



Health Care Actuarial Services Contract (VOTE)

KARI MILLER
Chief Financial Officer

Board of Directors Meeting, May 10, 2018

Background



Today we seek approval to execute a budget neutral contract for health care actuarial services with Viebec through June 30, 2019 for an amount not to exceed \$349,816.

- Upon passage of the ACA, actuarial expertise required for the ConnectorCare program was initially provided by a consulting firm
 - This solution was not financially sustainable (annual costs exceeded \$0.5M) and as the resource was not permanent, they were not as engaged and invested in the program as needed
- In February 2016, a fulltime Chief Actuary was hired (Ms. Edith Calvao) to provide actuarial services for the ConnectorCare program and the annual Seal of Approval (SoA) process, as well as subject matter expertise in support of key business decisions
 - Since that time, the role has expanded to encompass enrollment and programmatic financial modeling, cost sharing reduction (CSR) reconciliation, SMB reconciliation, the student health insurance program (SHIP), financial analysis of federal and state health care reform initiatives, and management of one senior financial analyst

Justification

- In August 2017, the Chief Actuary made a personal decision to relocate to Canada
 - At the time, we entered into a work order with Ms. Calvao to remotely provide actuarial services until a local, permanent resource could be found
 - We performed an extended search but the candidates did not have the desired level of expertise or carrier experience deemed necessary to successfully perform the required duties and the work order was extended for three months through April 30, 2018
- Given Ms. Calvao's expertise, we are recommending to enter into a contract with Ms. Calvao's new corporation, Viebec, to provide actuarial and related financial services
 - In addition to replacing the Chief Actuary position, the scope of work will also provide for services previously provided by a Senior Financial Analyst, a position that has been vacant since December 2017
- Thus, the not to exceed amount of \$349,816 will not impact the Health Connector's bottom line

Cost

The recommended not to exceed amount does not impact the Health Connector's bottom line as this contract replaces two fulltime positions.

Position	Hourly Rate	Annual Hours	Subtotal	Allowance	Total (Not to Exceed)
Chief Actuary	\$120.85	1,840	\$222,356	\$22,236	\$244,591
Financial Analyst	\$50.88	1,880	\$95,659	\$9,566	\$105,225
		3,720	\$318,014	\$31,801	\$349,816

- Should the actual cost of the contract be less than the not to exceed amount, the actual cost to the Health Connector will reflect the total number of work hours completed

VOTE



Health Connector staff recommends that the Board authorize the Executive Director to enter into a budget neutral contract with Viebec for health care actuarial and related financial analytic services through June 30, 2019 in an amount not to exceed \$349,816 as outlined in this presentation.