



Finance Committee

November 10, 2022
Regular Meeting -- Remote
10:00 a.m.
Draft Meeting Minutes

Members Present: Claudio Gualtieri (Chair), designee for Secretary Jeffrey Beckham, Office of Policy & Management (OPM); Thomas McNeill; Commissioner Deidre Gifford, Department of Social Services (DSS); Commissioner Manisha Juthani, Department of Public Health (DPH); Matthew Brokman

Access Health CT (AHCT) Staff: James Michel; Daryl Jones; Sinisa Crnkovic; Susan Rich-Bye, Jynelle Maloney; Marcin Olechowski

A. Call to Order and Introductions

The Regular Meeting of the Connecticut Health Insurance Exchange Finance Committee was called to order at 10:00 a.m. Roll call for attendance was taken.

B. Public Comment

No public comment.

C. Vote: Review and Approval of Minutes

Chair Claudio Gualtieri requested a motion to approve the April 14, 2022 Regular Meeting Minutes. Motion was made by Thomas McNeill and seconded by Manisha Juthani. Chair Gualtieri provided information on the prior meeting of the Finance Committee. Roll call vote was ordered. Matthew Brokman and Deidre Gifford abstained. **Motion passed.**

D. FY2022 Year End Budget Report

Daryl Jones, Director of Finance, presented the Fiscal Year (FY) 2022 Year End Budget Report. Mr. Jones stated that between Access Health CT (AHCT) and the Department of Social Services (DSS), a surplus of \$3,125,776 was achieved. Mr. Jones noted that most of the savings was achieved in contractual services where the totaled over \$1.4 million. Mr. Jones stressed that during the year, AHCT implemented a series of process improvements that reduced the number of notices being sent out. Mr. Jones added that AHCT was successful in encouraging a large number of consumers to use the

Exchange's online services, which generated additional savings. Mr. Jones pointed out that AHCT reduced its mailing, scanning and printing costs.

Mr. Jones indicated that savings were also achieved with the call center which handles broker and enrollment staffing for locations during the Open Enrollment (OE). Chair Claudio Gualtieri commended actions that resulted in the savings. This also reduced consumer confusion due to receiving less duplicative mail from AHCT.

James Michel, Chief Executive Officer, commented that operational costs are shared with DSS. Mr. Michel added that DSS has more customers than AHCT and the call center savings that are presented reflect savings that AHCT has achieved with the call center vendor. Mr. Michel indicated that the savings amount to approximately 30 percent while 70 percent of the savings went back to DSS. Mr. Michel said that in terms of the savings achieved on mailings, due to the customer volume, 80 percent went back to DSS while the remaining 20 percent, to AHCT.

Mr. Jones continued with information on the status of the carry-forward projects that were initiated and funded in FY2022 but were not fully completed by the end of the fiscal year. Mr. Jones told the Committee that both the System Enhancements Project and Accounts Payable were completed and will be launched once the final invoices are received and final testing is performed.

E. FY2023 Q1 Budget Report

Daryl Jones, Director of Finance, presented the Fiscal Year (FY) 2023 Quarter 1 Budget Report. Mr. Jones stated that AHCT focuses on 3 strategic initiatives which include IT Investment, Cybersecurity and Health Disparities to support the recently adopted Mission.

Mr. Jones pointed out that the Quarter 1 Budget stands at \$10,820,627, which is lower than the budgeted amount of \$11,674,949 resulting in a negative variance of \$854,322. Mr. Jones emphasized that the variance is mainly due to timing. Mr. Jones continued to provide more-in-depth information about this variance in both revenues and expenses.

Mr. Jones added that due to the interest rates rising, AHCT was able to accumulate more interest income than originally budgeted. Mr. Gualtieri inquired about the projected income from the interest. Mr. Jones stated that interest is earned on AHCT's reserves which are held by the State of Connecticut in various government-backed securities where the interest changes. Mr. Jones noted that AHCT expects the interest income to grow.

Mr. Jones indicated that the FY2023 Proposed Adjusted Budget is the same as the Adopted Budget and it stands at \$54,846,301. Mr. Michel added that the Adjusted Budget is as current as the Quarter 1 of the FY2023, and adjustments are expected. Mr. Jones provided line-by-line FY2023 Proposed Adjusted Budget. Mr. Jones reiterated Mr. Gualtieri's statement from a prior meeting stressing that AHCT continues to seek out other grants and revenue sources to support operations. Mr. Michel described the "other revenue" line where the \$1.4 million was originally proposed as an adjustment in the

marketplace assessment. Mr. Michel added that the Board ultimately decided that the timing was not proper to adjust the marketplace assessment to 1.8 percent and instead, these funds were designated to from the reserves if needed. Mr. Michel stressed that due to the larger than anticipated income from interest on savings, AHCT's reliance on the reserves is diminishing.

Mr. Jones stated that at the end of the last FY, the State of Connecticut selected a new vendor to manage and maintain the IT systems. Mr. Jones added that the new vendor is currently in a transition process to maintain the AHCT's IT systems as well. Mr. Jones stressed that AHCT is closely monitoring the cost of this transition and it may potentially grow over the course of the FY. Chair Gualtieri noted that the selection of the new vendor was a result of a competitive procurement process. Mr. Jones provided information on AHCT's shared costs with DSS, which does not include any changes for the FY2023 Adjusted Budget. Mr. Jones finished up his presentation by indicating that AHCT's FY2023 year-end reserve is projected to be \$21.8 million which equals to 7.6 months of operating funding.

Chair Claudio Gualtieri requested a motion to approve the FY2023 Q1 Budget Report as presented. Motion was made by Matthew Brokman and seconded by Deidre Gifford. Roll call vote was ordered. **Motion passed unanimously.**

F. Adjournment

Chair Claudio Gualtieri requested a motion to adjourn. Motion was made by Deidre Gifford and seconded by Thomas McNeill. Roll call vote was ordered. **Motion passed unanimously.** Meeting adjourned at 10:26 a.m.