

Access Health CT

Board of Directors Meeting

May 18, 2017





Today's Agenda

- A. Call to Order and Introductions
- B. Public Comment
- C. Review and Approval of Minutes
- D. CEO Report
- E. Plan Management - Modifications to Standard Plan Designs (Vote)
- F. Enrollment Update
- G. APCD Update
- H. Finance Update:
 - 2018 Budget (Vote)
 - Market-Based Assessment (Vote)
- I. Adjournment



Public Comment

(2 Minutes per Commenter)



Votes

- April 20, 2017
Regular Meeting Minutes

➤ CEO Report

- 2018 Standardized Plans:
CID Recommended
Revisions

Mental Health Parity (MHP) - Overview

- Federal regulations require two tests be met for a health plan to meet MHP requirements
 - “Substantially all” test: determines whether a financial requirement (cost-share) or quantitative treatment limitation applies to substantially all medical/surgical benefits defined as 2/3 of the benefits in a classification
 - Carriers are required to use their own experience to determine the dollar amount of all plan payments for medical/surgical benefits in the classification expected to be paid under the plan.
 - If the financial requirement or quantitative treatment limitation applies to less than 2/3 of the medical/surgical benefits in a classification, such financial requirement or quantitative treatment limitation cannot be applied to any mental health service
 - “Predominant” test: determines the predominant level of a financial requirement or quantitative treatment limitation that applies to more than ½ of the medical/surgical benefits in a classification
 - Result will vary for each carrier depending on the plan designs offered and the percent of total costs expected at each level
 - If no one category meets the 50% level to determine the predominant financial requirement, categories can be combined to meet the 50%
 - The lowest cost share of the combined levels would be the maximum level that can be applied to mental health services
- In addition to the mental health parity tests, all plans must meet the actuarial values for the appropriate metal tier

Revisions to Standardized Plans

Plan Design	2017 Plan Design	2018 Board Approved Plan Design	2018 Plan Design – Revisions
Gold	<p>INN Medical Deductible: \$1550 per member, 2x family</p> <p>OON Medical Deductible: \$3000 per member, 2x family</p> <p>Services subject to INN Medical Deductible:</p> <ul style="list-style-type: none"> • Outpatient Services in a Hospital or Ambulatory Facility: \$500 copay after deductible is met • Inpatient Hospital: \$500 copay per day after deductible is met, to a maximum of \$1000 per admission 	<p>INN Medical Deductible: \$2250 per member, 2x family</p> <p>OON Medical Deductible: \$4500 per member, 2x family</p> <p>Services subject to INN Medical Deductible:</p> <ul style="list-style-type: none"> • Outpatient Services in a Hospital or Ambulatory Facility: \$500 copay after deductible is met • Inpatient Hospital: \$500 copay per day after deductible is met, to a maximum of \$1000 per admission 	<p>INN Medical Deductible: \$1250 per member, 2x family</p> <p>OON Medical Deductible: \$3000 per member, 2x family</p> <p>Services subject to INN Medical Deductible:</p> <ul style="list-style-type: none"> • Outpatient Services in a Hospital or Ambulatory Facility: \$500 copay after deductible is met, including Mental Health Intensive Outpatient Services • Inpatient Hospital: \$500 copay per day after deductible is met to a maximum of \$1000 per admission • Laboratory Services: \$10 copay after deductible is met • Non-Advanced Radiology (X-Ray): \$40 copay after deductible is met
	INN Maximum Out-of-Pocket (MOOP): \$3500, 2x family	INN Maximum Out-of-Pocket (MOOP): \$4400 , 2x family	INN Maximum Out-of-Pocket (MOOP): \$4400, 2x family

Revisions to Standardized Plans

Plan Design	2017 Plan Design	2018 Board Approved Plan Design	2018 Plan Design – Revisions
Silver 70%	<p>INN Medical Deductible: \$4000 per member, 2x family</p> <p>OON Medical Deductible: \$6000 per member, 2x family</p> <p>Services subject to INN Medical Deductible:</p> <ul style="list-style-type: none"> Outpatient Services in a Hospital or Ambulatory Facility: \$500 copay after deductible is met Inpatient Hospital: \$500 copay per day after deductible is met, to a maximum of \$2000 per admission 	<p>INN Medical Deductible: \$5000 per member, 2x family</p> <p>OON Medical Deductible: \$10000 per member, 2x family</p> <p>Services subject to INN Medical Deductible:</p> <ul style="list-style-type: none"> Outpatient Services in a Hospital or Ambulatory Facility: \$500 copay after deductible is met Inpatient Hospital: \$500 copay per day after deductible is met, to a maximum of \$2000 per admission Emergency Room: \$200 copay after deductible is met 	<p>INN Medical Deductible: \$3700 per member, 2x family</p> <p>OON Medical Deductible: \$7400 per member, 2x family</p> <p>Services subject to INN Medical Deductible:</p> <ul style="list-style-type: none"> Outpatient Services in a Hospital or Ambulatory Facility: \$500 copay after deductible is met, including Mental Health Intensive Outpatient Services Inpatient Hospital: \$500 copay per day after deductible is met, to a maximum of \$2000 per admission Emergency Room: \$200 copay after deductible is met Laboratory Services: \$10 copay after deductible is met Non-Advanced Radiology (X-Ray): \$40 copay after deductible is met
	INN Maximum Out-of-Pocket (MOOP): \$7150, 2x family	INN Maximum Out-of-Pocket (MOOP): \$7350, 2x family	INN Maximum Out-of-Pocket (MOOP): \$7350, 2x family

