



Connecticut Health Insurance Exchange Board of Directors Regular Meeting

Remote Meeting

Thursday, November 21, 2024
Draft Meeting Minutes

Members Present:

Charles Klippel (Chair); Paul Philpott (Vice-Chair); Grant Ritter; Thomas McNeill; Dina Berlyn; Claudio Gualtieri on behalf of Jeffrey Beckham, Secretary – Office of Policy and Management (OPM); Kathleen Holt - Office of the Healthcare Advocate (OHA); Commissioner Andrea Barton Reeves, Department of Social Services (DSS); Carleen Zambetti on behalf of Commissioner Nancy Navarretta, Department of Mental and Health Addiction Services (DHMAS); Commissioner Manisha Juthani, Department of Public Health (DPH); Paul Lombardo on behalf of Commissioner Andrew Mais, Connecticut Insurance Department (CID); Steven Hernandez; Deidre Gifford; Matthew Brokman

Other Participants:

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

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.

Chair Charles Klippel called the meeting to order at 9:00 a.m.
Attendance roll call was taken.

B. Public Comment

Public comment was submitted by Deborah Polun, Chief Strategy Officer at the Community Health Center Association of Connecticut. James Michel, Chief Executive Officer, responded to the issues mentioned in the public comment.

C. Vote

Chair Charles Klippel requested a motion to approve the October 17, 2024, Regular Meeting Minutes. Motion was made by Claudio Gualtieri and was seconded by Grant Ritter. Roll call vote was taken. Charles Klippel abstained. **Motion passed.**

D. CEO Report

James Michel, Chief Executive Officer (CEO), provided a CEO Update. Mr. Michel noted that a successful beta soft launch of the Individual Coverage Health Reimbursement Arrangement (ICHRA) solution occurred on November 1. A demonstration of the platform was given for one of the participating carriers and a training session for the Board was completed. Helpful feedback from brokers is being received and AHCT is looking forward to making the ICHRA solution available more broadly starting on July 1, 2025.

Steven Hernandez joined at 9:18 a.m.

Mr. Michel discussed the Ten Clicks or Less project and the call center procurement evaluation process. The Open Enrollment period is off to a great start.

E. Finance Update

Holly Zwick, Director of Finance, provided the Finance Update. Ms. Zwick discussed the Fiscal Year 2024 Budget Report. She noted that FY 2024 ended almost \$166,000 under budget while the Department of Social Services shared costs ended up being \$2.3 million over budget. AHCT revenue in FY 2024 was larger than anticipated by \$144,000 due to an increase in interest rates over the last 12 months and assessment revenue being higher than projected. The budgeted AHCT and DSS expenses were \$54,111,975, while the actuals were \$53,807,155; the amount encumbered was \$2,447,242. The total actuals were \$56,254,397, with the variance being \$2,142,422.

Ms. Zwick gave the Investment Report for FY 2024 and FY 2025 Quarter 1. She stated that the objective for AHCT exchange funds is to obtain the maximum rate of return while preserving the principal and providing immediate liquidity. AHCT invests in the State of Connecticut Treasurer's Short-Term Investment Fund (STIF) which is available for use by the State's funds and agencies, public authorities and municipalities and other political subdivisions of the State. Ms. Zwick provided further information pertaining to the Investment Report.

The FY 2025 Quarter 1 Budget was reviewed. The FY 2025 budget is over budget in the amount of \$546,940 at the end of the 1st Quarter with the DSS Shared Cost being

\$382,478 under budget. Those results are due to the timing of projects. The budget line items were presented in more detail. The actuals for the end of the 1st Quarter of FY 2025 for AHCT and DSS Shared Total Expenses were \$12,097,578. At this point, AHCT is not anticipating any changes to the FY 2025 Adopted Budget. In addition, AHCT also does not anticipate any changes to the DSS Shared Cost with AHCT. A review of the FY 2025 Projected Reserve Balance Fund followed, with the projection amount of \$18,530,682 at the end of FY 2025. This amount is equated to approximately six months of operating funding. In 2023, the Board approved withdrawal of \$2.7 million from the reserve fund to pay for the Medicaid Unwinding marketing and outreach efforts. Those funds were withdrawn in 2024.

Deidre Gifford joined at 9:28 a.m.

Chair Charles Klippel requested a motion to approve the Fiscal Year 2025 Quarter 1 Budget Report as presented by Exchange Staff. Motion was made by Claudio Gualtieri and was seconded by Thomas McNeill. Roll call vote was ordered. Deidre Gifford abstained. **Motion passed.**

Ms. Zwick presented the Proposed Reserve Policy. She provided information on the evolution of the Reserve Policy which was initiated following discussion at the April 2023 Board of Directors Meeting. Extensive research was conducted in order to propose a formalized version of the reserve fund policy. As a result, the proposed reserve fund policy was presented to the Finance Committee on November 14. The Finance Committee recommended it for adoption by the Board.

