

2020 ANNUAL REPORT

*Colorado's official health
insurance marketplace*



GOVERNOR JARED POLIS
State Capitol
200 East Colfax Avenue
Denver, CO 80203

THE HONORABLE LEROY GARCIA
President, Colorado State Senate
200 East Colfax Avenue
Denver, CO 80203

THE HONORABLE KC BECKER
Speaker, Colorado State House
200 East Colfax Avenue
Denver, CO 80203

Dear Governor Polis, President Garcia and Speaker Becker,

On behalf of my colleagues on the Board of Directors and the staff at the Colorado Health Benefit Exchange (Connect for Health Colorado®), it is my pleasure to present our **2020 Annual Report**.

We are proud of the progress we achieved this year toward our mission to increase access, affordability and choice, even as we pivoted to meet the historic challenges that the COVID-19 pandemic brought to Colorado and to our organization.

As the threat of the virus became apparent, Connect for Health Colorado rapidly shifted operations to home offices to protect staff members and others. We worked with our partners to quickly organize a Special Enrollment Period to give Coloradans a chance to buy affordable, comprehensive health coverage.

More than **14,000 Coloradans** took advantage of this resource during the six-week period.

Unfortunately, the effort required to complete that Special Enrollment Period delayed our work on updates to our enrollment platforms to make shopping and enrollment easier. With less time for development, and some personnel becoming ill with the virus during the process, some legacy code was not removed before we launched Open Enrollment. Some of our customers encountered difficulties shopping and enrolling. We extended the deadline for January 1 coverage as we worked with these folks. We are gratified by the patience and support our customers and other stakeholders have shown as we continue to improve.

We welcomed the opportunity to further assist the state government's coronavirus response by using our customer service expertise to establish a **COVID-19 Call Center**. In just a few weeks, members of our staff hired and trained 160 people to operate the call center. The call center staff is providing outbound call support for tests that are positive, negative and inconclusive as well as answer inbound calls for those who could not be reached.

We had great success moving our annual #COVERCO tour online. This event enables us to work with our Assistance Network, Brokers and other stakeholders to prepare for Open Enrollment. Hundreds of people from all over the state took part and gave the presentations high marks in a survey after the event.

Looking Ahead

We are enthusiastically implementing two tools legislators created in 2020 that will make health insurance affordable and easier to buy for more Coloradans. The **Easy Enrollment Program** will allow Coloradans to indicate on their state tax return that they are uninsured and allow their information to be shared to see if they qualify for a health insurance assistance program. The **Health Insurance Affordability Enterprise** will make health insurance affordable to many Coloradans who fall outside the current eligibility limits in the federal Affordable Care Act.

As happy as we are with the progress we have made this year, we recognize there remains work to be done. We remain fully committed to building on the success detailed in this report and look forward to working with you as we continue serving the health care coverage needs of the people of Colorado.



A handwritten signature in black ink that reads "Claire Brockbank".

CLAIRE v.S. BROCKBANK
Chair of the Board
Connect for Health Colorado

Executive Summary

Plan Year 2020 Open Enrollment

Connect for Health Colorado saw nearly 167,000 Coloradans sign up for a medical plan during the Open Enrollment Period that ran from Nov. 1, 2019, to Jan. 15, 2020.

Three out of four of those customers (72%) received financial help to reduce their monthly premium. Our totals were pushed higher, and beyond targets, when 14,263 customers enrolled during the Special Enrollment Period that ran from March 20 to April 30, 2020, in response to the economic downturn caused by the COVID-19 pandemic.

By the end of 2020, 187,000 Coloradans enrolled in health insurance through the Marketplace.

Technology Advances in 2020

Connect for Health Colorado continued its multi-year commitment to invest in technology to improve the user experience. Unfortunately, the effort required to complete the COVID-19 Special Enrollment Period delayed updates to our enrollment platform to make shopping and enrollment easier. Some personnel working on the project contracted the virus, causing further delay, and some legacy code was not removed before we launched Open Enrollment. Some customers encountered difficulties. We appreciate the patience our stakeholders have shown as we continue to invest in improvement.

