



# COLORADO HEALTH INSURANCE EXCHANGE OVERSIGHT COMMITTEE PRESENTATION

Connect for Health Colorado

Marc Reece, Board Member

Sharon O'Hara, Board Member

Kevin Patterson, Chief Executive Officer

Brian Braun, Chief Financial Officer

August 1, 2019



# HISTORY AND OVERVIEW

# Our History: Before the First Enrollment Period

**2006:** The General Assembly and Gov. Bill Owens established the non-partisan **Blue Ribbon Commission for Health Care Reform** to: “Study and establish health care reform models to expand health care coverage and to decrease health care costs for Colorado residents.”

**2011:** The General Assembly passed Senate Bill 11-200, with bipartisan support, to create the Colorado Health Benefit Exchange (COHBE) as a public non-profit entity. This set the direction for governance along with an open and competitive marketplace model.

**2012:** COHBE established financial mechanisms and organizational policies, grew its staff, and received approval to open a state-based marketplace.

**2013:** Planning activities for the first Open Enrollment ramped up including: preparation with insurance companies, developing customer support programs, and developing policies. COHBE became Connect for Health Colorado.

# Who We Are

**Mission statement:** As Colorado's official health insurance marketplace: *Our mission is to increase access, affordability and choice for individuals and small employers purchasing health insurance in Colorado.*

**Culture and values:** We are creative, considerate, collaborative, and constructive.

We are the **only** place Coloradans can access financial help to lower the cost of private health insurance and a marketplace to compare plans and prices side-by-side.

As a **healthcare reform implementer**, our organization supports efforts that aim to improve the health insurance market, foster competition and innovation, reduce healthcare costs and make Colorado the healthiest state in the country.

# 2017-2020 Strategic Plan

1. Advocate to improve access to coverage in rural areas of Colorado.
2. Maximize the number of consumers and employers who shop and enroll through the health insurance marketplace and apply for available financial assistance.
3. Improve the ability of customers to attain and retain the right coverage for their needs.
4. Ensure that Connect for Health Colorado is a healthy and thriving organization.

# Our History: Enrollments by Year

## Plan Selections by Enrollment Period:

OE	Enrollment Period	Plan Year	Medical Plan Enrollments
1	2013- 2014	2014	127,000+
2	2014- 2015	2015	141,000+
3	2015- 2016	2016	169,000+
4	2016 -2017	2017	178,000+
5	2017- 2018	2018	165,777
6	2018- 2019	2019	170,741

# Our Value to Customers



**Financial Help**- The only place to receive tax credits that help lower the monthly cost of health insurance.



**Transparency**- Compare plans and prices from multiple health insurance companies.



**Quality Coverage** - Includes essential health benefits and covers preventive services at no charge.



**Expert In-Person Assistance**- With locations around the state.

# Financial Assistance

We are able to determine eligibility for financial assistance through our platform and we provide two types of this kind of help to our consumers:

## **Advance Premium Tax Credit**

Lowers the monthly premium based on household size, costs of plans in area, and projected household annual income.

