



Minnesota Department of **Human Services**

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August 20, 2015

Christine Gerhardt, Acting Director, Division of State Systems  
Centers for Medicaid, CHIP and Survey & Certification  
Centers for Medicare & Medicaid Services  
Mail Stop S2-26-12  
7500 Security Boulevard  
Baltimore, Maryland 21244-1850

**Re: Implementation Advance Planning Document Update (IAPDU-12) for Minnesota's Health Insurance Exchange, Medicaid Portion, and DHS Enterprise System Modernization**

Dear Ms. Gerhardt:

Please accept this letter and the accompanying documents in support of the State of Minnesota's implementation of a Health Insurance Exchange (MNsure) as well as DHS's effort to stabilize the MNsure system and implement an integrated service delivery system, as part of the Medicaid Eligibility and Enrollment system.

This annual update is intended to secure federal fiscal year 2016 (FFY16) enhanced federal matching funds as a counterpart to the MNsure grants and to secure enhanced funding for and update the status of the Appeals project, the SMRT pilot, and non-MAGI Medicaid eligibility and enrollment work described in previously submitted advance planning documents in this series.

This annual update does not include an increase to the previously submitted IAPDU budget. The total budget remains \$370,085,106. Of this amount, \$175,539,377 is funded from CCIIO grants. The remaining \$194,545,729 consists of a federal share of \$166,122,620 and a state share of \$28,423,109.

The next update, IAPDU-13, is currently being prepared to provide a comprehensive description of the overall implementation plan for the DHS Integrated Service Delivery System (ISDS). DHS has been charged, by the state legislature, to simplify policy and to modernize human services delivery systems to better meet the needs of clients and servicing agencies and to increase accountability to all Minnesotans. To do this, it is necessary to align automated systems development efforts to a business service delivery model. Implementing an ISDS will meet this

requirement and improve outcomes through efficiencies for users. IAPDU-13 will include a roadmap of project initiatives that are part of the overall ISDS effort and will consolidate the suite of associated IAPDUs. It is anticipated that IAPDU-13 will be submitted in September 2015.

Sincerely,



Marie Zimmerman  
Minnesota Medicaid Director

cc: Lucinda Jesson, Commissioner, DHS  
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Lauren Gilchrist, Special Advisor to Governor Dayton  
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Jim Koppel, Assistant Commissioner, CFS, MDHS

# Implementation Advance Planning Document Update (IAPDU-12) for Minnesota's Health Insurance Exchange, Medicaid Portion, and DHS Enterprise System Modernization

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Thursday, August 20, 2015

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Date of Submission to CMS Regional Office: August 20, 2015

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## **SECTION I: EXECUTIVE SUMMARY**

The Minnesota Department of Human Services (DHS) is submitting this update to secure enhanced federal financial participation in Minnesota's effort to implement additional required functionality for Minnesota's Health Insurance Exchange (MNSure) as well as DHS' effort to implement an integrated service delivery system that includes MNSure and Medicaid eligibility and enrollment.

In November 2011, DHS submitted a Planning Advanced Planning Document (PAPD) to secure planning funds for a broad effort that included the Medicaid portion of Minnesota's Health Insurance Exchange as well as eligibility and enrollment systems modernization across DHS. That PAPD was approved on December 30, 2011.

On December 13, 2011, DHS submitted a PAPD for the State Medical Review Team (SMRT) as part of a joint APD for several programs. The SMRT PAPD was approved July 25, 2012.

In March 2012, DHS submitted an IAPD for development and testing of MNSure. That IAPD was approved on April 19, 2012.

In June 2012, DHS submitted an IAPDU (IAPDU-1) to secure matching funds for the Exchange contracts in consideration of revised contract cost estimates and adjustments needed to ensure compliance with maintenance of effort requirements. That IAPDU was approved on July 13, 2012.

In June 2012, the Exchange contracts were also submitted for approval. In executing those contracts on July 15, 2012, DHS secured the framework needed to accomplish all health care eligibility and enrollment, including SMRT.

In August 2012, DHS submitted a PAPDU for the DHS Enterprise Systems Modernization Strategy to extend the time for the planning effort and to include costs for planning for the Appeals function. That PAPDU was approved on October 23, 2012.

On October 16, 2012, DHS submitted IAPDU-3 to secure matching funds for the Exchange IT development, to cost allocate the grant application submitted by the Exchange on August 15, 2012. That IAPDU was approved on November 2, 2012.

On October 31, 2012, DHS submitted IAPDU-2 to secure matching funds to implement an integrated system for eligibility determination and enrollment across the spectrum of Exchange and public health care programs at DHS and to conduct independent verification and validation of the project. IAPDU-2 was approved on December 26, 2012.

On January 23, 2013, DHS submitted IAPDU-4 to update the procurement approach for identity management services from the approach described in IAPDU-3. No additional funding was requested in IAPDU-4. It was approved on February 13, 2013.

On February 6, 2013, DHS submitted IAPDU-5 to secure matching funds for additional MNSure IT development, to cost allocate the grant application submitted by MNSure on November 15, 2012. IAPDU-5 was approved on April 8, 2013.

On July 22, 2013, DHS submitted IAPDU-6 to secure matching funds for operational readiness training activities in Minnesota prior to October 1, 2013, as permitted in the April 25, 2013 CMS guidance entitled, "Affordable Care Act: State Resources FAQ." IAPDU-6 was approved on September 22, 2013.

On August 5, 2013, DHS submitted PAPDU-2 to secure matching funds to develop a data sharing framework and to update the planning timeline for the Appeals portion of modernization planning. PAPDU-2 was approved on September 30, 2013.

On October 14, 2013, DHS submitted IAPDU-7 to secure matching funds as a counterpart to the MNsure grant, to advise CMS of MNsure grant re-budget activities that have an impact on the budgets of previously submitted IAPDs, to implement call center and online learning upgrades within the Medicaid section necessary to support expected increases in demand for these services due to implementation of MNsure and Non-MAGI modernization; to implement SMRT as a pilot of Cúram software implementation for Non-MAGI modernization; and to update the approach to Non-MAGI modernization. IAPDU-7 was approved on December 16, 2013, but only for the portion of funding that was indicated for the remainder of the federal fiscal year.

