



**Annual Report to the Governor,  
General Assembly, and Auditors of  
Public Accounts  
Fiscal Year 2018**

[AccessHealthCT.com](http://AccessHealthCT.com)

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# 1. Leadership Message

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At Access Health CT we are all rowing together and making great progress – notwithstanding the strength of the tide.

We strongly believe in our mission and take it to heart every day. 2017 was a year of turmoil. Yet, it was also a year of considerable accomplishment for Access Health CT, as we delivered healthcare coverage for tens of thousands of our neighbors. The motivation that drives us comes from the positive change happening in our customers' lives. When we spend just a few minutes listening to thankful stories about how having health insurance has affected them, it fills us with energy and reaffirms our determination.

Since we began five years ago, we have served over one million Connecticut residents as a trusted advisor. In collaboration with community organizations and state agencies, and a dedicated Board of Directors, we have accelerated efforts to enroll underserved and hard-to-reach populations. We understand the process of selecting health insurance can be cumbersome and challenging. That is why we strive to make the customer experience personable and empathetic.

We will continue to meet new challenges head on, embrace change, and cultivate relationships that benefit the residents of Connecticut. We remain undeterred, and we invite you to stand with us as we endeavor to do still more.

## 2. Our Mission, Vision and Strategy

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Created as a quasi-public agency in 2011 as a result of the Patient Protection and Affordable Care Act (ACA), the Connecticut Health Insurance Exchange d/b/a Access Health CT (Exchange or AHCT) successfully developed and implemented the State-based Health Insurance Marketplace for the State of Connecticut and remains committed to serving our state's citizens. Access Health CT's efforts have reduced the uninsured rate across Connecticut to all-time lows, with significant impact to minority and hard-to-reach communities and the young.

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

**Our Vision:** Access Health CT 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:** Access Health CT'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.

### 3. Activities and Projects: Fiscal Year 2018 in Review

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#### The Year in Context: ACA Under Threat

A summary of our projects and activities deserves some additional context for FY2018. Like all state exchanges, Access Health CT faced extraordinary challenges, uncertainties, and customer confusion stemming from federal government positions on the Affordable Care Act (ACA) before and during the Open Enrollment (OE) period for Plan Year 2018.

To name a few, the ACA’s repeal or invalidation became a real possibility. The federal government discontinued Cost Sharing Reduction (CSR) reimbursements to insurers, even though CSR plans remained available to lower income customers. Short term plans, association health plans, and health reimbursement arrangements were promoted at the federal level as alternatives to ACA plans. The ACA significantly shortened the annual open enrollment period. And although the ACA’s individual health insurance mandate survived, the tax penalty for noncompliance was reduced to zero effective in 2019. Together, these headwinds made the OE for Plan Year 2018 the most challenging on record.

Connecticut and Access Health CT addressed these challenges with several market stabilization measures, with “silver loading” possibly the most notable. “Silver loading” is the mechanism that lets insurers recoup their unreimbursed CSR costs by adding them to the cost of their silver plans.

Connecticut anticipated this possible change in the rate approval process. In consultation with the Governor, Lieutenant Governor, and insurers, the Connecticut Insurance Department permitted silver loading and allowed carriers to add an extra approximately 17 percent to the silver plan premiums to account for the unfunded CSRs.

Silver loading protected the majority of AHCT’s customers, more than 70% of whom are eligible for premium tax credits (PTCs). Because PTCs are calculated using the second lowest cost silver plan, more expensive silver plans mean higher PTCs, which customers may apply to bronze, silver or gold plans.

Conversely, there was a chance that silver loading might prompt a large segment of the unsubsidized customer base to pay the tax penalty rather than pay the much higher premiums. In the end, the renewal rate for our unsubsidized customers was high.

Despite long odds, our Plan Year 2018 enrollment increased by 2.6% thanks to a multi-pronged response by an army of deeply committed individuals, including the Access Health CT Board and staff, the Connecticut Insurance Department, and our partners at Anthem and Connecticutcare Benefits, Inc.

#### Open Enrollment Period for Plan Year 2018

This year the ACA shortened the open enrollment period for Plan Year 2018 from three months to six weeks. Access Health CT’s OE period ran for seven weeks, from November 1, 2017 through December 22, 2017 with an additional week added by Access Health CT.

