



*Update for Legislative Health Benefit
Exchange Implementation Review Committee
Financial Plan Extract*

.....
Presented September 23, 2014

B

FINANCIAL APPROACH

Sustainability Objective

- Connect for Health Colorado is committed to fulfilling its purpose to increase access, affordability and choice for individuals and small businesses purchasing health insurance in Colorado.
- Key to this objective is achieving financial sustainability.

Financial Approach: Guiding Principles for Sustainability

- Bring about long-term financial balance
- Focus on providing value to consumers and communities
 - Derive revenue from a range of sources
 - Set the Marketplace up for success
 - Focus on maintaining affordability

Financial Approach: Revenue Overview

Early Revenue

- Federal Grants, expected extension through 6/30/2015
- High Risk Pool Reserves, Received \$10M to date
- Broad Market Assessment (2015 & 2016 only) \$1.80 per policy per month maximum, set at \$1.25 for 2015

Enrollment Based Revenue

- Administrative Fees: 1.4% in 2014 & 2015 (federal states are 3.5%)

"Other"/Future Opportunities

- Supplemental Products
- Carrier Tax Credit Donations
- Website Advertising
- Cost Sharing with Other States
- Foundation Grants

Financial Approach: Expenditures

Budgeted Expenses		
Technology <ul style="list-style-type: none"> • Technology Licenses • Technology Maintenance • Technology Upgrades • Technology Hosting • Data Warehousing • Security • Testing • QA • Eligibility 	Operations <ul style="list-style-type: none"> • Staff • Occupancy • General & Administrative • Marketing & Advertising • Audit 	Services <ul style="list-style-type: none"> • Customer Service Center • Scanning & Imaging • Training • Systems Reconciliations • Enrollment Assistance (Navigators)

Financial Approach

The Finance Committee will meet on September 24th to discuss target enrollments for 2015 and updated financial modeling. Revised financial projections, for 2015, will be presented to the Board at the October 13, 2014 Board Meeting.

Level 2 grant extension has been requested.

Fiscal year 2015 budget was approved by the Board in June.