



**CT HEALTH INSURANCE EXCHANGE
(d/b/a Access Health CT)
FISCAL YEAR 2012 ANNUAL REPORT**

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Executive Summary

The Board of Directors of the Connecticut Health Insurance Exchange d/b/a Access Health CT, a quasi-public agency, is pleased to submit its Fiscal Year 2012 Annual Report, as required by Connecticut General Statute Chapter 12, Quasi-Public Agencies, Section 1-123(a).

In its first year of operation, our newly established organization has made significant progress in the planning and implementation of a state-based Health Insurance Exchange for the state of Connecticut.

Our **Vision**: The Exchange supports health reform efforts at both the state and national level that provide Connecticut residents with better health and an enhanced and more coordinated health care experience at a reasonable, predictable cost.

Our **Mission**: To increase the number of insured residents, improve health care quality, lower costs, and reduce health disparities through an innovative, competitive health insurance marketplace that empowers consumers to choose the health plan and providers that give them the best value.

Our **Guiding Principles**: While building an Exchange requires work across a diverse spectrum of functions and disciplines, we will continue to make sure that all activity is aligned to five (5) simple goals for our organization:

- (1) Create an easy and simple consumer experience for shopping and comparison of insurance options
- (2) Promote innovation and new options for health benefit coverage in the state
- (3) Provide empathetic and responsive customer service
- (4) Work with our health plans, brokers, and navigators to provide more affordable products and broad distribution support
- (5) Launch a substantive and targeted communications and outreach campaign that promotes awareness of health reform and new options for consumers and small businesses in the state

Introduction and Background

Access Health CT (AHCT), which is the brand name under which the Connecticut Health Insurance Exchange does business, was created under Connecticut enabling legislation-PA 11-53, effective July 1, 2011 "as a body politic and corporate, constituting a public instrumentality and political subdivision of the state" ... that "shall not be construed to be a department, institution or agency of the state." PA 11-53 is codified at CGS 38 a-1080 through 1090.

Prior to the establishment of AHCT, much of the Exchange planning activity was funded by a Federal establishment planning grant that was awarded to the state of Connecticut on September 29, 2010, by the Department of Health and Human Services (HHS) Centers for Medicare and Medicaid Services (CMS). Based on the State's progress in its planning efforts, HHS awarded a \$6.7M establishment grant

to AHCT in August of 2011 to build on the work conducted under the initial planning grant. These funds have allowed AHCT to shape its strategy successfully and meet necessary development milestones and benchmarks during the 2012 Fiscal Year.

Governance

The passage of Connecticut's Public Act 11-53 in June 2011 provided the necessary legal authority and infrastructure to develop a fully-functioning State-administered Health Insurance Exchange. The Act established the Exchange as a quasi-public authority governed by a fourteen (14) member Board of Directors. Lieutenant Governor Nancy Wyman was appointed chair of the Exchange Board of Directors.

In June 2012, the Legislature enacted Public Act 12-1 amending CGS 38a-1081, the section of the enabling statute that established the Connecticut Health Insurance Exchange and set out the Exchange's governance structure. The amendments contained in Section 217 and 218 of PA 12-1, brought the Exchange's enabling statute into even closer alignment with Section 1311(d) of the Affordable Care Act (ACA) and with 45 CFR 155.110 (1.2a), 1.2(c), and (1.2(d)). Specifically, the state's HealthCare Advocate who previously was an *ex officio* non-voting member of the Board, became an *ex officio* voting member of the Board (PA 12-1, Section 217 (b)(1)(H)). In addition, Section 217 (b)(2)(A) through (b)(2)(C) clarified certain conflict of interest restrictions on Board members, while, Section 218 clarified certain conflict of interest restrictions applicable to Exchange employees.

Under CGS 38a-1084, Duties of the Exchange, the Exchange is specifically directed to establish and operate a Small Business Health Options Program (SHOP) Exchange (subsections 13 and 14) through which qualified employers may access coverage for their employees. In addition, under CGS 38a-1084 subsection (3), the Exchange is directed to implement procedures for the certification, recertification, and decertification of health benefit plans as qualified health plans using guidelines established under Section 1311 of the ACA and section 38a-1086. Under Qualified Health Plans, CGS 38a-1085(a), the Exchange is required to make qualified health benefit plans available to qualified individuals and qualified employers for coverage beginning on or before January 1, 2014.

