

## Minnesota Budget Narrative

---

### **Total Budget Request**

#### **A. Salaries and Wages**

##### **Personnel**

Total	\$1,990,319
Exchange Establishment Grant	\$1,736,921
Medicaid Cost Allocation	\$253,398
Sources of Funding	Exchange Level-One Establishment Grant and Enhanced Federal Medicaid Match

##### **New Positions:**

Administrative Assistants (4)	\$50,149	100%	4 months	\$66,865
Internal Audit/Program Integrity Manager	\$77,289	100%	4 months	\$25,763
Appeals Process Development Manager	\$86,106	100%	4 months	\$28,702
Appeals Assistant	\$51,242	100%	4 months	\$17,081
Program Developers (2)	\$88,694	100%	4 months	\$59,129
System Administrators (4)	\$98,527	100%	4 months	\$131,369
Network Administrator	\$98,527	100%	4 months	\$32,842
Security Administrator	\$98,527	100%	4 months	\$32,842
Database Administrator	\$98,527	100%	4months	\$32,842
Integration Administrators (2)	\$98,527	100%	4months	\$65,685
IT Interface Communications Administrator	\$98,527	100%	4 months	\$32,842
Web Administrator	\$98,527	100%	4 months	\$32,842
Storage Administrator	\$98,527	100%	4 months	\$32,842
Identity Management Administrator	\$98,527	100%	4 months	\$32,842
Systems Administration Unit Managers (3)	\$98,527	100%	4 months	\$98,527
Procurement Business Manager	\$79,752	100%	4 months	\$26,584
Human Resources Business Manager	\$79,752	100%	4 months	\$26,584
Budget Analyst	\$74,733	100%	4 months	\$24,911
Federal Regulations Analyst	\$75,010	100%	4 months	\$25,003
Plan Management Business Analyst	\$75,010	100%	4 months	\$25,003
Eligibility Business Analyst	\$75,010	100%	4 months	\$25,003
Small Employer Business Analyst	\$75,010	100%	4 months	\$25,003
Business and Stakeholder Relations Director	\$108,390	100%	4 months	\$36,130
Web Analyst	\$72,390	100%	4 months	\$24,130
Communications Analyst (3)	\$72,390	100%	4 months	\$72,390
Outreach Developers (2)	\$72,390	100%	4 months	\$48,260
Customer Service Business Developers (2)	\$75,010	100%	4 months	\$50,007
Customer Service Training Developers (2)	\$80,782	100%	4 months	\$53,855
Business Development Director	\$95,960	100%	4 months	\$31,740
Small Employer Business Developers (2)	\$72,390	100%	4 months	\$48,260
Carrier Business Developers (2)	\$72,390	100%	4 months	\$48,260
Broker/Navigator Business Developers (6)	\$72,390	100%	4 months	\$144,781

##### **Staff Augmentation (other state agencies):**

Commerce - Rate Analysis (3)	\$72,036	100%	4 months	\$72,036
Commerce - Policy Forms Analysis (3)	\$72,036	100%	4 months	\$72,036

Commerce - Policy Review Coordinator	\$72,036	100%	4 months	\$24,012
Commerce Filing Director	\$91,350	50%	4 months	\$15,225
Health – Network Adequacy and Quality Review (12)	\$75,010	100%	4 months	\$300,040
Health – QHP – IT maintenance	\$98,527	100%	4 months	\$32,842
Health – Health Economics Director	\$93,380	10%	4 months	\$2,488
Health – Health Economics Asst. Director	\$74,642	10%	4 months	\$3,133
Health – Health Economics Analyst	\$72,036	40%	4 months	\$9,605

**Justification**

Below are brief position descriptions for each of the proposed new Exchange staff. Funding is for the 4 months of the grant for new staff which will be split evenly over the two quarters of the grant period. Staff will work to build on the efforts undertaken as part of Planning Grant and previous Level-One Establishment Grant activities.

Job Descriptions

Administrative Assistants (4): The Administrative Assistants will be responsible for providing administrative support to the Information Technology Director, Finance Director, Senior Counsel, Business and Stakeholder Relations Director.

Internal Audit/Program Integrity Manager: This position will be responsible for the development of policies and procedures related to the oversight, monitoring and internal controls for Exchange activities. This position will also be responsible for developing reporting structures with outside entities including the Department of Human Services, Office of the Legislative Auditor, Internal Revenue Service, Department of Health and Human Services, Office of Inspector General and other entities a appropriate.

Appeals Process Development Manager: This position will be responsible for the development of the adjudication of non-Medicaid appeals functions for the Exchange, including curriculum development and development of the adjudication of appeals process for the Exchange including interfaces with external systems. This position will be responsible for coordinating with the Medicaid appeals process.

Appeals Assistant: This position will provide administrative assistance in the development of workflows for responding to appeals.

Program Developers (2): These positions will provide development IT services not provided by IT vendor developers and will ensure program knowledge transfers to other State staff.

System Administrators (4): These positions will provide server administrative activities and assist identifying, installing, monitoring and supporting the IT services for the Exchange.

Network Administrator: This position will provide services to ensure connectivity between systems and servers is conducted properly and efficiently.

Security Administrator: This position will design and coordinate the security architecture for infrastructure and applications. It will also be responsible for the IT Risk Management Plan and coordination with the IV&V effort.

Database Administrator: This position will provide services to create, maintain, and support data base activities. This position will be involved with the data transfers between systems.

Integration Administrators (2): These positions will perform application support for all middle tier IT architecture (e.g. WPS, WAS, Web, WTX-IS).

IT Interface Communications Administrator: This position will provide messaging system support where inter-IT system messaging is required for interfaces to external data sources or applications.

Web Administrator: This position will provide web and general administrative services to ensure the Exchange web portal is properly configured for security and robust availability and meets all web accessibility requirements.

Data Storage Administrator: This position will provide services to ensure disk and storage space is allocated and configured properly for the different environments.

Identity Management Administrator: This position will provide identity management system integration and administration to ensure user accounts and roles are securely managed, that user authorization is valid and authentication is reliable and secure.

Systems Administration Unit Managers (3): These positions will provide IT personnel oversight activities such as allocation of duties, work schedules, performance appraisals and other supervisory functions.

Procurement Business Manager: This position will coordinate procurement processes for the Exchange, ensuring policies and procedures are adhered to and procurement is processed in a timely fashion.

Human Resources Business Manager: This position will coordinate human resource activities including position description drafting, posting, coordination of hiring processes, staff development implementation and other human resource activities for the Exchange in coordination with the Department of Commerce Human Resource division.

Budget Analyst: This position will be responsible for the implementation, monitoring and reporting of the Exchange's operational budget. Activities include analyzing revenues and expenditure trends, monitoring variances, and annual updates to the operating cost allocation plan.

