

PLAN YEAR 2021 IN REVIEW

May 13, 2021



About Us

Our Mission: Increase access, affordability, and choice for individuals and small employers purchasing health insurance in Colorado.

Born from a vision that came years ahead of national healthcare reform, **Connect for Health Colorado**[®] remains at the forefront of initiatives to provide affordable and quality health coverage.

The concept for a Marketplace began with the Blue-Ribbon Commission for Health Care Reform. We were created with bipartisan support by Senate Bill 11-200.

Our Board of Directors meets monthly to discuss and vote on a range of issues related to the operation of our Marketplace.

Strategic Plan

Our **strategic goals** guide our work and move forward our mission:

1. Advocate to improve access to coverage in areas of rural Colorado.
2. Maximize the number of consumers and employers who shop and enroll through the health insurance marketplace and apply for 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 Value to Customers



Financial help

The **only** place to receive tax credits to lower the monthly cost of health insurance.



Transparency

Compare plans and prices across private health insurance companies.



Quality coverage

Includes essential health benefits and coverage for preventive services at no charge.



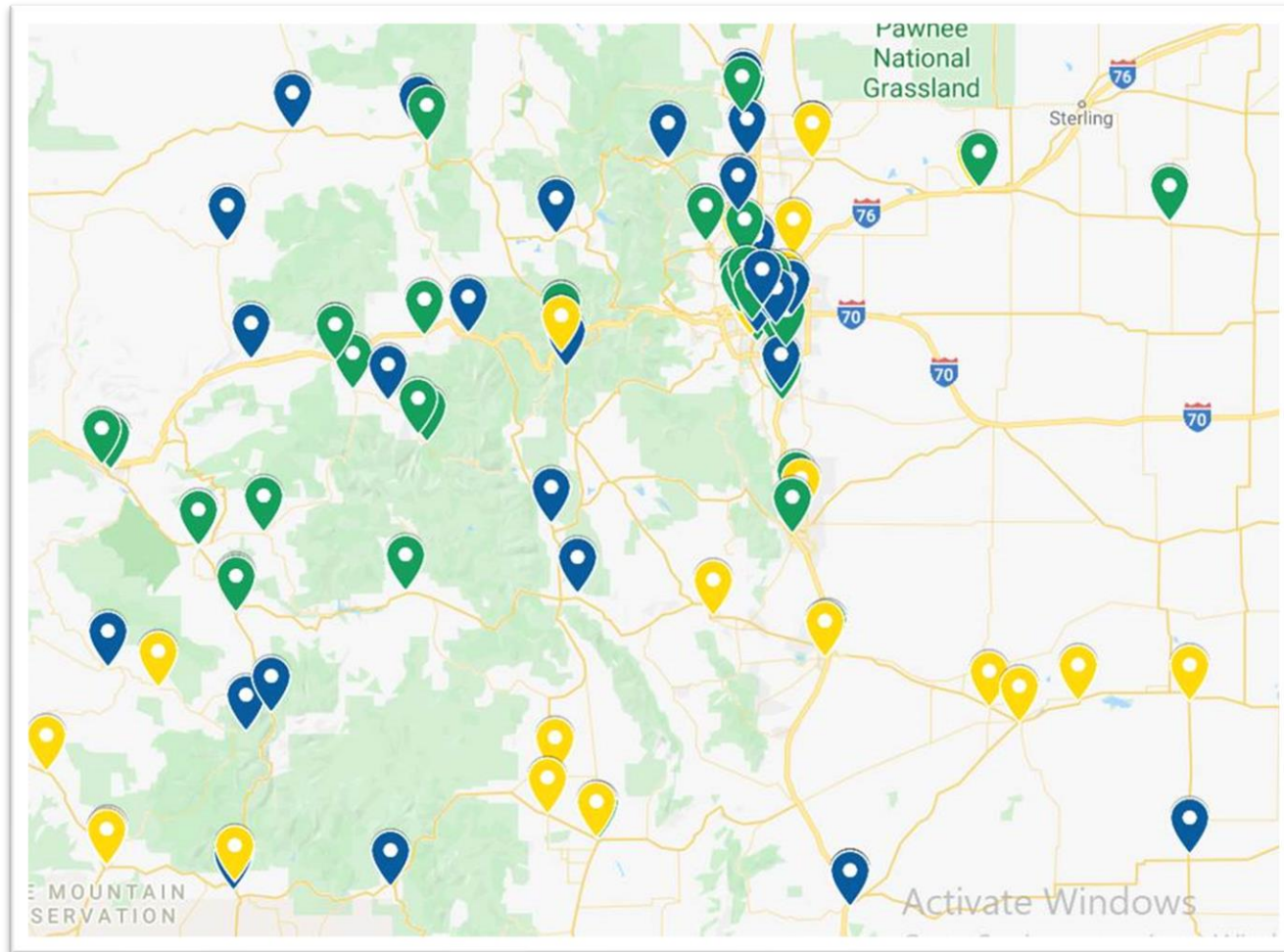
Expert, Local help

Enrollment assistance available from community organizations and certified Brokers around the state.

- **179,661 Coloradans** enrolled for 2021 health coverage during the Open Enrollment Period (Nov. 1—Jan. 15).
- Over 83% are **returning customers**.
- 69% of customers qualified for **financial help**.
- 58% percent of our **customers enrolled with help** from a trained and certified Broker compared to 46% last year.
- 6,286 customers made appointments directly a **community-based** Assister, and 38,160 customers were served by Enrollment Centers.
- Over **95,000 calls** were answered by our Customer Service Center during the Open Enrollment period.

