



Connecticut's Health Insurance Marketplace

December 4, 2013

Alan Calandro  
Director  
Office of Fiscal Analysis  
Legislative Office Building, Suite 5200  
300 Capitol Avenue  
Hartford, CT 06106

RE: Connecticut Health Insurance Exchange d/b/a Access Health CT  
Quarterly Financial and Personnel Status Reports for Fiscal Year First Quarter 2014

Dear Mr. Calandro:

On behalf of the Access Health CT (AHCT) Board of Directors, we hereby submit the Fiscal Year 2014 First Quarter Financial and Personnel Status Reports, as required by Connecticut General Statutes §1-123(b) and (c). With a full fiscal year of Quasi-Public Agency reporting completed last quarter, the enclosed financial data includes a comparison of AHCT's first quarters in both fiscal years 2013 and 2014.

In summary, AHCT provides the following financial and personnel status for the quarter ending September 30, 2013:

<b>Financial Status</b>	<b>Actual</b>
(1) Beginning FY 2014 Balance	\$23,887,534.00
(2) Revenue collected less funds expended, 1st Quarter 2014	\$7,101,410.00
(3) Total Expenditures estimated at the end of FY 2014	\$75,726,731.00
(4) Total Revenues estimated at the end of FY 2014	\$88,776,731.00
<b>Personnel Status</b>	
(1) Total number of employees, end of 1st Quarter 2014	57
(2) Staff positions vacant, through 1st Quarter 2014	4
(3) Staff positions vacated, 1st Quarter 2014	1
(4) Staff positions estimated to be vacant by end of FY 2014	3
(5) Staff positions estimated to be filled by end of FY 2014	67

Projected revenues include both grant funds as well as the industry market assessment fees anticipated to be collected during the 3<sup>rd</sup> and 4<sup>th</sup> Quarters of fiscal year 2014. Enclosed, please find the detailed financial statements reflecting AHCT's financial position as of the end of the first quarter of Fiscal Year 2014.

Please direct any questions regarding this report to Kelly Shane, Associate Director of Reporting for AHCT. She can be reached at (860)757-5313 or [kelly.shane@ct.gov](mailto:kelly.shane@ct.gov).

Sincerely,

A handwritten signature in blue ink, appearing to read "Kevin J. Counihan".

Kevin J. Counihan  
Chief Executive Officer  
Access Health CT

Enc: (3)

**Statement of Revenue, Expenses and Changes in Net Position**  
**For the Quarters Ended September 30, 2013 and September 30, 2012**

	<b>Q1, FY14</b>	<b>Q1, FY13</b>
Operating Revenues		
Government Grants and Contracts	\$ 30,328,197	\$ 2,067,071
Other Income	\$ 1,600	\$ -
	<u>\$ 30,329,797</u>	<u>\$ 2,067,071</u>
Operating Expenses		
Salaries and Wages	\$ 1,373,850	\$ 359,407
Fringe Benefits	\$ 336,168	\$ 61,089
Consultants	\$ 20,318,466	\$ 2,875,639
Equipment	\$ 165,877	\$ 15,227
Supplies	\$ 14,190	\$ 3,991
Travel	\$ 37,270	\$ 35,041
Administration	\$ 327,356	\$ 13,566
Maintenance	\$ (17,220)	\$ 2,652
Depreciation and Amortization	\$ 672,431	\$ (1,064)
	<u>\$ 23,228,386</u>	<u>\$ 3,365,548</u>
Change in net position	\$ 7,101,410	\$ (1,298,477)
Net position, beginning of quarter	\$ 23,887,534	\$ 1,596,911
Net position, end of quarter	<u>\$ 30,988,944</u>	<u>\$ 298,434</u>

**Statement of Net Position**  
**For the Quarters Ended September 30, 2013 and September 30, 2012**

	Q1, FY14	Q1, FY13
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 6,655,139	\$ 577,094
Accounts Receivable	\$ 21,226,551	\$ -
Prepaid Expenses	\$ 94,374	\$ 16,405
<b>Total Current Assets</b>	<b>\$ 27,976,064</b>	<b>\$ 593,499</b>
	\$ -	
<b>Noncurrent Assets</b>		
Software development in progress	\$ 24,175,999	\$ 137,290
Equipment and software, net	\$ 6,808,421	\$ 40,007
Security Deposit	\$ 8,653	\$ -
<b>Total Noncurrent Assets</b>	<b>\$ 30,993,073</b>	<b>\$ 177,297</b>
<b>Total Assets</b>	<b>\$ 58,969,137</b>	<b>\$ 770,796</b>
<b>Liabilities and net position</b>		
<b>Current Liabilities:</b>		
Accounts Payable - current	\$ 1,443,013	\$ 477,054
Accrued Liabilities	\$ 20,180,011	\$ (4,692)
Refundable Advances	\$ -	\$ -
<b>Total Current Liabilities</b>	<b>\$ 21,623,024</b>	<b>\$ 472,362</b>
<b>Long Term Liabilities</b>		
Accounts Payable - long term	\$ 6,357,169	\$ -
<b>Total Liabilities</b>	<b>\$ 27,980,193</b>	<b>\$ 472,362</b>
<b>Net Position:</b>		
Net position invested in capital assets	\$ 30,988,944	\$ 298,433
<b>Total Liabilities and Net Position</b>	<b>\$ 58,969,137</b>	<b>\$ 770,796</b>

**AHCT Statement of Cash Flows**  
**For the Quarters Ended September 30, 2013 and September 30, 2012**

	Q1, FY14	Q1, FY13
<b>Cash Flows from Operating Activities:</b>		
Receipts from funding sources	\$ 15,623,759	\$ 1,634,310
Reimbursement of operating costs	\$ 1,991,972	\$ -
Payments to employees	\$ (1,490,515)	\$ (442,649)
Payments to vendors	\$ (8,307,780)	\$ (2,098,148)
Net cash provided by operating activities	<u>\$ 7,817,435</u>	<u>\$ (906,487)</u>
<b>Cashflow from Capital and related financing activities</b>		
Payments for software development in progress	\$ (5,439,209)	\$ (39,020)
Purchase of software and equipment	\$ (719,675)	\$ (11,739)
Reimbursement of equipment and software, and software development in progress	\$ 2,248	\$ -
Net cash (used for) capital and related financing activities	<u>\$ (6,156,636)</u>	<u>\$ (50,759)</u>
Net change in cash and cash equivalents	\$ 1,660,799	\$ (957,247)
Cash and cash equivalents at beginning of quarter	\$ 4,994,339	\$ 1,534,341
Cash and cash equivalents at end of quarter	<u>\$ 6,655,139</u>	<u>\$ 577,094</u>
<b>Reconciliation of operating income to net cash provided in operating activities</b>		
Operating income and change in net position	\$ 7,101,410	\$ (1,298,477)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	\$ 672,431	\$ (1,064)
Changes in assets and liabilities:		
Prepaid expenses	\$ 909,583	\$ 8,731
Accounts receivable	\$ (13,847,405)	\$ -
Accounts payable - current	\$ (327,612)	\$ 867,399
Accrued liabilities	\$ 10,406,875	\$ (50,316)
Refundable advance	\$ (30,811)	\$ (432,761)
Accounts payable - long term	\$ 2,932,964	\$ -
Net cash provided by operating activities	<u>\$ 7,817,435</u>	<u>\$ (906,487)</u>