Federal Regulations Analyst: This position will be responsible for supporting analysis, documentation, and tracking of federal guidance and regulations.

Plan Management Business Analyst: This position will be responsible for working with the regulatory entities at the Departments of Commerce and Health, carriers, and the SERFF system on the development of processes for the Exchange to receive plan management information.

Eligibility Business Analyst: The Eligibility Business Analyst provides technical and subject matter expertise on individual eligibility business design. This position is responsible for leading activities to document business design requirements for the functional components of the Exchange with a focus on eligibility requirements, processes and work flows. This position is responsible for ensuring initial system design meets business requirements and establishes the capacity to expand and support future

program changes. This position will work closely with the Department of Human Services staff in integrating MAGI determinations across Medicaid and the premium tax credits.

Small Employer Business Analyst: The Small Employer Business Analyst provides technical and subject matter expertise on the small employer business design of the Exchange. This position is responsible for leading activities to document business design requirements for the functional components of the Exchange with a focus on small employer eligibility, enrollment, business processes and work flows. This position is responsible for ensuring initial system design meets business requirements and establishes the capacity to expand and support future program changes.

Business and Stakeholder Relations Director: The Business and Stakeholder Relations Director will be responsible for developing strategic direction for the business development of the Exchange. Included in those operations are communications, marketing, outreach, and business development for carriers, small businesses, and broker/navigator programs.

Web Analyst: This position will be responsible for the public education website, including coordination and posting of information.

Communications Analysts (3): These positions will be responsible for coordinating internal and external communications.

Outreach Developers (2): These positions will develop processes to engage counties, navigators, brokers, business associations, and community groups for outreach and communication to individuals and small businesses.

Customer Service Business Developers (2): These positions will provide technical and subject matter expertise on the design and development of customer service functions and business design requirements for the Exchange. These positions are responsible for analyzing complex state and federal policy and leading activities to document business design requirements for the customer service functional components of the Exchange such as call center, member notices and billing and collections business processes and work flows. These positions are also responsible for developing performance metrics for those functions.

Customer Service Training Coordinators (2): These positions will design and develop training materials for the Exchange related to customer service.

Business Development Director: This position is responsible for business development for small employer, carrier, and Broker/Navigator participation with the Exchange.

Small Employer Business Developers (2): These positions will develop business development processes to encourage small employer participation in the Exchange.

Carrier Business Developers (2): These positions will develop business development processes to support carriers who will offer plans within the Exchange. These positions will develop contracts, communications, business process flows, and establish relationships with carriers.

Broker/Navigator Business Developers (6): These positions will develop business development processes to support Brokers and Navigators who will work with the Exchange. These positions will develop

contracts, communications, business process flows, and compliance monitoring mechanisms and establish relationships with Navigators and Brokers.

*Staff Augmentation (other agency staff):*

Commerce Rate Analyst (3): These positions will be responsible for analysis and validation of the rates for plans to be submitted for certification for the Exchange. These positions will determine how to review rates for accuracy, consistency and conformity with Exchange, state, and federal standards. These positions will work with state rate review staff, and will prepare documentation of the process and procedures they develop. These positions will also be responsible for producing required state and federal reports on Exchange rates.

Commerce Policy Form Specialist (3): These positions will be responsible for analysis of the policy forms for Qualified Health Plans (QHPs) to be submitted for certification for the Exchange. The staff will review policy forms for accuracy, consistency and conformity with Exchange, state, and federal standards. These positions will also determine whether approved plans are acceptable for certification for use in the Exchange. The staff will be supplemented with work from an outside contractor (see contracts).

Commerce Policy Review Coordinator: This position will be responsible for setting procedures for analysts and coordinating review and certification between full-time analysts and outside contractors.

Commerce Filing Associate Director: This position will assist in the commerce Rate and Policy Review programs for the Exchange.

Health Network Adequacy and Quality Review Unit (12): This unit will be responsible for conducting network adequacy reviews for QHPs submitted for certification for the Exchange and for reviewing required documents and policies reflecting patient rights, appeals, and so forth for all non-HMO QHP applicants to ensure minimal quality processes are in place. HMOs receive these reviews under current state practice and therefore additional resources are not necessary for HMO review. These positions will also address required review of essential community providers (ECPs) as required in the QHP certification process. This unit will also include administrative and supervisory support as well as ensure coordination with Department of Commerce staff reviewing fiscal qualifications of QHP applicants.

Health IT Maintenance – Network Adequacy: This position will develop a format for submitting network adequacy review information to the Department of Health.

Evaluation (.6 FTEs): Portions of the following staff from the Health Economics Program (HEP) at the Department of Health will be dedicated to the development and implementation of an evaluation framework for evaluating changes in the Minnesota insurance market related to the Exchange:

- HEP Director, will provide 10% time for leadership and guidance on framework development.
- HEP Assistant Director will provide 10% of time for oversight and coordination on framework development.
- Health Economics Analyst will provide 40% of time for managing contract for the framework development, researching other states, coordinating activities with other agencies and organizations, identifying potential data sources and data collection needs, and identifying strategies for reporting evaluation results.

**B. Fringe Benefits (Health Insurance, FICA and similar costs)**

Total	\$632,921
Exchange Establishment Grant	\$552,341
Medicaid Cost Allocation	\$80,580
Sources of Funding	Exchange Level-One Establishment Grant and Enhanced Federal Medicaid Match

31.8% of total salaries = fringe benefits. All fringe benefit dollars for existing staff will be split over the first two quarters of the grant period.

**C. Consultant Costs**

See section H – Consulting/Contract Cost.

**D. Equipment**

Total	\$3,845,450
Exchange Establishment Grant	\$2,296,131
Medicaid Cost Allocation	\$1,549,319
Sources of Funding	Exchange Level-One Establishment Grant and Enhanced Federal Medicaid Match

Item Requested	How Many	Unit Cost	Total Amount
<u>Infrastructure Equipment (Hardware):</u>			
Identity Management	1		\$700,000
Development Tools			\$1,000,000
Filenet (EDMS)			\$700,000
Web Layer			\$100,000
Exadata production			\$2,200,000
Exadata development			\$500,000
Exadata data warehouse			\$1,000,000
Load Balancing Equipment			\$200,000
Additional Application Hardware			\$1,150,000
Total			\$7,550,000
Less prior grant			\$4,000,000
New request			\$3,550,000
Printer	2	\$600	\$1,200
<u>Equipment for New Staff:</u>			
Computer workstation	54	\$1,300	\$70,200
Phone	54	\$200	\$10,800
Blackberry (managers /supervisors only)	8	\$200	\$1,600
Office furniture (reuse, lease or purchase)	54	\$2,500	\$135,000
<u>Equipment for Other Agency Staff:</u>			
Computer	20.5	\$1,300	\$26,650
<u>Equipment for On-Site Contract Staff:</u>			

Computer workstation	25	\$1,300	\$32,500
Phone	25	\$200	\$5,000
Office furniture	25	\$500	\$12,500

**Justification**

Funding is requested for additional IT hardware for the development, testing and production environments and to create integration and interaction components to work with vendor modular solutions. Also included is additional equipment for an electronic document management system, an identity management system and other Exchange applications. Funding for all equipment will be spent in the first quarter of the grant period.