Revisions to Standardized Plans

Plan Design	2017 Plan Design	2018 Board Approved Plan Design	2018 Plan Design – Revisions
Silver 73% Cost Sharing Reduction (CSR) Plan	<p>INN Medical Deductible: \$3,400 per member, 2x family</p> <p>OON Medical Deductible: \$6,000 per member, 2x family</p> <p>Services subject to INN Medical Deductible:</p> <ul style="list-style-type: none"> Outpatient Services in a Hospital or Ambulatory Facility: \$500 copay after deductible is met Inpatient Hospital: \$500 copay per day after deductible is met, to a maximum of \$2000 per admission 	<p>INN Medical Deductible: \$4700 per member, 2x family</p> <p>OON Medical Deductible: \$10000 per member, 2x family</p> <p>Services subject to INN Medical Deductible:</p> <ul style="list-style-type: none"> Outpatient Services in a Hospital or Ambulatory Facility: \$500 copay after deductible is met Inpatient Hospital: \$500 copay per day after deductible is met, to a maximum of \$2000 per admission Emergency Room: \$200 copay after deductible is met 	<p>INN Medical Deductible: \$3350 per member, 2x family</p> <p>OON Medical Deductible: \$7400 per member, 2x family</p> <p>Services subject to INN Medical Deductible:</p> <ul style="list-style-type: none"> Outpatient Services in a Hospital or Ambulatory Facility: \$500 copay after deductible is met, including Mental Health Intensive Outpatient Services Inpatient Hospital: \$500 copay per day after deductible is met, to a maximum of \$2000 per admission Emergency Room: \$200 copay after deductible is met Laboratory Services: \$10 copay after deductible is met Non-Advanced Radiology (X-Ray): \$40 copay after deductible is met
	<p>INN Maximum Out-of-Pocket (MOOP): \$5700, 2x family</p>	<p>INN Maximum Out-of-Pocket (MOOP): \$5850, 2x family</p>	<p>INN Maximum Out-of-Pocket (MOOP): \$5850, 2x family</p>

Revisions to Standardized Plans

Plan Design	2017 Plan Design	2018 Board Approved Plan Design	2018 Plan Design – Revisions
Silver 87% Cost Sharing Reduction (CSR) Plan	<p>INN Medical Deductible: \$700 per member, 2x family</p> <p>OON Medical Deductible: \$6,000 per member, 2x family</p> <p>Services subject to INN Medical Deductible:</p> <ul style="list-style-type: none"> Outpatient Services in a Hospital or Ambulatory Facility: \$100 copay after deductible is met Inpatient Hospital: \$100 copay per day after deductible is met, to a maximum of \$400 per admission 	<p>INN Medical Deductible: \$750 per member, 2x family</p> <p>OON Medical Deductible: \$10000 per member, 2x family</p> <p>Services subject to INN Medical Deductible:</p> <ul style="list-style-type: none"> Outpatient Services in a Hospital or Ambulatory Facility: \$100 copay after deductible is met Inpatient Hospital: \$100 copay per day after deductible is met, to a maximum of \$400 per admission Emergency Room: \$75 copay after deductible is met 	<p>INN Medical Deductible: \$600 per member, 2x family</p> <p>OON Medical Deductible: \$7400 per member, 2x family</p> <p>Services subject to INN Medical Deductible:</p> <ul style="list-style-type: none"> Outpatient Services in a Hospital or Ambulatory Facility: \$100 copay after deductible is met, including Mental Health Intensive Outpatient Services Inpatient Hospital: \$100 copay per day after deductible is met, to a maximum of \$400 per admission Emergency Room: \$75 copay after deductible is met Laboratory Services: \$10 copay after deductible is met Non-Advanced Radiology (X-Ray): \$30 copay after deductible is met
	INN Maximum Out-of-Pocket (MOOP): \$1800, 2x family	INN Maximum Out-of-Pocket (MOOP): \$2000 , 2x family	INN Maximum Out-of-Pocket (MOOP): \$2000, 2x family

Revisions to Standardized Plans

Plan Design	2017 Plan Design	2018 Board Approved Plan Design	2018 Plan Design – Revisions
Silver 94% Cost Sharing Reduction (CSR) Plan	INN Medical Deductible: \$0 per member	INN Medical Deductible: \$0 per member	INN Medical Deductible: \$0 per member
	OON Medical Deductible: \$6,000 per member, 2x family	OON Medical Deductible: \$10000 per member, 2x family	OON Medical Deductible: \$7400 per member, 2x family
	Services subject to INN Medical Deductible: <ul style="list-style-type: none"> • Not Applicable 	Services subject to INN Medical Deductible: <ul style="list-style-type: none"> • Not Applicable 	Services subject to INN Medical Deductible: <ul style="list-style-type: none"> • Not Applicable
	INN Maximum Out-of-Pocket (MOOP): \$1000, 2x family	INN Maximum Out-of-Pocket (MOOP): \$750 , 2x family	INN Maximum Out-of-Pocket (MOOP): \$750, 2x family

Cost Sharing Scenario: Knee X-Ray

- Cost of X-Rays vary by a number of items, including but not limited to...
 - Provider
 - Geographic Location
 - Part of Body being x-rayed
 - Number of views taken
 - Technology
- Examples of Enrollee Cost Sharing Impact

	First Claim of the plan year (no portion of deductible met)			
	Knee X-Ray Estimated to Cost \$200 - Member Pays			
	2018 Board Approved Plan Design	2018 Plan Design with proposed changes	Member Cost Share	Deductible Remaining
Gold	\$40 Copay	\$40 Copay after \$1250 deductible	\$200	\$1250 - \$200 = \$1050
Silver 70%	\$40 Copay	\$40 Copay after \$3700 deductible	\$200	\$3700 - \$200 = \$3500
Silver 73%	\$40 Copay	\$40 Copay after \$3350 deductible	\$200	\$3350 - \$200 = \$3150
Silver 87%	\$30 Copay	\$30 Copay after \$600 deductible	\$200	\$600 - \$200 = \$400
Silver 94%	\$25 Copay	\$25 Copay	\$25 Copay	\$0

Notes:

- Selected provider assumed to be contracted (i.e., "In-Network");
- Enrollee cost sharing accrues to Maximum Out-of-Pocket (MOOP)

Cost Sharing Scenario: Knee X-Ray

Enrollee has met all but \$100 of plan deductible prior to this service				
Knee X-Ray Estimated to Cost \$200 - Member Pays				
	2018 Board Approved Plan Design	2018 Plan Design with proposed changes	Member Cost Share	Deductible Remaining
Gold	\$40 Copay	\$40 Copay after \$1250 deductible	\$100 + \$40 Copay	\$100 - \$100 = \$0
Silver 70%	\$40 Copay	\$40 Copay after \$3700 deductible	\$100 + \$40 Copay	\$100 - \$100 = \$0
Silver 73%	\$40 Copay	\$40 Copay after \$3350 deductible	\$100 + \$40 Copay	\$100 - \$100 = \$0
Silver 87%	\$30 Copay	\$30 Copay after \$600 deductible	\$100 + \$30 Copay	\$100 - \$100 = \$0
Silver 94%	\$25 Copay	\$25 Copay	\$25 Copay	\$0

