

Access Health CT

Board of Directors Meeting

June 15, 2017





Today's Agenda

- A. Call to Order and Introductions
- B. Public Comment
- C. Votes
 - May 18, 2017 Meeting Minutes
 - Appointing New Member to the Consumer Experience and Outreach Advisory Committee
- D. CEO Report
- E. Finance – Reforecast (Vote)
- F. Enrollment Update
- G. 2018 Preparations
- H. Adjournment



Public Comment

(2 Minutes per Commenter)



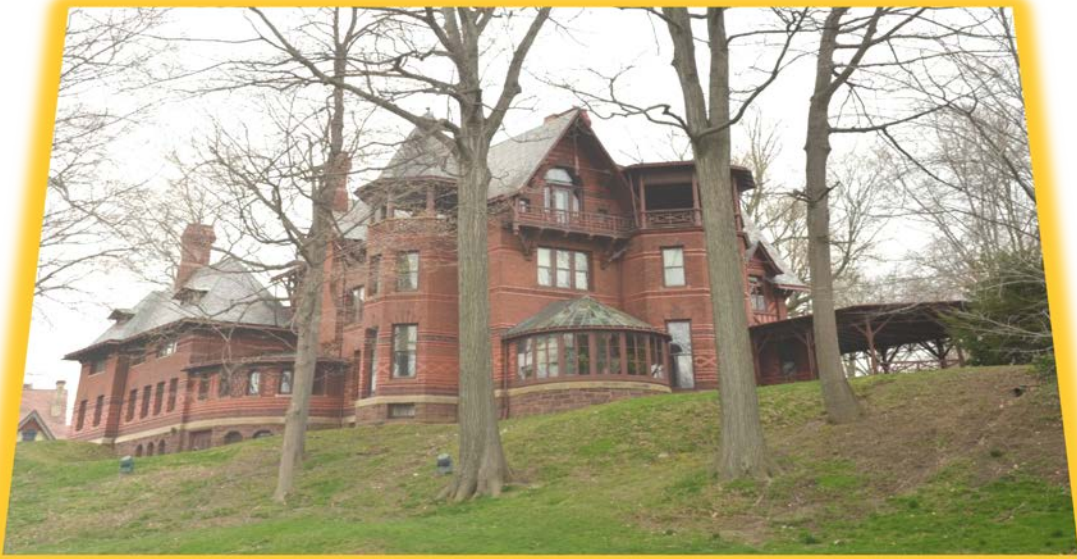


Votes

- May 18, 2017 Meeting Minutes
- Appointing New Member to the Consumer Experience and Outreach Advisory Committee



CEO Report



➤ Finance Reforecast

Q3, 2017 Fiscal Year Reforecast

- The AHCT Q3 Reforecast of \$35.9M is the same as the Q2 Reforecast. On a gross expense basis, the Q3 Reforecast is \$64.2M , which is \$24k more than the Q2 Reforecast of \$64.2M.
- The gross increase is in shared Maintenance and Operations expenses, net of Non-Federal Grant expense reimbursement.
- The annual Marketplace assessment expected to be collected for 2017 is now \$30.9M and \$11.4M has been received; \$2M ahead of schedule.
- The Reforecast is presented as a component of the projected financial statements of AHCT, including a statement of revenues, expenses and changes in net position; a statement of net position; and a statement of cash flows.

