# STATE OF MINNESOTA ESTABLISHMENT GRANT SUPPLEMENT

## SUPPLEMENTAL ADJUSTMENT REQUEST

### *THIS DOCUMENT UPDATED BASED ON 12-22-2014 NOTICE OF AWARD*

**Grantee:** Minnesota Health Exchange (MNsure)

**Grant #, Original Amount, Supplemental Adjustment, Total Award:**

| Grant # | Grant Level | End Date | Original Amount | Supplemental Adjustment | Total Award |
|---|---|---|---|---|---|
| HBEIE110068 (~$4m expended) | One | closed | | | |
| HBEIE120176 (formerly HBEIE120107) | One | 12/31/2015 | $26,418,668 | $5,733,186 | $32,151,854 |
| HBEIE120177 (formerly HBEIE120135) | One | 12/31/2015 | $42,525,892 | $9,835,908 | $52,361,800 |
| HBEIE130163 | One | 12/31/2015 | $39,326,115 | $9,074,893 | $48,401,011 |
| HBEIE140181 | Two | 12/31/2015 | $41,851,457 | $9,699,075 | $51,550,532 |
| **Total** | | | **$150,122,132** | **$34,343,062** | **$184,465,194** |

**MNsure Background:**

On October 31, 2011, Governor Mark Dayton signed an executive order authorizing the creation of the state health insurance exchange. During 2012, Minnesota submitted an application and letters of intent to build a state-based exchange to the federal government. On March 20, 2013, Governor Dayton signed legislation that officially established "MNsure" as Minnesota's health insurance exchanged to be governed by a seven-member board of directors. The authorizing state law allowed MNsure to enroll applicants in qualified commercial plans sold through the Exchange, as well as publicly-supported programs, Medical Assistance and Minnesota Care (which includes federal Medicaid and CHIP).

Prior to creation of MNsure, the state's efforts to obtain federal money to design, build and manage an exchanged was a collaboration among the Departments of Commerce, Human Services, Health, Management & Budget, and the Office of MN.IT Services. In October 2011, the state granted authority to the Department of Commerce to design and develop an exchange. Accordingly, CCIIO establishment grants were initially awarded to the Department of Commerce. Federal and state money were also provided to the Department of Human Services (DHS) to upgrade computer systems since the Exchange would also be used to enroll individuals in publicly-funded programs.

On September 18, 2012, Governor Dayton shifted oversight in the development of the exchange from the Department of Commerce to the Department of Management & Budget. Then, as indicated above, on March 20, 2013, Governor Dayton established MNsure. MNsure is now responsible for the CCIIO establishment grant funding summarized in the table above.

**Current Establishment Grant Funding:**

Level One grants are financing the design and development of the state-based exchange, including technical infrastructure (a.k.a. IT build) and business operations.  Currently there are four open grants, and have been extended through 12-31-15.  The anticipated remaining obligations and spending in each of these grants is addressed in the most recent cost-neutral grant budget revision for these grants.

Like the Level One grants, the Level Two grant is financing the design and development of the state-based exchange, including the IT Build and business operations, and has been extended through 12-31-2015. Also like the Level One grants, the anticipated remaining obligations and spending is addressed in the most recent cost-neutral grant budget revision.

**Reason for Supplement Adjustment Request:**

The current Level One and Level Two establishment grant funds provide a solid foundation for business operations.

Based on updated cost estimates provided to MNsure and DHS by MN.IT (the State's IT  agency), and applying the proposed cost allocation between the CCIIO adjustment and corresponding Medicaid IAPD Update (see Budget Narrative), a CCIIO adjustment of $21 million is necessary to complete the IT build within scope by 12-31-2015.  This request also funds approximately $13 million of enhanced consumer assistance activities that are necessary during the extended completion period of the IT build.

