



CONNECT *for* **HEALTH**
COLORADO®



2015 Annual Report

The mission of Connect for Health Colorado® is to increase access, affordability, and choice for individuals and small employers purchasing health insurance in Colorado.



152,470

Coloradans signed up for coverage during 2015

\$180 M

Total dollars Coloradans saved off their 2015 premiums with Marketplace tax credits

6.7%

Colorado's uninsured rate in 2015

Governor John Hickenlooper
State Capitol
200 East Colfax Avenue
Denver, CO 80203

The Honorable Bill Cadman
President, Colorado State Senate
200 East Colfax Avenue
Denver, CO 80203

The Honorable Dickey Lee Hullinghorst
Speaker, Colorado State House
200 East Colfax Avenue
Denver, CO 80203



Dear Governor Hickenlooper, President Cadman and Speaker Hullinghorst,

On behalf of my Board colleagues and the staff at the Colorado Health Benefit Exchange (Connect for Health Colorado®), I am pleased to provide our 2015 Annual Report in compliance with CRS 10-22-101.

The mission of our organization is to increase access, affordability and choice for individuals and small businesses buying health insurance in Colorado. Since the Marketplace opened in 2013, Colorado's uninsured rate dropped in half — leaving only 6.7 percent Colorado residents uncovered in 2015.

We are proud of our role in helping Coloradans gain coverage and we remain committed to supporting the innovative efforts underway to make Colorado the healthiest state in the nation.

Making progress

In 2015, 152,470 Coloradans from every county in our state signed up for coverage through the Marketplace and 472 small businesses provided coverage to 2,598 employees. We helped return \$180,096,040 million to Coloradans through Advance Premium Tax Credits. Fifty-five percent of our customers qualified for this valuable financial assistance.

We continue to adjust to external dynamics, including market shifts, along with state, federal regulatory and policy decisions. This year these changes resulted in

two carriers withdrawing from the Marketplace, causing rate increases in certain areas of the state for 2016. Coloradans are fortunate to be able to offset higher 2016 rates with larger federal premium tax credits for those who qualify. We remain one of the most competitive and innovative state-based Marketplaces in the nation.

In striving to optimize customer service and to be responsive to our partners and stakeholders, we made significant improvements in all areas of the organization, including major enhancements to the shopping portal, the Shared Eligibility System, which processes financial assistance applications, and broker and consumer tools.

We continue to take critical steps to prepare for financial sustainability; downsizing programs and expenses, augmenting staff in key areas, and strengthening financial policies and fiscal management, with valuable knowledge gained from audits and reviews. The Board met over 40 times to guide operations and planning, and participated in nine meetings with the Colorado Health Insurance Exchange Oversight Committee to provide updates

and obtain feedback and guidance. With Kevin Patterson's appointment as permanent CEO in October, and a smooth third open enrollment period underway, we look forward to a successful 2016.

More than numbers

But the numbers do not tell the whole story. The Marketplace has a significant impact on the lives of Coloradans. Let me share a brief story. A small business owner and his wife were able to afford insurance for the first time in 2015. Neither had seen a doctor in many years, and with new health insurance they made appointments for well exams. They found out the husband had early stage prostate cancer. He was diagnosed, treated and is now back at work. This story is repeated many times.

Sharon O'Hara
Chair of the Board, Connect for Health Colorado

CC: Connect for Health Colorado Board of Directors; Senate Health and Human Services Committee; House Health Insurance and Environment Committee; House Public Health Care and Human Services Committee; Colorado Health Insurance Exchange Oversight Committee: Sen. Ellen Roberts, Chair; Rep. Beth McCann, Vice-Chair; Sen. Irene Aguilar; Sen. John Kefalas; Rep. Lois Landgraf; Sen. Kevin Lundberg; Sen. Beth Martinez Humenik; Rep. Dianne Primavera; Rep. Su Ryden; Rep. Lang Sias.