Plan Year 2018 Open Enrollment Highlights:

- Enrollment increased by 2.6%, from 111,542 for 2017 to 114,434 for 2018.
- Our retention rate was 88.4%, with 80,171 enrollees renewing their 2017 policies for 2018. (The retention rate for OE 2017 was 78.1%.)

- Over 13,0000 enrollees were first-time customers.
- Newly acquired qualified health plan (QHP) customers were on average four years younger than the retained customers.
- Over 70% of QHP enrollment in Fairfield, Hartford, and New Haven counties.
- Most QHP households include only one or two enrollees.
- 73.3% of enrollees receive financial help for the cost of their insurance.
- Approximately 60% of enrollees are paying less than \$200 per month for their policy after applying their PTCs.
- Unsubsidized enrollees tended to be younger and have larger covered households.
- 20 different QHPs were offered (3 Gold, 7 Silver, 8 Bronze, 2 Catastrophic), plus 3 stand-alone dental plans.
- 55,492 Medicaid enrollees completed applications or redeterminations through the integrated eligibility system during OE.

Access Health CT's detailed 2018 Open Enrollment Report is available at [Agency.AccessHealthCT.com](http://Agency.AccessHealthCT.com) > Meetings > Board > 2018 > January 18 > [2018 Open Enrollment Summary](#).

**5 End of Open Enrollment (OE) – 5 Year Review**

	Open Enrollment 1 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 – 12/31/17
Active QHP Enrollment	76,713	110,095	116,019	111,542	114,124
Total Active Medicaid Determinations	129,589	442,508	608,003	671,960	699,087
% QHP Population with Financial Assistance	77.7%	77.4%	76.7%	76.4%	73%
% QHP Population Under 35 (Average Age)	30.9%	33.5%	33.2% (42.7)	31.7% (43.3)	31.4% (43.4)
Most Popular QHP (auer % of Enrollment)	Anchor (13%)	ConnectCare (12%)	ConnectCare (13%)	ConnectCare (10%)	ConnectCare (7.3%)
QHP Auto-Renewal Rate	90%	87%	81%	82%	87%
% of Enrollment w/ Broker Assistance	30%	38%	50%	29%	35%
Calls Handled by Call Center	491,695	338,142	384,559	410,710	387,257
Website Volume (Unique Visitors)	843,748	586,172	583,827	538,825	225,140

## Customer Service Improvements

Access Health CT is dedicated to continuously improving the customer experience and making it easier each year for people to shop for health insurance, compare options, enroll, and use their plans to be healthy. A host of this year's customer service improvements are outlined below.

### Improved Web and Mobile Application System

We optimized our customer website at [AccessHealthCT.com](http://AccessHealthCT.com) to provide better mobile functionality.

### Expanded Call Center Hours

We expanded our call center's hours on both weekdays and weekends to accommodate the higher daily call volume we expected because of the shorter open enrollment period.

### Increased Number of Brokers

To increase the number of brokers available to help customers select the best plan for their circumstances, we improved reporting for the broker compensation process and provided brokers with general information, training and recertification regarding plans offered through Access Health CT. In 2017, the insurance carriers did not pay broker commissions for plans through the Exchange so only 200 brokers counseled Access Health CT customers, and AHCT had a large number of brokers working in the call center to assist consumers with plan

selections. We also dedicated approximately 100 certified call center representatives specifically to assist brokers and Certified Application Counselors (CACs).

### **More In-Person Enrollment Help**

For the OE for Plan Year 2018, we moved from having two storefront locations (in New Britain and New Haven) to offering ten enrollment locations across the state (Bridgeport, New Britain, Danbury, New Haven, Waterbury, East Hartford, Norwich, Hartford, Stamford, and Milford). These locations were selected based on four years of enrollment data, customer behavior, physical space requirements, public transportation, and parking availability. Enrollment locations were open weekdays and some weekends.

To provide even more options for in-person enrollment help, Access Health CT also held five enrollment fairs on Saturdays during OE in Manchester, Fairfield, New London, Hamden, and Willimantic.

