

# 2017 Fiscal Year 2<sup>nd</sup> Quarter Reforecast



# 2017 Fiscal Year Q2 Reforecast Overview

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- The AHCT Q2 Reforecast of \$35.9M is about the same as the Q1 Reforecast of \$35.9M. On a gross expense basis, the Q2 Reforecast is \$64.2M , which is \$0.1M or 0.2% more than the Q1 Reforecast of \$64.1M.
- While the projected 1<sup>st</sup> quarter variance in M&O renewal expenses of \$0.7M materialized, the composition of the Reforecast has changed due to the implementation of regulatory and strategic initiatives. An increase in postage expenses is also projected. The overall net increase in AHCT expenses is \$22k.
- The increase in total expense of \$0.1M relates primarily to the increase in projected postage costs.

# 2017 Fiscal Year Q2 vs. Q1 Reforecast

**Fiscal Year 2017 Q1 Reforecast**

Access Health CT	FY17	DSS Reimb	Grant	AHCT
Salaries	\$ 8,065,818	\$ -	\$ -	\$ 8,065,818
Fringe Benefits	\$ 2,419,745	\$ -	\$ -	\$ 2,419,745
Temporary Staffing	\$ 2,380,144	\$ 1,691,420	\$ 1,248	\$ 687,476
Contractual	\$ 39,849,950	\$ 22,266,567	\$ 170,896	\$ 17,412,487
Equipment and Maintenance	\$ 10,150,549	\$ 2,707,869	\$ 1,394,637	\$ 6,048,043
Supplies	\$ 25,750	\$ -	\$ -	\$ 25,750
Travel	\$ 124,988	\$ -	\$ -	\$ 124,988
Other Administrative	\$ 1,067,230	\$ -	\$ -	\$ 1,067,230
<b>Total Expense</b>	<b>\$ 64,084,174</b>	<b>\$ 26,665,856</b>	<b>\$ 1,566,781</b>	<b>\$ 35,851,537</b>

**Fiscal Year 2017 Q2 Reforecast**

Access Health CT	FY17	DSS Reimb	Grant	AHCT
Salaries	\$ 8,065,818	\$ -	\$ -	\$ 8,065,818
Fringe Benefits	\$ 2,419,745	\$ -	\$ -	\$ 2,419,745
Temporary Staffing	\$ 2,300,388	\$ 1,390,486	\$ 1,248	\$ 908,653
Contractual	\$ 38,950,289	\$ 22,388,472	\$ 175,197	\$ 16,386,620
Equipment and Maintenance	\$ 11,139,964	\$ 3,001,560	\$ 1,390,336	\$ 6,748,068
Supplies	\$ 18,055	\$ -	\$ -	\$ 18,055
Travel	\$ 128,816	\$ -	\$ -	\$ 128,816
Other Administrative	\$ 1,197,762	\$ -	\$ -	\$ 1,197,762
<b>Total Expense</b>	<b>\$ 64,220,836</b>	<b>\$ 26,780,519</b>	<b>\$ 1,566,781</b>	<b>\$ 35,873,537</b>

**Q1 v. Q2 Reforecast Variance**

Access Health CT	FY17	DSS Reimb	Grant	AHCT
Salaries	\$ 0	\$ -	\$ -	\$ 0
Fringe Benefits	\$ 0	\$ -	\$ -	\$ 0
Temporary Staffing	\$ 79,757	\$ 300,934	\$ -	\$ (221,177)
Contractual	\$ 899,661	\$ (121,905)	\$ (4,302)	\$ 1,025,867
Equipment and Maintenance	\$ (989,415)	\$ (293,692)	\$ 4,302	\$ (700,025)
Supplies	\$ 7,695	\$ -	\$ -	\$ 7,695
Travel	\$ (3,828)	\$ -	\$ -	\$ (3,828)
Other Administrative	\$ (130,532)	\$ -	\$ -	\$ (130,532)
<b>Total Expense</b>	<b>\$ (136,663)</b>	<b>\$ (114,663)</b>	<b>\$ 0</b>	<b>\$ (22,000)</b>