On February 11, 2014, DHS submitted IAPDU-8 to correct an error in the quarterly cost distribution section of IAPDU-7. The error was creating cash flow problems for both MNsure and DHS Enterprise Systems Modernization. IAPDU-8 was approved on May 14, 2014.

On March 28, 2014, DHS submitted IAPDU-9 to secure matching funds as a counterpart to the MNsure grant re-budget activities so that MNsure could contract with a new lead vendor to lead the second phase of MNsure development, mainly stabilization and enhancement of the MNsure IT system. IAPDU-9 was approved May 14, 2014.

On April 18, 2014, and at the suggestion of CMS' Director of Division of State Systems, DHS submitted a letter requesting approval to continue planning work for Minnesota's Eligibility and Enrollment Modernization under this IAPD series, which had been funded through a planning APD that was expiring. Retroactive approval to April 30, 2014, was requested, consistent with the expiration date of the planning APD.

On August 30, 2014, DHS submitted IAPDU-10 to secure matching funds as a counterpart to the MNsure grants, to incorporate previously-approved planning work into this series, to move the appeals work from planning to implementation, and to update the status of SMRT and Non-MAGI Medicaid eligibility and enrollment work described in previously submitted APDs in this series. IAPDU-10 also reflected a realignment of the Medicaid allocation, all MNsure grants and rebudgets to the date of submission, and the removal of operational readiness funds that were no longer anticipated. IAPDU-10 was approved on November 20, 2014.

On February 17, 2015, DHS submitted IAPDU-11 to secure matching funds as a counterpart to the IT build portion of the MNsure grant supplement including enhanced security, enhanced data connections to the Federal Data Service Hub and an expansion of the customer contact center. This APD update also included an adjustment to reflect MNsure hardware and equipment originally budgeted at 90% FFP, which, when actually procured, were eligible for 75% FFP. IAPDU-11 was approved on April 30, 2015.

This update is intended to secure matching funds as a counterpart to the MNsure grants and to secure enhanced funding for, and update, the status of the Appeals, SMRT, and non-MAGI Medicaid eligibility and enrollment work described in previously-submitted APDs in this series. Minnesota requests approval of this update effective October 1, 2015.

In addition, IAPDU-13 is currently being prepared to provide a comprehensive description of the overall implementation of the DHS Integrated Service Delivery System (ISDS). DHS has been charged, by the legislature, to simplify policy and to modernize human services delivery systems to better meet the needs of clients and servicing agencies and to increase accountability to all Minnesotans. To do this, it is necessary to align automated systems development efforts to a business service delivery model. Implementing an ISDS will meet this requirement and improve outcomes through efficiencies for users. IAPDU-13 will include a roadmap of project initiatives and will consolidate the suite of IAPDUs associated with this effort. This IAPDU will be submitted in September 2015.

## **SECTION II: RESULTS OF ACTIVITIES INCLUDED IN THE PAPD**

Minnesota will be submitting a final assessment of deliverables resulting from the PAPD efforts as part of IAPDU-13, relating more fully to the overall modernization roadmap DHS is preparing for an ISDS.

## **SECTION III: STATEMENT OF NEEDS AND OBJECTIVES**

This update is meant to secure federal financial participation (FFP) for work needed to:

- stabilize the MNsure system,
- implement the first phase of the SMRT project, including additional functionality that will serve as a pilot of the Cúram COTS software for the broader eligibility and enrollment modernization effort,
- implement a replacement appeals system that will provide an automated appeals solution to be utilized on a department-wide enterprise level and be integrated with the MNsure system, and
- conclude the Information Compliance and System Modernization (ICSM) data sharing project.

### MNsure System

The DHS focus on the stabilization of the MNsure system and related adjustments, including the preparation necessary for the enhancement of medical assistance and MinnesotaCare renewals, remains the primary technical priority for DHS. As a result, technical staff assigned to DHS (MN.IT Services @ DHS) and DHS Medicaid eligibility and enrollment staff have been largely consumed with the MNsure system stabilization effort. In the past year, significant progress has been made toward the MNsure system initiative and we anticipate the intensity of this work will continue to dissipate providing for more resource capacity as we move forward with other DHS modernization initiatives including Non-MAGI and ISDS.

### SMRT

The SMRT pilot was significantly delayed due to dependencies on the MNsure system and resulting resource capacity limitations. In order to further the work of the SMRT initiative and the overall ISDS efforts, while reducing risk to the ongoing MNsure system stabilization effort, DHS leadership decided to implement a second instance (environment) of the Cúram COTS product for ISDS development and implementation purposes. DHS will assess the status of both the MNsure and ISDS projects in 24 months to determine an appropriate time to integrate the two production instances. (See Appendix D for additional information regarding the Cúram second instance alternatives assessment.)

As a result of the decision to implement another instance of the Cúram COTS product, the SMRT project has been able to move forward with the development,



testing and implementation planning efforts. Phase 1 of the project, involving the Cúram case management component, is currently undergoing quality assurance and user testing with anticipated implementation scheduled for the end of the 2015 calendar year. Phase 2, involving Client Portal component, will complete the SMRT pilot and is expected to be implemented in June 2016.

### Appeals

The Affordable Care Act includes a requirement to implement an appeals solution for health insurance exchanges. Minnesota's existing solution was not suitable for use with the MNsure system. Therefore, the Appeals project has moved forward with the purchase and implementation of a COTS product, *myCaseLoad*, which will provide an automated appeals solution to be utilized on a department-wide enterprise level and be integrated with the MNsure system.

### Information Compliance and System Modernization (ICSM)

In June 2015, the ICSM project was completed. The goal of this initiative was to identify and provide guidelines to address data sharing issues that historically have prevented us from moving toward an ISDS. As part of this effort, an analysis was conducted to identify existing barriers to effective data sharing and program integrity and to create a framework consisting of recommendations and an implementation plan for those recommendations.

The ICSM project deliverables are part of the ISDS planning efforts and will provide guidance and direction essential to the DHS development and implementation of an ISDS.

ICSM project deliverables are being evaluated and integrated into the ISDS planning effort. A more detailed summary of the results of this planning effort and the resulting deliverables will be provided in a subsequent IAPDU update after a thorough assessment is completed.