Computer, phone, Blackberry, and office furniture to be leased, reused or purchased for new Exchange staff, new staff for other state agencies and additional on-site contract staff. Prior grant funding assumed 65 on-site consultants between the IT contract and IT staff augmentation. Revised estimates are for 90 on-site consultant/contract IT staff.

**E. Supplies (including Software/Licenses)**

Total	\$17,869,526
Exchange Establishment Grant	\$10,379,825
Medicaid Cost Allocation	\$7,489,701
Sources of Funding	Exchange Level-One Establishment Grant and Enhanced Federal Medicaid Match

<u>Description</u>	<u>Total Amount</u>
<u>IT Software</u>	
Websphere License – Development (3720 licenses at \$157)	\$584,040
Websphere License – Production (9180 licenses at \$190)	\$1,744,200
ESB License – Development (2240 licenses at \$268)	\$600,320
ESB License – Production (4880 licenses at \$353.5)	\$1,725,080
Oracle License costs for development	\$6,522,120
Oracle License costs for production	\$2,510,316
Replication database software	\$400,000
Database security software	\$500,000
Monitoring software	\$50,000
Master Data Management/Infomatica Software	\$1,500,000
Oracle OVM Software	\$200,000
Security Agents	\$100,000
Recovery License for development	\$100,000
Recovery License for production	\$100,000
Data Center Fees	\$215,000
Reporting Software	\$50,000
Business Intelligence/Audit Software	\$800,000
<u>Other Supplies</u>	
General office supplies – staff(\$250 x 4 months x 54 FTEs staff)	\$54,000
General Office Supplies – Commerce and Health Staff (7.5 Commerce FTEs+ 14.15 Health FTEs X \$125*4 months)	\$10,550

General office supplies – IT ASAP consultants (\$42 x 4 months x 25 ASAP consultants)	\$4,167
General office supplies – on-site contract staff (\$42 x 4 months x 65 consultants)	\$10,833
Enterprise Licensing Agreement – staff (\$100 x 74)	\$7,400
Enterprise Licensing Agreement - IT ASAP consultants (\$100 x 25)	\$2,500
Microsoft Windows – new staff (\$100 x 54 staff)	\$5,400
Microsoft Windows – IT ASAP consultants (\$100 x 25)	\$2,500
Microsoft Office – new staff (\$500 x 54)	\$27,000
Microsoft Office – IT ASAP consultants (\$500 x 25)	\$12,500
Microsoft Project – IT ASAP consultants (\$300 x 12)	\$3,600
Microsoft Visio – IT ASAP consultants (\$300 x 12)	\$3,600
e-mail/contact software annual license and use agreement	\$20,000
Adobe Creative Suite (\$1,100x4)	\$4,400

**Justification**

IT software licensing needs are based on an assessment by state IT staff (MN.IT) in collaboration with the State of Maryland Exchange and the system vendors for development, testing, and production environments. Additional software licensing is included for data security, storage system management, reporting, and recovery needs. Assessment took into account a comparison of the Exchange with other current major systems development and operations.

General office supplies will be used by Exchange staff and on-site contracted staff to carry out daily activities including pens, paper, copy costs, etc. Microsoft Office will be used to document activities, process reports, etc. Annual maintenance costs cover required State maintenance for all State software. Microsoft Project will be used to coordinate and manage grant activities. E-mail contact software will be used for regular communications with stakeholders and the public, and will enable seamless integration with social media communication efforts. Adobe Create Software will be used to allow staff to create and adapt communication/marketing materials and graphics. Supply costs will be primary in the first quarter of the grant.

**F. Travel**

We are not requesting travel expenses under this grant as they are included under an existing level 1 grant till February 2013.

**G. Other**

Total	\$356,923
Exchange Establishment Grant	\$317,620
Medicaid Cost Allocation	\$39,303
Sources of Funding	Exchange Level-One Establishment Grant and Enhanced Federal Medicaid Match

<u>Description</u>	<u>Cost</u>
Rent- current office space (6800 square feet x \$19.25 x 4 months)	\$43,633
Rent – other Agency staff (\$2600/12 x 7.5 staff x 4 months)	\$6,500
Rent - Expansion Office space (200 square feet x 100 staff x \$24 x 4 months)	\$160,000
Communications services – staff (\$100 x 54 FTEs x 4 months)	\$21,600
Communication services – other Agency staff (\$100 x 21.1 FTEs x 4 months)	\$8,440



Communications services – IT ASAP consultants (\$50 x 4 months x 25 staff)	\$5,000
Communications services – on-site contracted (\$50 x 4 months x 50 staff)	\$10,000
Staff development (\$750 x 27FTE x 4months)	\$6,750
Printed materials	\$50,000
Communications (webinars, conferences, Presentations)	\$45,000

**Justification**

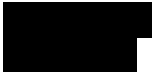




Rent for office space in St. Paul includes current space to house 20 staff and 25 contract staff for 4 months and a new space for 4 months to accommodate the growth in staff. Rent also includes allocated rent for additional Commerce Department staff associated with Plan and Rate reviews. Rent space will be spread evenly across the first three quarters of the of the grant period.

Communication services costs cover monthly phone and Blackberry service plan charges. Staff development costs are for staff to attend conferences, training and leadership opportunities. The above mentioned costs will be equally split between the first two quarters of the grant period.

Communication efforts assume webinars, staffing conferences, presentations and other mechanisms to facilitate public awareness. A number of informational pieces will be developed. Materials will be transcribed into multiple languages The expenditures are planned for the first two quarters of the grant of the grant spread evenly.

