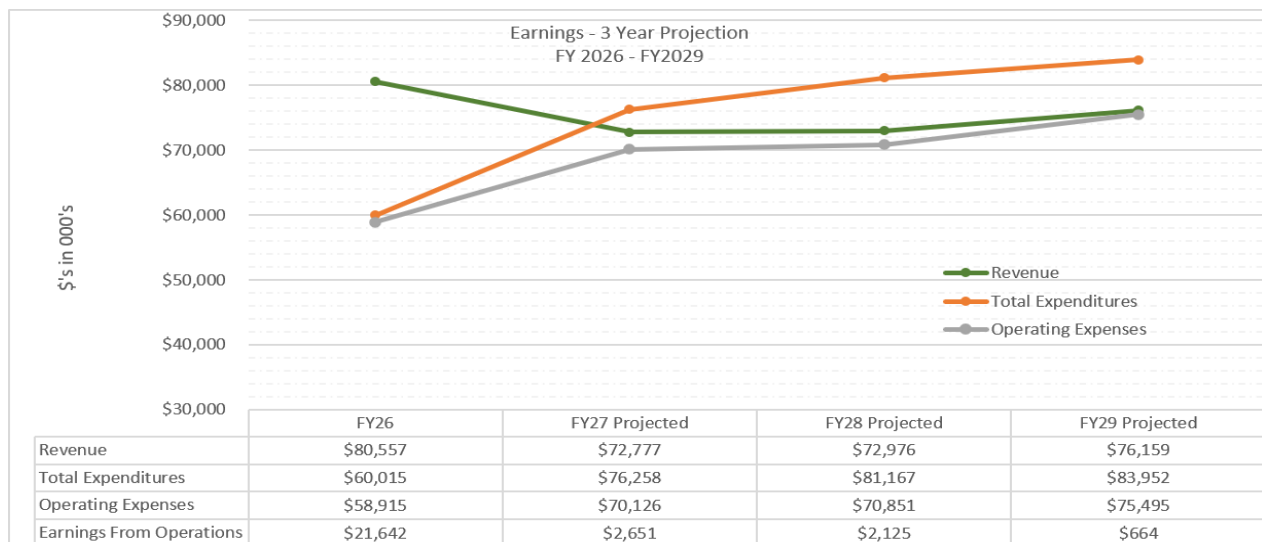
Cash

Attributable to the higher earnings, cash and investment balances are \$23 million higher than budgeted as of the end of the fiscal year. With the end of open enrollment and more certainty regarding 2027 enrollments/revenues, new development activities have been ramping up along with the catching up on deferred projects and staffing going into the new fiscal year.

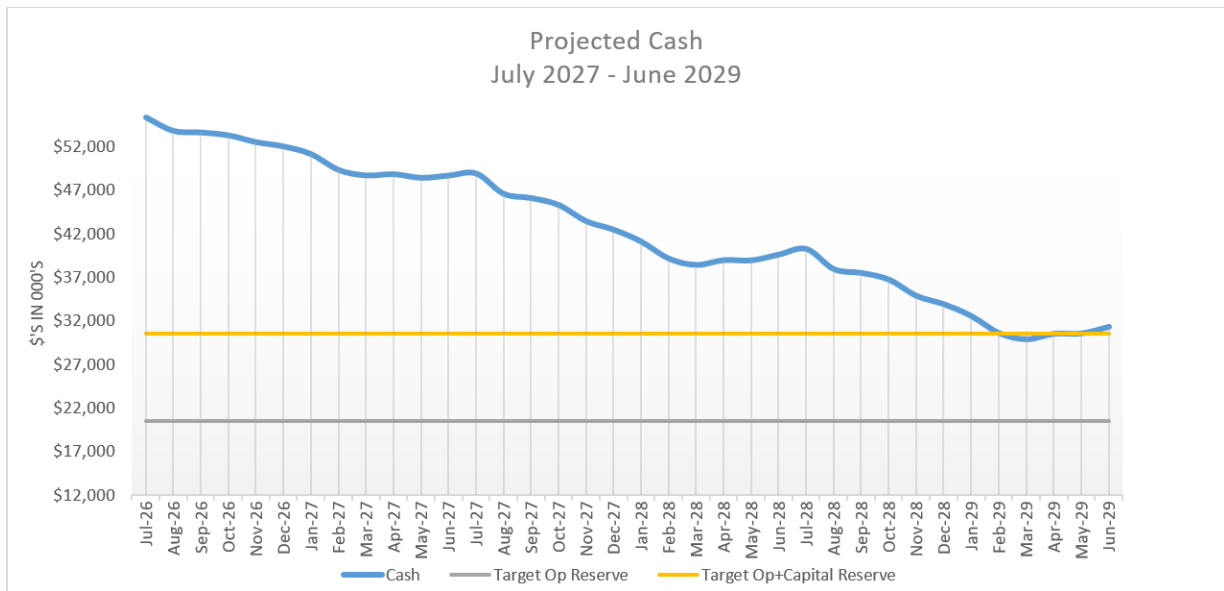
Cash during the quarter was in a combination of liquid bank accounts (\$12 million) and investments through the Colorado Statewide Investment Program (CSIP) (\$43 million) with earnings rates ranging from 3.7% to 4% depending upon maturity ladder.

