Access Health CT

### **Board of Directors Meeting**

January 18, 2018



### Today's Agenda

- A. Call to Order and Introductions
- B. Public Comment
- C. Votes
  - Review and Approval of Minutes
  - Appoint Theodore Doolittle to the Health Plan Benefits and Qualifications Advisory Committee
  - Election of Vice-Chair
- D. CEO Report
- E. 2018 Open Enrollment Overview
- F. 2019 Plan Certification Requirements
- G. Finance Update
- Fiscal Year 2018 2<sup>nd</sup> Quarter Budget Report (Vote)
- Approval of 2017 AHCT Audited Financial Statements (Vote)
- Approval of 2017 Programmatic Audit Report (Vote)
- Approval of Transitional Reinsurance Report (Vote)
- H. Adjournment









## Votes

- November 16, 2017 Meeting Minutes
  - Appoint Theodore Doolittle to the Health Plan Benefits and Qualifications Advisory Committee
    - Election of Vice-Chair



## **CEO Report**

## Access Health CT 2018 Open Enrollment Summary

January 18, 2018

## 7 2018 Open Enrollment Summary Report

<b>OE</b> Cor	clusion Yearly Comparison	4-6
	End of Open Enrollment (OE) – 4 Year Review.	5
	2018 Open Enrollment Growth	6
2018 M	arketplace Overview	7-11
	2018 Premium Assistance Distribution	8
	2018 Carrier Market Share	9
	QHP - HUSKY Mixed Coverage Households	10
	Enrollee Broker Support	11
QHP C	ustomer Profile & Analysis	12-20
	Financial Assistance Profile	13
	Customer Age & Gender Mix	14
	Application Requests for Financial Help	15
	Customer Language Preference	16
	Race / Ethnicity	17
	Household Income (Federal Poverty Level %)	18
	Customer Geography	10

2018 O	pen Enrollment Retention & Acquisition Results	21-30
	OE Acquisition & Retention Results	22
	Customer Acquisition Profile	
	OE Customer Acquisition – F.A. Level	24
	OE Customer Retention Year Over Year	25
	Open Enrollment Customer Attrition	26
	Open Enrollment Customer Attrition by F.A. Level	27
	Customer Retention – Outstanding Verifications	28
	Customer Retention – Effectuated Coverage	29
Plan Se	elections & Customer Preferences	30-35
	Plan Selections by Metal Category	31 - 32
	Carrier Enrollment Migration	
	Customer Product Migration – Plan Changes	
	Customer Product Migration - Metal Category	35
	Customer Plan Selections	36
Pricing	Analysis	37-42
	Monthly Plan Cost – FPL Level	
	Monthly Plan Cost – Age Band	39
	Monthly Plan Cost – Proportion of Population	
	Observed 2018 Premium Increase / Decrease	41
	Annual Premium & APTC Projection	42

#### Please Visit The Access Health CT Agency Website For The Complete 2018 Open Enrollment Summary Report\*

\*2017 Report - http://agency.accesshealthct.com/wp-content/uploads//2017/02/AHCT-2017-Open-Enrollment-Summary-Report-1.pdf 2018 Report - http://agency.accesshealthct.com/meetings#1510865362378-87d5a0f2-6893

## 8 Contents Covered In This Summary













## 9 OE Conclusion Yearly Comparison

## 10 End of Open Enrollment (OE) – 5 Year Review Individual Market

	Open Enrollment 11/1/13 – 3/31/14	Open Enrollment 2 11/15/14 – 2/15/15	Open Enrollment 3 11/1/15 – 1/31/16	Open Enrollment 4 11/1/16 – 1/31/17	Open Enrollment 5 11/1/17 – 12/22/17
Active QHP Enrollment	78,713	110,095	116,019	111,542	114,134
Total Active Medicaid Determinations	129,588	442,508	608,003	671,960	699,087
% QHP Population with Financial Assistance	77.7%	77.4%	78.1%	76.4%	73%
% QHP Population Under 35 (Average Age)	30.9%	32.5%	33.2% (42.7)	31.7% (43.3)	31.4% (43.4)
Most Popular QHP Issuer (% of Enrollment)	Anthem (53%)	ConnectiCare (42%)	ConnectiCare (53%)	ConnectiCare (69%)	ConnectiCare (72.5%)
QHP Auto-Renewal Rate	N/A	67%	81%	63%	87%
% of Enrollment w/ Broker Assistance	30%	38%	50%	25%	35%
Calls Handled by Call Center	401,695	338,142	384,559	410,710	267,257
Website Volume (Unique Vistors)	863,766	586,172	385,827	338,825	225,140

## 11 2018 Open Enrollment (OE) Growth



#### 2.3% Increase in Total Enrollment (+2,592)

Net QHP enrollment growth compared to 2017 Open Enrollment



**80,171 Enrollees Renewed** Enrollees who renewed their 2017 policies for 2018

33,963 New QHP Enrollees Added

Of those, over 13.4k Are First Time Customers

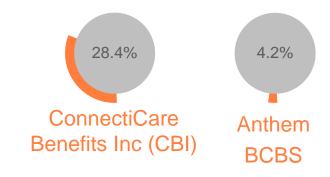


#### **55,492 Medicaid Enrollees**

Completed applications/redeterminations processed through the integrated eligibility system during Open Enrollment % Change in OE Enrollment by Financial Assistance



#### % Change in OE Carrier Enrollment



## 12 2018 Marketplace Overview

## 13 2018 Marketplace Overview

- Eligibility for Financial Assistance
  - Over 73% of enrollees receive financial help for premiums.
  - Year over year increase in customers not receiving financial help.
- Enrollee Health Plan Coverage
  - ConnectiCare market share has increased 3.6% since end of OE2017.
  - 1 in 10 QHP households have one or more household members enrolled in a HUSKY program.