## Variance

- The primary unfavorable variance is due to postage and the composition change is due to implementation of regulatory and strategic initiatives.
- For an Analysis of Shared Costs with DSS for Temporary Staffing, Contractual, and Equipment and Maintenance – See page 4 for detail



# 2017 Fiscal Year Q2 Reforecast

## Analysis of Shared Costs with DSS

DSS Allocable Breakout	Q1, FY17 RFCST	Q2, FY17 RFCST	Variance	Allocation %	Q1, FY17 RFCST	Q2, FY17 RFCST	Variance
<b>IT Allocable</b>	<b>\$ 3,860,570</b>	<b>\$ 3,769,786</b>	<b>\$ 90,784</b>		<b>\$ 3,168,900</b>	<b>\$ 3,169,644</b>	<b>\$ (745)</b>
Development (New)	\$ 1,004,500	\$ 158,500	\$ 846,000	84.00%	\$ 843,780	\$ 133,140	\$ 710,640
Hosting (M&O)	\$ 1,143,025	\$ 1,521,156	\$ (378,131)	80.00%	\$ 914,420	\$ 1,216,925	\$ (302,505)
Security (M&O)	\$ 706,445	\$ 729,800	\$ (23,355)	80.00%	\$ 565,156	\$ 583,840	\$ (18,684)
Testing (DDI)	\$ 1,006,600	\$ 386,090	\$ 620,510	84.00%	\$ 845,544	\$ 324,315	\$ 521,228
Testing (M&O)	\$ -	\$ 314,080	\$ (314,080)	80.00%	\$ -	\$ 251,264	\$ (251,264)
DSS Only Projects	\$ -	\$ 660,160	\$ (660,160)	100.00%	\$ -	\$ 660,160	\$ (660,160)
<b>Non- Allocable</b>	<b>\$ 12,117,296</b>	<b>\$ 10,440,189</b>	<b>\$ 1,677,107</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Accounting	\$ 80,000	\$ 88,125	\$ (8,125)	0.00%	\$ -	\$ -	\$ -
APCD	\$ 1,405,813	\$ 1,405,813	\$ 0	0.00%	\$ -	\$ -	\$ -
Capital Initiatives	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -
Legal	\$ 635,800	\$ 635,800	\$ 0	0.00%	\$ -	\$ -	\$ -
Marketing	\$ 4,952,245	\$ 4,176,278	\$ 775,966	0.00%	\$ -	\$ -	\$ -
SHOP	\$ 558,000	\$ 502,342	\$ 55,658	0.00%	\$ -	\$ -	\$ -
Plan Management	\$ 340,000	\$ 340,000	\$ 0	0.00%	\$ -	\$ -	\$ -
Verifications (Xerox)	\$ 2,032,976	\$ 2,032,976	\$ -	0.00%	\$ -	\$ -	\$ -
IT Development	\$ 1,869,995	\$ 1,058,831	\$ 811,164	0.00%	\$ -	\$ -	\$ -
1095 Projects	\$ 73,382	\$ 35,028	\$ 38,354	0.00%	\$ -	\$ -	\$ -
Other	\$ 169,085	\$ 164,995	\$ 4,090	0.00%	\$ -	\$ -	\$ -
<b>Non- IT Allocable</b>	<b>\$ 23,872,084</b>	<b>\$ 24,740,315</b>	<b>\$ (868,231)</b>		<b>\$ 19,097,667</b>	<b>\$ 19,218,827</b>	<b>\$ (121,160)</b>
Call Center	\$ 21,037,815	\$ 21,029,265	\$ 8,550	80.00%	\$ 16,830,252	\$ 16,823,412	\$ 6,840
Call Center (Brokers)	\$ -	\$ 716,781	\$ (716,781)	0.00%	\$ -	\$ -	\$ -
Operations	\$ 2,834,269	\$ 2,994,269	\$ (160,000)	80.00%	\$ 2,267,415	\$ 2,395,415	\$ (128,000)
<b>Contractual</b>	<b>\$ 39,849,950</b>	<b>\$ 38,950,290</b>	<b>\$ 899,660</b>		<b>\$ 22,266,567</b>	<b>\$ 22,388,472</b>	<b>\$ (121,905)</b>
BEST Staffing (DDI New)	\$ 796,545	\$ 677,165	\$ 119,380	84.00%	\$ 669,098	\$ 568,818	\$ 100,280
BEST Staffing (M&O)	\$ 1,053,436	\$ 960,692	\$ 92,745	80.00%	\$ 842,749	\$ 768,553	\$ 74,196
BEST Staffing via DSS (M&O)	\$ 40,000	\$ 40,000	\$ (0)	0.00%	\$ -	\$ -	\$ -
AHCT Staffing (M&O)	\$ 224,467	\$ 66,393	\$ 158,073	80.00%	\$ 179,573	\$ 53,115	\$ 126,459
AHCT Staffing	\$ 265,696	\$ 556,138	\$ (290,442)	0.00%	\$ -	\$ -	\$ -
<b>Temporary Staffing</b>	<b>\$ 2,380,144</b>	<b>\$ 2,300,388</b>	<b>\$ 79,757</b>		<b>\$ 1,691,420</b>	<b>\$ 1,390,486</b>	<b>\$ 300,934</b>
M&O (New)	\$ 3,384,836	\$ 3,751,950	\$ (367,115)	80.00%	\$ 2,707,869	\$ 3,001,560	\$ (293,692)
M&O (New FY17)2	\$ -	\$ -	\$ -	85.00%	\$ -	\$ -	\$ -
DDI (Release 20, 1095 etc.)	\$ 3,572,829	\$ 4,081,620	\$ (508,791)	0.00%	\$ -	\$ -	\$ -
M&O (APCD, EOM etc.)	\$ 3,192,884	\$ 3,306,393	\$ (113,509)	0.00%	\$ -	\$ -	\$ -
<b>Equipment &amp; Maintenance</b>	<b>\$ 10,150,549</b>	<b>\$ 11,139,964</b>	<b>\$ (989,415)</b>		<b>\$ 2,707,869</b>	<b>\$ 3,001,560</b>	<b>\$ (293,692)</b>
<b>GRAND TOTAL</b>	<b>\$ 52,380,643</b>	<b>\$ 52,390,641</b>	<b>\$ (9,999)</b>		<b>\$ 26,665,856</b>	<b>\$ 26,780,518</b>	<b>\$ (114,663)</b>



