

Minnesota Eligibility Technology System

Fiscal Report for QE 12-31-2018

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 2018, current FY 2019 budget, and preliminary FY 2020 and FY 2021.

Table 2: Budget vs Est. YTD (expenditures & est. remaining encumbrances) Table 2 addresses FY 2019 and 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 2018 Actual	FY 2019 Budget	FY 2020 Preliminary	FY 2021 Preliminary
Expenditures				
Development	45,620,094	45,446,942	11,114,512	0
<i>State Personnel</i>	12,382,333	14,435,437	3,671,946	0
<i>Staff Augmentation</i>	10,882,047	9,975,676	2,711,252	0
<i>Service Contracts</i>	17,592,645	16,229,605	3,639,470	0
<i>Hardware/Software</i>	2,147,730	1,754,296	378,994	0
<i>MNIT Central Services</i>	916,436	1,503,011	417,670	0
<i>General Administration</i>	1,698,903	1,548,917	295,180	0
Operations	27,227,413	29,992,251	29,992,251	29,992,251
<i>State Personnel</i>	8,719,910	10,126,768	10,126,768	10,126,768
<i>Staff Augmentation</i>	2,618,956	4,774,558	4,774,558	4,774,558
<i>Service Contracts</i>	993,081	1,660,000	1,660,000	1,660,000
<i>Hardware/Software</i>	6,148,204	4,341,575	4,341,575	4,341,575
<i>MNIT Central Services</i>	7,876,110	8,297,100	8,297,100	8,297,100
<i>General Administration</i>	871,152	792,250	792,250	792,250
Total Expenditures	72,847,507	75,439,193	41,106,763	29,992,251
<i>State Personnel</i>	21,102,243	24,562,205	13,798,714	10,126,768
<i>Staff Augmentation</i>	13,501,003	14,750,234	7,485,810	4,774,558
<i>Service Contracts</i>	18,585,726	17,889,605	5,299,470	1,660,000
<i>Hardware/Software</i>	8,295,934	6,095,871	4,720,569	4,341,575
<i>MNIT Central Services</i>	8,792,546	9,800,111	8,714,770	8,297,100
<i>General Administration</i>	2,570,055	2,341,167	1,087,430	792,250
Financing				
Development	45,620,094	45,446,942	11,114,512	0
MNsure - Premium Withhold	3,702,718	6,411,641	0	0
MNsure - Federal CCIIO	2,698,912	0	0	0
DHS - Federal Medicaid	35,285,468	35,131,771	10,003,061	0
DHS - State Appropriation	3,932,996	3,903,530	1,111,451	0
Operations	27,227,413	29,992,251	29,992,251	29,992,251
MNsure - Premium Withhold	3,889,702	3,133,359	3,133,359	3,133,359
MNsure - Federal CCIIO	0	0	0	0
DHS - Federal Medicaid	17,185,080	19,894,738	19,894,738	19,894,738
DHS - State Appropriation	6,152,632	6,964,154	6,964,154	6,964,154
Total Financing	72,847,507	75,439,193	41,106,763	29,992,251
MNsure - Premium Withhold	7,592,419	9,545,000	3,133,359	3,133,359
MNsure - Federal CCIIO	2,698,912	0	0	0
DHS - Federal Medicaid	52,470,548	55,026,509	29,897,799	19,894,738
DHS - State Appropriation	10,085,628	10,867,684	8,075,605	6,964,154

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).

