



Finance Committee

**April 10, 2025
Regular Meeting -- Remote
10:00 a.m.
Meeting Minutes**

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

Access Health CT (AHCT) Staff: James Michel; Holly Zwick; Jeanna Walsh; John Carbone; Rebekah McLearn; Susan Rich-Bye; Glenn Jurgen; Sinisa Crnkovic; Marcin Olechowski

Department of Social Services: JoAnn Figueiredo

A. Call to Order and Introductions

The Regular Meeting of the Connecticut Health Insurance Exchange Finance Committee was called to order at 10:02 a.m. Roll call for attendance was taken.

B. Public Comment

No public comment was submitted.

The votes took place at the end of the meeting, including Agenda Item C. – Review and Approval of Minutes.

D. FY 2025 – 3rd Quarter Budget Report – Operating (Vote)

Holly Zwick, Director of Finance, provided the Finance Update. Ms. Zwick presented the Third Quarter 2025 Budget Report. Ms. Zwick pointed out that currently, AHCT is \$1.3 million under budget primarily due to timing. The Department of Social Services (DSS) shared cost is \$522,000 over budget due to the rising labor costs in the call center as well as Information Technology (IT) expenses.

In addition, the FY 2025 Quarter 3 Year-to-Date is \$40,113,452 with the actuals being \$39,320,605; the variance is \$792,847. The DSS Shared Cost is \$15,337,369 while AHCT's share is \$24,776,084. The overage in the amount of \$522,753 on the DSS side is due to the increased labor costs as well as the IT maintenance expenses.

Ms. Zwick provided an in-depth analysis of the FY 2025 Budget vs. Actuals. On the revenue side, AHCT is over budget driven by the steady interest rates and higher than projected marketplace assessment payments.

While AHCT secured a cybersecurity grant in the amount of \$200,000 – as of now, it has not been received and is not reflected in the analysis. Ms. Zwick noted that the FY 2025 3rd Quarter amount is under budget by \$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 at the end of FY 25.

Carry-forward projects from FY 2024 to FY 2025 were reviewed. These projects were initiated and funded through the FY 2024 budget but were not completed by the close of that fiscal year. All of the project are on track to be finalized by the end of the current fiscal year. There are four projects that are currently nearing completion.

Chair Claudio Gualtieri commented that the FY 2025 Quarter 3 numbers are strong on the revenue growth and favorable on the savings due to streamlining some of the contracting expenditures.

Mr. Gualteri stated that Individual Coverage Health Reimbursement Arrangement (ICHRA) is an important option to provide employers trying to maximize the opportunities on the Exchange while still offering quality healthcare options for their employees at a fair price.

E. 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. Ms. Zwick provided further operational details of the STIF and its investments. Ms. Zwick noted that the Year-to-Date earnings on the Exchange's STIF account is \$882,212.

F. FY 2026 – Proposed Operating Budget (Vote)

Ms. Zwick presented the FY 2026 Proposed 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 the DSS-Shared Cost. The increases are due to the implementation of the Ten Clicks Project and ICHRA and also in a smaller amount 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 is expected to generate \$4.2 million more than the FY 2025 Adopted Budget. This projected increase is due to the larger number of consumers enrolled due to the enhanced subsidies available to them. 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 summarized and explained with an emphasis on the IT investments due to a new enhanced enrollment system which is expected to increase from the prior \$2,468,213 to \$5,351,474. It is anticipated that the new and improved enrollment system will lead to increased online enrollment which may reduce volumes to the call center. It would create better operational efficiency and improved customer satisfaction.

Brief discussion took place related to the potential decrease in revenues for the Exchange if the enhanced subsidies are not renewed and enrollment numbers change. The timing of this potential decrease in enrollment was discussed noting that the Exchange's assessment is based on premium revenues two years in arrears due to reporting timelines. If the enhanced subsidies end on December 31, 2025 and enrollment declines in future years, AHCT's FY 2028 budget would be affected. Discussion followed about the Ten Clicks Initiative and why this strategic initiative is paid for using the Exchange's operating funds.

The DSS Shared Cost Budget was summarized and efforts to improve the consumer experience with the call center were mentioned. Ms. Zwick stated that the call center is the largest line item in the AHCT's budget and the organization is committed in the improvement efforts. AHCT and DSS work collaboratively to enhance the consumer experience.

Matthew Brokman joined at 10:24 a.m.

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 to move the projected FY2025 surplus in the amount of \$1 million to the Exchange's reserves.

Vote related to Agenda Item C. – Review and Approval of Minutes

Chair Claudio Gualtieri requested a motion to approve the November 14, 2024 Regular Meeting Minutes. Motion was made by Thomas McNeill and was seconded by Matthew Brokman. Roll call vote was ordered. **Motion passed unanimously.**

Vote related to Agenda Item D. FY 2025 3rd Quarter Budget Report - Operating

Chair Claudio Gualtieri requested a motion to approve FY 2025 – 3rd Quarter Budget Report as presented by Exchange Staff. Motion was made by Thomas McNeill and was seconded by Matthew Brokman. Roll call vote was ordered. **Motion passed unanimously.**

Vote related to Agenda Item F. FY 2026 – Proposed Operating Budget

Chair Claudio Gualtieri requested a motion to approve the FY 2026 Proposed Operating Budget as presented by Exchange Staff. Motion was made by Thomas McNeill and was seconded by Matthew Brokman. Roll call vote was ordered. **Motion passed unanimously.**

G. Adjournment

Chair Claudio Gualterio requested a motion to adjourn. Motion was made by Thomas McNeill and was seconded by Matthew Brokman. Roll call vote was ordered. **Motion passed unanimously.** Meeting adjourned at 10:28 a.m.