



Audit Subcommittee Meeting **MEETING MINUTES**

Location: Remote Meeting
Date: Thursday, November 12, 2020
Time: 11:00 a.m.

Members Present:

Gregory Messner (Presiding Officer and Chair); Grant Ritter; Yvonne Addo on behalf of Commissioner Miriam Delphin-Rittmon, Department of Mental and Health Addiction Services (DHMAS); Cecelia Woods

Other Participants:

Access Health CT (AHCT) Staff: James Michel, Susan Rich-Bye, Daryl Jones; Marcin Olechowski
Blum Shapiro: Nikoleta McTigue; Matthew Coit

A. Call to Order and Introductions

The Special Meeting of the Audit Committee was called to order at 11:00 a.m. Susan Rich-Bye, Director of Legal and Governmental Affairs, introduced Gregory Messner, Assistant Executive Budget Officer for the Office of Policy and Management (OPM) Budget Division, who has become a designee for the Access Health CT Board of Directors for the OPM Secretary, Melissa McCaw. Ms. Rich-Bye added that given Mr. Messner's expertise, AHCT asked him to chair both the Audit and Finance Committees.

B. Voting-In Presiding Officer

Motion was requested to appoint Gregory Messner as the Presiding Officer at the November 12, 2020 Meeting in the absence of a Chair. Motion was made by Grant Ritter and seconded by Yvonne Addo. Roll call vote was ordered. **Motion passed unanimously.**

C. Votes

Presiding Officer Gregory Messner requested a motion to approve the June 9, 2019 Regular Meeting Minutes. Motion was made by Cecelia Woods and seconded by Grant Ritter. Roll call vote was ordered. Gregory Messner abstained. **Motion passed.**

A motion was requested to appoint Gregory Messner as a Chair of the Audit Committee. Motion was made by Grant Ritter and seconded by Cecelia Woods. **Motion passed unanimously.**

James Michel, Chief Executive Officer congratulated and thanked Mr. Messner for accepting the role to chair both the Audit and Finance Committees that are critical to the organization.

D. FY2020 Audited Financial Statements

Daryl Jones, Director of Finance, introduced Nikoleta McTigue and Matthew Coit from Blum Shapiro to present the FY2020 Financial Statements. The main audit objective is to provide an opinion as to whether the financial statements are presented fairly and are in adherence with Generally Accepted Accounting Principles (GAAP). Internal controls over financial statements are part of the audit in accordance with the government auditing standards. A Programmatic Audit in compliance with CMS requirements was also performed. As part of the process, the evaluation of internal controls is provided, but no opinion is issued. Ms. McTigue elaborated that an evaluation of risks for AHCT is part of the process. Ms. McTigue indicated that Blum Shapiro expressed an unmodified, clean opinion on the basic financial statements. A clean and unmodified opinion has been issued. It is the highest opinion that can be obtained on Financial Statements.

Ms. McTigue presented financial highlights, which included the total net position for AHCT at the end of June 2020 in the amount of \$32,951,879 which was an increase of \$3,436,084 in comparison to a prior year. Ms. McTigue noted that total assets increased by \$4,582,393 to \$38,767,986. In addition, total liabilities increased to \$5,816,107. Ms. McTigue summarized statements of revenues, expenses and changes in net position.

Chair Gregory Messner requested a motion to approve the FY 2020 AHCT Audited Financial Statements as presented. Motion was made by Grant Ritter and seconded by Cecelia Woods. Roll call was ordered. **Motion passed unanimously.**

E. FY 2020 Programmatic Audit Report

Matthew Coit presented the findings of the Programmatic Audit. Mr. Coit stated that AHCT is in compliance with 45 CFR Part 155. In the Programmatic Audit, Blum Shapiro offered an unmodified and clean opinion. No compliance issues were found in the Programmatic Audit. Mr. Coit explained the required communication with those charged with governance.

Chair requested a motion to approve the FY2020 Programmatic Audit Report as presented. Motion was made by Grant Ritter and seconded by Cecelia Woods. Roll call was ordered. **Motion passed unanimously.**

F. 2019 State-based Marketplace Annual Reporting Tool (SMART) and State Audit Updates

Susan Rich-Bye, Director of Legal and Governmental Affairs, provided an update on the State-Based Marketplace Annual Reporting Tool (SMART) audit that AHCT submitted to the Centers for Medicare and Medicaid Services (CMS). Ms. Rich-Bye indicated that the Affordable Care Act (ACA) requires exchanges to keep accurate accounting of all activities and expenditures and to monitor and report to the Health and Human Services (HHS) on Exchange-related activities, complete an

annual report and engage an independent auditor to perform an annual independent financial and programmatic audit to ensure compliance with regulations and standards. Ms. Rich-Bye noted that it was submitted in July as CMS moved the deadline due to the Public Health Emergency. Ms. Rich-Bye stated that in prior years, some recommendations were made regarding the form of AHCT's Navigator program. Ms. Rich-Bye stated that this is the second year in a row that AHCT is implementing a very robust Navigator program. Ms. Rich-Bye also emphasized that AHCT, along with other Exchanges around the country, provided feedback to CMS on some requirements in federal regulations about required checks to be performed regarding employer-sponsored coverage and eligibility for Advanced Premium Tax Credits (APTC), and whether random sampling was an effective method for verification.

Ms. Rich-Bye provided an update on the State Audit for FY2016 and FY2017. Ms. Rich-Bye noted that AHCT has been in communication with State Auditors regarding prior audit recommendations. In the report for FY2014 and FY2015, recommendations were made pertaining to procurement of services and whether AHCT was required to go out to bid every three years for services. AHCT's procurement policy requires that the agency issue a request for proposals every three years for professional services and staff discussed this policy and the definition of "professional services" with the auditors. Ms. Rich-Bye stated that the auditors agreed with the definition of "professional services" and confirmed that AHCT is in compliance with the policy and the governing statute. Ms. Rich-Bye added that quasi-public agencies are subject to certain state contracting requirements. Mr. Michel noted that AHCT follows its policies as they have been designed and approved by the Board and at this point no issues are anticipated from the State Audit.

G. Adjournment

Chair Gregory Messner requested a motion to adjourn. Motion was made by Grant Ritter and seconded by Cecelia Woods. Ms. Woods also expressed her words of appreciation to the CEO, Finance and Legal Departments as well as partners from Blum Shapiro in the time of the ongoing pandemic. Mr. Michel added that AHCT has been undergoing three different audits this year. Roll call vote was ordered. **Motion passed unanimously.** Meeting adjourned at 11:30 a.m.