## *Completion of IT Build*

1. **Ongoing deep project management:** In CY 2015, we will continue to have significant work related to development of the system, including project management, which will be above and beyond normal operations of a system.

    a. **Project Director** - The Project Management Office has hired a permanent Project Director to lead the ongoing aspects of completing the planned scope of effort. This position was identified by our project management contractor as a missing element. This individual will direct the Project Management Office through the planned phases of implementation.

    b. **Project Managers, Program Management Office** - The project recently contracted with a vendor to implement the Project Management Office. That implementation included staffing, training, methodology, and management of that phase of the project. This role will be transferred from the vendor to permanent staff as the competency and capabilities of the Project Management Office have reached an acceptable level of maturity.

    c. **Project Communications** - a project communications role was identified by our vendor as a role which was required.  This includes but is not limited to the information technology aspects of communication. This was seen as a vital role to continue effective coordination between the agencies and stakeholders impacted by information technology.

    d. **Business Analysts** - The project requires ongoing support from individuals with that skill set. In addition to executing the identified scope of the project, the organization is shifting from a project- centric business analyst role to training and building that competency and capacity for longer-term support of the organization.

    e. **Quality Assurance** - this area includes the staffing of a QA supervisor and staff to perform this function. Developing not only the near-term capacity but setting ourselves up for long-term capacity and competency is a part of this effort. This includes the maturity of our processes and procedures as well as execution of quality assuring project deliverables.

    f. **Documentarian** - The level of documentation required to meet federal and state requirements, audit requirements, and the basic organization of these document libraries requires this skill set. The organization, the lifecycle management, , and the ability to organize and produce documents  on demand is within scope of this effort.

    g. **IV&V Support** – It has been determined that to provide the due diligence and support of our vendor additional staff is needed to support their ability to give the project value. This is well above contract support in managing the vendor. This is providing them with documentation, access, analysis, and actionable responses.

    h. **Audit and Compliance Activities** - To perform these activities in true partnership with our audit partners requires the attention of dedicated staff. Often it includes business analysts, data analysts, systems engineers, software engineers, project management, documentation, and active participation to assure that those audits and compliance activities are given the level of attention needed to be precise.

    i. **Contract Management** - Contract management includes legal and financial oversight, project management, quality assurance, and management of deliverables against contract requirements.

2. **Other Core Functions**

   a. **Security** - While the project executed the key elements of our security life cycle, security is a never-ending process. Requirements change, threats change, and constant oversight of this area requires attention. Our incident response is also a maturing set of people, processes and tools.  We desire to bring this aspect of the organization well above minimum essential standards and will need enhancements to do so.

   b. **Operational monitoring** - This is also an area that needs attention. New businesses, particularly those that are IT based at the core, learn over time the aspects of business process operations, which areas need to be monitored, and what measures provide value. This is a maturing area that needs additional attention for the operation to have full visibility into the technology, the process, and the people engaged in service delivery.

   c. **Hub enhancements** - Much of the success of the exchange is dependent upon the effectiveness of connecting with the federal hub. This includes the day-to-day operations, the ongoing enhancements, and additional functions to be leveraged out of the hub in the future. As this functionality matures and as our operational monitoring matures, our ability to manage this technology relationship with the federal hub needs to be improved.

   d. **Contact Center IT Support** - As the call center matures, we need to add additional functionality to our customer relationship toolset. That toolset requires technology, implementation services, and training to allow us greater response ability at the contact center. This includes but is not limited to links to social media, knowledge repositories, and integrating all aspects of our customer response parameters.

   e. **Contact Center Expansion** -Due to the contact center levels of use during certain peak periods and events which require capacity expansion or contraction, these efforts require IT staff to meet those demands. These would be activities such as expanding phone line capacity, workstation and customer relationship management, voice recognition path management, and other components needed to meet that capacity.

   f. **Policy and Rule Interpretation Work Impact** - As policy and rule interpretations are updated and posted by the federal government; there is an impact to the solution set. To implement those changes, all aspects of the software lifecycle are impacted. We assume that these changes will be ongoing and will require the attention of development teams.

