



CT HEALTH INSURANCE EXCHANGE

(d/b/a access health CT)

FISCAL YEAR 2016 ANNUAL REPORT

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Executive Summary

The Board of Directors (Board) of the Connecticut Health Insurance Exchange d/b/a access health CT (AHCT or Exchange), a quasi-public agency, is pleased to submit its Fiscal Year 2016 Annual Report, as required by Connecticut General Statute Chapter 12, Quasi-Public Agencies, and Section 1-123 (a) and in compliance with Section 38a-1089(b).

The Exchange successfully developed and implemented the State-based Health Insurance Marketplace for the State of Connecticut and remains committed to serving our state's citizens. AHCT's efforts have reduced the uninsured rate to an all-time low across Connecticut, with significant impact to minority and hard to reach communities and the young.

AHCT continues to operate a sustainable marketplace that is aligned with our mission, vision, and strategy.

Our Vision: AHCT supports health reform efforts at 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 marketplace that empowers consumers to choose the health plan and providers that give them the best value.

Our Strategy: AHCT's strategic goals focus on providing access to quality insurance choices for individuals and small businesses, delivering a positive customer experience, improving quality, cost transparency and reducing disparities in health care; which will result in healthier people, healthier communities, and a healthier Connecticut.

AHCT's foundation is comprised of our people, our brand, our processes, and technology. The four pillars are built on this foundation to support our Mission, Vision and Strategy. AHCT will continue to make sure that all strategic initiatives are aligned to these four (4) pillars:

1. Data Analytics

AHCT fosters a data-oriented culture that guides and supports the use of analytics. These enable the organization to efficiently and effectively focus on the customer; and identify and address strategic opportunities as they arise.

2. Innovative Solutions

AHCT is constantly innovating and building solutions based on evaluation, selection, timing, and budget to enable our customers to achieve better health outcomes for themselves and their families.

3. Customer Support

By incorporating intelligent customer service platforms, AHCT assists individuals in making cost effective decisions. New initiatives will ensure that residents get the support they need, when and where they need it.

4. Education/ Engagement

AHCT develops tools to inform and engage individuals to lead a healthier life. By leveraging data, the organization enables real-time performance measurements and customized content to better serve all audiences.

As AHCT moves forward, the vision remains the same. AHCT is continuing to pursue, through its mission, a strategy that moves away from creating technology solutions and towards helping to improve customers' health. AHCT's strategic goals are pivoting from an organization that focused primarily on getting residents enrolled in healthcare coverage to providing intelligent solutions for individuals to access care at an affordable cost.

AHCT is implementing a strategy that puts the customer first. We are shifting our attention from acquisition to retention; from mass communications to targeted ones; from transactional tools to mechanisms that empower members to choose the best healthcare coverage for themselves and their families; from knowing little about our members to implementing a data warehouse and market research that allows us to serve them better. Our customer service and satisfaction view is built on a foundation that addresses health disparities, affordability, quality, and cost; all with the goal of making a healthier state.

AHCT has implemented initiatives that are helping to close the gap of disparities in access to healthcare and improving affordability. Our work is far from over and AHCT is committed to continue to build and rely on strong partnerships with organizations that believe in healthier people, healthier communities and a healthier Connecticut.

Background

Governance

AHCT (which is the brand name under which the Connecticut Health Insurance Exchange does business) was created pursuant to Connecticut enabling legislation Public Act (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 § 38a - 1080 through 1093. AHCT was established as a Quasi-Public Agency, subject to the requirements of the Quasi-Public Agency Act, CGS § 120 *et seq.*

The goals of AHCT as outlined in CGS § 38a - 1083(b) mirror the goals of the Federal Patient Protection and Affordable Care Act (ACA) "to reduce the number of individuals without health insurance in this state and assist individuals and small employers in the procurement of health insurance by, among other services, offering easily comparable and understandable information about health insurance options."

AHCT is governed by a 14-member Board of Directors. Members include *ex officio* state government officials and private sector members appointed by both the legislative and executive branches of state government. Lieutenant Governor Nancy Wyman serves as chair of the Exchange Board of Directors. AHCT staff have worked closely with its Board to ensure that its governance structure remains in compliance with the ACA and any and all relevant State and Federal regulations. The Board meets primarily monthly and has focused on Exchange strategy and policy development, and the operations of the Exchange's Qualified Health Plan (QHP)

requirements. Future updates and changes to the ACA, or any other applicable Federal and/or State laws, regulations, and guidance continue to be monitored and changes are made by the Board to the Exchange's Bylaws and Policies and Procedures as required.

Pursuant to 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 (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 CGS Section 38a-1086. Pursuant to CGS 38a-1085(a), Qualified Health Plans, the Exchange is required to make qualified health benefit plans available to qualified individuals and qualified employers for coverage. The Exchange's Bylaws address changes in the Exchange's Authority and Board membership, quorum, and conflict of interest requirements. The Bylaws mirror the provisions in the Connecticut General Statutes with respect to the number and appointed or *ex-officio* status of Board members and the required expertise and terms of office of the board members. The Bylaws also mirror state law with respect to Board officers and the requirement that all appointed Board members take an oath before serving.

Finally, the Bylaws establish four (4) standing committees: Finance, Audit, Human Resources, and Strategy 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.

In 2015, AHCT drafted an Oversight and Monitoring Plan that provides the framework for all of AHCT's oversight and monitoring procedures to ensure compliance with federal and state laws, and prevent or discover waste, fraud, or abuse.

At its September 17, 2015, meeting, the Board of Directors adopted the Compliance and Disciplinary Policy for Certified Independent Brokers (Compliance Policy). The purpose of the Compliance Policy is to protect the public and to ensure that Certified Brokers are held to a uniform set of standards. Certified Brokers must act ethically, honestly and lawfully and comply with all AHCT policies and procedures. Failure to do so may result in disciplinary action. AHCT includes the final Compliance Policy in the training materials provided to certified independent brokers in the Learning Management System. AHCT also created a new Broker Registration Agreement that all certified independent brokers sign as a condition to participation in the broker program, and acceptance of the Compliance Policy is a requirement in the Agreement.