### **Upgraded Customer Cost Comparison Tool**

Knowing that health insurance is becoming increasingly complex and that customers may struggle to choose a plan that works well for their unique circumstances, we upgraded our online customer cost comparison tool for comparing health insurance plans offered through Access Health CT. The first version of the tool was launched in 2015.

This tool helps customers weigh their total projected health care costs--not just their monthly premiums—against the coverage benefits of the plans being offered. The upgraded tool considers the customer's anticipated health care utilization and shows whether the customer's preferred providers are in network and the extent to which specific medications are covered.

Customer feedback about the health insurance shopping experience and health insurance literacy considerations were incorporated into the redesign. For the OE period for Plan Year 2018 17,000 people used the cost comparison tool.

### **Streamlined Customer Notices and Verification Processing**

To reduce the volume of unnecessary outgoing notifications that were causing customer confusion, we reprogrammed our notification rules. Additionally, the Operations Department initiated a pilot program to assist customers who were required to verify information in their application to resolve an inconsistency with data sources. A team of five employees called customers who were required to send in verification documents by the next 60 to 90 days. The list was updated three times a week. Weekly e-mails were sent to customers with outstanding verification items. Weekly social media posts reminded customers to pay their premiums and submit verification documents, if necessary. Compared to the same period in the prior year, AHCT was able to reduce the number of open verification requirements by approximately 40 percent.

## Other System Updates

Other updates to our application system to improve functionality for customers, stakeholders and customer service staff are shown below.

	Our Customers	Insurance Carriers	AHCT customer support staff
1095-A form (Health Insurance Marketplace Statement)	✓		✓
New Mobile device friendly website	✓		✓
Enhanced password reset functionality	✓		✓
Consolidated enrollment summary dashboard	✓		✓
Feasibility to add Individual Tax Identification Number	✓		
Additional website improvements	✓	✓	✓
Carrier issues reporting portal	✓	✓	✓
Suppress historical transactions	✓	✓	
Changing primary subscriber	✓	✓	
Sequencing transaction records	✓	✓	
Special Enrollment Period (SEP) verifications		✓	✓
CMS filing for Policy-Based Reporting (PBR) *	✓	✓	
Age band regulation update *		✓	
Automated process for large employer appeals			✓

\* Regulatory enhancement for CMS/IRS

## Marketing, Outreach, and Communications

Our stepped-up marketing, outreach, and communications efforts were essential components in our response to the many obstacles we faced from the federal level and undoubtedly led to our increased enrollment numbers this year.

Our messaging focused on four core themes: 1) the value of having health insurance and staying insured; 2) financial help is still available only through Access Health CT; 3) free in-person assistance is available across the state; and 4) enrollment deadline dates.

This year's marketing campaign included 15 different media platforms. With our advertising vendors, we developed 15 new videos for digital placement and updated 30 commercials. Promotional messages were shown in movie theaters and other public places, such as public transport areas in partnership with the Connecticut Department of Transportation. Open Enrollment brochures were developed in more than 11 languages and an expanded series of educational videos were available on our website. We added outreach staff to build new partnerships at the community level and increase enrollment of hard-to-reach populations. We resumed our Community Chats – educational sessions in key locations around the state. We held a day-long Community Conference for certified application counselors (CACs) and community partners in October. Direct email, text messages, social media posts and broadcast announcements were all part of the campaign effort as well.

## Small Business Program (SHOP)

### Enrollment

As of June 2018, enrollment through our Small Business Health Options Program (SHOP) included 250 groups, 840 subscribers, and 2019 members, all increased from January



2018. SHOP's annual retention rate is 85%. This year SHOP introduced new plans for small businesses from ConnectiCare Benefits, Inc.

### **New SHOP Website**

SHOP launched a new website to enhance functionality for brokers and small employers around the state. The new site is a single portal for everything from enrollment to resources, features broker-friendly design, and allows enrollment data to be uploaded with a standard Excel template.

### **Market Research and Focus Groups**

In July 2017 Access Health CT conducted market research and held focus groups to explore the possibility of separating the SHOP brand from the individual insurance brand. We held six 90-minute focus groups with small business decision makers (42 participants, either customers or prospects) and phone interviews with eight insurance brokers. The focus groups examined perceptions of what's working and what's not for SHOP, as well as reactions to names and logos for a potential re-brand of the small business program.