AHCT staff has worked in tandem with its Board of Directors to ensure that the governance structure is in compliance with the Affordable Care Act (ACA) and any and all relevant state and Federal regulations. Since first convening in September 2011, the Exchange Board has met monthly and has primarily focused on Exchange strategy and policy development, vendor procurement, research activities, the hiring of an experienced Exchange leadership team, and the development of the Exchange's Qualified Health Plan (QHP) requirements.

The Connecticut Health Insurance Exchange first adopted Bylaws in January 2012. The Bylaws mirror the provisions in the law with respect to the appointing authority or *ex-officio* status of board members and the required expertise and terms of office of the board members. The Bylaws also mirror the law with respect to Board officers and the requirement that all appointed Board members take an oath before serving. Finally, the Bylaws establish three standing committees: Finance, Audit, and Human Resources and allow the Board to establish such other *ad hoc* committees as it requires. The Board may

delegate to any standing or *ad hoc* committee such Board powers, duties, and functions falling within that committee's area of cognizance that the Board deems appropriate.

Fiscal Year 2012 in Review

Connecticut has made significant progress in the planning and establishment of the Connecticut Health Insurance Exchange in Fiscal Year 2012. It was a year which built upon the work conducted under the initial Planning Grant awarded by CMS in 2010. In August of 2011, Connecticut applied to CMS for an Exchange Establishment Grant and was awarded \$6.7 million. In June of 2012, an administrative supplement to that grant was awarded to the Exchange in the amount of \$1.5 million for a total Establishment Grant of \$8.2 million. These funds have allowed Connecticut to shape strategy successfully and meet necessary development milestones and benchmarks. The funds have been primarily allocated to the following areas:

- Establishment of organizational structure and leadership staffing
- Assessment and analysis of business operations and IT systems
- Assessment of consumer support capabilities and requirements
- Market research and strategy development

As a result, AHCT has made significant progress in the planning for future business operations and in developing an implementation plan that describes specific goals, milestones, and timeframes for a fully functioning Exchange to be delivered to the citizens of Connecticut by October of 2013.

AHCT created a dynamic approach to staffing the organization, utilizing both consultant support and staff positions for successful ongoing operations, while simultaneously managing the design, development, and implementation of the evolving Exchange solution. The recruitment of skilled and experienced senior leadership to guide the Exchange was paramount to the success and progress of AHCT in 2012. By the end of fiscal year 2012, executive leadership positions were filled, including General Counsel, Director of Marketing, and Director of Policy and Plan Management. Recruitment was well underway for additional executives including the Chief Executive Officer, Chief Financial Officer, Chief Information Officer, and Chief Operating Officer. In addition, key consultant staff for marketing, outreach, program management, and technical support staff were on-boarded.

The Exchange conducted extensive planning and coordination activities with other Connecticut state agencies, specifically with the Connecticut Insurance Department (CID), Department of Social Services (DSS), Office of Policy and Management (OPM), Office of the Healthcare Advocate (OHA) and the Office of Health Reform and Innovation (OHRI).

Consumer and Stakeholder Engagement and Support Efforts

AHCT completed its initial phase of consumer and stakeholder outreach, working closely with the marketing firm, Mintz & Hoke, in the development of strategies for consumer outreach supporting the diverse communities of Connecticut. The initial focus of AHCT's outreach efforts was to build a foundation of understanding regarding state-based exchanges, health insurance, and use of the current healthcare system, as well as collect insight from a wide range of individuals, community groups, and industry organizations throughout the state. AHCT built upon these initial outreach efforts by analyzing current marketplace data and conducting primary qualitative research. In addition, Mintz & Hoke reached out to a broad array of community-based healthcare providers, consumer advocates, and

community leaders to establish a solid foundation on which to build AHCT's overall consumer outreach strategy.

