



# Board of Directors Finance Committee

November 12, 2021

# Agenda

- A. Call to Order and Introductions
- B. Vote-In Presiding Officer (Vote)
- C. Vote: Review and Approval of Minutes
  - April 8, 2021
- D. Election of a Committee Chair (Vote)
- E. FY 2021 Year End Budget Report
- F. FY 2022 Q1 Budget Report (Vote)
- G. FY 2022 Capital Improvement Plan
- H. Adjournment (Vote)

# Vote-In Presiding Officer

# Votes

- April 8, 2021 Regular Meeting Minutes
- Electing a Committee Chair

**Board of Directors  
Finance Committee**

**Fiscal Year 2021 Budget Report**

**&**

**Fiscal Year 2022 Adjusted Budget**

**Operating & Capital Improvements Budget**

# Fiscal Year 2021 Year End Actuals

- **FY 2021 American Rescue Plan Act** **Pages 7-8**
- **FY 2021 Budget Summary** **Page 9**
- **FY 2021 Budget vs. Actuals** **Page 10**
- **Reserve Funded Projects Update** **Page 11**
- **FY 2021 FY2022 Carryforward Projects Update** **Page 12**

# American Rescue Plan Act Use of Reserve Funds

- In order to implement the required changes for the American Rescue Plan Act, additional funding was approved for marketing, operations and technology for the remaining of this fiscal year and 1st quarter of FY 2022
- \$307k of the technology costs are anticipated to be reimbursed through State Exchange Modernization Grant awarded to AHCT in September 2021.

American Rescue Plan - Proposed Costs					
Project Name	Funding Source	DSS Allocation	Total Project Budget	YTD Spent	Budget Remaining
Marketing and Outreach	Reserve	None	\$ 1,250,000	\$ 1,249,558	\$ 442
Operations	Reserve	None	632,000	308,188	323,812
Technology	Reserve	None	632,165	557,157	75,008
			<b>\$2,514,165</b>	<b>\$ 2,114,903</b>	<b>\$ 399,262</b>

# American Rescue Plan Act Use of Reserve Funds

- **Marketing and Outreach**

- Additional funding will allow Access Health to raise awareness in mass media (tv, radio, print, web, out of home). It will also support direct to consumer efforts (direct mail, SMS) as well as support community outreach tactics

- **Operations**

- Hiring additional brokers to assist in enrollment in the individual market. Also hiring temporary staff for customer relations team to assist with enrollment issues

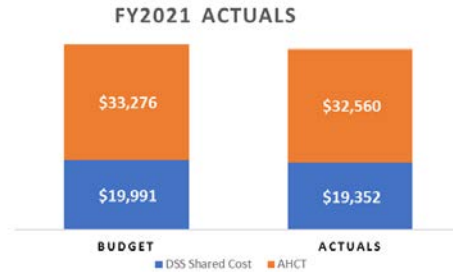
- **Technology**

- System Implementation of new ARP requirements, this includes updates to premium tax credits calculations, new unemployment provisions and automated application of additional premium tax credits



# FY 2021 Budget Summary\*

	Operating Budget - FY2021 Actuals			
	Budget		Actuals	Variance
AHCT	\$ 33,275,798		\$ 32,560,327	\$ (715,471)
DSS Shared Cost	19,990,688		19,352,036	(638,651)
<b>Total</b>	<b>\$ 53,266,486</b>		<b>\$ 51,912,363</b>	<b>\$ (1,354,122)</b>



\*Year-End Budget Report (as of June 30, 2021)

# FY 2021 Budget vs. Actuals

OPERATING BUDGET - July 1, 2020 to June 30, 2021						
	Budget	Actuals	Encumbered	Total Actuals	Variance	
<b>Revenues</b>						
Interest Income	\$ 27,295	\$ 26,828	\$ -	\$ 26,828	\$ (467)	
Marketplace Assessments	33,248,503	33,248,504	-	33,248,504	1	
<b>Total Revenue</b>	<b>\$ 33,275,798</b>	<b>\$33,275,332</b>	<b>\$ -</b>	<b>\$33,275,332</b>	<b>\$ (466)</b>	
<b>Expenses</b>						
Salaries	\$ 7,794,198	\$ 7,780,126	\$ -	\$ 7,780,126	\$ (14,072)	Variance due to timing of filling vacancies
Fringe Benefits	3,028,300	3,001,739	-	3,001,739	(26,561)	Variance due to timing of filling vacancies
Temporary Staffing	546,445	433,622	-	433,622	(112,823)	Didn't hire additional staff due to pandemic impact
Contractual	13,424,280	12,601,443	-	12,601,443	(822,837)	Operational savings
Equipment and Maintenance	2,916,553	2,930,688	-	2,930,688	14,135	
IT Enhancements	4,421,824	3,711,086	1,045,186	4,756,272	334,448	Additional cost for homepage redesign
Supplies	10,924	6,337	-	6,337	(4,587)	
Travel	14,078	6,311	-	6,311	(7,767)	
Other Administrative	1,119,196	1,043,789	-	1,043,789	(75,407)	Savings due to remote work
<b>Total Operating Expenses</b>	<b>\$ 33,275,798</b>	<b>\$31,515,141</b>	<b>\$ 1,045,186</b>	<b>\$32,560,327</b>	<b>\$ (715,471)</b>	
Costs Shared with DSS	19,990,688	19,352,036	-	19,352,036	(638,651)	
<b>AHCT and DSS Total Expenses</b>	<b>\$ 53,266,486</b>	<b>\$50,867,177</b>	<b>\$ 1,045,186</b>	<b>\$51,912,363</b>	<b>\$(1,354,122)</b>	

