



Connecticut's Health Insurance Marketplace

April 30, 2014

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 Third Quarter Fiscal Year 2014

Dear Mr. Calandro:

On behalf of the Access Health CT (AHCT) Board of Directors, we hereby submit the Fiscal Year 2014 Third Quarter Financial and Personnel Status Reports, as required by Connecticut General Statutes §1-123(b) and (c). The enclosed financial data includes a comparison of AHCT's results to date as of the end of the third quarter for 2014 and 2013, respectively.

In summary, AHCT provides the following financial and personnel status for the quarter ending March 31, 2014:

<b>Financial Status</b>	<b>Actual</b>
(1) Beginning FY 2014 Balance	\$23,887,534.00
(2) Revenue collected less funds expended, 3rd Quarter 2014	\$30,830,431.00
(3) Total Expenditures estimated at the end of FY 2014	\$75,726,731.00
(4) Total Revenues estimated at the end of FY 2014	\$112,984,885.00
<b>Personnel Status</b>	
(1) Total number of employees, end of 3rd Quarter 2014	73
(2) Staff positions vacant, through 3rd Quarter 2014	6
(3) Staff positions vacated, 3rd Quarter 2014	14
(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	64

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

Please direct any questions regarding this report to Tricia Brunton, Controller for AHCT. She can be reached at (860) 757-5340 or [Tricia.Brunton@ct.gov](mailto:Tricia.Brunton@ct.gov).

Sincerely,

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

Kevin J. Coughlin  
Chief Executive Officer  
Access Health CT

Enc: (3)

**Statement of Revenue, Expenses and Changes in Net Position**  
**For the Nine Months Ending March, 2014 and 2013**

	Q3, FY14	Q3, FY13
Operating Revenues		
Government Grants and Contracts	\$ 75,270,653	\$ 21,511,279
Non-Government Grants and Contracts	\$ 205,000	\$ -
Marketplace Assessment	\$ 6,427,723	\$ -
Other Income	\$ 7,695	\$ 166
	<u>\$ 81,911,072</u>	<u>\$ 21,511,445</u>
Total Revenues		
Operating Expenses		
Salaries and Wages	\$ 4,873,687	\$ 1,642,062
Fringe Benefits	\$ 1,141,264	\$ 276,940
Consultants	\$ 39,367,820	\$ 7,356,850
Equipment	\$ 1,184,691	\$ 91,829
Supplies	\$ 33,506	\$ 10,418
Travel	\$ 119,686	\$ 60,899
Administration	\$ 1,247,879	\$ 109,784
Maintenance	\$ 1,031,615	\$ 1,021,075
Depreciation and Amortization	\$ 2,080,494	\$ 1,217,088
	<u>\$ 51,080,641</u>	<u>\$ 11,786,945</u>
<i>Total Operating Expenses</i>		
Change in net position	\$ 30,830,431	\$ 9,724,500
Net position, beginning of year	\$ 23,887,534	\$ 1,596,911
Net position, end of quarter	<u>\$ 54,717,965</u>	<u>\$ 11,321,411</u>

**Statement of Net Position**  
**For the Nine Months Ending March, 2014 and 2013**

	Q3, FY14	Q3, FY13
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 30,862,988	\$ 214,397
Accounts Receivable	\$ 12,122,596	\$ 3,956,217
Prepaid Expenses	\$ 122,164	\$ 27,079
<b>Total Current Assets</b>	<b>\$ 43,107,748</b>	<b>\$ 4,197,693</b>
<b>Noncurrent Assets</b>		
Software development in progress	\$ 25,126,834	\$ 3,765,887
Equipment and software, net	\$ 5,703,597	\$ 8,944,250
Security Deposit	\$ 8,653	\$ -
<b>Total Noncurrent Assets</b>	<b>\$ 30,839,085</b>	<b>\$ 12,710,137</b>
<b>Total Assets</b>	<b>\$ 73,946,833</b>	<b>\$ 16,907,830</b>
<b>Liabilities and net position</b>		
<b>Current Liabilities:</b>		
Accounts Payable - current	\$ 3,253,993	\$ 569,418
Accrued Liabilities	\$ 8,677,693	\$ 4,217,203
Refundable Advances	\$ -	\$ -
<b>Total Current Liabilities</b>	<b>\$ 11,931,686</b>	<b>\$ 4,786,620</b>
<b>Long Term Liabilities</b>		
Accounts Payable - long term	\$ 7,297,182	\$ 799,799
<b>Total Liabilities</b>	<b>\$ 19,228,868</b>	<b>\$ 5,586,420</b>
<b>Net Position:</b>		
Net position invested in capital assets	\$ 54,717,965	\$ 11,321,411
<b>Total Liabilities and Net Position</b>	<b>\$ 73,946,833</b>	<b>\$ 16,907,830</b>

**AHCT Statement of Cash Flows**  
**For the Nine Months Ending March, 2014 and 2013**

	Q3, FY14	Q3, FY13
Cash Flows from Operating Activities:		
Receipts from funding sources	\$ 78,144,087	\$ 21,078,684
Reimbursement of operating costs	\$ 4,784,539	\$ -
Payments to employees	\$ (5,788,787)	\$ (1,684,873)
Payments to vendors	\$ (40,374,971)	\$ (6,776,063)
Net cash provided by operating activities	<u>\$ 36,764,868</u>	<u>\$ 12,617,749</u>
Cashflow from Capital and related financing activities		
Payments for software development in progress	\$ (20,222,627)	\$ (3,765,887)
Purchase of software and equipment	\$ (1,604,258)	\$ (10,171,805)
Reimbursement of equipment and software, and software development in progress	<u>\$ 10,930,666</u>	<u>\$ -</u>
Net cash (used for) capital and related financing activities	<u>\$ (10,896,220)</u>	<u>\$ (13,937,692)</u>
Net change in cash and cash equivalents	\$ 25,868,649	\$ (1,319,943)
Cash and cash equivalents at beginning of year	\$ 4,994,339	\$ 1,534,341
Cash and cash equivalents at end of quarter	<u>\$ 30,862,988</u>	<u>\$ 214,397</u>
Reconciliation of operating income to net cash provided in operating activities		
Change in net position	\$ 30,830,431	\$ 9,724,500
Adjustments to reconcile change in net position to net cash provided by operating activities:		
Depreciation and amortization	\$ 2,080,494	\$ 1,217,088
Changes in assets and liabilities:		
Prepaid expenses	\$ 881,793	\$ (1,944)
Accounts receivable	\$ (15,710,896)	\$ (3,956,217)
Accounts payable - current	\$ 15,936,324	\$ 1,095,703
Accrued liabilities	\$ (1,095,444)	\$ 4,171,580
Refundable advance	\$ (30,811)	\$ (432,761)
Accounts payable - long term	<u>\$ 3,872,977</u>	<u>\$ 799,799</u>
Net cash provided by operating activities	<u>\$ 36,764,868</u>	<u>\$ 12,617,749</u>