Enrollee met the plan deductible prior to this service				
Knee X-Ray Estimated to Cost \$200 - Member Pays				
	2018 Board Approved Plan Design	2018 Plan Design with proposed changes	Member Cost Share	Deductible Remaining
Gold	\$40 Copay	\$40 Copay after \$1250 deductible	\$40 Copay	\$0
Silver 70%	\$40 Copay	\$40 Copay after \$3700 deductible	\$40 Copay	\$0
Silver 73%	\$40 Copay	\$40 Copay after \$3350 deductible	\$40 Copay	\$0
Silver 87%	\$30 Copay	\$30 Copay after \$600 deductible	\$30 Copay	\$0
Silver 94%	\$25 Copay	\$25 Copay	\$25 Copay	\$0

Notes:

- **Selected provider assumed to be contracted (i.e., "In-Network");**
- **Enrollee cost sharing accrues to Maximum Out-of-Pocket (MOOP)**

Cost Sharing Scenario: Complete Blood Count (CBC)

- A CBC test may be ordered during a doctor visit to assist in diagnosing the cause of specific symptoms
 - Common situations for performing this test include if a patient is fatigued or experiencing weakness, has a fever or inflammation, bruising or bleeding or other issues
- Examples of Enrollee Cost Sharing Impact

	First Claim of the plan year (no portion of deductible met) Complete Blood Count Test Estimated to Cost \$15 - Member Pays			
	2018 Board Approved Plan Design	2018 Plan Design with proposed changes	Member Cost Share	Deductible Remaining
Gold	\$10 Copay	\$10 Copay after \$1250 deductible	\$15	\$1250 - \$15 = \$1235
Silver 70%	\$10 Copay	\$10 Copay after \$3700 deductible	\$15	\$3700 - \$15 = \$3685
Silver 73%	\$10 Copay	\$10 Copay after \$3350 deductible	\$15	\$3350 - \$15 = \$3335
Silver 87%	\$10 Copay	\$10 Copay after \$600 deductible	\$15	\$600 - \$15 = \$585
Silver 94%	\$10 Copay	\$10 Copay	\$10 Copay	\$0

Notes:

- Selected provider assumed to be contracted (i.e., "In-Network");
- Enrollee cost sharing accrues to Maximum Out-of-Pocket (MOOP)

Cost Sharing Scenario: Complete Blood Count (CBC)

	Enrollee has met all but \$100 of plan deductible prior to this service Complete Blood Count Test Estimated to Cost \$15 - Member Pays			
	2018 Board Approved Plan Design	2018 Plan Design with proposed changes	Member Cost Share	Deductible Remaining
Gold	\$10 Copay	\$10 Copay after \$1250 deductible	\$15	\$100 - \$15 = \$85
Silver 70%	\$10 Copay	\$10 Copay after \$3700 deductible	\$15	\$100 - \$15 = \$85
Siver 73%	\$10 Copay	\$10 Copay after \$3350 deductible	\$15	\$100 - \$15 = \$85
Silver 87%	\$10 Copay	\$10 Copay after \$600 deductible	\$15	\$100 - \$15 = \$85
Silver 94%	\$10 Copay	\$10 Copay	\$10 Copay	\$0

	Enrollee met the plan deductible prior to this service Complete Blood Count Test Estimated to Cost \$15 - Member Pays			
	2018 Board Approved Plan Design	2018 Plan Design with proposed changes	Member Cost Share	Deductible Remaining
Gold	\$10 Copay	\$10 Copay after \$1250 deductible	\$10 Copay	\$0
Silver 70%	\$10 Copay	\$10 Copay after \$3700 deductible	\$10 Copay	\$0
Siver 73%	\$10 Copay	\$10 Copay after \$3350 deductible	\$10 Copay	\$0
Silver 87%	\$10 Copay	\$10 Copay after \$600 deductible	\$10 Copay	\$0
Silver 94%	\$10 Copay	\$10 Copay	\$10 Copay	\$0

Notes:

- *Selected provider assumed to be contracted (i.e., "In-Network");*
- *Enrollee cost sharing accrues to Maximum Out-of-Pocket (MOOP)*

Plan Premium – Premium Tax Credit (PTC)

- Plan premium may be subsidized through PTC's for eligible consumers
 - Eligibility criteria includes the following:
 - Consumer is enrolled in a QHP, is not eligible for Minimum Essential Coverage (MEC), and has income of at least 100% but not more than 400% of the Federal Poverty Level (FPL)
- Amount of PTC is based on:
 - Premium for enrolled plan
 - Premium for Second Lowest Cost Silver Plan (SLCSP)
 - Household income, including percentage relative to FPL
- Impact to PTC calculation based on proposed plan revisions
 - No change in methodology

Appendix

2017 Poverty Guidelines for the 48 Contiguous States & District of Columbia

Persons in family/household	Poverty Guideline
1	\$12,060
2	\$16,240
3	\$20,420
4	\$24,600
5	\$28,780
6	\$32,960
7	\$37,140
8	\$41,320
For families/households with more than 8 persons, add \$4,180 for each additional person	

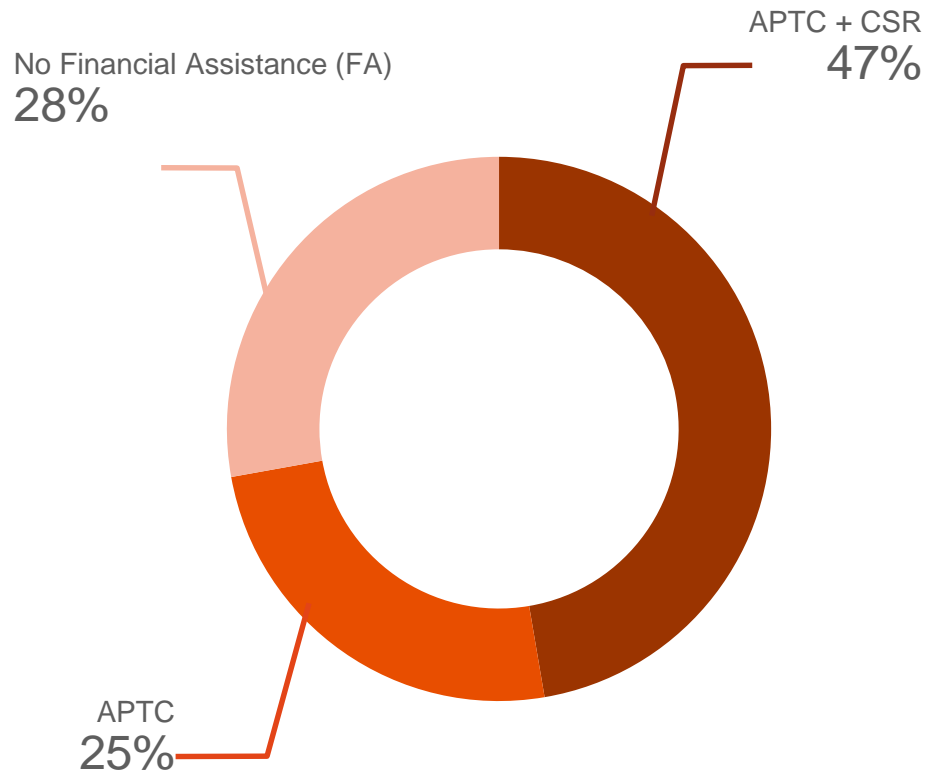
Qualification for Cost Sharing Reduction Plans is based on Income Relative to the Federal Poverty Level (FPL)

