

MINNESOTA DEPARTMENT OF HUMAN SERVICES  
 CENTRAL OFFICE COST ALLOCATION PLAN  
 Allocation for Quarter Ending: 6/30/2015  
 COCAS Schedule 38MNSURE

Model ID 0 BASE DATA

	1 GENERAL ADMIN	2 PRIVATE PM&R SERV	3 ENROLL & MGMT SERV	4 CONTACT CENTER	5 MEDS OP	Totals
Direct Cost per SWIFT	688,514	584,084	511,892		3,592,148	5,376,638
** Adjustments to Cost	(160,545)	(236,377)	(43,097)	(340,075)	1,162,291	382,197
Adjusted Costs	527,969	347,707	468,795	(340,075)	4,754,439	5,758,835
Allocated Additions:						
Adjusted Total	527,969	347,707	468,795	(340,075)	4,754,439	5,758,835
ReAlloc Gen. Admin	(527,969)	320,551	207,418	(340,075)		
Allocatable Costs		668,258	676,213	(340,075)	4,754,439	5,758,835
Allocated To:						
243 MNSURE QUALIFIED HEALTH PLF		650,262	56,214	(104,107)	395,237	997,606
244 MNSURE SMALL EMPLOYEES PLAN		17,996	1,555		10,935	30,486
245 MNSURE MED ASSISTANCE PROG			483,999	(175,618)		308,381
246 MNSURE MNCARE (BHP)			134,445	(60,350)	945,278	1,019,373
248 MNSURE MEDS OPERATIONS 75%					3,402,989	3,402,989
Totals		668,258	676,213	(340,075)	4,754,439	5,758,835

\* Allocation ID shown for General Admin refers to the allocation of General Admin across Cost Centers (row 2)

\*\* See Raw Data folder for details

MINNESOTA DEPARTMENT OF HUMAN SERVICES  
 CENTRAL OFFICE COST ALLOCATION PLAN  
 Allocation for Quarter Ending: 3/31/2015  
 COCAS Schedule 38 MNSURE

Model ID 0 BASE DATA

	1 GENERAL ADMIN	2 PRIVATE PM&R SERV	3 ENROLL & MGMT SERV	4 CONTACT CENTER	5 MEDS OP	TOTALS
Direct Cost per SWIFT	733,878	443,469	578,732	595	428,487	2,185,161
** Adjustments to Cost	15,434	137,210	1,397,333	(595)	(428,487)	1,120,891
Adjusted Costs	749,312	580,679	1,976,065			3,306,051
Allocated Additions:						
Adjusted Total	749,312	580,679	1,976,065			3,306,051
ReAlloc Gen. Admin	(749,312)	299,725	109,512	340,075		
Allocatable Costs		880,404	2,085,577	340,075		3,306,051
<b>Allocated To:</b>						
243	MNSURE QUALIFIED HEALTH PLAN	856,712	202,781	103,621		1,163,114
244	MNSURE SMALL EMPLOYEES PLAN	23,692	5,610			29,302
245	MNSURE MED ASSISTANCE PROG		1,447,515	62,329		1,509,844
246	MNSURE MNCARE (BHP)		429,671	174,125		603,796
Totals	880,404	2,085,577	340,075			3,306,051

\* Allocation ID shown for General Admin refers to the allocation of General Admin across Cost Centers (row 2)

\*\* See Raw Data folder for details



Minnesota Department of **Human Services**

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December 12, 2014

Mr. Arif Karim, Director  
Central States Field Office  
Division of Cost Allocation  
1301 Young Street, Room 732  
Dallas, Texas 75202

Attention: Ms. Pamela Page

Dear Mr. Karim:

This letter is to formally propose and seek your approval of the enclosed amendments to the Public Assistance Cost Allocation Plan (PACAP) for the Minnesota Department of Human Services (DHS). These amendments were prepared in accordance with federal regulations contained in 45 CFR 95 Subpart E and 2-CFR Part 200.

The amendments are concentrated in Section 3 – DHS Central Office Expenditures where cost centers were added/amended to the following schedules: Schedule 8 - new CMS approved P/IAPD project, Schedule 11 - systems projects, Schedule 36 – new federal grant. For these amendments we propose an effective date of October 1, 2014.

In addition, several cost centers in schedules 22, 26 and 27 are amended due to the submittal to CMS of an updated OAPD for Medicaid Eligibility Determination System (MEDS). For the OAPD related amendments we propose an effective date of January 1, 2015.

Finally, MNsure operating expenditures are addressed in a new schedule with a proposed effective date of January 1, 2015. MNsure is Minnesota's Health Insurance Marketplace. MNsure plays an important role in the Department of Human Services' outreach and enrollment strategies for public health care programs. The proposed Schedule 38 procedures allocate the MNsure operating expenditures between the entire range of MNsure private and public health care programs. Further background is provided in the Schedule 38 narrative. The current DHS/MNsure interagency agreement is also enclosed.