We learned that small businesses rely heavily on brokers for their health insurance coverage needs and that savings and easy-to-use insurance plans are the key drivers for these participants. Six of the eight brokers thought the small business program should be branded differently from our individual health insurance program. Our next step is to further evaluate the possibility of separately incorporating, branding, and marketing the SHOP program.

## **Management and Governance**

### **CEO Transition**

2018 presented a change in Access Health CT's leadership. Our second CEO, James Wadleigh, left the organization in April 2018. After first being appointed Interim CEO in June 2018, James Michel was appointed by the Board of Directors later in 2018 to become the organization's third CEO.

### **Five-Year Strategic Plan**

Access Health CT began work on a five-year strategic plan in December 2017. The plan will focus on setting measurable goals for continuously improving the customer experience. Department directors also establish goals for their respective departments.

### **Actuarial Studies**

Actuaries & Healthcare Specialists

Access Health CT retained Wakely, the healthcare actuarial consulting firm, to conduct the following actuarial studies this year:

- [Analysis of 2019 Payment Notice: Essential Health Benefits](#). Details at Agency.AccessHealthCT.com > Meetings > Board of Directors > 2017 > November Presentation, page 15.
- [Rate Review and Rate Analysis Report](#). Details at Agency.AccessHealthCT.com > Meetings > Board of Directors > 2017 > November Presentation, page 28.
- [Adverse Selection Study](#). Details at Agency.AccessHealthCT.com > Meetings > Board of Directors > 2018 > February Presentation, page 13.

- [Analysis of Individual Market Standard Plan Designs](#). Details at [Agency.AccessHealthCT.com > Meetings > Board of Directors > 2018 > April Presentation, page 23 and \[exhibit\]\(#\)](#).

### **Crisis Management Plans**

We are developing a disaster recovery plan and an emergency action plan for employees, following Centers for Medicare and Medicaid Services (CMS) and Internal Revenue Service (IRS) requirements. We will submit those plans to CMS and the IRS in the next fiscal year.

### **Organizational Values**

Access Health CT began developing organizational values this year. Values incorporate the organization's mission and vision and define behaviors that are consistent with them. The Access Health CT Training Team ran employee workshops on culture and values. Employee feedback from these workshops indicated that employees would like more opportunities to advance within the organization and that there was a desire for improving employee communication. We plan to address those topics through various management practices. We will also establish an employee-led values committee to help embed our organizational values into our operations and work culture.

### **Bylaws Amendments**

The Board of Directors amended two sections of Access Health CT's bylaws. Bylaws Section 3.6, Surety Bond Requirement, was amended to be consistent with Conn. Gen. Stat. § 38a-1081(c)(8), as amended in 2016. The Bylaws amendment added language allowing the Board chair to execute a blanket position bond or procure an equivalent insurance product covering each Board member, the chief executive officer, and the employees of the Exchange. Bylaws Section 3.6 was also amended to remove the requirement that the surety or blanket bond be filed with the Secretary of the State and approved by the Attorney General.

Bylaws Section 5.7, Signing Authority, was amended to reflect the elimination of Access Health CT's Chief Financial Officer position and the creation of a new Chief Operating Officer position. The amendment grants signatory authority to the Chief Operating Officer for all contracts, instruments, deeds, or other documents for and on behalf of Access Health CT, not to exceed \$500,000.

Access Health CT's bylaws are available at [Agency.AccessHealthCT.com > Policies & Legislation > \[Bylaws\]\(#\)](#).