Q3, 2017 Fiscal Year Reforecast

Q2 FY17 vs. Q3 FY17 Reforecast - AHCT

PROJECTED STATEMENTS OF REVENUES, EXPENSES AND CHANGE IN NET POSITION				
	Q2, FY17 RFCST	Q3, FY17 RFCST	VARIANCE	
Grants	\$ 1,465,829	\$ 1,465,829	\$	-
Marketplace Assessments	\$ 32,150,000	\$ 32,149,039	\$	(961)
Interest Income	\$ 48,473	\$ 56,046	\$	7,573
Revenue	\$ 33,664,302	\$ 33,670,914	\$	6,611
Salaries	\$ 8,065,818	\$ 7,913,691	\$	(152,126)
Fringe Benefits	\$ 2,419,745	\$ 2,648,871	\$	229,126
Temporary Staffing	\$ 908,653	\$ 796,279	\$	(112,375)
Contractual	\$ 16,386,620	\$ 16,615,234	\$	228,614
Equipment and Maintenance	\$ 4,010,263	\$ 3,903,988	\$	(106,275)
Supplies	\$ 18,055	\$ 18,792	\$	737
Travel	\$ 128,816	\$ 126,581	\$	(2,235)
Other Administrative	\$ 1,234,405	\$ 1,250,097	\$	15,692
Operating Expenses	\$ 33,172,375	\$ 33,273,534	\$	101,159
Depreciation	\$ 1,067,240	\$ 1,854,080	\$	786,841
Total Expenses	\$ 34,239,615	\$ 35,127,615	\$	888,000
Change in Net Position	\$ (575,312)	\$ (1,456,701)	\$	(881,388)

RECONCILIATION OF OPERATING EXPENSES TO OPERATING BUDGET				
	Q2, FY17 RFCST	Q3, FY17 RFCST	VARIANCE	
Operating Expenses	\$ 33,172,375	\$ 33,273,534	\$	101,159
IT Development	\$ 2,737,805	\$ 2,646,718	\$	(91,087)
Pre-Paid Expenses	\$ (36,643)	\$ (46,715)	\$	(10,072)
Operating Budget	\$ 35,873,537	\$ 35,873,537	\$	(0)
Costs Shared with DSS	\$ 26,780,518	\$ 26,854,886	\$	74,368
AHCT Grants	\$ 1,566,781	\$ 1,516,781	\$	(50,000)
Gross Expenses	\$ 64,220,836	\$ 64,245,204	\$	24,368

Variances

- No change in AHCT Operating Budget. \$24k increase in Gross Expenses is a result of higher M&O expenses, net Non-Federal Grant expense reimbursement.