**H. Consulting/Contractual Costs**

Total	\$35,233,000
Exchange Establishment Grant	\$24,066,991
Medicaid Cost Allocation	\$11,166,009
Sources of Funding	Exchange Level-One Establishment Grant and Enhanced Federal Medicaid Match

Description	Cost
<i>Information Technology</i>	
Exchange Module Maintenance and Support	
Module 1: Individual eligibility and exemption	\$560,000
Module 2: Individual enrollment	\$165,000
Module 3: Small employer eligibility and enrollment	\$250,000
Module 4: Plan and navigator/broker certification and display	\$410,000
Module 5: Provider Display	\$165,000
Module 6: Fund aggregation and payment	\$1,675,000
Module 7: Account administration	\$307,500
Non-MAGI Screening	\$230,000
Internal and Workspace User License and Annual Maintenance	\$642,000
	\$4,404,500
Exchange IT Solution Change Orders	
Independent Verification and Validation	
Exchange IT Service Integration	
Development Tool Implementation	
Identity Management	

Electronic Data Management System	
Overall Implementation Services	
Data Warehouse Implementation Services	
Master Data Management configuration/implementation	
Security Assessment	
Provider Network Information and Access	
IT Contracted Staff (prorated for 4 months each)	
IT Business Analysts (6 x 150,000, 2 x 228,800)	\$452,533
IT Project Managers (3 x 280,800)	\$280,800
Security Technician (1 x 322,400)	\$107,467
Program Developer (1 x 218,400)	\$72,800
Systems Architect (1 x 332,800)	\$110,933
Technical Administrators (4 x 208,000)	\$277,333
Technical Writer (1 x 208,000)	\$69,333
User Acceptance Technicians (2 x 228,800)	\$152,533
Quality Assurance Technician (1 x 260,000)	\$86,667
User Support Technicians (2 x 208,000)	\$138,667
Report Developer (1 x 208,000)	\$69,333
Network Administrator (1 x 322,400)	\$107,467
Security Administrator (1 x 322,400)	\$107,467
Database Administrator (1 x 332,800)	\$110,933
Integration Administrator (1 x 322,400)	\$107,467
Identity Management Administrator (1 x 332,800 )	\$110,933
User Acceptance Testers (10 x 208,000)	<u>\$693,333</u>
	<u>\$3,056,000</u>

**Business Operations**

Consumer testing of cost/quality metrics	
Quality rating systems development	
Evaluation framework development	\$75,000
SERFF system development	\$200,000
Policy forms analysis	
Customer service development	
Broker/Navigator Program Development	
Market research	
Public communication website development	
Outreach and Communications Design and Development	
Interactive mobile application	
Third party audit	
Finance/cost allocation consultant	
Program integrity consultant	
Evaluation and reporting plan consultant	
Design and development consultants	

**Contract Details:**

**Annual Maintenance Agreement**

- Name of contractor: Maximus Inc.

- Method of selection: Contract amendment
- Period of performance: All four quarters of the grant.
- Scope of work: Annual maintenance costs for Exchange IT modules and optional addition 1400 internal and workspace licenses.
- Method of accountability: Weekly meetings between Exchange staff and contractors and weekly progress reports from contractors.
- Budget request: \$4,404,500

#### **Justification**

Minnesota entered into a contractual agreement with Maximus Inc. on July 15, 2012 for the IT build of the 7 modules of the Exchange plus non-MAGI eligibility screening. The contract includes future optional amendments for annual maintenance and additional licenses for the system. Per the contract agreement, the initial maintenance costs including the additional licenses are guaranteed at \$4.4 million.

#### **Exchange System Modifications and Enhancements**

- Name of contractor: Maximus, Inc. and TBD - Private sector contracts
- Method of selection: Various (contract amendment/change order process, existing contracts, RFP, Sole Source)
- Period of performance: All four quarters of the grant.
- Scope of work: Modifications and enhancements for the Exchange IT development.
- Method of accountability: Change orders will follow an agreed to process. Weekly meetings between Exchange staff and contractors and weekly progress reports from contractors.
- Budget request: [REDACTED]

#### **Justification**

Minnesota entered into a contractual agreement with Maximus Inc. on July 15, 2012 for the IT development of the 7 modules of the Exchange plus non-MAGI eligibility screening. As part of the contract work, the state and Maximus will develop a change order process to accommodate unplanned changes to the scope of this effort. Change orders may require additional funds and would require amendments to the contract, including but not limited to financial reporting and integration with finance systems, customer service enhancements such as chat functions and integration with other systems, appeals processing, integration points with other systems not yet fully defined, and responses to IV&V recommendations. To account for the possibility, an amount equal to [REDACTED] of the current contract would be set aside to meet these needs. These needs may result in change orders to the existing Maximus Contract or they may involve other contractual arrangements outside of the Maximus contract through amendments to other existing state contracts, new RFPs, or through a Sole Source vendor.

#### **Independent Verification & Validation (IV&V)**

- Name of contractor: TBD – Private sector contract
- Method of selection: Joint RFP with the Minnesota Department of Human Services
- Period of performance: All four quarters of the grant.
- Scope of work: Independent IT system verification and validation
- Method of accountability: Weekly meetings between Exchange staff and contractors and weekly progress reports from contractors.
- Budget request: [REDACTED]

**Justification**

Funding is requested for a private sector contract for Independent Verification and Validation (IV&V). This is in addition to the prior grant request of \$200,000. This contract will include a risk and security assessment as well as assessments of other vulnerabilities of the IT infrastructure of the Exchange. This contract will be conducted in collaboration with the Minnesota Department of Human Services efforts for Systems Modernization, including Medicaid eligibility and enrollment.

**IT Integration Professional Services**

- Name of contractor: TBD - Various Private Sector Contracts
- Method of selection: Various (existing contracts, RFP , Sole Source), issued joint with MN.IT (state IT Service Agency)
- Period of performance: All four quarters of the grant
- Scope of work: Professional IT services to build an Identify Management infrastructure including software user interface creation and integration, EDMS platform build out, overall environmental setup including hardware configuration and integration services and implementation services for data warehouse including hardware and software implementation and configuration.
- Method of accountability: Weekly meetings between Exchange staff and contractors and weekly progress reports from contractors.

■ Budget request: ■

**Justification**

Funding is requested for professional service private sector IT contracts for the following:

- Development Tools ■
- Identity Management - ■
  - Infrastructure build out - ■
  - Software user interface creation - ■
  - Software integration - ■
- Filenet (Electronic Document Management System - EDMS) ■ for platform upgrade and expansion of the State’s current Filenet system.
- Overall Implementation Services - including virtual environment setup, hardware configuration and integration services - ■
- Data Warehouse Implementation Services - ■
  - Hardware implementation ■
  - Software implementation - ■
  - Master Data Management configuration/implementation - ■

**Security Assessment**

- Name of contractor: TBD – Private sector contract
- Method of selection: Joint RFP with the Minnesota Department of Human Services and MN.IT
- Period of performance: Second, third and fourth quarters of the grant.
- Scope of work: Perform ongoing security audit on Exchange IT system.
- Method of accountability: Weekly meetings between Exchange staff and contractors and weekly progress reports from contractors.
- Budget request: ■

**Justification**

Funding is requested for a private sector contract for an ongoing security audit on the Exchange system and system interfaces. This audit will help validate the security readiness of the MN Exchange, as well as identify any major vulnerability that should be addressed prior to system release. This contract will be conducted in collaboration with MN.IT, DHS, and Federal security offices of OIS.