Enclosed are only those pages of the PACAP that have been affected by these changes. Also enclosed are those exhibits that required modification due to the Section 3 amendments: Exhibit C - List of Federal and State Programs, Exhibit F - Direct Costs, Exhibit G - Intermediate Schedules, Exhibit H - Indirect Cost Centers, Exhibit I - Schedule Summary and Exhibit J - Cost Impact Statement.

Any questions regarding these amendments can be addressed to Lyle L. Koenig of my staff at 651-431-3729.

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Martin L. Cammack". The signature is written in dark ink and is positioned above the typed name and title.

Martin L. Cammack  
Director, Financial Operations Division

Transmittal: 12-12-14  
Effective: 10-01-14  
DCA Approval:  
Superseded:

**CERTIFICATION**


**Public Assistance Cost Allocation Plan/Amendment**

**Date Plan/Amendment Submitted: December 12, 2014**

**Proposed Effective Date: October 1, 2014**

In accordance with 45 CFR 95.507(b)(8), I certify that:

- (i) That the information contained in the proposed cost allocation plan/amendment was prepared in conformance with 2 CFR Part 200.
- (ii) That the costs are accorded consistent treatment through the application of generally accepted accounting principles appropriate to the circumstances.
- (iii) That an adequate accounting and statistical system exists to support claims that will be made under the cost allocation plan; and
- (iv) That the information provided in support of the proposed cost allocation is accurate.

Signature:  Date: 12-11-2014

Name: Martin L. Cammack Title: Director, Financial Operations Division

Organization: Minnesota Department of Human Services

## Section 4 – HEALTH CARE PROVIDER PAYMENTS

Transmittal	12-12-14
Effective:	01-01-15
DCA Approval:	
Superseded:	

### MNSURE SCHEDULE 38

#### **Background**

The day-to-day operations of MNsure, the Minnesota Health Insurance Marketplace, play an important role in the Department of Human Services' outreach and enrollment strategies for Minnesotans seeking the services of public health coverage programs and services, including MinnesotaCare and Medicaid. The services furnished by our partners at MNsure help us to outreach, identify, intake, accept, determine eligibility for, and formally enroll individuals and their families into the entire range of public and private health insurance programs, including individual qualified health insurance plans, plans for small employers (Minnesota's SHOP plans), our basic health insurance plan (MinnesotaCare), and Medical Assistance services available for those qualifying for Medicaid.

Under the Affordable Care Act, an individual's modified adjusted gross income (MAGI) is a key determinant of eligibility for Medicaid services. In Minnesota, MAGI-based eligibility is determined within the health insurance exchange portal, which is accessed directly by individuals, counties, assistors and state staff.

#### **Nature of Amendment**

Because MNsure operations were designed as an integral part of Minnesota's Medicaid outreach and enrollment program, the legislature (Laws of 2013, Chapter 108) appropriated to the Minnesota Department of Human Services funds for the continued, prospective, coordinated operation of MNsure.

Schedule 38 procedures determine the direct and indirect cost of MNsure operations that are properly allocable to the administration of both private exchange programs (i.e., qualified health plans for individuals, and small employer SHOP plans), and public health insurance programs (i.e., MinnesotaCare basic health plans, and Medicaid). This schedule essentially classifies the quarterly actual expenditures of our MNsure partner into five functional cost centers. Each cost center is then properly allocated to benefitting programs on an individual statistical basis designed to distribute costs in direct proportion to benefits received.

#### **MNsure Organizational Chart**

An organizational chart showing the placement of each unit whose costs are charged to the programs operated by MNsure is enclosed as Attachment 38-1.

#### **DHS/MNsure Interagency Agreement**

The current DHS/MNsure "Interagency Services Agreement for MNsure Participation in the Administration of the Minnesota State Plan for Services under Title XIX" is enclosed as Attachment 38-2.

#### **MNsure Programs**

The following is a listing of all Federal and all non-Federal programs performed, administered, or serviced by MNsure's organizational units:

## Section 4 – HEALTH CARE PROVIDER PAYMENTS

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### Schedule 38 continued

#### Qualified Health Plans (QHPs)

QHPs are commercial health insurance plans offered by insurance companies to address the coverage needs of Minnesotans. All of the plans offer the same core set of benefits, including preventive services, mental health and substance abuse services, emergency services, prescription drugs and hospitalization. Some plans include benefits beyond the core set. Each of the plans has been reviewed by state regulators and approved to be sold on MNsure. All plans on the MNsure marketplace have been certified as QHPs.

#### Small Group Health Options Program (SHOP)

SHOP connects small businesses and nonprofit organizations to competing commercial health plans, providing a choice of health plan options that fit the needs and budget of the business and employees. Employers are able to compare premiums and benefits of all SHOP certified participating plans, select the plan(s) they would like to offer their employees and pay one convenient aggregated premium payment.