- OE Broker Assistance
  - 36% of all new enrollment indicated receiving help from a broker, up from 25% in prior OE.
  - Over 4,500 customers enrolled by enrollment centers and call center brokers.

## 14 QHP Customer Profile & Analysis

#### **Customer Profile by Financial Assistance Level**

	APTC + CSR	APTC	No F.A.	Total
Members	53,374	30,253	30,507	114,134
Avg. HH Size	1.5	2.1	2.4	1.9
Avg. Age	45.1	44.6	39.3	43.4
% Female	56.0%	52.5%	49.7%	53.4%
Avg. % Federal Poverty Level	171.2%	319.2%		224.7%
% HUSKY Transfers (2017 Coverage)	15.3%	6.5%	2.7%	9.6%
% w/ 2017 QHP Coverage	60.0%	67.7%	54.5%	60.6%
% w/ 2016 QHP Coverage	40.4%	50.0%	33.3%	41.0%
% w/ 2015 – 2017 QHP Coverage	23.1%	32.0%	21.9%	25.1%

Non-Subsidized Enrollees tend to be younger and have larger covered households.

## 32% of enrollees receiving an APTC without CSR have been enrolled since CY2015.

Household (HH) size only accounts for individuals within the household with QHP coverage

## 16 Customer Profile Summary

- Customer Age-Mix
  - 23% of enrollment consists of 18-34 year olds, aka "young invincibles."
  - 55-64 Year Olds largest age group (32%).
  - 1.5% of customers are over 65.
  - Customer age distribution increases observed at both ends (<19, 55-64).</li>
- Customer Geography
  - Highest density of customers in urban areas.
  - Fairfield County accounts for largest proportion of customers (32%).

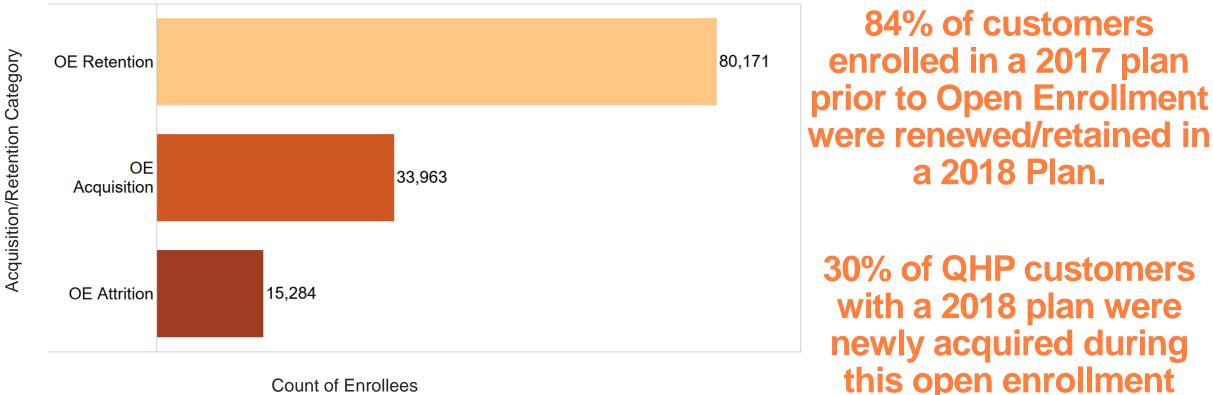
- Customer Household Income
  - 151% 200% FPL Households account for nearly 18.2% of all enrollment. (\$23.5k)
  - 26.7% of enrollment over 400% FPL or declined Financial Assistance. (+3% YOY)
- Misc. Applicant Information
  - Over 13% of enrollees have declined the financial help gating question. (+2.8% YOY)
  - 93.4% of applicants indicated English is their preferred language.
  - Of applicants who responded, 30.8% identified race/ethnicity as non-white.

## 2018 Open Enrollment Retention & Acquisition Results

17

#### 18 **OE** Acquisition & Retention Results

**Open Enrollment 2018 Customer Retention/Acquisition Status** 



period.