Federal Poverty Line Determines Applicable Cost Sharing Reduction (CSR) Plan Level	
FPL Range	Silver CSR Level
Between 200% and 250%	73%
Between 150% and 200%	87%
Less than or equal to 150%	94%

Enrollment Update

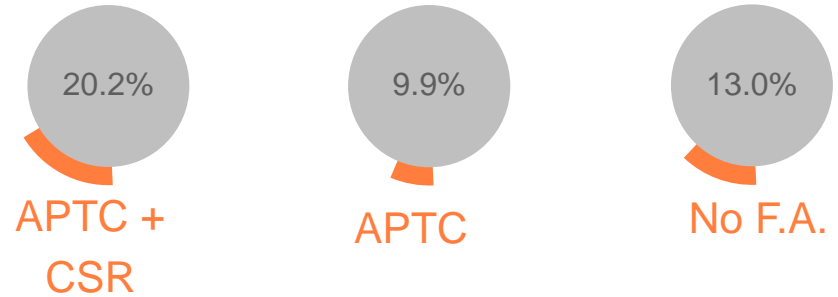
Enrollment Update (5/15/2017)

Current QHP Membership:
99,846 Enrollees



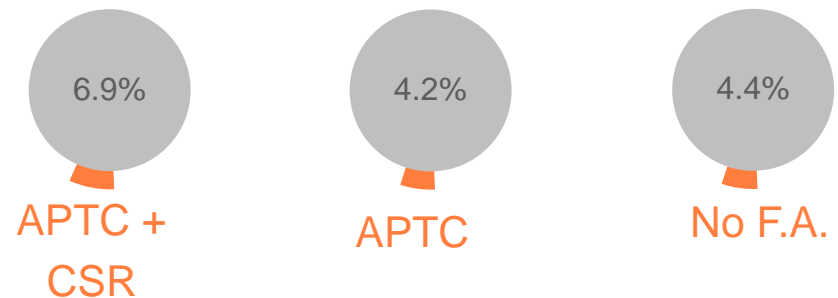
Attrition Since End of OE: 17,693 Enrollees

% Attrition By Financial Assistance:



Acquisition Since End of OE: 6,270 Enrollees

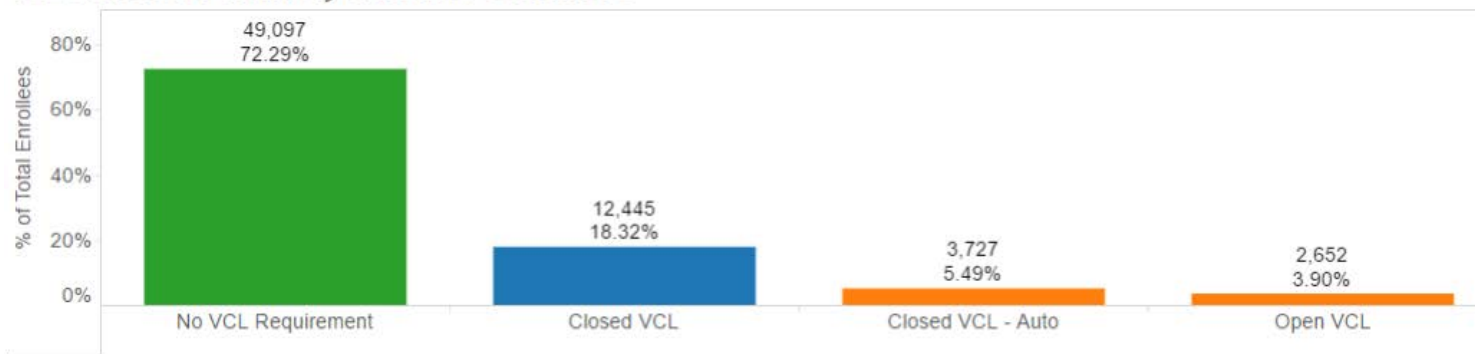
% Acquisition By Financial Assistance:



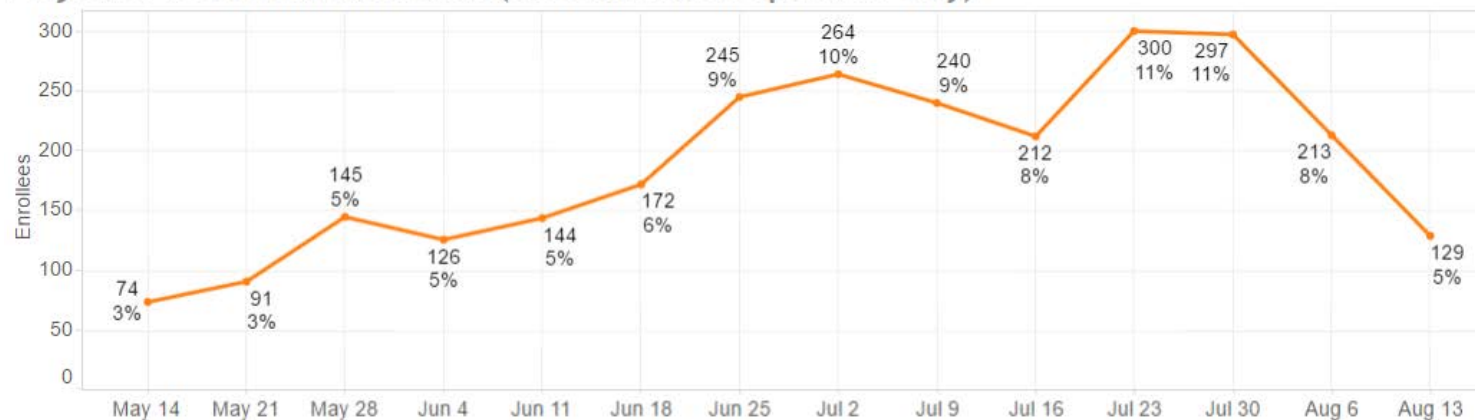
Customer Retention – Outstanding Verifications

Outstanding Verification Checklist (VCL) Activity For End of OE Customers

VCL Status for Actively Enrolled Customers



Projected VCL Termination Dates (Customers With Open VCL Only)



Verification status as of 5/15/2017

72% of enrolled customers didn't have to provide any post enrollment verification documents.