Q3, 2017 Fiscal Year Reforecast Analysis of Shared Costs with DSS

	GROSS EXPENSE			DSS ALLOCABLE			AHCT	GRANT
	Q2, FY17 RFCST	Q3, FY17 RFCST	Variance	Q2, FY17 RFCST	Q3, FY17 RFCST	Variance	Q3, FY17 RFCST	Q3, FY17 RFCST
BEST Staffing Dev (84%)	\$ 677,165	\$ 677,165	\$ -	\$ 568,818	\$ 568,818	\$ (0)	\$ 107,098	\$ 1,248
BEST Staffing (80%)	\$ 960,692	\$ 892,242	\$ 68,450	\$ 768,553	\$ 713,794	\$ 54,760	\$ 178,448	\$ -
BEST Staffing via DSS	\$ 40,000	\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -
AHCT Staffing (80%)	\$ 66,393	\$ (59,575)	\$ 125,969	\$ 53,115	\$ (47,660)	\$ 100,775	\$ (11,915)	\$ -
AHCT Staffing	\$ 556,138	\$ 522,647	\$ 33,491	\$ -	\$ -	\$ -	\$ 522,647	\$ -
Temporary Staffing	\$ 2,300,388	\$ 2,032,478	\$ 267,909	\$ 1,390,486	\$ 1,234,952	\$ 155,535	\$ 796,279	\$ 1,248
IT Development (84%)	\$ 158,500	\$ 158,500	\$ -	\$ 133,140	\$ 133,140	\$ -	\$ -	\$ 25,360
Hosting (80%)	\$ 1,521,156	\$ 1,521,337	\$ (181)	\$ 1,216,925	\$ 1,217,070	\$ (145)	\$ 304,267	\$ -
Security (80%)	\$ 729,800	\$ 712,411	\$ 17,389	\$ 583,840	\$ 569,929	\$ 13,911	\$ 142,482	\$ -
Testing (84%)	\$ 386,090	\$ 357,408	\$ 28,682	\$ 324,315	\$ 300,223	\$ 24,093	\$ 14,348	\$ 42,837
Testing (80%)	\$ 314,080	\$ 431,080	\$ (117,000)	\$ 251,264	\$ 344,864	\$ (93,600)	\$ 86,216	\$ -
DSS Only Projects (100%)	\$ 660,160	\$ 531,720	\$ 128,440	\$ 660,160	\$ 531,720	\$ 128,440	\$ -	\$ -
IT Allocable	\$ 3,769,786	\$ 3,712,456	\$ 57,330	\$ 3,169,644	\$ 3,096,945	\$ 72,699	\$ 547,314	\$ 68,197
Call Center (80%)	\$ 21,029,265	\$ 20,975,676	\$ 53,589	\$ 16,823,412	\$ 16,780,541	\$ 42,871	\$ 4,195,135	\$ -
Operations (80%)	\$ 2,994,269	\$ 3,110,268	\$ (115,999)	\$ 2,395,415	\$ 2,488,215	\$ (92,799)	\$ 622,054	\$ -
Non-IT Allocable	\$ 24,023,534	\$ 24,085,945	\$ (62,410)	\$ 19,218,827	\$ 19,268,756	\$ (49,928)	\$ 4,817,189	\$ -
Accounting	\$ 88,125	\$ 83,125	\$ 5,000	\$ -	\$ -	\$ -	\$ 83,125	\$ -
APCD	\$ 1,405,813	\$ 1,410,063	\$ (4,250)	\$ -	\$ -	\$ -	\$ 1,410,063	\$ -
Call Center (Brokers)	\$ 716,781	\$ 716,781	\$ -	\$ -	\$ -	\$ -	\$ 716,781	\$ -
Legal	\$ 635,800	\$ 300,481	\$ 335,319	\$ -	\$ -	\$ -	\$ 300,481	\$ -
Marketing	\$ 4,176,278	\$ 4,176,138	\$ 140	\$ -	\$ -	\$ -	\$ 4,176,138	\$ -
SHOP	\$ 502,342	\$ 480,342	\$ 22,000	\$ -	\$ -	\$ -	\$ 480,342	\$ -
Plan Management	\$ 340,000	\$ 340,000	\$ (0)	\$ -	\$ -	\$ -	\$ 340,000	\$ -
Verifications	\$ 2,032,976	\$ 2,032,976	\$ -	\$ -	\$ -	\$ -	\$ 2,032,976	\$ -
IT Development	\$ 1,058,831	\$ 1,621,563	\$ (562,732)	\$ -	\$ -	\$ -	\$ 1,608,063	\$ 13,500
1095 Projects	\$ 35,028	\$ 35,028	\$ -	\$ -	\$ -	\$ -	\$ 35,028	\$ -
Other	\$ 164,995	\$ 161,234	\$ 3,761	\$ -	\$ -	\$ -	\$ 117,734	\$ 43,500
Non-Allocable	\$ 11,156,969	\$ 11,357,731	\$ (200,762)	\$ -	\$ -	\$ -	\$ 11,300,731	\$ 57,000
Contractual	\$ 38,950,290	\$ 39,156,132	\$ (205,842)	\$ 22,388,472	\$ 22,365,701	\$ 22,771	\$ 16,665,234	\$ 125,197
M&O (80%)	\$ 3,751,950	\$ 4,067,792	\$ (315,841)	\$ 3,001,560	\$ 3,254,233	\$ (252,673)	\$ 813,558	\$ -
M&O	\$ 3,306,393	\$ 3,090,429	\$ 215,964	\$ -	\$ -	\$ -	\$ 3,090,429	\$ -
Equipment & Maintenance	\$ 7,058,344	\$ 7,158,221	\$ (99,877)	\$ 3,001,560	\$ 3,254,233	\$ (252,673)	\$ 3,903,988	\$ -
IT Development (84%)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IT Development	\$ 4,081,620	\$ 4,037,054	\$ 44,567	\$ -	\$ -	\$ -	\$ 2,646,718	\$ 1,390,336
IT Development	\$ 4,081,620	\$ 4,037,054	\$ 44,567	\$ -	\$ -	\$ -	\$ 2,646,718	\$ 1,390,336
GRAND TOTAL	\$ 52,390,641	\$ 52,383,885	\$ 6,756	\$ 26,780,518	\$ 26,854,886	\$ (74,367)	\$ 24,012,218	\$ 1,516,781

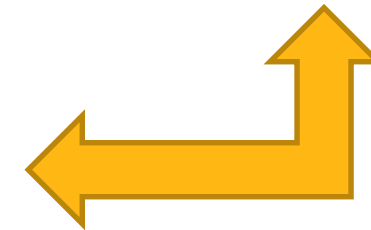
Q3, 2017 Fiscal Year Reforecast Projected Cash Flows

