



November 14, 2014

Vivian Smith
 Centers for Medicare and Medicaid Services
 Office of Acquisition and Grants Management
 200 Independence Ave SW
 Room 739H-02
 Washington, DC 20201

Dear Ms. Smith:

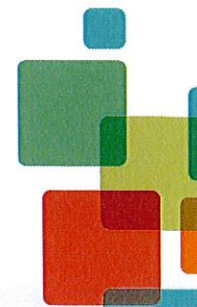
Please accept this letter and the accompanying documents in support of the State of Minnesota’s efforts to complete implementation of a state-based Health Insurance Exchange. Earlier this year, Minnesota requested and received a one-year no cost extension for each of its four active Establishment Grants. Since then, Minnesota has made substantial progress on the project, with a clear focus on preparation for the upcoming open enrollment period which begins tomorrow. Minnesota has also used this time to re-assess the remaining project scope, and has determined, based on updated cost estimates, that it is necessary to request an adjustment to the current grant amounts.

The table below summarizes the requested adjustment amount:

Grant #	Grant Level	Current End Date*	Current Amount	Allowable 25% Adjustment	Requested Adjustment
HBEIE110068 (~\$4m expended)	One	closed			
HBEIE120176 (formerly HBEIE120107)	One	9/26/2015	\$26,418,668	\$6,604,667	\$6,604,667
HBEIE120177 (formerly HBEIE120135)	One	9/26/2015	\$42,525,892	\$10,631,473	\$10,631,473
HBEIE130163	One	12/31/2015	\$39,326,115	\$9,831,529	\$9,831,529
HBEIE140181	Two	12/31/2015	\$41,851,457	\$10,462,864	\$10,462,864
Total			\$150,122,132	\$37,530,533	\$37,530,533

*In conjunction with the requested adjustments, and for administrative consistency, Minnesota is also requesting the end dates for HBEIE120176 and HBEIE120177 be extended to 12-31-2015.

Based on guidance provided by your staff, and review of similar adjustment requests submitted by other states, Minnesota has prepared the attached program and budget narratives (and accompanying exhibits). Our request focuses on two areas: (1) completion of the IT build; and (2) enhanced consumer assistance.





The requested adjustment would provide substantial funding to amend existing IT contracts and establish new IT contracts for the purposes described in the attached documents. Consistent with past practice and federal requirements, MNsure will work collaboratively with the Minnesota Department of Human Services, CCIIO, and CMS to receive any necessary approvals before it would proceed with these proposed amendments or new contracts.

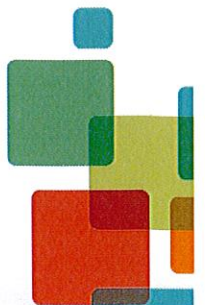
Thank you for your consideration. We look forward to your response.

Regards,

A handwritten signature in blue ink that reads "Katie Burns".

Katie Burns, MNsure Chief Operating Officer

Cc: Marty Cammack, MNsure Interim Chief Financial Officer
Hanh Tran, MNsure Budget Coordinator
Alexandra Kotze, DHS Chief Financial Officer
Tom Baden, MN.IT @DHS Chief Information Officer
Gustavo Seinos, CCIIO Project Officer
Susan Lumsden, CCIIO Grants Officer



STATE OF MINNESOTA ESTABLISHMENT GRANT
SUPPLEMENTAL ADJUSTMENT REQUEST

Grantee: Minnesota Health Exchange (MNsure)

Grant #, Current Grant Amount, Requested Adjustment:

Grant #	Grant Level	Current End Date*	Current Amount	Allowable 25% Adjustment	Requested Adjustment
HBEIE110068 (~\$4m expended)	One	closed			
HBEIE120176 (formerly HBEIE120107)	One	9/26/2015	\$26,418,668	\$6,604,667	\$6,604,667
HBEIE120177 (formerly HBEIE120135)	One	9/26/2015	\$42,525,892	\$10,631,473	\$10,631,473
HBEIE130163	One	12/31/2015	\$39,326,115	\$9,831,529	\$9,831,529
HBEIE140181	Two	12/31/2015	\$41,851,457	\$10,462,864	\$10,462,864
Total			\$150,122,132	\$37,530,533	\$37,530,533

**In conjunction with the requested adjustments, and for administrative consistency, Minnesota also requests the end dates for HBEIE120176 and HBEIE120177 be extended to 12-31-2015.*

This document also includes a proposed basis for the allocation of IT system development expenditures between the requested CCIIO adjustment and the corresponding Medicaid IAPD Update.

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 exchange 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 exchange 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:

The completion of numerous milestones and on-going progress toward completion of remaining activities has been documented by CCIIO through Design Reviews and Exchange Blueprint submission.

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. The earlier two grants have been extended through 9-26-2015, while the latter two 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 are addressed in the most recent cost-neutral grant budget revision.

Reason for 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 \$23 million is necessary to complete the IT build within scope by 12-31-2015. This request also funds approximately \$14 million of enhanced consumer assistance activities that are necessary during the extended completion period of the IT build.

PROJECT NARRATIVE

Completion of IT Build

1. **On-going development and 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 both the near-term capacity and 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 assuring quality 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 understandably 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 of 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 required 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 enhanced and new customer services 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) for the completion of essential assister-portal functionality/processes, and (within the IT build) the enhancement of critical privacy, security, and compliance architecture, functionality/processes.

BUDGET NARRATIVE

Introduction:

This requested 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 requested adjustment based on the standard CCIIO reporting categories and reflects the proposed cost allocation of the IT system development expenditures between CCIIO funds and the Medicaid IAPD budget.

Overall Summary by Reporting Category	Requested Adjustment		
	Proposed Budget	Cost allocation	
		CCIIO	IAPD
Completion of IT Build			
Salary	0	0	0
Fringe	0	0	0
Travel	100,000	21,000	79,000
Supplies	200,000	42,000	158,000
Equipment	11,200,000	2,352,000	8,848,000
Contracts	73,810,083	19,067,033	54,743,050
Other	10,350,000	2,173,500	8,176,500
Indirect	0	0	0
Subtotal	95,660,083	23,655,533	72,004,550
Enhanced Consumer Assistance			
Salary	2,818,000	2,818,000	0
Fringe	1,207,000	1,207,000	0
Travel	0	0	0
Supplies	0	0	0
Equipment	0	0	0
Contracts	9,850,000	9,850,000	0
Other	0	0	0
Indirect	0	0	0
Subtotal	13,875,000	13,875,000	0
Total	109,535,083	37,530,533	72,004,550

Exhibit A provides a breakdown of this table by grant

Proposed Cost Allocation:

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

<i>Completion of IT Build</i>	Actual MNsure Enrollment as of June 2014		Proposed IT Build Cost Allocation
	Enrollees	Percentage	
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) HBEIE120176 HBEIE120177 HBEIE130163 HBEIE140181	19,660,000	134 FTE – See Exhibit D for detailed list 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) HBEIE120177	17,835,000	49 FTE – See Exhibit D for detailed list 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), 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 - IT professional level (ITS3) and IT advanced professional level (ITS4)

Prime IT vendors	Amount	Description
Deloitte HBEIE130163	15,000,000	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 HBEIE130163	6,100,000	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 HBEIE120177	1,850,000	Connecture is responsible for the planned shopping experience. This contract is necessary as they possess the functionality to merge code and deploy onsite. <i>CCIIO funded only, i.e. no Medicaid IAPD share</i>

Other IT contracts	Amount	Description
Identity Access Management HBEIE120176	3,200,000	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 (cont.)	Amount	Description
Support / Tuning HBEIE120176	1,000,000	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 HBEIE120176	2,665,083	As a contingency, approximately \$3M 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 build 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. <i>CCIIO funded only, i.e. no Medicaid IAPD share</i>
Reporting / Data Warehouse HBEIE120176	1,000,000	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 HBEIE120176	1,000,000	There is a need to enhance the audit log infrastructure. A roadmap proposed project would address "Compliance Reporting" and/or "Who looked at my records."
Disaster Recovery HBEIE120176	800,000	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 (cont.)	Amount	Description
MN.IT Central services HBEIE120176	3,500,000	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. MN.IT Central charges are based on Federal DCA approved central-services cost allocation, rate-setting methodology.