In addition, federal tax credits may be available to eligible employers who enroll their employees in health plans through the SHOP, providing more affordable health insurance to both the employer and employee(s).

#### Minnesota Care (Basic Health Program)

MinnesotaCare is a publicly subsidized health care program for residents who do not have access to affordable health care coverage. MinnesotaCare is funded by a dedicated fund that is financed by a two percent tax on health care provider revenues, a one percent tax on HMO premiums, MinnesotaCare enrollee premiums, and, beginning in January 2015, federal funding under the Basic Health Program. Most enrollees pay a monthly premium based on family size and income. Children under 21, some military families, and families with an enrolled American Indian do not pay a monthly premium. Beginning in 2015, individuals with household income below 5% of the federal poverty guidelines are also exempt from premiums. Eligibility for the program is administered by the Department of Human Services with support from local human service offices in all 87 Minnesota counties. DHS contracts with both health care providers and health plans across the state to deliver health care to enrollees who can choose their health plan from those serving MinnesotaCare enrollees in their county.

#### Medical Assistance (Title XIX Medicaid Program)

Medical Assistance (MA) is Minnesota's Medicaid program. It is the largest of Minnesota's publicly funded health care programs. It provides health care coverage to over 900,000 low-income Minnesotans each month. Three-fourths of those are children and families, pregnant women and adults without children. The others are people 65 or older and people with disabilities. Most enrollees get their health care through health plans. The rest get care on a fee-for-service basis, with providers billing the state directly for services provided. MA is funded with state and federal Title XIX Medicaid funds. The Minnesota Department of Human Services oversees the program statewide and eligibility for the program is administered by local human service offices in all 87 Minnesota counties. The federal Centers for Medicare and Medicaid Services oversees Medicaid nationally.

### Activities Performed and Explanation of Benefits

MNsure operational expenditures included on this schedule are categorized as follows:

- Executive-- including MNsure Board expenses and payroll expenses of the following MNsure positions/roles in the organization: Executive Director, Executive Aide, Board and Federal

## Section 4 – HEALTH CARE PROVIDER PAYMENTS

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### Schedule 38 continued

Relations Director, Legislative Relations Director, Deputy Director of External Affairs, and Deputy Director of Operations. These benefit only the private QHP and SHOP programs.

- Support Services– including payroll and non-payroll expenditures for support staff, accounting operations staff, office equipment, supplies, staff development, travel, office space leases, etc. Also includes financial services and standard desktop IT services purchased from DHS based on interagency agreement. These benefit the private QHP and SHOP and public Medical Assistance and MinnesotaCare programs.
- Legal & Compliance – including payroll and non-payroll expenditures for the following which benefit the private QHP and SHOP and public Medical Assistance and MinnesotaCare programs:
  - a) Compliance & Program Integrity – This activity encompasses the development, implementation, and ongoing operation of a comprehensive compliance program for MNsure. Included in this activity are the establishment, oversight, and monitoring of an internal control framework, specific administrative policies and procedures, appropriate training programs, investigation of fraud, waste and abuse claims, and collaboration with external entities on consumer complaint resolution, and coordination and assistance with external audits. Also includes certain internal audit services purchased from the Department of Human Service based on interagency agreement.
  - b) Privacy & Security – This activity encompasses the development, implementation, and ongoing operation of a comprehensive information privacy and security program for MNsure. Included in this activity are the establishment, oversight, and monitoring of MNsure information policies, procedures, and standards; and advice and assistance on any data privacy or security related legal issues. Additionally, this activity includes management of the manual identity proofing process that is necessary to allow users to create an online account when the automated identity proofing process is unable to perform this function.
  - c) Data Practices – This activity encompasses the development, implementation and ongoing operation of MNsure’s policies and procedures related to providing public access to data in MNsure’s possession in accordance with state and federal law; and MNsure’s compliance with applicable open meeting/public access laws.
  - d) Contract Management – This activity encompasses the provision of legal advice and assistance on MNsure contract and grant issues.
  - e) Purchasing and Facility Management – This activity encompasses the development, implementation, and ongoing operation of overall procurement processes for MNsure, and overall facility management for MNsure.
  - f) Appeals Management – This activity encompasses the development, implementation, and ongoing operation of the processes and procedures for representation of MNsure’s position in those appeals related to eligibility determinations made by MNsure, also include oversight and management of the interagency agreement with the Department of Human Services for appeal adjudication services in those appeals related to eligibility determinations made by MNsure.
- Appeals Adjudication – appeal adjudication services purchased from DHS based on interagency agreement. These services pertain to appeals related to eligibility determinations made by MNsure including: eligibility for APTC/CSR; eligibility to purchase a QHP through MNsure;



## Section 4 – HEALTH CARE PROVIDER PAYMENTS

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### Schedule 38 continued

eligibility to participate in SHOP as an employer; eligibility to participate in SHOP as an employee; and eligibility for a special enrollment period through MNsure. Additionally, some of these appeals may be conducted in hearings simultaneous with appeals related to other programs for which the MNsure system facilitates eligibility determinations, but for which the Department of Human Services ultimately makes the eligibility determinations. For example, an individual's appeal of MNsure's denial of an individual's eligibility for APTC may be heard simultaneous to the individual's appeal of DHS's denial of eligibility for MA and MinnesotaCare. These benefit only the private QHP and SHOP programs.