PROJECTED STATEMENTS OF CASH FLOWS				
	Q2, FY17 RFCST	Q3, FY17 RFCST	Q3, FY17 VARIANCE	
Beginning Cash Balance	\$ 24,008,231	\$ 24,008,232	\$ 0	
Assessment	\$ 33,000,676	\$ 36,411,276	\$ 3,410,599	
Medicaid Recovery	\$ 30,638,994	\$ 24,936,542	\$ (5,702,452)	
Other	\$ 89,331	\$ 146,904	\$ 57,573	
Grant - Federal	\$ 3,588,599	\$ 3,588,599	\$ -	
Total Cash Receipts	\$ 67,317,600	\$ 65,083,321	\$ (2,234,280)	
Total Cash Payments	\$ 76,430,014	\$ 76,814,918	\$ 384,904	
Cash Flow Surplus/Deficit (-)	\$ (9,112,414)	\$ (11,731,598)	\$ (2,619,184)	
Ending Cash Balance	\$ 14,895,818	\$ 12,276,634	\$ (2,619,184)	

Reserves*

- Q2, FY17 Reforecast: 5 months
- Q3, FY17 Reforecast: 4 months

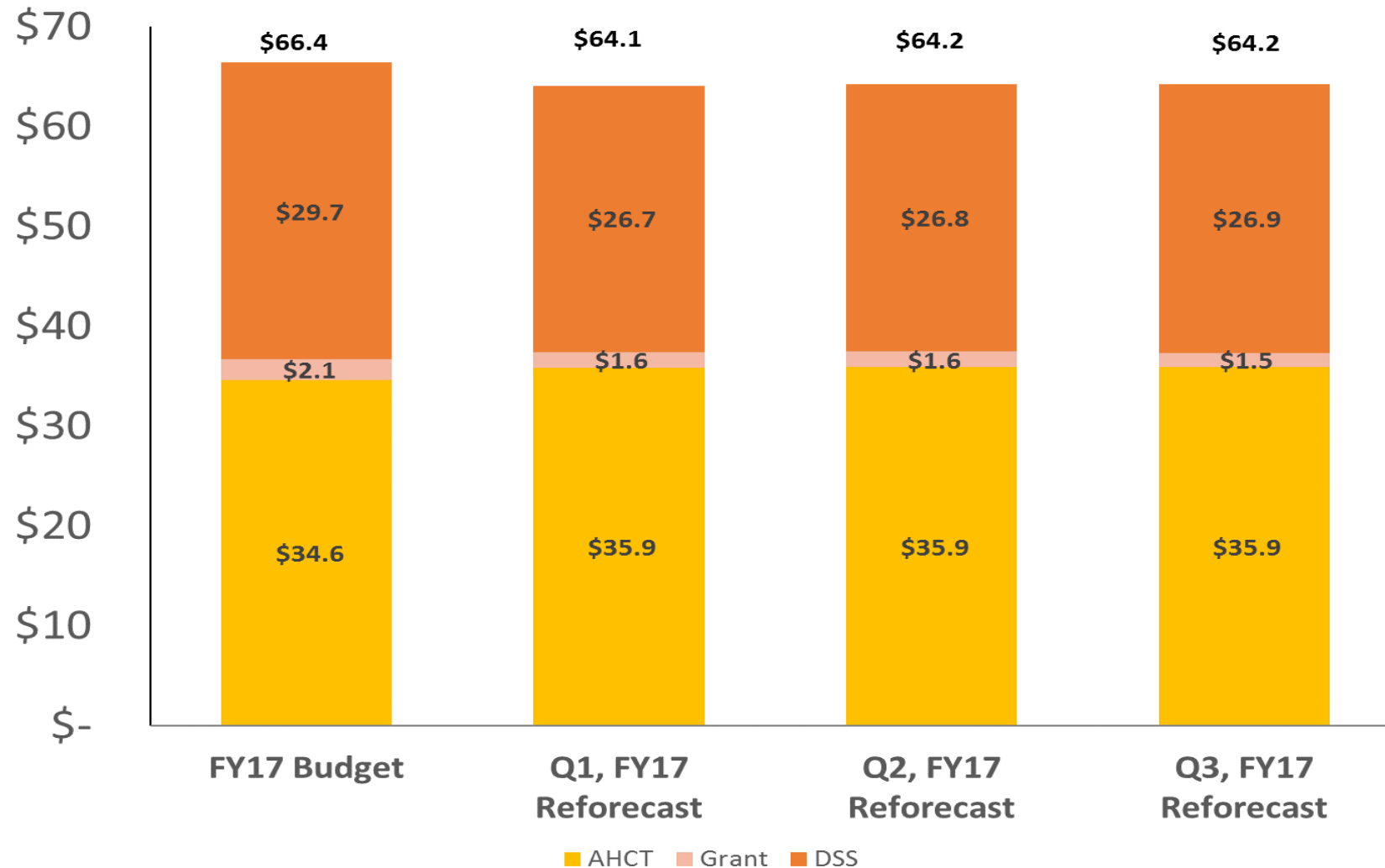
**Based on Ending Cash Balance over Fiscal Year Operating Budget.*



