



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

*Presented September 23, 2014*

## 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

- Technology Licenses
- Technology Maintenance
- Technology Upgrades
- Technology Hosting
- Data Warehousing
- Security
- Testing
- QA
- Eligibility

### Operations

- Staff
- Occupancy
- General & Administrative
- Marketing & Advertising
- Audit

### Services

- Customer Service Center
- Scanning & Imaging
- Training
- Systems Reconciliations
- Enrollment Assistance (Navigators)

## *Financial Approach*

The Finance Committee will meet on September 24<sup>th</sup> 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.