



Connecticut's Health Insurance Marketplace

2015 Fiscal Year Budget
May 2014

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Access Health CT Budget Cycle

FY 2012-13

Entirely Federal Grant oriented and based on Board approval of spending plans reflected in the Level 1, Level 1 Supplemental, and Level 2 Federal Grants

FY 2013-14

Funded primarily by the Level 2 Federal Grant and Level 2 Supplemental Federal Grant. Driven by specific business needs that reflect changes from the original Grant allocation to this period/Seeking Board approval in June

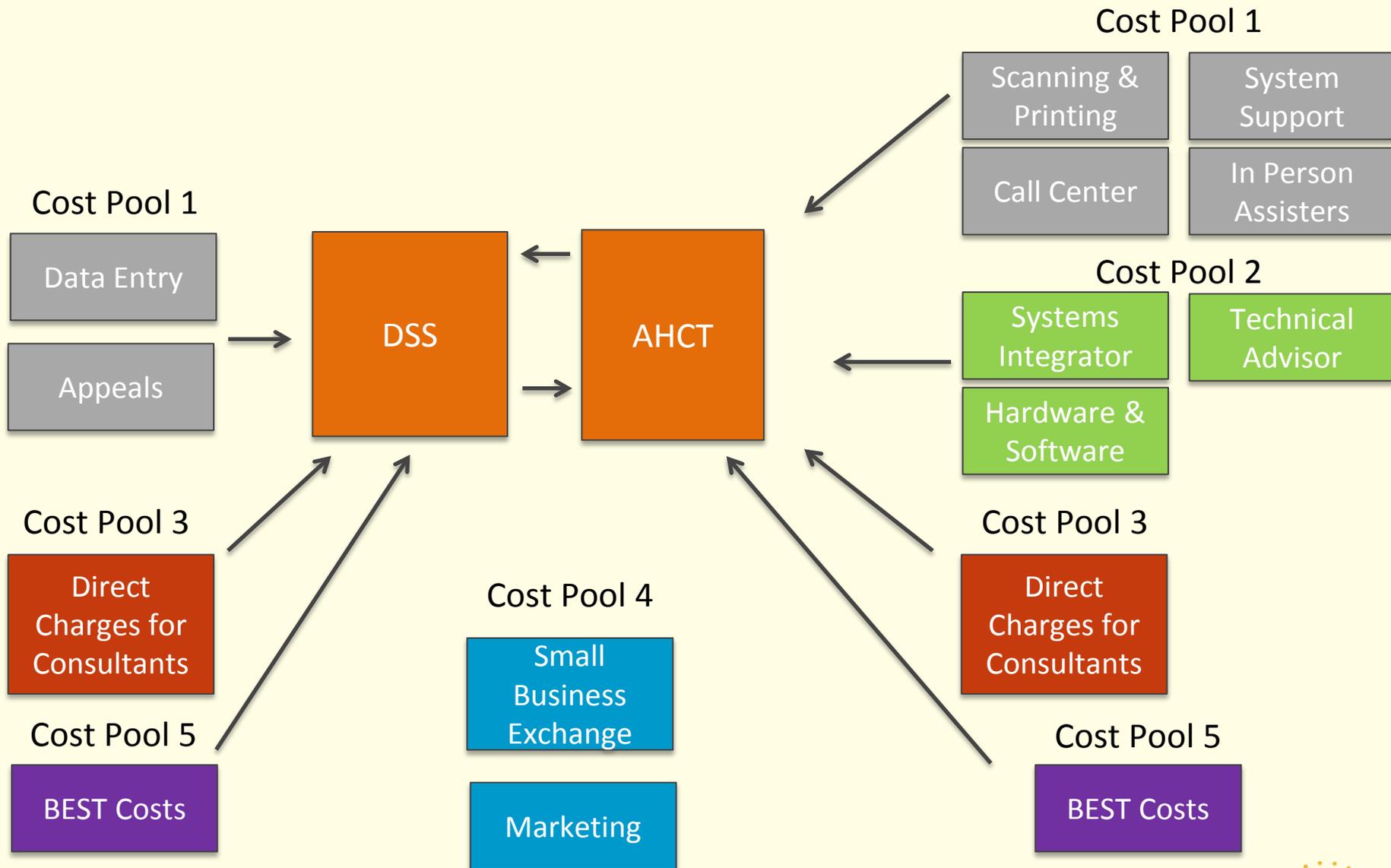
FY 2014-15

Partially funded by the Level 2 Federal Grant, New Level 1 Grant combined with the first complete year of Market Assessment revenue.
No cost extensions for Level 1 & 2 Grants will be filed during FY 15.

Process

- Quantification of remaining infrastructure work needed to satisfy requirements of the ACA.
- Maintain a conservative underlying operational budget build with sufficient flexibility to meet year three sustainability targets.
- Manage Federal Grant Funding to ensure that the funding pattern matches the work initiatives.

Budget Approach: High Level Process Map



Note: Only designated shared costs are subject to allocation between AHCT and DSS.

Access Health CT 2015 Fiscal Year Budget is Proposed at \$66.8 Million