# Reserve Funded Projects-Update\*

FY2019 Projects are currently pending with DSS.

FY 2019 Capital Improvement Projects Update - Reserves							
Project Number	Project Name	Funding Source	DSS Allocation	DSS Amount	AHCT Amount	Total Budget	Status
2019.001	Technology refresh, move to open source from IBM products (WAS AND DB2)	Reserves	DDI (86%)	\$ 1,376,000	\$ 224,000	\$1,600,000	Pending
2019.002	Technology Refresh move to user friendly Notices Engine and convert existing Notices to new technology	Reserves	DDI (86%)	1,720,000	280,000	2,000,000	Pending
<b>Total</b>				<b>\$ 3,096,000</b>	<b>\$ 504,000</b>	<b>\$3,600,000</b>	

FY2021 Department of Public Health (DPH) Vaccination Initiative Projects – All amounts have been/will be fully reimbursed by DPH

DPH Projects - Paid by Reserves for Reibursement by DPH									
Project Number	Project Name	Funding Source	Allocation	Total Budget	FY2021 Spend	FY2022 Spend	Total Spend	Amount Remaining	Status
2021_CC	Call Center Vaccination assistance	DPH	DPH (100%)	\$ 5,400,000	\$ 2,227,831	\$ -	\$2,227,831	\$ -	Completed
2021_OR	Vaccination Outreach Efforts	DPH	DPH (100%)	2,900,000	1,835,080	926,597	2,761,677	138,323	In Progress
<b>Total</b>				<b>\$8,300,000</b>	<b>\$ 4,062,911</b>	<b>\$ 926,597</b>	<b>\$4,989,508</b>	<b>\$ 138,323</b>	

# Projects Funded from Operating Budget\*

## Carry-forward projects from FY 2021 to FY 2022

- Projects were initiated and funded in FY 2021 but not completed by the end of the fiscal year and are still on going in fiscal year 2021
- The \$1.05 million carry-forward to FY 2022 remains on budget and all the projects are expected to be completed by end of FY2022

FY 2021 On-going Project Plan Update				
Project Name	FY 2021 Carry-forward FY 2022	FY 2022 YTD Actuals	Remaining Balance	Status
Sytem Enhancements	\$ 962,813	\$ 680,696	282,117	In Progress
Data transfer efforts for Covered CT	40,020	40,020	-	Testing
Health Disparities Website Development	42,353	31,076	11,277	In Progress
	<b>\$ 1,045,186</b>	<b>\$ 751,792</b>	<b>\$ 293,394</b>	

\*Update

# Fiscal Year 2022 Adjusted Budget

## **Focused on 3 Strategic Initiatives**

IT Investment | Cybersecurity | Health Disparities

## **To Support 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 provider that give them the best value.

# Fiscal Year 2022 Budget

## Operating Budget

- **FY 2022 Budget Summaries** **Page 15**
- **FY 2022 Budget vs. Actuals** **Page 16**
- **State Exchange Modernization Grant** **Page 17**
- **Covered Connecticut Program Costs** **Page 18**
- **FY 2022 Adjusted Budget** **Page 19**
- **FY 2022 Shared Costs with DSS** **Page 20**
- **Projected Reserve Fund Balance** **Page 21**

# FY 2022 Budget Summary\*

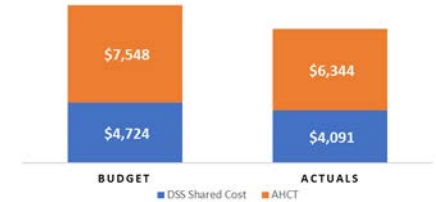
## Operating Budget - 1st Quarter Fiscal Year-to-Date

	Budget	Actuals	Variance
AHCT	\$ 7,548,157	\$ 6,344,392	\$ (1,203,765)
DSS Shared Cost	4,723,569	4,090,840	(632,729)
<b>Total</b>	<b>\$ 12,271,726</b>	<b>\$ 10,435,232</b>	<b>\$ (1,836,494)</b>