Enrollment outcomes and highlights


Plan year
2021



Enrollment Centers and Assisters

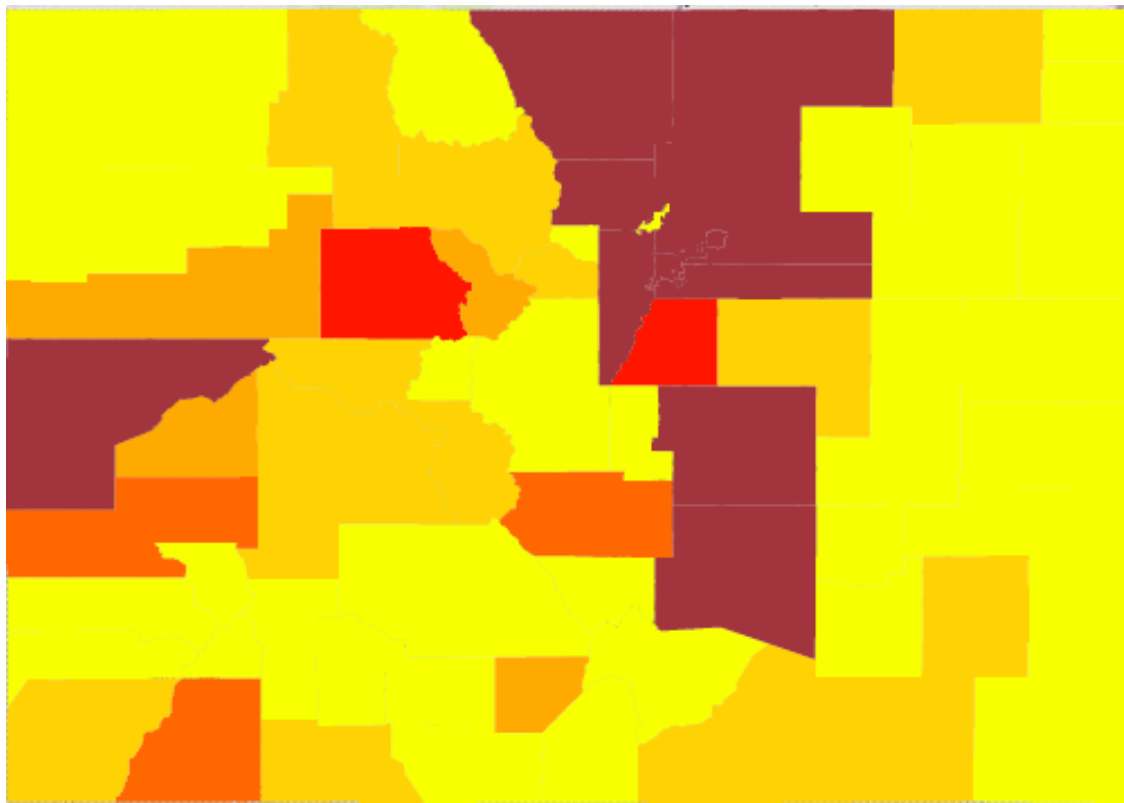
 Assistance Site

 Enrollment Center

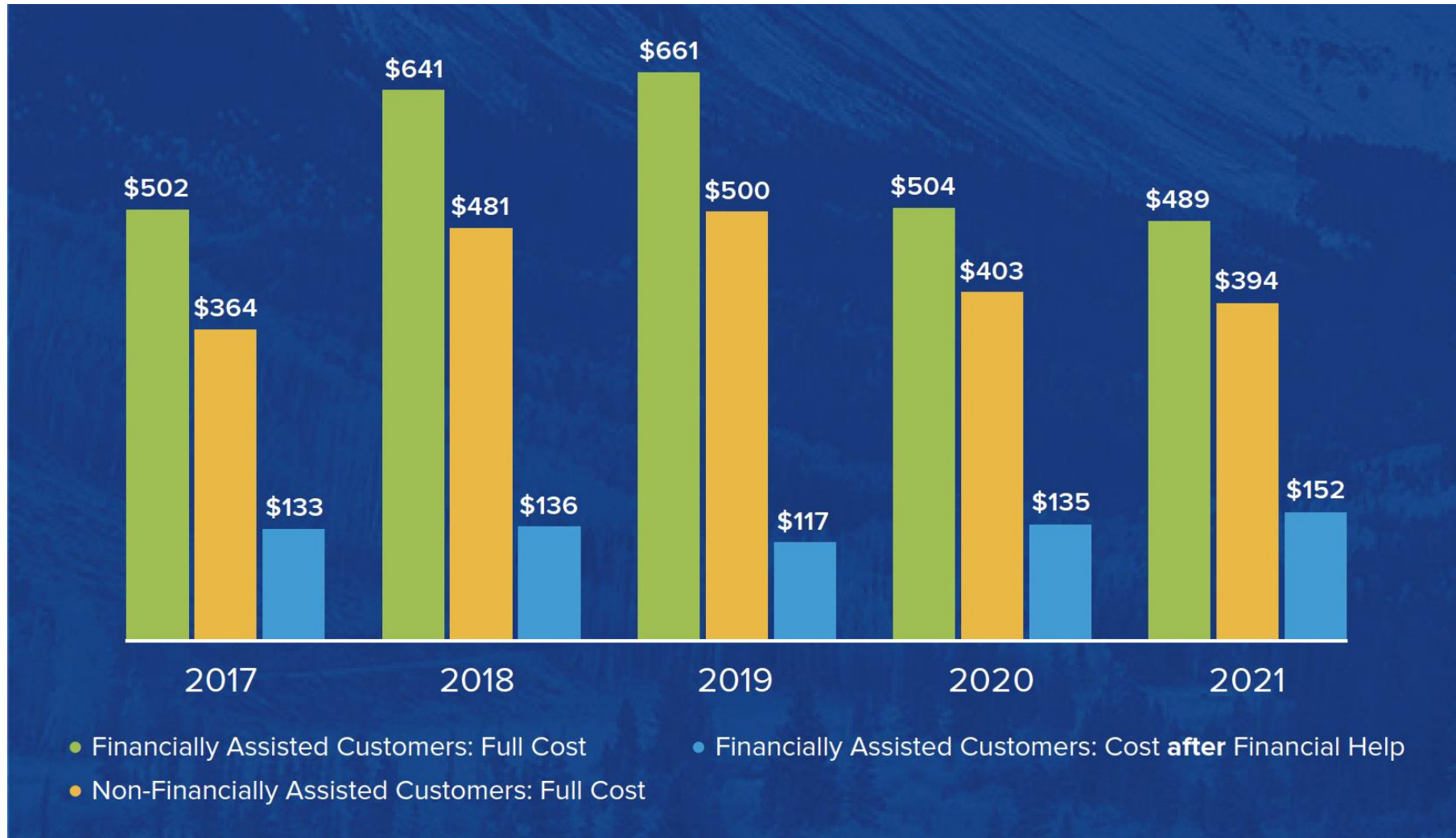
 Certified Application Counselor

2019 Eligible but Not Enrolled (EBNE) Report

- EBNE: (Eligible but not enrolled) - Eligible for tax credits but not enrolled.



Average Monthly Plan Selection Cost



Enrollments Over Time

Open Enrollment	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
7	2019- 2020	2020	166,850
8	2020- 2021	2021	179,661



Key Takeaways

People who use Connect for Health Colorado can qualify for financial help and save money on health insurance costs. On average, people who qualified for financial help for this year are paying \$152 per month for their health insurance coverage.

There's more health insurance plan choice than ever before. Eight health insurance companies, plus two cooperative alliances, are offering a total of 159 medical plans through our Marketplace.

Medical and Dental Plans Offered



**ROCKY MOUNTAIN
HEALTH PLANS®**

A UnitedHealthcare Company





Key Takeaways

There's a lot of enrollment assistance available, and people are using it to get covered. We have 919 Brokers and Assisters helping people enroll this year.