- Regulatory-- regulatory expenditures of the Department of Commerce and of the Department of Health in accordance with interagency agreements with each agency. This activity benefits only the private QHP and SHOP programs.
- Project Management – including payroll and non-payroll for project management resources across the organization, providing the flexibility to address high priority special projects with non-permanent staff resources. Also includes consultant contracts that address the current MNsure system limitations via the development of manual work around policies, procedures and documentation in support of public and private health care programs offered through MNsure. This activity benefits the private QHP and program and the public Medical Assistance and MinnesotaCare programs.
- Plan Management & Reporting – payroll and non-payroll expenditures in support of work with health insurance companies that offer qualified health plans on MNsure to address policy and operational concerns. Includes certifying health plans in conjunction with state regulatory agencies and for the loading, display and content of all information about qualified health plans on MNsure. Includes productions of federally required reports and other metrics of interest. This activity benefits only the private QHP program.
- Eligibility & Enrollment – payroll and non-payroll expenditures in support of establishment and implementation of required federal and state policies related to individual market eligibility and enrollment activities. Includes work on determining eligibility to purchase private coverage with or without tax credits, verification issues, renewal processes and other eligibility issues. Also includes extensive work with DHS to determine appropriate rules/processes for families with members who are eligible for various types of affordability assistance and/or who may transition between public and private coverage. This activity benefits only the private QHP program.
- Eligibility Notices / Invoicing / Receipt Processing – print, mail and receipting services purchased from DHS based on interagency agreement or purchased from outside vendors, as applicable. This activity benefits only the private QHP and SHOP programs.
- SHOP Program – payroll and non-payroll expenditures in support of the SHOP Program. This activity benefits only the private SHOP program.
- Contact Center – payroll and non-payroll expenditures attributable to providing assistance to all consumers and constituents seeking health insurance coverage through MNsure via phone, email and social media inquiries, on issues such as: enrollment, application changes, eligibility, life event changes and all general or specific questions related to the exchange and the plans offered.

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This activity benefits the private OHP and SHOP programs and the public Medical Assistance and MinnesotaCare programs.

- Manual Operations – payroll and non-payroll expenditures attributable to manual operations. Currently there are approximately 32 processes that require work to be done either partially or completely outside the application system. Some work is due to system issues while other processes are a normal part of the business. Those processes include: processing of life events, special enrollment periods, verification of eligibility, quality auditing of manual enrollments, quality auditing of the 834ST, processing of manual enrollments via paper applications, relationship management and issue resolution with the carriers, processing of SHOP invoices, SHOP email, carrier error reports, APTC recalculations. This activity benefits only the private OHP and SHOP programs.
- Assistor Resource Center – payroll and non-payroll expenditures attributable to providing assistance to the navigator community. This work includes both consumer and navigator related issues and concerns. This activity benefits the private OHP program and the public Medical Assistance and MinnesotaCare programs.
- Navigator-Assistor-Broker Program – includes payroll and non-payroll attributable to MNsure's efforts to build a robust statewide network of entities that help increase the number of uninsured Minnesotans. This activity benefits the private OHP program and the public Medical Assistance and MinnesotaCare programs.
- Navigator-Assistor Outreach Grants – includes grant contract payments to organizations: (1) assisting populations facing barriers to enrollment with coverage and renewal through MNsure, (2) building regional navigator resource and referral networks to reach and enroll Minnesotans, and (3) finding, connecting and educating uninsured Minnesotans about the importance of having health care insurance and options available for obtaining coverage through MNsure. This activity benefits the private OHP program and the public Medical Assistance and MinnesotaCare programs.
- Navigator-Assistor Enrollment Fee Grants– includes grant contract payments to navigator organizations for each successful enrollment. These payments are attributable only to the private OHP program; however, comparable grant activity exists in the DHS budget for successful Medical Assistance and MinnesotaCare public program enrollment.
- Communications – includes payroll and non-payroll expenditures for communications and external relations activities benefiting the private OHP program and the public Medical Assistance and MinnesotaCare programs:
  - a) Public relations and marketing activities, including production of communications materials including press releases, videos, and essays; proactive and reactive media relations; managing two large contracts for advertising and grassroots outreach; website maintenance and development; management of marketing items and materials; event planning and promoting; and other activities.
  - b) Navigator / broker / agent relations activities that ensure navigators, grantee organizations, brokers and agents have policy direction from MNsure and DHS. Coordinate efforts across agencies, and provide crucial external face to these key MNsure stakeholder groups. Attend external meetings, develop policy and priorities, and facilitate large group meetings.