**Provider Network Information Collection and Access**

- Name of contractor: TBD – Private sector contract
- Method of selection: RFP
- Period of performance: All four quarters of the grant
- Scope of work: Assistance with collection of and access to provider network information.
- Method of accountability: Weekly meetings between Exchange staff, other state agency staff and contractors and weekly progress reports from contractors.
- Budget request: [REDACTED]

**Justification**

Funding is requested for a private sector contract to assist with the collection of and access to necessary provider network information. The vendor would assist in the development of technology for information collection, data security, interfaces and access to necessary provider network information. The information would be utilized by regulatory staff in the State Departments of Health and Human services in evaluation efforts. The information will also be utilized by Medicaid to ensure that managed care organizations meet federal requirements. This data would then be connected to related plan and quality information within the Exchange. The related data would ultimately be displayed to users for assistance in qualified health plan selection.

**Contracted IT Staff Resources**

- Name of contractor: TBD – Various private sector contracts
- Method of selection: State of Minnesota ASAP-IT process (via Mn.IT and Minnesota Department of Administration)
- Period of performance: multiple short term contracts First, second and third quarters of the grant
- Scope of Work: Assistance with IT infrastructure development for Exchange.
- Method of accountability: Contracted staff will receive day to day work feedback and meet regularly with Exchange staff.

• Budget request (prorated for 4 months):	
IT Business Analysts (6 x 150,000, 2 x 228,800)	\$452,533
IT Project Managers (3 x 280,800)	\$280,000
Security Technician (1 x 322,400)	\$107,467
Program Developer (1 x 218,400)	\$72,800
Systems Architect (1 x 332,800)	\$110,933
Technical Administrators (4 x 208,000)	\$277,333
Technical Writer (1 x 208,000)	\$69,333
User Acceptance Technicians (2 x 228,800)	\$152,533
Quality Assurance Technician (1 x 260,000)	\$86,667
User Support Technicians (2 x 208,000)	\$138,667
Report Developer (1 x 208,000)	\$69,333
Network Administrator (1 x 322,400)	\$107,467
Security Administrator (1 x 322,400)	\$107,467
Database Administrator (1 x 332,800)	\$110,933

Integration Administrator (1 x 322,400)	\$107,467
Identity Management Administrator (1 x 332,800)	\$110,933
User Acceptance Testers (10 x 208,000)	<u>\$693,333</u>
	<b>\$3,056,000</b>

**Justification**

Funding is requested for continued use of short term IT resources through the state ASAP process. Funding for this grant request will allow those resources to continue and add additional staffing resources.

Information Technology Business Analysts (8): Minnesota requests funds to contract with eight IT Business Analysts to design overall system functionality and workflow that is logical, accurate, reflects the business process of users, is understandable by staff who need to specify, test, train and support it, and is maintainable and cost-effective.

Two Business Analysts will coordinate overall knowledge transfers from subject matter experts (SME) to the developers, as well as translate technical concepts back to the SMEs.

Four Business Analysts will coordinate with other IT staff to identify functional requirements of the individual eligibility program including order of questions, wording of questions, navigational flow of screens, on-screen error message text, required fields, etc.

Two Business Analysts will coordinate with other IT staff to identify functional requirements small employer program eligibility, enrollment, navigational flow of screens, etc.

Information Technology Project Managers (3): Level-One funding is requested to contract with three IT Project Managers to help lead the planning and execution of multiple projects that will comprise the development of the Exchange. These resources will help facilitate the definitions of the project management documents, develop full scale project plans, plan and schedule project timelines, track project deliverables using standard tracking tools, and provide direction and support to project teams. These positions will also be responsible for coordinating and collaborating with their counterparts at the Department of Human Services to create seamless integration across Medicaid and the premium tax credits. The IT Project Managers will be guided by Exchange project management staff and will be responsible for monitoring and reporting on the progress of projects to all stakeholders and present reports defining project progress, problems, and solutions.

Security Technician: Funding is requested to contract with a Security Technician to coordinate and provide security related oversight to ensure the project is meeting the necessary security requirements.

Program Developer: Funding is requested to coordinate with Exchange staff in providing development services not provided by the Exchange IT vendor. This resource will ensure program knowledge transfer to other state resources.

Systems Architect: Funding is requested for the services of a Systems Architect to produce clear technical design documentation and diagrams detailing existing and proposed technical architectures. The position is responsible for working with Exchange staff and vendors to deliver innovative, cost-effective, and efficient IT solutions for the Exchange. The Systems Architect is responsible for interpreting product and project requirements and translating these into solutions that can be implemented by the development and other project teams. The position is also responsible for aligning

architectural solutions with other partnered systems such as those of the Minnesota Department of Human Services, National Association of Insurance Commissioners, and Federal systems including collaboration on solution design to ensure fit-for-purpose end-to-end solutions.

Technical Administrators (4): Funding is requested for four Technical Administrators to create, install and maintain technical solutions to issues involving new tools and integration between state systems.

Technical Writer: Funding is requested for a Technical Writer to ensure proper documentation is recorded and maintained for all technical systems. These documents will be the foundation for developing standard operating procedures along with support and training material.

User Acceptance Technicians: Funding is requested for two User Acceptance Testing resources to help lead the planning and execution of test plans for the Exchange. The test lead will help develop test script or cases and update them throughout the testing process of the Exchange. This contracted position will execute test scripts to cover functional, accessibility, capability and regression testing of the system. The position will be responsible for reporting and escalating issues to the vendors/development team in a timely manner and keeping track of known issues and helping to identify trends so that target fixes to specific areas of functionality can be performed.

Quality Assurance Lead: Funding is requested to contract for Quality Assurance testing for the Exchange. This contracted position will conduct systematic quality assurance activities to test the Exchange technology systems for the probability of undesirable events and unanticipated weaknesses. This position is responsible for communicating and escalating findings in a timely manner to the vendors/development team and tracking known weaknesses to facilitate quality improvement processes for Exchange IT systems. This position is also responsible for coordinating with the Department of Human Services to ensure seamlessness between the Exchange IT systems and the Medicaid Agency's eligibility modernization systems. This contract resource will also be responsible for working on Independent Verification and Validation (IV&V) described above.

User Support Technician (2): Funding is requested to contract for two User Support Technicians to help support the personal computer equipment for the technical staff working on the project.

Report Developer: Funding is requested to contract for a Report Developer to create and establish report templates and create standard reports for the Exchange.

Network Administrator: Funding is requested to contract for a Network Administrator to provide server administrative activities including assistance with identifying, installing, monitoring and supporting the servers for the project.

Security Administrator: Funding is requested to contract for a Security Administrator to assist Exchange staff in coordinating and providing security related to oversight to ensure the services are meeting the necessary security requirements.

Database Administrator: Funding is requested to contract for a Database Administrator to provide services to create, maintain, and support data base activities. This position will assist Exchange staff with data transfers between systems.