Executive Summary

Connect for Health Colorado completed a series of significant technological, organizational advancements and transitions in 2015 to set the foundation for long-term success and sustainability. The second open enrollment period included challenges with technology and operations and concluded in February 2015 with 141,637 covered lives. Connect for Health Colorado gathered feedback from stakeholders and partners and used that information to guide preparations for the third open enrollment period. Throughout the year, the organization improved all levels of operations, guided by three priorities:

- Optimize the customer experience
- Stabilize and right-size staffing, systems and processes
- Put the Marketplace on the path to long-term financial sustainability.

Technology

Major technology system improvements included enhanced usability for customers, improved functionality for brokers, improved renewal processing, tighter coordination with carrier systems, enhancements to the Small Business Marketplace, carrier data exchange processes, and back-end systems.

The organization worked with the State of Colorado to implement phase 2 of the Shared Eligibility System (SES), which processes financial assistance applications to determine eligibility for Medicaid and federal tax credits. SES improvements included an expedited income and application summary page, the ability to process life change events and financial assistance for mixed households, Customer Service Center integration with CBMS, improved processing for legally present residents, improved overall usability and the inclusion of an avatar to help customers through their applications.

Operations, Budget and Oversight

Operationally, the organization took many steps to reduce the budget and transition from being funded by federal grants to being funded by earned revenue. These transitions included a 60 percent reduction in the scope of the Assistance Network, sharply lower marketing spending, and placing the Customer Service Center under a single vendor with tighter controls on cost fluctuations.

Connect for Health Colorado adjusted to leadership transition, staff turnover, planned growth, audits and strengthened fiscal management. The FY 2016 budget includes a strategy to increase staff and reduce the use of long-term consultants. The goal is to fund 78 full-time positions. As of December 2015, there were 67 full-time staff.

The Board approved a Marketplace administrative fee of 3.5 percent and a broad market assessment of \$1.80 per subscriber/per month. Connect for Health Colorado is pursuing additional revenue sources, including reimbursement for Medicaid enrollments.

The Colorado Health Insurance Exchange Oversight Committee provided continuous guidance, reviewing the FY2016 budget in June 2015 and approving the appointment of Kevin Patterson as permanent CEO in October 2015.

Third Open Enrollment

With key stabilization activities in place, open enrollment commenced on Nov. 1, 2015, with minor issues, despite last-minute State regulatory action to bar the Colorado HealthOP from offering 2016 plans. Two weeks before open enrollment, Connect for Health Colorado made major system changes, including recalculating tax credits, re-running renewal data and notifications, and removing HealthOP plans from the technology system.

Enrollments grew at a steady pace in November, aided by new customer tools and ways to access broker and Health Coverage Guide assistance. Enrollment activity spiked in December, resulting in 152,470 covered lives by Dec. 31, 2015, thus creating continued momentum toward the end of the third open enrollment period which ends Jan. 31, 2016.



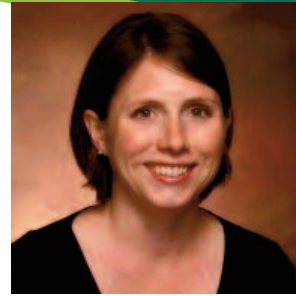
Board Chair
 Sharon Lee O'Hara
 Executive Vice President
 National Multiple Sclerosis
 Society – CO/WY Chapter



Board Vice-Chair
 Steve ErkenBrack
 President
 Rocky Mountain Health Plans



Board Secretary
 Davis Fansler
 Director
 Wipfli, LLP



Adela Flores-Brennan
 Executive Director
 Colorado Consumer
 Health Initiative



Eric Grossman
 President and CEO
 NextHealth Technologies



Jay Norris
 Broker & Owner
 Colorado Health Insurance Insider



Denise O'Leary
 Private Venture Capital Investor



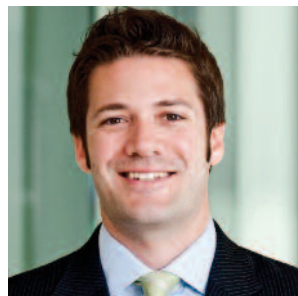
Marc Reese
 Senior Director, State Government
 Affairs, Western Region, Aetna