Count of Enrollees

## 19 Customer Acquisition Profile

#### **Customer Profile by Open Enrollment Acquisition Type**

	New Acquisition Customer*	Re-Acquired Customer**	Retained Customer***
Members	13,419	20,544	80,171
Avg. HH Size	2.2	1.8	1.9
Avg. Age	40.7	40.0	44.8
% Female	50.4%	53.8%	53.8%
Avg. % Federal Poverty Level	232.6%	210.1%	227.9%
% HUSKY Transfers (2017 Coverage)	0.0%	31.9%	11.5%
% w/ 2017 QHP Coverage	0.0%	1.1%	86.0%
% w/ 2017 QHP Coverage	0.0%	12.1%	55.3%
% w/ 2015 – 2017 QHP Coverage	0.0%	0.4%	35.7%

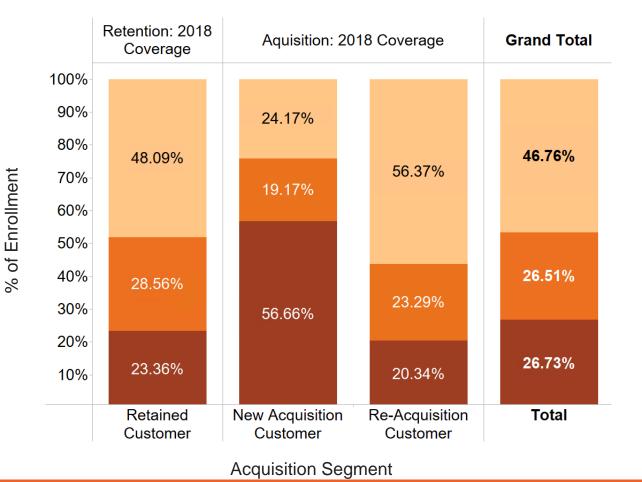
#### Newly acquired QHP customers average 4 years younger than the retained customers.

\*Enrollees who did not have an account with AHCT prior to 2018 Open Enrollment are defined as "new acquisition" customers.

\*\*Enrollees with accounts created prior to open enrollment, but not enrolled in a QHP are defined as "re-acquired" customers.

\*\*\*Enrollees with active 2017 QHP coverage prior to 2018 Open Enrollment are defined as "Retained" Customers.

#### **Customer Acquisition by Financial Assistance (F.A.) Level**



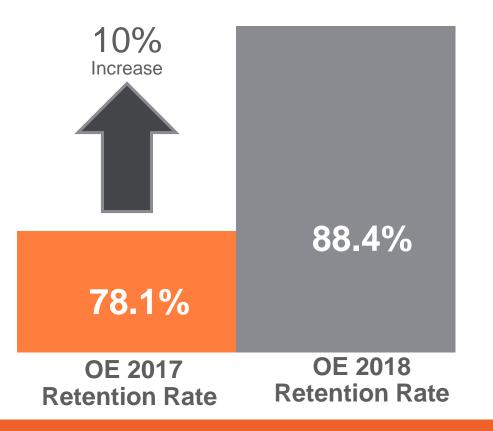
Nearly 50% of new acquisition customers from 2018 OE are unsubsidized, compared to only 28% in 2017 OE.

Re-Acquired customers are more likely to receive financial help for premiums and nearly one-third transition from HUSKY.

APTC+CSR
APTC
No F.A.

## 21 OE Customer Retention Year Over Year

#### 2017 v. 2018 Open Enrollment Retention Rate\*

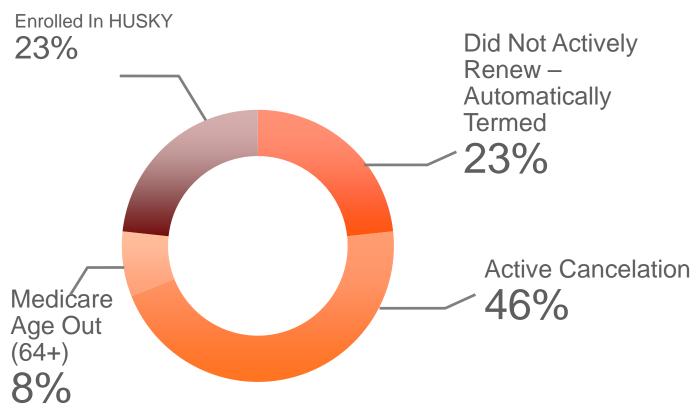


AHCT retained 90% of customers eligible for premium tax credits & AHCT retained 85% of customers not eligible for any premium tax credits

\*Retention rate excludes customers who age out (64+) and customers who transitioned to a HUSKY plan.

## 22 Open Enrollment Customer Attrition

#### 2018 Open Enrollment Attrition Reasons (15,284 non-renewals)



## 5 in 10

Non-Subsidized Leavers Indicate They Have Coverage Through Another Source\*

3 in 10

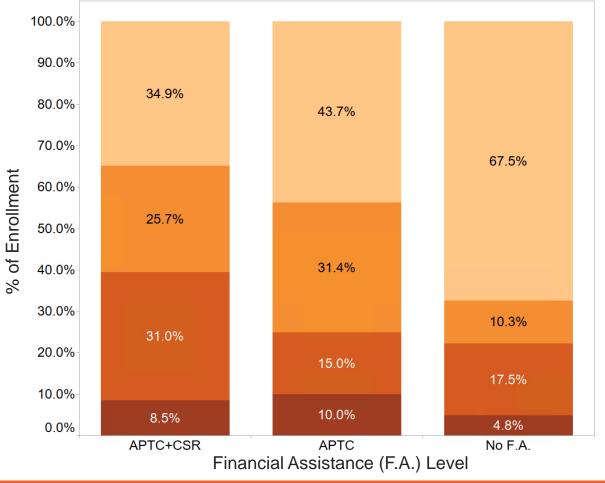
Subsidized Leavers Indicate They Have Coverage Through Another Source\*

**İİİİİİİİİİİİ** 

\* 2016 Leaver Survey Conducted by AHCT

## 23 OE Customer Attrition – F.A. Level

**Customer Attrition Reasons by Financial Assistance (F.A.) Level** 



Of the 15.2k customers who did not renew in 2018, 28% were not eligible for any financial help.