   g. **Operational Optimization** - While our infrastructure is stable, we're in the midst of converting additional customers to the exchange. With only one year of experience under our belts, and the expansion customers due to public programs, this will require additional effort from our system engineers, as well as software architects.

   h. **Gaps in System Automation** - The solution set accounted for automating many aspects. There are additional automation activities that will not only enhance the experience of our users, but will also provide methodologies for executing automated IT jobs. These automated solutions will mature over time, however, there are many that need immediate attention.

   i. **Mediation Enhancements** -This solution set is made up of three major software components and over 50 minor components. The functions of these components are achieved through an enterprise service bus and process orchestration. These mediation orchestration components need to be fine-tuned and in some cases optimized to improve the user experience, assure master data management, and realize them in the best possible architectural pattern.

j. **Auditing Enhancements** – The solution complexity currently requires vast knowledge of multiple data models and data structures. This complexity has forced the need to provide other mechanisms to capture/report on the information necessary to meet state and federal guidelines in a timely manner.

3. **Reporting:** Reporting, proactive and reactive analytics, business activity monitoring, and basic reporting needs substantial maturity. This is needed to meet our federal reporting requirements, our foundational business operations, compliance, audits, and executive decision-making.

   a. **Report Development** - The development of reports needs the talents of subject matter experts, project managers, business analysts, data analysts, technical implementers, and analytics experts.
   b. **Exchange Transfer Load** - Once data models are developed,  the data needs to be converted from a production data model to reporting data model. That data then needs to be translated and loaded into the data warehouse repository. This requires tooling, professional technical services, and operational support methodology implementation.
   c. **Infrastructure enhancements** -The instrumentation, data, reporting and analytic functionality all need infrastructure.
   d. **Licenses & Training** - Software licenses and staff training both require attention to realize the benefit of the investment. This is intended to support the near-term implementation as well as the ongoing operational support methodology.

4. **Contract Fulfillment** - As we moved into open enrollment, determined and adjusted the scope of implementation, deliverables articulated in the initial contracts were postponed, or deferred.  Many of these items were at different phases of the development lifecycle and to restart that scope may be different depending on the functional components.

   a. **Training** - This created a ripple effect to training staff in that training, both online and written material needed to be changed.
   b. **Release Management** - Release Management plans have been adjusted and new desired functionality needs to be factored into the overall release cycle. These have ramifications across contract, technology, people, process, and all aspects of the software delivery lifecycle.
   c. **Data Clean Up** - Due to the short ramp up for go live, deferred scope impacted many aspects including master data management across the subcomponents of the solution set. This impacts the effort of key staff for cleaning up and the duplicating data. This is not a trivial effort and needs to be done in an exacting methodology.
   d. **Electronic Data Interchange** - In an effort to manage scope, much of our electronic data interchange was accomplished in a semi-automated manner.   This was never our long-term aspiration.  Due to the importance of quality electronic data interchange with our carrier partners and other stakeholders, this is an area of needed attention.
   e. **Processing Center** - Beyond the functions of the call center, our findings over the past year include the need for semi- automated processes, and often manual intervention. The effectiveness of the processing center activity enhances the user experience, the effectiveness of enrollments, and the management of those enrollments.

## Consumer Assistance

To ensure customer service and program integrity during the extended completion period of the IT build and to support new customer service related to consumer use of the 1095A form, additional consumer assistance will continue to be necessary.   This request funds the extension of one-time resources (state and contracted staff) through 12-31-2015 for direct customer service and "behind the scenes" manual processing activities that are due to delayed IT functionality.   Within the MNsure organization structure, these resources reside within the Call Center and Manual Operations units of the Contact Center, the Project Management Office, SHOP, Navigator, and Marketing/Communications Program.

This request also funds additional resources (state and contracted staff, and technical service contracts, and technical service contracts) for the completion of essential assistor-portal functionality/processes, and (within the IT build) the enhancement of critical privacy, security, and compliance architecture, functionality/processes.