In addition, the Exchange Board appointed four Advisory Committees consisting of Exchange Board and community stakeholder members to provide an effective avenue for addressing the specific issues and policy considerations regarding the development and operation of the Exchange. The committees were organized thematically including:

- Consumer Experience & Outreach
- Health Plan Benefits & Qualifications
- Brokers, Agents & Navigators
- Small Business Health Options Program

Connecticut also successfully launched a bridging marketing campaign, consisting of postcards mailed to stakeholders, development of an email newsletter on Exchange development activities, and creation of an interim website where stakeholders and consumers could find current activities of the Exchange, schedules of meetings for the Board of Directors and Advisory Committees, and all public materials and reports produced in support of early Exchange development activities.

Technology

The Exchange and Connecticut's Department of Social Services (DSS) have partnered to develop an integrated eligibility and enrollment system plan. This partnership will ensure coordinated planning and procurement that enables the state to maximize federal grant dollars in the development of the dual eligibility system. In addition, this joint effort maximizes reuse and the sharing of technical resources and vendors to establish an integrated eligibility system within the very compressed timeline required by the ACA.

Connecticut is fully committed to implementing a technology solution for use by both AHCT and DSS. This shared technology for the Exchange, Medicaid, and CHIP eligibility determination is anticipated to serve as the core of an integrated eligibility platform that will eventually support all HHS agencies and their associated social services benefit programs. DSS is leveraging this unique opportunity to replace its antiquated Eligibility Management System (EMS). The State plans a phased implementation for other HHS programs following the Exchange and Medicaid/CHIP roll-outs.

Connecticut's planned integrated eligibility initiative will provide the core functional and technical requirements for eligibility determination for Exchange participation (e.g., advance payment of premium tax credits and cost-sharing reductions), in addition to state Medicaid and CHIP eligibility determinations. This integrated eligibility platform (i.e. shared eligibility service), once designed, developed and implemented, will provide a seamless eligibility and enrollment process for the Exchange, Medicaid and CHIP, and will ultimately will be used to determine eligibility for other state social service programs (e.g., Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance For Needy Families (TANF)).

During this fiscal year, DSS and the Exchange established a Program Management Office (PMO) to facilitate an overall strategic integration approach to manage the implementation of both the Exchange and Integrated Eligibility System. The PMO will be comprised of project managers, staff consisting of program area leads, and subject matter experts in program and policy, IT, compliance, security, and legal support. The PMO will also be responsible to ensure adherence to data management and security standards, including Federal Hub data transfer interface, and system privacy and security compliance.

AHCT awarded a contract to KPMG to assist with the development of the business requirements and related IT systems. KPMG is assisting the Exchange with the iterative process of moving from planning and development activities through to procurement and system implementation activities. This interdisciplinary vendor, who began work in early February 2012, is focused on determining both business process functions and related IT system requirements. The projected completion date of this work is August 2012, which will enable the Exchange to engage a Systems Integrator and procure the necessary systems, resources, and infrastructure to provide for a successful Exchange open enrollment starting in October 2013.

Plan Management Activities

In fiscal year 2012, AHCT conducted an assessment of current plan management and certification processes as part of a larger information gathering exercise to identify required Exchange business and technical requirements and develop detailed business process models. Additionally, the plan management team worked with the Advisory Committees in the development of recommendations for the Board's consideration on the number and types of Qualified Health Plans (QHPs) to be offered through the Exchange.

AHCT also developed the business and technical requirements for an Exchange call center. These requirements will become part of the Exchange's solicitation to procure customer service center capabilities (i.e. a single toll free number and Interactive Voices Response (IVR) capability, etc.), which will be a critical function of the Exchange, and a key to its operational success in January, 2014.

Financial Summary

During fiscal year ending June 30, 2012, grant revenue was the only revenue source for AHCT. The investment for the development of the state Exchange was entirely funded from Federal grant dollars awarded. This Federal investment is expected to cover substantially all development, start-up, and ongoing operating expenses through December 31, 2014. AHCT anticipates generating revenues from the operation of a fully-functioning state Health Insurance Exchange beginning in October, 2013.