During its 2015 legislative session, the Connecticut General Assembly passed Public Act 15-5 granting AHCT the authority to create legal subsidiaries. Sections 503 and 504 of Public Act 15-5 amended CGS 38a-1083 to provide, in part, that "(a) The Exchange may establish one or more subsidiaries for such purposes as prescribed by resolution of the Board of Directors of the Exchange, which purposes shall be consistent with the purposes of the Exchange, provided no subsidiary shall be established for the purpose of providing insurance broker services, except dental or vision services, as necessary." This new authority will support the Exchange's sustainability efforts to generate additional revenue by offering additional products or services. No legal subsidiaries have been created yet.

In May of 2016 the General Assembly passed legislation amending CGS § 1081(c)(8), PA 16-129 modifying the requirement that each member of the Board of Directors procure a surety bond or that the Exchange procure a blanket bond for the Board and all employees for the faithful performance of duties. The amendment to 1081(c)(8) now provides that the Board or the Exchange may procure the surety bonds or an alternative

insurance instrument for the faithful performance of duties. The Exchange carries crime insurance with a faithful performance of duties rider that satisfies this requirement.

The ACA requires that the Exchange provide Special Enrollment Periods (SEP) to consumers experiencing certain qualifying life events outside of the annual Open Enrollment periods. In order to maintain the integrity of the health insurance marketplace and to ensure that individuals understand the eligibility requirements for SEPs, the Exchange adopted procedures to address verification of consumers' eligibility for SEP's. At the April 21, 2016, Board of Directors meeting, the Board voted to approve the Procedure: Verification of Consumers' Eligibility for Special Enrollments for publication in the *Connecticut Law Journal* and thirty (30) days of public comment. The deadline for public comment was June 2, 2016, and one comment with four (4) recommendations was received. None of the recommendations received required changes to the proposed Procedure. The AHCT procedure follows the lead of the Federally Funded Marketplace, which requires consumers who enroll in coverage using an SEP to provide documentation to the Exchange to verify that they qualify for an SEP. The Procedure: Verification of Consumer's Eligibility for Special Enrollments was approved at the June 8, 2016, meeting of the Board of Directors. Verification of consumer's eligibility for special enrollment periods began in September 2016. AHCT will monitor the results of the program periodically to assess its effectiveness and make any necessary changes.

Grant Awards

Federal establishment grants awarded by the U.S. Department of Health and Human Services (HHS) Centers for Medicare and Medicaid Services (CMS) provided for planning efforts, development and stabilization of ACHT during its start-up of operations in 2010-2013. These covered operating and capital expenses for the development and implementation of the Integrated Eligibility System (IES), used for QHPs on the Exchange and for Modified Adjusted Gross Income (MAGI) Medicaid and Children's Health Insurance Plan (CHIP) eligibility determination.

Additional establishment grants awarded in 2013 and 2014 supported on going establishment of the Exchange pursuant to Section 1311 of the ACA, provided an In-Person Assistor Program during the initial Open Enrollment timeframe and funded the stabilization of systems for adherence to new Federal guidance and regulations. Funding provided development and implementation activities for enhancements to benefit enrollment and maintenance interfaces. In accordance with grant terms, the majority of establishment grants awarded were completed and fulfilled by October and December 2015.

As of June 30, 2016, AHCT maintains one open establishment grant through CMS. The award of \$9.3 million was granted on December 17, 2014, primarily to support required system enhancements to maintain compliance with Federal regulations. In addition to regulatory system changes, the grant provided funding for new customer outreach approaches and establishing the transitional reinsurance program. System enhancements to the Plan Management Worker Portal, Learning Management System, and establishment of a Tier 2 and 3 Customer Service issue resolution unit were also funded.

In October 2015, AHCT applied for and received a no-cost extension for the 2014 establishment grant to

extend the project performance period from December 15, 2015, to December 15, 2016, in order to complete necessary design, development, and implementation activities.

A non-government grant was awarded by the Connecticut Health Foundation for the AHCT Health Literacy Program Establishment to understand and strengthen provider network adequacy and care access through a secret shopper evaluation. The grant period runs for one year, ending March 31, 2017, for the amount of \$81,000.

Marketplace Assessments

Marketplace Assessments are charged to all health and dental Carriers that are capable of offering a qualified health plan through the Exchange to generate funding necessary to support the operational sustainability of AHCT. Connecticut PA 11-53 and 13-247 initially gave AHCT the authority to charge assessments to fund Exchange operations and to charge interest and penalties to Carriers failing to pay the assessments and fees required. This is now codified at CGS 38a-1083 (c)(7).

During its 2014 legislative session, the Connecticut General Assembly passed PA 14-217, which included provisions providing additional enforcement authority for the Exchange's assessment. Specifically, the Legislature added Subsection (d) to CGS 38a-1083 directing the Commissioner of Insurance to see that all laws respecting the authority of the Exchange are faithfully executed. In enforcing the assessment, the Commissioner "has all the powers specifically granted under Title 38a and all further powers that are reasonable and necessary".

Marketplace Assessment revenues were first initiated in January 2014 and are billed and collected on a calendar year basis. Final determinations as to the terms, conditions, basis, and methodology of any assessments or fees to be charged shall rest in the sole discretion of the Board, acting in accordance with applicable law.

Fiscal Year 2016 in Review

AHCT remains committed to the mission of serving our State's citizens. The Exchange has evolved and strengthened operational and business processes and continues to improve by implementing strategic initiatives and goals in keeping with our vision and mission.

The Exchange's technology solutions facilitate critical functionality including eligibility, enrollment, and information exchange among individual consumers, employers, insurance Carriers, and State and Federal government agencies. This requires close coordination, communication, and collaboration between AHCT and its State partners, Connecticut Department of Administrative Services (DAS), Bureau of Enterprise Systems and Technology (BEST), and Department of Social Services (DSS) on the integrated eligibility and enrollment system.

The Exchange enrolls over 100,000 residents in private qualified health plans, and the Medicaid program enrolls over 750,000, including 205,000 in expanded Medicaid under the ACA.

As AHCT transitions from grant funds as the main source of funding, Marketplace Assessments to Carriers provide funding to support ongoing operating costs of AHCT.