Integration Administrator: Funding is requested to contract for a Integration Administrator to perform application support for all middle tier architecture including Process Server, WebSphere Application Server, Web Servers and Transformation services.

Identity Management Administrator: Funding is requested for an Identity Management Administrator to assist Exchange staff with Identity Management integration and administration.

User Acceptance Testers (10): Funding is requesting for a contract for up to 10 to form a User Acceptance team to work jointly with other IT UAT resources to prepare test scripts, create test data, perform defect review, analysis and triage activities. In addition this group will engage potential end-users of the system in targeting usability testing. This will provide a user experience that allows a consumer to navigate and complete the application and enrollment process as independently as possible.

**Consumer Testing of Cost/Quality Data Development**

- Name of contractor: TBD – Private sector contract
- Method of selection: Existing contract or RFP released jointly with the Minnesota Department of Health
- Period of performance: First and second quarter of the grant
- Scope of work: Test Exchange IT display options with consumers.
- Method of accountability: Weekly meetings between Exchange, Department of Health staff and contractors and weekly progress reports from contractors.
- Budget request: [REDACTED]

**Justification**

Minnesota requests funding for a private sector contractor to develop consumer testing of provider IT display options for the Exchange. This work will assist Minnesota in understanding how information can be most effectively shared with consumer audience. Funding will support up to 4 days of testing, incentives for individuals to participate in testing, facility costs, recruitment costs, moderator time and travel and the production of a final report.

**Quality Rating System Development**

- Name of contractor: TBD – Private sector contract
- Method of selection: Existing contract or RFP
- Period of performance: First and second quarter of the grant
- Scope of work: Develop quality system ratings.
- Method of accountability: Weekly meetings between Exchange, Department of Commerce and Health staff and contractors and weekly progress reports from contractors.
- Budget request: [REDACTED]

**Justification**

Minnesota requests funding for a private sector contractor to develop quality system ratings. Funding includes including costs to gather and analyze data from various data sources and sharing preliminary results with carriers prior to publication.

**Evaluation Methodology Analysis**

- Name of contractor: SHADAC (University of Minnesota)



- Method of selection: Amendment to current MDH contract
- Period of performance: First and second quarter of the grant
- Scope of work: Provide input into evaluation framework being developed for the Exchange by the Department of Health
- Method of accountability: Weekly meetings between Exchange, Department of Health staff and contractors and weekly progress reports from contractors.
- Budget request: \$75,000

**Justification**

Minnesota requests funding for recommendations on evaluation framework methodologies based on experiences from other states. Recommendations will include pros and cons of the various approaches. This work will help inform the work of Department of Health staff to develop an evaluation framework to evaluate changes in Minnesota’s health insurance market related to the Exchange.

**SERFF Development**

- Name of contractor: National Association of Insurance Commissioners (NAIC)
- Method of selection: Sole Source
- Period of performance: All four quarters of the grant
- Scope of work: Expand the functionality of the System for Electronic Rate and Form Filing (SERFF) to accommodate the processing of data elements needed by Exchanges.
- Method of accountability: Regular meetings with NAIC staff and other participating States, along with regular update and progress reports sent out by NAIC.
- Budget request: \$200,000

**Justification**

Funds are requested to contract with NAIC for the expansion of the SERFF system to accommodate the collection and processing of additional data elements needed by Exchanges to certify and display qualified health plans. This work will enhance the ability of Exchanges and plan regulatory staff to evaluate, process, and display qualified health plans.

**Policy Forms Analysis**

- Name of contractor: TBD – Private sector contract
- Method of selection: RFP
- Period of performance: All four quarters of the grant
- Scope of work: Assistance in reviewing policy forms for accuracy, consistency and conformity to program standards.
- Method of accountability: Operational metrics reviewed by state staff and regular reports from contractors reviewed by state staff.
- Budget request: [REDACTED]

**Justification**

Funds are requested for a private sector contract to assist Department of Commerce staff with analysis of policy forms to be submitted for certification through the Exchange.

**Customer Service Development**

- Name of contractor: TBD – Various public entity and private sector contracts
- Method of selection: existing contracts, statewide contracts, or RFP

- Period of performance: Second and third quarter of the grant.
- Scope of work: Customer service development for call center, notices, billing and collections and other customer services.
- Method of accountability: Metrics reviewed by state staff and regular reports from contractors reviewed by state staff.
- Budget request: [REDACTED]

**Justification**

Funding is requested for initial Customer Service contract(s). Customer services for design and development include a call center, billing and collections, notices, appeals and other customer service needs. Funding is based on initial estimates for development, system integration and coordination with existing Medicaid customer service resources. Current Level-One Establishment grant funds are budgeted for an assessment of current customer service activities within the state and recommendations for coordination and additional capacity needs.

**Broker/Navigator Program Development**

- Name of contractor: TBD –Private sector contract
- Method of selection: Existing contract or RFP
- Period of performance: All four quarters of the grant
- Scope of work: Provide expertise for the development of the Broker/Navigator program.
- Method of accountability: Weekly meetings between Exchange staff and contractors and weekly progress reports from contractors.
- Budget request: [REDACTED]

**Justification**

Funding is requested for a private sector contract to assist with the development of the Broker/Navigator program and processes including processes for different levels of service, training/certification/licensure, compensation, conflict of interest policies, development of training curriculum and materials.

**Market Research Development**

- Name of contractor: TBD – Private sector contract
- Method of selection: RFP
- Period of performance: Second and third quarter of the grant
- Scope of work: Continue target audience research for the Exchange and market testing.
- Method of accountability: Weekly meetings between Exchange staff and contractors and weekly progress reports from contractors.
- Budget request: [REDACTED]

**Justification**

Funding is requested for a private sector contract to continue market research activities for the Exchange. Activities will include specific target audience research, communications testing and recommendations as a result of testing. The market research performed under a previous Level-One grant sets the baseline for attitudinal research that should be revisited to see if public perceptions have stayed the same or changed. Funding in this area also will allow for additional research in areas discovered from the first study that necessitate exploration.

**Public Awareness and Education Website Development**

- Name of contractor: TBD – Private sector contract
- Method of selection: Existing contract or RFP
- Period of performance: First and second quarter of the grant
- Scope of work: Development of a public awareness/education website.
- Method of accountability: Weekly meetings between Exchange staff and contractors and weekly progress reports from contractors.
- Budget request: [REDACTED]

**Justification**

Funding is requested for a private sector contract for the development of a public website. The website would enhance the current website that serves as a tracking mechanism for the planning and development of the Exchange, to provide interactive and educational features about the Exchange. The site would become a place for outward collaboration and communication.