AHCT is currently transitioning the financial management function from the Connecticut Office of Policy and Management (OPM) to AHCT as a stand-alone quasi-public entity. Through federal and state approval of a Memorandum of Understanding (MOU) between AHCT and OPM in 2011, a mechanism is currently in place to allow for sub-granting of the Level One establishment grant funds to AHCT. During

the Planning Grant funding period and through the first 8 months of the establishment funding, AHCT leveraged OPM's infrastructure and processes to manage these grant funds. This relationship, which required state reporting, auditing, and documentation, allowed for AHCT to periodically draw down funds based on cash flow projections and expense reports.

The MOU that is now in force between OPM and AHCT requires stringent financial management processes that support necessary state requirements, and further provide that AHCT would ultimately manage its own funds. The development of internal financial management processes was crucially important to fulfill the requirements of the MOU with OPM. The MOU will continue to govern management of grant funds in the coming months. AHCT plans to assume management responsibility of grant awards directly by the end of the 2012 calendar year.

AHCT's independently audited FY 2012 financial statements are included in **Appendix A** as follows:

1. The Statement of Net Position (Balance Sheet);
2. The Statement of Income, Expenses, and Changes in Net Position; and
3. The Statement of Cash Flows

The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB). Under this method of accounting, an economic resources measurement focus and an accrual basis of accounting is used, similar to private industry. Income is recorded when earned, and expenses are recorded when incurred.

The Statement of Net Position presents information on AHCT assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of AHCT is improving or deteriorating.

The Statement of Income, Expenses and Changes in Net Position reports income and expenses of AHCT for the fiscal year. The difference - increase or decrease in net assets - is presented as the change in net assets for the fiscal year. The cumulative differences from inception forward are presented as the net assets of AHCT, reconciling to total net assets on the Statement of Net Position.

The Statement of Cash Flows presents information showing how AHCT cash and cash equivalent positions changed during the fiscal year. The Statement of Cash Flows classifies cash receipts and cash payments as resulting from cash provided by operating activities and cash used for capital assets and related financing activities. The net result of those activities is reconciled to the cash balances reported at the end of the fiscal year. This statement is prepared using the direct method, which allows the reader to easily understand the amount of cash received and how much cash was disbursed.

Human Resources Summary

AHCT continued its progress in evolving from a small "start-up" organization to one that stands ready to operate a fully-functioning, ACA-compliant Health Benefits Exchange in late 2013. AHCT made progress

leveraging the Federal Establishment Grant funding to staff core positions required to set-up and establish the Exchange.

Early in the fiscal year, the Exchange utilized existing state contracts to facilitate temporary-to-permanent hiring of support staff. The Project Director, working with the state Office of Policy and Management (OPM), developed a strategy to apply for Level One Exchange Establishment Grant funding, and, once approved, operated within OPM on a temporary basis. In February 2012, the Exchange was established as a freestanding entity. This milestone allowed for the organization's transition from under OPM's "umbrella," completing an extensive start-up effort that was executed in accordance with federal and state guidelines.

Setting up the administrative structure of the Exchange was a priority in fiscal year 2012. The Exchange successfully established critical operational components, including payroll, human resources, hiring of accountants, hiring of operational staff, developing operating accounts, developing procurement and purchase order procedures, and developing other operating policies.

Affirmative Action Policy Statement

On January, 27, 2012, the Exchange Board of Directors approved the following policy:

The Connecticut Health Insurance Exchange ("Exchange") is an equal employment opportunity and affirmative action employer, dedicated to the policy of nondiscrimination in employment on any basis prohibited by law. The Exchange is committed to providing equal employment and advancement opportunities without consideration of race, color, religious creed, age, sex, sexual orientation, gender identity or expression, marital status, national origin, ancestry, veteran status, mental retardation, genetic information, disability, or other legally protected status, unless there is a bona fide occupational qualification under applicable Connecticut statute excluding persons in one of the foregoing protected groups. Additionally, the Exchange will take affirmative action to ensure workplace equality, avoid all forms of discrimination, and develop a workforce that is representative of all segments of the population.