# BUDGET NARRATIVE

**Introduction:**

This supplemental adjustment is limited to the completion of the IT system and enhanced consumer assistance costs required to complete the project within scope by 12-31-2015 as well as new program costs to support the 1095A process.   The budget narrative explains in detail the specific expenditures to be funded by this request.

The table below summarizes the adjustment based on the standard CCIIO reporting categories, and based on the cost allocation of these IT build expenditures between CCIIO funds and the Medicaid IAPD budget.

| Overall | Supplemental Adjustment | | |
|---|---|---|---|
| *Summary by Reporting Category* | Proposed | Cost allocation | |
| | Budget | CCIIO | IAPD |
| **Completion of IT Build** | | | |
| Salary | 0 | 0 | 0 |
| Fringe | 0 | 0 | 0 |
| Travel | 92,700 | 19,467 | 73,233 |
| Supplies | 185,400 | 38,934 | 146,466 |
| Equipment | 10,197,000 | 2,141,370 | 8,055,630 |
| Contracts | 66,567,948 | 17,285,798 | 49,282,149 |
| Other | 9,501,750 | 1,995,368 | 7,506,383 |
| Indirect | 0 | 0 | 0 |
| Subtotal | 86,544,798 | 21,480,937 | 65,063,861 |
| **Enhanced Consumer Assistance** | | | |
| Salary | 2,612,286 | 2,612,286 | 0 |
| Fringe | 1,118,889 | 1,118,889 | 0 |
| Travel | 0 | 0 | 0 |
| Supplies | 0 | 0 | 0 |
| Equipment | 0 | 0 | 0 |
| Contracts | 9,130,950 | 9,130,950 | 0 |
| Other | 0 | 0 | 0 |
| Indirect | 0 | 0 | 0 |
| Subtotal | 12,862,125 | 12,862,125 | 0 |
| **Total** | 99,406,923 | 34,343,062 | 65,063,861 |

*Exhibit A provides a breakdown of this table by grant*

**Cost Allocation:**

The table below reflects the cost allocation of IT Build expenditures between the requested supplemental CCIIO adjustment and the Medicaid IAPD budget.

| Completion of IT Build | Actual MNsure Enrollment as of June 2014 | | Supplemental Adjustment IT Build |
|---|---|---|---|
| | Enrollees | Percentage | Cost Allocation |
| | | | |
| QHP | 52,233 | 20.6959% | |
| SHOP | 791 | 0.3134% | |
| **Private Programs** | **53,024** | **21.0093%** | **21% Suppl. CCIIO Grant Request** |
| | | | |
| Medicaid | 147,310 | 58.3676% | |
| MNcare | 52,049 | 20.6230% | |
| **Public Programs** | **199,359** | **78.9907%** | **79% Updated I-APD Budget** |
| | | | |
| **Total Private and Public** | **252,383** | **100.0000%** | |

**Explanation of costs:**

# Complete IT Build

| Staffing | Amount | Description |
|---|---|---|
| Staff at MN.IT @DHS (interagency agreement)<br><br>HBEIE120176<br>HBEIE120177<br>HBEIE130163<br>HBEIE140181 | 18,224,821 | 134 FTE – See Exhibit E for detailed list<br><br>The budget amount is based on MN.IT's average salary/fringe rate of $59 per hour multiplied by the anticipated hours tracked to the project.   Actual charges will be based on the actual position hours/costs tracked to the project. |
| Staff augmentation (consultant contracts)<br><br><br><br><br>HBEIE120177 | 16,533,045 | 49 FTE – See Exhibit E for detailed list<br><br>The budget amount is based on MN.IT's average paid contract rate of $150 per hour multiplied by the anticipated hours tracked to the project. Actual charges will be based on the actual consultant hour/costs tracked to the project. |

*Summary of Staff Augmentation Roles*

**Project Director**

- Position to oversee and manage all MNsure IT-related projects

**Infrastructure Support including:**
- Infrastructure data power F5 Administrator – IT advanced level professional (ITS4)
- Websphere Administrator – Advanced level professional (ITS4)
- Database Administrators –  IT advanced level professional (ITS4) to support additional environments, add Hadoop/BDA responsibilities
- Project Management – IT advanced level professional (ITS4) to provide PM/Documentation for Middleware and Websphere Infrastructure.
- Project Management – IT professional/advanced professional levels (ITS3/ITS4) to manage projects.  These responsibilities will be assumed by state staff in 2015.

