



Connecticut Health Insurance Exchange Board of Directors Regular Meeting

Remote Meeting

Thursday, April 17, 2025
Draft Meeting Minutes

Members Present:

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

Other Participants:

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

Chair Charles Klippel 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

Chair Charles Klippel requested a motion to approve the March 6, 2025, Regular Meeting Minutes. Motion was made by Paul Philpott and was seconded by Kathleen Holt. Roll call vote was taken. **Motion passed unanimously.**

D. CEO Report

James Michel, Access Health CT (AHCT) Chief Executive Officer (CEO), presented the CEO Report. Mr. Michel announced that in March the Hartford Business Journal named AHCT as one of the Best Places to Work in Connecticut. In April, Tammy Hendricks, Directors of Health Equity and Outreach, was named one of the Top 25 Women in Business. Mr. Michel expressed his appreciation for the hard work of the AHCT Team.

In addition, it is projected that the total amount of Advanced Premium Tax Credit funds for Connecticut residents enrolled in health insurance through AHCT toward health insurance this year will be over \$1 billion. These tax credits make health insurance more affordable by lowering monthly payments for customers. It supports AHCT's goal of increasing the rate of the insured in Connecticut.

Mr. Michel outlined this meeting's agenda, with an emphasis on the Third Quarter 2025 Budget Report as well as the Proposed Operating Budget for Fiscal Year (FY) 2026.

E. Finance Update

Holly Zwick, Director of Finance, provided the Finance Update. For the Quarter 3 FY 2025 Budget Report, currently the budget actuals are \$1.3 million under approved FY budget primarily due to timing. The Department of Social Services (DSS) shared cost is \$522,000 over budget due to the rising labor costs for the call center as well as Information Technology (IT) expenses.

In addition, the FY 2025 Quarter 3 Year-to-Date budget is \$40,113,452 with the actuals being \$39,320,605; and the variance is \$792,847. The DSS Shared Cost is \$15,337,369 while AHCT's is \$24,776,084 Ms. Zwick provided an in-depth analysis of the FY 2025 Budget vs. Actuals. On the revenue side, AHCT is over approved budget due to the steady interest rates and higher than projected marketplace assessment revenues.

AHCT was awarded a cybersecurity grant in the amount of \$200,000, however it has not been received yet and is not reflected in the analysis. Ms. Zwick noted that the 3rd Quarter FY 2025 is under budget in the amount of \$248,000, which will be deposited in AHCT's reserves. Revenues and expenses for the full FY 2025 Budget after 3rd Quarter were summarized. AHCT expects to move about \$1 million into reserves for this fiscal year.

Chair Charles Klippel requested a motion to approve the FY 2025 – 3rd Quarter Budget Report – Operating as presented by Exchange Staff. Motion was made by Thomas McNeill and was seconded by Paul Philpott. Roll call vote was ordered. **Motion passed unanimously.**

Ms. Zwick presented the FY 2026 Proposed Operating Budget. The budget is focused on 3 Strategic Initiatives: Technology Investment, Outreach and Health Disparities. For the FY 2026 Proposed Budget, AHCT's portion will increase by \$4.4 million, while the DSS-portion, will increase by \$514,000.

The total Proposed FY 2026 Budget is \$62.5 million, of which \$21 million is a DSS-Shared Cost. The reason for those increases are the implementation of the Ten Clicks Project and the Individual Coverage Health Reimbursement Arrangement (ICHRA) solution and also salaries as AHCT plans to convert some of its contractual staff.

Ms. Zwick provided a detailed analysis of the proposed budget. On the revenue side – the interest rates are expected to remain steady while higher enrollment in both Individual health and dental plans are expected to generate \$4.2 million more than the FY 2025 approved Budget. This projected increase results from a larger number of consumers enrolled for 2025 due to the enhanced subsidies. Ms. Zwick noted that if the enhanced subsidies are not extended, a large decline in enrollments is projected thus affecting the marketplace assessment revenues in the future.

Budgeted expenses were also reviewed with an emphasis on the IT investments due to a new enhanced enrollment system. IT Investments are expected to increase from \$2,468,213 in FY 2025 to \$5,351,474 for FY 2026. It is anticipated that the new and improved enrollment system will lead to increased utilization of online enrollment which may reduce volume to the call center. It would create better operational efficiency and improved customer satisfaction.

The DSS Shared Cost Budget was summarized and efforts to improve the consumer experience with the call center were mentioned. AHCT is projecting to end FY 2026 with \$19.5 million in reserves which amounts to approximately of 6.3 months of operating funding. AHCT plans on moving the projected FY2025 surplus of \$1 million to the Exchange's reserves.