- Fiscal Year runs from July 1, 2014-June 30, 2015.
- Source of funding is from the Level Two Establishment Grant and the New Level One Grant.
- \$39+ Million of the Fiscal Year Budget is to support ongoing operations, which is marginally higher than previous sustainability projections.
- \$26+ Million of the Fiscal Year Budget is to support the final releases for the technical infrastructure of Access Health CT.

Proposed 2015 Fiscal Year Budget

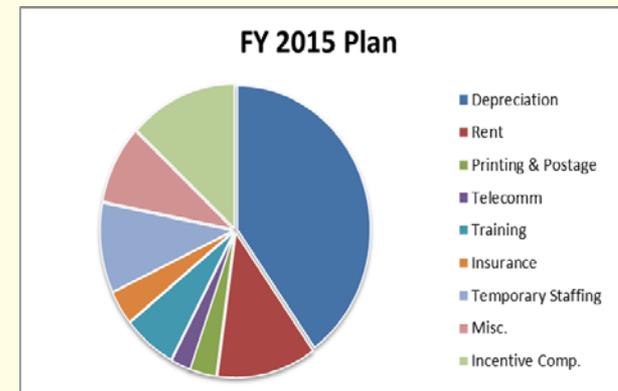
Expense Category	FY 2014		FY 2015
	Q1 Fcst	Q2 Fcst	Plan
Salary & Fringe	\$ 8,052,507	\$ 7,846,639	\$ 8,424,461
Consultants	\$ 72,146,463	\$ 74,529,858	\$ 62,339,267
Equipment	\$ 1,647,835	\$ 1,162,048	\$ 250,000
Supplies	\$ 29,351	\$ 52,669	\$ 42,673
Travel	\$ 176,549	\$ 135,651	\$ 65,383
Medicaid Recovery	\$ (12,641,546)	\$ (13,250,765)	\$ (9,282,457)
Other	\$ 6,315,571	\$ 6,149,766	\$ 4,979,694
Total	\$ 75,726,730	\$ 76,625,866	\$ 66,819,021

Other

Other Detail	FY 2015 Plan
Depreciation	\$ 2,000,000
Rent	\$ 600,000
Printing & Postage	\$ 160,000
Telecomm	\$ 119,294
Training	\$ 318,945
Insurance	\$ 189,999
Temporary Staffing	\$ 500,000
Misc.	\$ 137,625
Contingent Employment Costs	\$ 953,830

Distribution

	FY 2014		FY 2015
	Q1 Fcst	Q2 Fcst	Plan
DDI	\$ 40,846,529	\$ 41,337,967	\$ 26,905,332
Operating	\$ 34,880,202	\$ 35,247,898	\$ 39,259,859
Operating Change			\$ 4,011,961