Hardware/software	Amount	Description
Environments HBEIE130163	10,000,000	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.
[REDACTED] HBEIE140181	8,000,000	[REDACTED] provides software for SOA environments that enables dynamic, [REDACTED] highly effective [REDACTED] for all business situations. [REDACTED]

Hardware/software (cont.)	Amount	Description
Time Travel HBEIE140181	2,100,000	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 HBEIE130163	100,000	Travel to health exchange and technical conferences (estimate based on 134 additional MN.IT @DHS staff)
Office supplies HBEIE130163	200,000	Office supplies including copiers, pens, paper, , toner, chairs, etc. (estimate based on 134 additional MN.IT@DHS staff and additional 49 consultants)
Equipment and furniture HBEIE130163	1,200,000	Staff computers, office equipment, and repairs. (estimate based on 134 additional MN.IT @DHS staff and additional 49 consultants)
Occupancy costs HBEIE130163	200,000	Short-term lease expenses (estimate based on 134 additional MN.IT @DHS staff and additional 49 consultants)
Training HBEIE120177	250,000	Staff training on technical tools and methods (estimate based on 134 additional MN.IT @DHS staff)

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

Completion of IT Build <i>Summary by Reporting Category</i>	Requested Adjustment		
	Proposed Budget	Cost allocation	
		CCIIO	IAPD
Travel			
General travel expenses	100,000	21,000	79,000
Subtotal	100,000	21,000	79,000
Supplies			
General office supplies	200,000	42,000	158,000
Subtotal	200,000	42,000	158,000
Equipment			
Environments	10,000,000	2,100,000	7,900,000
General equipment and furniture	1,200,000	252,000	948,000
Subtotal	11,200,000	2,352,000	8,848,000
Contracts			
MN.IT @DHS staff (interagency agreement)	19,660,000	4,128,600	15,531,400
Staff augmentation (consultant contracts)	17,835,000	3,745,350	14,089,650
Prime IT vendor contracts	21,100,000	4,431,000	16,669,000
Prime IT vendor contracts (CCIIO only)	1,850,000	1,850,000	0
Other IT contracts	10,500,000	2,205,000	8,295,000
Other IT contracts (CCIIO only)	2,665,083	2,665,083	0
General occupancy costs	200,000	42,000	158,000
Subtotal	73,810,083	19,067,033	54,743,050
Other			
██████████ licences	8,000,000	1,680,000	6,320,000
Time Travel software licences	2,100,000	441,000	1,659,000
General training	250,000	52,500	197,500
Subtotal	10,350,000	2,173,500	8,176,500
Total	95,660,083	23,655,533	72,004,550

Exhibit B provides a breakdown of this table by grant

Explanation of costs:

Enhanced Consumer Assistance

Call Center	Amount	Description
Temporary staff HBEIE120177	1,575,000	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 contingencies/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 service for Minnesota consumers.
Overflow contract HBEIE130163	2,500,000	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 \$2.5 million in additional funding to pay for the existing overflow vendor contract from January 1, 2015 through the spring of 2015, as well as funding to pay for the longer-term overflow vendor contract through December 31, 2015.

Manual processes	Amount	Description
Manual Operations staff HBEIE120177	1,400,000	Temporary staff are performing manual functions that MNSure's information technology system is not yet able to carry out in a more 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 HBEIE140181	650,000	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 positions, two additional positions, and three consultants.
SHOP staff augmentation (consultant contracts) HBEIE140181		
Project Management Office staff augmentation (consultant contracts) HBEIE140181	6,000,000	Contracted resources will continue to be necessary 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.

Assister-portal	Amount	Description
Functional analyst staff HBEIE120177	400,000	<p>A mix of non-eligibility system IT work and consumer assistance efforts are necessary to complete an Assister Portal include:</p> <ul style="list-style-type: none"> • 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). • Eligibility system role configuration to facilitate apply on behalf of functionality through current system • MNsure intends to address this situation via additional staff, staff augmentation contacts and technical service contracts
Staff augmentation (consultant contracts) HBEIE120177	750,000	
Technical services contracts HBEIE120177	600,000	

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

Note: Based on standard budget practice, the staff costs identified in the preceding tables is proportioned in the table below between Salary at 70% and Fringe at 30%.

Enhanced Consumer Assistance <i>Summary by Reporting Category</i>	Requested Adjustment		
	Proposed Budget	Cost allocation	
		CCIIO	IAPD
Salary	70%		
Call Center temporary staff	1,103,000	1,103,000	0
Manual Operations staff	980,000	980,000	0
SHOP staff	455,000	455,000	0
Functional analyst staff (Assistor-portal)	280,000	280,000	0
Subtotal	2,818,000	2,818,000	0
Fringe	30%		
Call Center temporary staff	472,000	472,000	0
Manual Operations staff	420,000	420,000	0
SHOP staff	195,000	195,000	0
Functional analyst staff (Assistor-portal)	120,000	120,000	0
Subtotal	1,207,000	1,207,000	0
Contracts			
Call Center overflow contract	2,500,000	2,500,000	0
Staff augmentation contracts (PMO)	6,000,000	6,000,000	0
Staff augmentation contracts (Assistor-portal)	750,000	750,000	0
Technical services contracts (Assistor-portal)	600,000	600,000	0
Subtotal	9,850,000	9,850,000	0
Total	13,875,000	13,875,000	0

Exhibit C provides a breakdown of this table by grant

Exhibits:

- A: Overall Budget Request by Grant
- B: IT Build by Grant
- C: Consumer Assistance by Grant
- D: MN.IT @DHS Staff and Contractors

EXHIBIT A -- SUMMARY OF REQUEST BY GRANT

Overall Summary by Reporting Category	Requested Adjustment			HBEIE120176			HBEIE120177			HBEIE 130163			HBEIE140181		
	Proposed Budget	Cost allocation		Proposed Budget	Cost allocation		Proposed Budget	Cost allocation		Proposed Budget	Cost allocation		Proposed Budget	Cost allocation	
		CCIO	IAPD		CCIO	IAPD		CCIO	IAPD		CCIO	IAPD		CCIO	IAPD
Completion of IT Build															
Salary	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fringe	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Travel	100,000	21,000	79,000	0	0	0	0	0	0	100,000	21,000	79,000	0	0	0
Supplies	200,000	42,000	158,000	0	0	0	0	0	0	200,000	42,000	158,000	0	0	0
Equipment	11,200,000	2,352,000	8,848,000	0	0	0	0	0	0	11,200,000	2,352,000	8,848,000	0	0	0
Contracts	73,810,083	19,067,033	54,743,050	21,425,006	6,604,667	14,820,339	20,916,538	5,853,973	15,062,565	23,412,042	4,916,529	18,495,513	8,056,497	1,691,864	6,364,633
Other	10,350,000	2,173,500	8,176,500	0	0	0	250,000	52,500	197,500	0	0	0	10,100,000	2,121,000	7,979,000
Indirect	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal	95,660,083	23,655,533	72,004,550	21,425,006	6,604,667	14,820,339	21,166,538	5,906,473	15,260,065	34,912,042	7,331,529	27,580,513	18,156,497	3,812,864	14,343,633
Enhanced Consumer Assistance															
Salary	2,818,000	2,818,000	0	0	0	0	2,363,000	2,363,000	0	0	0	0	455,000	455,000	0
Fringe	1,207,000	1,207,000	0	0	0	0	1,012,000	1,012,000	0	0	0	0	195,000	195,000	0
Travel	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Supplies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Contracts	9,850,000	9,850,000	0	0	0	0	1,350,000	1,350,000	0	2,500,000	2,500,000	0	6,000,000	6,000,000	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Indirect	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal	13,875,000	13,875,000	0	0	0	0	4,725,000	4,725,000	0	2,500,000	2,500,000	0	6,650,000	6,650,000	0
Total	109,535,083	37,530,533	72,004,550	21,425,006	6,604,667	14,820,339	25,891,538	10,631,473	15,260,065	37,412,042	9,831,529	27,580,513	24,806,497	10,462,864	14,343,633

