

Modeling Scenario Requested for Discussion Purposes Only by Finance Committee
(this is not a revised projection)

Connect for Health Colorado
Current and Anticipated Budget and Funding

Model Assumptions

Broad Market Assessment - Years 2015 & 2016 (875,000 covered lives x \$1.25 per member per month)
Tax Credit Donations maximized at \$5 million annually
Premiums trend at 5% annually
C4's portion of CoverColorado 2015 reserve is \$8.5 million
Technology enhancements are funded with Technology Obsolescence reserve (offset to depreciation)
Annual operating budget of \$26 million

	2nd half 2013	2014	2015	2016	2017
<u>Enrollment & Premium Assumptions</u>					
Total Covered Lives	0	121,805	152,250	175,000	196,677
Net Impact with churn		97,769	132,940	146,677	157,741
Attrition Percentage		80%	87%	84%	80%
Average Estimated Premium per member per month	\$0	\$337	\$354	\$372	\$390
Admin Fee Range provided in December			1.4%-2.0%	1.7%-2.3%	2.5%-3%
<u>Revenue Assumptions</u>					
Exchange Revenue from Admin Fees	\$0	\$5,535,290	\$7,902,858	\$11,771,296	\$21,415,175
Estimated portion of Federal Grant Funding (2013-2016)	\$66,069,622	\$60,984,119	\$15,386,639	\$0	\$0
Revenue from CoverColorado/Unclaimed Property Fund	\$15,000,000	\$0	\$0	\$0	\$0
Revenue from CoverColorado/Reserve Balance			\$8,500,000		
Revenue from General Market Health Insurer Assessment			\$13,125,000	\$13,125,000	
Revenue from Premium Tax Credit Donations	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
Revenue from Ancillary Products					
Potential Foundation Grants	\$2,010,000	\$2,000,000			
Total Income	\$88,079,622	\$73,519,408	\$49,914,497	\$29,896,296	\$26,415,175
Expected Operating/Technology Budget	\$75,239,971	\$26,000,000	\$26,000,000	\$26,000,000	\$26,000,000
Remaining Implementation/Enhancement Costs estimated for 2014 & 2015		\$37,057,020	\$15,725,785		
Additional Implementation Expense (not Federally grant funded)	\$2,010,000	\$7,535,290			
Total Expenditures	\$77,249,971	\$70,592,310	\$41,725,785	\$26,000,000	\$26,000,000
Net Income/Expense by year	\$10,829,651	\$2,927,099	\$8,188,712	\$3,896,296	\$415,175
Technology Obsolescence Solution begins after Operational Reserve reaches 50% of annual budget	\$0	\$756,749	\$8,945,461	\$12,841,757	\$13,256,932
Cumulative Operational Reserve/(Shortfall) at approximately 50% of annual budget	\$10,829,651	\$13,000,000	\$13,000,000	\$13,000,000	\$13,000,000