



**FINANCE SUBCOMMITTEE
CONNECTICUT HEALTH INSURANCE EXCHANGE
(DOING BUSINESS AS ACCESS HEALTH CT)**

**Special Meeting
Legislative Office Building, Room 1A
Hartford, Connecticut
Thursday, December 4, 2014**

DRAFT Meeting Minutes

Members Present: Secretary Benjamin Barnes, Vicki Veltri, Deputy Commissioner Anne Melissa Dowling, Dr. Robert Scalettar, Commissioner Roderick Bremby, Robert Tessier

Members Absent: None

Other Participants:

Access Health CT (AHCT) Staff – James Wadleigh, Steven J. Sigal, Virginia Lamb, Tricia Brunton, Jeff DiGirolamo, M. Linda Phillips, Joshua Booth, Brian Johnston

Call to Order and Introductions

- Secretary Barnes contacted Steve Sigal, Chief Financial Officer, Access Health CT (AHCT) to advise he would be late and asked if Mr. Sigal would call the meeting to order at 10:09 AM. Mr. Sigal asked if one of the Directors wanted to act as the Chair. Ms. Veltri volunteered.

Approval of the Minutes

- Ms. Veltri asked for a motion to accept the May 8, 2014, meeting minutes. Dr. Scalettar moved to accept the May 8, 2014, minutes and Commissioner Bremby seconded the motion. Ms. Veltri asked for the vote and the motion passed unanimously.

Secretary Barnes arrived at 10:11AM and assumed the Chair.

2015 First Quarter Full Year Reforecast

- Secretary Barnes noted that the next item on the agenda was the review of the 2015 First Quarter Full Year Reforecast and turned the meeting over to Steven Sigal, Chief Financial Officer for Access Health CT.
- Mr. Sigal directed the attention of the Subcommittee to the First Quarter Expense Reforecast. He noted that there was a slight favorable variance of approximately \$4.0M as re-forecasted. Mr. Sigal then reviewed all assumptions underlying the forecast.

He advised that there was a teleconference on Wednesday, December 3, 2014, between AHCT, CMS and CCIO who advised that both the Supplement and the New Level I were reduced by 7.3% due to sequestration and other reductions were made because CMS re-estimated estimates of project costs. The Supplement will be \$2.1M instead of \$3.3M and the New Level I will be \$9.25M instead of \$13.3M. Secretary Barnes asked if those numbers were post-sequestration and Mr. Sigal replied in the affirmative. Mr. Sigal noted this is a slight setback but given the slight favorable variance of almost that amount the forecast is reasonably close to the budget.

Mr. Sigal responded to additional questions about the grant awards by Ms. Veltri and Deputy Commissioner Dowling.

Commissioner Bremby asked questions about the grant award reductions and whether there were administrative costs or administrative overhead included in the award or Medicaid allocations. Mr. Sigal noted there were no administrative costs included in the Level I. Mr. Sigal also noted that when the Level II grant, which provided funds to build the Exchange, was developed, the original cost allocation was 28% DSS and 72% Exchange. The New Level I covers enhancements to the application, so the new allocation of 84% DSS and 16% Exchange reflects usage of the application by the different member populations and the application enhancements related to those member populations. KPMG participated in preparing the grant and they spent time talking with the DSS team and gathered the projects that the DSS team prioritized.

- Mr. Sigal then discussed the other major assumptions included in the forecast included on the "Overview Slide" of the presentation. Secretary Barnes asked some questions about the grant reductions and worst case scenarios and Mr. Sigal responded. Mr. Sigal reminded the Subcommittee that this news was just received during the late afternoon the day before and the forecast would be revised for the Board meeting.
- Mr. Sigal then discussed the waterfall exhibit in the presentation to show the change in the budget to arrive at the forecast. He noted the bottom of the slide contained a table of Forecast Risks and Mr. Sigal stated that at this point the grant funding risk was no longer a risk.
- Mr. Sigal proceeded to discuss the Budget versus Forecast by different categories and explained that the unfavorable variances were offset by the increase in the Medicaid recovery. Deputy Commissioner Dowling, Mr. Sigal and Mr. Wadleigh then discussed the variance in the FTEs and the number and types of durational staff. Mr. Wadleigh noted that he had a conversation with Melinda Brayton, HR Director, earlier in the week and the number of true full time employees was 50 or so.

Secretary Barnes asked some other questions about Outreach Durational staff and Mr. Sigal responded.

- Mr. Sigal then discussed the exhibit displaying the Illustration of M&O Allocation Impact and noted that it was presented to demonstrate that AHCT was in discussion with the team at DSS regarding revising the allocation rate for M&O expenses to be more reflective of the resources that are devoted to the Medicaid and CHIP programs. The notion of changing the M&O allocation is something that was always contemplated and then based on discussions with CMS personnel there was encouragement to revisit the allocation to ensure that integrated eligibility states were recovering enough expenses for the Medicaid work. Commissioner Bremby, Mr. Sigal and Secretary Barnes discussed the assumptions for and the amounts of the Medicaid allocations and the split of the allocation amounts between maintenance and operations and design, development and implementation for both the Forecast and the Illustration. It was concluded that the allocated amounts required more detail and transparency and it was agreed that would be provided and meetings would occur between AHCT, DSS and OPM. Dr. Scalettar asked that as the conversation to clarify issues on allocation moved to business meetings any new exhibits developed should be shared with the Subcommittee members. Mr. Sigal agreed.
- Mr. Sigal then discussed the final exhibit, Budget vs Actual Results through October 2014. He noted that AHCT was significantly under budget. He explained that part of the variance was related to not having the availability of expert information technology resources that are needed to keep pace with the amount of work that needed to be completed. Unless work on the system can be accelerated the consulting budget variance will continue. Dr. Scalettar and Secretary Barnes asked questions about the technology delays and the impacts of the delay. Mr. Sigal responded that the goal is to get in a position to have more flexibility in developing and implementing technology projects.

Ms. Veltri asked a question about CMS impacting the Medicaid Recovery and Mr. Sigal responded that AHCT had not yet paid for the expenses that would be allocated so don't he did not have the answer. Secretary Barnes questioned whether the projection includes all the different programs i.e. the All Payer Claims Database and Exchange Solutions. Mr. Sigal responded in the affirmative. Secretary Barnes asked when reporting based on programs would be available. Mr. Sigal noted that the activity of Exchange Solutions and the APCD program was just starting. Mr. Wadleigh noted that Exchange Solutions and APCD could be displayed going forward.

Mr. Tessier asked if there was anything that could be reported to the Subcommittee regarding the revenues received from the State of Maryland. Mr. Sigal noted that the work was completed and the people were back, but the State of Maryland had not yet signed the MOU Amendment to allow for invoicing. Mr. Wadleigh and Mr. Sigal noted that the revenue would exceed the salaries and out of pocket expenses incurred because the billing rate was adequate.

- Mr. Sigal noted that more granularities about the operating expense recovery versus the DDI will be provided by e-mail. If the Subcommittee members would like to have a call after that it would be arranged. The revisions shared with the Subcommittee by email would be presented to the Board of Directors at its meeting on December 18, 2014. Secretary Barnes asked if there were any other questions or comments from the Subcommittee members. There were none.
- Secretary Barnes requested a motion to adjourn.

Dr. Scalettar moved to adjourn and Ms. Veltri seconded the motion. Secretary Barnes stated that hearing no objectives the Finance Subcommittee meeting was adjourned at 10:54 AM.

Resources:

1. May 8, 2014, Meeting Minutes
2. 2015 First Quarter Full Year Reforecast

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