



Finance Committee

November 9, 2023
Regular Meeting -- Remote
10:00 a.m.
Draft Meeting Minutes

Members Present: Claudio Gualtieri on behalf of Jeffrey Beckham, Office of Policy & Management (OPM) Secretary; Shantelle Varrs on behalf of Commissioner Andrea Barton Reeves, Department of Social Services (DSS); Commissioner Manisha Juthani, Department of Public Health (DPH); Thomas McNeill; Matthew Brokman

Access Health CT (AHCT) Staff: James Michel; Susan Rich-Bye; Glenn Jurgen; Holly Zwick; Ann Marie Chatman; Jynelle Maloney; Sinisa Crnkovic; Marcin Olechowski

A. Call to Order and Introductions

The Regular Meeting of the Connecticut Health Insurance Exchange Finance Committee was called to order at 10:00 a.m.

Roll call for attendance was taken.

James Michel, Chief Executive Officer (CEO) introduced Holly Zwick, new Director of Finance.

B. Public Comment

No public comment was submitted.

C. Vote: Review and Approval of Minutes

Chair Claudio Gualtieri requested a motion to approve the June 15, 2023, Special Meeting Minutes. Motion was made by Thomas McNeill and was seconded by Manisha Juthani. Roll call vote was ordered. Matthew Brokman abstained. **Motion passed.**

D. Fiscal Year 2023 Year End Budget Report

Sinisa Crnkovic, Head of Financial Planning and Analysis, presented the Fiscal Year 2023 Year End Budget Report. Mr. Crnkovic provided information on the Fiscal Year (FY) 2023 Budget and compared it to the Actuals. Mr. Crnkovic noted that that the total FY 2023 Budget was \$57,546,301 and the actuals were \$56,652,77, which resulted in variance of

\$893.524 due to the vacancy savings in salaries, contractual savings, system maintenance, timing of the insurance renewals and administrative expenses savings.

Mr. Crnkovic added that in terms of revenues, the positive variance was due to the additional grants received and the increase in interest rates over the last 12 months. Mr. Crnkovic and Mr. Michel provided information on the carry-forward projects from FY 2023 to FY 2024 which are all Information Technology related.

Chair Claudio Gualtieri commented on the growth in Covered Connecticut enrollment due to the Unwinding of Medicaid continuous coverage. Mr. Michel added that there are over 20,000 individuals enrolled in this program as of this date, and it is anticipated that enrollment will continue to grow due to changes in the enrollment process and the current Open Enrollment (OE) period being in process. Brief discussion ensued on the Medicaid Unwind funds dedicated to marketing and in-person outreach as well as other carry-forward projects.

E. Investment Report

Mr. Crnkovic provided a summary of the Investment Report for FY 2022 and 2023. Mr. Crnkovic stated that the objective for AHCT exchange funds is obtain the maximum rate of return while preserving the principal and providing immediate liquidity. Mr. Crnkovic further noted that AHCT invests its funds in the State of Connecticut Treasurer's Short-Term Investment Fund (STIF) and noted that it is available for use by the State's funds and agencies, public authorities and municipalities and other political subdivisions. He emphasized that it is a very safe investment option. Mr. Crnkovic provided further information pertaining to the Investment Report, which included the STIF account information actuals for both fiscal years as well as details on the 401a retirement plan management. Information on the Exchange's retirement plans for employees was provided.

F. Fiscal Year 2024 Quarter 1 Budget Report

Mr. Crnkovic presented the FY 2024 Quarter 1 Budget Report. Mr. Crnkovic stated that FY 2024 Quarter 1 was budgeted for \$11,631,430, of which \$4,684,145 was for the Department of Social Services (DSS) Shared Cost, while the overall actuals were \$12,305,875 which created a positive variance of \$674,445 due to the timing of expenses and invoices. Mr. Crnkovic also noted that the revenues were higher due to the interest rates increases. He provided details on various budget line items. AHCT does not anticipate any changes to the FY 2024 Adopted Budget and no changes are expected as it relates to the FY 2024 DSS Shared Cost. Mr. Crnkovic also provided information on the breakdown of the DSS-shared cost which amounts to \$20,486,273.

The FY 2024 Projected Reserve Fund Balance is expected to be at \$18.5 million and amounts to 6.6 months of the Exchange's operating funding.

Chair Claudio Gualtieri requested a motion to approve the FY 2024 Q1 Budget Report as presented. Motion was made by Matthew Brokman and seconded by Thomas McNeill. Roll call vote was ordered. **Motion passed unanimously.**

G. Reserves Policy

Chair Claudio Gualtieri stated that the Board of Directors has been engaged on the topic of the reserves policy and AHCT has done initial work in order to inform both, the Finance Committee and the Board about the possible options and comparisons with similar entities.

Mr. Crnkovic noted that for the past few months, the Finance Department has been drafting a reserves policy and also researching reserve policies for other State-Based Exchanges (SBMs), quasi-public agencies and non-profit organizations. Mr. Crnkovic pointed out that that some SBMs obtain part of their funding from their respective state budgets and some of them might not have a reserve policy because of their operating model. Some of the SBMs are part of state agencies and obtain funding from state budgets, thus the reserves are not necessary in those instances.

A review of all Connecticut Quasi-Public Agencies was conducted and only one had an unrestricted reserve, and some had reserves restricted to specific operating items. Mr. Crnkovic indicated that AHCT would like to formalize a reserve fund policy, which would determine the target reserve amount as well as the intended uses of the reserves.

It was suggested that the target amount should be between 9 and 12 months of operating funding and would be funded by budget surplus funds. Mr. Crnkovic added that the reserves would be used when there is an unanticipated loss of funding, for one-time budgeted expenses or sudden increase in expenditures. All requests to use reserve funds will need to be approved by the AHCT Board of Directors.

The Committee and AHCT staff discussed potential financial risks that may be facing the organization which would require the use of the Exchange's reserves, which includes cybersecurity among other topics.

H. Adjournment

Chair Claudio Gualtieri requested a motion to adjourn. Motion was made by Manisha Juthani and seconded by Matthew Brokman. Roll call vote was ordered. **Motion carried.** Meeting adjourned at 10:51 a.m.