## 4. Activities and Projects Planned for FY 2019

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### Finance

- Adjust cash management practices to increase interest earnings
- Streamline accounting processes to better track vendor invoices in process
- Reduce all market assessment receivables to zero by calendar year end
- Reduce third party software costs
- Investigate grant opportunities

### Human Resources

- Form and convene Employee Values Committee
- Integrate values into operating and recruiting processes
- Expand onboarding program for new hires
- Expand disability and life insurance benefits
- Pursue “Great Places to Work in Connecticut” recognition

### IT

- Upgrade mobile application to match desktop functionality
- Create capability for consumer to send email to AHCT within their online account
- Yearly enhancements on all AHCT systems

### Legal

- Assist with appointments for new board members and board chair
- Improve communications for transition from QHP to Medicare
- Work with Marketing/Outreach to re-establish Navigator Program

### Marketing & Communications

- Pilot programs supporting uninsured research: Business & door-to-door canvassing; In-Home Events; Orange glove program
- Increase use of text messaging
- Improve open and click rates for email communications to customers and noncustomers

### Operations

- Pilot in-person, post-open enrollment help centers
- Increase outreach to consumers for verification requests
- Implement new Learning Management System
- Partner with DSS to merge Husky and QHP training for the Call Center
- Increase number of brokers and Certified Application Counselors

### Plan Management

- Implement Multi-Tiered Benefit Cost-Share Data Displays

- Certify 46 plans and plan variants for 2020 Individual and Small Group Medical and stand-alone dental plans
- Support state Stakeholders in exploring reinsurance, narrow networks, and other health insurance policy initiatives

## **SHOP**

- Strengthen broker relationships with in-person meetings and individual training
- Expand presence in business community, including outreach to CT Department of Transportation Disadvantaged Business Enterprise Program (DBE), Minority Construction Council, chambers of commerce
- Develop and implement comprehensive marketing and public relations strategy

## **Technical Operations & Analytics**

- Implement a Product Owner strategy across the HIX system
- Streamline verification process to reduce open verification volume during open enrollment
- Launch new Customer Experience Command Center
- Expand analytic capabilities to include social segment customer reports, website performance reports, and web usability analysis
- Improve IRS 1095A data and quality control

## 5. Human Resources

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### Affirmative Action Policy

Access Health CT'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.

## Workforce Composition as of June 30, 2018

Class	Title	Employees	Male							Female							
			W	B	H	A	I	N/H	T	W	B	H	A	I	N/H	T	
1.1	Exec/Senior Level Officials & Mgrs.	9	3	1	0	1	1	0	0	2	0	1	0	0	0	0	
1.2	First/Mid-Level Officials & Mgrs.	13	2	0	1	0	0	0	0	6	2	2	0	0	0	0	
2	Professionals	22	8	1	0	0	0	0	1	7	3	1	1	0	0	0	
4	Sales Workers	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Administrative Support Workers	44	5	3	5	0	0	0	0	8	8	15	0	0	0	0	
N/S	Not Specified	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	
Total			Male							Female							
	Male	Female	Total	W	B	H	A	I	N/H	T	W	B	H	A	I	N/H	T
	33	57	90	19	5	6	1	1	0	1	24	13	19	1	0	0	0
	37 %	63 %		58 %	15 %	18 %	3 %	3 %	0 %	3 %	42 %	23 %	33 %	2 %	0 %	0 %	0 %

## Affirmative Action Efforts in Fiscal Year 2018

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 indeed.com and AHCT's own website. These websites and AHCT recruitment efforts reach a broad range of diverse candidates.

## 6. Financial

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### Marketplace Assessments

Marketplace assessments fund Access Health CT’s ongoing operations. Marketplace assessments are charged to all health and dental insurance carriers that can offer a qualified health plan through the Exchange to generate funding necessary to support the operational sustainability of Access Health CT. Marketplace assessments are billed and collected on a calendar year basis.

Connecticut Public Acts 11-53 and 13-247 gave Access Health CT 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 authority is codified at Conn. Gen. Stat. § 38a-1083(c)(7).

In 2014, the Legislature added Subsection (d) to Conn. Gen. Stat. §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.”

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.

As of June 2018, Access Health CT received \$15.0 million of the \$31.2 million expected for marketplace assessments for the 2018 calendar year.

### Bonds

Access Health CT has not issued bonds and has no bonds outstanding.

### Grants Received

Access Health CT received no grants in Fiscal Year 2018 and has no open grants from prior fiscal years.

### Grants Awarded

Access Health CT awarded no grants in Fiscal Year 2018.

### Five-Year Financial and Capital Improvement Plans

This year Access Health CT began preparing a five-year financial plan to ensure Access Health CT’s financial stability in years to come. Our five-year Capital Improvement Plan was approved by the Board of Directors in May 2018. We also completed a five-year marketplace assessment forecast.