## **SECTION IV: REQUIREMENTS ANALYSIS, FEASIBILITY STUDY, AND ALTERNATIVE CONSIDERATIONS**

### MNsure, Appeals, and ICSM

The requirements analysis, feasibility study, and alternative considerations for the MNsure, Appeals, and ICSM projects are unchanged from the previous IAPD and subsequent updates. Alternative considerations were revisited in this reporting period with regard to options for moving forward with the SMRT project initiative and are detailed below.

### SMRT

The primary objective of the DHS modernization effort is to have an ISDS characterized by services including an ask-once-enter-once approach to client data, a single sign-on, and a comprehensive view of program participation and program requirements.

DHS' initial vision was to have a single instance (i.e., one codebase and one database) of Cúram in production; however, MNsure system stabilization issues and risks associated with utilizing the same instance for ISDS development made it difficult to progress both the MNsure system and ISDS development efforts in a single instance.

Due to the complexity, capacity, and risks associated with developing both systems on the same instance, DHS determined it was necessary to evaluate development options that would progress both MNsure and the ISDS.

After considerable discussion with project stakeholders, including members of the DHS Business Architecture Domain Team, the DHS Enterprise Architecture Board, county service delivery partners, and state IT staff, a decision was made to deploy a second instance of Cúram for production and test environments. The first functions to be deployed to the instance will be those included in the first phase of the SMRT project. (See Appendix D for additional information regarding the Cúram second instance alternatives assessment.)

## SECTION V: COST BENEFIT ANALYSIS

Unchanged from the IAPD and subsequent updates.

## SECTION VI: NATURE AND SCOPE OF ACTIVITIES

The Nature and Scope of the MNsure, SMRT, and ICSM initiatives remain unchanged from the IAPD and subsequent updates. However, the project approach for the Appeals initiative continues to proceed utilizing a phased approach, but with slight modifications.

### Appeals

DHS has a signed professional/technical contract in place with the *myCaseLoad* vendor, which expires 6/30/16 or when all obligations have been satisfactorily fulfilled, whichever occurs first. This contract is deliverable based. The contract/vendor deliverables and state staff deliverables for Phases 1 and 2 are below.

<b>Appeals – Contract/Vendor Deliverables</b>
Initial conference call to state to provide high level overview of project
Phase 1 and 2 schedule
Phase 1 and 2 pricing
Access to a state-specific project website in Toronto, Canada to be used for training, development, and testing
Initial project meeting (kick-off) at DHS site
In person <i>myCaseLoad</i> training to cover functional use and administration
Initial admin confirmation and workflow analysis to be documented in Visio diagrams (part of requirements document)
Gap analysis to show where state business requirements fall outside of <i>myCaseLoad</i> functionality and identification of possible customizations
Review of state-required management reports and mail merge templates related to eFiling, such as eForms
Requirements document to include: <ul style="list-style-type: none"> <li>• Visio mapping of each workflow to be configured in the system</li> <li>• List, description, and pricing of all feature requests that fall outside of <i>myCaseLoad</i> configuration capabilities and require custom development</li> <li>• List of all eFiling forms to be created and descriptions of functional requirements</li> <li>• List of all email and mail merge templates to be created</li> <li>• List of all reports to be created</li> <li>• Interface requirements</li> <li>• Inbound data (format, data types, location of data, availability of data, flat file vs database)</li> <li>• Outbound data (description of what is to be pulled from <i>myCaseLoad</i> and in what format)</li> </ul>

- Both inbound and outbound data (description of how much data is being transferred and its frequency. Description of how the data will be transferred – FTP, local or remote database, or shared folder)

Updated pricing/project schedule and work plan for phases of the project beyond Phases 1 and 2

*Note:* Based on the vendor’s response to the request for information (RFI), additional deliverables will arrive in subsequent phases. At a high level, these deliverables will include specifications for interfaces with DHS tools and web service interfaces, database schema, and the final implementation of the appeals application following the agreed upon configurations. The actual construction of the interfaces and web services to obtain data from DHS source systems will be constructed by state staff.

<b>Appeals – State Staff Deliverables</b>
Process maps, requirements document, and data model
Data analysis to determine best way to request source system data. Note: COTS product did not come with a data model, and DHS needs to document what data it will pull into the product and how that data will be obtained from source systems (preferably) or data warehouse (second choice)
All integration coding to connect <i>myCaseLoad</i> to state applications (e.g. web services to retrieve data from MAXIS, MMIS, MNsure, and possibly the state’s Shared Master Index (SMI); Outlook calendars for scheduling events; Active Directory for role-based security; and FileNet to support electronic filing of documents related to the appeal
SQL Server database in production and test environments
Access to SQL Reporting to integrate standard and ad hoc reporting
Architectural design for all required integration points
Production environment on state servers
Release QA testing
Any additional professional/technical contracts or acquisition of staff augmentation required to meet the delivery date
User training to all areas that will use enterprise appeal solution – reusable training, rather than one-time delivery
Test plans to fully test the enterprise appeals application, including integration points
Execution of tests to identify system areas that work correctly/need to be fixed
Business rules in rules engines and documentation to ensure DHS business staff can continue that function over system life

## **SECTION VII: PROJECT MANAGEMENT PLANNING AND PROCUREMENT**

Minnesota will be implementing a Portfolio/Project Management structure for the entire scope of the ISDS project. The ISDS Project Management Office (PMO) structure will follow the current MNsure PMO structure for consistency, to utilize lessons learned, and ensure improved communications and efficiencies between the projects as part of an overall enterprise management. The ISDS PMO will be managed in-house with support from contract staff as needed. Project roles and responsibilities have also been defined at a high level to serve as a guide for all project stakeholders. (See Appendix E for PMO Structure)

The DHS governance structure for all system modernization efforts, including ISDS, is currently in draft form and has been submitted internally for final approval. Once approved, both the PMO and governance structure documents will be provided to CMS as part of a subsequent IAPD.

## A. Project Organization Changes

### MNsure

With the institution of a governance structure and in-house PMO for MNsure, MNsure is operating under a project structure that includes a contract program manager, lead project managers, and project teams. This structure, and additional project management organization and reporting, has improved our ability to monitor and prioritize the large volume of work more effectively and has led to the goal of MNsure stabilization. (See Appendix E for MNsure IT Governance and PMO Structures.)

