

Finance Subcommittee Meeting

MEETING MINUTES

Location: Connecticut Health Insurance Exchange
450 Capitol Avenue, 2nd Floor Conference Room
Date: Friday, September 14, 2012
Time: 9:00 a.m.

Members Present:

Secretary Ben Barnes, Office of Policy and Management, Mickey Herbert, Bob Scalettar, Deputy Commissioner Anne Melissa Dowling, Connecticut Insurance Department (CID).

Members by Phone:

Vicki Veltri, Office of the Healthcare Advocate

Members Absent:

Roderick L. Bremby, Commissioner, Department Social Services

Other Participants:

Kevin Counihan, CT Health Insurance Exchange (HIX); Steven Sigal, HIX, Ann Marie Chatman, HIX, Peter Van Loon, HIX, and Roger Albritton, KPMG

I. Call to Order and Introductions

Kevin Counihan opened the meeting at 9:15 a.m. with introductions of the above attendees as well as an overview of the agenda.

II. Agenda Item 1

Steven Sigal from HIX provided a review of the budget and highlights below were discussed.

- HIX FY 2013 Operating Budget totals \$69.5 Million
- Source of funding is the remainder of funds from the Level One Establishment Grant, the Level One Establishment Supplement Grant, as well as proportional amounts from the Level Two Establishment Grant, which extends for more than 28 months to December 31, 2014.
- Provides for appropriate use of resources to accomplish fiscal objectives including:
 1. HIX Staff ramp up from 11 FTE's to 37 FTE's at June 30, 2013
 2. Establishing and relocating to independent HIX office: \$436,041
 3. Phases of Advertising Campaign and Web Design & Development: \$3,258,750
 4. Progress in developing the all payer claims database together with the office of Health Reform and Innovation: \$2,261,360 (of the total funds of \$6,554,667)
 5. Design, Development and implementation (DDI) costs & Hardware and software capital expenditures for HIX platform and system Integrator: \$48,262,651.

Questions and Concerns:

Members asked about the length of time the Exchange has for support Funding from Grants, administrative processes and policy for adoption for modification of budget, DSS comfort level of Medicaid Allocations, and the Exchange's subjection to the 30% Fringe Benefit for salaries.

Steven Sigal stated that Grants will take the Exchange up to December 31, 2014. Revenue will begin in 2014, which if not spent, will cover Exchange's 2015 expenses. Kevin Counihan reported that no policy has yet being adopted, and Roger Albritton stated that there are Federal guidelines for transfers of funds allotted from one category to the next in the amount of \$25,000 within the Level Two Establishment Grant, and the Medicaid allocation was currently in negotiation. Steven Sigal reported that the 30% Fringe Benefit is one area in which the budget is subject to have significant variance (decrease) due to current as well as future benefit offerings not yet implemented.

In addition members asked about the expected date of move for the Exchange and how the Exchange plans to manage the increase in staff. Peter Van Loon reported that the move is currently in negotiation, and the Exchange is expected to move by November 15, 2012. Peter also explained that the Exchange would be using the Program Management Office to manage risk on a weekly basis. Integrated PMO Director will control the overall risk and challenges of the Exchange. PMO features will be discussed in more details at the next Board meeting on September 27, 2012.

Robert Scalettar made a motion to approve the budget as presented. Motion was seconded by Secretary Benjamin Barnes. Motion passed unanimously.

III. Agenda Item 2

Investment Policy

Steven Sigal from HIX introduced the investment policy and provided a brief overview. There was brief discussion regarding fiduciary responsibilities.

A motion to further discuss the Investment Policy at the September Board meeting was made by Secretary Benjamin Barnes. Motion was seconded and was passed unanimously.

IV. Agenda Item 3

Committee Chairperson Selection

Secretary Benjamin Barnes, Office of Policy and Management volunteered for the position as Finance Committee Chairperson, providing no other member was interested in the position and Secretary Benjamin Barnes having the ability to have full support from staff members.

V. Next Steps

FY 2013 Operating Budget and Investment Policy will be brought forth to the Board of Directors meeting on September 27, 2012 for further discussion and approval.

VI. Adjournment

The meeting was adjourned at --10:15 a.m. Further questions and concerns will be addressed in upcoming Board of Directors Meeting.

Resources:

Agenda
Presentation
FY'13 Operating Budget
Investment Policy