## **Programmatic and Financial Audit for FY2017**

An independent programmatic audit of Access Health CT's programs and finances by Whittlesey for FY2017 was released in January 2018. This audit ensures that Access Health CT is in compliance with the financial and programmatic requirements set forth by CMS. The auditor found that AHCT complied in all material respects with the relevant compliance requirements for the year ending June 30, 2017. The full report and audited financial statements are available at [Agency.AccessHealthCT.com](http://Agency.AccessHealthCT.com) > About Us > Reports & Audits > Financial Reports > [Report for CMS Programmatic Audit 2017](#) and [Financial Statements 2017](#).

## **RFP for Independent Financial Audit Services**

Our governing statutes require requests for proposal (RFPs) to be issued every three years for auditing and certain other services. Additionally, the same vendor cannot perform these services for more than six consecutive years. Accordingly, Access Health CT issued an RFP for a new independent auditor. BlumShapiro was selected from among eight proposals.

As of June 30, 2018, the programmatic and financial audit by new vendor BlumShapiro for FY2018 was underway.

## Individuals and Firms that Received Payments of More than \$5000

The following is a list of all outside individuals and firms that received more than \$5,000 in the form of loans, grants, or payments for services:

A&A Office Systems, Inc.	Faneuil, Inc.	Pitney Bowes Presort Services, Inc
Adaptive Insights, Inc.	Gartner Inc.	Pullman & Comley, LLC
Advent Cat Risk	Global Strategy Group LLC	Scan-Optics LLC
Alaant Workforce Solutions	Gotocitrix.com	SHI International Corp.
Amazon.com LLC	Grossman Heinz LLC	Shipman & Goodwin LLP
Amtex Systems Inc.	Grunberg 280 Trumbull, LLC	SOFTHEON INC..
Apple Inc	Hallmark Totaltech, Inc.	Square 9 Softworks, Inc.
Bernard L. Kavalier	Hootsuite Media Inc.	Staples Advantage
Blum Shapiro & Co., P.C.	Indeed	State of Connecticut - DAS
Bridge Technical Talent, LLC	Integration Partners Corporation	State of Connecticut - DSS
bswift, LLC	International Business Machines Corp	Strategic Security, Inc.
CDI Computer Dealers Inc.	ITech Solutions, Inc.	SurveyMonkey
CDW Government LLC	John Watts Associates, Inc	Synacktek LLC
Center for Health Policy Development	Jon Kingsdale	TEKsystems, Inc.
Chubb and Son, a division of Fed Ins Co	Kool Ink LLC	The RDW Group, Inc.
Cognizant Technology Solutions	Lighthouse Computer Services, Inc.	The Rocket Science Group, LLC
Connecticut Double Play LLC	Lighttower Fiber Networks	The Southern New England Telephone Co
Connecture, Inc	Lockton Companies	The Tri-Com Consulting Group, LLC
Cornerstone OnDemand, Inc.	Mobile Commons, Inc.	TouchPoint Integrated Communications LLC
Day Design Inc.	NetSuite Inc	V-Link, Inc.
Dell Marketing LP	New Fields Technologies LLC	Verizon Business Network Services Inc.
Deloitte Consulting LLP	On-Line Systems, Inc	Victor Advertising Service, LLC
Dupont Learning, LLC	Onpoint Health Data	VIMO, INC.
Eliassen Group, LLC	Optiv Security	W.B. Mason Co. Inc.
En Pointe Technologies Sales, LLC	Oracle America Inc.	Wakely Consulting Group, Inc.
Energage, LLC	Patricia A. Hackett	Whittlesey & Hadley, P.C.
ePlus Technology Inc.	Paylocity Corporation	
Fairfax Data Systems, Inc.	People Ink	