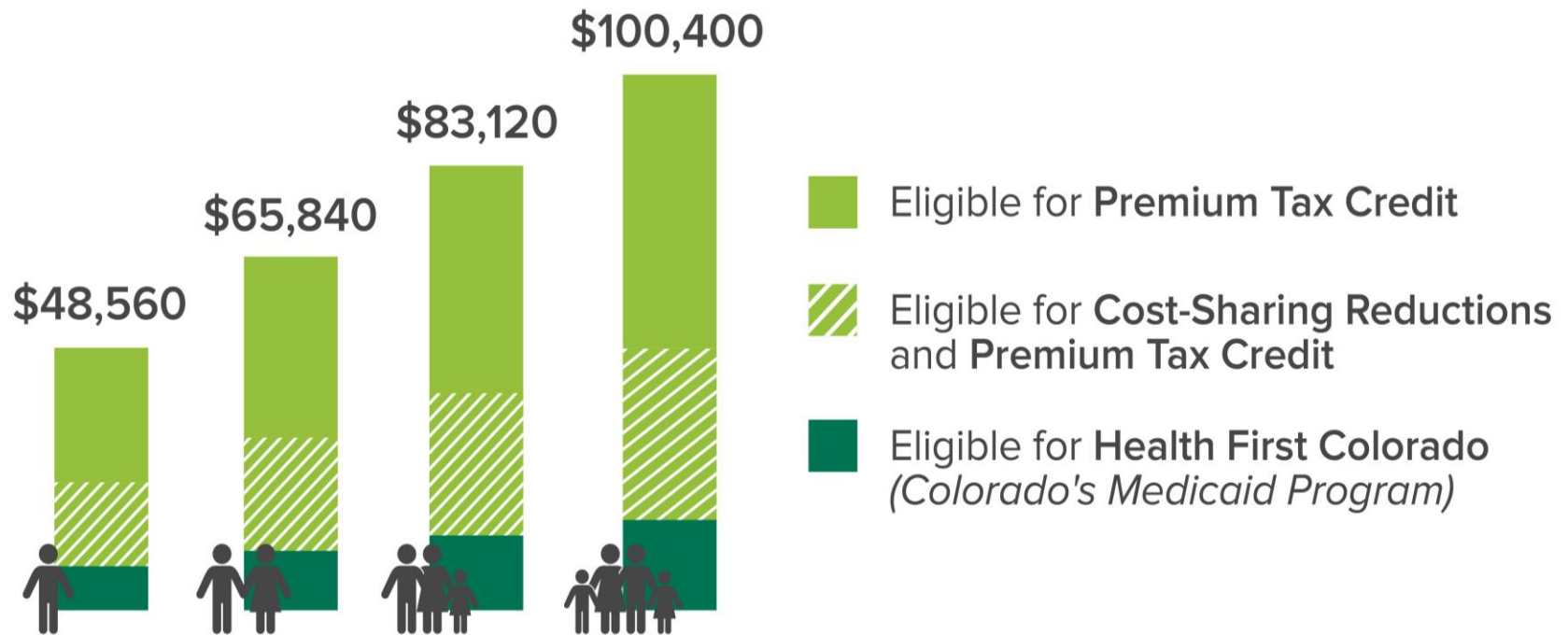
## **Cost-Sharing Reductions**

Reduce the cost of copayments, deductible, prescriptions and out-of-pocket maximum when Coloradans purchase Silver plans.



# Financial Assistance

Any lawfully present resident can purchase a plan, but individuals and families earning up to 400% of the poverty level can qualify for financial assistance:



# Financial Help Highlights (OE 2019)

**In 2019, the average net premium after tax credit was \$117** (compared to \$136 in 2018)

- \$107 in Rural Counties (\$153 in 2018)
- \$122 in Urban Counties (\$141 in 2018)

**76%** of customers are receiving financial help for 2019 (compared to 69% in 2018)

# Medical and Dental Plans Offered



**124 total medical plans** offered to individuals and families  
**13 total dental plans** offered to individuals and families

