

# Minnesota Eligibility Technology System

## Fiscal Report for QE 03-31-2018

### 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
<b>Expenditures</b>				
<b>Development</b>	<b>48,553,751</b>	<b>40,291,786</b>	<b>45,021,375</b>	<b>19,696,000</b>
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
<b>Operations</b>	<b>15,915,024</b>	<b>25,018,091</b>	<b>30,023,030</b>	<b>30,023,030</b>
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
<b>Total Expenditures</b>	<b>64,468,775</b>	<b>65,309,877</b>	<b>75,044,405</b>	<b>49,719,030</b>
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
<b>Financing</b>				
<b>Development</b>	<b>48,553,751</b>	<b>40,291,787</b>	<b>45,021,375</b>	<b>19,696,000</b>
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
<b>Operations</b>	<b>15,915,024</b>	<b>25,018,091</b>	<b>30,023,030</b>	<b>30,023,030</b>
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
<b>Total Financing</b>	<b>64,468,775</b>	<b>65,309,878</b>	<b>75,044,405</b>	<b>49,719,030</b>
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: - Development includes federally defined and applicable work, and MNsure development contributions. All other expenses considered operations. - 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). - SFY19 development budget shown is the remainder of the FFY18 E&E IAPD. The MNsure board approved preliminary SFY19 budgets of \$5.3M for development and \$3.0M for operations. DHS is currently drafting a SFY19 development budget. Upon final approval, financing shall be reconciled and included in a future report.				