**Outreach and Communications Design and Development**

- Name of contractor: TBD – Private sector contract(s)\_
- Method of selection: RFP
- Period of performance: All four quarters of the grant
- Scope of work: Design and development of outreach and communications messaging, strategy and materials.
- Method of accountability: Weekly meetings between Exchange staff and contractors and weekly progress reports from contractors.
- Budget request: [REDACTED]

**Justification**

Funding is requested for contract(s) for the design and development of outreach and communications messaging, strategy and materials to plan for efforts to inform individuals, small employers and the general public about the Exchange.

**Mobile Application**

- Name of contractor: TBD- Private sector contract
- Method of selection: RFP
- Period of performance: Second, third and fourth quarters of the grant
- Scope of work: Development of an interactive mobile application for marketing the Exchange.
- Method of accountability: Weekly meetings between Exchange staff and contractors and weekly progress reports from contractors.
- Budget request: [REDACTED]

**Justification**

Funding is requested for a private sector contract for the development of an interactive mobile application for the public to download on their mobile devices. The application would be utilized for targeted communications to educate the public about the Exchange. The tool would give us the flexibility to directly reach audiences whose primary mode of communication is a mobile device.

**Third Party Review**

- Name of contractor: TBD – Private sector contract

- Method of selection: RFP
- Period of performance: First and second quarter of the grant
- Scope of work: Conduct an independent third party assessment of all systems of internal control.
- Method of accountability: Assessment report must meet state and federal requirements.
- Budget request: [REDACTED]

**Justification**

Funding is requested to contract for an independent review of development of systems of internal control for the Exchange.

**Design and Development Consultant Contracts (including cost allocation, program integrity, program management and evaluation and reporting)**

- Name of contractor: Minnesota Analysis Division (MAD), Minnesota Management and Budget Agency
- Method of selection: Contract amendment
- Period of performance: First three quarters of the grant
- Scope of work: Multiple consultants will be used for a variety of development needs including the areas of finance, customer service, program integrity, program management and evaluation.
- Method of accountability: Weekly meetings between the Exchange staff, consultants and MAD staff overseeing the contract. All products and reports will be reviewed by Exchange staff and MAD to ensure it is meeting the needs of the Exchange.
- Budget request: [REDACTED]

**Justification**

Multiple consultants will be used through the Management Analyst Division master contract for a variety of Exchange development needs. Consulting services will include the areas of finance (accounting structure, cost allocation, and reporting), customer service (business process mapping, gap analysis, to-be recommendations) program integrity (business process mapping, procedure and policy drafting, internal control recommendations/implementation), and evaluation (analysis and reporting).

**I. Total Direct Costs**

Total	\$59,928,140
Exchange Establishment Grant	<b>\$39,349,829</b>
Medicaid Cost Allocation	\$20,578,310

**J. Indirect Costs**

Total	\$3,222,820
Exchange Establishment Grant	<b>\$3,176,063</b>
Medicaid Cost Allocation	\$46,757

Indirect costs are based on a federally required and approved indirect cost plan. Indirect costs will be spent throughout the four quarter grant period based on spending pattern of all prior categories.

The rate is 14% and is computed on the following direct cost base:

Personnel	\$278,645 (14% x \$1,990,319)
Benefits	\$88,609 (14% x \$632,921)
Supplies	\$2,501,734(14% x \$17,869,526)

Other	\$223,336 (14% x \$1,595,257)
Equipment	\$41,363 (14% of first \$295,450 – estimate purchases under \$5,000)
Contracts	\$262,500 (14% of the first \$25,000 of each contract x75 contracts)
Total	\$3,222,820

**Total Costs**

Total	\$63,150,959
Exchange Establishment Grant	\$42,525,892
Medicaid Cost Allocation	\$20,625,067

**Budget Request by Core Area –**

**1.0 Legal Authority and Governance**

Activity to support the Legal and Governance core area in the Exchange are included under the Organization and Human Resource core area. This activity is also supported by the Department of Commerce staff funded through indirect costs.

**2.0 Consumer and Stakeholder Engagement and Support**

- Total cost \$7,212,975
- Percent of cost that is fixed and/or variable
  - Fixed (includes equipment): \$84,000= 1%
  - Variable (includes all but equipment): \$7,128,975= 99%
- Amount of cost by object class code
  - Salaries and wages \$521,684
  - Fringe benefits (health insurance, FICA and similar costs)\_ \$165,895
  - Equipment \$84,000
  - Supplies \$60,300
  - Travel \$0
  - Other \$158,450
  - Consultant/Contractual costs \$6,035,000
  - Indirect \$187,646
- Amount of costs being requested by Exchange Establishment Grant \$7,212,975
- Amount of cost being requested by other source (Medicaid) \$0
- Assumptions or other narrative
  - Salary and fringe costs include costs for 3 Communications Analysts, Web Analyst, Outreach Developers, Customer Services Business Developers, Customer Service Training Developers, Business Development Director, Carrier Business Developers, Small Employer Business Developers and Broker/Navigator Business Developers for 4 months.
  - Supply costs include E-mail/contact software, Adobe Creative Suite Software and allocated software and general office supplies base on FTE.
  - Equipment costs include allocated equipment costs for new staff including computer, phone and office furniture.
  - Other costs include allocated communication services, staff development, costs for printing, webinars, conferences, and monthly rent costs based on FTEs.
  - Contract costs include customer service development, public awareness website development, Outreach and Communication Design and Development and Interactive Mobile application development.
  - Indirect costs include 14% of allowable costs.

### 3.0 Eligibility and Enrollment

- Total cost \$198,859
- Percent of cost that is fixed and/or variable
  - Fixed (includes equipment): \$16,200 = 8%
  - Variable(includes all but equipment): \$182,659= 92%
- Amount of cost by object class code
  - Salaries and wages \$95,789
  - Fringe benefits(health insurance, FICA and similar costs)\_ \$30,461
  - Equipment \$16,200
  - Supplies \$7,200
  - Travel \$0
  - Other \$24,787
  - Consultant/Contractual costs \$0
  - Indirect \$24,421
- Amount of costs being requested by Exchange Establishment Grant \$198,859
- Amount of cost being requested by other source (Medicaid) \$0
- Assumptions or other narrative
  - Salary and fringe costs include costs for the two business analysts for individual and small market for 4 months. Also includes appeals development staff for 4 months Supply costs include allocated general software and office supplies base on FTE.
  - Equipment costs include allocated equipment costs for new staff including computer, phone and office furniture.
  - Other costs include allocated communication services, staff development and monthly rent costs based on FTEs.
  - Indirect costs include 14% of allowable costs.

### 4.0 Plan Management

- Total cost \$2,522,975
- Percent of cost that is fixed and/or variable
  - Fixed (includes equipment): \$ 34,650= 1.4%
  - Variable (includes all but equipment): \$ 2,488,325= 98.6%
- Amount of cost by object class code
  - Salaries and wages \$581,401
  - Fringe benefits(health insurance, FICA and similar costs)\_ \$184,886
  - Equipment \$34,650
  - Supplies \$14,250
  - Travel \$0
  - Other \$30,843
  - Consultant/Contractual costs \$1,537,500
  - Indirect \$139,444
- Amount of costs being requested by Exchange Establishment Grant \$2,522,975
- Amount of cost being requested by other source (Medicaid) \$0
- Assumptions or other narrative
  - Salary and fringe costs include costs for the Federal Regulations Analyst, Plan Management Business Analyst, and Commerce and Health staff for four months.