## Financial Statements

**CONNECTICUT HEALTH INSURANCE EXCHANGE  
(DBA ACCESS HEALTH CT)  
STATEMENTS OF NET POSITION  
JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>Assets:</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 26,011,166	\$ 23,349,254
Accounts receivable	1,413,610	7,094,741
Prepaid expenses	205,642	184,038
Total current assets	<u>27,630,418</u>	<u>30,628,033</u>
<b>Noncurrent assets:</b>		
Security deposit	1,197	8,653
Capital assets not being depreciated	167,320	
Capital assets, net of accumulated depreciation	5,408,736	7,161,568
Total noncurrent assets	<u>5,577,253</u>	<u>7,170,221</u>
<b>Total Assets</b>	<u><b>33,207,671</b></u>	<u><b>37,798,254</b></u>
<b>Liabilities:</b>		
<b>Current Liabilities:</b>		
Accounts payable	525,664	391,646
Accrued liabilities	6,014,645	6,522,685
Unearned revenue	609,308	2,300,869
Total current liabilities	<u>7,149,617</u>	<u>9,215,200</u>
<b>Net Position:</b>		
Net investment in capital assets	5,576,056	7,161,568
Unrestricted	<u>20,481,998</u>	<u>21,421,486</u>
<b>Total Net Position</b>	<u><b>\$ 26,058,054</b></u>	<u><b>\$ 28,583,054</b></u>

**CONNECTICUT HEALTH INSURANCE EXCHANGE  
(DBA ACCESS HEALTH CT)  
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
Operating Revenues:		
Marketplace assessment	\$ 31,229,615	\$ 32,139,640
Government grants and contracts		1,465,829
Grants		41,000
Miscellaneous revenue	29,200	
Total operating revenues	<u>31,258,815</u>	<u>33,646,469</u>
Operating Expenses:		
Wages	6,909,678	7,758,067
Fringe benefits	2,343,400	2,674,823
Consultants	18,111,518	18,685,426
Maintenance	2,808,419	3,523,209
Administration	1,085,813	1,255,895
Equipment	662,185	408,033
Travel	100,772	90,323
Supplies	14,179	11,302
Depreciation and amortization	1,949,331	2,057,924
Total operating expenses	<u>33,985,295</u>	<u>36,465,002</u>
Operating Loss	(2,726,480)	(2,818,533)
Nonoperating Revenues:		
Interest income	<u>201,480</u>	<u>73,919</u>
Change in Net Position	(2,525,000)	(2,744,614)
Net Position at Beginning of Year	<u>28,583,054</u>	<u>31,327,668</u>
Net Position at End of Year	<u>\$ 26,058,054</u>	<u>\$ 28,583,054</u>

**CONNECTICUT HEALTH INSURANCE EXCHANGE  
(DBA ACCESS HEALTH CT)  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>Cash Flows from Operating Activities:</b>		
Receipts from marketplace assessments	\$ 32,294,171	\$ 32,514,623
Reimbursement of operating costs	20,018,994	33,545,572
Receipts from funding sources		3,629,599
Receipts from miscellaneous sources	29,200	
Payments to employees	(9,257,348)	(10,550,215)
Payments to vendors	(40,260,766)	(57,530,725)
Net cash provided by (used in) operating activities	<u>2,824,251</u>	<u>1,608,854</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Payments for software development in progress	(167,320)	
Purchase of equipment and software	(196,499)	(2,920,066)
Net cash provided by (used in) capital and related financing activities	<u>(363,819)</u>	<u>(2,920,066)</u>
<b>Cash Flows from Investing Activities:</b>		
Interest and dividend income	201,480	73,919
<b>Net Change in Cash and Cash Equivalents</b>	<u>2,661,912</u>	<u>(1,237,293)</u>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>23,349,254</u>	<u>24,586,547</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u>\$ 26,011,166</u>	<u>\$ 23,349,254</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>		
Operating income (loss)	\$ (2,726,480)	\$ (2,818,533)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,949,331	2,057,924
Change in assets and liabilities:		
(Increase) decrease in accounts and grants receivable	5,681,131	9,829,316
(Increase) decrease in prepaid expenses	(21,604)	2,984
(Increase) decrease in security deposit	7,456	
Increase (decrease) in accounts payable	134,018	(1,277,954)
Increase (decrease) in accrued liabilities	(508,040)	(8,181,098)
Increase (decrease) in unearned revenue	(1,691,561)	1,996,215
Total adjustments	<u>5,550,731</u>	<u>4,427,387</u>
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>\$ 2,824,251</u>	<u>\$ 1,608,854</u>