## Section 4 – HEALTH CARE PROVIDER PAYMENTS

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- MNsure System - includes the Medicaid Eligibility Determination System (MEDS) operational costs authorized in Minnesota's pending federally approved MEDS Operational Advanced Planning Document (OAPD).

### **Procedures Used to Identify, Measure and Allocate Costs to Benefiting Programs and Activities**

**CC1 – General Administration (33000):** This cost center includes salary and related charges for Support Services, Project Management and Legal & Compliance as described above and is allocated to remaining cost centers on this schedule on the basis of the ratio of full time equivalent (FTE) employee count of each cost center to the total FTE employee count for this schedule, obtained and updated quarterly from the statewide payroll system (SEMA4).

**CC2 – Private Program Management & Regulatory Services (33001):** This cost center includes salary and related charges for Executive, Appeals Adjudication, Regulatory, Plan Management & Reporting, SHOP Program, Eligibility & Enrollment, Eligibility Notices / Invoicing / Receipt Processing, Manual Operations, and Navigator-Assistor Enrollment Fee Grants as described above and is allocated to only non-public programs on the basis of the total aggregate case mix to all non-public MNsure programs. These costs are financed by collecting a percentage (up to 3.5%) of QHP and SHOP premiums paid to carriers for plans sold through MNsure (MN Statute 62V.05).

**CC3 – Enrollment Management & Services (33002):** This cost center includes salary and related charges for Assistor Resource Center, Navigator-Assistor-Broker Program, Navigator-Assistor Outreach Grants and Communications as described above and is allocated to the entire range of MNsure programs as these costs have in common the operational responsibility for coordinated outreach, enrollment and support for eligibility determination for the entire range of MNsure programs. The allocation basis is the total aggregate case mix to all MNsure programs (Medical Assistance Title XIX, MinnesotaCare, QHP and SHOP). The Medical Assistance share is claimed at 50% federal financial participation.

**CC4 – Contact Center (33003):** This cost center includes salary and related charges for Contact Center as described above and is allocated to the entire range of MNsure programs in proportion to overall call volume by program (Medical Assistance Title XIX, MinnesotaCare, QHP and SHOP). The Medical Assistance share is claimed at 50% federal financial participation.

**CC5 – Medicaid Eligibility Determination Systems Operations (33004):** This cost center includes salary and related charges for operations of the MEDS as described above and is allocated on the basis of the total aggregate case mix to all MNsure programs (Medical Assistance Title XIX, MinnesotaCare, QHP and SHOP) in accordance with Minnesota's pending federally approved MEDS Operational Advanced Planning Document (OAPD). The Medical Assistance eligible portion is claimed at 75% federal financial participation.

### **Estimated Cost Impact**

The estimated cost impact to Federal awards resulting from the proposed changes to our previously approved plan is at this point thought to be minimal. The operational expenses of MNsure are not very substantial. The total expenditures by the Minnesota Department of Human Services for the operations of MNsure for the first six months of the amendment's proposed January 1, 2015 effective date are budgeted at \$11.9 million, and would result in approximately \$3.7 million of Medicaid federal financial participation. This is indicated by our ability to categorize the activities of those MNsure staff as benefitting only enrollment activity for non-public programs in the Private Program Management and

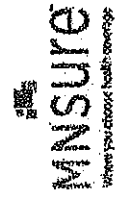
## Section 4 – HEALTH CARE PROVIDER PAYMENTS