PROJECTIONS

The 3 year projections have been updated to reflect newer information in regards to current enrollments and expected plan year 2027 premium levels. Overall, the updated 3 year projections show positive earnings from operations over the 3 years and a continued focus on capital investments over the 3 years. Total expenditures (red line in graph below) includes capital expenditures in addition to operating expenses. The new projections still assume a decrease in enrollments of 10% in plan year 2027. This assumption will be reassessed due to recent litigation and the magnitude of premium increases for plan year 2027.



Due to higher increased spending on capital projects, the overall cash balance decreases over the 3 year projection period (see graph below). Cash levels by the end of the projection period are in line with desired cash reserve levels to address operating and capital project needs.



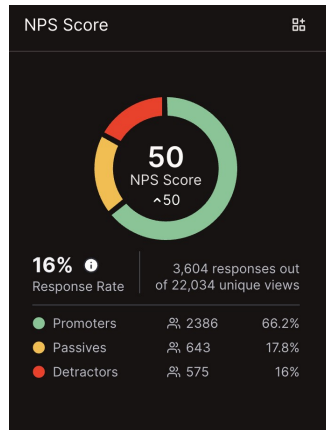
Connect for Health Colorado
Statement of Revenues, Expenses, and Changes in Net Position

	FY 2026		
	12 months ending 06/30/26		
	Actual	Budget	Actual vs Budget
REVENUE			
Carrier Fee - Individual	64,496,711	52,958,187	11,538,524
Carrier Fee Vision	85,890	50,400	35,490
HIAE Grant - Technology	-	875,000	(875,000)
Tax Credit Donations	5,000,000	5,000,000	-
Tax Credit Donations - SB81	2,230,837	300,000	1,930,837
Medicaid Cost Reimbursement	3,326,946	2,889,398	437,548
Interest Income	1,441,818	1,044,728	397,090
Other revenue (CoCo Service Fees)	3,974,842	1,625,000	2,349,842
Total Revenue	80,557,044	64,742,713	15,814,331
EXPENSES			
Technology			
Personnel	13,535,837	15,909,300	(2,373,462)
Maintenance & Operation	1,346,994	1,347,174	(180)
Software/Licenses/Subscriptions (Tech)	2,139,445	2,169,282	(29,837)
Hosting	2,182,463	2,294,297	(111,834)
DDI (Design, Dev., Implementation)	9,873,761	8,169,004	1,704,757
Capitalized DDI	(2,390,798)	(1,759,896)	(630,902)
Capitalized Salaries	(2,393,391)	(4,295,514)	1,902,123
Total Technology	24,294,312	23,833,646	460,665
Customer Service			
Personnel	5,559,341	5,743,019	(183,677)
Contracted Staffing	3,099,477	3,563,979	(464,502)
Operations Support	1,479,126	1,568,029	(88,903)
Total Customer Service	10,137,945	10,875,026	(737,082)
Marketing and Outreach			
Personnel	1,170,802	1,919,034	(748,232)
Media Buys - Radio/TV/Web	1,942,763	2,149,125	(206,362)
Outreach Services-Events, Sponsorships	429,783	557,000	(127,217)
Marketing Services	270,233	156,950	113,283
Assistance Network	3,441,340	3,582,810	(141,470)
Total Marketing and Outreach	7,254,921	8,364,919	(1,109,998)
Support services			
Personnel	11,426,759	11,657,367	(230,609)
Public Affairs Services	73,335	80,000	(6,665)
Professional Services	547,794	535,813	11,981
Training and Development	73,173	256,139	(182,967)
H/R Services	159,723	175,372	(15,649)
Legal Services	36,954	11,300	25,654
Audit Services	73,275	88,100	(14,825)
Insurance	105,137	105,687	(550)
Conferences/Meetings	33,050	56,775	(23,725)
Memberships/Dues/Subscriptions (Non-Tech)	143,746	145,991	(2,245)
Travel/Meals/Lodging	96,438	192,300	(95,862)
Other - G&A	56	5,000	(4,944)
Total Support Services	12,769,439	13,309,845	(540,406)
Facilities			
Occupancy	371,331	383,476	(12,145)
Supplies & Materials	41,727	119,212	(77,485)
Postage/Shipping	3,881	14,041	(10,160)
Printing/Copying/Shred	8,140	8,052	88
Phone/Internet	78,948	98,410	(19,462)
Equipment/Furniture and Fixture	270,152	402,700	(132,548)
Total Facilities	774,178	1,025,891	(251,713)
Total Operating Expenses	55,230,795	57,409,327	(2,178,533)
Net Income Before Depreciation	25,326,250	7,333,386	17,992,864
Depreciation	3,683,965	4,195,032	(511,067)
Net Income	21,642,284	3,138,354	18,503,930