**Software Support including**:
- Business Analysis – IT professional/advanced professional levels (ITS3 and ITS4) to clean-up data and document MNSure.
- Quality Assurance – Lead IT advanced professional (ITS4), 1 Supervisor level and 10 IT professional level  to design and execute quality assurance testing
- Management Analyst to assist the Project Director with administrative tasks including project budget and contracts.
- Software deployment support - (three quarter time) IT professional level (ITS3) and 1 IT advanced professional level (ITS4)

| Prime IT vendors | Amount | Description |
| --- | --- | --- |
| Deloitte<br><br>HBEIE130163 - Restricted | 13,905,000 | Deloitte is responsible for the overall project management responsibilities of the development effort. This effort will continue through a specific point in time with the expectation that Deloitte will transition this effort over to the MN.IT Services staff allocated to this effort. |
| EngagePoint<br><br>HBEIE130163 - Restricted | 5,654,700 | This contract is necessary to continue knowledge transfer and provide the integration effort on the remaining DDI efforts. EP is the primary integrator responsible for the integration of the overall solution. There is also a testing team component that is critical to test any functionality being delivered. |
| Connecture<br><br>HBEIE120177 - Restricted | 1,714,950 | Connecture is responsible for the planned shopping experience.   This contract is necessary as they possess the functionality to merge code and deploy onsite.<br><br>*CCIIO funded only, i.e. no Medicaid IAPD share* |

| Other IT contracts | Amount | Description |
| --- | --- | --- |
| Identity Access Management<br><br>HBEIE120176 - Restricted | 2,966,400 | IAM is a broad technology area that deals with identifying individuals in a system (such as a network or an application) and controlling their access to resources within that system by associating user rights and restrictions with the established identity. The enrollment process for the state credential will be accompanied by identity proofing and collection of profile information in order to verify the user's identity. Once issued, the credential will be validated as part of the authentication process. The level of assurance provided by an authentication method is increased as the number and types of authentication factors are increased. Access control decisions will then be based on the privileges assigned to the user. |

| Other IT contracts | Amount | Description |
|---|---|---|
| Support / Tuning<br><br><br><br><br>HBEIE120176 - Restricted | 927,000 | In order to ensure the viability and performance of the system there is a continued need for contract staff to assist state staff and provide knowledge transfer on the support and stabilization of the existing development efforts. The complexity of the solution and the integration points require further documentation and definition as well. |
| 1095A Process / Reconciliation<br><br><br><br><br><br><br><br><br>HBEIE120176 - Restricted | 2,470,532 | As a contingency, approximately $2.5M is requested to fund contracted services related to the 1095 process.  This potential contract would support the development phase of IT processes needed to carry out 1095 data submissions to the IRS and CCIIO as well as production of the 1095A form to consumers.  Although substantial work has already been completed on business requirements and initial development to support the 1095A, contracted resources may be needed to support this critical work.  Contracted resources may also provide resources to assist in reconciliation of 2014 policy level enrollment data with CCIIO.<br><br>*CCIIO funded only, i.e. no Medicaid IAPD share* |
| Reporting / Data Warehouse<br><br><br><br><br>HBEIE120176 - Restricted | 927,000 | Funding is requested to provide resources for building of a data warehouse to support MNsure reporting needs, including those required by the federal government.  Contracted resources would also support more effective use of existing extensive data table structures to support reporting needs. |
| Audit Functionality<br><br><br>HBEIE120176 - Restricted | 927,000 | There is a need to enhance the log infrastructure. A roadmap proposed project would address "Compliance Reporting" and/or "Who looked at my records." |
| Disaster Recovery<br><br><br><br><br><br>HBEIE120176 - Restricted | 741,600 | To ensure the viability of the solution in the event of disaster, contracts must be in place to allow for an expedient transition to a failover facility. These services provide the mechanism to allow the business continuity in these events and align with the continuity of operations plan defined by business. |