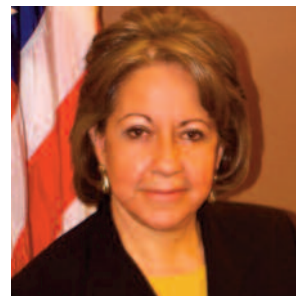
Nathan Wilkes
 Founder and Principal Consultant
 Headstorms, Inc.



Susan Birch, RN, MBA
 Ex-officio, Executive Director,
 Colorado Department of Healthcare
 Policy and Financing,



David Padrino
 Ex-officio, Deputy Chief of Staff
 Office of Colorado Gov. Hickenlooper



Marguerite Salazar
 Ex-officio, Commissioner of
 Insurance, Colorado Department of
 Regulatory Agencies

2015 Board of Directors

Per [CRS 10-22-101](#), the Colorado Health Benefit Exchange Board of Directors consists of nine voting members who bring specific experience and backgrounds and three non-voting ex-officio members. Five are appointed by the Governor and the other four are appointed by the majority and minority leaders of each house of the General Assembly. Five members are appointed for four years and four members serve for two years.

The Board meets in full session at least once a month and members participate in committees including the Executive Committee, the Finance and Operations Committee, and the Policy and Regulations Committee.

Colorado Health Insurance Exchange Oversight Committee

Senate Bill 10-256 (CRS-10-22-101) established a committee of 10 state legislators to guide the implementation of Colorado's health insurance exchange and make recommendations to the General Assembly. Senate Bill 15-256 (CRS-22-103) changed the name of the committee to the Colorado Health Insurance Exchange Oversight Committee (Oversight Committee), increased the number of times the Oversight Committee can meet and the number of bills the Oversight

Committee can refer to the General Assembly, and made an appropriation for legislative costs. In 2015, the Oversight Committee met 9 times to review operations, finances and sustainability plans of the health insurance exchange. The Oversight Committee also approved the appointment of Kevin Patterson as CEO, referred a bill related to working with brokers for the 2016 legislative session and received testimony from stakeholder groups, state agencies and partner organizations.