67.5% (2.9k) of customers not eligible for any financial help canceled their coverage during 2018 Open Enrollment. 10.3% did not renew their 2017 policy.

- Active Cancelation
- Auto-Term
- Enrolled In HUSKY
- Medicare Age Out

### 24 Plan Selections & Customer Preferences

## 25 2018 Marketplace Overview

- Metal Tier Preferences
  - 55% of QHP customers selected a health plan in the Silver metal tier. (-9% YOY)
  - 55% of <19 age band purchased a health plan in the Bronze metal tier.
  - Bronze plans are the most popular option for Non-Subsidized Customers. (68%)
- Carrier Preferences & Transitions
  - Of the 3.1k customers who switched carriers between 2017 and 2018, 81% chose ConnectiCare Benefits Inc (CBI).
  - 78% of new acquisition customers selected a plan from CBI.

- Customer Shopping/Migration Trends
  - 18% of customers who renewed in 2018 selected a different plan from their prior year. This is down from 34% in 2017 OE.
  - Customers receiving no financial help were more likely to change plans. (25% changed plan)
  - 52% of all renewals who selected a different plan in 2018 selected a plan in the same metal tier. 37% selected a plan in a lower metal tier.
- Plan Preferences & Selections
  - Nearly half of all customers are enrolled in a standard silver plan.
  - 13% of QHP enrollees selected a product with a non-standard plan design.

## 26 Pricing Analysis

## 27 Monthly Plan Cost – Age Band

## Average Monthly After APTC Premium by Age Band and Financial Assistance (F.A.) Level\*

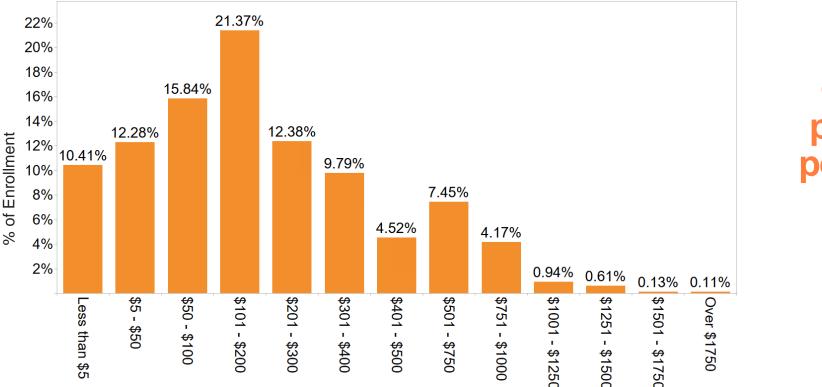


For customers between 55-64 years of age (32% of all QHP customers), their average monthly premium after APTC ranges from \$115 to \$867 depending on level of financial help.

\*Comparison excludes households with more than 1 enrollee.

## 28 Monthly Plan Cost – Age Band

#### **Proportion of Enrollees by Average Monthly After APTC Premium\***



60% of enrollees are paying less than \$200 per month (after APTC) for their policy.

Monthly After APTC Premium

## 29 Observed 2018 Premium Increase / Decrease

Average 2017 to 2018 Change in Monthly After APTC Premium\*

		Retain	ed Same F	A Level	Incre	ased FA	Level	Decr	eased FA	Level
	60% 55%	52.4% -\$4.28	(% of total		-					
	50%	-94.20	(Average A	itter APIC	Premium C	nange)				
Jen	45%									
olln	40%									
Enrollment	35%									
of E	30%									
%	25%		40 40/	4===0/						
	20%		18.1% -\$33.42	17.7% \$116.73						
	15%									
	10%				3.7%	0.00/				
	<b>5%</b> -				-\$74.45	2.6% -\$247.01	1.6% -\$351.15	2.2% \$77.56	0.9% \$304.46	0.8% \$488.72
	-	APTC 8 CSR	APTC	No FA	Gained CSR	Gained APTC	Gained APTC & CSR	Lost CSR Only	Lost APTC	Lost APTC & CSR
					% of En	rollment				

For enrollees who retained similar financial help between 2017 and 2018, average increase of monthly after APTC premium was less than \$5 for subsidized customers and \$116 for non-subsidized.

\*Comparison excludes households with more than 1 enrollee and enrollees who did not have coverage in 2017.