Using an Enrollment Center increases the likelihood you'll get the financial help you qualify for. In local communities, customers who connected with an Enrollment Center received help at a higher rate (77% statewide, 81% in rural areas) than the overall rate of 69%.



[ConnectforHealthCO.com](https://connectforhealthco.com)

Key Takeaways

Coverage for people in rural counties is increasingly affordable. Customers receiving financial help in rural counties paid slightly less (\$151) for their selected plan premiums than customers receiving financial help in urban counties (\$153).

More people are returning to Colorado's Exchange to get covered each year. 83% of our customers returned to our Marketplace to find quality, affordable coverage to protect their health and finances this year.



How We Got Here

Open Enrollment 2021 Report

Strategic Plan

January

We announced an extra open enrollment period starting February 8.

March

We extended the open enrollment period to August 15.

Now

An additional 17,282 people have signed up for a health plan.

Uninsured Enrollment Period

Colorado's Exchange has enrolled more people this year than in any previous year of our operation.

COVID – 19 Response

Connect for Health
was there for
Colorado.

- Established a COVID-19 Call Center.
 - Provided call support for positive, negative and inconclusive tests as well as answering inbound calls for those who could not be reached.
 - Made and took over 325,000 calls.
- Stood up a COVID Special Enrollment Period in early 2020. More than 14,000 people obtained coverage during that time.
- So far in 2021, over 17,000 have enrolled in a health insurance plan since we re-opened enrollment twelve weeks ago.

American Rescue Plan

Key Health Insurance Provisions of American Rescue Plan

- Colorado will receive more than \$200 million in additional federal dollars from ARP subsidies.
- Individuals can save an average of \$56, or 49%, on their premium.
- Families of four can find average savings of nearly \$170 per month.
- Families receiving Unemployment Insurance for at least one week in 2021 will be **eligible for \$0 net premium options**.
- Expands financial help eligibility to households with income over 400% of the federal poverty level (FPL).
- Customers will receive premium repayment forgiveness from the IRS for the 2020 tax year.