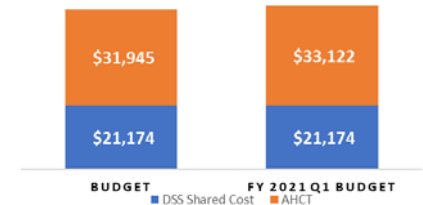
## Operating Budget - FY 2022 Q1 Adjusted Budget

	FY 2022 Adopted Budget	FY 2022 Adjusted Budget	Variance
AHCT	\$ 31,944,968	\$ 33,121,511	\$ 1,176,543
DSS Shared Cost	21,174,273	21,174,273	-
<b>Total</b>	<b>\$ 53,119,241</b>	<b>\$ 54,295,784</b>	<b>\$ 1,176,543</b>

### FY2022 1ST QUARTER YEAR-TO-DATE



### OPERATING BUDGET - FY2022 Q1



\*1<sup>st</sup> Quarter Budget Report (as of September 30, 2021)

# FY 2022 Budget vs. Actuals\*

## OPERATING BUDGET - July 1, 2021 to Sept 30, 2021

	Budget	Actuals	Variance
<b>Revenues</b>			
Interest Income	\$ 9,594	\$ 5,762	\$ (3,832)
Marketplace Assessments	7,838,598	7,838,599	1
<b>Total Revenue</b>	<b>\$ 7,848,192</b>	<b>\$ 7,844,361</b>	<b>\$ (3,831)</b>

### Expenses

Salaries	\$ 1,911,457	\$ 1,890,397	\$ (21,060)
Fringe Benefits	841,549	728,579	(112,970)
Temporary Staffing	81,189	97,182	15,993
Contractual	2,535,080	2,557,545	22,465
Equipment and Maintenance	1,185,844	577,879	(607,965)
IT Enhancements	788,079	348,182	(439,897)
Supplies	3,173	834	(2,339)
Travel	3,625	2,642	(983)
Other Administrative	198,161	141,152	(57,009)
<b>Total Operating Expenses</b>	<b>\$ 7,548,157</b>	<b>\$ 6,344,392</b>	<b>\$ (1,203,765)</b>
Costs Shared with DSS	4,723,569	4,090,840	(632,729)
<b>AHCT and DSS Total Expenses</b>	<b>\$ 12,271,726</b>	<b>\$ 10,435,232</b>	<b>\$ (1,836,494)</b>

Variances due to timing

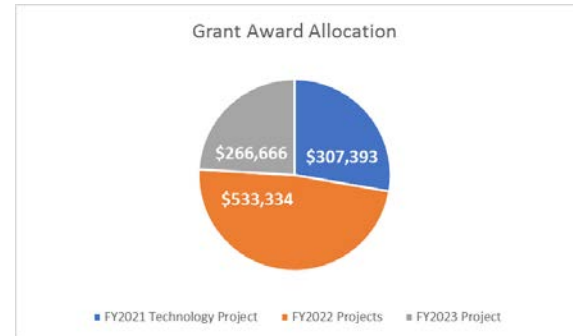




# CMS Grant Funding - \$1.1 Million Projects

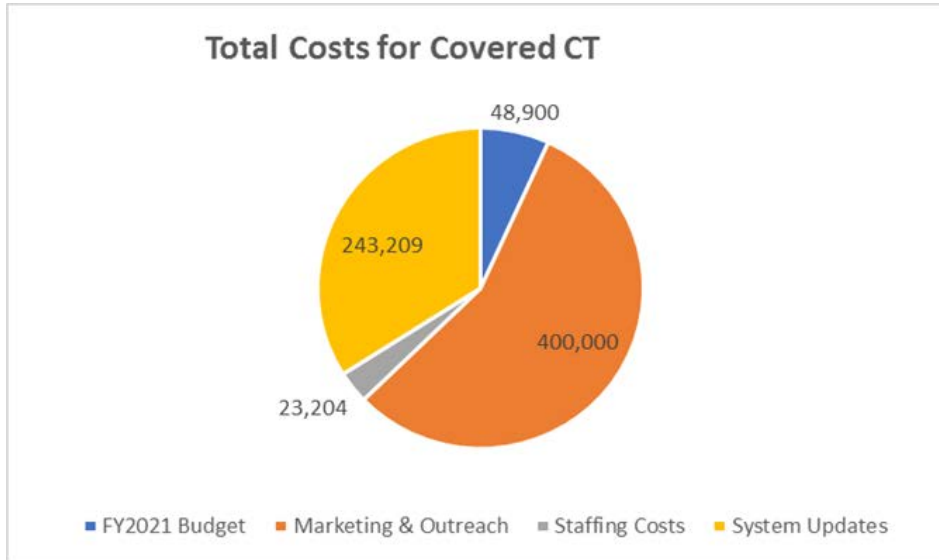
- In September 2021, AHCT was awarded a grant in the amount of \$1.1M by CMS to fund certain modernization initiatives
- Access Health has been approved to fund the 6 projects below with the State Exchange Modernization Grant
- Projects include application system enhancements, IT security & compliance audits and IT security incident and event monitoring software