3.9% of enrolled customers have an outstanding verification to complete. Approx. 11% of open verifications have a due date in the week of July 30

Customer Retention – Effectuated Coverage

9.6 in 10

Enrollees have made their first monthly (premium) payment*



**Effectuation rate presented for Anthem BCBS customer base only
Effectuation status as of 5/15/2017*



All Payer Claims Database (APCD) Update

Updates From Last Advisory Group Meeting



VISION / MISSION / GOALS / OBJECTIVES

Re-establishment of project mission, vision, strategies, & proposed goals/objectives to fulfill each strategy



TEMPORARY DEVELOPMENT FREEZE

Clearly communicate development plans & utilize existing resources/ partnerships with common missions



ESTABLISH PRIORITIES

Prioritize “Must Haves”, take advantage of “Quick Wins” and “Low Hanging Fruit”, and steer clear of “Money Pits”



FOCUS ON PRODUCT QUALITY

APCD data collection & quality is a critical path across and within each strategic priorities



RESOURCE & SCHEDULE ASSESSMENT

Acknowledge and assess remaining resources, schedule, and scope



PROJECT PLANNING SHIFT

Shift to quarterly “sprints” to achieve targeted priorities

Recent Accomplishments



Data Collection Status

2016 Commercial data normalization and load into enclave to be completed by May 15th



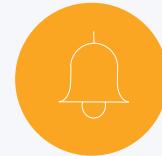
Reporting & Analytics

1st self-service analytic reports pulled for state's Healthcare Cabinet by AHCT



Data Release Development

Data release infrastructure development underway



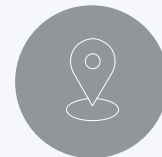
Consumer Tools

Market assessment of publicly available consumer facing tools and existing products underway



Coordination With CT SIM

Application for CMS Medicare data in final phases of approval



“Hands On” Data Quality Evaluations

User testing and feedback loop established in data enclave environment



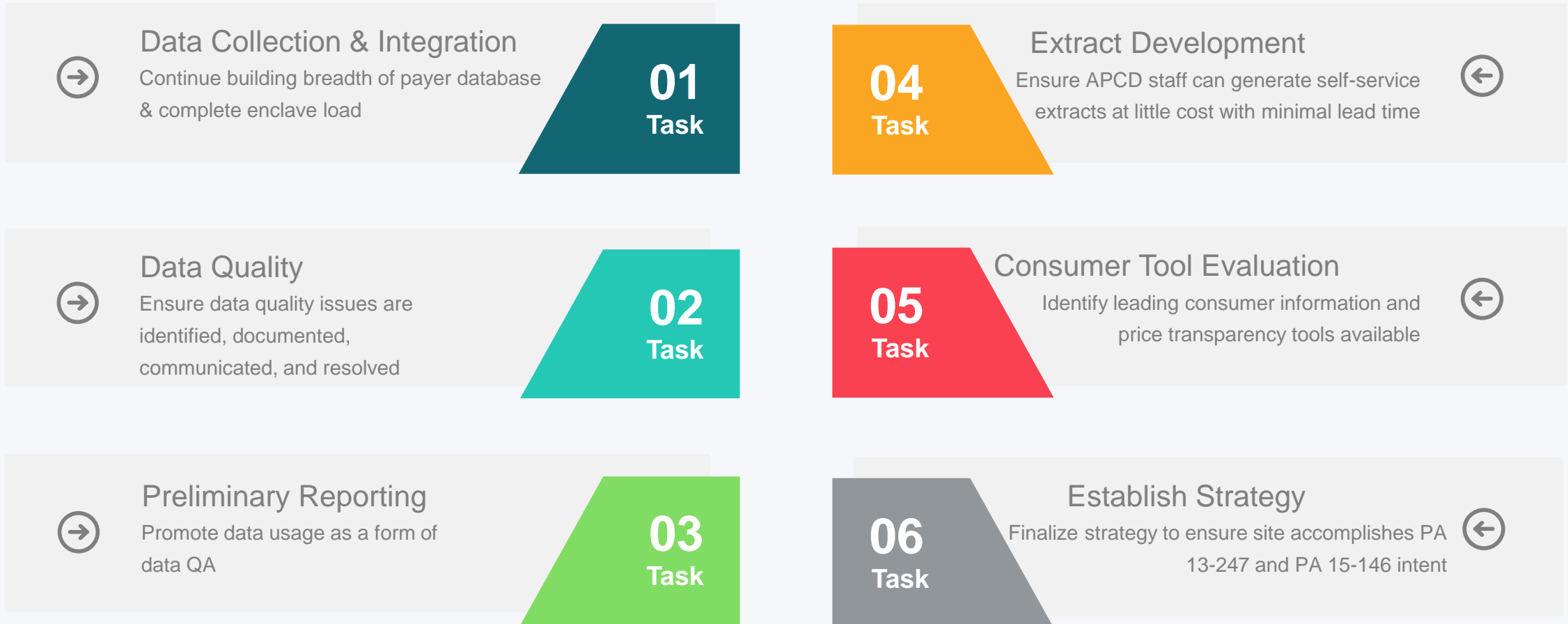
AHCT Analytics Supports UConn Research

AHCT Analytics assists Health Disparities Institute's Report on Health Insurance Literacy in CT (April 2017)

Tasks Until Next Advisory Meeting



Distinguish Critical Paths Across and Within Strategic Priorities and **Maintain Focus** on “Must Haves” and “Quick Wins”



➤ Finance Update

2018 Fiscal Year Operating Budget & Sustainability Operating Budget

- The 2018 AHCT budget of \$30.7M is \$5.2M or 14.5% less than the Q2, 2017 forecast of \$35.9M. On a gross expense basis, including costs shared with the Department of Social Services (DSS), 2018 is \$54.6M, which is \$9.7M or 15% less than the Q2 2017 forecast of \$64.2M.
- The decrease in the AHCT budget relates to the new call center and the per member per month (PMPM) billing structure, as well as the continued maturation of the Integrated Eligibility System (IES) resulting in less Information Technology (IT) development. Expenses for Marketing were also reduced.
- The decrease in gross expense relates to a reduction in IT expenses and continuation of directly billing vendor charges to both AHCT and DSS for their respective shares.
- The Operating Budget reflects the following items:
 - Operating expenses were constrained to equal the amount of estimated marketplace assessments for Calendar Year 2018
 - The Affordable Care Act (ACA) and all its components continue for the 2nd half of FY 2018
 - The IES continues to be the system for Qualified Health Plan (QHP), Medicaid and Children's Health Insurance Program (CHIP) eligibility
 - Approach to outreach does not change
- The budget is presented as a component of the projected financial statements of AHCT, including a statement of revenues, expenses and changes in net position; a statement of net position; and a statement of cash flows. This represents a view of the expected financial position, revenue and expenses, and cash position of AHCT at June 30, 2018. The budget in the normal line item format is included as a portion of the statement of revenues, expenses and changes in net position.