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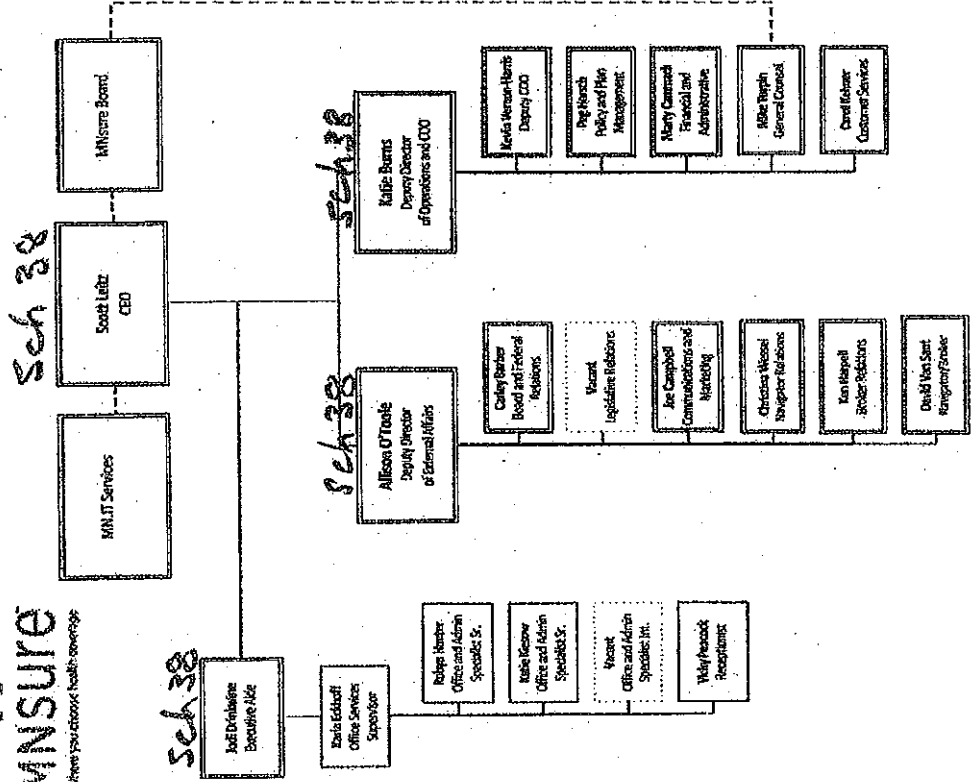
### Schedule 38 continued

Regulatory function, a procedure which effectively reduces to a minimum any costs which are subsequently allocable to Medicaid administration in the Enrollment Management and Services function.

The cost of entry into Minnesota's Medicaid program via the MNsure exchange, however, is thought to be approximately offset by reduced activity and costs in the state's county human services offices, which would handle commensurately fewer Medicaid applicants as more apply via the MNsure portal. In addition, as more non-Medicaid eligible individuals apply for qualified health insurance and more SHOP applicants utilize the MNsure exchange, a lesser proportion of MNsure expenditures would probably be allocable to Medicaid administration. In estimating the net impact beyond the first six months of calendar year 2015 we would expect a mildly declining percentage of costs – for this reason – allocable to Medicaid administration.



