

Minnesota Eligibility Technology System

Fiscal Report for QE 12-31-2017

Introduction

1. The METS fiscal report is a product of the METS Executive Steering Committee Finance Work Group. This group includes financial management from MNIT, DHS and MNSure.
2. The report is produced quarterly, in accordance with M.S. 62V.055, Subdivision 3, and is available approximately 45 days following quarter-end.
3. The report includes two tables:

Table 1: Overall View of METS Budget. This table provides a four year view of the METS budget, including: actual FY 2016, actual FY 2017, current FY 2018 budget, and preliminary FY 2019 plan.

Table 2: Budget vs Est. YTD (expenditures & est. remaining encumbrances) This table shows the current fiscal year budget, quarterly actual expenditures, and estimated encumbrances. Note that this table includes an *Expenditures After FY End* column to report on the fiscal year expenditures that will be recognized after June 30th due to the standard procedural lag between invoicing and payments.

Note: Expenditures often lag, i.e. do not occur at a steady rate throughout the year. Examples may include:

- a. State Personnel, due to payroll processing and interagency billing.
- b. Staff Augmentation and Service Contracts, due to billing lag, timing of various projects based on development roadmap, and associated deadlines throughout the year.
- c. Hardware/Software, due to processing time and the execution of payments throughout the year (not shown as accruals).
- b. MNIT Central Services, due to processing and interagency billing.

4. The tables are based on the following standard reporting conventions:

Development v. Operations. Within both the Expenditure and Financing sections, development is distinguished from operations. Development includes federally defined and applicable work, and MNSure development contributions. All other expenses are considered operations.

Expenditure Categories. Within the Expenditure section, the costs are reported in standard categories.

State Personnel	Developers, architects, project managers, business analysts, quality assurance, release management, security, and other MNIT staff, along with necessary business subject matter experts. Includes total compensation (salaries and fringe).
Staff Augmentation	Contracted individuals or companies to increase capacity.
Service Contracts	Major vendor agreements that provide expertise and enhanced functionality to the system.
Hardware/Software	Initial purchases and ongoing support costs for licensing/software and hardware.
MNIT Central Services	System infrastructure components including, but not limited to, server capacity, data storage, networking, routing, and bandwidth, provided as a service from MNIT. Also includes staff equipment.
General Administration	Training, supplies, travel, occupancy, and other miscellaneous administrative costs.

Financing Categories. Within the Financing section, the revenues (by funding source) associated with the fiscal years' expenditures is estimated based on the standing federal Public Assistance Cost Allocation Plan (PACAP) methodology. Note that actual revenues lag behind the expenditures by approximately 45 days due to the standard timing of the federal PACAP process.