James Michel, CEO, provided a historical background for the Ten Clicks Project which will enhance the consumer experience and provide more efficiency. Because of the increased marketplace assessment revenue due to the increased enrollment, AHCT is able to finance this important strategic initiative using operating funds. AHCT is aware that this additional increase of funds due to higher enrollments may be temporary if the Federal Government does not extend enhanced subsidies.

AHCT is always looking for additional sources of revenue, such as various grants. Any excess revenue, will be moved to reserves in order to achieve the 9-months of operating funding reserve objective.

Brief discussion ensued around the financial and organizational role that DSS could play in the implementation of the Ten Clicks Project. Other topics included how AHCT would react to the risk of potentially increasing the marketplace assessment and what steps may be taken to minimize the risk. Mr. Michel noted that AHCT has about a two-year window to prepare for this scenario. AHCT is looking for savings through potentially not filling positions when someone voluntarily leaves AHCT and spreading her/his responsibilities to other employees; the call center costs should be lower since Ten Clicks will be operational by then.

Chair Charles Klippel encouraged AHCT to improve and diversify the revenue stream. Improving and diversifying the revenue stream is part of the Exchange's strategy. Further discussion followed regarding the use of Artificial Intelligence (AI) and legislative proposals on the use of AI.

Chair of the Finance Committee, Claudio Gualtieri, explained the reasons for a budget increase which creates a unique opportunity to invest in the new enrollment system and launching ICHRA that will enhance both, operational and financial situation of the Exchange while significantly improving consumer experience.

Chair Charles Klippel requested a motion to approve the FY 2026 – Proposed Operating Budget as presented by Exchange Staff. Motion was made by Claudio Gualtieri 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).

The STIF is available for use by the State's funds and agencies, public authorities and municipalities and other political subdivisions of the State. Further operational details regarding the STIF account were presented. The Year-to-Date earnings on the Exchange's STIF accounts is \$882,212.

G. Broker Academy Update

Tammy Hendricks, Director of Health Equity and Outreach, provided the Broker Academy Update. Ms. Hendricks noted that Access Health CT is currently reviewing applications. A record number of applications—109 were received representing 45 different towns. The deadline for the submission of applications was extended to April 7. It was noted that a top producing broker who is a Broker Academy graduate was the last one to apply during the first year of the program.

A summary of the webpage traffic along with demographic information on the applicants was provided. There will be two class locations this year in Danbury and New Britain. Classes will be held on June 7 and 8. Discussion followed regarding the possibility of creating a minimum production requirement for the broker force. Mr. Michel noted that this idea will be explored.

H. ACA Policy/Legal Update

Susan Rich-Bye, Director of Legal and Governmental Affairs, presented the ACA Policy/Legal Update. Ms. Rich-Bye reviewed the current status of the Supreme Court case *Kennedy v. Braidwood* about the ACA preventive services requirements.

Ms. Rich-Bye also noted that the new Administration at the U.S. Dept. of Health and Human Services (HHS) issued a new Proposed Rule on Marketplace Integrity and Affordability, and explained how this proposed rule, if implemented, would affect the Exchange and consumers. AHCT submitted comments to this rule.

Ms. Rich-Bye also discussed the negative effects of the potential ending of the Enhanced Premium Tax Credit subsidies on consumers and efforts that are being undertaken to raise awareness about the need to extend them.

I. Future Agenda Items for Reference Only

James Michel, CEO, reviewed future agenda items –including Ten Clicks and ICHRA. AHCT recently met with Congressman Joe Courtney to share information about its ICHRA platform which will go live on July 1. A future agenda item is also audits.

J. Executive Session

Chair Charles Klippel requested a motion to go into Executive Session to discuss personnel matters exempt from disclosure under C.G.S. §1200(6)(A). Motion was made by Thomas McNeill and was seconded by Claudio Gualtieri. Roll call vote was ordered. **Motion passed unanimously.**

Chair Charles Klippel requested a motion to come out of the Executive Session. Motion was made by Grant Ritter and was seconded by Thomas McNeill. Roll call vote was ordered. **Motion passed unanimously.**

K. Adjournment

Chair Charles Klippel requested a motion to adjourn. Motion was made by Thomas McNeill and was seconded by Paul Philpott. Roll call vote was ordered. **Motion passed unanimously.** Meeting adjourned at 10:13 a.m.