Consumer and Stakeholder Engagement and Support Efforts

AHCT implemented a strategic and targeted marketing campaign for the third Open Enrollment period, occurring during fiscal year 2016. The focus was reaching those who are already enrolled with AHCT and need to renew coverage. AHCT also continued to inform consumers about healthcare coverage and how to maximize their current plan benefits, such as the importance of selecting a primary care physician and scheduling an annual checkup. AHCT has established a trusted brand in previous statewide marketing programs centered on driving enrollment and raising awareness about the benefits of accessing affordable healthcare coverage. So for this year, emphasis was placed on the value of the products offered. This resulted in the most successful marketing campaign to date, driving close to 20,000 new members and over 96,500 repeat customers.

AHCT implemented a summer events outreach tour leading up to Open Enrollment with a program called “Access Health CT Summer Tour: Get Out, Get Active, Get Healthy” that promoted healthcare education, plan utilization, and living a healthy lifestyle. The tour stopped at 35 events including farmers’ markets, concerts, sporting events, and health fairs to connect with residents throughout the state.

Open Enrollment efforts included an integrated advertising campaign in both English and Spanish, a social media campaign across Facebook, Twitter, and Instagram, as well as onsite events including enrollment fairs, community chats, and media receptions. Additionally, AHCT directed the public to the Learn More section of their website for information about enrolling in healthcare coverage.

AHCT implemented successful community outreach efforts with a network of Community Enrollment Partners (CEP) that included community health centers, libraries, clinics, and other neighborhood locations to host enrollment fairs and distribute information about Open Enrollment. At enrollment fairs AHCT brought together certified insurance brokers and Certified Application Counselors (CAC) to help in successfully answering residents’ questions, select a plan, and enroll in coverage.

Designing diverse marketing and advertising campaigns is a priority and AHCT will continue to make every effort to issue all communications and notices in English and Spanish, as well as additional languages as needed. To ensure that marketing materials are geared to a broad audience, AHCT had select collateral printed in thirteen (13) different languages. Targeted efforts are designed to reach all audiences including those hardest to reach who remain uninsured.

Consumer engagement and marketing is no longer limited to Open Enrollment periods. AHCT’s community outreach includes year-round activities within the communities around the state. AHCT has a growing list of over 450 community groups, public-facing entities, and organizational leaders to help focus on plan utilization, healthcare literacy, acquisition, and retention tactics among others.

Operations

Operations continues to focus on eligibility and enrollment, as well as customer service. For Open Enrollment for the Plan Year 2016 beginning on November 1, 2015, consumers enrolled, renewed coverage, and contacted AHCT for service issues. Operations implemented its Open Enrollment support plan by assisting consumers at its storefronts and CEP locations, through the Call Center, and by resolving issues through Customer Service (formally called Issue Resolution Department). Free in-person assistance at storefront locations in New Britain and New Haven and CEP sites across the state were staffed by thirty (30) Enrollment Specialists who saw thousands of visitors since locations opened in late-October until closing on January 31, 2016. As of the end of Open Enrollment, there were approximately 19,500 new QHP customers who enrolled through AHCT.

Lessons learned from previous years have helped AHCT be prepared to assist consumers with any issues that may arise and realign processes to meet consumer demands. Enrollment Specialists were able to resolve problems through the worker portal and also had the Customer Service and IT departments available through hotlines as additional resources. Call Center Representatives (CCRs) were also added to meet additional call volume when needed. Being able to resolve consumer issues in a timely manner and also on-site has resulted in high customer service satisfaction.

Key milestones were met by Operations such as the mailing of the 1095-A Statements by January 31, 2016. The 2015 tax year was the second year with the 1095-A Federal requirement, which is a form that QHP recipients on the Exchange use to file their taxes as evidence of coverage and to reconcile their Advanced Premium Tax Credit (APTC) with the Internal Revenue Service (IRS). Over 98,000 1095-A Health Insurance Statements were sent to all QHP consumers, except those receiving catastrophic coverage. Mixed family consumers, who are enrolled in both AHCT QHP and DSS Medicaid, receive a 1095-A Statement from AHCT and a 1095-B Statement from DSS. AHCT and DSS have worked collaboratively to minimize the risk of issues associated with this mixed population.

To provide comprehensive consumer support with their 1095-A, AHCT sent communications to customers and updated the consumer portal's *Learn More* tab with: 1095-A Frequently Asked Questions, an informational video, and a Bronze and Silver plan premium calculator for those seeking an affordability exemption. For consumers actively seeking 1095-A assistance, AHCT maintained a special 1095-A telephone line where consumers could speak to a CCR, request a reprint, and escalate issues if their 1095-A required correction.

Transitional Medical Assistance (TMA) ended on July 31, 2016, for approximately 18,500 Connecticut residents who are no longer eligible for Husky A coverage with the State as a result of a legislative change from 2015. These individuals must have enrolled in coverage by July 31, 2016, for an effective date of August 1, 2016, in order to avoid any gap in coverage. AHCT and DSS jointly planned during 2016 to make it an effective transition. AHCT contacted and met with all Carriers, the Office of Healthcare Advocate (OHA) and the Connecticut Health Foundation (CHF) to share information and discuss outreach efforts for those individuals affected by the change in law. AHCT and DSS jointly developed a Marketing and Enrollment plan to minimize the risk of gap in coverage for those losing Husky A coverage.

Steps taken to avoid the gap in coverage included sending out a notice that indicated there was a change in law that may result in losing Husky A coverage. In addition, a separate notice was sent that provided final eligibility determination and the notice advised the individual that they would be required to secure health care coverage and the deadlines. Calls were made and mailers were sent out to those affected and a landing page was launched on the Learn More tab of the AHCT website (in English and Spanish) that contained copies of DSS and AHCT notices, FAQs, and included more information around shopping for and enrolling in coverage. As of September 1, 2016, approximately 4,800 of the TMA population requalified for a Medicaid program and approximately 2,600 TMA participants enrolled in a QHP program.

From an Operations perspective, after three (3) Open Enrollments with AHCT's Call Center vendor, Maximus, the timing was right to have a formal Request for Proposal (RFP) process for a new call center vendor. The RFP was sent out January 21, 2016, with responses due February 29, 2016. The objective was to partner with a vendor that could provide improved technology and value-added services in a more cost effective manner. Maximus did not submit a proposal and after an extensive RFP process Faneuil, Inc. was selected to provide customer care and other business processing support. (See Planned Activities for 2017 for further information).