# Enrollment Highlights (OE 2019)

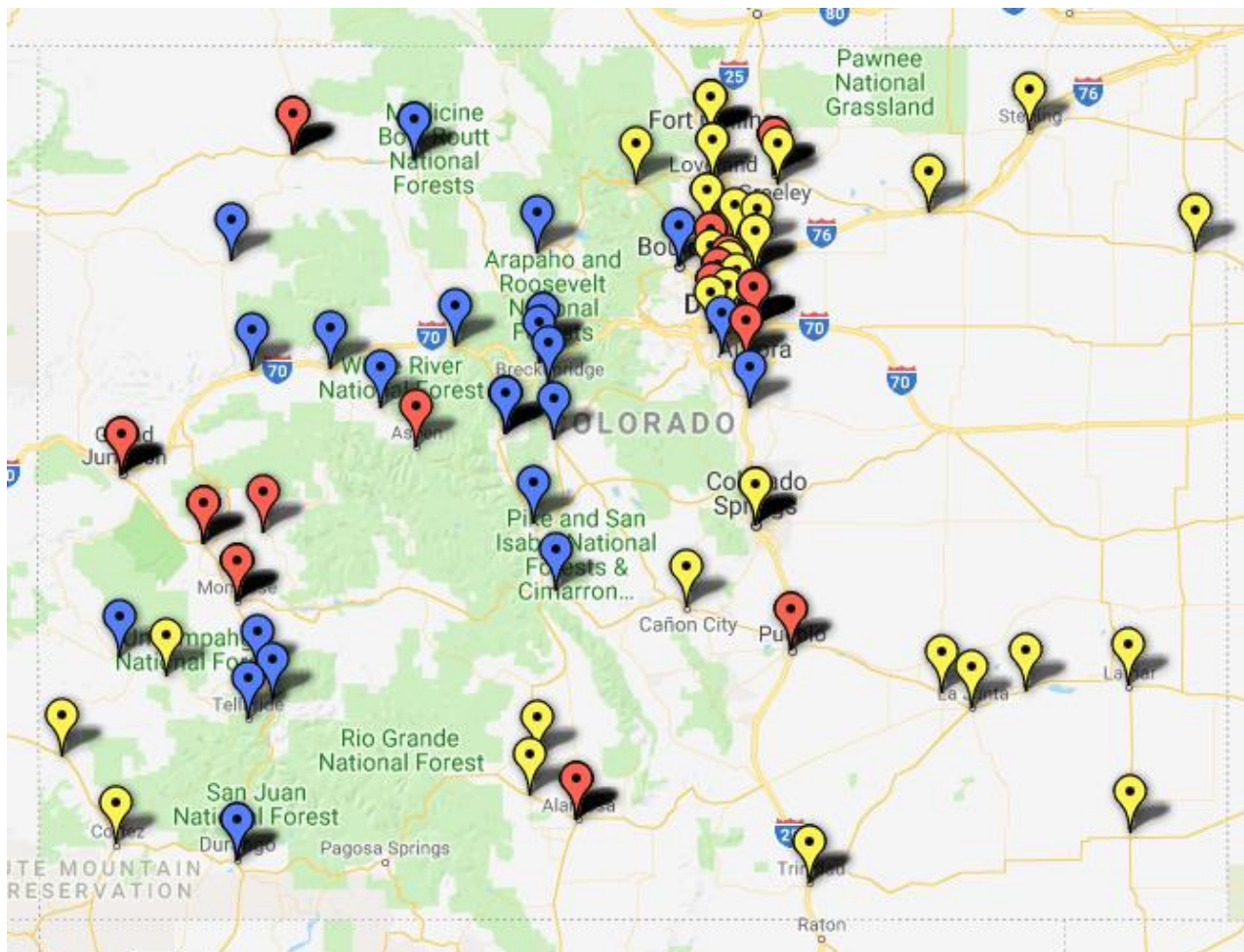
**170,741** Coloradans are covered by medical insurance. (*This is a 3% increase in medical plan selections over 2018.*)

78% of customers were returning, 22% were new for 2019.

## Enrollments by Age Range and Year

Age Ranges	2018	2019
0- 25	19%	17%
26-34	19%	18%
35- 44	16%	16%
45- 54	18%	17%
55 and older	28%	32%

# Expert In-Person Assistance Across The State



# Expert In-Person Assistance Highlights (OE 2019)

We have 685 certified Brokers and 339 Health Coverage Guides and Certified Application Counselors who provide expert in-person help with the application and plan selection:

## Our Brokers

- **56%** of all customers signed up for a health insurance plan with help from a certified Broker.