EXHIBIT B -- COMPLETION OF IT BUILD BY GRANT

Completion of IT Build <i>Summary by Reporting Category</i>	Requested Adjustment			HBEIE120176			HBEIE120177			HBEIE 130163			HBEIE140181		
	Proposed Budget	Cost allocation		Proposed Budget	Cost allocation		Proposed Budget	Cost allocation		Proposed Budget	Cost allocation		Proposed Budget	Cost allocation	
		CCIO	IAPD		CCIO	IAPD		CCIO	IAPD		CCIO	IAPD		CCIO	IAPD
Travel															
General travel expenses	100,000	21,000	79,000	0	0	0	0	0	0	100,000	21,000	79,000	0	0	0
Subtotal	100,000	21,000	79,000	0	0	0	0	0	0	100,000	21,000	79,000	0	0	0
Supplies															
General office supplies	200,000	42,000	158,000	0	0	0	0	0	0	200,000	42,000	158,000	0	0	0
Subtotal	200,000	42,000	158,000	0	0	0	0	0	0	200,000	42,000	158,000	0	0	0
Equipment															
Environments	10,000,000	2,100,000	7,900,000	0	0	0	0	0	0	10,000,000	2,100,000	7,900,000	0	0	0
General equipment and furniture	1,200,000	252,000	948,000	0	0	0	0	0	0	1,200,000	252,000	948,000	0	0	0
Subtotal	11,200,000	2,352,000	8,848,000	0	0	0	0	0	0	11,200,000	2,352,000	8,848,000	0	0	0
Contracts															
MN.IT @DHS staff (interagency agreement)	19,660,000	4,128,600	15,531,400	8,259,923	1,734,584	6,525,339	1,231,538	258,623	972,915	2,112,042	443,529	1,668,513	8,056,497	1,691,864	6,364,633
Staff augmentation (consultant contracts)	17,835,000	3,745,350	14,089,650	0	0	0	17,835,000	3,745,350	14,089,650	0	0	0	0	0	0
Prime IT vendor contracts	21,100,000	4,431,000	16,669,000	0	0	0	0	0	0	21,100,000	4,431,000	16,669,000	0	0	0
Prime IT vendor contracts (CCIO only)	1,850,000	1,850,000	0	0	0	0	1,850,000	1,850,000	0	0	0	0	0	0	0
Other IT contracts	10,500,000	2,205,000	8,295,000	10,500,000	2,205,000	8,295,000	0	0	0	0	0	0	0	0	0
Other IT contracts (CCIO only)	2,665,083	2,665,083	0	2,665,083	2,665,083	0	0	0	0	0	0	0	0	0	0
General occupancy costs	200,000	42,000	158,000	0	0	0	0	0	0	200,000	42,000	158,000	0	0	0
Subtotal	73,810,083	19,067,033	54,743,050	21,425,006	6,604,667	14,820,339	20,916,538	5,853,973	15,062,565	23,412,042	4,916,529	18,495,513	8,056,497	1,691,864	6,364,633
Other															
Software licences	8,000,000	1,680,000	6,320,000	0	0	0	0	0	0	0	0	0	8,000,000	1,680,000	6,320,000
Time Travel software licences	2,100,000	441,000	1,659,000	0	0	0	0	0	0	0	0	0	2,100,000	441,000	1,659,000
General training	250,000	52,500	197,500	0	0	0	250,000	52,500	197,500	0	0	0	0	0	0
Subtotal	10,350,000	2,173,500	8,176,500	0	0	0	250,000	52,500	197,500	0	0	0	10,100,000	2,121,000	7,979,000
Total	95,660,083	23,655,533	72,004,550	21,425,006	6,604,667	14,820,339	21,166,538	5,906,473	15,260,065	34,912,042	7,331,529	27,580,513	18,156,497	3,812,864	14,343,633

EXHIBIT C -- ENHANCED CONSUMER ASSISTANCE BY GRANT

Enhanced Consumer Assistance Summary by Reporting Category	Requested Adjustment			HBEIE120176			HBEIE120177			HBEIE 130163			HBEIE140181		
	Proposed Budget	Cost allocation		Proposed Budget	Cost allocation		Proposed Budget	Cost allocation		Proposed Budget	Cost allocation		Proposed Budget	Cost allocation	
		CCIO	IAPD		CCIO	IAPD		CCIO	IAPD		CCIO	IAPD		CCIO	IAPD
Salary	70%														
Call Center temporary staff	1,103,000	1,103,000	0	0	0	1,103,000	1,103,000	0	0	0	0	0	0	0	0
Manual Operations staff	980,000	980,000	0	0	0	980,000	980,000	0	0	0	0	0	0	0	0
SHOP staff	455,000	455,000	0	0	0	0	0	0	0	0	0	455,000	455,000	0	0
Functional analyst staff (Assistor-portal)	280,000	280,000	0	0	0	280,000	280,000	0	0	0	0	0	0	0	0
Subtotal	2,818,000	2,818,000	0	0	0	2,363,000	2,363,000	0	0	0	0	455,000	455,000	0	0
Fringe	30%														
Call Center temporary staff	472,000	472,000	0	0	0	472,000	472,000	0	0	0	0	0	0	0	0
Manual Operations staff	420,000	420,000	0	0	0	420,000	420,000	0	0	0	0	0	0	0	0
SHOP staff	195,000	195,000	0	0	0	0	0	0	0	0	0	195,000	195,000	0	0
Functional analyst staff (Assistor-portal)	120,000	120,000	0	0	0	120,000	120,000	0	0	0	0	0	0	0	0
Subtotal	1,207,000	1,207,000	0	0	0	1,012,000	1,012,000	0	0	0	0	195,000	195,000	0	0
Contracts															
Call Center overflow contract	2,500,000	2,500,000	0	0	0	0	0	0	2,500,000	2,500,000	0	0	0	0	0
Staff augmentation contracts (PMO)	6,000,000	6,000,000	0	0	0	0	0	0	0	0	0	6,000,000	6,000,000	0	0
Staff augmentation contracts (Assistor-portal)	750,000	750,000	0	0	0	750,000	750,000	0	0	0	0	0	0	0	0
Technical services contracts (Assistor-portal)	600,000	600,000	0	0	0	600,000	600,000	0	0	0	0	0	0	0	0
Subtotal	9,850,000	9,850,000	0	0	0	1,350,000	1,350,000	0	2,500,000	2,500,000	0	6,000,000	6,000,000	0	0
Total	13,875,000	13,875,000	0	0	0	4,725,000	4,725,000	0	2,500,000	2,500,000	0	6,650,000	6,650,000	0	0

EXHIBIT D -- STAFFING (MN.IT @DHS AND STAFF AUGMENTATION/CONTRACTORS)

Supplemental Grant:	
Contractor and Staff Cost	37,496,046
CCIO Funding at 21%	7,874,170

Assumptions:		
hour in month	contractor \$/hr	staff \$/hr
173.33	\$150	\$59

MN.IT @DHS / MNSure System Build		MNSure IT System FTE%*	FY 2015		FY 2016		FY 2017		FY 2015		FY 2016		FY 2017		
Resource	Role		Jul14-Jun15	Jul15-Dec15	Jan16-Jun16	Jul16-Jun17	Jul14-Jun15	Jul15-Dec15	Jan16-Jun16	Jul14-Jun15	Jul15-Dec15	Jan16-Jun16	Jul16-Jun17	Jul14-Jun15	Jul15-Dec15
			Months	Months	Months	Months	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
			Development				Operations				Development: 37,496,046		Operations: 21,190,854		
TOTAL		183.95							22,813,506	14,682,540	7,146,949		14,043,905		
Contractors		49.25							10,152,807	7,682,853	0		0		
contractor	Deploy Management	75%	10	6	0	0			194,996	116,998	0		0		
contractor	Deploy Management	75%	10	6	0	0			194,996	116,998	0		0		
contractor	Deploy Management	75%	10	6	0	0			194,996	116,998	0		0		
contractor	Business Analyst	100%	8	6	0	0			207,996	155,997	0		0		
contractor	Business Analyst	100%	8	6	0	0			207,996	155,997	0		0		
contractor	Business Analyst	100%	8	6	0	0			207,996	155,997	0		0		
contractor	Business Analyst	100%	8	6	0	0			207,996	155,997	0		0		
contractor	Business Analyst	100%	8	6	0	0			207,996	155,997	0		0		
contractor	Business Analyst	100%	8	6	0	0			207,996	155,997	0		0		
contractor	Business Analyst	100%	8	6	0	0			207,996	155,997	0		0		
contractor	Business Analyst	100%	8	6	0	0			207,996	155,997	0		0		
contractor	Business Analyst	100%	8	6	0	0			207,996	155,997	0		0		
contractor	Business Analyst	100%	8	6	0	0			207,996	155,997	0		0		
contractor	Business Analyst	100%	8	6	0	0			207,996	155,997	0		0		
contractor	QA Lead	100%	11	6	0	0			285,995	155,997	0		0		
contractor	QA Supervisor	100%	6	6	0	0			155,997	155,997	0		0		
contractor	QA	100%	11	6	0	0			285,995	155,997	0		0		
contractor	QA	100%	11	6	0	0			285,995	155,997	0		0		
contractor	QA	100%	11	6	0	0			285,995	155,997	0		0		
contractor	QA	100%	11	6	0	0			285,995	155,997	0		0		
contractor	QA	100%	12	6	0	0			311,994	155,997	0		0		
contractor	QA	100%	8	6	0	0			207,996	155,997	0		0		
contractor	QA	100%	8	6	0	0			207,996	155,997	0		0		
contractor	QA	100%	8	6	0	0			207,996	155,997	0		0		
contractor	QA	100%	8	6	0	0			207,996	155,997	0		0		
contractor	QA	100%	8	6	0	0			207,996	155,997	0		0		
contractor	QA	100%	8	6	0	0			207,996	155,997	0		0		
contractor	QA	100%	8	6	0	0			207,996	155,997	0		0		
contractor	QA	100%	8	6	0	0			207,996	155,997	0		0		
contractor	QA	100%	8	6	0	0			207,996	155,997	0		0		
contractor	QA	100%	8	6	0	0			207,996	155,997	0		0		
contractor	Project Manager	100%	6	6	0	0			155,997	155,997	0		0		
contractor	Project Manager	100%	6	6	0	0			155,997	155,997	0		0		
contractor	Project Manager	100%	6	6	0	0			155,997	155,997	0		0		
contractor	Project Manager	100%	6	6	0	0			155,997	155,997	0		0		
contractor	Project Manager	100%	6	6	0	0			155,997	155,997	0		0		
contractor	Project Manager	100%	6	6	0	0			155,997	155,997	0		0		
contractor	Project Manager	100%	6	6	0	0			155,997	155,997	0		0		
contractor	Project Manager	100%	6	6	0	0			155,997	155,997	0		0		
contractor	Project Manager	100%	6	6	0	0			155,997	155,997	0		0		
contractor	Project Manager	100%	6	6	0	0			155,997	155,997	0		0		
contractor	PM Supervisor	100%	6	6	0	0			155,997	155,997	0		0		
contractor	Project Director Support	100%	8	6	0	0			207,996	155,997	0		0		
contractor	MNSure IT Project Director	100%	10	6	0	0			259,995	155,997	0		0		
contractor	administrator	100%	10	6	0	0			259,995	155,997	0		0		
contractor	administrator	100%	10	6	0	0			259,995	155,997	0		0		
contractor	Database administrator	100%	10	6	0	0			259,995	155,997	0		0		