Market Place Strategies

Marketplace Strategies is responsible for the coordination, implementation, and support of initiatives that improve service to participants and active coordination with Carriers to provide plans that are affordable and offer value to the consumer.

➤ Technology

From a technology perspective, Fiscal Year 2016 was focused on enhancing the IES and supporting the DSS ImpaCT project. The Exchange and DSS partnered to develop and enhance an Integrated Eligibility and Enrollment System. Connecticut has implemented this shared technology for both QHPs on the Exchange and for Modified Adjusted Gross Income (MAGI) Medicaid and Children's Health Insurance Plan (CHIP) eligibility determination. DSS is leveraging this unique opportunity to replace its antiquated Eligibility Management System with ImpaCT. The Exchange has focused with DSS on prioritizing the top change requests and defining the scope for upcoming releases to IES.

Preparation for plan year 2016 Open Enrollment, beginning on November 1, 2015, included implementing support plans and refining processes to meet consumer demands. The October 2015 major release focused on items specific to Open Enrollment operation, curtailing the ability to initiate multiple applications, and enhancing the Medicaid functionality and integration points with DSS efforts to roll out their ImpaCT project.

The March 2016 major technology release further addressed integration requirements of the IES with the DSS ImpaCT project. The March release enhanced consumer and worker portals, testing automation, ImpaCT integration, and enhancements. Regulatory requirements that address DSS integration for eligibility and enrollment were also implemented.

The Learning Management System (LMS) software became operational as of September 2015. LMS contains training content and manages the individual training credentials for workers using the integrated eligibility and enrollment system. LMS is used for personnel assisting clients to ensure compliance with regulatory requirements and simplify training administration. LMS is also used by Call Center staff to further develop their knowledge about the ACA and by brokers for training certification and recertification.

➤ **Plan Management Activities**

During fiscal year 2016, the Plan Management team completed certification of all submitted QHPs for the 2016 benefit plan year. The cycle related to certification of Carriers and their QHP submission year over year is continuous. Plan Management activities are well underway for issuer and QHP certification for the 2017 plan year, culminating with 2017 Open Enrollment, which begins November 2016. The Exchange utilized a variety of techniques and methods to establish the Plan Management processes and functions required for Carrier management activities related to certification, re-certification, decertification, continued monitoring, and compliance of QHPs published on the AHCT Marketplace Web Portal. The Exchange has established manual and automated processes, policies, and procedures to effectively complete QHP and Carrier certification.

The Plan Management Portal, used in uploading, staging, and previewing Carrier plan information that will populate the consumer shopping portal with benefit, cost-sharing, and premium rate information, was redesigned in 2015 to make the system more efficient. AHCT contracted with Amtex Systems Inc. as the System Integrator (SI) for system development, design, and implementation of the Plan Management Portal to improve the overall efficiency and quality for Plan Management Carrier Product Managers, certification processes, participating Carriers, and ultimately, the consumer shopping experience. Secure Carrier access to and interaction within the Plan Management Portal also allows for efficient plan certification as well as rate and plan data importation into the Access Health CT Consumer shopping portal.

The SI delivered enhancement features used in the 2016 certification process. The Plan Management team was able to utilize all the benefits of the enhanced functionality, which included the “new Carrier preview”, immediate template uploads, data edit capabilities by both Carriers and the Plan Management team, real time activity tracking and reporting, communications dashboard, and user notifications.

The SI also made minor modifications to the communications dashboard and notifications that align with the 2017 certification process. The system modifications along with the Carrier’s utilization of two (2) new tools (Comparison Tool and the SOB-PBT Comparison Tool) introduced in 2016 provides additional support resulting in the reduction of invalid data submissions from the Carriers. The tools allow the Carriers to identify errors prior to submission, decreasing the need for AHCT to provide correction notices and eliminating multiple resubmissions by the Carrier.

For the 2016 benefit plan year, the following Carriers achieved certification and their plans were offered:

- Individual Medical: Anthem Blue Cross and Blue Shield (Anthem), ConnectiCare Benefits, Inc., Healthy CT, and UnitedHealthcare

- SHOP Medical: Anthem, Healthy CT, and UnitedHealthcare
- Individual Dental: Anthem
- SHOP Dental: Anthem and MetLife

In April 2016, UnitedHealthcare informed AHCT that it will not offer plans through the Exchange (Individual and SHOP) for the 2017 plan year. UnitedHealthcare's existing Exchange policies will remain in effect through the end of the 2016 policy year for individual and for the end of the plan year for SHOP. UnitedHealthcare has announced it is pulling out of Health Insurance Exchanges across the United States.

As of June 30, 2016, UnitedHealthcare had 1,835 Connecticut enrollees, representing 1.8 percent of AHCT's total QHP enrollment. Sixty-four percent of those enrollees live in Fairfield County. In the small business market, UnitedHealthcare had eighteen (18) employers representing 124 residents. Between the second and third Open Enrollment periods, the number of enrollees in the UnitedHealthcare plan declined by eighteen (18) percent.

On July 5, 2016, the Connecticut Insurance Department placed HealthyCT, Connecticut's nonprofit health insurance co-op, under an Order of Supervision and HealthyCT was ordered to stop writing new policies in Connecticut, effective immediately. As a result, AHCT will no longer be selling healthcare coverage offered by HealthyCT on the Exchange for both Individual and SHOP. AHCT cannot sell new policies or renew existing policies. HealthyCT will continue to provide service and pay claims to our existing members until their coverage ends on December 31, 2016, for Individual policies and the end of the plan year for SHOP policies.

An order of Rehabilitation was entered for HealthyCT on November 1, 2016, and on December 9, 2016 an Order of Liquidation was entered for HealthyCT. Through the Order of Liquidation, the Liquidator and Special Deputy will oversee the payment of all outstanding claims.

AHCT had 11,299 customers who purchased plans from HealthyCT as of June 30, 2016, representing 11.2 percent of AHCT's total QHP enrollment. Those customers will be covered under their current individual policies until December 31, 2016, and will have to enroll in a new plan for 2017 when Open Enrollment begins November 1, 2016.

AHCT Marketing staff developed an outreach plan to inform customers who purchased HealthyCT and UnitedHealthcare products via the Exchange of their change in status and to inform them that they will need to shop for a new plan during Open Enrollment 2017 beginning in November 2016.