Proposed 2015 Fiscal Year Budget Operating Change Detail

Operating Change Detail (In Millions)				
	Q2 Fcst			
	FY14	Plan FY 15	Change	
Salary & Fringe	\$ 7.9	\$ 8.4	\$ 0.5	
SHOP/Dental	\$ 6.0	\$ 3.0	\$ (3.0)	
Call Center	\$ 11.1	\$ 10.5	\$ (0.6)	
Marketing	\$ 6.5	\$ 5.0	\$ (1.5)	
Capital	\$ 3.0	\$ 5.0	\$ 2.0	
M&O	\$ 4.6	\$ 7.2	\$ 2.6	
Recovery	\$ (13.3)	\$ (9.2)	\$ 4.1	
Total	\$ 25.8	\$ 29.9	\$ 4.0	

Major Drivers of Change

Salary & Fringe

- IT, Legal, Finance Footprint
- APCD staff additions
- Full Year Impact of Outreach Workers
- Exchange Solution Staff Position

Consultants

- Reduction in KPMG Footprint
- Reduction in Deloitte Footprint

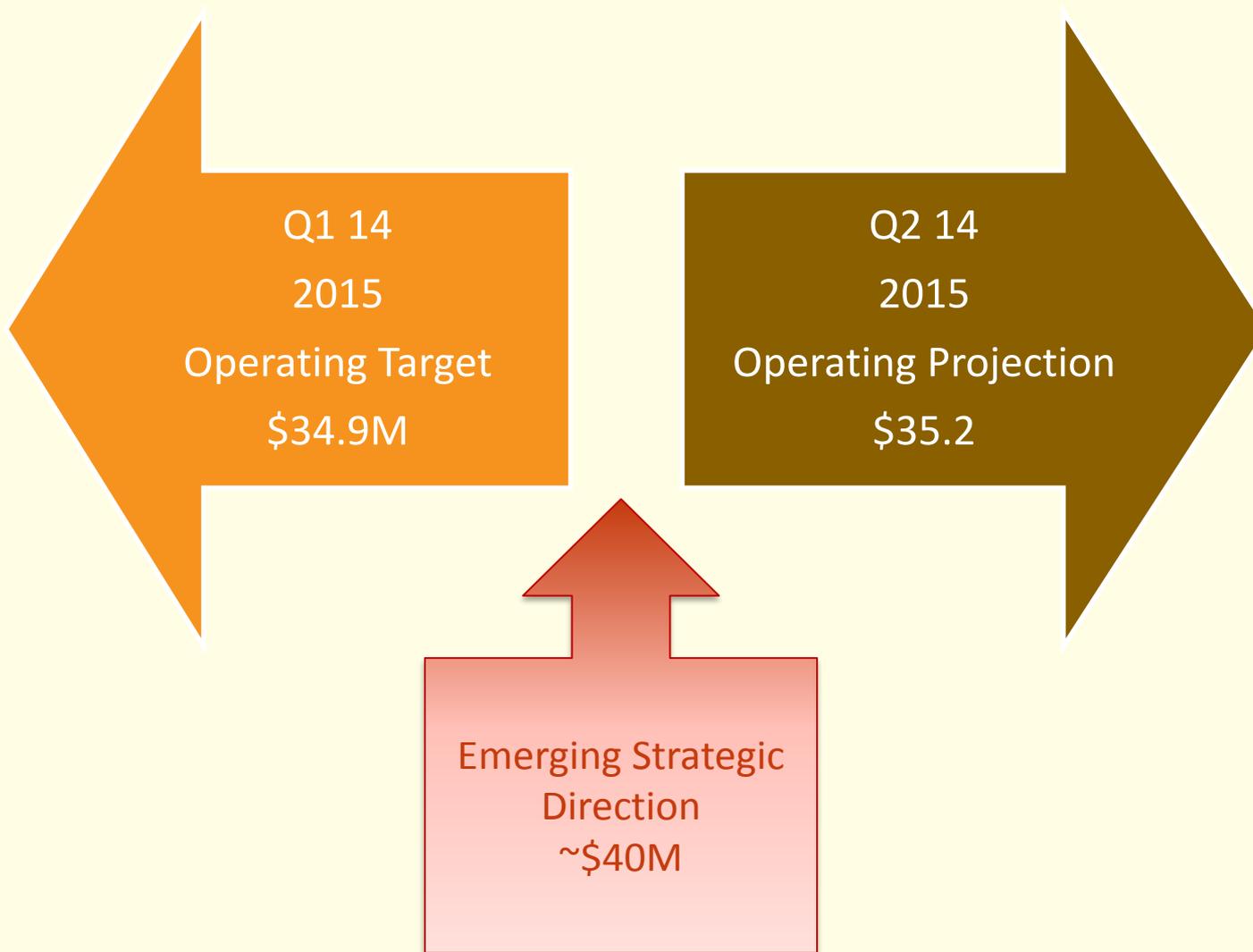
Medicaid Recovery

- Change in allocation percentage - Full Year Impact

