



Finance Subcommittee

**Regular Meeting
Legislative Office Building, Room 1C
Hartford, CT
January 12, 2018**

Meeting Minutes

Members Present: Benjamin Barnes (Chair); Robert Tessier; Victoria Veltri; Michael Gilbert on behalf of Commissioner Roderick Bremby, Department of Social Services (DSS); Robert Scalettar, M.D., (by phone)

Access Health CT (AHCT) Staff: James Wadleigh; James Michel; Susan Rich-Bye; Sinisa Crnkovic

The Regular Meeting of the Connecticut Health Insurance Exchange Finance Subcommittee was called to order at 10:09 AM

I. Call to Order and Introductions

Chair Benjamin Barnes called the meeting to order at 10:09 AM.

II. Approval of the Minutes

Benjamin Barnes requested a motion to approve the October 16, 2017 Finance Subcommittee Special Meeting Minutes. Motion was made by Robert Tessier and seconded by Victoria Veltri. ***Motion passed unanimously.***

III. FY 2018 – 2nd Quarter Budget Report

James Michel, Director of Finance, provided the Fiscal Year (FY) 2018 – 2nd Quarter Budget Report. Mr. Michel recognized Sinisa Crnkovic, Senior Analyst, who assisted in preparing this report. Mr. Michel indicated that the second quarter FY2018 Budget reflects an increase in the AHCT budget of \$1.6 million. The Department of Social Services (DSS) share of overall costs between AHCT and DSS will be reduced by \$2.4 million. The FY to date through December 31, 2017 budget indicates what was allocated and what was spent. The differences between those two figures are due to timing differences. Mr. Barnes inquired about the expenditures related to employment. Mr. Michel stated that AHCT's last payroll payment for 2017 was on December 21,

and a week's payroll is included in this graph on the actual side. James Wadleigh indicated that the employee mix continues to change. AHCT is evaluating the long-term contractual staff, and has made changes in terms of reclassifying employees. Long-term consultants were hired as permanent staff, increasing the payroll, but resulting in a decrease in contractual or temporary staffing costs. Mr. Michel stated that AHCT was required to adjust its budget to reflect the change in the call center cost allocation between DSS and AHCT, from an 80-20 ratio to an approximately 70-30 ratio. AHCT absorbed another 10 percent of the costs. The overall budget will increase from \$30.6 million to \$32.2 million. Mr. Michel proposed that the increase should come from reserves to cover this adjustment. This amount also includes various IT adjustments.

Susan Rich-Bye, Director of Legal and Governmental Affairs, added that AHCT is revising the MOU with DSS for the cost allocations. It will all be reflected in the budget. Robert Scalettar inquired about the timing to accomplish this task. Ms. Rich-Bye indicated that it could be done relatively quickly. Mr. Wadleigh stated that it is being planned. The reason the forecast is left in its current form is due to serious technological upgrades that AHCT will be undertaking soon. Mr. Barnes expressed his support for absorbing the loss, preserving the reserves as much as possible, as well as upgrading the IT infrastructure of the organization.

Mr. Michel provided a cash flow analysis for AHCT as of December 31, 2017. Mr. Michel indicated that outstanding invoices will be collected soon. This balance would increase from \$10.8 million to approximately \$16 million. Mr. Tessier asked about the source of that revenue. Mr. Michel indicated that it is a reimbursement from DSS.

Benjamin Barnes asked for a motion to recommend the FY 2018 – 2nd Quarter Budget Report as recommended by Exchange Staff to the Board of Directors. Motion was made by Robert Tessier and seconded by Victoria Veltri. ***Motion passed unanimously.***

I. Adjournment

Benjamin Barnes requested a motion to adjourn. Motion was made by Victoria Veltri and seconded by Robert Tessier. ***Motion passed unanimously.*** Meeting adjourned at 10:25 AM.