\*\* A variety of factors can impact premium fluctuations including annual rate changes, customer rating factors, customer plan selections, eligibility for financial help, and changes in household income. 30 Customer Retention – Effectuated Coverage

## 9 in 10

Enrollees have made their first premium payment\*

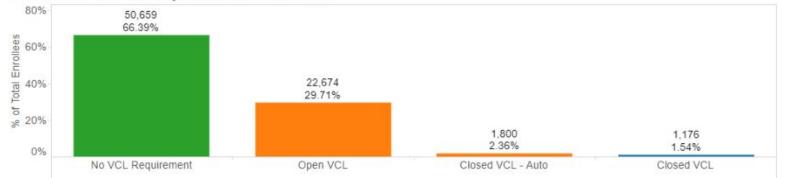
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\*Effectuation rate presented for Anthem BCBS customer base only Effectuation status as of 1/10/2018

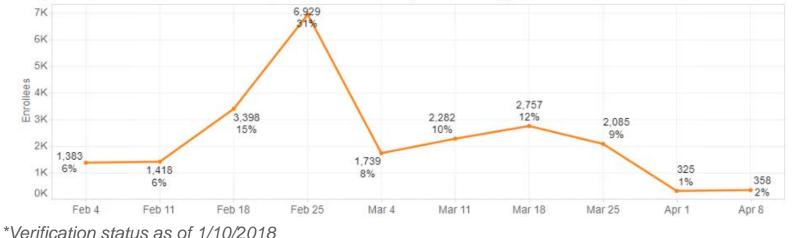
## 31 Customer Retention – Outstanding Verifications

#### **Outstanding Verification Checklist (VCL) Activity For End of OE Customers**

VCL Status for Actively Enrolled Customers



#### Projected VCL Termination Dates (Customers With Open VCL Only)



30% of the enrolled customer base have an outstanding verification to complete\*.

Nearly 31% of open verifications have a <u>due date</u> of February 25, 2018.

\*Verification status as of 1/10/2018 for primary applicants only



## **2019 Plan Certification Requirements**





# Health Plan Benefits and Qualifications Advisory Committee (HPBQ AC) Update



### **Certification Review Schedule**

Certification Review Topics	2017/2018 Discussion Date	Status	
Requirement to Submit Standardized Plan Designs	September & October	Completed	
Plan Mix (Standard/Non-Standard Plan Offerings)	September & October	Outstanding Item	
Pediatric Dental Coverage in Medical Plans	September & October	Pending additional review	
Lowest Cost Silver Plan in the Individual Market	September & October	Pending additional review	
Essential Health Benefits (EHB) Benchmark Plan	November		
Prescription Drug Formulary Standards	November	Completed	
Network Adequacy Standards	November	Completed	
Essential Community Provider (ECP) Contracting Standards	November		
Tobacco Surcharge	December		
Broker Compensation	December	Completed	
Certification Requirements Policy	December - January		
Standardized Plan Development - Medical	December – February	Scheduled (12/13/17, 1/10, 1/24 & 2/7/18)	
Plan Mix – SHOP	January	Completed	
Plan Mix – Stand-Alone Dental Plans (SADPs)	January - February	Scheduled	
Standardized Plan Development – SADP	January - February	(1/10/18, 1/24/18, 2/7/18)	

## **Plan Mix - Medical**

Current Guidelines: Number of Plans Permitted per Issuer							
	Individua	al Market	Small Group Market*				
	Standardized Non-Standard		Standardized	Non-Standard			
Platinum	1 (Optional)	2	0	4 (Optional)			
Gold	1	3	0	Min 1 – Max 6			
Silver	1	3	0	Min 2 – Max 6			
Bronze	2	3	0	Min 2 – Max 4			
Catastrophic	N/A	1	N/A	N/A			
TOTAL	4 Required / 1 Optional	12 Optional	0 Required	5 Required / 15 Optional			
Maximum	1	7	2	0			

2018 Submitted Plans

20 in Individual market (two issuers):

- 8 standardized plans (no Platinum)
- Non-standard plans: 1 Gold,
   5 Silver, 4 Bronze and
   2 Catastrophic

14 in Small Group market (two issuers):

- Non-standard plans:
- 1 Platinum, 3 Gold, 5 Silver, 5 Bronze

\*Effective for the 2018 plan year, AHCT removed the requirement for Issuers to submit standardized plans for SHOP; The minimum count of plans are required to include out-of-network coverage and include pediatric dental EHBs



## HPBQ AC – Standardized Plan Considerations

- 2019 Standardized Plans Individual Market
  - The 2018 AHCT Individual Market standardized plans at the Gold, Silver and Bronze metal levels will not continue to be in compliance with the actuarial value de minimis ranges for 2019, based on results of the Actuarial Value Calculator (AVC) tool
  - A number of options are under consideration in order to modify these plans to come into compliance with AV for 2019, including:
    - Making minimal changes to plan cost sharing (i.e., deductible and out-of-pocket maximum)
    - Making significant changes to plan cost sharing
    - Making significant changes to plan cost sharing AND product type