EXHIBIT D -- STAFFING (MN.IT @DHS AND STAFF AUGMENTATION/CONTRACTORS)

Supplemental Grant:	
Contractor and Staff Cost	37,496,046
CCIO Funding at 21%	7,874,170

Assumptions:		
hour in month	contractor \$/hr	staff \$/hr
173.33	\$150	\$59

MN.IT @DHS / MNSure System Build		MNSure IT System FTE%*	FY 2015		FY 2016		FY 2017	FY 2015		FY 2016		FY 2017
Resource	Role		Jul14-Jun15	Jul15-Dec15	Jan16-Jun16	Jul16-Jun17	Jul14-Jun15	Jul15-Dec15	Jan16-Jun16	Jul16-Jun17		
			Months	Months	Months	Months	Dollars	Dollars	Dollars	Dollars		
			Development		Operations			Development:	37,496,046	Operations:	21,190,854	
contractor	Database administrator	100%	10	6	0	0	259,995	155,997	0	0		
contractor	IT Security Analyst	100%	6	6	0	0	155,997	155,997	0	0		
contractor	IT Security Analyst	100%	6	6	0	0	155,997	155,997	0	0		
contractor	IT Security Analyst	100%	6	6	0	0	155,997	155,997	0	0		
contractor	IT Security Analyst	100%	6	6	0	0	155,997	155,997	0	0		
contractor	IT Security Analyst	100%	6	6	0	0	155,997	155,997	0	0		
contractor	Project Manager	100%	11	6	0	0	285,995	155,997	0	0		
contractor	Project Manager - Security	100%	6	6	0	0	155,997	155,997	0	0		
contractor	Security Engineer	100%	6	6	0	0	155,997	155,997	0	0		
contractor	Security Access Control	100%	6	6	0	0	155,997	155,997	0	0		
contractor	Security Access Control	100%	6	6	0	0	155,997	155,997	0	0		
contractor	IT Trainer -Security and Privacy	100%	6	6	0	0	155,997	155,997	0	0		
Staff		134.70					12,660,699	6,999,687	7,146,949	14,043,905		
staff	BA Supervisor	100%	6	6	6	12	61,359	61,359	61,359	122,718		
staff	IT Security	100%	9	6	6	12	92,038	61,359	61,359	122,718		
staff	IBM - Performance Tuning	100%	11	6	0	0	112,491	61,359	0	0		
staff	Control Monitor	100%	11	6	0	0	112,491	61,359	0	0		
staff	██████████ Support	100%	11	6	0	0	112,491	61,359	0	0		
staff	Programmer	100%	11	0	0	0	112,491	0	0	0		
staff	MNSure System Architect	100%	11	6	6	12	112,491	61,359	61,359	122,718		
staff	Integration Administrator	100%	11	6	6	12	112,491	61,359	61,359	122,718		
staff	Integration Administrator	100%	11	6	6	12	112,491	61,359	61,359	122,718		
staff	Messaging Administrator	100%	11	6	6	12	112,491	61,359	61,359	122,718		
staff	Web administrator	100%	11	6	6	12	112,491	61,359	61,359	122,718		
staff	Application Support Supervisor	100%	11	6	6	12	112,491	61,359	61,359	122,718		
staff	FileNet Administrator	100%	11	6	6	12	112,491	61,359	61,359	122,718		
staff	DBA	100%	11	6	6	12	112,491	61,359	61,359	122,718		
staff	DBA lead	100%	11	6	6	12	112,491	61,359	61,359	122,718		
staff	BA Supervisor	100%	11	6	6	12	112,491	61,359	61,359	122,718		
staff	Business Analyst	100%	11	6	6	12	112,491	61,359	61,359	122,718		
staff	Business Analyst	100%	11	6	6	12	112,491	61,359	61,359	122,718		
staff	Business Analyst	100%	11	6	6	12	112,491	61,359	61,359	122,718		
staff	Business Analyst	100%	11	6	6	12	112,491	61,359	61,359	122,718		
staff	Business Analyst	100%	11	6	6	12	112,491	61,359	61,359	122,718		
staff	Business Analyst	100%	10	6	6	12	102,265	61,359	61,359	122,718		
staff	Business Analyst	100%	10	6	6	12	102,265	61,359	61,359	122,718		
staff	Business Analyst	100%	12	6	6	12	122,718	61,359	61,359	122,718		
staff	Business Analyst	100%	12	0	0	0	122,718	0	0	0		
staff	Business Analyst	100%	12	6	6	12	122,718	61,359	61,359	122,718		
staff	Business Analyst	100%	12	0	0	0	122,718	0	0	0		
staff	Business Analyst	100%	6	6	6	12	61,359	61,359	61,359	122,718		

EXHIBIT D -- STAFFING (MN.IT @DHS AND STAFF AUGMENTATION/CONTRACTORS)

Supplemental Grant:	
Contractor and Staff Cost	37,496,046
CCIO Funding at 21%	7,874,170

