



Connecticut Health Insurance Exchange Board of Directors Regular Meeting

Remote Meeting

Thursday, April 18, 2024
Draft Meeting Minutes

Members Present:

Paul Philpott (Vice-Chair); Grant Ritter; Thomas McNeill; Sean King, Office of the Healthcare Advocate (OHA); Paul Lombardo on behalf of Commissioner Andrew Mais, Connecticut Insurance Department (CID); Carleen Zambetti on behalf of Commissioner Nancy Navarretta, Department of Mental and Health Addiction Services (DHMAS); Steven Hernandez; Dina Berlyn; Commissioner Andrea Barton Reeves, Department of Social Services (DSS); Deidre Gifford

Other Participants:

Access Health CT (AHCT) Staff: James Michel; Jeanna Walsh; Holly Zwick; Rebekah McLear; Susan Rich-Bye; Caroline Ruwet; John Carbone; Marquese Davis; Tammy Hendricks; Marcin Olechowski

A. Call to Order and Introductions

The Regular Meeting of the Connecticut Health Insurance Exchange Board of Directors was called to order at 9:00 a.m.

Vice-Chair Paul Philpott called the meeting to order at 9:00 a.m.
Attendance roll call was taken.

B. Public Comment

No public comment was submitted.

C. Vote

Vice-Chair Paul Philpott requested a motion to approve the March 4, 2024, Special Meeting Minutes. Motion was made by Thomas McNeill and seconded by Sean King. Roll call vote was ordered. **Motion passed unanimously.**

D. CEO Report

James Michel, Chief Executive Officer, provided a CEO Report. Access Health CT (AHCT) was recognized in March as one of the Best Places to Work in Connecticut and this month, Tammy Hendricks, Director of Health Equity and Outreach was named one of the Top 25 Women in Business. It is projected that Connecticut residents who enrolled in health insurance through AHCT will receive over \$1 billion in Advanced Premium Tax Credit payments (APTC) this year.

E. Finance Update

Holly Zwick, Director of Finance, provided a Finance Update. A Request for Proposals (RFP) for Audit Services has been issued. The Board as well as the Finance and Audit Committees will be notified when a contract is signed with the firm selected.

The FY 2024 Quarter 3 Budget Report was presented, and the actuals are \$38,619,158 which is a positive variance of \$947,678 from the originally budgeted amount. The AHCT portion of the budget is \$22,109,697 while the Department of Social Services (DSS) Shared Cost is \$16,509,461. The AHCT portion is currently \$176,673 under budget which is due to timing, while the DSS shared cost is \$1,124,351 over budget.

Stable interest rates and higher than projected assessment revenues contributed to actuals being over budget. Small savings were achieved due to vacancy savings and employee health plan selections. A slight increase in the Contractual costs was observed. The FY 2024 Quarter 3 Adjusted Budget is the same as the FY 2024 Adopted Budget and it stands at \$54,111,975. More detailed line-by-line FY 2024 Quarter 3 budgetary expenses were outlined. No changes in the shared cost budget with DSS for FY 2024 Quarter 3.

Vice-Chair Paul Philpott requested a motion to approve the FY 2024 3rd Quarter Budget Report Operating as Presented by Exchange Staff. Motion was made by Dr. Gifford and was seconded by Thomas McNeill. Roll call vote was ordered. **Motion passed unanimously.**

The Fiscal Year 2025 Proposed Operating Budget was presented next. The Operating Budget is proposed to increase by \$3,552,415 from FY 24 and it amounts to \$57,664,390. Marketplace assessments increased due to the new assessment rate of 1.85 percent and actuals came in higher than projected so far in calendar 2024, and interest income is expected to decrease due to the anticipated lowering of the interest rates by the federal government.

Ms. Zwick reviewed the proposed line-by-line budgeted expenses including the reasons why increases are necessary. Special attention was directed to the Contractual line, which is budgeted to increase by \$1.8 million for a proposed total of \$14,443,869. The Contractual line includes the Call Center costs, increased costs in Marketing due to the presidential election cycle for ad costs and additional Information Technology (IT) initiatives along with other operational costs.