Connect for Health Colorado
Statement of Financial Position

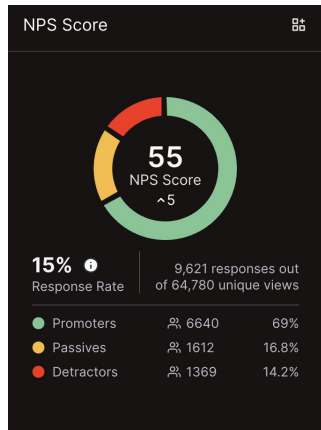
	FY 2026 6/30/2026	
	Actual	Budget
Assets:		
Current assets:		
Cash and cash equivalents	55,393,808	32,125,222
Accounts receivable (net)	13,393,733	16,644,591
Prepaid expenses	1,620,660	1,331,746
Security deposits	27,381	27,381
Total Current assets:	70,435,582	50,128,940
Noncurrent assets:		
Capital assets:		
Web portal development	18,938,949	18,938,949
Software	51,722,833	51,663,766
Leasehold improvements	205,649	205,520
Office equipment	1,400,846	1,325,303
Furniture and fixtures	501,662	501,663
Less accumulated depreciation	(52,658,450)	(53,975,367)
Total Capital assets	20,111,489	18,659,834
Investment in Subsidiary	98,735	0
Assets under lease - net	1,545,015	1,545,014
SBITA - net	3,870,176	3,870,176
Total Noncurrent assets:	25,625,415	24,075,024
Total Assets:	96,060,997	74,203,964
Liabilities and net position:		
Liabilities:		
Current liabilities:		
Accounts payable	4,306,780	3,212,806
Accrued liabilities	3,470,182	2,260,449
Payroll liabilities	2,865,217	1,815,822
Total Current liabilities:	10,642,178	7,289,077
Long-term liabilities:		
Lease Payable	1,809,091	1,809,091
SBITA Payable	3,946,355	3,946,355
Total Long-term liabilities:	5,755,446	5,755,446
Total Liabilities:	16,397,624	13,044,523
Net position:		
Unrestricted	79,663,373	61,159,441
Total Net position:	79,663,373	61,159,441
Total liabilities and net position:	96,060,997	74,203,964