MNSure Leadership



12/10/2014



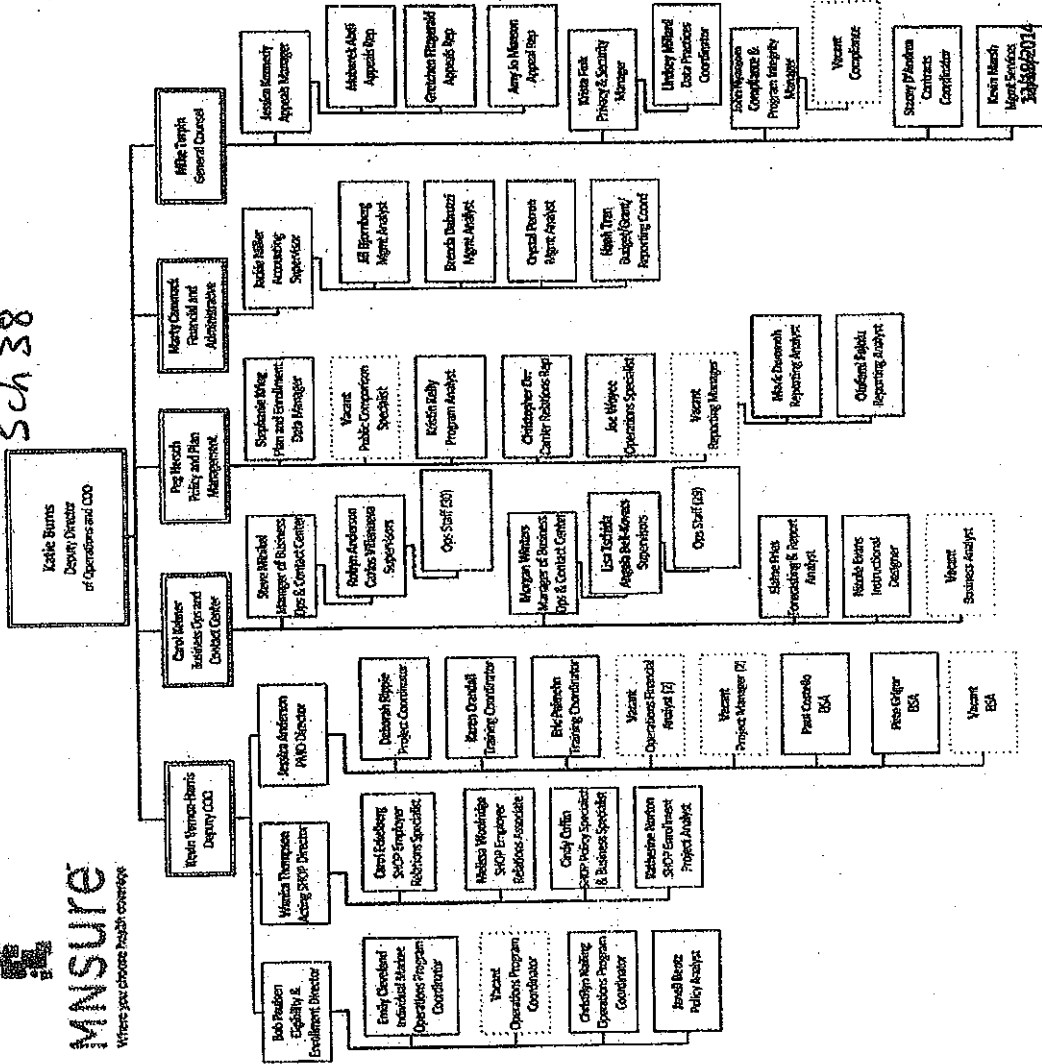


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Operations







**Interagency Services Agreement for MNsure Participation in the Administration of the  
Minnesota State Plan for Services Under Title XIX**

**Intent of the Agreement**

The Department of Human Services is designated as the Medicaid Agency for the State of Minnesota and, as such, is responsible for management and oversight of Medical Assistance (MA), which is Minnesota's Medicaid program. The day-to-day operations of MNsure play an important role in the Department of Human Services' outreach and enrollment strategies for Minnesotans seeking the services of public health coverage programs and services, including MinnesotaCare and Medicaid. Through this agreement, the Department of Human Services and MNsure are formally recognizing that work performed by MNsure benefits public health programs and MNsure expenditures will be included, as necessary, in the Department of Human Services public assistance cost allocation plan and operational advance planning documents.

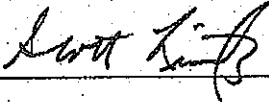
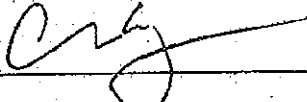
This agreement confirms that the services furnished by MNsure help the Department of Human Services to outreach, identify, intake, accept, determine eligibility for, and formally enroll individuals and their families into the entire range of public and private health insurance programs, including individual qualified health insurance plans, plans for small employers (Minnesota's SHOP plans), the basic health insurance plan (MinnesotaCare), and medical assistance services available for those qualifying for Medicaid. It is understood that the basis for billing will be the operational advance planning document and the quarterly operation of the public assistance cost allocation plan. It is further understood that any billing will be based on the actual cost incurred.

**Performance**

Beginning January 1, 2015, MNsure shall provide to the Department of Human Services a variety of services related to Medicaid eligibility determination and enrollment activities including, but not limited to application, on-going case maintenance and renewal activities, policy, outreach and post-eligibility activities, and other activities necessary for administration of the state plan for services under Title XIX.

Consideration

In consideration for the above described performance the Department of Human Services shall obtain annual appropriations for the ongoing operation of MNsure, and shall claim the federal share of any eligible expenditures via operation of its amended public assistance cost allocation plan and operational advance planning document, beginning January 1, 2015.

Signatures	MNsure	DHS
By:		
Title:	CEO	Deputy Commissioner
Date:	11-3-14	11/3/14



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center  
Financial Management Portfolio  
Cost Allocation Services

1301 Young Street, Room 732  
Dallas, TX 75202  
PHONE: (214) 767-3261  
FAX: (214) 767-3264  
EMAIL: CAS-Dallas@psc.hhs.gov

**Amendment No. MN DHS 15-3**

September 4, 2015

Mr. Martin L. Cammack  
Director of Financial Operations Division  
Minnesota Department of Human Services  
444 Lafayette Road North  
St. Paul, MN 55155

Dear Mr. Cammack:

This is to advise you of the approval of the Public Assistance Cost Allocation Plan (PACAP) amendment which you submitted dated March 23, 2015. Your certification indicated an effective date of January 1, 2015.

In accordance with 45 CFR Part 95, Subpart E this approval is continuous until the allocation method (s) shown in this plan is outdated as a result of organizational changes within your agency or legislative, regulatory, or other changes that make necessary the submission of an amendment or new plan by you. The regulations require that as a condition of receipt of Federal financial participation in administration services (excluding assistance and medical vendor payments and purchased services) and training for any quarterly period, the State's claim for expenditures must be in accordance with the cost allocation plan on file and approved by the DCA for that period. Amendment to your plan would be required for any changes indicated above. The responsibility for submission of amendments rests solely with the State.