Q3, 2017 Fiscal Year Reforecast

Historical Budget and Reforecasts

in \$ Millions



Q3, 2017 Fiscal Year Forecast vs. Actuals - AHCT

Through 11 Months

Category	Q3 Reforecast May YTD	Actuals May YTD	Variance May YTD
Salaries	\$7,144,886	\$7,095,652	\$49,234
Fringe Benefits	\$2,457,024	\$2,460,789	(\$3,765)
Temporary Staffing	\$765,780	\$740,883	\$24,897
Contractual	\$14,798,900	\$14,303,349	\$495,551
Equipment and Maintenance	\$5,058,479	\$4,959,222	\$99,258
Supplies	\$15,369	\$10,591	\$4,778
Travel	\$108,133	\$82,783	\$25,350
Other Administrative	\$1,125,748	\$1,063,473	\$62,275
Total Expense	\$31,474,318	\$30,716,740	\$757,578

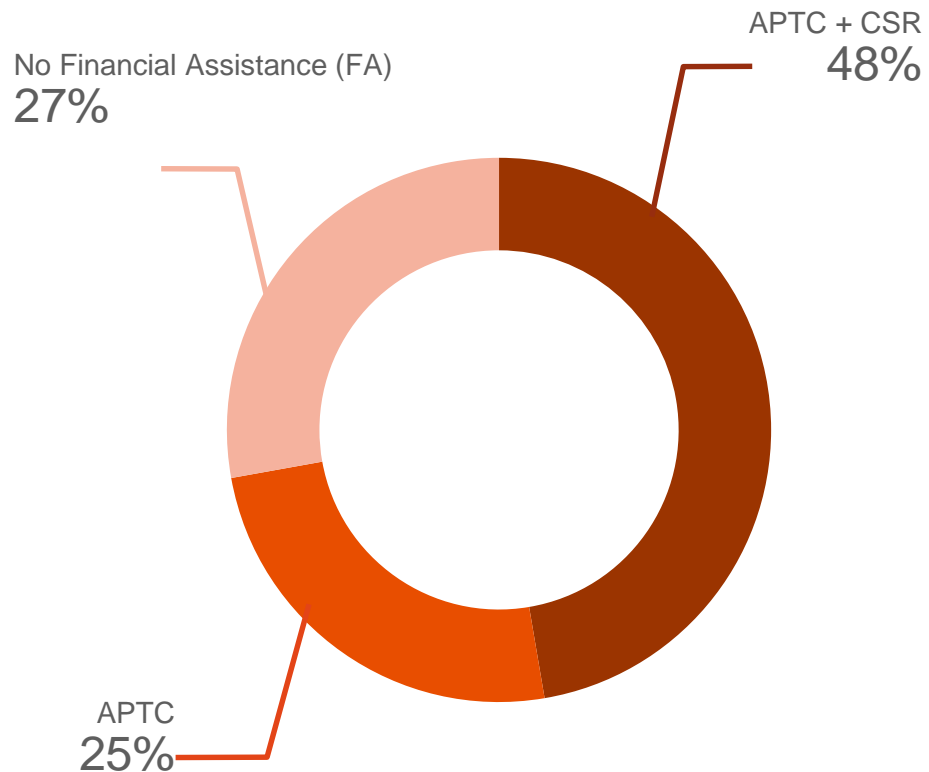
Gross YTD Q3, FY17 Reforecast is \$57.3M vs. Actuals \$55.6M and the variance is \$1.6M. The favorable variance in net and gross is primarily due to timing differences relating to information technology development expenses.