Year over Year NPS



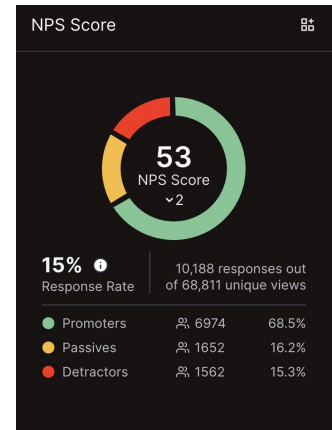
July 2023 – June 2024

ConnectforHealthCO.com



July 2024 – June 2025

* Includes agree and strongly agree



July 2025 – June 2026



Board Financial Governance

BOARD GOVERNANCE BRIEFING

Board Oversight of Financial Operations & Executive Director Expenses and Compensation

A guide to the Board of Directors' fiduciary approval and review authority over the organization's finances

CONNECT FOR HEALTH COLORADO | BOARD OF DIRECTORS



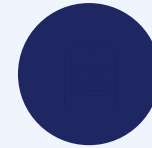
Two Tiers of Financial Authority

As a quasi-governmental entity, Connect for Health Colorado's Board holds fiduciary responsibility for the organization's financial integrity (*Bylaws Art. IV.H(3); C.R.S. §10-22-105(2)*). That authority operates on two tiers:



APPROVE

Formal Board (or Board Chair) action is required before the organization can act. Nine specific items fall here — covered in this briefing.



REVIEW

The Board is briefed and may ask questions or request changes, but formal approval is not required. Four recurring reports fall here.

Where authority is delegated specifically to the Board Chair — rather than the full Board — it is flagged throughout this deck. Note: the Bylaws refer to this role as “Executive Director,” but this position also called CEO in practice.

Budget & Financial Planning



Annual Budget & Significant Changes

Approve the annual operating budget and any significant increases or changes to it during the year.

FULL BOARD

Grounded in the Board's general fiduciary duty — Bylaws Art. IV.H(3)



Financial & Investment Policy

Approve high-level financial and investment policies (not day-to-day procedures, which remain with management).

FULL BOARD

Bylaws Art. V.L — investment policy adopted by the Board



Strategic Plan

Approve the organization's strategic plan.

FULL BOARD

Not addressed in the Bylaws — governed by Board approved Financial Policy

Executive Director Pay & Expense Oversight



Executive Director Compensation

Review and approve the Executive Director's compensation as part of the Board's executive oversight duty.

FULL BOARD

Not addressed in the Bylaws — governed by Board policy



Expense Reimbursements & Credit Card Usage

Review and approve the Executive Director's expense reimbursements and organizational credit card usage on an ongoing basis.

BOARD CHAIR

Bylaws Art. IV.Q.1 — Chair oversees the ED between meetings

Why the split: the full Board sets compensation as a periodic, high-stakes decision; the Board Chair provides continuous, independent review of routine expenses — consistent with the Chair's bylaws role of providing “guidance to and oversight of the Executive Director... between meetings of the Board” (Art. IV.Q.1).

Recurring Operational Approvals



Carrier Fee %

Approve the carrier fee percentage annually.

FULL BOARD

Not addressed in the Bylaws — Board policy



Procurements > \$350,000

Approve procurement contracts above the \$350K threshold.

FULL BOARD

Bylaws Art. V.A — Board sets the ED's contracting threshold



Disbursements > \$100,000

Approve individual disbursements above the \$100K threshold.

BOARD CHAIR

Not addressed in the Bylaws — Board approved Financial Policy

Financial Integrity & Banking



Selection of Financial Auditor

Approve the engagement of the organization's independent financial auditor.

FULL BOARD

Not addressed in the Bylaws — Board policy



Acceptance of Audited Financial Statements

Formally accept the annual audited financial statements once the audit is complete.

FULL BOARD

Not addressed in the Bylaws — Board policy



New Bank Accounts & Debt Agreements

Approve the opening of new bank accounts and/or entry into debt agreements.

FULL BOARD

Bylaws Art. V.E (borrowing) & Art. V.H (bank accounts)

REVIEW — NOT APPROVAL

Reports the Board Reviews

These recurring items come to the Board for transparency and discussion — in most cases, no formal Board vote is required.



Quarterly Financial Reports

Regular reporting on financial performance against budget.

Board policy — not specifically required by the Bylaws



Annual Form 990 Tax Filing

The organization's annual federal informational tax return.