Senator
Ellen Roberts, Chair



Representative
Beth McCann, Vice-Chair



Senator
Irene Aguilar



Senator
John Kefalas



Representative
Lois Landgraf



Senator
Kevin Lundberg



Senator
Beth Martinez Humenik



Representative
Dianne Primavera



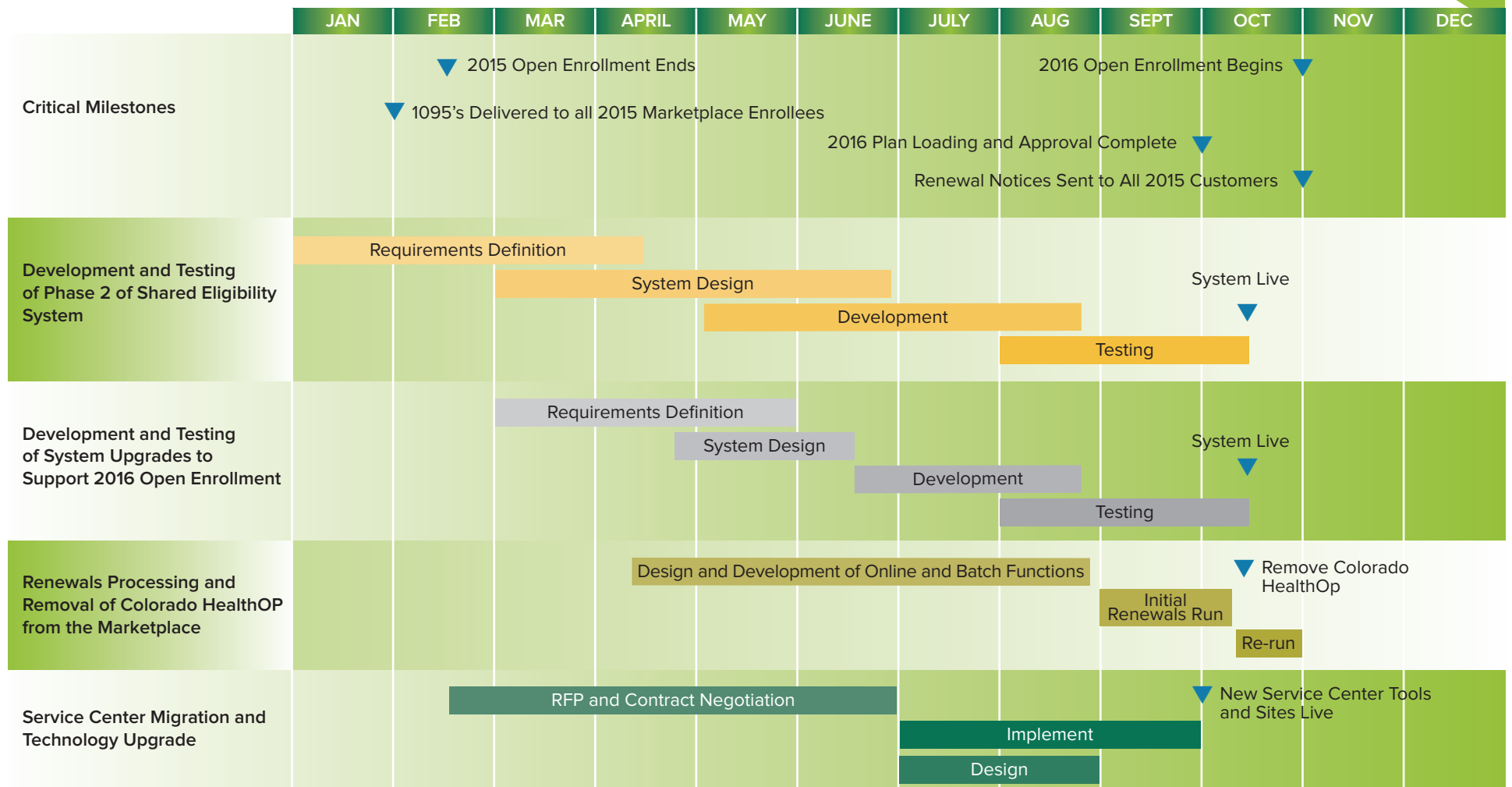
Representative
Su Ryden



Representative
Lang Sias

2015 Technology Activities

Guided by stakeholder and partner input, the organization completed a series of significant technology improvement projects in 2015 to enhance the customer shopping experience in time for the start of the third open-enrollment period. In addition, the Marketplace worked with the State of Colorado to implement phase 2 of the Shared Eligibility System, which processes financial assistance applications. The Customer Service Center operations and systems also transitioned, coming under a single vendor to reduce cost fluctuations, improve customer service and position the organization for long-term sustainability.

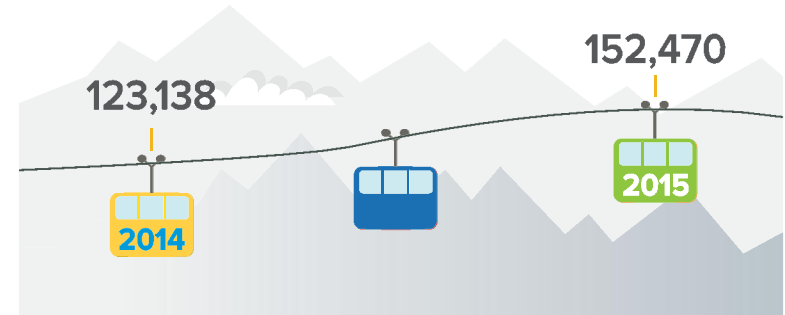


2015: Making a Difference for Coloradans

What types of Colorado counties enrolled? {metro vs. rural}



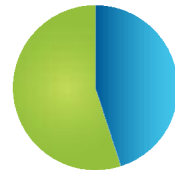
How many Coloradans enrolled?



