



Audit Committee Meeting Draft **MEETING MINUTES**

Location: Remote Meeting
Date: Tuesday, November 9, 2022
Time: 10:00 a.m.

Members Present:

Claudio Gualtieri (Chair); Grant Ritter; Cecelia Woods; Carleen Zambetti on behalf of Nancy Navarretta, 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. Public Comment

No public comment

C. Vote

Chair Claudio Gualtieri requested a motion to approve the June 9, 2022 Regular Meeting Minutes. Motion was made by Grant Ritter and seconded by Cecelia Woods. Roll call vote was ordered. **Motion passed unanimously.**

D. and E. FY 2022 AHCT Audited Financial Statements and FY 2022 Programmatic Audit Report

Susan Rich-Bye, Director of Legal and Governmental Affairs, introduced Nikoleta McTigue and David Flint from CliftonLarsonAllen to present the FY2022 AHCT Audited Financial Statements and FY2022 Programmatic Audit Report.

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 stated 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 noted that the auditors were required to perform a Federal Single Audit and express an opinion on the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance as well as to express an opinion on compliance related to major federal awards.

Ms. McTigue stated that under the GAAP, the auditors issued an unmodified opinion on the basic financial statements as of and for the year ending on June 30, 2022. Ms. McTigue added that no internal control findings were noted and no compliance findings for the programmatic procedures were identified. Ms. McTigue added that the Federal Single Audit is currently in process with a due date of March 31, 2023.

Ms. McTigue provided financial highlights for the statements of net position with comparative years of 2021-restated due to the implementation of the Governmental Accounting Standards Board (GASB) as well as year 2022. Ms. McTigue indicated that GASB was effective for year end, June 30, 2022, but since Access Health CT (AHCT) has comparative financial statements, the information has to be reported for all comparative periods. Ms. McTigue noted that due to the implementation of GASB, the capital assets and lease liabilities were increased by a net of \$859,000.

Ms. McTigue noted that AHCT ended the FY2022 with a total net of \$35,400,000 which is about \$800,000 more than a year prior. Ms. McTigue continued with the Statements of Revenues, Expenses and Changes in Net Position. Ms. McTigue noted that the change in the net position increased by \$808,000 and total revenues went down by \$854,000 which was mostly attributed to the marketplace assessment. Ms. McTigue went on to provide additional details of financial highlights.

David Flint from CliftonLarsonAllen presented the FY2022 Programmatic Audit Report. Mr. Flint noted that the auditors' 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 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 among others.

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 management and stated that the auditors did not encounter any issues in dealing with the management. Mr. Flint enumerated GASB Standards for the next three years.

Chair Claudio Gualtieri requested a motion to approve the FY2022 AHCT Audited Financial Statements as presented. Motion was made by Grant Ritter and seconded by Carleen Zambetti. Roll call vote was ordered. **Motion passed unanimously.**

Chair Claudio Gualtieri requested a motion to approve the FY2022 Programmatic Audit Report as presented. Motion was made by Grant Ritter and seconded by Cecelia Woods. 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 an 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 2021 on May 31, 2022 and on September 23, 2022, 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) 2021.

Chair Claudio Gualtieri thanked AHCT staff, Daryl Jones and Susan Rich-Bye along with James Michel for their guidance. Mr. Michel expressed his deepest appreciation to the members of the Audit Committee as well as AHCT leadership team and staff.

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 10:25 a.m.