Board policy — not addressed in the Bylaws



Special Audit Reports

Findings from any special or targeted audits conducted during the year.

Board policy — not addressed in the Bylaws



Annual Report to Governor & Legislature

Submitted annually; presented to the Senate Health & Human Services and House Health & Environment committees or their successor committees.

Bylaws Art. VI — statutory reporting requirement

AT A GLANCE

Financial Authority Summary

Item	Authority	Action	Bylaws Basis
Annual budget & significant changes	Full Board	Approve	General duty — Art. IV.H(3)
Financial & investment policy (high level)	Full Board	Approve	Art. V.L
Strategic plan	Full Board	Approve	Not in Bylaws
Executive Director compensation	Full Board	Approve	Not in Bylaws
ED expense reimbursements / credit card use	Board Chair	Approve	Art. IV.Q.1
Carrier fee % (annual)	Full Board	Approve	Not in Bylaws
Procurements over \$350,000	Full Board	Approve	Art. V.A
Disbursements over \$100,000	Board Chair	Approve	Not in Bylaws
Selection of financial auditor	Full Board	Approve	Not in Bylaws
Acceptance of audited financial statements	Full Board	Approve	Not in Bylaws
New bank accounts / debt agreements	Full Board	Approve	Art. V.E, V.H
Quarterly financial reports	Full Board	Review	Not in Bylaws
Annual Form 990 tax filing	Full Board	Review	Not in Bylaws
Special audit reports	Full Board	Review	Not in Bylaws
Annual report to Governor & Legislature	Full Board	Review	Art. VI

“Not in Bylaws” = governed by Board policy rather than the Articles of Governance.

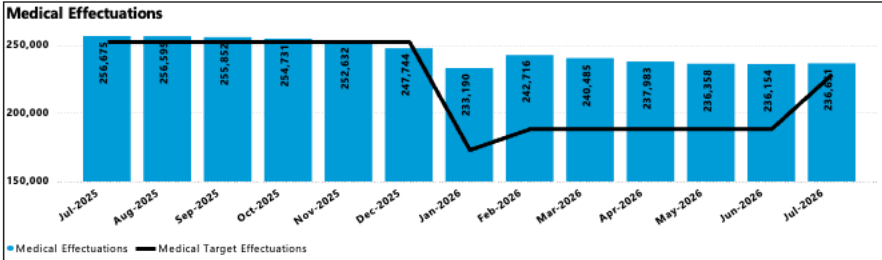


Marketplace Dashboard

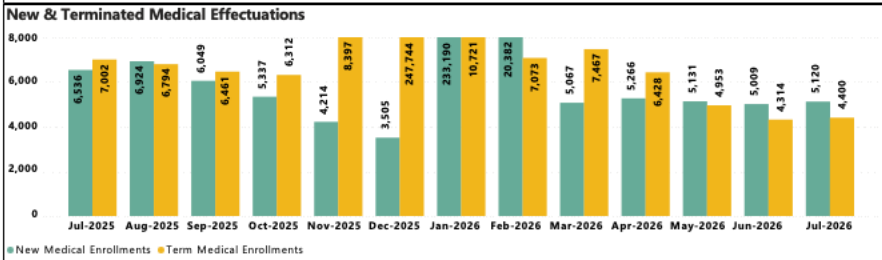
<https://connectforhealthco.com/metric-and-reports/>