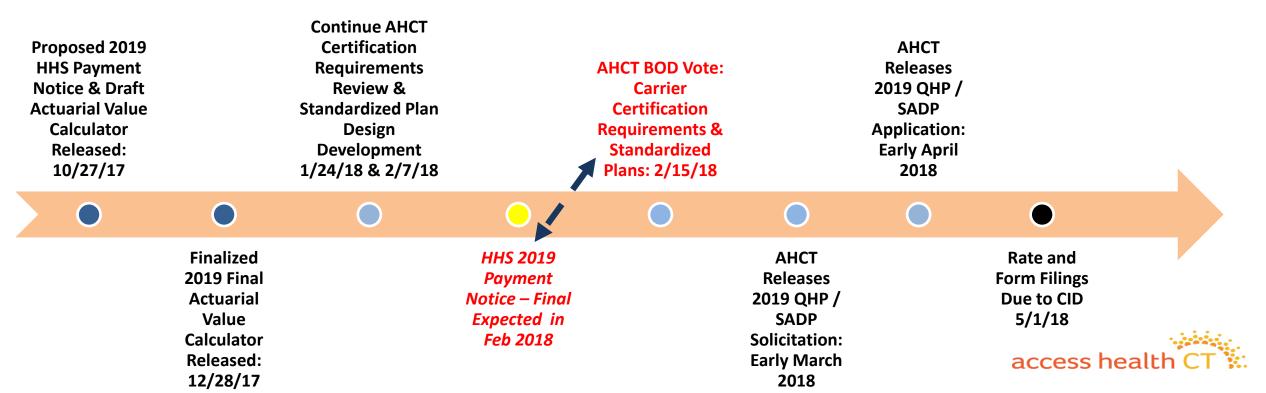


## HPBQ AC – Standardized Plan Considerations, continued

- Gold & Silver plans
  - Second and third options would result in cost sharing changes such as:
    - Elimination of separate prescription drug deductible
    - Most services subject to the combined medical/Rx deductible
    - More services subject to coinsurance, rather than copays
- Bronze plan
  - Second option would result in cost sharing changes such as:
    - Increased deductible
    - More services subject to deductible and coinsurance
    - Removal of maximum cost share on specialty drugs
  - Third option would result in cost sharing changes such as:
    - Increased out-of-pocket maximum
    - Many more services subject to coinsurance (rather than copays)
- Estimated Premium Impact
  - First option is estimated to result in little change in plan premium
  - Second and third options are estimated to result in significant premium savings
  - NOTE: estimates do not incorporate other factors that could impact premium such as claim trend, adjustments resulting from changes in network, etc.
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### **Next Steps**

- Next HPBQ AC meetings scheduled for January 24<sup>th</sup> and February 7<sup>th</sup>
  - Expect to discuss those agenda topics for which certification requirement recommendations are to be determined
    - Standardized plans (Gold, Silver & Bronze), lowest cost Silver plan & number of non-standard Silver plans [Individual Market] and standardized Stand-alone Dental Plan (SADP) [Individual and Small Group Markets]



#### 2019 AHCT Standardized Plan Design Development Continuum

### **HPBQ Advisory Committee Next Steps**

- The HPBQ Advisory Committee has requested direction from the Board of Directors on the following certification requirements for 2019:
  - Approach in design of standardized plans for 2019
  - Continuing to permit non-standard Silver plans in the Individual Market
  - Continuing to require that the lowest cost Silver plan submitted in the Individual Market be the AHCT standardized plan





# >Appendix



## 2018 AHCT Plan Enrollment: Standardized/Non-Standard QHPs

Enrollment data of Individual AHCT plans as of 1/8/2018

Metal Level	Enrollment	Percent				
Catastrophic	1,752	1.54%				
Bronze	40,074	35.11%				
Silver	63,410	55.56%				
Gold	8,898	7.80%				
TOTAL	114,134	100.00%				

Metal Level	Standardized Plans	Non-Standard Plans	Total	Percent in Standardized Plans
Catastrophic	0	1,752	1,752	0.00%
Bronze*	34,749	5,325	40,074	86.71%
Silver	55,526	7,884	63,410	87.57%
Gold	7,671	1,227	8,898	86.21%
TOTAL	97,946	16,188	114,134	85.82%

*Bronze Plans	onze Plans Standardized Non-Standard Total Total		Percent in Standardized	
Bronze rians			Iotai	Plans
Non-HSA	14,238	3,670	17,908	79.51%
Bronze	17,230	3,070	17,508	75.5176
HSA	20,511	1,655	22,166	92.53%
Compatible	20,511	1,055	22,100	92.55%
Total	34,749	5,325	40,074	86.71%

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## 2018 AHCT Plan Enrollment: Standardized/Non-Standard QHPs

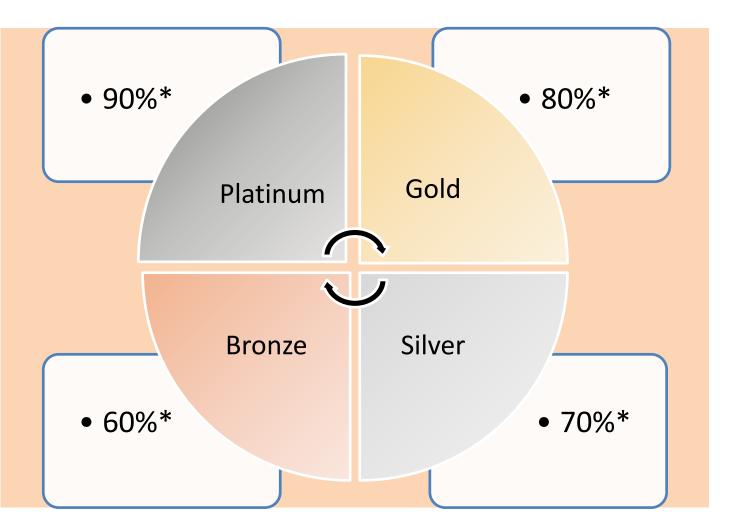
	GC	DLD	SI	LVER		ONZE ompatible)		ONZE compatible)	CATASTROPHIC	
County	Non-Std	Standard	Non-Std	Standard	Non-Std	Standard	Non-Std	Standard	Non-Std	Grand Total
Fairfield	284	2,648	2,270	17,239	372	7,057	898	4,749	436	35,953
Hartford	155	1,835	1,585	12,675	257	4,801	936	2,792	479	25,515
Litchfield	144	578	613	3,736	163	1429	295	971	98	8,027
Middlesex	47	449	390	2,526	68	1156	122	721	96	5,575
New Haven	298	1,425	1,674	12,538	355	4,128	749	3,069	404	24,640
New London	165	336	688	3,668	263	963	343	994	124	7,544
Tolland	87	242	358	1,734	93	636	200	544	87	3,981
Windham	47	158	306	1,410	84	341	127	398	28	2,899
Total	1,227	7,671	7,884	55,526	1,655	20,511	3670	14,238	1,752	114,134
	8,8	398	63	,410	2	22,166		7,908	1,752	114,134



