



Audit Committee Meeting Draft MEETING MINUTES

Location: Remote Meeting
Date: Tuesday, November 9, 2021
Time: 10:00 a.m.

Members Present:

Claudio Gualtieri (Chair); Grant Ritter; Cecelia Woods; Yvonne Addo on behalf of Nancy Navarretta, Acting Commissioner of Department of Mental and Health Addiction Services; Matthew Brokman

Other Participants:

Access Health CT (AHCT) Staff: James Michel, Susan Rich-Bye, Daryl Jones; Pamela Roe; Marcin Olechowski
CliftonLarsonAllen (CLA): Nikoleta McTigue; David Flint

A. Call to Order and Introductions

The Regular Meeting of the Audit Committee was called to order at 10:00 a.m. Roll call for attendance was taken.

B. Vote for Presiding Officer

Susan Rich-Bye, Director of Legal and Governmental Affairs, explained the need to vote for the Presiding Officer for the meeting of the Audit Committee as currently, the Committee does not have a Chair. A motion was requested to appoint Claudio Gualtieri to act as Presiding Officer at the November 9, 2021 meeting in the absence of the Chair. Motion was made by Grant Ritter and seconded by Cecelia Woods. Roll call vote was ordered. **Motion passed unanimously.**

C. Votes

Presiding Officer Claudio Gualtieri requested a motion to approve the June 10, 2021 Special Meeting Minutes. Motion was made by Grant Ritter and seconded by Cecelia Woods. Roll call vote was ordered. **Motion passed.** Matthew Brokman abstained.

Ms. Rich-Bye explained the need to appoint a chair of the Audit Committee. A motion was requested to appoint Claudio Gualtieri as a Chair of the Audit Committee. Motion was made by

Matthew Brokman and seconded by Yvonne Addo. Roll call vote was ordered. **Motion passed unanimously.**

D. and E. FY 2021 AHCT Audited Financial Statements and FY 2021 Programmatic Audit Report

Susan Rich-Bye, Director of Legal and Governmental Affairs, introduced Nikoleta McTigue of CliftonLarsonAllen to present the FY 2021 AHCT Audited Financial Statements. Ms. McTigue noted that 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). Ms. McTigue added that internal controls over financial statements are part of the audit in accordance with the Government Auditing Standards.

Ms. McTigue added that the report looks at compliance with the programmatic requirements set forth by the Centers for Medicare and Medicaid Services (CMS) in accordance with Title 45 U.S. Code of Federal Regulations (CFR) Part 155. Ms. McTigue stated that under the GAAP, the auditors issued an unmodified opinion on the basic financial statements as of and for the year ended on June 30, 2021. Ms. McTigue added that no internal control findings were noted and no compliance findings for the programmatic procedures were identified.

Ms. McTigue provided financial highlights for the statements of net position. Ms. McTigue noted that AHCT ended the FY2021 with the total net of \$34,545,570 which was an increase of close to \$1.6 million compared to the prior fiscal year. Ms. McTigue added that total assets increased by over \$1.8 million and the majority of that was the capitalization of software development, and liabilities were very similar to the prior year and were \$6.1 million. Ms. McTigue provided a summary of the revenues, which include the marketplace assessment as well as other income and expenses which comprises wages and benefits, consultants, operations as well as depreciation and amortization.

David Flint from CliftonLarsonAllen presented the FY 2021 Programmatic Audit Report. Mr. Flint noted that the auditor's responsibility pertaining to the Programmatic Audit is to report on the AHCT's compliance with the subparts of 45 CFR Part 155, which deals with the Health Insurance Exchanges. Mr. Flint noted that many areas were examined, including but not limited to General Functions, Eligibility Determinations, Enrollment Functions as well as Certification of Qualified Health Plans.

Mr. Flint was happy to report that an unmodified opinion on compliance was issued, no findings were reported and there were no additional recommendations. Mr. Flint outlined the required communications with the management and stated that the auditors did not encounter any issues in dealing with the management.

Grant Ritter asked for the explanation why the revenues are down, the expenses are up, and the Exchange seems to be in a better financial position. Ms. McTigue compared the results of the FY2021 to the FY2020. Ms. McTigue stated that in FY2020 the net position increased by \$3.4 million while in FY2021, it increased by \$1.6 million, but for the FY2021, revenues exceeded the

expenses. James Michel, Chief Executive Officer noted that in 2020, when it was known that the revenues will be lower, AHCT took actions to have its expenses stay within the budget. Mr. Michel provided the Committee with a brief overview of the AHCT's annual revenues.

Chair Claudio Gualtieri requested a motion to approve the FY 2021 AHCT Audited Financial Statements as presented. Motion was made by Grant Ritter and seconded by Yvonne Addo. Roll call vote was ordered. **Motion passed unanimously.**

Chair Claudio Gualtieri requested a motion to approve the FY 2021 Programmatic Audit Report as presented. Motion was made by Cecelia Woods and seconded by Yvonne Addo. Roll call vote was ordered. **Motion passed unanimously.**

F. CMS State-Based Marketplace Annual Reporting Tool (SMART)

Susan Rich-Bye, Director of Legal and Governmental Affairs, provided an update on the State-Based Marketplace Annual Reporting Tool (SMART) audit 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, to monitor and report to the U.S. Department of Health and Human Services (HHS) on Exchange-related activities, and, to complete an annual report and engage an independent auditor to perform annual independent financial and programmatic audits to ensure compliance with regulations and standards. Ms. Rich-Bye reminded the Committee that in 2015, CMS established an online reporting tool for the State-Based Marketplaces (SBMs) to use, which is now known as the SMART. Ms. Rich-Bye noted that the SMART contains four components, which include, eligibility and enrollment, the financial and programmatic audits, program integrity and attestation of completion. Ms. Rich-Bye added that AHCT filed its SMART with CMS for 2020 on June 1, 2021 and on September 27, CMS issued its Summary of Observations and Action Items for AHCT. Ms. Rich-Bye added that CMS did not outline any issues or recommendations for AHCT for the Calendar Year (CY) 2020.

G. Adjournment

Chair Claudio Gualtieri requested a motion to adjourn. Motion was made by Grant Ritter and seconded by Cecelia Woods. Roll call vote was ordered. **Motion passed unanimously.** Meeting adjourned at 10:24 a.m.