➤ Enrollment Update

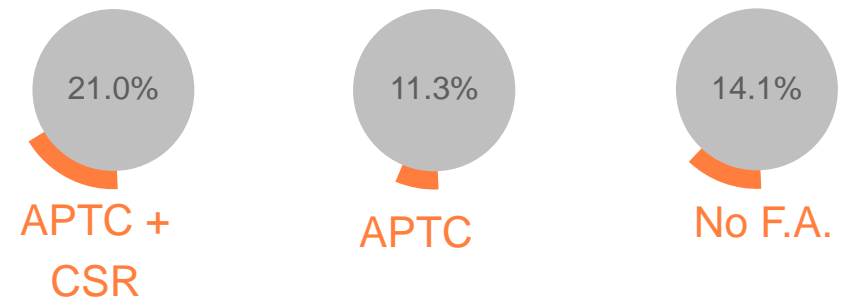
Enrollment Update (6/13/2017)

Current QHP Membership:
100,194 Enrollees



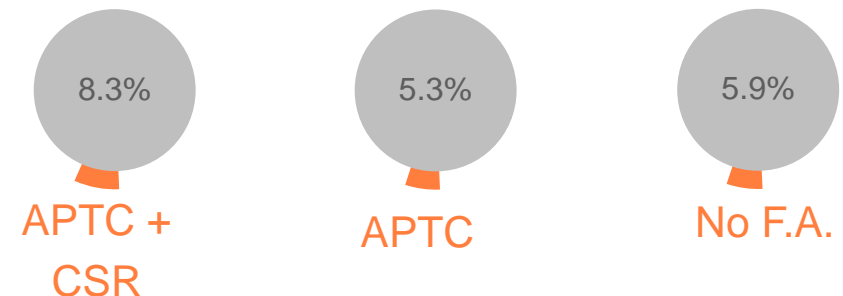
Attrition Since End of OE: 18,842 Enrollees

% Attrition By Financial Assistance:



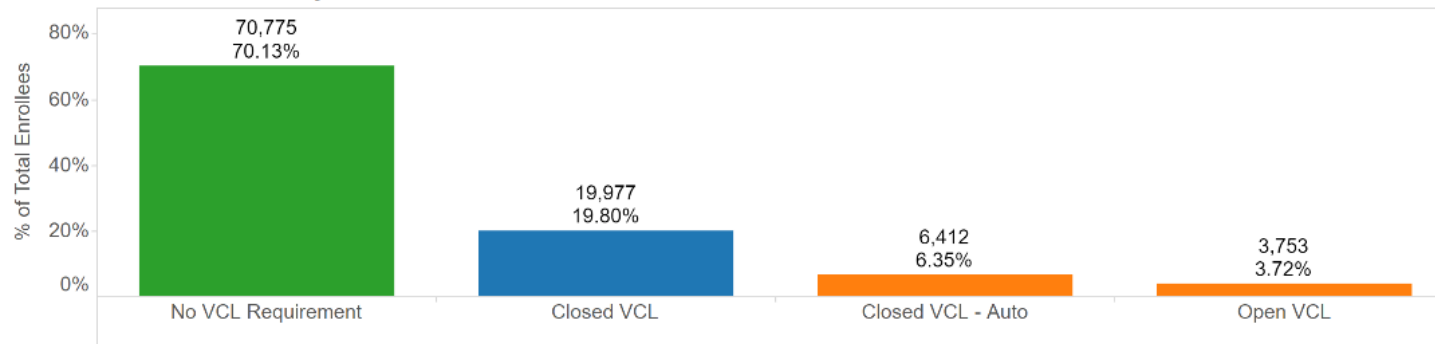
Acquisition Since End of OE: 7,775 Enrollees