Public Benefit Corporation

We launched a Public Benefit Corporation (PBC), which will offer health care ancillary products and services across the state as well as work to increase Coloradans' health literacy. This new organization will be a wholly-owned subsidiary of Connect for Health Colorado. It will administer the plans and financial assistance to Coloradans available through the **Health Insurance Affordability Enterprise**, which, beginning in 2023, will make health insurance affordable to many Coloradans who fall outside the current eligibility limits in the federal Affordable Care Act.

Operations, Budget and Oversight

Connect for Health Colorado undertook significant operational changes in 2020. We implemented a new service center operation and technology platform, and we brought the team handling more complex customer service functions in-house.

We devoted significant resources to modernizing the shopping platform and technology infrastructure during the year. These investments resulted in an overall increase in expenditures for the year. In response to COVID-19, the organization successfully moved to a remote work model.

For 2021, the Board of Directors approved the fiscal year operating budget of \$36 million, which reflects a 17 percent reduction in operating costs from the prior year. The financial focus for 2021 is on the completion of the modernization of the technology platform and addressing requirements placed on the organization as a result of state legislation passed in 2020. This legislation will provide additional funding to make coverage more affordable and accessible. These investments will result in a stronger shopping and enrollment platform, potentially increase enrollment and will make adaptation to future demands faster and more economical.



Plan Year 2021 Open Enrollment

Connect for Health Colorado began Open Enrollment for the 2021 plan year on Nov. 1, 2020. By the deadline for Jan. 1, 2021, coverage, more than 168,000 Coloradans had selected a medical insurance plan. This is ahead of medical enrollments for the same period last year and represents only a portion of the total for the Open Enrollment Period that ends Jan. 15, 2021.

2020 Annual Enrollment Highlights

187,664
enrollments

6.5%
Colorado's
uninsured rate*

72%
of customers qualified for
financial assistance

\$141
average net premium for
financially-assisted plans

*2019 Colorado Health Access Survey

2020 Board of Directors

The Board of Directors of Connect for Health Colorado was appointed in compliance with Senate Bill 11-200, passed by the General Assembly in 2011. The Board meets monthly to discuss and vote on a range of issues related to the operations of the Marketplace. Board members also participate in three board committees. Board meetings are public.

Board Chair



CLAIRE BROCKBANK

Principal
Segue Consulting

Board Vice-Chair



MARC REECE

Senior Director, State Government
Affairs, Western Region
Aetna

Board Chair-Elect



ANNIE LEE

Executive Director, Community Health
and Medicaid Strategies
Children's Hospital Colorado

Board Secretary



MIKE STAHL

Chief Executive Officer
Hilltop Community Resources



ADELA FLORES-BRENNAN

Executive Director
Colorado Consumer Health Initiative



PATRICK GORDON

President
Rocky Mountain Health Plans



LOREZ MEINHOLD

Executive Director
Caring for Denver Foundation



SHARON O'HARA

Director
Chronic Care Collaborative



DICK THOMPSON

Executive Director
Quality Health Network



ELISABETH ARENALES

Senior Advisor for Health
Governor Polis' Office
Ex-Officio (non-voting member)



KIM BIMESTEFER

Executive Director
Colorado Department of Health Care
Policy and Financing
Ex-Officio (non-voting member)



MIKE CONWAY

Commissioner of Insurance
Colorado Department of Regulatory
Agencies
Ex-Officio (non-voting member)

2020 Oversight Committee

Senate Bill 11-200 (CRS 10-22-101) established a committee of nine state legislators to guide the implementation of Colorado's health insurance exchange and make recommendations to the General Assembly.

REPRESENTATIVE SUSAN LONTINE (CHAIR)

REPRESENTATIVE SONYA JAQUEZ LEWIS

REPRESENTATIVE MARK BAISLEY

REPRESENTATIVE KYLE MULICA

SENATOR BRITTANY PETTERSEN (VICE CHAIR)

SENATOR JOANN GINAL

SENATOR JIM SMALLWOOD

SENATOR ANGELA WILLIAMS

SENATOR ROB WOODWARD



2017-2020 Strategic Plan & Goals

When the Connect for Health Board of Directors adopted a **strategic plan in July 2017**, it set four goals toward our mission to increase access, affordability and choice for all Coloradans. In 2020, we used several strategies toward these objectives.