The Exchange will utilize affirmative action measures at all stages of the employment process. With regard to recruitment and hiring, the Exchange will notify recruiters, consultants, prospective candidates, and employees that "The Connecticut Health Insurance Exchange is an "Affirmative Action/Equal Employment Opportunity Employer" and shall broadly disseminate this policy by posting it on its website, bulletin boards, and other locations accessible to employees and potential candidates for employment. The Exchange will attempt through recruitment efforts to increase the number of highly qualified female and minority applicants who apply for each vacancy with the ultimate goal that the Exchange's workforce will mirror the diversity of the labor pool. Additionally, the Exchange will attempt to reach a greater number of Hispanic, African-American, Asian/Pacific Islander and Native American potential applicants by contacting organizations and educational institutions that promote the interests of such individuals and attending job fairs and other events where potential exposure to qualified female and minority applicants is high. The Exchange also recognizes the hiring difficulties which are sometimes encountered by the physically disabled and older persons and will undertake measures to

overcome the effects of past discrimination, if any, and to achieve the full and fair utilization of such persons in the work force.

The Exchange is also committed to equal opportunities for its employees with regard to all employment practices, including but not limited to compensation, benefits, training, promotions and discipline. All personnel decisions will be strictly based upon the needs of the Exchange and an employee's job-related skills and abilities. Consistent with its commitment to equal opportunity, the Exchange expects that all employees shall adhere to its policy of nondiscrimination. The Exchange is equally committed to ensuring nondiscrimination in all of its programs and initiatives.

Employees should bring any complaints regarding discrimination or any other violation of this policy to the immediate attention of the designated Equal Employment Opportunity (EEO) / Affirmative Action Officer. Alternatively, employees may submit discrimination complaints to their supervisor. Complaints brought under this policy will be promptly investigated. Any employee who violates this policy or knowingly retaliates against an employee reporting or complaining of a violation of this policy shall be subject to immediate disciplinary action, up to and including discharge.

The Exchange is committed to ensuring that all contractors who do business with it provide equal opportunities in employment without regard to legally protected status. The participation of minority business enterprises meeting the qualifications established by applicable regulation shall also be solicited and encouraged. All bidders, contractors and suppliers will be notified regarding this policy and all contracts for services or materials must include a statement in which the contractor agrees to abide by affirmative action and nondiscrimination principles.

The EEO/Affirmative Action Officer shall monitor compliance with this policy, including but not limited to maintaining data with regard to the hiring and promotion of women and minorities, and shall regularly report on these matters to the Chief Operating Officer (COO), CEO and the Board of Directors. All managers shall be responsible for administering and complying with this policy within his or her respective departments. The COO, CEO and the Board of Directors will provide any necessary guidance in carrying out this policy and any changes or modifications which may be necessary. In accordance with Connecticut General Statutes § 1-123, the Board of Directors' annual report to the Governor and Auditors of Public Accounts shall include this affirmative action policy statement, a description of the Exchange's work force by race, sex and occupation, and a description of affirmative action efforts.

Workforce Composition

At the end of fiscal year 2012, the Exchange had nine full time employees on staff. It is anticipated that the Exchange will more than triple its workforce in Fiscal Year 2013, as it grows and Health Insurance Exchange development efforts intensify. Appendix C (herein) provides a more detailed description of workforce composition, including position titles.

FY 2012 Affirmative Action Efforts

As a start-up organization, AHCT's FY 2012 affirmative action efforts were limited. Most importantly, AHCT developed and the Board approved an Equal Employment Opportunity and Affirmative Action

policy in January, 2012. AHCT is very committed to its newly established policy with regard to recruitment and promotional opportunities. State wide posting of all new staff positions are posted electronically on the state's CT.gov and Department of Labor (DOL) websites. These websites reach a broad range of diverse candidates. In addition, AHCT continues to utilize recruitment agencies that routinely search for diverse candidates.

In future, AHCT will be developing and implementing diversity training for staff. Additional affirmative action efforts and activities will be planned as the organization matures.

Planned Activities for Fiscal Year 2013

Fiscal Year 2013 will be a challenging year for the Exchange. While there are still planning activities and efforts to be finalized, 2013 will be a tremendous transition year from one of planning and organizational development to one of program and systems development and implementation.