The exit of UnitedHealthcare and the inability of HealthyCT to offer coverage leaves two (2) insurers in the marketplace for the 2017 benefit plan year: Anthem and ConnectiCare Benefits Inc. ConnectiCare Benefits Inc and Anthem have renewed their commitments to stay on the Exchange. The timing of the departures did not permit new carriers to be added and achieve certification in time for Open Enrollment for 2017. AHCT plans to strengthen its efforts to recruit new carriers onto the Exchange for the future.

In other Carrier changes, MetLife, one of the two companies that sell small-group dental plans through AHCT, will not offer plans through the marketplace in 2017.

Plan Management will continue to develop future system enhancements to expedite annual certification and recertification activities, as well as ongoing maintenance in support of annual changes made to Federal data templates and requirements while Marketplace Strategies continues to identify opportunities to enhance the product and Carrier offerings.

Transitional Reinsurance Program

The ACA established a Transitional Reinsurance Program (TRP) and a Permanent Risk Adjustment Program, two of three premium stabilization programs started in the 2014 benefit plan year, to provide issuers with greater stability as the insurance market reforms are implemented. The Exchange has leveraged the Federal Risk Adjustment and operates its own Transitional Reinsurance Program by leveraging an existing State asset to run its State-based reinsurance program through Health Reinsurance Association (HRA). The primary contract between HRA and AHCT was executed in June 2015 to provide services for the Plan Years 2014 through 2017. All reinsurance payments for the 2014 benefit year were paid by HRA to Connecticut insurers in August and November 2015. For the 2015 benefit year, interim reinsurance payments were made to Connecticut insurers in March and August 2016 and final payments will be made in 2017. The work for the 2016 benefit year will continue into 2017.

All-Payer Claims Database

Connecticut's All-Payer Claims Database (APCD) was established to collect, store, analyze, and report health insurance claims data from public and private payers of health claims within the State of Connecticut. In 2015, AHCT worked with its data management vendor, Onpoint Health Data, to set up the APCD website, engage in developing detail specifications for web reports, and determine data access requirements. The initial phase of the website launched in late 2016, and will be expanded as more reports become available. The Exchange conducted a thorough review of its data management vendor to ensure compliance of data infrastructure and encryption conforms to the Health Insurance Portability and Accountability Act (HIPAA) and National Institute of Standards and Technology (NIST) standards. After the successful conclusion of the security review in November 2015, data collection began in December 2015. APCD collected data from health insurers covering more than 1.1 million lives. Data collection efforts were hampered by a Supreme Court case in March of 2016 that challenges the submission of ERISA data, but AHCT is working with both insurers and other States' APCDs on ways to best deal with the decision's impact. Work continues on developing and deploying web-based self-serving reports, including reports on disease prevalence and price transparency, which will benefit consumers, researchers, employers, providers, and policy makers.

In November 2015, AHCT launched a tool to help consumers understand what's available in the marketplace and which health insurance plans meet their needs. The decision support tool, called Health Plan Selector, has assisted individuals and families shopping for health plans on the Exchange. The tool helped Exchange applicants choose the right metal and plan based on their family's household characteristics, health conditions, and expected health care services use in the future.

The Board of Directors adopted the All-Payer Claims Database Privacy Policy and Procedures at its February

18, 2016, meeting to govern the process by which entities may request, and potentially receive, data from the APCD.

Technical Operations and Analytics

Technical Operations and Analytics (TOA) department was developed in 2015 to facilitate process improvement and business intelligence by pairing AHCT business owners with technical subject matter expertise and actionable data analytics. The operations of the Exchange since its inception has generated data points and information that AHCT can now use to improve the customer experience and achieve our mission. TOA has focused on a variety of initiatives spanning new development, operation support, and process improvements including:

- Implementation of an Enterprise Data Warehouse – A scalable enterprise wide data warehouse infrastructure has provided AHCT with better business intelligence to comply with Federal reporting mandates, support consumer needs, and provide operational support.
- Development of an Enterprise Reporting Suite – Reporting logic and data gathered since inception was converted and transferred to the new enterprise platform. New reporting tools were developed to support compliance and operational needs. An Open Enrollment Reporting Suite was completed to support Open Enrollment processes.
- Revised and Improved Carrier Data Reconciliation – Carriers and AHCT transact data related to enrollment, terminations, policy changes, and other data vital to our QHP customer experience. This process is known as Electronic Data Interchange (EDI). Efficiencies and improvements were made to EDI to enable a more comprehensive and timely reconciliation and synchronization with Carrier and AHCT systems. This approach will reduce customer issues and provide proactive customer service.
- 1095-A Quality Control Project – Health Insurance Marketplaces furnish this tax form to the IRS to report certain information about individuals who enroll in a QHP and to consumers to allow them to take and reconcile the credit on their returns with advance payments of the premium tax credit (APTC). TOA focused on data reconciliations to reduce inconsistencies, and supported operations with tools and information to improve the 1095-A consumer experience.
- Technical Development Support and Issue Triage – Extensive technical support has been provided during 2016. One such project includes TOA collaboration with DSS and contractors on system changes, including the implementation of an Enterprise Master Person Index (EMPI), which is tasked with accurately assigning unique person identifiers to new and existing enrollees in the QHP and DSS population.

TOA will continue its focus on technical guidance and resolution, process improvements, and reporting solutions.

Financial Summary

During fiscal years ended June 30, 2016, and 2015, grant funds and Marketplace Assessments were the two (2) revenue sources for AHCT. The investment for the development of the State Exchange was entirely funded from Federal grant dollars awarded. This Federal investment was expected to cover all development, start-up, and operating expenses during the first year of operations and grant extension periods. The ongoing operational charges for AHCT were not funded by Federal grant funds after December 31, 2014. Ongoing operations are funded with health and dental marketplace assessments and cost reimbursements from DSS related to maintaining and operating the IES covering QHP, MAGI Medicaid and CHIP operated by AHCT and DSS, respectively. The Exchange has not issued bonds and has no bonds outstanding.

Operating expenses consist primarily of consultant expenses that are related to technology; the Individual and SHOP marketplaces; marketing AHCT's brand; as well as operating costs for the Call Center. Depreciation and amortization are related to capitalization of the IES. Salaries and benefits are aligned with staffing in administration and operations. Equipment expense and maintenance expense includes hardware and software for Open Enrollment support, administration and operations. Administration expenses include rent, insurance, and operating expenses associated with the operations and storefronts. Total operating expenses are reduced by cost reimbursements from DSS for shared costs.