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TABLE 1: Overall Budget View	FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2019 Budget
Expenditures				
Development	48,553,751	40,291,786	45,021,375	19,696,000
State Personnel	6,911,741	10,277,842	13,109,962	4,278,750
Staff Augmentation	16,659,394	11,778,621	12,306,835	13,206,500
Service Contracts	19,700,289	16,504,549	14,425,901	(736,250)
Hardware/Software	4,989,592	1,635,025	4,608,896	1,068,500
MNIT Central Services	0	0	305,556	493,750
General Administration	292,735	95,749	264,225	1,384,750
Operations	15,915,024	25,018,091	30,023,030	30,023,030
State Personnel	6,821,556	9,771,277	7,297,051	7,297,051
Staff Augmentation	215,999	887,438	4,151,716	4,151,716
Service Contracts	77,385	1,550,802	1,300,000	1,300,000
Hardware/Software	5,214,209	9,056,395	10,462,000	10,462,000
MNIT Central Services	3,569,680	3,412,384	6,095,336	6,095,336
General Administration	16,195	339,796	716,927	716,927
Total Expenditures	64,468,775	65,309,877	75,044,405	49,719,030
State Personnel	13,733,297	20,049,119	20,407,013	11,575,801
Staff Augmentation	16,875,393	12,666,059	16,458,551	17,358,216
Service Contracts	19,777,674	18,055,351	15,725,901	563,750
Hardware/Software	10,203,801	10,691,420	15,070,896	11,530,500
MNIT Central Services	3,569,680	3,412,384	6,400,892	6,589,086
General Administration	308,930	435,545	981,152	2,101,677
Financing				
Development	48,553,751	40,291,787	45,021,375	19,696,000
MNsure - Premium Withhold	0	0	4,000,000	0
MNsure - Federal CCIIO	11,957,754	6,485,215	2,700,000	0
DHS - Federal Medicaid	32,345,054	29,859,827	34,478,089	17,726,400
DHS - State Appropriation	4,250,943	3,946,745	3,843,286	1,969,600
Operations	15,915,024	25,018,091	30,023,030	30,023,030
MNsure - Premium Withhold	1,276,385	1,513,170	4,077,093	4,077,093
MNsure - Federal CCIIO	0	0	0	0
DHS - Federal Medicaid	8,813,740	17,458,531	18,984,725	18,984,725
DHS - State Appropriation	5,824,899	6,046,390	6,961,212	6,961,212
Total Financing	64,468,775	65,309,878	75,044,405	49,719,030
MNsure - Premium Withhold	1,276,385	1,513,170	8,077,093	4,077,093
MNsure - Federal CCIIO	11,957,754	6,485,215	2,700,000	0
DHS - Federal Medicaid	41,158,794	47,318,358	53,462,814	36,711,125
DHS - State Appropriation	10,075,842	9,993,135	10,804,498	8,930,812
Notes:				
- <i>Development</i> includes federally defined and applicable work, and MNsure development contributions. All other expenses considered <i>operations</i> .				
- Fiscal year <i>Financing</i> numbers are based on the federally-approved cost allocation methodology that is generally applicable to each fiscal year (i.e. the report reflects a reasonable matching of expenditures and revenue).				
- SFY19 budget is the remainder of the FFY18 E&E IAPD; no further SFY19 development budgets have been approved. SFY19 development budgets will be revised at a future date after governance and federal approval.				