Working Toward Our Goals in 2020

Advocate to improve access to coverage in rural areas of Colorado.

Adapting to an all-virtual environment early this year demanded that we find new and creative ways to engage to improve rural coverage. We moved our annual #CoverCO tour online, simplifying participation for more attendees from rural areas. We convened hundreds of enrollment Assistants, Brokers and community leaders **during this virtual conference**. Through strategic sponsorships, including the Colorado Rural Health Center annual conference, we engaged with new audiences in communities on the Eastern Plains and Western Slope.

Maximize the number of consumers and employers who shop and enroll through the health insurance marketplace and apply for available financial assistance.

We launched a Special Enrollment Period when large numbers of Coloradans began losing their jobs and health insurance as COVID-19 spread across the state. The more than 14,000 people who obtained coverage during the Special Enrollment Period combined with the 167,000 who bought coverage during the regular Open Enrollment Period combine for a 6 percent increase over the previous Open Enrollment Period total.

We have formed a Public Benefit Corporation, which, among other things, will administer the plans and financial assistance to Coloradans available through the state-sponsored **Health Insurance Affordability Enterprise**. Through these programs, we can make health insurance affordable to many Coloradans who still struggle to access and afford health coverage under the current Affordable Care Act rules.



Improve the ability of customers to attain and retain the right coverage for their needs.

All seven of our 2019 health insurance company partners returned, and we welcomed Oscar Health, making a total of eight companies offering Marketplace coverage in 2020. Our network of Assistants and Brokers adapted to providing nearly 100% virtual and phone appointments with no drop in enrollment. Their work through the Special Enrollment Period and ongoing support for Coloradans losing their jobs increased the number of people covered through Connect for Health Colorado.

Ensure that Connect for Health Colorado is a healthy and thriving organization.

To protect our staff, we moved all operations to a virtual environment in mid-March with no interruption in service in response to the threat posed by the coronavirus. We increased staff 24 percent and hit milestones in implementing exciting new initiatives such as the state's COVID-19 Call Center and Easy Enrollment program.

2020 Financials

Connect for Health Colorado's primary source of revenue continues to be fees collected from issuers tied to Marketplace enrollments and the associated premiums. The organization saw a slight reduction in revenues in 2020 due to an overall reduction in insurance premiums resulting from the state's reinsurance program. Due to the impacts of COVID-19, we opened a Special Enrollment Period in late March-April, increasing enrollments by 14,263. This increase helped to partially offset some of the impacts of lower premium levels.



Expenditures

Overall expenditures increased in 2020 due to the one-time investments made on modernizing the technology platform and implementing a new customer service operation. The technology modernization included both the replacement of the shopping platform and the underlying system infrastructure. The customer service operational changes, resulting from an open procurement process, included implementing a new call management system and database along with a change in the vendor. Both of these efforts anticipated the internalization of key operations and skills with in-house staff. These efforts are expected to result in significantly lower operating expenses for the service center and technology platform in 2021.

Sustainability Update

Despite the higher level of expenditures in 2020, Connect for Health Colorado was able to maintain positive financial results from operations for the year. Sufficient cash reserves were generated in prior years in anticipation of the investments made by the organization in 2020 and projected for 2021. With the completion of the platform modernization efforts and the new customer service operations, the organization is better positioned to manage its costs and adapt to the opportunities and challenges ahead while delivering a high level of service to our customers.

Financial Summary

| | Fiscal Year 2020 Actual | Fiscal Year 2021 Budget |
|----------------------------------|-------------------------|-------------------------|
| Revenues | | |
| Fees for Service | \$33,368 | \$29,545 |
| Grants and Program Revenue | \$11,753 | \$8,394 |
| Total Revenue | \$45,121 | \$37,939 |
| Operating Costs | | |
| Customer Service | \$17,080 | \$10,338 |
| Technology | \$11,084 | \$7,537 |
| Operations | \$11,551 | \$13,794 |
| Marketing and General Operations | \$3,874 | \$4,353 |
| Total Operating Costs | \$43,589 | \$36,022 |
| Income from Operations | \$1,532 | \$1,917 |
| Capital Expenditures | \$8,773 | \$8,765 |

\$'s in 000's