AHCT utilizes NetSuite as the Enterprise Resource Planning (ERP) system for financial reporting. The Exchange has established internal compliance and financial audit policies. In addition, Finance has established accounting policies and procedures. Finance submits grant and other required financial reporting on behalf AHCT to Federal oversight agencies, CMS, and the Center for Consumer Information and Insurance Oversight (CCIIO).

The Exchange's independently audited FY 2016 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 maintains a sustainable workforce with the knowledge, skills, and abilities to operate a fully functioning Health Insurance Marketplace. An organizational structure and leadership roles have been established and AHCT continues to refine a sustainable organization and business model. AHCT maintains an Employee Policies and Procedures Handbook that is given to all staff.

AHCT also maintains a Whistleblower Policy and has contracted with a whistleblower hotline, which allows employees to anonymously call or report issues online. This Whistleblower Policy is consistent with State statutes regarding whistleblower protections.

In Fiscal Year 2016 AHCT's focus was on maintaining a highly skilled and dedicated workforce by offering the opportunity to take classes and workshops to improve business knowledge. Employees enrolled in 36 State In-Service courses during the 2016 Spring semester. Sixteen (16) employees were enrolled in Supervisory Skills training in fiscal year 2016, which is required of all new supervisors or supervisors new to AHCT. AHCT also instituted monthly Managers' meetings to discuss pertinent issues or for continued supervisory training. People, Process, and Technology (PPT) sessions are offered to familiarize the staff with changes in functional areas and policies. Topics included the AHCT Strategy, Data Security for Open Enrollment, Medicaid, Employee Handbook and other Human Resource initiatives, as well as setting annual individual goals based on AHCT's organizational goals to name a few.

Working with the HR Committee of the Board of Directors, Access Health CT implemented a new merit-based Pay for Performance Policy in 2016. Using these new guidelines, employee performance was measured during the annual performance evaluation period in May and June.

A Human Resources strategic objective for 2016 was Employee Engagement which includes recognition, communication and transparency, talent retention, personal development opportunities, leadership, and staff performance. A number of activities have been undertaken, including TINYpulse, a service using email to pose periodic questions to staff regarding work issues at AHCT; a health and wellness program; hiring anniversary date recognition; courses; and regular staff meetings to discuss important AHCT issues and updates.

Staff at fiscal year-end totaled 91 employees, increasing from 74 at the end of fiscal year 2015. The organization filled many open positions as it prepared for a reorganization of resources to focus on customer

service. The turnover rate was down considerably from 2015 with only 2% turnover during the first half of calendar year 2016. Eighty-eight permanent positions are budgeted for the coming fiscal year. Durational positions for Open Enrollment will add 12 positions (30 seasonal employees) to the staff total.

Durational employees continue to be an essential component of the AHCT staff, particularly during Open Enrollment when staffing increases are necessary to add Enrollment Specialists at the storefronts and in community organizations. Additional durational positions were added in early 2016 to respond to numerous inquiries regarding tax form 1095-A.

Affirmative Action Policy Statement

AHCT's policy on Equal Employment Opportunity and Affirmative Action was approved by the Exchange Board of Directors in January 2012. The policy states:

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), Chief Executive Officer (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.

Affirmative Action Efforts in Fiscal Year 2016

AHCT continues to maintain a strong commitment to the Equal Employment Opportunity and Affirmative Action policy. Statewide advertisements of all new staff positions are posted electronically on the State's CT.gov and Department of Labor websites, as well as AHCT's own website. These websites and AHCT recruitment efforts reach a broad range of diverse candidates. The Exchange continues to seek fluent Spanish speaking employees to improve communication with the population of Connecticut residents, who have some of the highest uninsured rates, require enrollment support and benefit from resources to educate them on the need for health insurance.

Vacation and sick time (PTO) are pooled with each employee receiving 23 paid days off each year to be used as needed, and as approved by departmental managers. Beginning in January 2016, the PTO period was changed from a calendar year to a fiscal year, with a transition during the first half of 2016.

Workforce Composition

At the end of fiscal year 2016, AHCT had 91 employees, with no durational employees. Each fall AHCT is required to submit information on workforce composition to the Equal Employment Opportunities Commission (EEOC) of the Federal government. The last EEOC report indicated a favorable increase in the percentage of Access Health CT (AHCT) employees in nearly all of the racial and ethnic categories, as well as by gender. Forty-two percent of the Access Health CT staff is other than white and the gender split is 41% male and 59% female.

Appendix C (herein) provides a more detailed description of workforce composition by department as of June 30, 2016.

Planned Activities for Fiscal Year 2017

AHCT has implemented initiatives that are helping to close the gap of disparities in access to healthcare and improving affordability. The Exchange continues to develop and implement all systems, processes, and procedures necessary to ensure operational excellence, organizational sustainability and a customer focus. Our planned activities for fiscal year 2017 will focus on initiatives built around our four pillars that support our mission and strategy. The key areas of focus for goals will include:

- Provide access to quality insurance choices
- Deliver a positive customer experience
- Reduce disparities in healthcare
- Improve quality and cost transparency
- Promote healthier people, healthier communities and a healthier Connecticut

AHCT's initiatives will be collaborative across functional areas and have continuous engagement and execution across the entire organization. We continue to try to improve the way we do business and the value we offer our consumers, the residents of Connecticut.

In August 2016, AHCT executed a contract with Faneuil, Inc. (Faneuil) to provide customer care and other business processing support. Faneuil was selected following an extensive open-bid process that included a review of the company's past experience in call center operations, prior client recommendations, in-person presentations, and an evaluation of the cost of services. The new contract provides for a flat rate per customer each month, rather than a per-minute charge under the prior contract with Maximus, which served call center operations since inception.

Faneuil brings more than 22 years of experience operating customer care centers, with additional healthcare industry-specific experience. Their approach to healthcare customer service is to provide exceptional customer care while maintaining accuracy and attention to detail, all of which enhance the brands they represent.

Faneuil is a nationally recognized leader in outsourcing support, ranging from customer care centers, fulfillment operations, and IT Services, to other business processing. The company is based in Hampton,

Virginia, with other customer support center locations nationwide including a new center located in Bristol, Connecticut. The new Bristol customer care center, when fully staffed during Open Enrollment, will employ 400 representatives.