Average C4HCO Net Premiums Under the ARP

Potential Net Premium differences of Connect for Health Colorado enrollees under new affordability percentages in American Rescue Plan				
FPL GROUP	AVG NET PREMIUM OLD	AVG NET PREMIUM NEW	\$ Difference	% Difference
400%+	\$ 460.91	\$ 304.43	\$ (156.48)	-34%
301% to 400%	\$ 195.26	\$ 131.76	\$ (63.50)	-33%
251% to 300%	\$ 147.47	\$ 68.88	\$ (78.59)	-53%
201% to 250%	\$ 124.00	\$ 50.42	\$ (73.58)	-59%
151% to 200%	\$ 86.03	\$ 29.17	\$ (56.86)	-66%
133% to 150%	\$ 59.48	\$ 19.98	\$ (39.50)	-66%
<133%	\$ 18.02	\$ 14.98	\$ (3.04)	-17%

State Policies

State Policies

- Established an advisory committee to help guide implementation and administration of the Easy Enrollment program (HB20-1236).
- Partnering with the Division of Insurance to guide implementation of the Health Insurance Affordability Fund (SB 20-215).



2022

Easy Enrollment allows Coloradans to check a box on their state income tax returns to request that C4HCO assess whether uninsured household members are potentially eligible for free or subsidized health care coverage.



Health Insurance Affordability Fund protects and expands financial help for health coverage through state-funded cost sharing reductions.



Fiscal Year 2022* Budget



Current Budgeting Uncertainties

- American Rescue Plan (ARP) enrollment and expenditure impacts
 - Bulk of outreach expenses will be incurred in FY21 but impacts cash forecasts for FY 22
 - Potential for increased enrollments starting in April/May 2021
 - Funding available for implementation by SBE's (estimated \$1 million – in the budget)

- Health Insurance Affordability Fee Enterprise enrollment and expenditure impacts
 - Year 1 structure of subsidies being finalized (CSR's) – impact on new enrollments uncertain
 - Implementation cost for both phases of program under analysis
 - Funding possible for implementation but still being determined (\$0 assumed in the proposed budget)

- Easy E Enrollment Impact – estimated based on other SBE experience, technology implementation costs included in the baseline budget

- Impacts of post COVID activity – increased employment, ending of Medicaid lock-in – no impact assumed in Baseline budget