The recruitment, selection, and on-boarding of additional members of the Executive Leadership Team, including Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, and Chief Information Officer will be a top priority early in the fiscal year. This will ensure the Exchange continues to make great strides in its organizational and operational development.

AHCT will continue to monitor future updates and changes to the ACA, or any other applicable Federal and/or State laws, regulations, and guidance for any required changes to the legal authority and governance of the Exchange as required.

With the completion of AHCT's initial phase of consumer and stakeholder outreach in FY 2012, the marketing team will focus on development and implementation of its second phase of outreach efforts in FY 2013, including a final Go-To-Market Plan. This marketing plan will be a crucial phase in the Exchange's development, as plan implementation will be crucial to the success of the initial open enrollment period. AHCT understands the critical importance of deploying numerous customer outreach and assistance channels, and to that end, the Exchange plans to design and implement comprehensive Navigator and In Person Assister programs in FY 2013. The Exchange plans to work closely with the Office of the Healthcare Advocate (OHA) in support of these state-wide consumer assistance programs. Lastly, AHCT is planning "Healthy Chat" events in various Connecticut cities in FY 2013. These town hall style events will help to introduce the concept of the Exchange and its role in bringing health insurance to the uninsured citizens of Connecticut.

From a technical solution standpoint, AHCT will continue its development of comprehensive technical requirements and process flow diagrams for system design. The experience of our technical advisory partner, KPMG, will be key, as AHCT conducts a thorough vendor selection process for our system integrator partner in FY 2013. Selecting a system integrator with experience working with DSS and with the Connecticut Bureau of System Technology (BEST) is necessary to reduce overall system development risk. In addition, it is imperative for the chosen system integrator to have experience working with other states in the development of Health Insurance Exchange and Integrated Eligibility system solutions in order to ensure a fully-functioning technical solution ready for the Connecticut marketplace in October

2013. Lastly, FY 2013 will be dedicated to preparing for and demonstrating AHCT's readiness to move from system and operational design to system development and testing.

As part of AHCT's commitment to reuse, the Exchange intends to continue to assess and leverage existing state resources and best practices, wherever practicable, to ensure suitable programs and systems are in place to provide superior customer assistance for the consumers of Connecticut.

Operational activities planned in FY 2013 will build upon AHCT's Exchange planning and development activities completed in FY 2012. Specifically, health plan designs are anticipated to be finalized and approved by the Board. As previously stated above, operational policies and programs will be finalized and implemented. In addition, procurements will be conducted for major operational vendor support including call center operations and the Small Employee Health Options Program (SHOP) marketplace implementation.

Most importantly, AHCT will work together with those health insurance carriers interested in providing health insurance plans on the Exchange to ensure the residents of Connecticut have viable options for their health insurance coverage for plan years beginning January 2014.

Appendix A: Connecticut Health Insurance Exchange FY 2012 Balance Sheets

Access Health CT Statement of Net Position FY 2012 End:

Assets

Current assets

| | |
|---------------------------|------------------|
| Cash and cash equivalents | \$ 1,534,341 |
| Prepaid expenses | 25,135 |
| Total current assets | <u>1,559,476</u> |

Noncurrent assets

| | |
|----------------------------------|------------------|
| Software development in progress | 1,557,968 |
| Equipment and software, net | 38,943 |
| Total noncurrent assets | <u>1,596,911</u> |

| | |
|--------------|----------------------------|
| Total assets | <u><u>\$ 3,156,387</u></u> |
|--------------|----------------------------|

Liabilities and Net Position

Liabilities:

| | |
|---------------------|----------------|
| Accounts payable | \$ 1,081,093 |
| Accrued liabilities | 45,622 |
| Refundable advances | <u>432,761</u> |

| | |
|-------------------|------------------|
| Total liabilities | <u>1,559,476</u> |
|-------------------|------------------|

Net Position:

| | |
|----------------------------|------------------|
| Invested in capital assets | <u>1,596,911</u> |
|----------------------------|------------------|

| | |
|------------------------------------|----------------------------|
| Total liabilities and net position | <u><u>\$ 3,156,387</u></u> |
|------------------------------------|----------------------------|