Individual Effectuated Enrollments

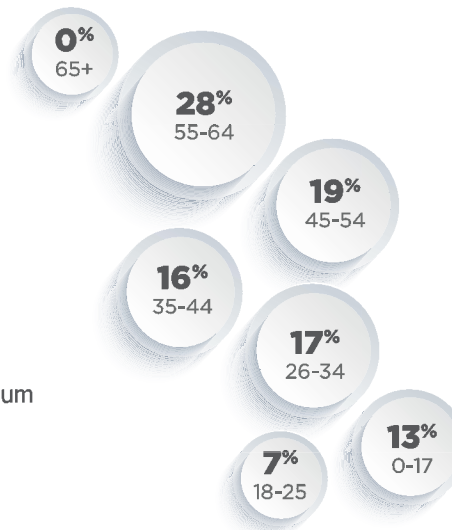
How many customers received financial assistance?

- 55.5% Financial Assistance (FA)
- 44.5% Non Financial Assistance (NFA)



\$284 Average Non Financial Assistance Premium
\$235 Average Tax Credit/Month
\$156 Average Premium after Tax Credit

Who enrolled by age?



Who helped with enrollment?



1,137 Certified Brokers
 128 Health Coverage Guides
 296 Certified Application Counselors
 200+ Customer Service Representatives



Brian and Marcy | Green Valley Ranch

"Our experience with Connect for Health last year was rocky at best. But this year it was quick and easy. I have access to health insurance through the school system but it is just too expensive and had to look elsewhere. Thanks to Connect for Health, we have an affordable plan and know that our family is protected whatever may come our way."



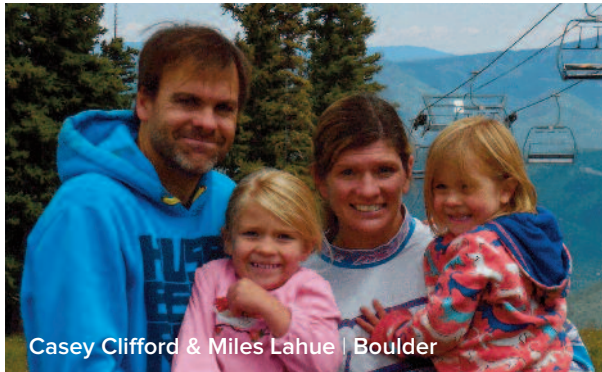
Della Perkins | Cortez

"PEAK let me know I no longer qualified for Medicaid, but that I did qualify for a tax credit to help make the monthly health insurance premium more affordable and cost-sharing reductions that reduce out-of-pocket medical expenses like co-pays and deductibles. I had no idea where to start, so I went to the local Medicaid office and asked for guidance. They referred me to James at the Pinon Project here in Cortez. Without his help, I know that I would still be trying to get insurance. I want to thank him, Connect for Health Colorado and PEAK!"



Debra | Cortez

Debra is a nurse and always had health insurance through her work. She is also a Type 1 diabetic and a bilateral, below the knee, amputee. When she retired she needed to find high quality health insurance that she could afford. She worked with a local health coverage guide in Cortez to help determine her eligibility for tax credits and shop for a plan. "From what I was hearing from others, I was expecting to pay a lot more. As it is, I got a very reasonable monthly premium and a low deductible. I feel very blessed."