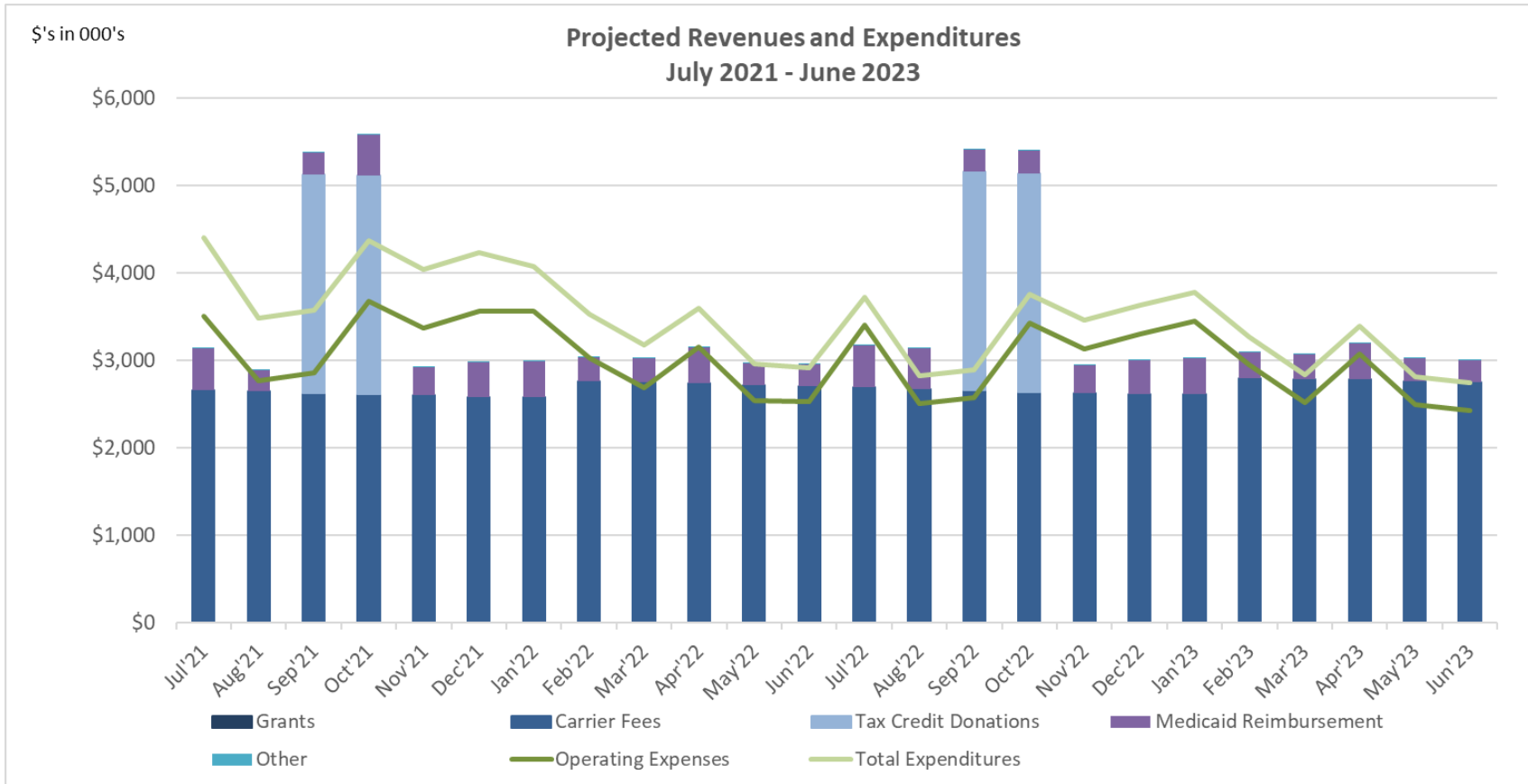
Baseline Revenue and Expense Budget

Fiscal Year Comparisons – FY18 – FY23

\$'s in 000's

	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
				Projection	Budget	Forecast
Revenues						
Carrier Fees	32,083	36,084	33,368	30,925	32,013	32,430
Tax Credit Donations	5,000	5,000	5,000	5,000	5,000	5,000
Grants	2,500	1,300	500	-		
Cost Reimbursements	3,533	3,691	6,250	3,986	3,997	4,082
Interest/Other	90	618	281	47	36	36
Total Revenue	43,206	46,693	45,399	39,958	41,046	41,548
Operating Expenses						
Technology & Operations	13,658	14,091	14,176	12,715	11,789	9,585
Customer Service	14,923	15,154	17,080	10,277	10,124	10,026
Marketing and Outreach	4,311	4,662	5,051	5,378	6,143	6,198
Support Services	7,473	7,685	7,282	8,404	9,214	9,470
Total Operating Expenses	40,364	41,593	43,589	36,774	37,270	35,279
Net Income Before Depreciation	2,842	5,100	1,810	3,184	3,777	6,269
Depreciation	3,500	3,500	2,455	3,337	3,648	4,414
Net Profit/Loss	(658)	1,600	(645)	(153)	129	1,856
Capital Expenditures	3,580	2,817	8,773	8,593	7,136	3,899