% Acquisition By Financial Assistance:

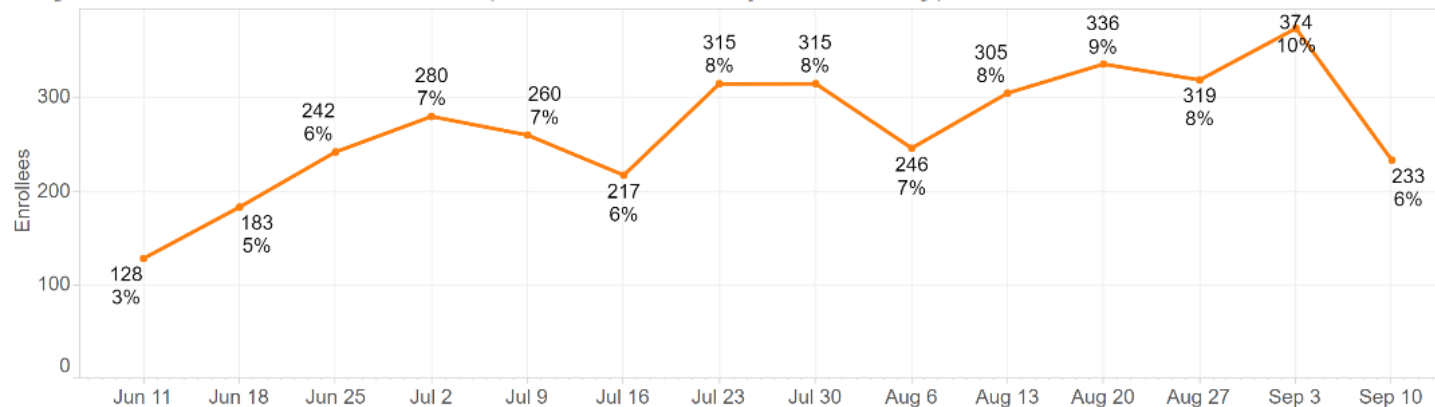


Outstanding Verification Checklist (VCL) Activity For Active Enrollees

VCL Status for Actively Enrolled Customers



Projected VCL Termination Dates (Customers With Open VCL Only)



Verification status as of 6/13/2017

70% of enrolled customers didn't have to provide any post enrollment verification documents.

3.7% of enrolled customers have an outstanding verification to complete. Approx. 268 open items due per month

Customer Acquisition – Outstanding Pre-Enrollment Verifications

To-Date Activity For Special Enrollment Qualifying Life Events (QLE) Verifications



430 applicants with outstanding verifications for their qualifying life event



100 applicants required to re-submit documentation for their qualifying life event



603 enrollees successfully submitted and verified their qualifying life event



Over 1,500 new enrollees automatically verified and not required to submit any verification

Customer Retention – Effectuated Coverage

9.6 in 10 

Of all enrollees have made their first monthly (premium) payment*

4.6 in 10 

Of those with an enrollment date within last 30 days have made their first monthly (premium) payment*

**Effectuation rate presented for Anthem BCBS customer base only
Effectuation status as of 6/13/2017*



➤ 2018 Preparations

BUSINESS AS USUAL – TWO CARRIERS

- Shorter open enrollment (Six Weeks)
 - November 1, 2017 – December 15, 2017
- No enrollment stores (New Haven, New Britain)
 - Shorter open enrollment
 - Targeted in-person enrollment strategy
- Continue to provide Small Business Health Option Program (SHOP).

Having One Carrier Participating on the Exchange

- A shorter open enrollment (Six (6) Weeks)
 - November 1, 2017 – December 15, 2017
- No enrollment stores (New Haven, New Britain)
 - Shorter open enrollment
 - Targeted in-person enrollment strategy
- Transition customers from the departed Carrier to the remaining Carrier.
- Continue to provide Small Business Health Option Program (SHOP).

NO CARRIERS PARTICIPATING ON THE EXCHANGE

Access Health CT to develop a detailed strategy to address the following three concerns.

1. Transitioning our customers from Access Health CT to the individual marketplace.
2. Addressing employee concerns.
3. Vendor Management.
 - Access Health CT & Department Social Services



➤ **Adjournment**