## Our Enrollment Centers

- **38%** of business at Enrollment Centers came from residents who live in rural Colorado.
- **83%** of customers who received in-person help at an Enrollment Center received financial help.

## Our Assisters

- **81%** of customers who signed up for a plan with the help of a certified Assister received financial help.

# WHAT'S AHEAD

# What's Ahead

We continually reassess our technology and customer service support systems to streamline and simplify the customer experience.

## Upcoming Milestones and Initiatives

- October 2019: New marketing website (English and Spanish)
- Enrollment platform modernization
- Customer Service support improvements



# From Legislation to Implementation

We are closely coordinating with key stakeholders to help implement health reforms in our state. Bills that passed in the latest legislative session that influence our work:

## **HB 1168:** State Innovation Waiver Reinsurance Program

- Our Board voted to support HB 1168.

## **HB 1004:** Proposal for Affordable Health Coverage Option

- We are active in the stakeholder analysis process.

## **HB 1176:** Healthcare Cost Savings Act of 2019

- We are a member of the task force.

## **SB 004:** Address High-Cost Health Insurance Pilot Program

- Providing technical support to co-ops entering the marketplace.

# Questions

# BUDGET

# Historical Comparison

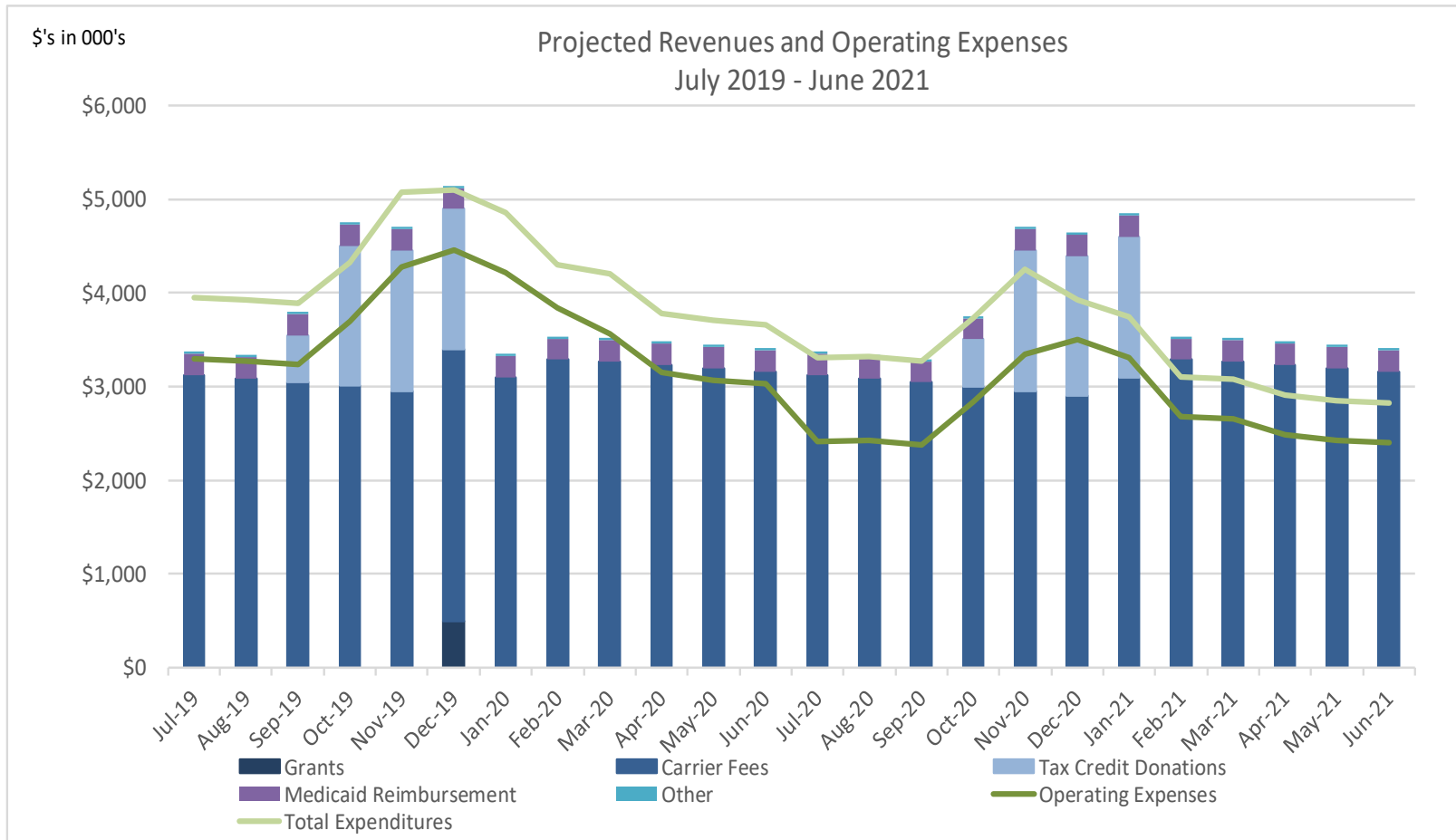
## Fiscal Year 2017 - 2021

*\$'s in 000's*

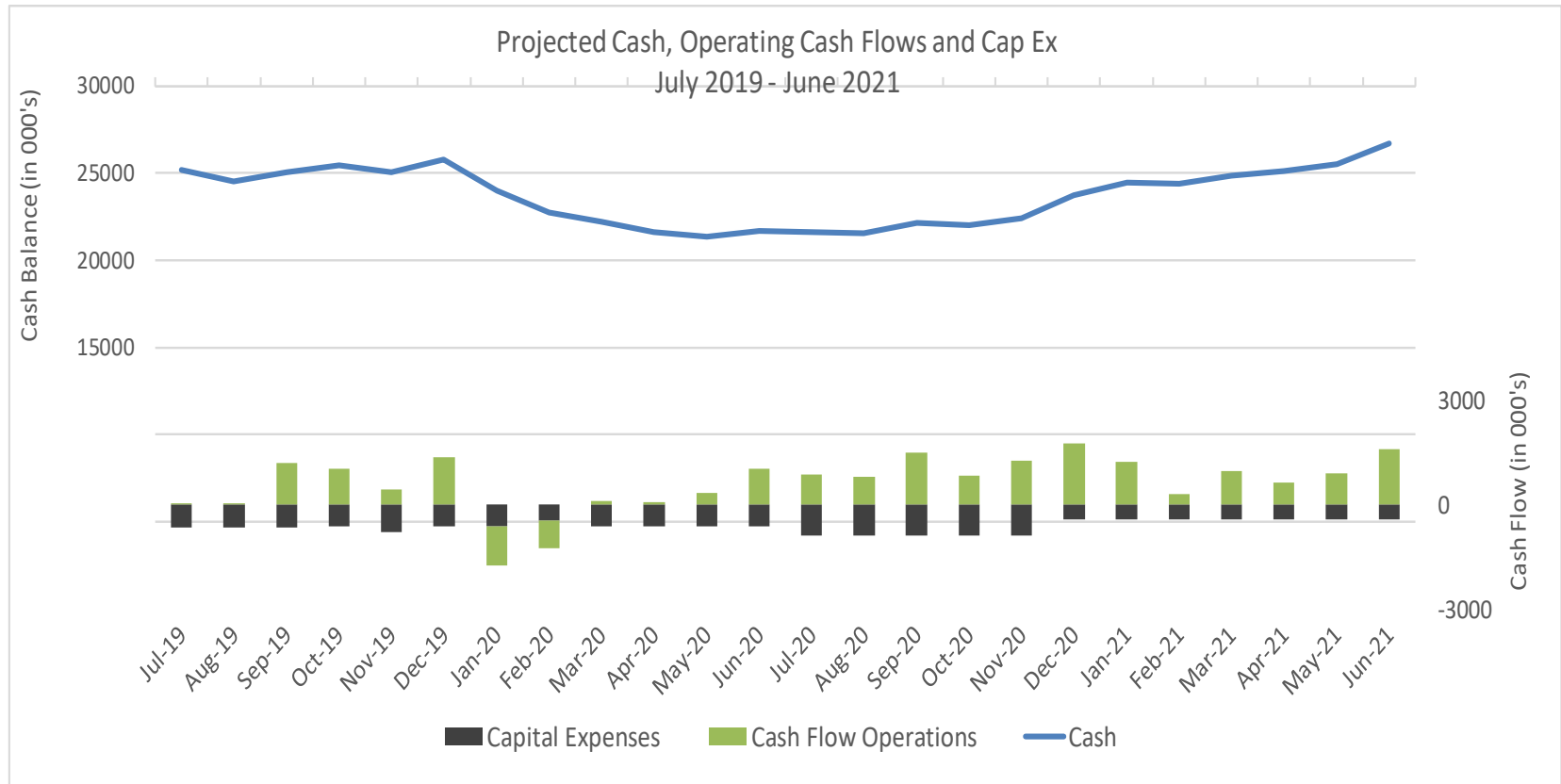
	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019 Projected	Fiscal Year 2020 Budget	Fiscal Year 2021 Projection
<b>Revenues</b>					
Carrier Fees	37,059	32,083	36,201	37,388	37,383
Tax Credit Donations	5,000	5,000	5,000	5,000	5,000
Grants	2,590	2,500	1,300	500	-
Cost Reimbursements	2,834	3,533	2,700	2,700	2,700