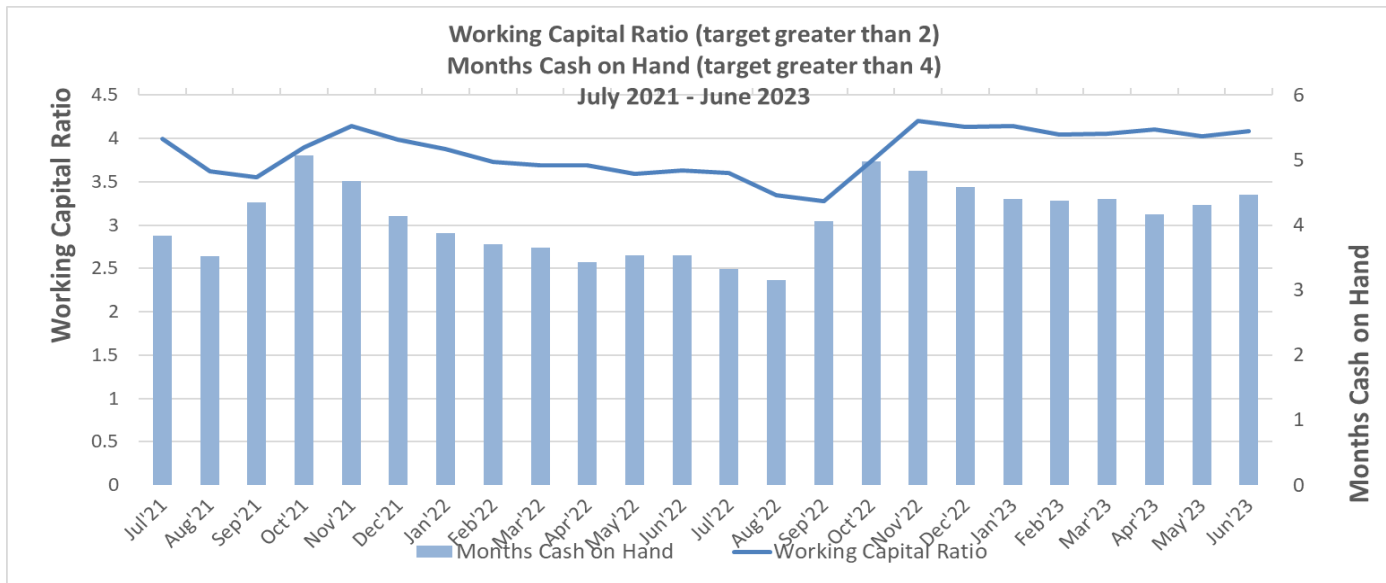
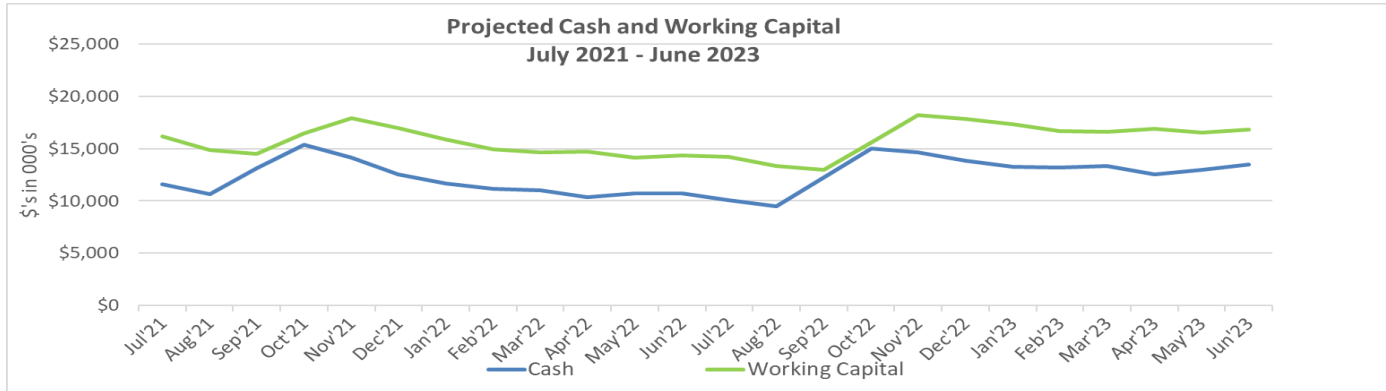
Projected Revenues and Expenditures Baseline Budget FY22 and Forecasted FY23



The baseline budget shows a continued higher level of total expenditures (light green line) for FY 22 due to the increased level of technology development work. Through the improvements gained by the technology modernization effort and reduced software development activity, expenditures are forecasted to drop to a sustainable level in FY 23.