Enrollment data of Individual AHCT plans as of 1/8/2018

## **Affordable Care Act - Health Plan Types**

#### Metal Levels: Actuarial Value & Average Overall Cost of Providing Essential Health Benefits (EHBs)



\*CMS regulations allow for a 'de minimis' range for the Actuarial Value (AV) calculation for each metal level, and for Silver Cost Sharing Reduction plans

Per regulations effective for the 2018 Plan Year, 'de minimis' AV ranges are as follows:

- Platinum: 86% 92%
- Gold: 76% 82%
- Silver: 66% 72%\*\*
- Bronze: 56% 62% (AV range permitted for 'Expanded Bronze' plans is up to 65%; plan must include at least 1 major service not subject to deductible or is a High Deductible Health Plan)
- \*\*Silver Cost Sharing Reduction (CSR) Plans:
- 73% CSR: 72% 74%, but must be at least 2 points greater than 'standard' Silver plan
- 87% CSR: 86% 88%
- 94% CSR: 93% 95%





## **Finance Update**

### Finance Update

		Q2 FY18 Budget									
	Ori	ginal Budget	F	inal Budget		Surplus/ (Deficit)	%				
АНСТ	\$	30,665,479	\$	32,281,868	\$	(1,616,389)	-5.3%				
DSS Shared Cost	\$	23,892,644	\$	21,449,548	\$	2,443,096	10.2%				
Gross Expenses	\$	54,558,123	\$	53,731,415	\$	\$ 826,707					

		FY18 Year to Date Results (through Dec, 2017)									
	FY1	.8 Q1 Budget		Actuals		Surplus/ (Deficit)	%				
АНСТ	\$	16,800,526	\$	16,261,153	\$	539,373	3.2%				
DSS Shared Cost	\$	10,865,065	\$	8,292,999	\$	2,572,066	23.7%				
Gross Expenses	\$	27,665,591	\$	24,554,152	\$	<b>11.2%</b>					



#### 2018 Fiscal Year Q1 Budget vs. Actuals - AHCT Through 6 Months

	FY18 Q1 BUDGET	ACTUALS	VARIANCE	
Revenue			•	
Marketplace Assessments	\$ 15,607,058	\$ 15,606,226	\$ (831)	
Interest Income	\$ 64,336	\$ 87,247	\$ 22,911	
Total Revenue	\$ 15,671,394	\$ 15,693,474	\$ (22,080)	
Budgeted Expenses				
Salaries	\$ 3,494,400	\$ 3,443,065	\$ 51,335	
Fringe Benefits	\$ 1,195,698	\$ 1,197,336	\$ (1,638)	
Temporary Staffing	\$ 275,779	\$ 207,619	\$ 68,160	
Contractual	\$ 9,059,082	\$ 8,646,953	\$ 412,129	
Equipment and Maintenance	\$ 1,763,284	\$ 2,024,183	\$ (260,899)	
IT Development	\$ 484,330	\$ 196,500	\$ 287,830	
Pre-Paid Expenses	\$ (110,901)	\$ (70,277)	\$ (40,624)	Variance
Supplies	\$ 13,421	\$ 6,533	\$ 6,888	Savings from Salaries: \$50k Contractual & Maintenance
Travel	\$ 74,579	\$ 39,937	\$ 34,643	Timing: \$0.2M
Other Administrative	\$ 550,854	\$ 569,304	\$ (18,450)	1111111 <u>6</u> . 90.2101
Total Budgeted Expenses	\$ 16,800,526	\$ 16,261,153	\$ 539,373	
Costs Shared with DSS	\$ 10,865,065	\$ 8,292,999	\$ 2,572,066	
AHCT and DSS Total Expenses	\$ 27,665,591	\$ 24,554,152	\$ 3,111,439	