Interest/Other	13	90	399	240	240
<b>Total Revenue</b>	<b>47,496</b>	<b>43,206</b>	<b>45,599</b>	<b>45,828</b>	<b>45,323</b>
<b>Operating Expenses</b>					
Technology & Operations	15,436	12,502	11,271	13,493	9,204
Customer Service	15,376	14,923	15,783	15,677	10,494
Marketing and Outreach	3,739	3,417	5,068	5,386	5,422
Support Services	8,940	9,522	6,479	7,650	7,716
<b>Total Operating Expenses</b>	<b>43,491</b>	<b>40,364</b>	<b>38,601</b>	<b>42,206</b>	<b>32,836</b>
<b>Net Income Before Depreciation</b>	<b>4,005</b>	<b>2,842</b>	<b>6,999</b>	<b>3,622</b>	<b>12,487</b>
<b>Stabilized Depreciation *</b>	<b>3,500</b>	<b>3,500</b>	<b>3,500</b>	<b>3,500</b>	<b>3,500</b>
<b>Net Income</b>	<b>505</b>	<b>(658)</b>	<b>3,499</b>	<b>122</b>	<b>8,987</b>
<b>Capital Expenditures</b>	<b>1,889</b>	<b>3,580</b>	<b>3,608</b>	<b>7,707</b>	<b>7,500</b>

\* Stabilized depreciation reflects projected annual depreciation upon refresh of technology