### SMRT

Unchanged since IAPD and subsequent updates.

### Appeals

The Appeals project has transitioned the former project manager into a customer relationship/contract management role and assigned a different project manager as we move into the implementation phase of the project and the vendor role increases and the need for vendor management expands. The vendor for the professional/technical contract will have a project manager as well to direct the work being performed by the vendor's staff.

### ICSM

Project has been completed and closed.

## B. Project Schedule

The non-MAGI Medicaid eligibility and enrollment work described in previous IAPD updates, has been on hold while the contingent of resources anticipated in IAPDU-7 and subsequent IAPDs have been redirected to the MNsure system effort to ensure the stabilization of the MNsure system before moving forward.

Updated project schedules are detailed below as applicable.

### MNsure

Unchanged since IAPD and subsequent updates.

### SMRT

<b>Task</b>	<b>Start Date</b>	<b>End Date</b>
Secure Project Consultants	January 2014	February 2014
Finalize Project Plan	January 2014	March 2014
Install, Configure, and Customize Cúram Software	March 2014	September 2015
Develop EDMS Interface	March 2014	November 2014
Develop Data Conversion Software	September 2014	June 2015
Develop Right Fax Interface	July 2014	March 2015
Develop ETL and DataMarts	August 2015	October 2015
Testing	August 2014	October 2015
Train DHS SMRT Business Users	October 2015	December 2015
Deploy SMRT. SMRT Business Go Live	December 2015	December 2015
Configure and Customize Cúram Citizen Portal	December 2015	March 2016
Train County Users	January 2015	May 2015

<b>Task</b>	<b>Start Date</b>	<b>End Date</b>
County Roll-out of SMRT Referral Process	February 2016	June 2016
Citizen Portal Go Live	May 2016	June 2016
Integrate Cúram Person Registration with SMI (Shared Master Index)	February 2016	June 2016

### Appeals

<b>Task</b>	<b>Start Date</b>	<b>End Date</b>
Charter Approved	May 2013	May 2013
Risk mitigation plan completed	September 2014	October 2014
Install Software	December 2014	February 2015
Plan, Train, Gather Requirements	July 2015	August 2015
Design	September 2015	October 2015
Configuration and System Integration	November 2015	April 2016
Testing	May 2016	July 2016
User Training	August 2016	September 2016
Implementation	October 2017	October 2017

### ICSM

<b>Task</b>	<b>Start Date</b>	<b>End Date</b>
Secure Project Consultants	January 2014	January 2014
Finalize Project Plan	March 2014	June 2014
Information Gathering --Assess existing Data Sharing Policies, legislation and other pertinent documents. Conduct interviews and site visits, assess functionality needs, etc.	March 2014	October 2014
Develop recommendations, guideline documents and gather feedback/input.	March 2014	January 2015
Finalize Deliverables (iterative)	June 2014	March 2015
Final Report and Presentation	June 2015	June 2015
Project Close	June 2015	June 2015

## **C. Procurement and Solicitation**

### MNsure

MNsure plans to secure resources through various methods including, but not limited to existing contracts, request for offer (RFO), and other state procurement options available through the Accelerated Staff Augmentation Program (ASAP-IT), the Seeking IT Expertise Program (SITE Program), and sole source.<sup>1</sup>

Minnesota requests an exemption from prior federal approval of acquisition documents in the approval of this IAPDU-11, as permitted in 45 C.F.R. § 95.611, for technical staff augmentation.

### SMRT

The SMRT Project plans to continue utilizing the professional developer, analyst, and architectural services it has already secured through competitive process in addition to assigned state staff.

<sup>1</sup> Additional information regarding these programs is available online at <http://www.mmd.admin.state.mn.us/mn05000.htm>.

### Appeals

Minnesota purchased *myCaseLoad* software through the State of MN reseller purchasing process in FFY15. This contract complied with solicitation requirements.

Minnesota has also secured the resources for the installation, modification, and training of the product through the sole source process; a sole source contract was necessary due to the proprietary ownership rights of the vendor.

The Appeals project will procure a myCaseLoad document publishing module in FFY16 in order to allow for the editing and modification of documents.

Appeals will also require integration services to interface seamlessly with MNsure; these services will be acquired competitively using master contracts described in previously approved APDs in this series or through RFP.

### ICSM

This project has completed and is closed.

### **Status of State MITA Self-Assessment:**

- Completed, submitted with MMIS Modernization IAPD on June 17, 2014.
- Will be conducted and it will be supplied upon completion
- State wishes to obtain copies of other States' MITA Self-Assessments
- State authorizes CMS to share MITA Self-Assessment with other States.

### **SECTION VIII: PERSONNEL RESOURCE STATEMENT**

Personnel and resource needs remain unchanged from previous updates.

### **SECTION IX: PROPOSED ACTIVITY SCHEDULE**

Updated activity/project schedules are provided below.

#### MNsure

Unchanged since IAPD and subsequent updates.

#### SMRT

<b>Task</b>	<b>Start Date</b>	<b>End Date</b>
Secure Project Consultants	January 2014	February 2014
Finalize Project Plan	January 2014	March 2014
Install, Configure, and Customize Cúram Software	March 2014	September 2015
Develop EDMS Interface	March 2014	November 2014
Develop Data Conversion Software	September 2014	June 2015
Develop Right Fax Interface	July 2014	March 2015
Develop ETL and DataMarts	August 2015	October 2015
Testing	August 2014	October 2015
Train DHS SMRT Business Users	October 2015	December 2015

<b>Task</b>	<b>Start Date</b>	<b>End Date</b>
Deploy SMRT. SMRT Business Go Live	December 2015	December 2015
Configure and Customize Cúram Citizen Portal	December 2015	March 2016
Train County Users	January 2015	May 2015
County Roll-out of SMRT Referral Process	February 2016	June 2016
Citizen Portal Go Live	May 2016	June 2016
Integrate Cúram Person Registration with SMI (Shared Master Index)	February 2016	June 2016

### Appeals

<b>Task</b>	<b>Start Date</b>	<b>End Date</b>
Charter Approved	May 2013	May 2013
Risk mitigation plan completed	September 2014	October 2014
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Plan, Train, Gather Requirements	July 2015	August 2015
Design	September 2015	October 2015
Configuration and System Integration	November 2015	April 2016
Testing	May 2016	July 2016
User Training	August 2016	September 2016
Implementation	October 2017	October 2017