| Other IT contracts | Amount | Description |
|---|---|---|
| MN.IT Central services<br><br>HBEIE120176 - Restricted | 1,390,500 | In order to support the continued development effort there is a necessity to provide services that include networking, desktop support, telecom, virtual desktops, and development environments.<br><br>MN.IT Central charges are based on Federal DCA approved central-services cost allocation, rate-setting methodology. |

| Hardware/software | Amount | Description |
|---|---|---|
| Environments<br><br>HBEIE130163 - Restricted | 9,270,000 | In order to adequately performance and load test the code being developed and delivered there is a need to build out additional environments as well as acquire software and services to provide the necessary framework. The state has currently been contracting for several of these. The overall needs include infrastructure and licensing of the overall solution to incorporate training, load and performance regions. In coordination with these new environments and the complexity of eligibility there is a necessity to emulate both future and past testing. Time travel is a critical component that needs funding to support the existing efforts to allow for success going forward. There is also an increased need in licensing for the regions that are already in production. |
| Websphere<br><br>HBEIE140181 - Restricted | 7,416,000 | WebSphere provides software for SOA environments that enables dynamic, interconnected business processes, and delivers highly effective application infrastructures for all business situations. WebSphere is IBM's application and integration software platform, and includes the entire middleware infrastructure, including servers, services, and tools, needed to create, deploy, run, and monitor round-the-clock, enterprise-wide web applications and cross-platform, cross-product solutions. |

| Hardware/software | Amount | Description |
|---|---|---|
| Time Travel<br><br><br><br><br><br><br><br><br>HBEIE140181 - Restricted | 1,946,700 | Time Machine is a software application designed to manage server/client time zone differences. With Time Machine, servers can now provide remote clients/users with "local time" as required for legal, accounting, and other sensitive and/or critical time and date applications.  Time Machine is also a powerful application used to evaluate "what-if" scenarios and test time-programmed events and activities such as end-of-month or quarterly reports. Users simply login using the correct time, then the server processes are selected to run under different user-specified time settings.  As a result, new software is easily tested for date and time verification. |

| General administration | Amount | Description |
|---|---|---|
| Travel expenses<br><br>HBEIE130163 | 92,700 | Travel to health exchange and technical conferences   (estimate based on 134 additional MN.IT @DHS staff |
| Office supplies<br><br>HBEIE130163 | 185,400 | Office supplies including pens, paper, copier, toner, chairs, etc.  (estimate based on 134 additional MN.IT @DHS staff and additional 49 consultants) |
| Equipment and furniture<br><br>HBEIE130163 - Restricted | 927,000 | Staff computers, office equipment, and repairs. (estimate based on 134 additional MN.IT @DHS staff and additional 49 consultants) |
| Occupancy costs<br><br>HBEIE130163 | 185,400 | Short-term lease expenses.<br>(estimate based on 134 additional MN.IT @DHS staff and additional 49 consultants) |
| Training<br><br>HBEIE120177 | 139,050 | Staff training on technical tools and methods.<br>(estimate based on 134 additional MN.IT @DHS staff and additional 49 consultants) |