2018 Fiscal Year Operating Budget & Sustainability

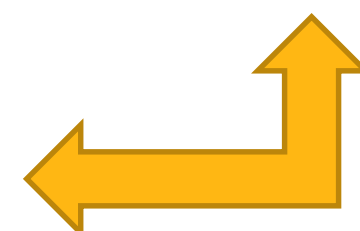
- 2018 will be the fifth year of the marketplace assessment. The actual assessment will be calculated on CY 2016 Statewide Individual, Small Group and Dental premium. This timing is used to be able to rely on the most recent officially filed data by licensed carriers in the State.
- In 2015, the Board of Directors approved a marketplace assessment rate of 165 bps for two calendar years, 2016 and 2017.
- The analysis on page 31 displays an estimated projection of 2018 assessments at 165 bps. The projection considered statewide premium from CY 2015 & 2016 Annual Statements filed by insurance carriers licensed in the State of Connecticut. The trend indicated an overall premium reduction of a little more than 1%.
- The historical results of the marketplace assessments since inception are also presented on page 30.
- For CY 2018, AHCT staff recommends maintaining the marketplace assessment at a rate of 165bps.

2018 Fiscal Year Operating Budget & Sustainability FY18 Budget vs. Q2 FY17 Reforecast - AHCT

PROJECTED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION			
	Q2, FY17 RFCST	FY18 BUDGET	VARIANCE
Grants	\$ 1,465,829	\$ -	\$ (1,465,829)
Marketplace Assessments	\$ 32,150,000	\$ 30,779,214	\$ (1,370,786)
Interest Income	\$ 48,473	\$ 43,287	\$ (5,186)
Revenue	\$ 33,664,302	\$ 30,822,501	\$ (2,841,802)
Salaries	\$ 8,065,818	\$ 7,327,147	\$ 738,671
Fringe Benefits	\$ 2,419,745	\$ 2,427,628	\$ (7,882)
Temporary Staffing	\$ 908,653	\$ 515,738	\$ 392,915
Contractual	\$ 16,386,620	\$ 12,946,850	\$ 3,439,770
Equipment and Maintenance	\$ 4,010,263	\$ 3,159,047	\$ 851,216
Supplies	\$ 18,055	\$ 26,206	\$ (8,151)
Travel	\$ 128,816	\$ 131,299	\$ (2,483)
Other Administrative	\$ 1,234,405	\$ 1,228,886	\$ 5,520
Operating Expenses	\$ 33,172,375	\$ 27,762,801	\$ 5,409,574
Depreciation	\$ 1,067,240	\$ 217,890	\$ 849,350
Total Expenses	\$ 34,239,615	\$ 27,980,691	\$ 6,258,924
			\$ -
Change in Net Position	\$ (575,312)	\$ 2,841,810	\$ 2,266,497

Variations

- Salary & Fringe costs reflect reorganization and increase in benefit costs.
- Temporary Staffing, Contractual, Equipment and Maintenance and IT Development – See page 5 for detail



RECONCILIATION OF OPERATING EXPENSES TO OPERATING BUDGET & GROSS EXPENSES			
	Q2, FY17 RFCST	FY18 BUDGET	VARIANCE
Operating Expenses	\$ 33,172,375	\$ 27,762,801	\$ 5,409,574
IT Development	\$ 2,737,805	\$ 2,828,550	\$ (90,745)
Pre-Paid Expenses	\$ (36,643)	\$ 74,128	\$ (110,771)
Operating Budget	\$ 35,873,537	\$ 30,665,479	\$ 5,208,058
Costs shared with DSS	\$ 26,780,518	\$ 23,892,644	\$ 2,887,874
AHCT Grants	\$ 1,566,781	\$ -	\$ 1,566,781
Gross Expenses	\$ 64,220,836	\$ 54,558,123	\$ 9,662,713