### ICSM

<b>Task</b>	<b>Start Date</b>	<b>End Date</b>
Secure Project Consultants	January 2014	January 2014
Finalize Project Plan	March 2014	June 2014
Information Gathering --Assess existing Data Sharing Policies, legislation and other pertinent documents. Conduct interviews and site visits, assess functionality needs, etc.	March 2014	October 2014
Develop recommendations, guideline documents and gather feedback/input.	March 2014	January 2015
Finalize Deliverables (iterative)	June 2014	March 2015
Final Report and Presentation	June 2015	June 2015
Project Close	June 2015	June 2015

## SECTION X: PROPOSED BUDGET

COMPONENT / RESOURCE	Project Total	Less Amount Applied to Grant	Project Total Less Grant	Refugee Allocation			CHIP Allocation			Medicaid Allocation			Total Federal Share	Total State Share	Total Project Costs
				Refugee @ .01 %	FFP %	Refugee FFP	CHIP @ .28 %	FFP %	CHIP FFP	Medicaid Amount	FFP %	MA FFP			
<b>Exchange Grant</b>															
Exchange Project	230,297,473	131,259,637	99,037,836	9,904	100%	9,904	277,306	65%	180,249	98,750,626	90%	88,875,563	89,065,716	9,972,120	99,037,836
Exchange Project	80,353,769	44,279,740	36,074,029	3,607	100%	3,607	101,007	65%	65,655	35,969,415	75%	26,977,061	27,046,323	9,027,706	36,074,029
<b>Exchange Non Grant</b>															
State Staff Costs	32,878,121	-	32,878,121	3,288	100%	3,288	92,059	65%	59,838	32,782,774	90%	29,504,497	29,567,623	3,310,498	32,878,121
Augmentation Staff	15,640,033	-	15,640,033	1,564	100%	1,564	43,792	65%	28,465	15,594,677	90%	14,035,209	14,065,238	1,574,795	15,640,033
Computer	85,000	-	85,000	9	100%	9	238	65%	155	84,753	90%	76,278	76,442	8,558	85,000
Direct Non-Personnel	347,884	-	347,884	35	100%	35	974	65%	633	346,875	90%	312,188	312,856	35,028	347,884
Equipment / Software	2,976,961	-	2,976,961	298	100%	298	8,335	65%	5,418	2,968,328	75%	2,226,246	2,231,962	744,999	2,976,961
Indirect Costs	7,385,864	-	7,385,864	739	100%	739	20,680	65%	13,442	7,364,445	50%	3,682,223	3,696,404	3,689,460	7,385,864
Training Costs	120,000	-	120,000	12	100%	12	336	65%	218	119,652	50%	59,826	60,056	59,944	120,000
Operational Readiness	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Readiness	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Totals</b>	<b>370,085,106</b>	<b>175,539,377</b>	<b>194,545,729</b>	<b>19,456</b>		<b>19,456</b>	<b>544,727</b>		<b>354,073</b>	<b>193,981,546</b>		<b>165,749,091</b>	<b>166,122,620</b>	<b>28,423,109</b>	<b>194,545,729</b>

The implementation effort for MNsure and systems modernization as described in previously submitted APDs and this update is expected to cost \$370,085,106 (an increase of \$0). Of this cost, \$175,539,377 is funded from CCIIO grants. The remaining implementation effort, for which Minnesota is now requesting FFP, totals \$194,545,729 (an increase from IAPDU-11 of \$0). The federal share is \$166,122,620 (an increase from IAPDU-11 of \$0), and the state share is \$28,423,109 (an increase from IAPDU-11 of \$0).

## SECTION XI: COST ALLOCATION PLAN FOR IMPLEMENTATION ACTIVITIES

Does the state intend to invoke the OMB Circular A-87 exception?  Yes  No

Does the state intend to share the costs of the system work related to this funding request with Section 1311 Exchange establishment grant funding?  Yes  No

### A. Cost Allocation Methodology

Estimated Project Total	\$194,545,729
Medicaid Request at 90%	\$132,803,735
Medicaid Request at 75%	\$29,203,307
Medicaid Request at 50%	\$3,742,049
Refugee Request at 100%	\$19,456
CHIP Request at 65%	\$354,073
Total Federal Share	\$166,122,620
Total State Share	\$28,423,109

To the extent DHS identifies any specific requirements that need to be uniquely added for other health and human service programs, the incremental costs of adding those requirements will be entirely cost allocated to the benefitting program(s).



## B. Quarterly Cost Distribution

FFP Approval Timeline	Spent-To-Date	FFY 2016 – Oct 1, 2015 - Sept 30, 2016				FFY 2017 – Oct 1, 2016 - Sept 30, 2017				Totals
		Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	
		10/15-12/15	01/16-03/16	04/16-06/16	07/16-09/16	10/16-12/16				
<b>Medicaid @ 90 % FFP</b>	63,305,979	23,165,920	11,582,959	11,582,959	11,582,959	11,582,959				132,803,735
<b>Medicaid @ 75 % FFP</b>	15,851,093	5,340,886	2,670,443	2,670,443	2,670,442					29,203,307
<b>Medicaid @ 50% FFP</b>	1,433,838	769,404	384,702	384,702	384,702	384,701				3,742,049
<b>Refugee @ 100% FFP</b>	3,914	5,343	2,672	2,672	2,672	2,183				19,456
<b>CHIP @ 65% FFP</b>	239,961	39,230	19,615	19,615	19,615	16,037				354,073
<b>Total FFP</b>	80,834,785	29,320,783	14,660,391	14,660,391	14,660,390	11,985,880	-	-	-	166,122,620
	<b>80,834,785</b>	<b>FFY 2016 Total FFP = 73,301,955</b>				<b>FFY 2017 Total FFP = 11,985,880</b>				

Federal regulations contained in 45 CFR subpart G-Equipment Acquired Under Public Assistance Programs require that ADP equipment having an acquisition cost in excess of \$25,000 must be depreciated over its useful life unless otherwise specifically provided by the Department. A provision in 45 CFR 95 Subpart F-Automatic Data Processing Equipment and Services-Conditions for Federal Financial Participation allows for a waiver of this requirement provided the ADP equipment is part of an Advance Planning Document. Specifically, 45 CFR 95.641 provides the state agency with the option to request the Department of Health & Human Services to waive the depreciation requirement of Subpart G. The Minnesota Department of Human Services requests that the Subpart G requirements be waived for all equipment purchases made under this APD.