# Projected Revenue and Expenditures FY20 and FY21

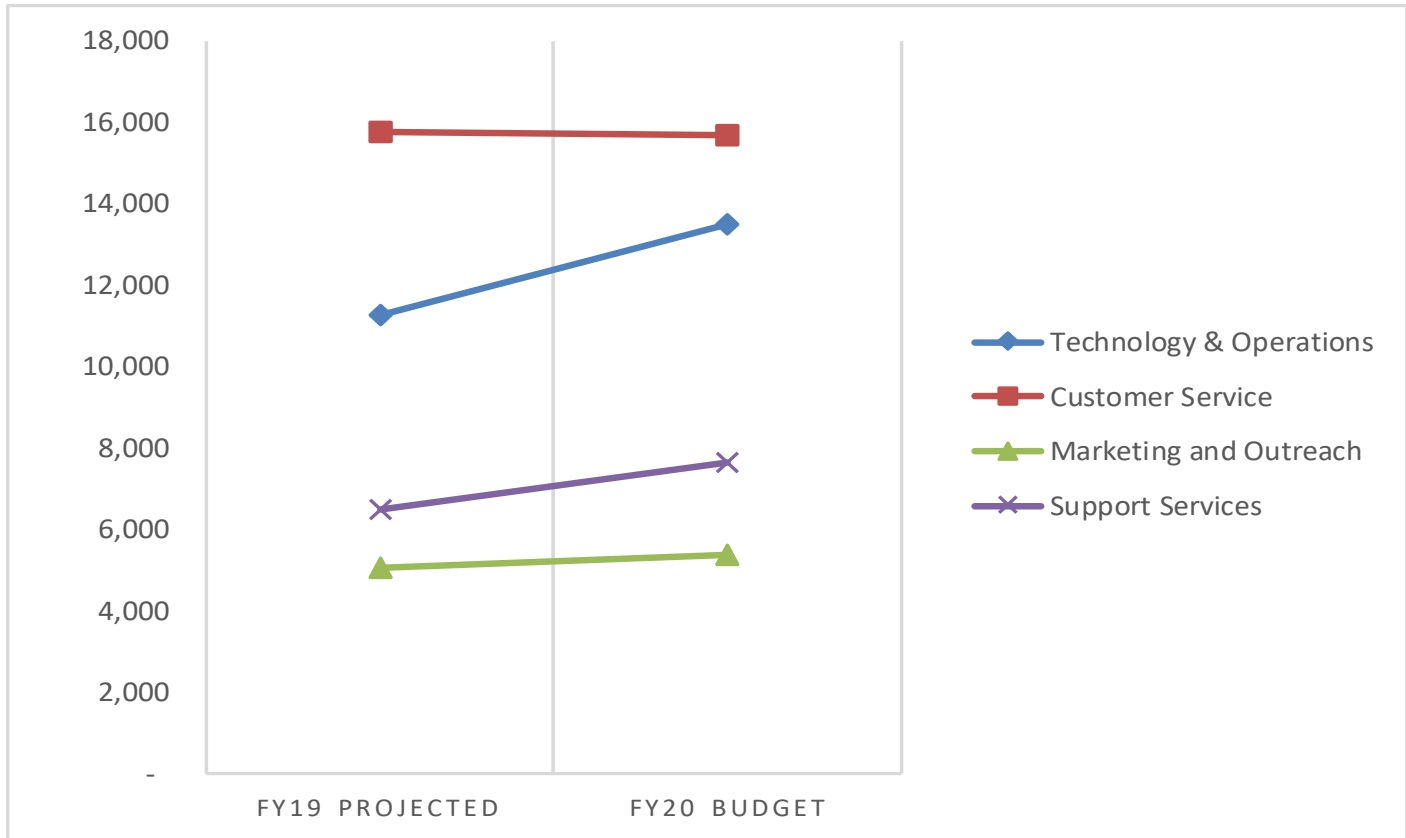


# Projected Cash Flows FY20 and FY21



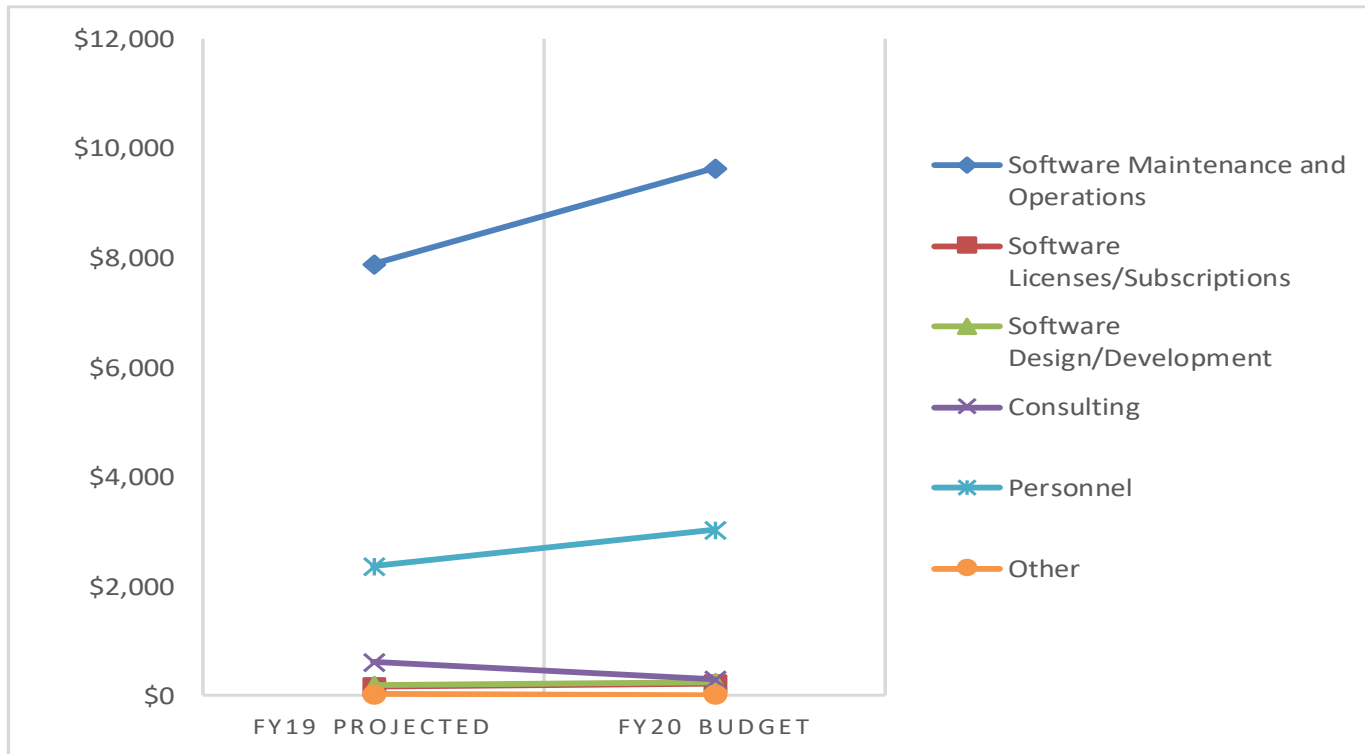
# Expense Category Comparison

## FY 19 Projected vs FY 20 Budget



Operating Expenses (\$'s in 000's)	FY19 Projected	FY20 Budget	% Change
Technology & Operations	11,271	13,493	19.7%
Customer Service	15,783	15,677	-0.7%
Marketing and Outreach	5,068	5,386	6.3%
Support Services	6,479	7,650	18.1%
<b>Other</b>	<b>38,601</b>	<b>42,206</b>	<b>9.3%</b>

# Technology & Operations Expense Comparison FY 19 Projected vs FY 20 Budget



Technology and Operations (\$'s in 000's)	FY19 Projected	FY20 Budget	% Change
Software Maintenance and Operations	\$7,886	\$9,649	22.4%
Software Licenses/Subscriptions	\$163	\$223	36.3%
Software Design/Development	\$197	\$250	27.2%
Consulting	\$607	\$305	-49.8%
Personnel	\$2,380	\$3,037	27.6%
Other	\$38	\$30	-21.4%
<b>Total</b>	<b>\$11,271</b>	<b>\$13,493</b>	<b>19.7%</b>



# Questions