Casey Clifford & Miles Lahue | Boulder

"Being able to access all of the information out there was extremely helpful for me. I could assess for myself what the options, costs and tradeoffs were," Clifford says. "It is such a difficult thing when you're a small business and paying for everything yourself, you have to find the best balance. It's invaluable to have access to all the possibilities."



Margaux S. Milchen

December 24

Before the ACA, I had to go to the charitable organizations. Now I can pay my own way because there's no stipulation for pre-existing conditions like asthma. I pay \$160 a month, no deductible, and a \$5 copay.



Like Comment Share



Julian Capperilli

December 21

Thanks for my coverage. #ColoradoRocks



Like Comment Share



Jo Etta

December 23

The last time I voluntarily went without health insurance to "save money" I wound up paying \$50,000 out of pocket for a life threatening illness that had come out of the blue. I don't ever want to be that vulnerable again!



Like Comment Share



Brian Bigelow

December 24

First premium for my new policy went through. It's a complete go! Yes!

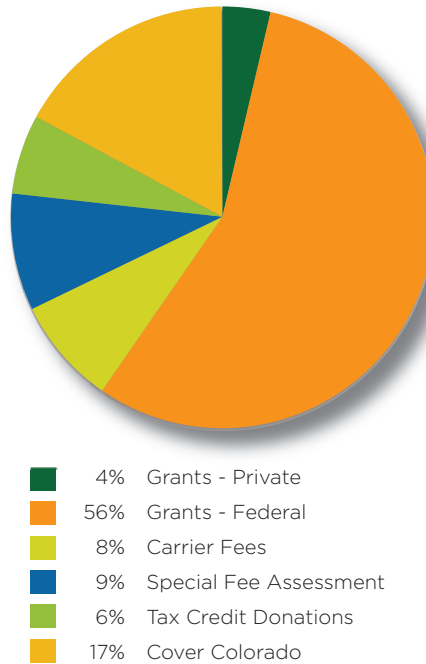


Like Comment Share

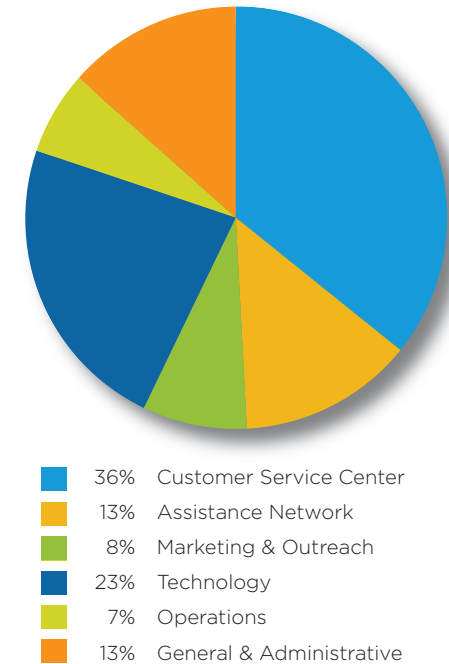
Financials

Over the last fiscal year, Connect for Health Colorado diversified its funding sources and reduced expenses to set the foundation for reaching financial sustainability. Federal grants totaling \$183M from the U.S. Department of Health and Human Services were expended to establish the Exchange infrastructure and to fund initial operations. The organization's operations are now primarily funded through a combination of a fee charged to carriers offering plans through the Marketplace (set at 3.5 percent by the Board for 2016) and a broad market assessment on carriers operating in Colorado (set at \$1.80 per policy per month by the Board and approved by the legislative Oversight Committee for 2016). Other funding sources include donations of federal tax credits from carriers and grants from the Colorado Health Foundation to pay for Assistance Network costs and other special initiatives.