The proposed DSS shared cost budget does not contain any changes compared to the prior fiscal year. Ms. Zwick pointed out that the Call Center costs are increasing, but the shared cost with DSS remains the same and in order to close the gap, significant mitigation efforts will need to be undertaken. AHCT is working with DSS and the Call Center vendor to address this issue and improve the quality of service as well as to minimize wait times. AHCT is considering issuing an RFP for a call center vendor later this year.

The FY 2025 Projected Reserve Fund balance is \$19.2 million which equals 6.2 months of operating funding. Brief discussion ensued around some of the increases in the budget and the economic as well as IT-security reasons behind these proposals. The FY 2023 Carryover of \$5,077,151 was also reviewed and the request was made to provide a more detailed description on the Contractual line budget increases.

Vice-Chair Paul Philpott requested a motion to approve the FY 2025 – Proposed Operating Budget as Presented by Exchange Staff. Motion was made by Andrea Barton Reeves and was seconded by Thomas McNeill. Roll call vote was ordered. **Motion passed unanimously.**

F. Investment Report

Holly Zwick, Director of Finance, presented the Investment Report. The objective for AHCT's funds is to obtain the maximum rate of return while preserving the principal and providing immediate liquidity. AHCT invests its funds in the State of Connecticut Treasurer's Short-Term Investment Fund (STIF). Ms. Zwick reported on the number of months of operating expenses available in the reserve funds.

G. Proposed Amendment to the Investment Policy

Susan Rich-Bye, Director of Legal and Governmental Affairs, presented the changes proposed for the Investment Policy which is one of the operating policies adopted by the AHCT Board. Quasi-public agencies are required to undertake a public process when changes to Board adopted policies are proposed. The investment policy proposed changes which include adding the administration of the 457b deferred compensation program and updating the titles of officers to match the current organizational structure.

Vice-Chair Paul Philpott requested a motion to approve posting the proposed amendment to the Investment Policy in the Connecticut Law Journal for 30 days of public comment. Motion was made by Thomas McNeill and was seconded by Andrea Barton Reeves. Roll call vote was ordered. **Motion passed unanimously.**

H. Broker Academy Update

Tammy Hendricks, Director of Health Equity and Outreach, provided the Broker Academy Update. She summarized developments in recruitment as well as organizing the third year of the Broker Academy. The webpage traffic for the Broker Academy has increased significantly over the last few months; in addition, 101 applications have been received, which reflects a 53 percent increase when compared to the prior year; 67 percent of the applicants are female, 29 percent male while 4 percent declined to answer.

In terms of applicant ethnicity, 34 percent identified themselves as African American/Black, 33 percent – Hispanic/Latino, 14 percent – White, 8 percent chose to identify as two or more races, 5 percent – Asian and 7 percent marked their ethnicity as unknown. Classes will be held at Capital Community College and Norwalk Community College and are scheduled between June 3 and June 7.

I. ACA Policy/Legal Update

Susan Rich-Bye, Director of Legal and Governmental Affairs, provided the ACA Policy/Legal Update. A summary of the *Braidwood v. Becerra* case was provided regarding the challenge to the ACA's preventative services mandate., Currently the case is before the 5th Circuit Court of Appeals. It is anticipated that eventually the case will be appealed to the United States Supreme Court. A brief update on the Notice of Benefit and Payment Parameters for Plan Year 2025 was provided, with a focus on improving consumers' access to quality, affordable coverage and ensuring program integrity. New standards that are scheduled to go into effect either in PY 2025 or a year later were discussed. Brief discussion ensued around the preventative services mandate and the issue at hand at the *Braidwood v. Becerra* case.

J. Future Agenda Items for Reference Only

James Michel, CEO, briefly touched upon the future agenda items, which include three strategic initiatives (ICHRA, Ten Clicks or Less and RFP for a call center).

K. Adjournment

Vice-Chair Paul Philpott requested a motion to adjourn. Motion was made by Thomas McNeill and was seconded by Andrea Barton Reeves. Roll call vote was ordered. **Motion passed unanimously.** Meeting adjourned at 9:55 a.m.