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TABLE 2: FY 2018 Budget vs YTD	FY 2018 Budget	QE 9/30/17 Expenditures	QE 12/31/17 Expenditures	QE 3/31/18 Expenditures	QE 6/30/18 Expenditures	Expenditures After FY End	YTD Expenditures	%	Estimated Encumbrances	Est. FY Exp & Enc	%	Estimated Balance	%
Expenditures													
Development	45,021,375	4,546,681	10,294,418	0	0	0	14,841,099	33%	28,036,325	42,877,424	95%	2,143,951	5%
State Personnel	13,109,962	1,192,815	2,691,493				3,884,308	30%	6,887,227	10,771,535	82%	2,338,427	18%
Staff Augmentation	12,306,835	1,021,669	3,604,359				4,626,027	38%	5,655,333	10,281,360	84%	2,025,475	16%
Service Contracts	14,425,901	1,121,433	3,296,040				4,417,473	31%	12,217,262	16,634,735	115%	(2,208,834)	-15%
Hardware/Software	4,608,896	1,197,658	194,725				1,392,383	30%	1,000,353	2,392,736	52%	2,216,160	48%
MNIT Central Services	305,556	0	0				0	0%	305,556	305,556	100%	0	
General Administration	264,225	13,107	507,801				520,908	197%	1,970,595	2,491,503	943%	(2,227,278)	-843%
Operations	30,023,030	3,413,612	5,283,510	0	0	0	8,697,122	29%	20,346,856	29,043,978	97%	979,052	3%
State Personnel	7,297,051	1,348,029	2,258,806				3,606,836	49%	5,427,029	9,033,865	124%	(1,736,814)	-24%
Staff Augmentation	4,151,716	61,542	465,196				526,738	13%	2,250,000	2,776,738	67%	1,374,978	33%
Service Contracts	1,300,000	135,585	301,064				436,649	34%	585,000	1,021,649	79%	278,351	21%
Hardware/Software	10,462,000	1,757,791	2,021,454				3,779,245	36%	2,602,000	6,381,245	61%	4,080,755	39%
MNIT Central Services	6,095,336	0	0				0	0%	8,800,000	8,800,000	144%	(2,704,664)	-44%
General Administration	716,927	110,665	236,990				347,654	48%	682,827	1,030,481	144%	(313,554)	-44%
Total Expenditures	75,044,405	7,960,293	15,577,929	0	0	0	23,538,221	31%	48,383,181	71,921,403	96%	3,123,002	4%
State Personnel	20,407,013	2,540,844	4,950,299				7,491,144	37%	12,314,256	19,805,399	97%	601,614	3%
Staff Augmentation	16,458,551	1,083,211	4,069,555				5,152,765	31%	7,905,333	13,058,098	79%	3,400,453	21%
Service Contracts	15,725,901	1,257,018	3,597,104				4,854,122	31%	12,802,262	17,656,384	112%	(1,930,483)	-12%
Hardware/Software	15,070,896	2,955,449	2,216,179				5,171,628	34%	3,602,353	8,773,981	58%	6,296,915	42%
MNIT Central Services	6,400,892	0	0				0	0%	9,105,556	9,105,556	142%	(2,704,664)	-42%
General Administration	981,152	123,771	744,791				868,562	89%	2,653,422	3,521,984	359%	(2,540,832)	-259%
Financing													
Development	45,021,375	4,546,681	10,294,418	0	0	0	14,841,099		28,036,325	42,877,424		2,143,951	
MNsure - Premium Withhold	4,000,000	0	0				0		3,676,841	3,676,841		323,159	
MNsure - Federal CCIIO	2,700,000	190,608	568,152				758,760		1,940,152	2,698,912		1,088	
DHS - Federal Medicaid	34,478,089	3,909,315	8,753,640				12,662,955		20,177,399	32,840,354		1,637,735	
DHS - State Appropriation	3,843,286	446,758	972,626				1,419,384		2,241,933	3,661,317		181,969	
Operations	30,023,030	3,413,612	5,283,510	0	0	0	8,697,122		20,346,856	29,043,978		979,052	
MNsure - Premium Withhold	4,077,093	522,707	484,899				1,007,606		2,887,797	3,895,403		181,691	
MNsure - Federal CCIIO	0	0	0				0		0	0		0	
DHS - Federal Medicaid	18,984,725	2,094,113	3,521,699				5,615,812		12,972,512	18,588,324		396,401	
DHS - State Appropriation	6,961,212	796,793	1,276,912				2,073,705		4,486,547	6,560,252		400,960	
Total Financing	75,044,405	7,960,293	15,577,929	0	0	0	23,538,221		48,383,181	71,921,403		3,123,002	
MNsure - Premium Withhold	8,077,093	522,707	484,899				1,007,606		6,564,638	7,572,244		504,850	
MNsure - Federal CCIIO	2,700,000	190,608	568,152				758,760		1,940,152	2,698,912		1,088	
DHS - Federal Medicaid	53,462,814	6,003,428	12,275,339				18,278,767		33,149,911	51,428,678		2,034,136	
DHS - State Appropriation	10,804,498	1,243,550	2,249,539				3,493,089		6,728,480	10,221,569		582,929	

Notes:

- *Development* includes federally defined and applicable work, and MNsure development contributions. All other expenses considered *operations*.
- *Expended* includes actual fiscal year expenditures. Due to normal processing and invoicing time, some expenditure reporting may lag.
- Fiscal year *Financing* numbers are based on the federally-approved cost allocation methodology that is generally applicable to each fiscal year (i.e. the report reflects a reasonable matching of expenditures and revenue).
- *Expenditures After Fiscal Year (FY) End*: Due to the standard lag between invoicing and payments, fiscal year 2018 expenditures may be recognized after June 30th.