Marketplace Dashboard

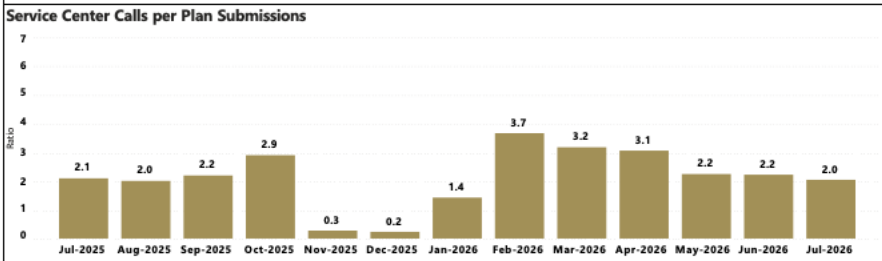
July 2026



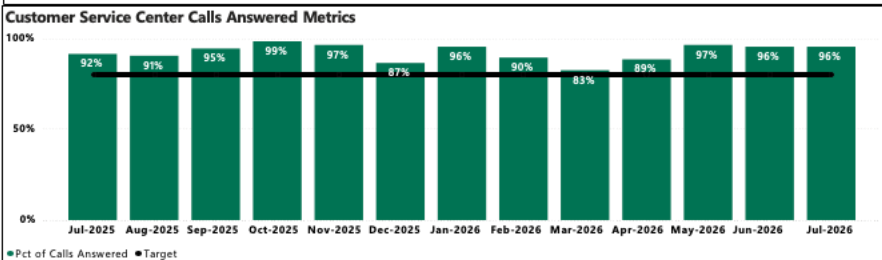
Effectuations for July 2026 are 3% higher than budget.



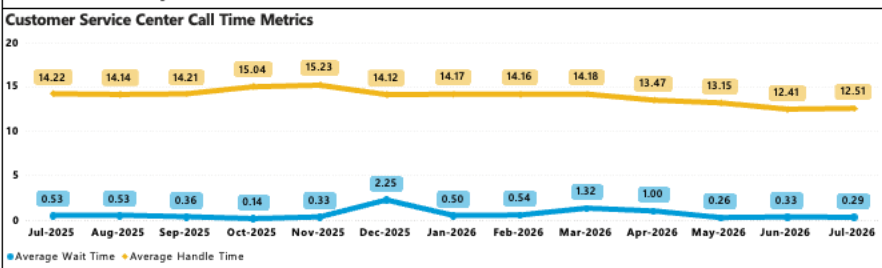
New effectuations for July 2026 are higher than expectations. Terminations for the month of July are lower than expectations



Calls per Submission ratio for July 2026 are in line with expectations.



Calls Answered Metrics for July 2026 are in line with expectations.



Call Time Metrics for July 2026 are in line with expectations.

Marketplace Dashboard

July 2026

Visual	Measure	Definitions
	Month Over Month Comparison Calculation	Example to Compare March to April: Start with the March Effectuations from the Medical Effectuations by Month visual; Add the April New Medical Enrollments from the New & Termination Medical Effectuations by Month; Subtract the March Term Medical Enrollments from the New & Termination Medical Effectuations by Month. This will give you the April Medical Effectuations. Note: The calculation New Medical Effectuations and Terminated Effectuations may not add up to the Monthly Medical Effectuations due to Overlapping Coverage Dates.
Customer Center Service Metrics	% of Calls Answered	This represents the Average Speed of Answer (ASA) as a percent of calls answered within 180 seconds from February – October, and 300 seconds from November – January during Open Enrollment. Note: Prior to March 2020, this measure was based on 300 seconds for all 12 months.
Customer Center Service Metrics	Average Handle Time	The average amount of time spent by Call Center Representatives on each individual call. (mm.ss)
Customer Center Service Metrics	Average Wait Time	The average wait time for each incoming call to the Call Center. (mm.ss)
Medical Effectuations	Medical Effectuations	Count of unique individuals who have submitted an application, were deemed QHP Eligible and selected a medical QHP, and the month's premium payment was received and acknowledged by the Issuer. As this is a "net" number, terminations and cancelations are subtracted.
Medical Effectuations	Medical Target Effectuations	Target based on approved fiscal year budget.
New & Terminated Medical Effectuations	New Medical Enrollments	New Effectuations have an Effective Start Date during the month. As an example, if an Individual is Effectuated in January - March, then Terminates on March 31st, re-enrolls and is Effectuated June 1st, they will be in the New count for both January and June.
New & Terminated Medical Effectuations	Term Medical Enrollments	Terminated Effectuations have an Effective End Date during the month. As an example, if an Individual Terminates their enrollment January 31st, they will be counted as a Termination in January and will not be counted as an Effectuation in February.
Service Center Calls per Plan Submissions	Ratio	This is the ratio of Total Customer Service Calls (C4HCO Customer Operations) per Gross Medical Submissions. This is count of all individuals that click Submitted for a QHP for the month.