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TABLE 2: FY 2019 Budget vs YTD	FY 2019 Budget	QE 9/30/18 Expenditures	QE 12/31/18 Expenditures	QE 3/31/19 Expenditures	QE 6/30/19 Expenditures	Expenditures After FY End	YTD Expenditures	%	Estimated Encumbrances	Est. FY Exp & Enc	%	Estimated Balance	%
Expenditures													
Development	45,446,942	5,929,350	10,618,614	0	0	0	16,547,963	36%	31,135,400	47,683,363	105%	(2,236,421)	-5%
State Personnel	14,435,437	2,018,618	3,546,429	0	0	0	5,565,046	39%	8,425,000	13,990,046	97%	445,391	3%
Staff Augmentation	9,975,676	1,123,291	2,427,575	0	0	0	3,550,866	36%	9,495,000	13,045,866	131%	(3,070,190)	-31%
Service Contracts	16,229,605	1,970,106	4,321,521	0	0	0	6,291,627	39%	10,400,000	16,691,627	103%	(462,022)	-3%
Hardware/Software	1,754,296	567,315	21,932	0	0	0	589,247	34%	1,005,000	1,594,247	91%	160,049	9%
MNIT Central Services	1,503,011	0	37,078	0	0	0	37,078	2%	1,140,000	1,177,078	78%	325,933	22%
General Administration	1,548,917	250,020	264,079	0	0	0	514,099	33%	670,400	1,184,499	76%	364,418	24%
Operations	29,992,251	2,793,653	7,179,532	0	0	0	9,973,185	33%	19,929,500	29,902,685	100%	89,566	0%
State Personnel	10,126,768	1,089,599	2,562,717	0	0	0	3,652,316	36%	6,317,000	9,969,316	98%	157,452	2%
Staff Augmentation	4,774,558	287,177	1,035,749	0	0	0	1,322,926	28%	2,550,000	3,872,926	81%	901,632	19%
Service Contracts	1,660,000	93,604	607,291	0	0	0	700,895	42%	2,400,000	3,100,895	187%	(1,440,895)	-87%
Hardware/Software	4,341,575	1,163,856	40,477	0	0	0	1,204,333	28%	2,470,000	3,674,333	85%	667,242	15%
MNIT Central Services	8,297,100	0	2,747,134	0	0	0	2,747,134	33%	5,795,500	8,542,634	103%	(245,534)	-3%
General Administration	792,250	159,417	186,164	0	0	0	345,581	44%	397,000	742,581	94%	49,669	6%
Total Expenditures	75,439,193	8,723,003	17,798,146	0	0	0	26,521,149	35%	51,064,900	77,586,049	103%	(2,146,856)	-3%
State Personnel	24,562,205	3,108,217	6,109,146	0	0	0	9,217,362	38%	14,742,000	23,959,362	98%	602,843	2%
Staff Augmentation	14,750,234	1,410,468	3,463,324	0	0	0	4,873,792	33%	12,045,000	16,918,792	115%	(2,168,558)	-15%
Service Contracts	17,889,605	2,063,710	4,928,812	0	0	0	6,992,522	39%	12,800,000	19,792,522	111%	(1,902,917)	-11%
Hardware/Software	6,095,871	1,731,171	62,409	0	0	0	1,793,580	29%	3,475,000	5,268,580	86%	827,291	14%
MNIT Central Services	9,800,111	0	2,784,212	0	0	0	2,784,212	28%	6,935,500	9,719,712	99%	80,399	1%
General Administration	2,341,167	409,437	450,243	0	0	0	859,680	37%	1,067,400	1,927,080	82%	414,087	18%
Financing													
Development	45,446,942	5,929,350	10,618,614	0	0	0	16,547,963		31,135,400	47,683,363		(2,236,421)	
MNSure - Premium Withhold	6,411,641	624,588	952,867	0	0	0	1,577,455		4,162,500	5,739,955		671,686	
MNSure - Federal CCIIO	0	0	0	0	0	0	0		0	0		0	
DHS - Federal Medicaid	35,131,771	4,774,285	8,699,171	0	0	0	13,473,456		24,275,610	37,749,066		(2,617,295)	
DHS - State Appropriation	3,903,530	530,477	966,575	0	0	0	1,497,052		2,697,290	4,194,342		(290,812)	
Operations	29,992,251	2,793,653	7,179,532	0	0	0	9,973,185		19,929,500	29,902,685		89,566	
MNSure - Premium Withhold	3,133,359	360,927	879,276	0	0	0	1,240,203		1,592,115	2,832,318		301,041	
MNSure - Federal CCIIO	0	0	0	0	0	0	0		0	0		0	
DHS - Federal Medicaid	19,894,738	1,796,226	4,700,744	0	0	0	6,496,970		13,702,632	20,199,602		(304,864)	
DHS - State Appropriation	6,964,154	636,500	1,599,512	0	0	0	2,236,012		4,634,753	6,870,765		93,389	
Total Financing	75,439,193	8,723,003	17,798,146	0	0	0	26,521,149		51,064,900	77,586,049		(2,146,856)	
MNSure - Premium Withhold	9,545,000	985,515	1,832,143	0	0	0	2,817,658		5,754,615	8,572,273		972,727	
MNSure - Federal CCIIO	0	0	0	0	0	0	0		0	0		0	
DHS - Federal Medicaid	55,026,509	6,570,511	13,399,915	0	0	0	19,970,426		37,978,242	57,948,668		(2,922,159)	
DHS - State Appropriation	10,867,684	1,166,977	2,566,088	0	0	0	3,733,064		7,332,043	11,065,107		(197,423)	
Notes: - <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 expenditures may be recognized after June 30th.													