Access Health CT Revenues, Expenses, and Changes in Net Position FY 2012 End:

| | |
|---|----------------------------|
| Changes in net assets: | |
| Operating Revenues: | |
| Government grants and contracts | <u>\$ 3,448,792</u> |
| Total revenues | <u>3,448,792</u> |
| Operating Expenses: | |
| Wages | 417,867 |
| Fringe benefits | 79,796 |
| Consultants | 1,248,497 |
| Equipment | 15,704 |
| Supplies | 4,076 |
| Travel | 17,221 |
| Maintenance | 27,277 |
| Administration | 40,379 |
| Depreciation and amortization | <u>1,064</u> |
| Total operating expenses | <u>1,851,881</u> |
| Operating income and change in net position | 1,596,911 |
| Net position, beginning of year | <u>-</u> |
| Net position, end of year | <u><u>\$ 1,596,911</u></u> |

Access Health CT Statement of Cash Flows FY 2012 End:

Statement of Cash Flows

For the year ended June 30, 2012

| | |
|---|----------------------------|
| Cash flows from operating activities: | |
| Receipts from funding sources | \$ 3,881,553 |
| Payments to employees | (452,041) |
| Payments to vendors | (1,276,862) |
| Net cash provided by operating activities | <u>2,152,650</u> |
| Cash flows from capital and related financing activities: | |
| Payments for software development in progress | (578,302) |
| Purchase of software and equipment | (40,007) |
| Net cash (used for) capital and related financing activities: | <u>(618,309)</u> |
| Net change in cash and cash equivalents | 1,534,341 |
| Cash and cash equivalents at beginning of year | <u>-</u> |
| Cash and cash equivalents at end of year | <u><u>\$ 1,534,341</u></u> |
| Reconciliation of operating income to net cash provided in operating activities: | |
| Operating income and change in net position | \$ 1,596,911 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | |
| Depreciation and amortization | 1,064 |
| Changes in assets and liabilities: | |
| Prepaid expenses | (25,135) |
| Accounts payable | 101,427 |
| Accrued liabilities | 45,622 |
| Refundable advances | 432,761 |
| Net cash provided by operating activities | <u><u>\$ 2,152,650</u></u> |

Appendix B Listing of Outside Individuals/Firms Receiving in Excess of \$5,000.00; FY 2012

ADNET Technologies, LLC
Anthem BCBS of CT
Dell Marketing LP
Ergonomic Group, Inc.
Fitzgerald Associates
HES Advisors, Inc.
Hewlett-Packard Company
J.H. Cohn LLP
Jeffers Cowherd, P.C.
KPMG LLP
Mazene, Inc. d/b/a A.R. Mazzotta Employment
Mintz & Hoke
RL Carey Consulting
RM Bradley Management Corporation
Robert Half International, Inc.
The Travelers Indemnity Company
Willis of Connecticut, LLC

Appendix C Workforce Analysis as of June 30, 2012

| Job Title | Grand Total | Total Male | Total Female | White Male | White Female | Black Male | Black Female | Hispanic Male | Hispanic Female | Other Male | Other Female |
|-----------------------------------|-------------|------------|--------------|------------|--------------|------------|--------------|---------------|-----------------|------------|--------------|
| Business Analyst | 1 | 1 | | 1 | | | | | | | |
| Financial Analyst | 1 | | 1 | | | | 1 | | | | |
| General Counsel | 1 | | 1 | | 1 | | | | | | |
| Marketing Analyst | 1 | | 1 | | 1 | | | | | | |
| Marketing Director | 1 | 1 | | 1 | | | | | | | |
| Planning Analyst | 1 | | 1 | | 1 | | | | | | |
| Policy Analyst | 1 | 1 | | 1 | | | | | | | |
| Policy & Plan Management Director | 1 | | 1 | | 1 | | | | | | |
| Project Manager | 1 | | 1 | | 1 | | | | | | |
| Total Staff Positions | 9 | 3 | 6 | 3 | 5 | | 1 | | | | |