### SECTION XII: SECURITY, INTERFACE, DISASTER RECOVERY, AND BUSINESS CONTINUITY PLANNING

Minnesota will implement and/or maintain an existing comprehensive ADP security and interface program for ADP systems and installations involved in the administration or the Medicaid program. Minnesota will have disaster recovery plans and procedures available.

### SECTION XIII: CONDITIONS AND STANDARDS FOR RECEIPT OF ENHANCED FFP

The Conditions and Standards (42 CFR Part 433) for enhanced federal match for Medicaid technology investments have been assessed to ensure alignment with and incorporation into the overall ISDS approach and roadmap.

1.  Yes  No **Modularity Condition.** Use of a modular, flexible approach to systems development, including the use of open interfaces and exposed application programming interfaces; the separation of business rules from core programming; and the availability of business rules in both human and machine readable formats.

2.  Yes  No **MITA Condition.** Align to and advance increasingly in MITA maturity for business, architecture, and data.

3.  Yes  No **Industry Standards Condition.** Ensure alignment with, and incorporation of, industry standards: the Health Insurance Portability and Accountability Act of 1996 security, privacy and transaction standards; accessibility standards established under section 508 of the Rehabilitation Act, or standards that provide greater accessibility for individuals with disabilities, and compliance with Federal civil rights laws; standards adopted by the

Secretary under section 1104 of the Affordable Care Act; and standards and protocols adopted by the Secretary under section 1561 of the Affordable Care Act.

4.  Yes  No **Leverage Condition.** Promote sharing, leverage, and reuse of Medicaid technologies and systems within and among States.

5.  Yes  No **Business Results Condition.** Support accurate and timely processing of claims (including claims of eligibility), adjudications, and effective communications with providers, beneficiaries, and the public.

6.  Yes  No **Reporting Condition.** Produce transaction data, reports, and performance information that would contribute to program evaluation, continuous improvement in business operations, and transparency and accountability.

7.  Yes  No **Interoperability Condition.** Ensure seamless coordination and integration with the Exchange (whether run by the state or federal government), and allow interoperability with health information exchanges, public health agencies, human services programs, and community organizations providing outreach and enrollment assistance services.

Further detail will be provided as part of the comprehensive implementation planning document for ISDS, IAPDU-13.

**SECTION XIV: IAPD REQUIRED FEDERAL ASSURANCES**

*Procurement Standards (Competition / Sole Source)*

- SMM, Part 11  Yes  No
- 45 CFR Part 95.615  Yes  No
- 45 CFR Part 92.36  Yes  No

*Access to Records, Reporting and Agency Attestations*

- 42 CFR Part 433.112(b)(5) – (9)  Yes  No
- 45 CFR Part 95.615  Yes  No
- SMM Section 11267  Yes  No

*Software & Ownership Rights, Federal Licenses, Information Safeguarding, HIPAA Compliance, and Progress Reports*

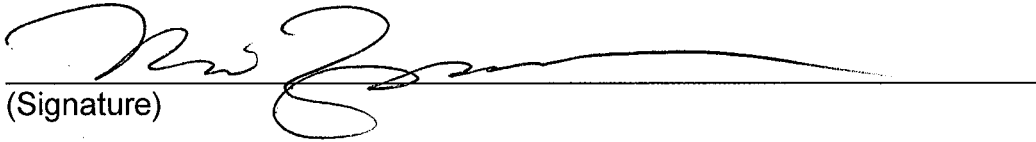
- 45 CFR Part 95.617  Yes  No
- 42 CFR Part 431.300  Yes  No
- 45 CFR Part 164  Yes  No

*Independent Verification and Validation (IV&V)*

- 45 CFR Part 95.626  Yes  No

## State Certification

The Department of Human Services for the State of Minnesota by signing below, agrees that the APD requirements, indicated above, are included in the indicated approved and awarded CCIO grant application and approve use of this information to fulfill the regulatory requirements required by submitting this APD.

  
(Signature)

Name Marie Zimmerman

Title Medicaid Director

State Department Name Minnesota Department of Human Services

**APPENDIX A: MEDICAID DETAILED BUDGET TABLE**

FFP Approval Timeline	State FY14				State FY15				State FY16				State FY17				State FY18
	FFY 2014 - Oct 1, 2013 - Sept 30, 2014		FFY 2015 - Oct 1, 2014 - Sept 30, 2015		FFY 2016 - Oct 1, 2015 - Sept 30, 2016		FFY 2017 - Oct 1, 2016 - Sept 30, 2017		FFY 2018 - Oct 1, 2017 - Sept 30, 2018		FFY 2019 - Oct 1, 2018 - Sept 30, 2019		FFY 2020 - Oct 1, 2019 - Sept 30, 2020		FFY 2021 - Oct 1, 2020 - Sept 30, 2021		Totals
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	
	10/13-12/13	01/14-03/14	04/14-6/14	07/14-09/14	10/14-12/14	01/15-03/15	04/15-6/15	07/15-09/15	10/15-12/15	01/16-03/16	04/16-06/16	07/16-09/16	10/16-12/16				
Medicaid @ 90 % FFP	11,489,869	3,380,597	5,752,992	11,350,376	5,794,280	6,686,666	6,147,616	5,121,568	23,165,920	11,582,959	11,582,959	11,582,959	11,582,959				132,803,735
Medicaid @ 75 % FFP	8,010,221	2,159,252	148,662	(3,110,777)	2,207,104	3,052,470	317,339	276,047	5,340,886	2,670,443	2,670,443	2,670,442					29,203,307
Medicaid @ 50% FFP	117,679	203,549	181,828	99,449	160,602	146,947	147,618	215,537	769,404	384,702	384,702	384,702	384,701				3,742,049
Refugee @ 100% FFP	718	478	130	162				2,170	5,343	2,672	2,672	2,672	2,183				19,456
CHIP @ 65% FFP	22,186	41,824	12,091	12,231	12,481	14,090	106,056	8,138	39,230	19,615	19,615	19,615	16,037				354,073
Total FFP	10,513,373	19,745,941	5,733,898	8,351,441	8,174,467	9,900,173	6,718,629	5,623,460	29,320,783	14,660,391	14,660,391	14,660,390	11,985,880				166,122,620
	10,513,373			FFY 2014 Total FFP = 39,904,683			FFY 2015 Total FFP = 30,416,729					FFY 2016 Total FFP = 73,301,955				FFY 2017 Total FFP = 11,985,880	