# 2017 Fiscal Year Q2 Reforecast

## Risks and Opportunities

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- Risks and opportunities to the AHCT 2017 budget include
  - Risks
    - System maintenance & operations (M&O)
    - Cost sharing with DSS
    - Insurance renewal costs
    - Timing of State (DAS/Best) Billing
    - Call Center
  - Opportunities
    - Cost sharing with DSS
    - Business Process Outsourcing (BPO)
    - Call Center

# 2017 Fiscal Year Q1 Reforecast vs. Actuals

Through 7 Months

Category	Q1 Reforecast January YTD	Actuals January YTD	Variance January YTD
Salaries	\$4,665,562	\$4,584,810	\$80,752
Fringe Benefits	\$1,417,124	\$1,428,019	(\$10,895)
Temporary Staffing	\$513,841	\$490,990	\$22,852
Contractual	\$11,949,854	\$10,785,083	\$1,164,771
Equipment and Maintenance	\$3,855,436	\$3,064,612	\$790,824
Supplies	\$12,857	\$6,365	\$6,492
Travel	\$69,041	\$53,294	\$15,747
Other Administrative	\$473,672	\$651,472	(\$177,800)
<b>Total Expense</b>	<b>\$22,957,386</b>	<b>\$21,064,644</b>	<b>\$1,892,742</b>

The favorable variance is related to the timing of development of the APCD, as well as the integrated eligibility system.