



Finance Committee

November 14, 2024
Regular Meeting -- Remote
2:00 p.m.
Meeting Minutes

Members Present: Claudio Gualtieri (Chair) on behalf of Jeffrey Beckham, Secretary, Office of Policy and Management (OPM); Deputy Commissioner Peter Hadler, Department of Social Services (DSS); Commissioner Manisha Juthani, Department of Public Health (DPH); Thomas McNeill; Matthew Brokman

Access Health CT (AHCT) Staff: James Michel; Holly Zwick; Susan Rich-Bye; Glenn Jurgen; Sinisa Crnkovic; Marcin Olechowski

A. Call to Order and Introductions

The Regular Meeting of the Connecticut Health Insurance Exchange Finance Committee was called to order at 2:00 p.m. Roll call for attendance was taken.

B. Public Comment

No public comment was submitted.

C. Vote: Review and Approval of Minutes

Chair Claudio Gualtieri requested a motion to approve the April 11, 2024, Regular Meeting Minutes. Motion was made by Peter Hadler and was seconded by Thomas McNeill. Roll call vote was ordered. ***Motion passed unanimously.***

D. Fiscal Year 2024 Year End Budget Report

Holly Zwick, Director of Finance, presented information on the Fiscal Year (FY) 2024 Year End Budget Report. Ms. Zwick noted that the FY 2024 AHCT budget ended almost \$166,000 under budget while the Department of Social Services (DSS) shared cost ended up being \$2.3 million over budget. The AHCT revenue in FY 2024 was larger than anticipated by \$144,000 due to increase in the interest rates over the last 12 months and assessment revenue was higher than projected. Ms. Zwick highlighted a few budget line items. Ms. Zwick stated that the budgeted AHCT and DSS total 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 presented information on the carry-forward projects from FY 2024 to FY 2025.

E. Investment Report

The Investment Report for FY 2024 and FY 2025 Quarter 1 was presented. The objective for AHCT investment funds is obtaining 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.

Matthew Brokman joined at 2:08 p.m.

Ms. Zwick provided further information pertaining to the Investment Report.

F. Fiscal Year 2025 Quarter 1 Budget Report

Information on the FY 2025 Quarter 1 Budget was presented. The AHCT FY 2025 budget actuals are 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. This is due to the timing of expenses and projects.

The budget line items were presented in more detail. The actuals for the end of the 1st Quarter of FY 2025 for the AHCT and DSS Shared Total Expenses were \$12,097,578. Ms. Zwick noted that 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.

The FY 2025 Projected Reserve Balance Fund was summarized, 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 the 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.

Chair Claudio Gualtieri requested a motion to approve the FY 2025 Quarter 1 Budget Report as presented by Exchange staff. Motion was made by Thomas McNeill and seconded by Peter Hadler. Roll call vote was taken. ***Motion passed unanimously.***

G. Reserves Policy

Ms. Zwick presented the Proposed Reserve Policy. Ms. Zwick provided information on the evolution of the Reserve Policy at AHCT which was initiated during the April 2023 Board of Directors Meeting. As a result, extensive research has been conducted in order to propose a formalized version of the reserve fund policy to the Finance Committee and the Board of Directors.

The proposal was summarized; 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 and for a sudden increase in expense. Ms. Zwick emphasized that a request to use reserve funds will have to be approved by the AHCT Board of Directors and the target amounts to be revisited at least every three years.

Brief discussion followed providing additional context on the development of the proposed reserve policy and the reasons for formalizing it. James Michel, Chief Executive Officer, indicated that AHCT will be very efficient in using its funds and more efforts will be undertaken to apply for various grants. Mr. Michel 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.

Chair Claudio Gualtieri requested a motion to recommend approval of the Reserves Policy by the Board of Directors as presented by Exchange staff. Motion was made by Matthew Brokman and was seconded by Thomas McNeill. Roll call vote was ordered.

Motion passed unanimously.

H. Adjournment

Chair Claudio Gualtieri requested a motion to adjourn. Motion was made by Peter Hadler and was seconded by Thomas McNeill. Roll call vote was ordered. ***Motion passed unanimously.*** Meeting adjourned at 2:24 p.m.