2018 Fiscal Year Operating Budget & Sustainability Analysis of Shared Costs with DSS

	GROSS EXPENSE			DSS ALLOCABLE			AHCT
	Q2, FY17 RFCST	FY18 Budget	Variance	Q2, FY17 RFCST	FY18 Budget	Variance	FY18 Budget
BEST Staffing Dev (84%)	\$ 677,165	\$ -	\$ 677,165	\$ 568,818	\$ -	\$ 568,818	\$ -
BEST Staffing (80%)	\$ 960,692	\$ 1,621,251	\$ (660,559)	\$ 768,553	\$ 1,297,001	\$ (528,448)	\$ 324,250
BEST Staffing via DSS	\$ 40,000	\$ 40,000	\$ 0	\$ -	\$ -	\$ -	\$ 40,000
AHCT Staffing (80%)	\$ 66,393	\$ -	\$ 66,393	\$ 53,115	\$ -	\$ 53,115	\$ -
AHCT Staffing	\$ 556,138	\$ 151,488	\$ 404,650	\$ -	\$ -	\$ -	\$ 151,488
Temporary Staffing	\$ 2,300,388	\$ 1,812,739	\$ 487,649	\$ 1,390,486	\$ 1,297,001	\$ 93,486	\$ 515,738
IT Development (84%)	\$ 158,500	\$ -	\$ 158,500	\$ 133,140	\$ -	\$ 133,140	\$ -
Hosting (80%)	\$ 1,521,156	\$ 1,540,000	\$ (18,844)	\$ 1,216,925	\$ 1,232,000	\$ (15,075)	\$ 308,000
Security (80%)	\$ 729,800	\$ 1,116,310	\$ (386,510)	\$ 583,840	\$ 893,048	\$ (309,208)	\$ 223,262
Testing (84%)	\$ 386,090	\$ -	\$ 386,090	\$ 324,315	\$ -	\$ 324,315	\$ -
Testing (80%)	\$ 314,080	\$ 1,068,800	\$ (754,720)	\$ 251,264	\$ 855,040	\$ (603,776)	\$ 213,760
DSS Only Projects (100%)	\$ 660,160	\$ 796,640	\$ (136,480)	\$ 660,160	\$ 796,640	\$ (136,480)	\$ -
IT Allocable	\$ 3,769,786	\$ 4,521,750	\$ (751,964)	\$ 3,169,644	\$ 3,776,728	\$ (607,084)	\$ 745,022
Call Center (80%)	\$ 21,029,265	\$ 16,654,910	\$ 4,374,355	\$ 16,823,412	\$ 13,323,928	\$ 3,499,484	\$ 3,330,982
Operations (80%)	\$ 2,994,269	\$ 2,795,000	\$ 199,269	\$ 2,395,415	\$ 2,236,000	\$ 159,415	\$ 559,000
Non-IT Allocable	\$ 24,023,534	\$ 19,449,910	\$ 4,573,624	\$ 19,218,827	\$ 15,559,928	\$ 3,658,899	\$ 3,889,982
Accounting	\$ 88,125	\$ 75,000	\$ 13,125	\$ -	\$ -	\$ -	\$ 75,000
APCD	\$ 1,405,813	\$ -	\$ 1,405,813	\$ -	\$ -	\$ -	\$ -
Call Center (Brokers)	\$ 716,781	\$ -	\$ 716,781	\$ -	\$ -	\$ -	\$ -
Legal	\$ 635,800	\$ 213,800	\$ 422,000	\$ -	\$ -	\$ -	\$ 213,800
Marketing	\$ 4,176,278	\$ 2,966,406	\$ 1,209,872	\$ -	\$ -	\$ -	\$ 2,966,406
SHOP	\$ 502,342	\$ 450,000	\$ 52,342	\$ -	\$ -	\$ -	\$ 450,000
Plan Management	\$ 340,000	\$ 300,000	\$ 40,000	\$ -	\$ -	\$ -	\$ 300,000
Verifications	\$ 2,032,976	\$ 1,591,949	\$ 441,026	\$ -	\$ -	\$ -	\$ 1,591,949
IT Development	\$ 1,058,831	\$ 2,690,000	\$ (1,631,169)	\$ -	\$ -	\$ -	\$ 2,690,000
1095 Projects	\$ 35,028	\$ -	\$ 35,028	\$ -	\$ -	\$ -	\$ -
Other	\$ 164,995	\$ 24,690	\$ 140,305	\$ -	\$ -	\$ -	\$ 24,690
Non-Allocable	\$ 11,156,969	\$ 8,311,846	\$ 2,845,124	\$ -	\$ -	\$ -	\$ 8,311,846
Contractual	\$ 38,950,290	\$ 32,283,506	\$ 6,666,784	\$ 22,388,472	\$ 19,336,656	\$ 3,051,816	\$ 12,946,850
M&O (80%)	\$ 3,751,950	\$ 3,233,734	\$ 518,216	\$ 3,001,560	\$ 2,586,987	\$ 414,573	\$ 646,747
M&O	\$ 3,306,393	\$ 2,512,300	\$ 794,093	\$ -	\$ -	\$ -	\$ 2,512,300
Equipment & Maintenance	\$ 7,058,344	\$ 5,746,034	\$ 1,312,309	\$ 3,001,560	\$ 2,586,987	\$ 414,573	\$ 3,159,047
IT Development (84%)	\$ -	\$ 800,000	\$ (800,000)	\$ -	\$ 672,000	\$ (672,000)	\$ 128,000
IT Development	\$ 4,081,620	\$ 2,700,550	\$ 1,381,070	\$ -	\$ -	\$ -	\$ 2,700,550
IT Development	\$ 4,081,620	\$ 3,500,550	\$ 581,070	\$ -	\$ 672,000	\$ (672,000)	\$ 2,828,550
GRAND TOTAL	\$ 52,390,641	\$ 43,342,829	\$ 9,047,812	\$ 26,780,518	\$ 23,892,644	\$ 2,887,874	\$ 19,450,185

2018 Fiscal Year Operating Budget & Sustainability Marketplace Assessment and Cash Flows

(\$'s in 000's)

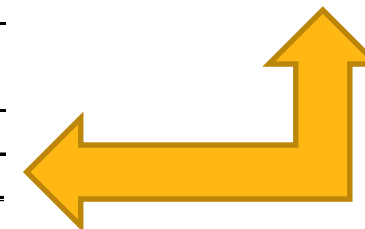
Premium Base Year	Marketplace Premium	Assessment Collection Year	Assessment Rate	Calendar Year Marketplace Assessment	Fiscal Year Marketplace Assessment Revenue
2012	\$ 1,846,453	2014	0.0135	\$ 24,927	\$ 12,464
2013	\$ 2,141,986	2015	0.0135	\$ 28,917	\$ 26,861
2014	\$ 2,023,311	2016	0.0165	\$ 33,385	\$ 30,455
2015	\$ 1,875,737	2017	0.0165	\$ 30,949	\$ 32,150
2016	\$ 1,854,935	2018	0.0165	\$ 30,606	\$ 30,779

PROJECTED STATEMENTS OF CASH FLOWS			
	Q2, FY17 RFCST	FY18 BUDGET	VARIANCE
Beginning Cash Balance	\$ 24,008,231	\$ 14,895,818	\$ (9,112,414)
Assessment	\$ 33,000,676	\$ 30,779,214	\$ (2,221,462)
Medicaid Recovery	\$ 30,638,994	\$ 24,241,902	\$ (6,397,092)
Other	\$ 89,331	\$ 43,287	\$ (46,044)
Grant - Federal	\$ 3,588,599	\$ -	\$ (3,588,599)
Total Cash Receipts	\$ 67,317,600	\$ 55,064,402	\$ (12,253,198)
Total Cash Payments	\$ 76,430,014	\$ 52,467,517	\$ (23,962,497)
Cash Flow Surplus/Deficit (-)	\$ (9,112,414)	\$ 2,596,885	\$ 11,709,299
Ending Cash Balance	\$ 14,895,818	\$ 17,492,703	\$ 2,596,885