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<b>TABLE 2: FY 2018 Budget vs YTD</b>	<b>FY 2018 Budget</b>	<b>QE 9/30/17 Expenditures</b>	<b>QE 12/31/17 Expenditures</b>	<b>QE 3/31/18 Expenditures</b>	<b>QE 6/30/18 Expenditures</b>	<b>Expenditures After FY End</b>	<b>YTD Expenditures</b>	<b>%</b>	<b>Estimated Encumbrances</b>	<b>Est. FY Exp &amp; Enc</b>	<b>%</b>	<b>Estimated Balance</b>	<b>%</b>
<b>Expenditures</b>													
<b>Development</b>	<b>45,021,375</b>	<b>4,546,681</b>	<b>10,294,418</b>	<b>10,082,957</b>	<b>0</b>	<b>0</b>	<b>24,924,056</b>	55%	<b>18,811,052</b>	<b>43,735,108</b>	97%	<b>1,286,267</b>	3%
State Personnel	13,109,962	1,192,815	2,691,493	1,932,863			5,817,171	44%	4,574,035	10,391,206	79%	2,718,756	21%
Staff Augmentation	12,306,835	1,021,669	3,604,359	2,683,653			7,309,680	59%	4,000,000	11,309,680	92%	997,155	8%
Service Contracts	14,425,901	1,121,433	3,296,040	5,033,395			9,450,868	66%	7,634,263	17,085,131	118%	(2,659,230)	-18%
Hardware/Software	4,608,896	1,197,658	194,725	409,649			1,802,032	39%	350,000	2,152,032	47%	2,456,864	53%
MNIT Central Services	305,556	0	0	0			0	0%	305,556	305,556	100%	0	
General Administration	264,225	13,107	507,801	23,397			544,305	206%	1,947,198	2,491,503	943%	(2,227,278)	-843%
<b>Operations</b>	<b>30,023,030</b>	<b>3,413,612</b>	<b>5,283,510</b>	<b>4,748,680</b>	<b>0</b>	<b>0</b>	<b>13,445,802</b>	45%	<b>15,186,778</b>	<b>28,632,580</b>	95%	<b>1,390,450</b>	5%
State Personnel	7,297,051	1,348,029	2,258,806	988,991			4,595,827	63%	4,300,264	8,896,091	122%	(1,599,040)	-22%
Staff Augmentation	4,151,716	61,542	465,196	819,565			1,346,303	32%	1,248,000	2,594,303	62%	1,557,413	38%
Service Contracts	1,300,000	135,585	301,064	103,873			540,522	42%	350,000	890,522	69%	409,478	31%
Hardware/Software	10,462,000	1,757,791	2,021,454	1,177,431			4,956,676	47%	1,473,000	6,429,676	61%	4,032,324	39%
MNIT Central Services	6,095,336	0	0	1,536,733			1,536,733	25%	7,263,267	8,800,000	144%	(2,704,664)	-44%
General Administration	716,927	110,665	236,990	122,087			469,741	66%	552,247	1,021,988	143%	(305,061)	-43%
<b>Total Expenditures</b>	<b>75,044,405</b>	<b>7,960,293</b>	<b>15,577,929</b>	<b>14,831,637</b>	<b>0</b>	<b>0</b>	<b>38,369,858</b>	51%	<b>33,997,830</b>	<b>72,367,689</b>	96%	<b>2,676,716</b>	4%
State Personnel	20,407,013	2,540,844	4,950,299	2,921,854	0	0	10,412,998	51%	8,874,299	19,287,297	95%	1,119,716	5%
Staff Augmentation	16,458,551	1,083,211	4,069,555	3,503,218	0	0	8,655,983	53%	5,248,000	13,903,983	84%	2,554,568	16%
Service Contracts	15,725,901	1,257,018	3,597,104	5,137,268	0	0	9,991,390	64%	7,984,263	17,975,653	114%	(2,249,752)	-14%
Hardware/Software	15,070,896	2,955,449	2,216,179	1,587,080	0	0	6,758,708	45%	1,823,000	8,581,708	57%	6,489,188	43%
MNIT Central Services	6,400,892	0	0	1,536,733	0	0	1,536,733	24%	7,568,823	9,105,556	142%	(2,704,664)	-42%
General Administration	981,152	123,771	744,791	145,484	0	0	1,014,046	103%	2,499,445	3,513,491	358%	(2,532,339)	-258%
<b>Financing</b>													
<b>Development</b>	<b>45,021,375</b>	<b>4,546,681</b>	<b>10,294,418</b>	<b>10,082,957</b>	<b>0</b>	<b>0</b>	<b>24,924,056</b>		<b>18,811,052</b>	<b>43,735,108</b>		<b>1,286,267</b>	
MNSure - Premium Withhold	4,000,000	0	0	1,279,781			1,279,781		2,368,591	3,648,372		351,628	
MNSure - Federal CCIIO	2,700,000	190,608	568,152	1,940,152			2,698,912		0	2,698,912		1,088	
DHS - Federal Medicaid	34,478,089	3,909,315	8,753,640	6,176,722			18,839,677		14,798,215	33,637,892		840,197	
DHS - State Appropriation	3,843,286	446,758	972,626	686,302			2,105,686		1,644,246	3,749,932		93,354	
<b>Operations</b>	<b>30,023,030</b>	<b>3,413,612</b>	<b>5,283,510</b>	<b>4,748,680</b>	<b>0</b>	<b>0</b>	<b>13,445,802</b>		<b>15,186,778</b>	<b>28,632,580</b>		<b>1,390,450</b>	
MNSure - Premium Withhold	4,077,093	522,707	484,899	902,436			1,910,042		1,815,637	3,725,679		351,415	
MNSure - Federal CCIIO	0	0	0	0			0		0	0		0	
DHS - Federal Medicaid	18,984,725	2,094,113	3,521,699	2,840,327			8,456,139		9,886,472	18,342,611		642,114	
DHS - State Appropriation	6,961,212	796,793	1,276,912	1,005,917			3,079,622		3,484,669	6,564,291		396,921	
<b>Total Financing</b>	<b>75,044,405</b>	<b>7,960,293</b>	<b>15,577,929</b>	<b>14,831,637</b>	<b>0</b>	<b>0</b>	<b>38,369,858</b>		<b>33,997,830</b>	<b>72,367,689</b>		<b>2,676,716</b>	
MNSure - Premium Withhold	8,077,093	522,707	484,899	2,182,217	0	0	3,189,823		4,184,228	7,374,051		703,043	
MNSure - Federal CCIIO	2,700,000	190,608	568,152	1,940,152	0	0	2,698,912		0	2,698,912		1,088	
DHS - Federal Medicaid	53,462,814	6,003,428	12,275,339	9,017,049	0	0	27,295,816		24,684,687	51,980,503		1,482,311	
DHS - State Appropriation	10,804,498	1,243,550	2,249,539	1,692,219	0	0	5,185,308		5,128,915	10,314,223		490,275	
<b>Notes:</b>													
- <i>Development</i> includes federally defined and applicable work, and MNSure development contributions. All other expenses considered <i>operations</i> .													
- <i>Expended</i> includes actual fiscal year expenditures. Due to normal processing and invoicing time, some expenditure reporting may lag.													
- 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).													
- <i>Expenditures After Fiscal Year (FY) End</i> : Due to the standard lag between invoicing and payments, fiscal year 2018 expenditures may be recognized after June 30th.													