In addition to its call center functions, Faneuil implemented a new broker, or health insurance advisor, program to provide advice to consumers when selecting healthcare coverage through AHCT. Because Carriers have indicated that they will no longer pay broker commissions for plans sold through the Exchange, AHCT searched for a solution to enhance the customer experience as Connecticut law provides that only licensed brokers may advise consumers regarding plan selection. This is an important step in our goal to put customer service front and center in everything we do while adapting to current marketplace forces.

The Company recruited approximately twenty (20) certified brokers to assist with enrollment during Open Enrollment 2017. The majority of these health insurance advisors are placed in the Call Center while others are working from AHCT storefronts. In addition, a few will be kept on once Open Enrollment 2017 is complete to assist with special enrollments during the rest of the year.

In preparation for the fourth Open Enrollment, beginning November 1, 2016, marketing campaigns focus on plan utilization, healthcare literacy, and the importance of renewing coverage. As a way to support our commitment and goal of continued community presence, education, and engagement, AHCT has partnered with a community outreach agency that will implement a comprehensive multi-tactic year-round effort to connect with communities throughout the state to ensure AHCT connects to all residents about the importance of healthcare coverage and details about the fourth Open Enrollment period.

A new payroll system from Paylocity was successfully implemented in August 2016 and provides AHCT with more flexible and accurate payroll processing with less manual input, as well as a Human Resources Information System module with a self-service portal allowing employees to make changes to their personal data, such as changes to tax withholding allowances, home addresses, direct deposit accounts, etc. In addition, a new time and attendance system was implemented in September 2016. This will allow more accurate hourly time tracking through a punch system.

The Employee Handbook was revised for the 2017 fiscal year and includes new policies addressing severance pay, telecommuting, safety while driving on AHCT business, a privacy and security sanctions policy, and a policy restricting employees from making media comments without permission.

From a technology perspective, monitoring and managing technology systems and processes for Open Enrollment 2017 is the current priority. A new 1095-A system is being designed and developed and AHCT is working closely with our Federal partners (IRS and CMS) to test it for implementation with 2016 Federal tax requirements. In addition, AHCT continues to work closely with DSS, integrating the Exchange system and the ImpaCT system.

Building on the strong foundation achieved in 2016, data analytics and innovative solutions will continue to expand. Technical Operations and Analytics will continue to add more advanced analytics to maintain

compliance with State and Federal reporting requirements, support AHCT operations and improve the customer experience. APCD will continue to enhance data information and develop and deploy more sophisticated self-service reports.

From an organizational and human resources perspective, AHCT continues to analyze and assess its current functional alignment and staff, evaluate its sustainable business practices, and implement strategic planning in order to assure a knowledgeable and efficient staffing structure going forward.

Under the new Presidential Administration, efforts to repeal, replace or revise the ACA are underway. The ACA is still the law for plan year 2017. Throughout fiscal year 2017, 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 Connecticut's Health Insurance Marketplace. AHCT is poised to adapt to changes and proactively manage those changes in support of an ACA compliant Marketplace for the consumers of Connecticut.

Now that AHCT has mastered marketplace operation, it is focusing on helping members get healthier. Connecticut's uninsured rate is at historic lows—and among the lowest in the nation— and AHCT's focus is on building a healthier state and developing intelligent solutions that will help residents use their healthcare coverage effectively so they can live healthier, happier lives.

Appendix A: Connecticut Health Insurance Exchange Fiscal Years Ending 2016 and 2015 Financial Statements

Statement of Net Position For the Fiscal Year Ending June 30, 2016 and 2015

	FY16	FY15
Assets		
Current Assets:		
Cash and Cash Equivalents	\$ 24,586,547	\$ 22,144,345
Accounts Receivable - Grant	2,122,770	6,117,260
Accounts Receivable - Non-Grant	13,816,648	26,340,628
Accounts Receivable - Market Assessment	984,639	1,769,817
Prepaid Expenses	187,022	185,410
Total Current Assets	<u>41,697,626</u>	<u>56,557,460</u>
Noncurrent Assets:		
Software development in progress	1,848,035	179,735
Equipment and software, net	4,451,391	15,571,488
Security Deposit	8,653	8,653
Total Noncurrent Assets	<u>6,308,079</u>	<u>15,759,876</u>
Total Assets	<u>\$ 48,005,705</u>	<u>\$ 72,317,336</u>
Liabilities and Net Position		
Current Liabilities:		
Accounts Payable	\$ 1,669,600	\$ 1,973,945
Accrued Liabilities	15,008,437	29,165,657
Total Liabilities	<u>\$ 16,678,037</u>	<u>\$ 31,139,602</u>
Net Position:		
Net position invested in capital assets	6,299,426	15,571,488
Unrestricted Net Position	<u>25,028,242</u>	<u>25,606,246</u>
Total Net Position	<u>31,327,668</u>	<u>41,177,734</u>
Total Liabilities and Net Position	<u>\$ 48,005,705</u>	<u>\$ 72,317,336</u>

**Statement of Revenue, Expenses and Changes in Net Position
For the Fiscal Year Ending June 30, 2016 and 2015**

	FY16	FY15
Operating Revenues		
Government Grants and Contracts	\$ 9,482,162	\$ 41,921,051
Non-Government Grants and Contracts	41,000	-
Marketplace Assessment	30,455,332	26,862,411
Other Income	15,995	42,923
Total Revenues	<u>39,994,489</u>	<u>68,826,385</u>
Operating Expenses		
Salaries and Wages	7,025,627	7,856,531
Fringe Benefits	2,244,497	2,053,491
Consultants	24,312,816	40,271,647
Equipment	361,999	248,022
Supplies	34,437	36,293
Travel	128,347	239,640
Administration	1,145,493	1,471,757
Maintenance	2,621,610	597,622
Depreciation and Amortization	11,969,729	12,067,967
Total Operating Expenses	<u>49,844,555</u>	<u>64,842,970</u>
Change in Net Position	(9,850,066)	3,983,415
Net position, beginning of year	41,177,734	37,194,319
Net position, end of year	<u>31,327,668</u>	<u>41,177,734</u>