Ms. Zwick summarized the proposal; target amounts should be nine months of operating funding; it would be funded by using unspent excess revenues and/or operating savings. Reserve funds will be used when there is an unanticipated loss of funding, for one-time emergency unbudgeted expenses or a sudden increase in expenses. Any request to use reserve funds must be approved by the AHCT Board of Directors and the target amounts will be revisited at least every three years.

Mr. Michel indicated that AHCT will be very efficient in using its funds and more efforts will be undertaken to apply for various grants. He summarized other avenues with the aim of maximizing the revenue streams which would allow the organization to achieve the target goal of the reserve funds within the next three to five years.

Chair Charles Klippel requested a motion to approve the proposed Reserves Policy as presented by Exchange Staff. Motion was made by Claudio Gualtieri and was seconded by Thomas McNeill. Brief discussion followed. Roll call vote was ordered. **Motion passed unanimously.**

F. Audit Update

Susan Rich-Bye, Director of Legal and Governmental Affairs, presented the Audit Update. She stated that the Audit Committee met on November 14 and AHCT's independent auditors, Whittlesey, presented the FY 2024 Financial Statements as well as the FY 2024 Programmatic Audit. These audits are required to be performed pursuant to the Affordable Care Act (ACA) and the Financial Statements are also required for AHCT by the State of Connecticut as a quasi-public agency. The Programmatic Audit examines AHCT's compliance with the ACA as an Exchange for eligibility and enrollment activities among many other items. These audits were clean, and no findings or recommendations were issued.

Chair Charles Klippel requested a motion to approve the FY 2024 AHCT Audited Financial Statements as presented. Motion was made by Grant Ritter and was seconded by Paul Philpott. Roll call vote was ordered. **Motion passed unanimously.**

Chair Charles Klippel requested a motion to approve the FY 2024 Programmatic Audit as presented. Motion was made by Grant Ritter and was seconded by Thomas McNeill. Roll call vote was ordered. **Motion passed unanimously.**

Ms. Rich-Bye provided an update on the State-Based Marketplace Annual Reporting Tool (SMART) audit submitted to the Centers for Medicare and Medicaid Services (CMS). 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; 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. In 2015 CMS established an online reporting tool for the State-Based Marketplaces (SBMs) to use, which is now known as the SMART. The SMART contains four components, which include eligibility and enrollment, the financial and programmatic audits, program integrity; and, an attestation of completion. AHCT filed its SMART with CMS for 2023 on May 31, 2024, and on September 10, 2024, CMS issued its Summary of Observations and Action Items for AHCT. CMS did not outline any issues or recommendations for AHCT for the Calendar Year (CY) 2023.

G. Open Enrollment 12 Update

Kathryn Hearn, Associate Director of the Enterprise Project Management Office, provided the Open Enrollment 12 Update. Ms. Hearn stated that 86.9 percent of households have been projected to auto-renew their Qualified Health Plan (QHP) and/or Stand-Alone Dental Plans (SADPs). AHCT has projected that QHP enrollments – inclusive of the Covered CT Program, will be 150,199 consumers and SADPs enrollment is projected to reach 14,526. Comparison statistics with the prior OE relative to the same timeframe were presented. Mr. Michel stated that the large increases in enrollments are due in big part to the Covered CT Program. This has been very helpful to Connecticut residents to maintain

affordable healthcare coverage as well as to the overall number of residents enrolling through AHCT.

Deidre Gifford encouraged the AHCT staff and the Board to discuss the potential expiration of the American Rescue Plan Act (ARPA) enhanced subsidies that may occur under the new administration in Washington. Mr. Michel noted that through the National Academy of State Health Policy (NASHP) state exchange group, this has been a topic of many discussions over the past year. In addition, AHCT has undertaken an analysis of the Connecticut Congressional Districts and the impact it may have on the residents living there. Mr. Michel added that other State-Based Exchanges (SBMs) are undertaking a similar approach informing elected officials about the negative consequences that would arise for consumers if the enhanced subsidies are not extended. Mr. Michel added that AHCT is having internal discussions in terms of possible State of Connecticut laws and policies that could be enacted to mitigate and protect those individuals who may be negatively affected. Additional work with the State of Connecticut and the Board of Directors will take place to address this issue. Chair Klippel praised the number of the Covered CT participants on the Exchange.

Agenda Item E. – Future Agenda Items for Reference Only was bypassed due to time constraints.

F. Adjournment

Chair Charles Klippel requested a motion to adjourn. Motion was made by Claudio Gualtieri and was seconded by Thomas McNeill. Roll call vote was ordered. **Motion passed unanimously.** Meeting adjourned at 10:00 a.m.