Approval of the plan/amendment cited above is predicated upon conditions that (1) no costs other than those incurred pursuant to the approved State plan are included in claims to the Federal government and that such costs are legal obligations, (2) the same costs that have been treated as indirect cost have not been claimed as direct costs (3) similar types of costs have been accorded consistent treatment (4) the approval is based on information provided by the State and is void if the information is later found to be materially incomplete or inaccurate (5) the allocations methods proposed result in an equitable distributions of costs or programs, and (6) the costs claimed for the appropriate rate of Federal financial participation must be allowable under the law, the cost principles contained in OMB Circular A-87, and program regulations.

Mr. Martin L. Cammack  
September 4, 2015  
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This approval presumes the existence of an accounting system with internal controls adequate to protect the interests of both the State and Federal government. Approval of this cost allocation plan/amendment does not constitute the approval of the estimated costs or statistical data submitted with the amendment nor did the actual expenditures report on your quarterly expenditure reports. The actual expenditures and statistical data remain subject to Federal review. This approval relates to the accounting treatment accorded the costs of your programs only, and nothing contained herein should be construed to approve activities not otherwise authorized by approved program plans, or Federal legislation or regulations.

The operation of the cost allocation plan/amendment approved by this document may from time to time be reviewed by authorized Federal staff including DCA, HHS Audit, and General Accounting Office staff. The disclosure of inequities during such reviews may necessitate changes to the plan.

If you have any questions regarding this letter, please call Pamela Page at (214) 767-6505.

Sincerely,

Darryl W.

Mayes -S

for Arif Karim

Director

Cost Allocation Services

Digitally signed by Darryl W. Mayes -S  
DN: cn=US, o=U.S. Government, ou=HHS,  
ou=PS, ou=People,  
ou=20150914105734-0400,  
c=Darryl W. Mayes -S  
Date: 2015.09.14 10:57:34 -0400

cc: Angela Green, ACF  
Ruth Hughes, CMS  
Francisco Lebron, USDA/FNS



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center  
Financial Management Portfolio  
Cost Allocation Services

1301 Young Street, Room 732  
Dallas, TX 75202  
PHONE: (214) 767-3261  
FAX: (214) 767-3264  
EMAIL: CAS-Dallas@psc.hhs.gov

**Amendment No. MN DHS 15-2**

May 14, 2015

Mr. Martin L. Cammack  
Director of Financial Operations Division  
Minnesota Department of Human Services  
444 Lafayette Road North  
St. Paul, MN 55155

Dear Mr. Cammack:

This is to advise you of the approval of the Public Assistance Cost Allocation Plan (PACAP) amendment which you submitted dated December 12, 2014. Your certification indicated an effective date of October 1, 2014, except for OAPD related amendments and MNsure which are effective January 1, 2015.

In accordance with 45 CFR Part 95, Subpart E this approval is continuous until the allocation method (s) shown in this plan is outdated as a result of organizational changes within your agency or legislative, regulatory, or other changes that make necessary the submission of an amendment or new plan by you. The regulations require that as a condition of receipt of Federal financial participation in administration services (excluding assistance and medical vendor payments and purchased services) and training for any quarterly period, the State's claim for expenditures must be in accordance with the cost allocation plan on file and approved by the DCA for that period. Amendment to your plan would be required for any changes indicated above. The responsibility for submission of amendments rests solely with the State.

Approval of the plan/amendment cited above is predicated upon conditions that (1) no costs other than those incurred pursuant to the approved State plan are included in claims to the Federal government and that such costs are legal obligations, (2) the same costs that have been treated as indirect cost have not been claimed as direct costs (3) similar types of costs have been accorded consistent treatment (4) the approval is based on information provided by the State and is void if the information is later found to be materially incomplete or inaccurate (5) the allocations methods proposed result in an equitable distributions of costs or programs, and (6) the costs claimed for the appropriate rate of Federal financial participation must be allowable under the law, the cost principles contained in OMB Circular A-87, and program regulations.

Mr. Martin L. Cammack  
May 14, 2015  
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This approval presumes the existence of an accounting system with internal controls adequate to protect the interests of both the State and Federal government. Approval of this cost allocation plan/amendment does not constitute the approval of the estimated costs or statistical data submitted with the amendment nor did the actual expenditures report on your quarterly expenditure reports. The actual expenditures and statistical data remain subject to Federal review. This approval relates to the accounting treatment accorded the costs of your programs only, and nothing contained herein should be construed to approve activities not otherwise authorized by approved program plans, or Federal legislation or regulations.

The operation of the cost allocation plan/amendment approved by this document may from time to time be reviewed by authorized Federal staff including DCA, HHS Audit, and General Accounting Office staff. The disclosure of inequities during such reviews may necessitate changes to the plan.

If you have any questions regarding this letter, please call Pamela Page at (214) 767-6505.

Sincerely,

Darryl W. Mayes  
-S

Darryl W. Mayes  
Deputy Director  
Cost Allocation Services

cc: Kent Wilcox, ACF  
Verlon Johnson, CMS  
Francisco Lebron, USDA/FNS