## **APPENDIX B: ELIGIBILITY AND ENROLLMENT STAFF**

If the State is requesting funding for Eligibility Determination Staff, then the State should include information to satisfy requirements listed in guidance on Medicaid.gov: <http://www.medicaid.gov/state-resource-center/FAQ-medicaid-and-chip-affordable-care-act-implementation/downloads/Affordable-Care-Act-FAQ-enhanced-funding-for-medicaid.pdf>

The request for Eligibility Determination Staff funding is unchanged from the IAPD and subsequent updates and meets the requirements set forth in the above referenced guidance publication. See Section X: Proposed Budget for personnel cost information.

## **APPENDIX C: ACQUISITION CHECKLIST**

There are no new acquisitions in this APD. Acquisitions detailed in previous APDs remain active.

## **APPENDIX D: SMRT Project – Cúram SECOND INSTANCE ALTERNATIVES ASSESSMENT**

### *Background*

After the implementation of MNsure, DHS began looking for options to progress both the MNsure and the Modernization Projects. The initial vision was to have a single instance (i.e., one codebase and one database) of Cúram in production. However, MNsure priorities made it difficult to progress Modernization development efforts in a single instance. In August 2014, DHS began considering multiple instances which could be merged back into a single instance if circumstances encouraged that approach.

The primary objective of the DHS Modernization effort is to have an Integrated Delivery System (ISDS) characterized by services including an ask-once-enter-once approach to client data, a single sign-on, and a comprehensive view of program participation and program requirements.

### *Approaches and Considerations for the Decision*

There is no right or wrong answer to the question of “single vs. multiple” deployments of a Cúram based solution.

- Single and Multiple options each have their own distinct characteristics providing both benefits and challenges.
- Costs are incurred either way
  - Single - Political, governance, architectural, and design costs
  - Multiple - Maintenance, infrastructure, and integration costs
- The decision should be based on business drivers.
- Technically, either option is viable.

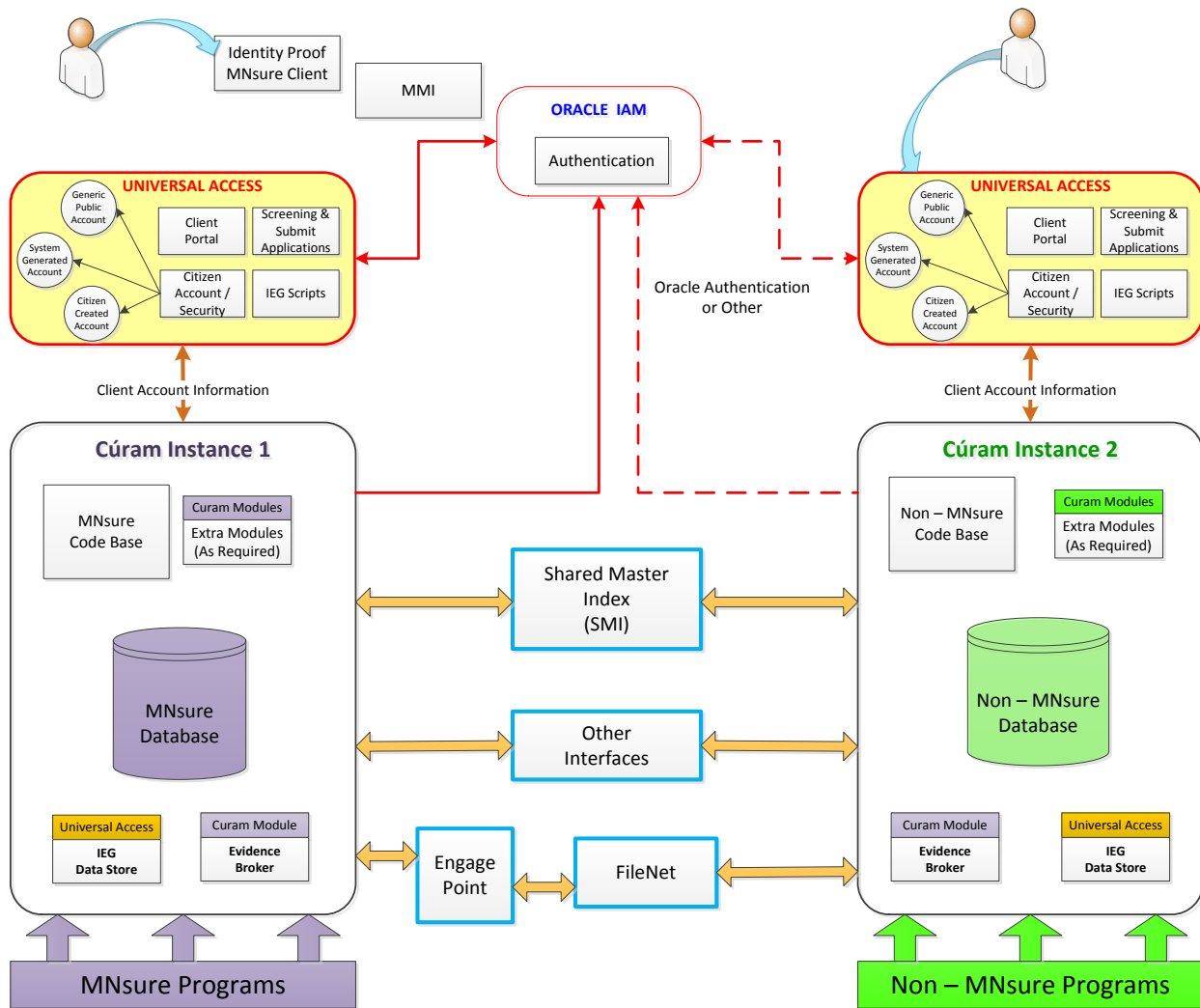
Two approaches to two instances were considered:

1. The separate instances are totally separate and do not “talk” to each other
2. The separate instances share key data and have processes around this sharing of data

### *Decision*

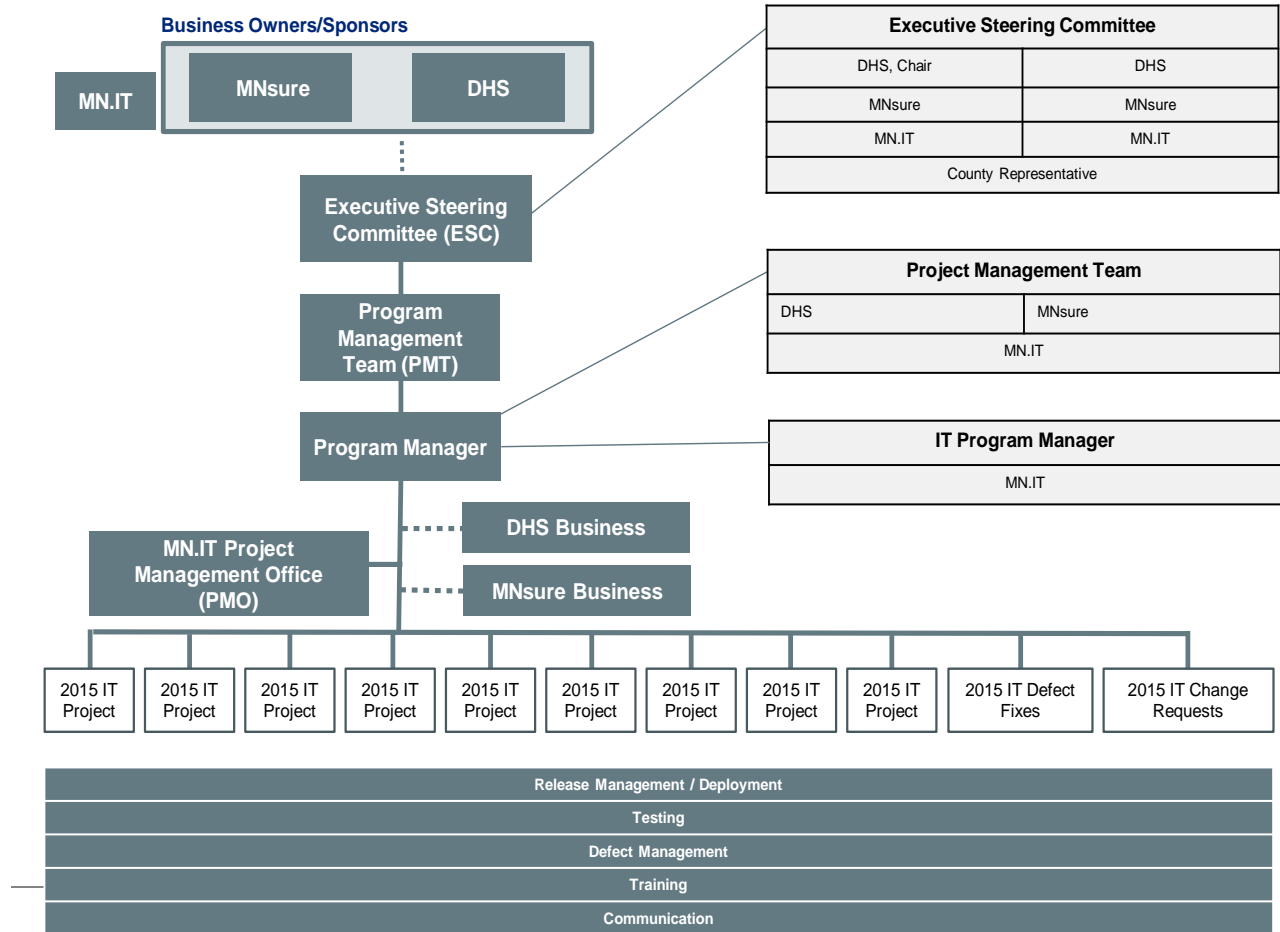
Because integration would require a substantial work effort and MNsure’s requirements are already significant, the “totally separate” approach was suggested in the short term. This approach is described in further detail below.

# Multiple Instances – No Data Sharing 'Straw' Diagram





# MNsure IT Governance



<b>MNsure IT Program/Project Management Structure</b>									
<b>MNsure Executive Steering Committee</b>									
<b>Project Management Team</b>									
<b>Program Manager</b>									
<b>Project Group Leaders</b>	<b>Project Group Lead</b>			<b>Project Group Lead</b>			<b>Project Group Lead</b>		
<b>Project Group</b>	<b>Caseworker/Case Mgmt</b>			<b>Navigators/Brokers</b>			<b>Applicants/Carriers</b>		
<b>Project Description</b>	Project	Project	Project	Project	Project	Project	Project	Project	Project
<b>Project Champion</b>	Project Champion	Project Champion	Project Champion	Project Champion	Project Champion	Project Champion	Project Champion	Project Champion	Project Champion
<b>Project Manager</b>	Project Manager	Project Manager	Project Manager	Project Manager	Project Manager	Project Manager	Project Manager	Project Manager	Project Manager
<b>Tech Lead</b>	Tech Lead	Tech Lead	Tech Lead	Tech Lead	Tech Lead	Tech Lead	Tech Lead	Tech Lead	Tech Lead
<b>BA Lead</b>	BA Lead	BA Lead	BA Lead	BA Lead	BA Lead	BA Lead	BA Lead	BA Lead	BA Lead
<b>QA Lead</b>	QA Lead	QA Lead	QA Lead	QA Lead	QA Lead	QA Lead	QA Lead	QA Lead	QA Lead
<b>Project Team Members</b>	Project Team Members	Project Team Members	Project Team Members	Project Team Members	Project Team Members	Project Team Members	Project Team Members	Project Team Members	Project Team Members
<b>Release Management</b>									
<b>Program Management Support Team</b>									
<b>Project Schedule/Resource Lead</b>									
<b>Budget/IV&amp;V Lead</b>									
<b>Reporting/Communications Lead</b>									
<b>Contract Management Lead</b>									
<b>Release Management Lead</b>									