Assumptions:		
hour in month	contractor \$/hr	staff \$/hr
173.33	\$150	\$59

MN.IT @DHS / MNSure System Build		MNSure IT System FTE%*	FY 2015		FY 2016		FY 2017	FY 2015	FY 2016		FY 2017
Resource	Role		Jul14-Jun15 Months	Jul15-Dec15 Months	Jan16-Jun16 Months	Jul16-Jun17 Months	Jul14-Jun15 Dollars	Jul15-Dec15 Dollars	Jan16-Jun16 Dollars	Jul16-Jun17 Dollars	
			Development		Operations			37,496,046		21,190,854	
staff	Business Analyst	100%	6	6	6	12	61,359	61,359	61,359	122,718	
staff	Business Analyst	100%	6	6	6	12	61,359	61,359	61,359	122,718	
staff	Business Analyst	100%	6	6	6	12	61,359	61,359	61,359	122,718	
staff	Business Analyst	100%	6	6	6	12	61,359	61,359	61,359	122,718	
staff	Business Analyst	100%	6	6	6	12	61,359	61,359	61,359	122,718	
staff	DBA	100%	11	6	6	12	112,491	61,359	61,359	122,718	
staff	Informatica Administrator	100%	11	6	6	12	112,491	61,359	61,359	122,718	
staff	Informatica Programmer/Developer -	100%	6	6	6	12	61,359	61,359	61,359	122,718	
staff	Report Developer	100%	11	6	6	12	112,491	61,359	61,359	122,718	
staff	Report Developer	100%	11	6	6	12	112,491	61,359	61,359	122,718	
staff	CRM Administrator	100%	11	6	6	12	112,491	61,359	61,359	122,718	
staff	Data Analyst/Architect	100%	11	0	0	0	112,491	0	0	0	
staff	DW Data Modeler	100%	11	6	6	12	112,491	61,359	61,359	122,718	
staff	QA Lead	100%	11	6	0	0	112,491	61,359	0	0	
staff	QA Supervisor	100%	6	6	6	12	61,359	61,359	61,359	122,718	
staff	QA	100%	8	6	6	12	81,812	61,359	61,359	122,718	
staff	QA	100%	8	6	6	12	81,812	61,359	61,359	122,718	
staff	QA	100%	8	6	6	12	81,812	61,359	61,359	122,718	
staff	QA	100%	6	6	6	12	61,359	61,359	61,359	122,718	
staff	QA	100%	6	6	6	12	61,359	61,359	61,359	122,718	
staff	QA	100%	6	6	6	12	61,359	61,359	61,359	122,718	
staff	QA	100%	6	6	6	12	61,359	61,359	61,359	122,718	
staff	QA	100%	6	6	6	12	61,359	61,359	61,359	122,718	
staff	QA	100%	6	6	6	12	61,359	61,359	61,359	122,718	
staff	QA	100%	6	6	6	12	61,359	61,359	61,359	122,718	
staff	QA	100%	6	6	6	12	61,359	61,359	61,359	122,718	
staff	Project Manager	100%	11	6	6	12	112,491	61,359	61,359	122,718	
staff	Project Manager	100%	11	0	0	0	112,491	0	0	0	
staff	Project Manager	100%	11	0	0	0	112,491	0	0	0	
staff	Eligibility Architect	100%	11	0	0	0	112,491	0	0	0	
staff	JAD Supervisor	100%	11	6	6	12	112,491	61,359	61,359	122,718	
staff	System Architect	100%	11	6	6	12	112,491	61,359	61,359	122,718	
staff	Programmer	100%	11	6	6	12	112,491	61,359	61,359	122,718	
staff	Programmer	100%	11	6	6	12	112,491	61,359	61,359	122,718	
staff	Programmer	100%	11	6	6	12	112,491	61,359	61,359	122,718	
staff	Programmer	100%	11	6	6	12	112,491	61,359	61,359	122,718	
staff	Programmer	100%	11	6	6	12	112,491	61,359	61,359	122,718	
staff	Programmer	100%	11	6	6	12	112,491	61,359	61,359	122,718	
staff	Programmer	100%	11	6	6	12	112,491	61,359	61,359	122,718	
staff	Programmer	100%	11	6	6	12	112,491	61,359	61,359	122,718	
staff	Programmer	100%	11	6	6	12	112,491	61,359	61,359	122,718	
staff	Programmer	100%	11	6	6	12	112,491	61,359	61,359	122,718	
staff	Programmer	100%	11	6	6	12	112,491	61,359	61,359	122,718	
staff	Programmer	100%	11	6	6	12	112,491	61,359	61,359	122,718	
staff	Programmer	100%	11	6	6	12	112,491	61,359	61,359	122,718	
staff	Programmer	100%	11	6	6	12	112,491	61,359	61,359	122,718	
staff	Programmer	100%	11	6	6	12	112,491	61,359	61,359	122,718	
staff	Programmer	100%	11	6	6	12	112,491	61,359	61,359	122,718	
staff	Programmer	100%	11	6	6	12	112,491	61,359	61,359	122,718	

EXHIBIT D -- STAFFING (MN.IT @DHS AND STAFF AUGMENTATION/CONTRACTORS)

Supplemental Grant:	
Contractor and Staff Cost	37,496,046
CCIO Funding at 21%	7,874,170

Assumptions:		
hour in month	contractor \$/hr	staff \$/hr
173.33	\$150	\$59

MN.IT @DHS / MNSure System Build		MNSure	FY 2015	FY 2016		FY 2017	FY 2015	FY 2016		FY 2017
Resource	Role	IT System FTE%*	Jul14-Jun15 Months	Jul15-Dec15 Months	Jan16-Jun16 Months	Jul16-Jun17 Months	Jul14-Jun15 Dollars	Jul15-Dec15 Dollars	Jan16-Jun16 Dollars	Jul16-Jun17 Dollars
			Development		Operations		Development:	37,496,046	Operations:	21,190,854
staff	Programmer	100%	11	6	6	12	112,491	61,359	61,359	122,718
staff	Programmer	100%	11	6	6	12	112,491	61,359	61,359	122,718
staff	Programmer	100%	9	6	6	12	92,038	61,359	61,359	122,718
staff	Programmer	100%	9	6	6	12	92,038	61,359	61,359	122,718
staff	Programmer	100%	9	6	6	12	92,038	61,359	61,359	122,718
staff	Programmer	100%	9	6	6	12	92,038	61,359	61,359	122,718
staff	Programmer	100%	9	6	6	12	92,038	61,359	61,359	122,718
staff	Programmer	100%	9	6	6	12	92,038	61,359	61,359	122,718
staff	Programmer	100%	9	6	6	12	92,038	61,359	61,359	122,718
staff	Business Analyst	100%	6	6	6	12	61,359	61,359	61,359	122,718
staff	Business Analyst	100%	6	6	6	12	61,359	61,359	61,359	122,718
staff	Report Coordinator/Lead	100%	6	6	6	12	61,359	61,359	61,359	122,718
staff	Linux Support	100%	12	6	6	12	122,718	61,359	61,359	122,718
staff	IT Security	100%	12	6	6	12	122,718	61,359	61,359	122,718
staff	Linux Support	100%	12	6	6	12	122,718	61,359	61,359	122,718
staff	Web Developer	100%	6	6	6	12	61,359	61,359	61,359	122,718
staff	SP Developer	100%	6	6	6	12	61,359	61,359	61,359	122,718
staff	Support	100%	9	0	0	0	92,038	0	0	0
staff	Contract Admin	100%	7	6	0	0	71,585	61,359	0	0
staff	Budget Monitor	100%	6	6	6	12	61,359	61,359	61,359	122,718
staff	Project Director Support	100%	7	0	0	0	71,585	0	0	0
staff	Project Director Support	100%	7	0	0	0	71,585	0	0	0
staff	IAM	100%	8	6	6	12	81,812	61,359	61,359	122,718
staff	IAM	100%	8	6	6	12	81,812	61,359	61,359	122,718
staff	Project Manager	50%	11	0	0	0	56,246	0	0	0
staff	System Architect	50%	11	6	6	12	56,246	30,679	30,679	61,359
staff	Tier II Support	50%	11	6	6	12	56,246	30,679	30,679	61,359
staff	Tier II Support	50%	9	6	6	12	46,019	30,679	30,679	61,359
staff	Tier II Support	50%	9	6	6	12	46,019	30,679	30,679	61,359
staff	Tier II Support	50%	11	6	6	12	56,246	30,679	30,679	61,359
staff	Tier II Support	50%	11	6	6	12	56,246	30,679	30,679	61,359
staff	Tier II Support	50%	11	6	6	12	56,246	30,679	30,679	61,359
staff	IT Security	50%	10	6	6	12	51,132	30,679	30,679	61,359
staff	IT Security	50%	12	6	6	12	61,359	30,679	30,679	61,359
staff	APD and CMS Liaison	50%	11	0	0	0	56,246	0	0	0
staff	Security Director	50%	12	6	6	12	61,359	30,679	30,679	61,359
staff	SSAM Supervisor	50%	12	6	6	12	61,359	30,679	30,679	61,359
staff	IT Security	5%	10	6	6	12	5,113	3,068	3,068	6,136
staff	IV&V Contract Administration	5%	12	6	6	12	6,136	3,068	3,068	6,136
staff	Desktop Supervisor	5%	10	6	6	12	5,113	3,068	3,068	6,136
staff	Help Desk Supervisor	5%	12	6	6	12	6,136	3,068	3,068	6,136
staff	Help desk support	5%	10	6	6	12	5,113	3,068	3,068	6,136

EXHIBIT D -- STAFFING (MN.IT @DHS AND STAFF AUGMENTATION/CONTRACTORS)

Supplemental Grant:	
Contractor and Staff Cost	37,496,046
CCIO Funding at 21%	7,874,170

