



**FINANCE SUBCOMMITTEE  
ACCESS HEALTH CT**

**Special Meeting  
Legislative Office Building, Room 1C  
Hartford, CT  
June 12, 2017**

**Meeting Minutes**

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

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

**The Special Meeting of the Connecticut Health Insurance Exchange Finance Subcommittee was called to order at 1:00 PM**

**I. Call to Order and Introductions**

Chair Benjamin Barnes called the meeting to order at 1:00 PM.

**II. Approval of the Minutes**

Benjamin Barnes requested a motion to approve the April 26, 2017 Finance Subcommittee Special Meeting Minutes. Motion was made by Robert Tessier and seconded by Victoria Veltri. ***Motion passed unanimously.***

**III. 2017 Fiscal Year Third Quarter Expense Reforecast**

Tricia Brunton, Head of Financial Planning Analysis, provided an update on the proposed 2017 Fiscal Year Third Quarter Expense Reforecast. Ms. Brunton stated that the AHCT's third quarter reforecast of \$35.9 million is the same as the second quarter reforecast. There are no changes from the AHCT net perspective. On a gross expense basis, the reforecast is \$24 thousand more than the second quarter reforecast of \$64.2 million. The gross expense increase is in shared maintenance and operations expenses, net non-federal grant expense reimbursement. The annual marketplace assessment expected to be collected for 2017 is \$30.9 million and \$11.4 million has been received,

which is \$2 million ahead of schedule. Ms. Brunton provided comparisons between the second quarter reforecast and the third quarter reforecast in different categories. Ms. Brunton added that no changes to the budget were made, only shifts in some categories were performed. Ms. Brunton provided an analysis of AHCT's shared costs with the Department of Social Services (DSS). An increase of \$74,000 is reflected in that category. Reduction of AHCT's non-federal grant, which amounts to \$50,000 was also included.

Benjamin Barnes inquired about the pre-paid expenses in the reconciliation column. Ms. Brunton responded that it reflects employees' insurance expenses that are paid ahead of schedule. Projected statement of cash flows followed. The ending cash balance results in projecting the four-month cash reserve. Ms. Brunton added that at the end of next fiscal year, the cash reserve is expected to be equal to about seven months of operations. Ms. Brunton explained expenses allocated with DSS.

Ms. Brunton summarized the historical budgets and reforecasts as well as the year to date actuals versus the third quarter reforecasts. Ms. Brunton added that temporary staffing went down about approximately \$270,000 in third quarter reforecast versus second quarter reforecast. The reductions for DSS are also shown. There were very few changes in both, allocable and non-allocable expenses. They are shifts in the categories. In the equipment in maintenance, some increases in costs are reflected. They are a part of the \$74,000 in the increase for DSS allocation.

Mr. Barnes inquired about federal grants utilization. Ms. Brunton stated that all of the remaining federal grants have been utilized. Projected statement of cash flows followed. Assessments were collected ahead of schedule. In the Medicaid recovery category, a shift exists due to the timing when AHCT expects to be reimbursed. It has no impact on the presentation that was made for Fiscal Year 2018. The ending cash balance results in projecting the four-month cash reserve. Ms. Brunton added that at the end of next fiscal year, the cash reserve is expected to be equal to about seven months of operations.

Historical budget reforecasts were explained. Ms. Brunton provided the Subcommittee with information pertaining to the administrative expenses incurred by the Exchange. The variance through the month of May of \$757,578 is due to the IT development, which is expected to be completed by the end of this fiscal year.

Victoria Veltri asked for more in-depth explanation of the Medicaid recovery portion. Ms. Brunton stated that it is a combination of items that involve timing pertaining to billing and reimbursement timeframes. Michael Gilbert stated that DSS is in the process of finalizing processing of AHCT's outstanding invoices. There may be some issues around some expenses that DSS may not be able to pay before the fiscal year ends. Mr. Barnes added that in the case of DSS, it is routine to continue paying previous fiscal year's expenses in July.

Benjamin Barnes asked for a motion to approve the 2017 Fiscal Year Third Quarter Expense Reforecast as presented by Exchange Staff. Motion was made by Robert Tessier and seconded by Victoria Veltri. ***Motion passed unanimously.***

**IV. Adjournment**

Benjamin Barnes requested a motion to adjourn. Motion was made by Robert Tessier and seconded by Victoria Veltri. ***Motion passed unanimously.*** Meeting adjourned at 1:16 PM.