**The table below summarizes the requested adjustment by standard CCIIO reporting category:**

| Completion of IT Build | Supplemental Adjustment | | |
|---|---|---|---|
| *Summary by Reporting Category* | Proposed | Cost allocation | |
| | Budget | CCIIO | IAPD |
| **Travel** | | | |
| General travel expenses | 92,700 | 19,467 | 73,233 |
| Subtotal | **92,700** | **19,467** | **73,233** |
| **Supplies** | | | |
| General office supplies | 185,400 | 38,934 | 146,466 |
| Subtotal | **185,400** | **38,934** | **146,466** |
| **Equipment** | | | |
| Environments | 9,270,000 | 1,946,700 | 7,323,300 |
| General equipment and furniture | 927,000 | 194,670 | 732,330 |
| Subtotal | **10,197,000** | **2,141,370** | **8,055,630** |
| **Contracts** | | | |
| MN.IT @DHS staff (intergagency agreeement) | 18,224,821 | 3,827,212 | 14,397,608 |
| Staff augmentation (consultant contracts) | 16,533,045 | 3,471,939 | 13,061,106 |
| Prime IT vendor contracts | 19,559,700 | 4,107,537 | 15,452,163 |
| Prime IT vendor contracts (CCIIO only) | 1,714,950 | 1,714,950 | 0 |
| Other IT contracts - MN.IT Central Services | 1,390,500 | 292,005 | 1,098,495 |
| Other IT contracts - Other | 6,489,000 | 1,362,690 | 5,126,310 |
| Other IT contracts (CCIIO only) | 2,470,532 | 2,470,532 | 0 |
| General occupancy costs | 185,400 | 38,933 | 146,467 |
| Subtotal | **66,567,948** | **17,285,798** | **49,282,149** |
| **Other** | | | |
| ▮▮▮▮▮ software licences | 7,416,000 | 1,557,360 | 5,858,640 |
| Time Travel software licences | 1,946,700 | 408,807 | 1,537,893 |
| General training | 139,050 | 29,201 | 109,850 |
| **Total** | **86,544,798** | **21,480,937** | **65,063,861** |

*Exhibit B provides a breakdown of this table by grant*

**Explanation of costs:**

## *Consumer Assistance*

| Call Center | Amount | Description |
|---|---|---|
| Temporary staff<br><br><br><br><br><br><br><br>HBEIE120177 | 1,460,025 | Additional call center capacity is needed to ensure high quality customer service.  MNsure is addressing this situation via temporary staffing and the "overflow" contract.  This request provides funding for temporary staff needed to address the peak enrollment period and other contingences/customer service challenges that may occur during the completion of the IT build.  These additional staff will also help answer consumer questions related to the 1095A form and provide overall enhanced customer sevice for Minnesota consumers |
| Overflow contract<br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br>HBEIE130163 | 2,317,500 | Additional call center capacity is needed to ensure satisfactory customer service.   MNsure currently has a contract with a front line overflow vendor through the spring of 2015.  MNsure will start a procurement process in December 2014 for a longer-term overflow vendor.  The front line overflow vendor is the first point of entry for incoming calls, so that MNsure's Contact Center employees can focus on escalated phone calls, resolution of more complicated customer situations, and manual processes.  The presence of an overflow vendor is MNsure's solution for ensuring high quality customer service during particularly busy times of the year and to avoid overstaffing the Contact Center with permanent employees until we have more experience to understand the "steady state" staffing needs of the Contact Center.  It is anticipated that overall Contact Center capacity can be reduced once MNsure's information technology systems are more mature and complete.  MNsure is requesting $2.3 million in additional funding to pay for the existing overflow vendor contract from January 1, 2015 through XX as well as funding to pay for the longer-term overflow vendor contract through December 31, 2015. |