Assumptions:		
hour in month	contractor \$/hr	staff \$/hr
173.33	\$150	\$59

MN.IT @DHS / MNSure System Build		MNSure IT System FTE%*	FY 2015	FY 2016		FY 2017	FY 2015	FY 2016		FY 2017
Resource	Role		Jul14-Jun15	Jul15-Dec15	Jan16-Jun16	Jul16-Jun17	Jul14-Jun15	Jul15-Dec15	Jan16-Jun16	Jul16-Jun17
			Months	Months	Months	Months	Dollars	Dollars	Dollars	Dollars
			Development		Operations		Development:	37,496,046	Operations:	21,190,854
staff	Help desk support	5%	10	6	6	12	5,113	3,068	3,068	6,136
staff	Help desk support	5%	10	6	6	12	5,113	3,068	3,068	6,136
staff	Help desk support	5%	10	6	6	12	5,113	3,068	3,068	6,136
staff	CRM Administrator	10%	11	6	6	12	11,249	6,136	6,136	12,272
staff	IT Security	10%	12	6	6	12	12,272	6,136	6,136	12,272
staff	IT Security	10%	10	6	6	12	10,226	6,136	6,136	12,272
staff	Admin oversight	10%	6	6	0	0	6,136	6,136	0	0
staff	Admin Oversight	10%	6	6	0	0	6,136	6,136	0	0
staff	Budget, contract, APD monitor	10%	6	6	0	0	6,136	6,136	0	0
staff	Help desk support	10%	12	6	6	12	12,272	6,136	6,136	12,272
staff	Help desk support	10%	11	6	6	12	11,249	6,136	6,136	12,272
staff	EDMS	15%	11	6	6	12	16,874	9,204	9,204	18,408
staff	Project Manager	15%	12	0	0	0	18,408	0	0	0
staff	CRM Developer/Administrator	20%	11	6	6	12	22,498	12,272	12,272	24,544
staff	EDMS/Developer	20%	11	6	6	12	22,498	12,272	12,272	24,544
staff	Forms Developer	20%	11	6	6	12	22,498	12,272	12,272	24,544
staff	Citrix support	20%	12	6	6	12	24,544	12,272	12,272	24,544
staff	IT Security	25%	12	6	6	12	30,679	15,340	15,340	30,679
staff	PM Director	30%	7	0	0	0	21,476	0	0	0
staff	Supervisor	40%	8	6	6	12	32,725	24,544	24,544	49,087
staff	IT Security	40%	12	6	6	12	49,087	24,544	24,544	49,087
staff	Telecom Support	70%	10	6	0	0	71,585	42,951	0	0
staff	Electronic Forms Manager	70%	4	6	6	12	28,634	42,951	42,951	85,902
staff	Release Manager	75%	12	6	0	0	92,038	46,019	0	0
staff	BA Supervisor	75%	12	6	6	12	92,038	46,019	46,019	92,038
staff	JAD Supervisor	75%	9	6	0	0	69,029	46,019	0	0
staff	System Architect	75%	9	6	0	0	69,029	46,019	0	0
staff	App Services Director	75%	10	6	6	12	76,699	46,019	46,019	92,038
staff	Citrix support	80%	12	6	6	12	98,174	49,087	49,087	98,174
staff	IT Security	80%	12	6	6	12	98,174	49,087	49,087	98,174
staff	VDI Support	80%	9	6	0	0	73,631	49,087	0	0
staff	Quality Assurance/Manager	90%	11	6	6	12	101,242	55,223	55,223	110,446
staff	System monitoring	90%	12	6	6	12	110,446	55,223	55,223	110,446
staff	System monitoring	90%	10	6	6	12	92,038	55,223	55,223	110,446
staff	Java Director	90%	11	6	0	0	101,242	55,223	0	0
staff	Desktop Support at MNSure	95%	12	6	0	0	116,582	58,291	0	0
staff	Desktop Support at MNSure	95%	12	6	0	0	116,582	58,291	0	0
staff	IAM Architect	20%	12	6	0	0	24,544	12,272	0	0
staff	BA Supervisor	25%	12	6	6	12	30,679	15,340	15,340	30,679
staff	Project Manager	80%	6	6	0	0	49,087	49,087	0	0
staff **	Project Manager	100%	0	0	6	12	0	0	61,359	122,718
staff **	Project Manager	100%	0	0	6	12	0	0	61,359	122,718

EXHIBIT D – STAFFING (MN.IT @DHS AND STAFF AUGMENTATION/CONTRACTORS)

Supplemental Grant:	
Contractor and Staff Cost	37,496,046
CCIO Funding at 21%	7,874,170

Assumptions:		
hour in month	contractor \$/hr	staff \$/hr
173.33	\$150	\$59

MN.IT @DHS / MNSure System Build		MNSure IT System FTE%*	FY 2015	FY 2016		FY 2017	FY 2015	FY 2016		FY 2017
Resource	Role		Jul14-Jun15 Months	Jul15-Dec15 Months	Jan16-Jun16 Months	Jul16-Jun17 Months	Jul14-Jun15 Dollars	Jul15-Dec15 Dollars	Jan16-Jun16 Dollars	Jul16-Jun17 Dollars
			Development		Operations		Development: 37,496,046		Operations: 21,190,854	
staff **	Project Manager	100%	0	0	6	12	0	0	61,359	122,718
staff **	Project Manager	100%	0	0	6	12	0	0	61,359	122,718
staff **	Project Manager	100%	0	0	6	12	0	0	61,359	122,718
staff **	Project Manager	100%	0	0	6	12	0	0	61,359	122,718
staff **	Project Manager	100%	0	0	6	12	0	0	61,359	122,718
staff **	PM Supervisor	100%	0	0	6	12	0	0	61,359	122,718
staff **	administrator	100%	0	0	6	12	0	0	61,359	122,718
staff **	administrator	100%	0	0	6	12	0	0	61,359	122,718
staff **	Database administrator	100%	0	0	6	12	0	0	61,359	122,718
staff **	Database administrator	100%	0	0	6	12	0	0	61,359	122,718
staff **	Project Manager	100%	0	0	6	12	0	0	61,359	122,718
staff **	Deploy Management	75%	0	0	6	12	0	0	46,019	92,038
staff **	Deploy Management	75%	0	0	6	12	0	0	46,019	92,038
staff **	Deploy Management	75%	0	0	6	12	0	0	46,019	92,038
staff	IT Security Business Analyst	100%	6	6	6	12	59,279	59,279	59,279	118,558
staff **	Overtime allowance						1,000,000	375,000	375,000	500,000

* excludes MAGI-only work

** originally a contractor



December 4, 2014

Vivian Smith
Centers for Medicare and Medicaid Services
Office of Acquisition and Grants Management
200 Independence Ave SW
Room 739H-02
Washington, DC 20201

Dear Ms. Smith:

Thank you for considering Minnesota's requested adjustment to the current Establishment Grants. Today's letter is in response to the eleven follow-up questions received from your staff. Also, at the request of your staff, we are also providing 2014-2018 budget estimates in the updated CMS template format.

Please note that the original submission included a request to extend the end dates of HBEIE120176 and HBEIE120177 to 12-31-2015 (providing consistency across all four active grants). On the advice of your staff, we are separating the extension request from the adjustment request. The extension request will be re-submitted next week.

I would also like to acknowledge that the requested adjustment would provide necessary funding to amend existing IT contracts and establish new IT contracts. Consistent with past practice and federal requirements, MNSure will work collaboratively with the Minnesota Department of Human Services, CCIIO, and CMS to receive any necessary approvals before it would proceed with these proposed amendments or new contracts.

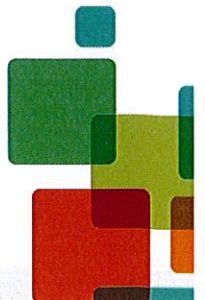
Please let us know if any additional information is needed. Thank you for your consideration. We look forward to your response.

Sincerely,

A handwritten signature in black ink that reads "Katie Burns".

Katie Burns, Chief Operating Officer

CC: Marty Cammack, MNSure Interim Chief Financial Officer
Hanh Tran, MNSure Budget Coordinator
Alexandra Kotze, DHS Chief Financial Officer
Tom Baden, MN.IT @DHS Chief Information Officer
Gustavo Seinos, CCIIO Project Officer
Susan Lumsden, CCIIO Grants Officer



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

1. Office Supplies @ \$200,000, Equipment & Furniture @ \$1,200,000, Occupancy Costs @ \$200,000, and Training @ 250,000 for the additional staffing is questionable if that staff is already in place. These costs appear to be operational. Please explain how they are classified as DDI.

Response

These are general administrative costs associated with the additional DDI staff and contractors listed in Attachment D. The basis for these estimates is detailed below including corrections to some of the original amounts requested.

Travel / training expenses were based on an assumption that 75% of the 134 additional staff would travel once for training purposes, at a total travel / training cost of \$2500 per trip. The total for these two categories should have been \$250,000, composed of \$100,000 travel and \$150,000 training. The amount requested for training inadvertently included the travel.

Office supplies / equipment & furniture expenses were based on an average cost of \$6500 for each for the 134 additional staff and 49 additional consultants. This includes temporary office landscaping (e.g. dividers/cubicles and work surfaces), chairs, computer/monitor, phones, shared MFD device (and related supplies), as well as office supply basics. The total requested for the two categories should have been \$1,200,000, composed of \$200,000 supplies and \$1,000,000 equipment. The amount requested for equipment inadvertently included the supplies.

Short-term occupancy expenses are based on past cost experience with short-term leases. On average, short-term leases have cost \$1500 per person on an annualized basis. The amount requested of \$200,000 was based on the 134 additional staff, but inadvertently excluded the 49 consultants. The adjusted request amount is \$270,000.

2. A Project Communications role was identified along with cost estimates. How is this different from the project management role which has been funded? (p 3 of 18)

Response

Deloitte's assessment of the MNSure project, shared with CCIIO on July 23, 2014, included a recommendation that a dedicated individual be added to the MN.IT @DHS project management office (PMO) to provide unified communications. This position was not previously factored into staffing plan or budget considerations. We agree that this is essential to the success of the ongoing implementation. See pages 30-36 of the [Program and Project Management Assessment](#) for a description of the position and its role within the MN.IT @DHS Project Management Office (PMO).