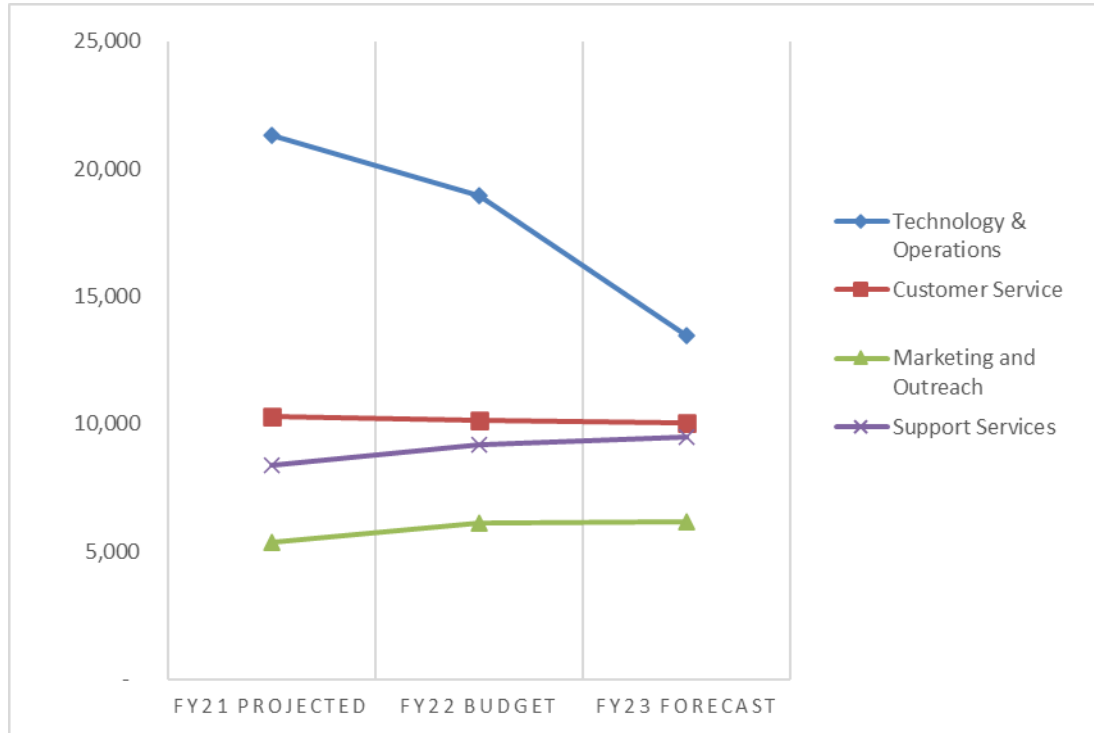
Cash Metrics

Baseline Budget FY 22 and Forecasted FY 23



- Cash levels for the period range from \$10 to \$15 million.
- Working capital (cash and accounts receivable less payables) reflects our ability/buffer to cover near term financial obligations – budget projects working capital in the range of \$14 to \$18 million.
- Working capital ratio is the ratio of cash & accounts receivable to payables – target is to exceed a ratio of 2. Baseline budget/forecast range is 3.2 to 4.2.
- Months cash on hand is the number of months of operating expenses the cash balance will cover. Target is 4 months or more. Baseline budget/forecast range is 3.2 to 5.

Baseline Budget Expense - Summary Comparison FY21 Projection vs FY 22 Budget



- Primary driver of decreasing costs between FY 21 and FY 22 is decreased technology system operating costs due to modernization efforts
- Technology expenses include both operational costs and development costs – drop in FY 2023 is due to lower planned levels of development activity

Operating Expenses (\$'s in 000's)	FY21 Projected	FY22 Budget	FY23 Forecast	FY 21 vs FY22 % Change
Technology & Operations	21,308	18,926	13,485	-11.2%
Customer Service	10,277	10,124	10,026	-1.5%
Marketing and Outreach	5,378	6,143	6,198	14.2%
Support Services	8,404	9,214	9,470	9.6%
Other	45,367	44,406	39,179	-2.1%