



Finance Committee

Regular Meeting
Holiday Inn, Ballroom B
East Hartford, CT
January 10, 2019
2:00 p.m.
Meeting Minutes

Members Present: Anne Foley on behalf of Melissa McCaw, Office of Policy & Management (OPM) Secretary; Robert Tessier; Michael Gilbert on behalf of Commissioner Roderick Bremby, Department of Social Services (DSS)

Members Absent: Robert Scalettar, M.D.; Victoria Veltri

Access Health CT (AHCT) Staff: James Michel; Darrell Hill; Sinisa Crnkovic; Jeffrey Belrose; Glenn Jurgen; Susan Rich-Bye

The Regular Meeting of the Connecticut Health Insurance Exchange Finance Committee was called to order at 2:00 p.m.

I. Call to Order and Introductions

Chairwoman Anne Foley called the meeting to order at 2:00 p.m.

II. Vote: Review and Approval of Minutes

Anne Foley requested a motion to approve the November 8, 2018 Finance Committee Special Meeting Minutes. Motion was made by Robert Tessier and seconded by Michael Gilbert.
Motion passed unanimously.

III. FY2019 2nd Quarter Budget Report (Operating and Capital)

Darrell Hill, Director of Finance, presented the 2nd Quarter Budget Report. Mr. Hill summarized the FY2019 2nd Quarter Budget Report with the ending date of December 31, 2018. For the first half of FY2019, the positive variance of \$3.3 million between AHCT and DSS reflects expenditures lower than budgeted. The timing of projects and related invoices are the primary reason for the positive variance. As of the 2nd Quarter Budget Report, the positive variance of \$820,000 for the

full FY2019 Operating Budget is primarily due to realized vacancy savings and the Call Center contract annual true-up. Per the Memorandum of Agreement between DSS and AHCT, the DSS CIP allocation was updated from 80 percent to 84 percent. Mr. Hill emphasized that there is no change in the projects, only the allocation of costs. Mr. Hill presented Budget vs. Actuals through December 31, 2018, including an overview of the revenues and expenses, as well as cost-sharing with DSS. Mr. Hill pointed out that the increase in Marketplace Assessments is due to the timing of budget development and the receipt of payments. In addition, rising interest rates have resulted in additional interest income. The positive variance in expenses is due to the timing of projects and related invoices. AHCT and DSS total expenses amounted to \$22,817,172, a positive variance of \$3,328,192. Mr. Hill noted that the Call Center has two different rates based on enrollment and speed of service.

Mr. Hill went on to describe the FY2019 Adjusted Budget. Mr. Hill summarized budget line items, such as Contractual and IT Development, and compared them with the originally adopted FY2019 Budget. The FY2019 total operating expenses, when adjusted, aggregate to \$31,814,771. The cost-share with DSS is \$21,556,743. Mr. Hill presented a line-item summary of the cost-share with DSS. AHCT and DSS total FY2019 Adjusted Budget expenses are \$53,371,515.

The Chair requested a motion to approve the FY2019 2nd Quarter Budget Report as presented. Motion was made by Robert Tessier and seconded by Michael Gilbert. ***Motion passed unanimously.***

Mr. Hill briefly described the FY2019 Capital Improvement Plan Update. Two of the five projects approved by the Board have been completed, one project is in progress, and the remaining two projects have not started pending DSS funding approvals that are on hold due to partial shutdown of the Federal government. Robert Tessier inquired about the policy-based payments and savings that are associated with the completed projects. James Michel, Chief Executive Officer, responded that AHCT uses estimates for project costs and it was determined that the same service level could be provided while utilizing less resources. The costs have been reduced significantly while obtaining the same quality product. Mr. Tessier encouraged AHCT to be mindful, when contracting out services, to try to employ American and preferably Connecticut companies. Mr. Michel noted that it was not an easy decision for AHCT to make; however, the savings achieved by doing that are significant and the vendor providing the service was able to complete the work in a significantly shorter amount of time. The inability to make prompt corrections to the notices has diminished customer experience. This project will allow us to serve our customers more efficiently.

Michael Gilbert noted that due to the partial Federal government shutdown, the Food & Nutrition Services (FNS) does not have staff to review requests for funding approvals. The Implementation Advanced Planning Document had to be updated, and benefits such as Supplemental Nutritional Assistance Program (SNAP) were revised and costs reallocated. Ms. Foley inquired whether the Center for Medicare & Medicaid Services (CMS) approval is needed for those projects. Mr. Gilbert confirmed that CMS approval is needed. Mr. Michel noted that the

Verification of Lawful Presence (VLP) project has a definite deadline. Mr. Gilbert noted that for one of the projects, DSS is potentially looking for alternative resources to fund it, should the partial government shutdown continue.

The Chair requested a motion to approve the FY2019 2nd Quarter Capital Improvement Plan Update as presented by Exchange staff. Motion was made by Robert Tessier and seconded by Michael Gilbert. ***Motion passed unanimously.***

IV. Adjournment

Anne Foley requested a motion to adjourn. Motion was made by Robert Tessier and seconded by Michael Gilbert. Motion passed unanimously. ***Meeting adjourned at 2:30 p.m.***