Statement of Cash Flows
For the Fiscal Year Ending June 30, 2016 and 2015

	FY16	FY15
Cash Flows from Operating Activities:		
Receipts from funding sources	\$ 13,476,696	\$ 22,681,369
Receipts from Marketplace Assessment	31,237,162	26,000,098
Reimbursement of operating costs	48,551,054	21,584,424
Payments to employees	(7,383,546)	(9,551,406)
Payments to vendors	(80,921,232)	(66,330,843)
Net cash provided by (used for) operating activities	<u>\$ 4,960,134</u>	<u>\$ (5,616,358)</u>
Cash flow from Capital and related financing activities		
Payments for software development in progress	\$ (1,690,450)	\$ (12,664,958)
Purchase of software and equipment	(941,009)	(924,357)
Reimbursement of equipment and software, and software development in progress	\$ 113,527	\$ 1,567,513
Net cash (used for) capital and related financing activities	<u>(2,517,932)</u>	<u>(12,021,802)</u>
Net change in cash and cash equivalents	2,442,202	(17,638,160)
Cash and cash equivalents at beginning of year	22,144,345	39,782,505
Cash and cash equivalents at end of quarter	<u>\$ 24,586,547</u>	<u>\$ 22,144,345</u>
Reconciliation of operating income to net cash provided by operating activities		
Change in net position	\$ (9,850,066)	\$ 3,983,415
Adjustments to reconcile change in net position to net cash provided by operating activities:		
Depreciation and amortization	11,969,729	12,067,967
Changes in assets and liabilities:		
Prepaid expenses	(1,612)	(32,469,908)
Accounts receivable	17,303,648	(30,588)
Accounts payable	(304,345)	21,288,507
Accrued liabilities	(14,157,220)	(9,720,053)
Refundable advance	-	(735,698)
Net cash provided by operating activities	<u>\$ 4,960,134</u>	<u>\$ (5,616,358)</u>

Appendix B Listing of Outside Individuals/Firms Receiving in Excess of \$5,000.00; FY 2016

200 Main Street Associates LLC	Cornerstone OnDemand, Inc.		Service Press
45-55 Church Street LLC	Deloitte Consulting LLP	Jeffreys Corporation Inc.	SHI International Corp.
A&A Office Systems, Inc.	Edge Technology Services, Inc.	John C. Rust	Shipman & Goodwin LLP
acturus, Inc.	Eliassen Group, LLC	Kardas Larson LLC	Solution-Soft Systems, Inc.
Advanced Office Systems	ePlus Technology Inc.	Kool Ink LLC	Spitfire Communications, LLC
Advent Cat Risk	Equifax Information Systems, LLC	KPMG LLP	Staples Advantage
Altura Communication Solutions, LLC	Fairfax Data Systems, Inc.	Lighthouse Computer Services, Inc.	TEKsystems, Inc.
Amtex Systems Inc.	Fibertech Holdings Corp	Linium Staffing, LLC	The Boyd Law Group, PLLC
Andresen Electrical Services, LLC	Florence Ellen Whaley-Wexlar	Live Nation Marketing, Inc.	The Pitney Bowes Bank, Inc.
Anthem BCBS of CT	Forum Systems, Inc.	Lockton Companies	The Prudential Insurance Company of America
Association of Community Service Agencies Employee Benefit Trust	G4S Secure Solutions (USA) Inc.	Maximus Health Services, Inc.	The RDW Group, Inc.
Automatic Data Processing, Inc.	Gartner Inc.	MetroHartford Alliance, Inc.	The Southern New England Telephone Co
bswift, LLC	George Katsarakes	Mobile Commons, Inc.	The Tri-Com Consulting Group, LLC
Budget Printers & Embroiderers	Global Strategy Group LLC	NetSuite Inc.	Thomson Reuters Inc.
Capital Region Development Authority	Grossman Heinz LLC	New Fields Technologies LLC	TINYhr Inc.
Capitol Cleaning Contractors, Inc.	Grunberg 280 Trumbull, LLC	On-Line Systems, Inc.	TouchPoint Integrated Communications LLC
Capstar Radio Operation Co	Hallmark Totaltech, Inc.	Onpoint Health Data	Trivantis Corporation
CDW Government LLC	Hartford Parking Authority	Outlet Broadcasting, LLC dba HVIT Cozi TV	Unum Life Insurance Company of America
Cellco Partnership	Health Reinsurance Association	Oxford LLC	V-Link, Inc.
Cigna Health & Life Insurance Company	ICMA Retirement Corporation	Patricia A. Hackett	Verizon Business Network Services Inc.
CMI Sound Systems	IGX Acquisition Global, LLC	Pitney Bowes Presort Services, Inc.	Vision Service Plan Insurance Company
CodeBaby Corp	InfoGroup Inc.	Propark Inc.	W.B. Mason Co. Inc.

Cognizant Technology Solutions	Integration Partners Corporation	Qualitia Software Private Limited	WageWorks, Inc.
Comcast Corporation	International Business Machines Corp	Regional Community - Technical Colleges	Wakely Consulting Group, Inc.
Connecticut Department of Labor	Interpreters and Translators, Inc.	Robert Half International, Inc.	Whittlesey & Hadley, P.C.
Connecticut Parking Services Inc.	ITech Solutions, Inc.	Roth Staffing Companies, L.P.	Windstream Corporation
Connecture, Inc.	Jane M. Salamacha	RSM US, LLC	WME IMG Holdings, LLC
Constant Contact, Inc.	Jeffers Cowherd P.C.	Scan-Optics LLC	

Appendix C Workforce Analysis as of June 30, 2016

Department	Grand Total	Total Male	Total Female	White Male	White Female	Black Male	Black Female	Hispanic Male	Hispanic Female	Other Male	Other Female
Executive	3	2	1	2	1						
Human Resources	4		4		3				1		
Operations	36	7	29	3	10	2	9	2	10		
IT/Plan Management	12	6	6	4	4		1		1	2	
Marketing	5		5		3		1		1		
SHOP	6	5	1	5					1		
Legal	7	3	4	2	3	1			1		
Finance	10	3	7	3	3		2				2
APCD	2	2		1						1	
Technical Ops/ Analytics	5	5		5							
Access Health Solutions	1	1		1							
Total Staff Positions	91	34	57	26	27	3	13	2	15	3	2