Fiscal Year 2015 Revenue



Fiscal Year 2015 Operating Expenses



Expenditures

Expenditures for the current fiscal year 2016 are budgeted to total \$53.6 million, which is a reduction of 20 percent from the prior year. Of the \$53.6 million, \$44.9 million pertains to ongoing operating costs. The largest expenditures relate to customer support (39 percent) and technology (34 percent). Customer support costs include the operation of the Customer Service Center and Assistance Network. Technology costs include the ongoing operation of the Marketplace portal and support systems (18 percent), one-time infrastructure improvements and further integration with the State eligibility system (16 percent). Other costs include marketing and outreach (3 percent), operations (3 percent) and general and administrative costs (21 percent), supporting 78 employees.

Sustainability Approach

Leveraging the initial investment from federal grants, the organization has established a stable technology platform and Customer Service Center structure with predictable costs. Also, the organization established a cash reserve to assist in the transition away from federal funding. During the transition period, the sustainability plan includes revenue growth from fees driven by enrollment increases and cost reductions through efficiency improvements or cost allocations related to shared system costs. Positive performance during the third open enrollment period supports the path to sustainability. Future goals for growth in enrollment are in the range of 10-15 percent annually. Connect for Health Colorado continues to identify cost efficiencies and opportunities for cost sharing to further reduce operating costs.

Financial Summary FY 2015 & 2016

\$'s in 000's (cash basis)	Fiscal Year 2015 Actual	Fiscal Year 2016 Budget	Total Two Years
Revenues:			
Federal Revenue	52,400	200	52,600
Non-Federal Revenue	31,813	40,125	71,938
Operating Costs:			
Customer Service	28,033	21,153	49,186
Technology	15,579	10,188	25,767
Marketing and General Operations	14,974	13,553	28,527
Operating Surplus (Deficit)	25,627	(4,569)	21,058

Metrics

Active Enrollments/Lives Covered (as of December 31, 2015)

Uninsured	6.7%
Enrollments in rural counties	9%
Enrollments in urban counties	91%
By Age Groups (%):	
Ages 0 - 17	13%
Ages 18 - 25	7%
Ages 26 - 34	17%
Ages 35 - 44	16%
Ages 45 - 54	19%
Ages 55 - 64	28%
Ages 65 and older	0%
By family size (avg. number of individuals per application for 2015)	1.9
1095A Forms sent	108,086
1095A Forms corrected	5.5%

Access

Effectuated enrollment (Individual-Health)	152,470
Effectuated enrollment (SHOP-Health)	2,598
Number of small businesses participating	472
Effectuated enrollment (Individual-Dental)	22,459
Effectuated enrollment (SHOP-Dental)	529
Life Change Event / month	9,000
Eligible for auto-renewal	28%
Auto-renewed vs. active re-enrollment	35% vs. 42%

Affordability

Total tax credit Coloradans received	\$180,096,040
Customers receiving financial assistance	55.5%
Customers receiving non financial assistance	44.5%
Average non financial assistance premium	\$284
Average tax credit/month	\$235
Average financial assistance premium gross	\$391
Average financial assistance premium after tax credits	\$156

Choice

Individual health plans	176
Individual dental plans	23
SHOP health plans	120
SHOP dental plans	45
Individual carriers	10
SHOP carriers	5

Sales and Service Channels

Customer Service Center representatives (full time and seasonal)	419
Calls received	646,865
Average speed of answer	10 min. 17 sec
Average handle time	19 min. 18 sec
Customer Service Center performance level ¹	62%
Chats accepted	72,894
Certified brokers	1,137
Broker enrollments	48%
Leads generated through Lead Tool ²	8,591
Assistance Sites	28
Health Coverage Guides	128
Certified Application Counselors	296
Statewide enrollment sites	32

Outreach and Marketing

Enrollment events	685
-------------------	-----

¹ The Customer Service Center service level agreement was changed in July. The data presented here is for the period between July 1, 2015 and December 31, 2015.

² The broker Lead Tool was launched for the third open enrollment period.



855-PLANS-4-YOU {855-752-6749}
TTY: 885-346-3432
ConnectforHealthCO.com

© 2016 Connect for Health Colorado