#### FY18 Original Budget vs. Q2 Final Budget 12 Months

	FY18 OF	<b>RIGINAL BUDGET</b>	FY18	Q2 CHANGES	FY18 (	Q2 FINAL BUDGET	]
Revenue							
Marketplace Assessments	\$	30,779,214	\$	130,226	\$	30,909,440	
Interest Income	\$	43,287	\$	64,131	\$	107,418	
Total Revenue	\$	30,822,501	<b>\$</b> 5	194,357 -	\$	31,016,858	
Budgeted Expenses			•				
Salaries	\$	7,327,147	\$	(114,311)	\$	7,212,836	
Fringe Benefits	\$	2,427,628	\$	100,429	\$	2,528,057	
Temporary Staffing	\$	515,738	\$	90,806	\$	606,544	Variance
Contractual	\$	12,946,850	\$	3,113,878	\$	16,060,728	Personnel : -\$0.1M
Equipment and Maintenance	\$	3,159,047	\$	511,947	\$	3,670,994	<ul> <li>Fringe Benefits (increase in retirement plans) 0.1M</li> </ul>
IT Development	\$	2,828,550	\$	(2,018,650)	\$	809,900	Contractual Increase due to Call
Pre-Paid Expenses	\$	74,128	\$	(122,056)	\$	(47,928)	
Supplies	\$	26,206	\$	(734)	\$	25,472	DSS
Travel	\$	131,299	\$	(2,570)	\$	128,729	
Other Administrative	\$	1,228,886	\$	57,650	\$	1,286,536	
Total Budgeted Expenses	\$	30,665,479	\$	1,616,389	\$	32,281,868	_
Costs Shared with DSS	\$	23,892,644	\$	(2,443,096)	\$	21,449,548	
AHCT and DSS Total Expenses	\$	54,558,123	\$	(826,707)	\$	53,731,415	-



#### FY18 Original Budget vs. Q2 Final Budget - DSS Shared Costs 12 Months

	GROSS EXPENSE								
	FY18 Original			FY18 Q2	FY	<b>18 Q2 Final</b>			
		BUDGET		CHANGES		BUDGET			
BEST Staffing (80%)	\$	1,621,251	\$	(135,380)	\$	1,485,871			
Temporary Staffing	\$	1,621,251	\$	(135,380)	\$	1,485,871			
IT Development (84%)	\$	800,000	\$	-	\$	800,000			
Hosting & Enhancements (80%)	\$	1,540,000	\$	(1,142,987)	\$	397,013			
Security (80%)	\$	1,116,310	\$	(261,944)	\$	854,366			
Testing (80%)	\$	1,068,800	\$	-	\$	1,068,800			
DSS Only Projects (100%)	\$	796,640	\$	(15,423)	\$	781,217			
Development	\$	5,321,750	\$	(1,420,354)	\$	3,901,396			
Call Center (70%)			\$	16,238,366	\$	16,238,366			
Call Center (80%)	\$	16,654,910	\$	(16,206,135)	\$	448,775			
Operations (80%)	\$	2,795,000	\$	-	\$	2,795,000			
Maintenance (80%)	\$	3,233,734	\$	534,823	\$	3,768,558			
Maintenance & Operations	\$	22,683,644	\$	567,054	\$	23,250,699			
GRAND TOTAL	\$	29,626,645	\$	(988,679)	\$	28,637,966			

	DSS ALLOCABLE											
F١	(18 Original		FY18 Q2	FY18 Q2 Final								
	BUDGET		CHANGES	BUDGET								
\$	1,297,001	\$	(108,304)	\$	1,188,697							
\$	1,297,001	\$	(108,304)	\$	1,188,697							
\$	672,000	\$	(25,232)	\$	646,769							
\$	1,232,000	\$	(914,390)	\$	317,610							
\$	893,048	\$	(209,555)	\$	683,493							
\$	855,040	\$	-	\$	855,040							
\$	796,640	\$	(15,423)	\$	781,217							
\$	4,448,728	\$	(1,164,599)	\$	3,284,129							
\$	-	\$	11,366,856	\$	11,366,856							
\$	13,323,928	\$	(12,964,908)	\$	359,020							
\$	2,236,000	\$	-	\$	2,236,000							
\$	2,586,987	\$	427,859	\$	3,014,846							
\$	18,146,915	\$	(1,170,193)	\$	16,976,722							
\$	23,892,644	\$	(2,443,096)	\$	21,449,548							



	<b>FY18</b>	ORIGINAL BUDGET	ACTUALS	VARIANCE
Beginning Cash Balance	\$	14,895,818	\$ 23,020,727	\$ 8,124,909
Assessment	\$	15,476,000	\$ 10,513,428	\$ (4,962,572)
DSS Shared Cost Recovery	\$	13,652,755	\$ 2,945,727	\$ (10,707,028)
Other	\$	22,485	\$ 121,500	\$ 99,015
Total Cash Receipts	\$	29,151,240	\$ 13,580,655	\$ (15,570,585)
Total Cash Payments	\$	24,391,218	\$ 25,727,854	\$ 1,336,635
Cash Flow Surplus/Deficit (-)	\$	4,760,021	\$ (12,147,199)	\$ (16,907,220)
Ending Cash Balance	\$	19,655,839	\$ 10,873,528*	\$ (8,782,311)

Cash Reserves\*

• Actuals: 4 months

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



\*\$5.5M reimbursement from DSS received in January 2018.



## Votes

- Fiscal Year 2018 2<sup>nd</sup> Quarter Budget Report
- Approval of 2017 AHCT Audited Financial Statements
- Approval of 2017 Programmatic Audit Report
- Approval of Transitional Reinsurance Report



# Adjournment