Clarification: There is also an organization unit within MNSure referred to as the PMO. This unit contains MNSure's staff augmentation/consultants. These resources are organizationally centralized for cost efficiency and to provide greater management flexibility. MNSure's staff augmentation/consultants continue to be necessary during the completion of the IT Build; however the focus of their effort is different than the MN.IT @DHS PMO. To help clarify this, "Exhibit F" is being added to the original adjustment request, detailing the roles of the MNSure staff augmentation/consultants.

3. Please explain how operational monitoring is considered DDI cost and not operational costs? (p 4 of 18).

Response

The funding requested for operational monitoring is for the design, development, and implementation of technical operational monitoring. MNsure requires development and/or improvements to business activity monitoring, analytics, and enhanced system monitoring. The activities include modelling, technical design specifications, coding, and implementation which are DDI costs.

4. On page 5, section 4, it states: scope and deliverables were deferred or postponed. For all the items listed on page 5, please provide a breakdown of the costs to include level of effort, hourly rate, and total cost and what has been previously funded.

Response

Cost items from previous grants include:

- Informatica licenses: \$1,000,000
- ¼ [REDACTED] hardware: \$623,000
- [REDACTED] software associated to ¼ rack [REDACTED] \$2,200,000

The aforementioned items are all infrastructure and licensing items that were accounted for in the initial grant application. These items were not implemented to their potential and still require implementation services and training necessary to allow these assets to be leveraged appropriately. It is essential to continue the development effort related to these items to ensure that business needs are met.

5. Why does MN need 134 additional FTEs and 49 Consultants during this phase of development? (p. 9 of 18). Is this sustainable?

Response

The additional staff funding requested is intended to complete the IT build, incorporating the priorities of the MNsure Board, and reflects a belief that MNsure will be in full project mode for another year. These roles are described in the project narrative of the grant request. MNsure plans to transition away from its former DDI model that relied heavily on vendor staffing secured through deliverables-based contracts and towards a staffing plan that is based on state staffing with some consultant augmentation. This transition is more financially sustainable and better positions MNsure to be able to support the system in operations. Attachment D identifies the additional staffing need and their roles, and also provides a preliminary assessment of operational staffing needs beyond 12-31-2015. The estimates for the vendor contracts assumed a period of overlap while the vendor staff transitioned their work and knowledge to the new state positions, with services required through at least March 2015.

6. While it's mentioned that contracts will be submitted for review as required, how were the contract estimates developed for Deloitte, EngagePoint, and Connecture? Is there to be a contract with IBM/Curam?

Response

The contract estimates for all vendors were developed with the scope that is required for completion of items in the initial grant application. Deloitte contract was estimated with the assumption that all duties they are currently under contract to perform in addition to testing resources under the existing 8.1 million dollar contract. These duties are required to be continued through the remainder of the next phase of the project. The Engagepoint work was estimated utilizing current contract arrangements and burn rates associated with the existing staff development augmentation contract currently in place. The Connecture costs are also associated with continued contract deliverables and the ability for MNSure to receive delivery for the next phase. IBM/Curam is currently under contract through 3/31 to deliver remaining functionality for the MNSure solution. MNSure may have the ability to narrow these costs if given the ability to continue to move forward with the state/contract resources identified in the overall cost but there is essential knowledge transfer time and product training necessary to ensure the viability of MNSure going forward. These turnover times have taken longer than initially anticipated which is why there is an overlap accounted for in the request.

7. Are there cost details available for the IAM at \$3,200,000?

Response

The IAM component of the request includes \$500,000 in hardware needed to increase the MNSure IAM platform and \$2.7M for development and implementation services. (\$500,000 of the requested amount needs to be moved from Equipment to Contracts.) Additional detail can be provided if necessary.

8. 1095A Process and reconciliation @ \$2,665,083 was previously funded. How did MN come up with the additional funding amount and what has been spent to date on this function?

Response

This is the first request MNSure has submitted for funding specifically to support the 1095 process and 2014 policy-level data reconciliation with the federal government. MN.IT staff are developing, testing and implementing most of the code that will support the 1095 and data reconciliation processes, including the 1095A form, 1095 data feeds to the IRS and CMS and data reconciliation. We are requesting funding in the event we need to bring additional resources to bear to supplement these efforts and because our original budget did not include estimates for 1095 work or the specific data reconciliation efforts required due to interim payment processes for tax credits and cost sharing reductions. We did not previously request funding for these efforts because SBM responsibilities on 1095s and data reconciliation to support interim payment processes were not yet fully articulated at the time we submitted our last grant request in 2013. Areas where additional resources may be needed include additional developers, a back-up option for external fulfillment of the 1095A notice to consumers and the development of a Second Lowest Cost Silver Plan Look Up tool.

9. MN.IT Central Services @ \$3,500,000 appears to be operational in nature.

Response

There are several services provided by MN.IT Central that directly correlate to the DDI effort. Those include the costs associated with the management of development database instances, virtual server hosting, application hosting services, SAN services as well as infrastructure for recovery services directly related to the DDI efforts. The original cost estimated included these DDI services, plus on-going operational services. Our revised estimate of DDI-related MN.IT Central Service charges is \$1,500,000. Additional detail can be provided if necessary.

10. Environment @ \$10,000,000 appears to be operational funding given the number of environments already funded for the MNSure development to date. What additional environments are required beyond what already exist?

Response

The last IV&V report for QR5 highlighted this issue with a finding described as "Inadequate Test Environment to Perform Batch Testing." Additional environments for DDI are needed as MN takes on a greater development role from contractors and plans to accelerate development in the coming year. The additional environments will allow multiple development tracks, to accommodate use of time travel software, and perform load testing. Additional detail can be provided if necessary.

11. Please provide more cost details for the completion of SHOP and development for Disaster Recovery including level of effort, hourly rates, total costs and deliverables?

Response

The adjustment request includes staff and staff augmentation/consultant funding for SHOP and Assister-portal. Please note that these staff augmentation/consultants are included in the newly submitted "Exhibit F".

The Disaster Recovery component of the request is to plan, construct, and execute a full disaster recover scenario. This request is for services and staff time as the hardware, software, and databases will be licensed by the service provider. Existing contracts for other major state systems were used to estimate the costs for this effort. Once developed and implemented, we will perform yearly disaster recovery exercises including the full recovery in an offsite not disclosed location as part of operations. Funding for this portion is not requested. Additional detail can be provided if necessary.

EXHIBIT F -- MNSure Staff Augmentation Contracts

(January 1, 2015 through December 31, 2015 cost estimates)

#	Description
<i>Proposed extensions through 12-31-2015</i>	
1 - 7	Project Management <ul style="list-style-type: none"> • Manages projects for the MNSure PMO
8	Renewal Process <ul style="list-style-type: none"> • Project Lead for entire Renewal Process • Liaison and lead for SHOP / Carrier relations • Project Lead for Web Forms – development and implementation; including converting to online capability (Caspio) • Collaborates and supports all SHOP and NAB system functionality - working directly with business teams and vendors (initial reason to bring her on board) • PM duties for SHOP – assist with collaborating amongst team members and co-leading meetings
9	QHP Renewals <ul style="list-style-type: none"> • Managing team tasks, communications, and milestone reporting • Consumer notices; schedule, tasks, review and operational impact tracking • 834 EDI files; test preparation specific to anomalies and demographics • Transition from Open Enrollment to SEP environment; planning and carrier communication
10	SharePoint Design <ul style="list-style-type: none"> • Coding and support for SHOP – entire SHOP business currently runs on SharePoint platform
11	Project Analysis <ul style="list-style-type: none"> • SHOP Finances – including all invoicing and acting liaison between SHOP and employers and running of the 820 files • Delinquent and termination processes • Notices • Enrollment Process • Eligibility Process(es) • SHOP Mailbox – organization of; currently being used to track business. Needing to organize work of the SHOP team and the Ops Team more effectively and efficiently. • Ad hoc support to Employer Relations and PM/BA
12	Operational Process Development <ul style="list-style-type: none"> • Case research, update and resolution • Case maintenance (system and manual processes) • Business process modeling • Reports query development

EXHIBIT F -- MNsure Staff Augmentation Contracts

(January 1, 2015 through December 31, 2015 cost estimates)