- Equipment costs include computers, phones, Blackberries, and office furniture for new staff including staff for Commerce and Health.
- Supply costs include allocated general software and office supplies base on FTE.
- Other costs include allocated communication services, staff development and monthly rent costs based on FTEs.
- Contractual costs include consumer testing of cost/quality measures, quality rating system development, development of evaluation framework, SERFF development and policy forms analysis.
- Indirect costs include 14% of allowable costs

**5.0 Risk Adjustment and Reinsurance**

No budget activity in this area.

**6.0 SHOP**

Activity to support the SHOP core area in the Exchange are included in the Organizational and Human Resources core area, Customer Engagement core area, Eligibility core area, and technical core area. This includes Business Analysts and Business Developer positions. Activities include oversight of SHOP eligibility, enrollment, premium aggregation and processing and reporting.

**7.0 Organization and Human Resources**

- Total cost \$501,287
- Percent of cost that is fixed and/or variable
  - Fixed (includes equipment): \$ 21,400=4.2 %
  - Variable (includes all but equipment): \$ 479,887= 95.8%
- Amount of cost by object class code
  - Salaries and wages \$112,863
  - Fringe benefits(health insurance, FICA and similar costs)\_ \$35,890
  - Equipment \$21,400
  - Supplies \$9,200
  - Travel \$0
  - Other \$38,003
  - Consultant/Contractual costs \$250,000
  - Indirect \$33,930
- Amount of costs being requested by Exchange Establishment Grant \$501,287
- Amount of cost being requested by other source (Medicaid) \$0
- Assumptions or other narrative
  - Salary and fringe costs include costs for the Human Resources Business Manager and three Administrative Assistants for four months.
  - Equipment costs include computers, phones, Blackberries, and office furniture for new staff and office printers.
  - Supply costs include allocated general software and office supplies base on FTE.
  - Other costs include allocated communication services, staff development and monthly rent costs based on FTEs.
  - Contract cost include consulting costs for Exchange evaluation report development
  - Indirect costs include 14% of allowable costs

**8.0 Finance and Accounting**

- Total cost \$154,566
- Percent of cost that is fixed and/or variable
  - Fixed (includes equipment): \$8,400 = 5.4%
  - Variable (includes all but equipment): \$ 146,166= 94.6%
- Amount of cost by object class code
  - Salaries and wages \$51,495
  - Fringe benefits(health insurance, FICA and similar costs)\_ \$16,375
  - Equipment \$8,400
  - Supplies \$3,500
  - Travel \$0
  - Other \$8,884
  - Consultant/Contractual costs \$50,000
  - Indirect \$15,912
- Amount of costs being requested by Exchange Establishment Grant \$154,566
- Amount of cost being requested by other source (Medicaid) \$0
- Assumptions or other narrative
  - Salary and fringe costs include costs for the Procurement Business Manager and Budget Analyst for four months.
  - Equipment costs include computers, phones, Blackberries, and office furniture for new staff and office printers.
  - Supply costs include allocated general software and office supplies base on FTE.
  - Other costs include allocated communication services, staff development and monthly rent costs based on FTEs.
  - Contract cost includes consulting for financial system development including account structure and cost allocation.
  - Indirect costs include 14% of allowable costs

### 9.0 Technology

- Total cost \$52,304,799
- Percent of cost that is fixed and/or variable
  - Fixed (includes equipment and IT development contracts): \$26,389,100 = 50%
  - Variable (includes balance of costs): \$25,915,699= 50%
- Amount of cost by object class code
  - Salaries and wages \$601,323
  - Fringe benefits \$191,221
  - Equipment \$3,676,600
  - Supplies (including software/licenses) \$17,773,376
  - Travel \$0
  - Other \$93,268
  - Consultant/Contractual costs \$27,160,500
  - Indirect \$2,808,510
- Amount of costs being requested by Exchange Establishment Grant \$31,679,732
- Amount of cost being requested by other source (Medicaid) \$20,625,067
- Assumptions or other narrative
  - Salary and fringe costs include costs for technology staff for four months.
  - Equipment costs include computers, phones, Blackberries, and office furniture for IT staff and contracted IT support staff as well as infrastructure equipment.



- Supplies include development and operational licenses and software as well as allocated general software and office supplies base on FTE and on-site contract staff.
- Other costs include allocated communication services, staff development and monthly rent costs based on FTEs and the on-site contract staff.
- Contractual costs include maintenance agreements for the Exchange Modules, IV&V, service integration and configuration services for Development Tools, Filenet, Identify Management and data warehouse, IT security assessment, provider network data collection and access and IT ASAP staff.
- Indirect costs include 14% of allowable costs

**10.0 Privacy and Security**

Activity to support the Privacy and Security core area in the Exchange are included in the Organizational and Human Resources core area, Information Technology core area and Oversight, Monitoring and Reporting core area. This includes the Program Integrity Manager position, IT security positions, software and assessments. Activities in these positions and other procurement will develop policies and procedures for privacy and security of the Exchange.

**11.0 Oversight, Monitoring and Reporting**

- Total cost \$255,499
- Percent of cost that is fixed and/or variable
  - Fixed(includes equipment): \$4,200=1.6%
  - Variable: (includes all but equipment) \$251,299=98.4 %
- Amount of cost by object class code
  - Salaries and wages \$25,763
  - Fringe benefits(health insurance, FICA and similar costs)\_ \$8,193
  - Equipment \$4,200
  - Supplies \$1,700
  - Travel \$0
  - Other \$2,687
  - Consultant/Contractual costs \$200,000
  - Indirect \$12,956
- Amount of costs being requested by Exchange Establishment Grant \$255,499
- Amount of cost being requested by other source (Medicaid) \$0
- Assumptions or other narrative
  - Salary and fringe costs include costs for Internal Audits/Program Integrity Manager for four months.
  - Equipment costs include computers, phones, Blackberries, and office furniture for new staff.
  - Supply costs include allocated general software and office supplies base on FTE.
  - Other costs include allocated communication services, staff development and monthly rent costs based on FTEs.
  - Contract costs include third party audit review for internal controls of the Exchange and Consultant for program integrity.
  - Indirect costs include 14% of allowable costs

**12.0 Contracting, Outsourcing, and Agreements**

Activity for this core area is included in the Organizational and Human Resources core area, the Finance and Accounting core area, Information Technology core area, and Oversight, Monitoring and Reporting core area.