Department	Q2 FY 14	FY 15 Plan	Cost Impact	Driver
Executive	4	3	Down	RIF
Finance	5.5	6.5	Down	Mix
Legal	5	6	Up	Increase
Marketing	7.5	5.5	Down	RIF
Sales	3	3	Same	
HR	2	3	Up	Mix
Plan Management	5.5	5.5	Same	
IT	6.5	9.5	Same	Mix
Operations	20	19	Down	RIF
AHA/Solutions	5	6	Up	Increase
Durational	16	0	Down	RIF
Total	80	67	Up*	Mix

- Slight Increase in Salary & Fringe Cost, offset by reduction in consulting footprint and durational staffing cost.
- RIF = Reduction in Workforce

2015 Fiscal Year Strategic Budget /Sustainability Comparison



2015 Fiscal Year Strategic Budget - Compare

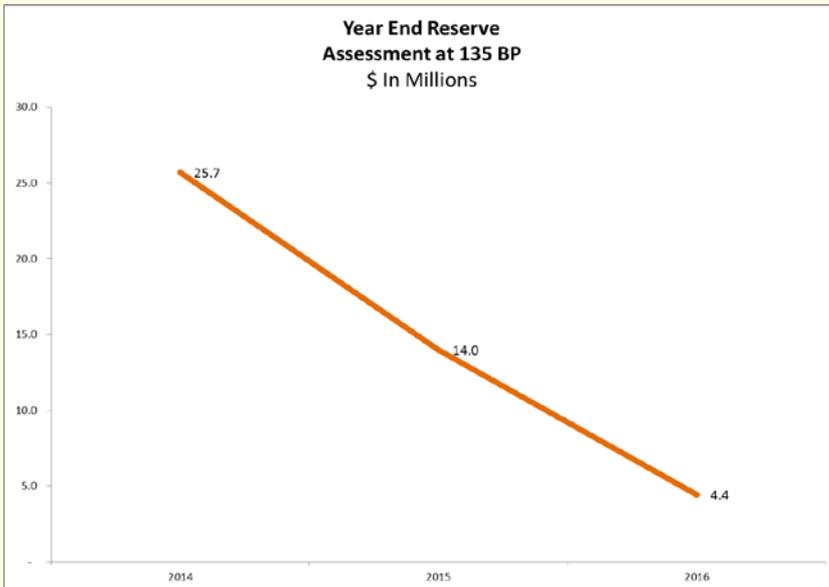
	FY 2014 Estimate	FY 2015 Estimate
Strategic	\$ 34,500,000	\$ 40,000,000
Strategic	—————→	
		\$ 5,500,000