| Manual processes | Amount | Description |
|---|---|---|
| Manual Operations staff<br><br><br><br><br><br><br>HBEIE120177 | 1,297,800 | Temporary staff are performing functions that MNsure's information technology system is not yet able to carry out in an automated way.  These functions include processing of life events, processing of manual enrollments when required, processing of agent of record forms and other manual functions.  This request provides $1.4M in funding through 12-31-2015 for an additional 20 staff to perform this work. |
| SHOP staff<br><br>HBEIE140181 | 602,550 | SHOP enrollment and premium payment processing occurs through manual processes facilitated by SharePoint /Caspio functionality.  This request provides the necessary funding through 12-31-2015 for five existing positons, two additional positions, and three consultants. |
| SHOP staff augmentation (consultant contracts)<br><br>HBEIE140181 | | |
| Project Management Office staff augmentation (consultant contracts)<br><br><br><br><br><br><br><br><br><br><br><br>HBEIE140181 | 5,562,000 | Contracted resources will continue to be necessary during the completion of the IT build and to help design manual processes that must be temporarily be carried out during the completion of the IT build.  Consultants have been essential in ensuring we have the right level of skill and expertise in documenting business requirements, communicating with vendors, and understanding functionality of vendor products and how they need to be customized for our purposes.  Contractors also write test cases and participate in the testing process.  Consultants are utilized for this purpose both because of their commercial skills and experience and because these resources will not be ongoing staff needs at the level utilized today.  This request extends funding for 23 consultants through 12-31-2015. |

| Assistor-portal | Amount | Description |
|---|---|---|
| Functional analyst staff<br><br>HBEIE120177 | 370,800 | A mix of non-eligibility system IT work and consumer assistance efforts are necessary to complete an Assister Portal include:<br>• Caspio (saas) configuration to build consumer assistance program functionality, including contracting, certification, customer service (everything except for 'apply on behalf of' functionality within our eligibility system).<br>• Eligibility system role configuration to facilitate 'apply on behalf of' functionality through current system<br>• MNsure intends to address this situation via additional staff, staff augmentation contacts and technical service contracts |
| Staff augmentation (consultant contracts)<br><br>HBEIE120177 | 695,250 | |
| Technical services contracts<br><br><br><br>HBEIE120177 | 556,200 | |

**The table below summarizes the adjustment by standard CCIIO reporting category:**

Based on budget planning experience, the staff costs identified in the preceding tables are divided in the table below between the Salary category (at 70%) and Fringe category (at 30%).

| Enhanced Consumer Assistance | Supplmental Adjustment | | |
| --- | --- | --- | --- |
| *Summary by Reporting Category* | Proposed | Cost allocation | |
| | Budget | CCIIO | IAPD |
| **Salary** | 70% | | |
| Call Center temporary staff | 1,022,481 | 1,022,481 | 0 |
| Manual Operations staff | 908,460 | 908,460 | 0 |
| SHOP staff | 421,785 | 421,785 | 0 |
| Functional analyst staff (Assistor-portal) | 259,560 | 259,560 | 0 |
| Subtotal | **2,612,286** | **2,612,286** | **0** |
| **Fringe** | 30% | | |
| Call Center temporary staff | 437,544 | 437,544 | 0 |
| Manual Operations staff | 389,340 | 389,340 | 0 |
| SHOP staff | 180,765 | 180,765 | 0 |
| Functional analyst staff (Assistor-portal) | 111,240 | 111,240 | 0 |
| Subtotal | **1,118,889** | **1,118,889** | **0** |
| **Contracts** | | | |
| Call Center overflow contract | 2,317,500 | 2,317,500 | 0 |
| Staff augmentation contracts (PMO) | 5,562,000 | 5,562,000 | 0 |
| Staff augmentation contracts (Assistor-portal) | 695,250 | 695,250 | 0 |
| Technical services contracts (Assistor-portal) | 556,200 | 556,200 | 0 |
| Subtotal | **9,130,950** | **9,130,950** | **0** |
| **Total** | **12,862,125** | **12,862,125** | **0** |

*Exhibit C provides a breakdown of this table by grant*

Exhibits:

A:     Overall Budget Request by Grant

B:      IT Build by Grant *(including proposed recalculation of IT restriction)*

C:     Consumer Assistance by Grant

D:     MN.IT @DHS Staff and Contractors

E:     CCIIO/CMS Follow-up Questions (12-1-2014 e-mail)

F:     MNsure Staff Augmentation

G:     FY 2014-18 budget estimates