Reserves*

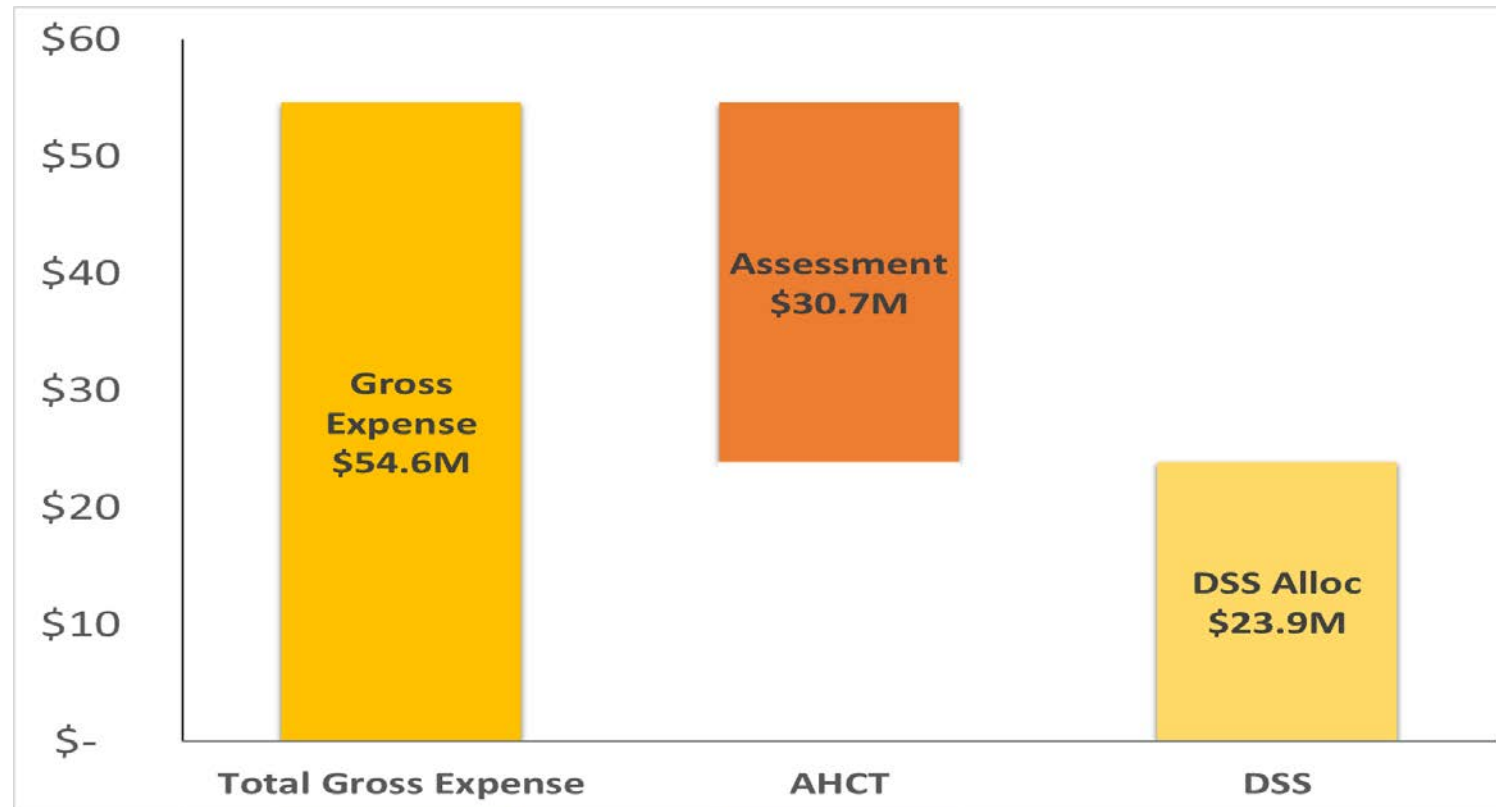
- Q2, FY17 Reforecast: 5 months
- FY18 Budget: 7 months

*Based on Ending Cash Balance over Fiscal Year Operating Budget.



2017 Fiscal Year Operating Budget & Sustainability Funding Sources

in \$ Millions



2018 Fiscal Year Operating Budget & Sustainability

FY18 Salaries

DEPARTMENT	Q2, FY17 RFCST	FY18 BUDGET	VARIANCE
Administration	\$ 1,920,691	\$ 1,617,567	\$ 303,124
Customer Service	\$ 1,463,800	\$ 1,403,189	\$ 60,611
Information Technology	\$ 945,751	\$ 1,030,519	\$ (84,769)
Legal	\$ 636,414	\$ 623,606	\$ 12,808
Marketing (incl. Sales)	\$ 767,502	\$ 616,643	\$ 150,858
Marketplace Strategies	\$ 877,500	\$ 682,674	\$ 194,825
Operations (incl. SHOP)	\$ 1,046,218	\$ 958,616	\$ 87,601
Outreach	\$ 407,944	\$ 394,332	\$ 13,612
Total Salaries	\$ 8,065,818	\$ 7,327,147	\$ 738,671
Headcount	98	92	6

2018 Salary of \$7.3M
excludes a 33% benefits
load.

FTEs include

FY18 Budget:

- 82 Permanent employees
- 33 Durational employees
(10 FTEs)

As of April 2017:

- 80 Permanent employees
- 15 Durational employees
(6 FTEs)

2018 Fiscal Year Operating Budget & Sustainability Risks and Opportunities

- Risks and opportunities to the AHCT 2018 budget include
 - Risks
 - Repealing and replacing the ACA
 - Call center transition
 - Funding shortfalls
 - Opportunities
 - Call center
 - Continuous business process improvements
 - Greater collaboration with marketplace carriers

2017 Fiscal Year Operating Budget & Sustainability

Q2, 2017 Fiscal Year Forecast vs. Actuals - AHCT

Through 9 Months

Category	Q2 Reforecast March YTD	Actuals March YTD	Variance March YTD
Salaries	\$5,987,458	\$5,849,534	\$137,924
Fringe Benefits	\$1,847,298	\$2,024,709	(\$177,411)
Temporary Staffing	\$701,302	\$698,157	\$3,145
Contractual	\$13,145,674	\$12,726,751	\$418,923
Equipment and Maintenance	\$4,939,899	\$4,249,565	\$690,335
Supplies	\$11,446	\$8,142	\$3,304
Travel	\$88,191	\$69,778	\$18,413
Other Administrative	\$847,343	\$859,654	(\$12,311)
Total Expense	\$27,568,612	\$26,486,291	\$1,082,321

The favorable variance is primarily due to timing differences relating to information technology development expenses .

➤ Adjournment