Strategic Change Detail (In Millions)			
	FY 2014 (E)	FY 2015 (E)	Change
Salary & Fringe	\$ 7.8	\$ 8.1	\$ 0.3
SHOP/Dental	\$ 5.5	\$ 3.0	\$ (2.5)
Call Center	\$ 5.9	\$ 10.5	\$ 4.6
Marketing	\$ 6.0	\$ 5.0	\$ (1.0)
Capital	\$ 3.8	\$ 5.0	\$ 1.2
Maintenance & Operations	\$ 6.3	\$ 7.0	\$ 0.7
Consultants	\$ 1.2	\$ 5.0	\$ 3.8
Other	\$ 1.9	\$ 2.3	\$ 0.4
Recovery	\$ (3.9)	\$ (5.9)	\$ (2.0)
Total	\$ 34.5	\$ 40.0	\$ 5.5

2015 Fiscal Year Strategic Budget - Assessment Impact

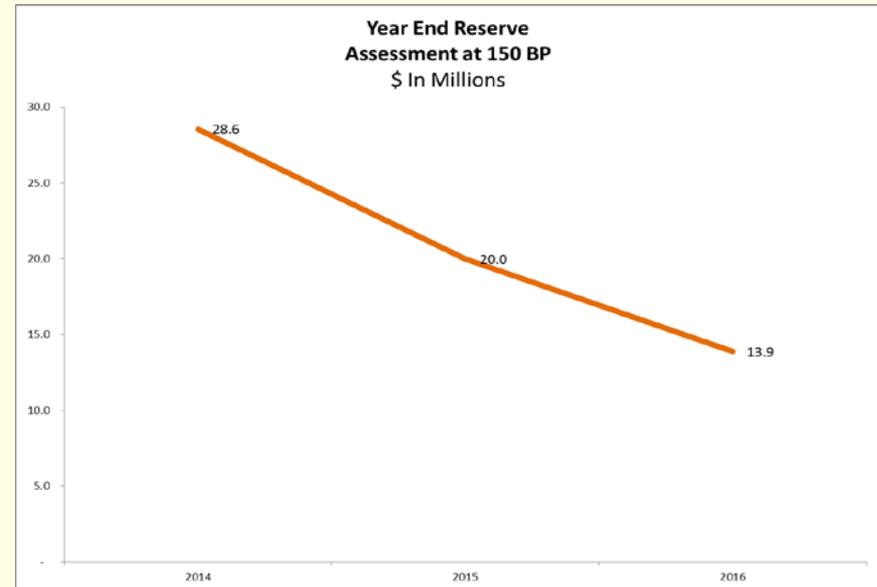
Premium Base Year	Premium (000 omitted)	Assessment	
		Collection Year	Assessment (000 omitted)
2012	\$ 1,904,000	2014	\$ 25,704
2013	\$ 2,094,400	2015	\$ 28,274
2014	\$ 2,303,840	2016	\$ 31,102
2015	\$ 2,534,224	2017	\$ 34,212

135 BP



Premium Base Year	Premium (000 omitted)	Assessment	
		Collection Year	Assessment (000 omitted)
2012	\$ 1,904,000	2014	\$ 28,560
2013	\$ 2,094,400	2015	\$ 31,416
2014	\$ 2,303,840	2016	\$ 34,558
2015	\$ 2,534,224	2017	\$ 38,013

150 BP



Exchange Solutions – Rate Card

Position	Hourly Rate
CEO	\$ 251
CFO	\$ 222
CMO	\$ 189
CIO	\$ 201
COO	\$ 222
Exchange Solutions Head	\$ 189
Gen'l Counsel	\$ 190
IT Director	\$ 141
IT Project Manager	\$ 119
EDI Analyst	\$ 119
Systems Analyst/Architect	\$ 119
Sales Manager	\$ 162
StoreFront Manager	\$ 121
Operations Manger	\$ 162
Director Plan Mangement	\$ 179