#	Description
13	<p>Operational Process Development</p> <ul style="list-style-type: none"> • Testing and defect triage • Case research, update and resolution • Case maintenance (system and manual processes) • Development of system processes • Training of operational staff on system processes
14	<p>Reporting</p> <ul style="list-style-type: none"> • All reporting – SHOP, CCIIO, Board, ad hoc for plan management • File Management – run and send daily files to carriers; acting as liaison between SHOP and carriers
15	<p>Business Analyst</p> <ul style="list-style-type: none"> • Managing operational impact between MNsure Business Owners COTS vendor, MNIT and Business Ops • Working with Bus Ops /CC on developing and mapping operational process and improvements • Report development and analytics of data and workload • Development and maintenance of manual tools (i.e. SEP, LEP, Manual Enrollments) • Troubleshooting as issues arise requiring new or modified manual process • Testing and support across functional business process in the COTS systems along with manual tools used to support COTS functionality
16	<p>Business Analyst</p> <ul style="list-style-type: none"> • Facilitates info transfer across business and technical plan management components (e.g. transfer of SERFF data to MNsure) • Lead analyst on online shopping experience updates • Management of plan management defects, issue prioritization, testing, and corresponding vendor collaboration • Involved in 1095 business requirements development and corresponding report testing
17	<p>Business Analyst</p> <ul style="list-style-type: none"> • Involved with both MNsure and MNIT in development of MNsure enrollment system of record • Lead business contact on 834 manual process and subject matter expert on those data elements • Facilitation of development and testing of carrier 834 enrollment files and reports • Plan management support, including testing of shopping components and 1095 report development
18	<p>Business Analyst</p> <ul style="list-style-type: none"> • Integral to development of MNsure enrollment system of record • Technical and subject matter expert working with carriers on 1095 data collection • Involved in building of queries supporting CCIIO-required reporting and build of MNsure SQL needed for data requests

EXHIBIT F -- MNsure Staff Augmentation Contracts

(January 1, 2015 through December 31, 2015 cost estimates)

#	Description
19	Business Analyst <ul style="list-style-type: none"> • Contact center technology design and configuration • Consumer assistance program training development and implementation • Consumer assistance program certification and training initial design and configuration
20 - 23	Business Analysts <ul style="list-style-type: none"> • Lead process of developing and implementing business requirements for IT functionality that still needs to be completed • Identify/define temporary manual processes that must be carried out until system functionality is completed
<i>Proposed additions through 12-31-2015</i>	
24	SHOP Project Manager <ul style="list-style-type: none"> • Project Lead for SHOP aspects of online functionality, including SHOP enrollment and Assister (Broker) Portal • Liaison and lead for collaboration with broker team on business and technology
25	SHOP Business Analyst <ul style="list-style-type: none"> • Policy, procedure, and training documentation • Documentation and support of online functionality and business functions
26	SHOP Business Analyst <ul style="list-style-type: none"> • Online functionality business requirement documentation for SHOP and broker functionality • Documentation and support of Caspio design and configuration for assister certification and training
27	SHOP Business Analyst <ul style="list-style-type: none"> • Online functionality business requirement documentation for SHOP and broker functionality • Documentation and support of Caspio design and configuration for assister certification and training
28	Assister Portal Business Analyst <ul style="list-style-type: none"> • Documentation and support of Caspio design and configuration for assister certification and training • Documentation and support of Assister portal design and configuration • Policy, procedure, and training documentation
29	Assister Portal Business Analyst <ul style="list-style-type: none"> • All reporting – Caspio, CRM, Assister Portal, and ad hoc for Consumer Assistance Program • File Management – run and send daily files for assister certification and training; acting as liaison between assister business and customer service

Estimated Cost: 29 Consultants x 2088 hours x \$115 avg. hourly rate = \$6,750,000

Basis for staff augmentation estimate of \$6,000,000 (HBEIE140181) on page 16 and \$750,000 (HBEIE120177) on page 18.

CY2014-CY2018 SBM BUDGET REQUEST, ROUND TWO

Minnesota Budget - State-based Health Insurance Marketplace

Budget Projections based on MNSure FY 2015 -17 financial plan as of December 3, 2014 (FY = Fiscal Year; July through June period)
Fiscal year budgets have been translated to calendar year periods as required by instructions; CY 2018 assumed to equal CY 2017

A. Calendar Year	2014	2015	2016	2017	2018
Year Ending	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018
Projected Enrollment	46,000	67,000	107,000	152,000	N/A
Enrollment to Date (12-2014)	46,000				

B. REVENUE	2014	2015	2016	2017	2018
Legislative Authority to Collect Revenue	Yes				
Premium Withhold	\$ 1,905,492	\$ 8,208,270	\$ 13,192,546	\$ 18,866,210	\$ 18,866,210
MN Department of Human Services	\$ 29,271,800	\$ 25,569,914	\$ 30,751,673	\$ 30,761,112	\$ 30,761,112
CCIO Establishment Funds	\$ 66,527,414	\$ 16,577,056	\$ -	\$ -	\$ -
TOTAL REVENUE	\$ 97,704,706	\$ 50,355,240	\$ 43,944,219	\$ 49,627,322	\$ 49,627,322

C. EXPENDITURES	2014	2015	2016	2017	2018
Personnel	\$ 9,580,228	\$ 9,542,692	\$ 9,222,308	\$ 9,222,308	\$ 9,222,308
Fringe Benefits	\$ 2,874,068	\$ 2,862,808	\$ 2,766,692	\$ 2,766,692	\$ 2,766,692
Travel	\$ 105,175	\$ 115,000	\$ 100,000	\$ 100,000	\$ 100,000
Equipment	\$ 149,824	\$ 110,000	\$ 110,000	\$ 110,000	\$ 110,000
Supplies	\$ 88,949	\$ 85,000	\$ 85,000	\$ 85,000	\$ 85,000
IT Contractual	\$ 37,746,648	\$ 10,135,500	\$ 6,686,000	\$ 6,686,000	\$ 6,686,000
Non IT Contractual	\$ 26,402,265	\$ 16,389,750	\$ 12,882,000	\$ 12,882,000	\$ 12,882,000
Capital costs					
Construction					
Other Direct Costs	\$ 18,519,095	\$ 11,477,491	\$ 11,465,202	\$ 11,465,202	\$ 11,465,202
Indirect Costs	\$ 332,962	\$ 573,000	\$ 536,000	\$ 536,000	\$ 536,000
TOTAL EXPENDITURES	\$ 95,799,214	\$ 51,291,241	\$ 43,853,202	\$ 43,853,202	\$ 43,853,202

D. NET Gain/Loss	2014	2015	2016	2017	2018
Legislative Authority to have a Reserve	Yes				
Total Reserve	\$ 1,905,492	\$ 969,492	\$ 1,060,509	\$ 6,834,629	\$ 12,608,749

E. QUESTIONS:

- Has the Marketplace's 2015 operating budget been approved by the board?
 - A preliminary CY 2015 budget was approved in March 2014. Since then, MNSure has moved to the state fiscal year budget period. The current FY 2015 budget was approved on December 3, 2014.
- Has the 2015 operating budget been approved by the state legislature?
 - N/A; however the legislature previously authorized the receipt and spending of CCIO Establishment Grant funds.
- Has the board/legislature approved all revenue sources for 2015?
 - The board approved a premium withhold rate of 3.5% for 2015 (approval in October of 2014)
 - Funding from MN Department of Human Services funding is tied to pending Medicaid Eligibility Determination System O-APD and associated Public Assistance Cost Allocation Plan amendment.
- Please list 2015 rates (PMPM, if applicable) for fees and assessments.
 - See response to question 3 above.
- Has the board/legislature approved all revenue sources for 2016?
 - The board approves the calendar year based premium withhold percentage in October of the preceding calendar year. The board will establish the overall FY 2016 budget in June of 2015 (FY 2016 = July 2015 through June 2016).
- If the Marketplace indicated use of 1311 funding in CY2015 under Section B: Revenue above, please describe:
 - Minnesota has four active 1311 grants. Two have CMS-approved no cost extensions through 12-31-2015. The other two have CMS-approved no cost extensions through 9-26-2015; a request to extend these latter two grants through 12-31-2015 is pending.
 - Minnesota has requested a supplemental adjustment to its four active 1311 grants. Approval is pending.
 - Minnesota has no new grant requests pending.
- What is the cost allocation ratio with each participating agency in 2015?
 - The Minnesota Department of Human Services is projected to finance 50% of the 2015 operating budget. This percentage is projected to increase as public program cases are converted from legacy systems to the MNSure system.
 - This expense to the Minnesota Department of Human Services budget will be offset by federal Medicaid funds earned via the Medicaid Eligibility Determination System O-APD and associated PACAP amendment (pending approval)
- What do you see as challenges and possible mitigation strategies for the Marketplace's financial self-sustainability?
 - The major challenge we will continue to face is that our revenue is directly tied to QHP enrollment. We plan to address this challenge through a thoughtful and effective marketing campaign, continued strong relationships with our navigator and broker communities, and close coordination with partners at the health plans.