SEM Grant - Proposed Spending Plan					
Project Name	Funding Source	FY2021	FY2022	FY2023	Project Budget
ARP - Technology Update	Grant	\$ 307,393			\$ 307,393
(3) IT Security Audits	Grant		195,000		195,000
SIEM Security Sytem	Grant		174,992		174,992
EAHSS	Grant		163,341	266,667	430,008
<b>Total</b>		<b>\$ 307,393</b>	<b>\$ 533,333</b>	<b>\$ 266,667</b>	<b>\$ 1,107,393</b>



# Covered Connecticut Program Costs

In order to implement the required changes for the Covered Connecticut Program, \$643k in additional funding is needed for marketing & outreach and technology updates.



\*Staffing costs are estimates from hours our staff spent on the initiative

# FY 2022 Adjusted Budget

	FY 2022 Adopted Budget	FY 2022 Adjusted Budget	Variance	
<b>Revenue</b>				
Grants	\$ -	\$ 533,334	\$ 533,334	\$307k will be received for FY2021 expenditure thus expected CMS Grant to be received in FY2022 is \$840,727
Reserve Funding		643,209	643,209	
Investment Income	37,772	37,772	-	
Marketplace Assessments	31,907,196	31,907,196	-	
<b>Total Revenue</b>	<b>\$ 31,944,968</b>	<b>\$ 33,121,511</b>	<b>\$ 1,176,543</b>	
<b>Budgeted Expenses</b>				
Salaries	\$ 8,000,934	\$ 8,000,934	\$ -	
Fringe Benefits	3,352,974	3,352,974	-	
Temporary Staffing	286,000	286,000	-	
Contractual	13,146,652	13,741,652	595,000	\$400k (Reserve) for Covered CT Marketing & \$195k (CMS Grant) for CMS Audit Requirements
Equipment and Maintenance	3,415,271	3,415,271	-	
IT Enhancements	2,500,255	3,081,798	581,543	\$243k (Reserve) for Covered CT & \$338k (CMS Grant) Funded Projects
Supplies	18,653	18,653	-	
Travel	87,000	87,000	-	
Other Administrative	1,137,229	1,137,229	-	
<b>Total Operating Expenses</b>	<b>\$ 31,944,968</b>	<b>\$ 33,121,511</b>	<b>\$ 1,176,543</b>	
Costs Shared with DSS	\$ 21,174,273	\$ 21,174,273	\$ -	
<b>AHCT and DSS Total Expenses</b>	<b>\$ 53,119,241</b>	<b>\$ 54,295,784</b>	<b>\$ 1,176,543</b>	

# FY 2022 Adjusted Budget - Shared Cost with Department of Social Services (DSS)

Budget Category	DSS SHARED COST BUDGET		
	FY 2022 Adopted Budget	FY2022 Adjusted Budget	Variance
Temporary Staffing	\$765,680	\$765,680	\$0
IT Maintenance & Development	4,394,153	4,394,153	(0)
Operations	15,056,349	15,056,349	0
<b>Total - State General Fund</b>	<b>\$20,216,182</b>	<b>\$20,216,182</b>	<b>\$ (0)</b>
<b>Total - Federally Funded</b>	<b>\$958,091</b>	<b>\$958,091</b>	<b>\$ (0)</b>
<b>Total - DSS Shared Budget</b>	<b>\$21,174,273</b>	<b>\$21,174,273</b>	<b>\$ (0)</b>
<b>Capital Improvements (86%)</b>	<b>\$3,096,000</b>	<b>\$3,096,000</b>	<b>\$ -</b>

# FY 2022 Projected Reserve Fund Balance

AHCT fiscal 2022 year-end reserve is projected at \$20.1 million

	<u>Amount</u>	<u>Months of Operating Funding</u>
<b><u>Net Reserve As of June 30, 2021 (unaudited)</u></b>	<b><u>24,507,726</u></b>	8.4
Subtract: Reserve Funded Projects (approved in FY2019)	(504,000)	
Subtract: American Rescue Plan (ARP) Costs	(2,514,165)	
Subtract: FY2021 Carryover	(1,045,186)	
Subtract: Covered Connecticut	(643,209)	
Add: Grant Reimbursement for ARP	307,393	
<b>Projection at June 30, 2022</b>	<b><u>\$ 20,108,559</u></b>	7.3

# Adjournment