

Minnesota Budget Narrative

Total Budget Request

A. Salaries and Wages

Personnel

Total	\$6,679,772
Exchange Establishment Grant	\$5,759,582
Medicaid Cost Allocation	\$920,140
Sources of Funding	Exchange Level-One Establishment Grant and Enhanced Federal Medicaid Match

Position Title	Annual	Time	Months	Amt. Requested
<i>Existing Positions:</i>				
Exchange Director – Chief Executive Officer	\$108,390	100%	7 months	\$62,324
Information Technology Director	\$108,390	100%	7 months	\$62,324
Chief Operations Officer	\$108,390	100%	7 months	\$62,324
Public Relations Officer	\$108,390	100%	11 months	\$99,358
Chief Financial Officer	\$108,117	100%	7 months	\$62,167
General Counsel	\$102,761	100%	7 months	\$59,944
Senior Policy Administrator	\$86,106	100%	7 months	\$50,229
Chief Project Manager	\$92,325	100%	11 months	\$84,632
Privacy/Security Officer	\$108,390	100%	11 months	\$99,358
Office Manager	\$52,413	100%	7 months	\$30,574
Administrative Assistant	\$50,396	100%	7 months	\$29,398
Administrative Assistants (2)	\$50,149	100%	11 months	\$91,940
Compliance/Prg Integrity Supervisor	\$77,289	100%	11 months	\$70,849
Appeals Manager	\$86,106	100%	11 months	\$78,931
Appeals Hearing Officers (3)	\$69,622	100%	2 months	\$35,834
Paralegal	\$51,242	100%	11 months	\$46,972
Information Technology Project Manager	\$102,761	100%	7 months	\$59,944
Database Administrator	\$99,012	100%	7 months	\$57,757
Database Administrator	\$98,527	100%	11 months	\$90,316
Program Developer (2)	\$88,694	100%	11 months	\$162,605
System Administrators (4)	\$98,527	100%	11 months	\$361,266
Network Administrator	\$98,527	100%	11 months	\$90,316
Security Administrator	\$98,527	100%	11 months	\$90,316
Integration Administrator (2)	\$98,527	100%	11 months	\$180,633
Messaging Administration	\$98,527	100%	11 months	\$90,316
Web Administration	\$98,527	100%	11 months	\$90,316
Storage Administration	\$98,527	100%	11 months	\$90,316
Identify Management Admin	\$98,527	100%	11 months	\$90,316
System Admin Unit Supervisors (3)	\$98,527	100%	11 months	\$270,249
Finance Business Analyst	\$72,390	100%	7 months	\$42,228
Business Manager – Procurement	\$79,752	100%	11 months	\$73,106

Business Manager – Human Resources	\$79,752	100%	11 months	\$73,106
Grant/Budget Manager/Reporting	\$74,733	100%	11 months	\$68,506
Accounting Director	\$75,774	100%	2 months	\$12,629
Accounting/Billing/Collections (3)	\$53,265	100%	2 months	\$26,633
Eligibility and Enrollment Director	\$95,690	100%	7 months	\$55,819
Individual Elig Business Analyst	\$75,010	100%	7 months	\$43,756
Individual Customer Service Escalation (2)	\$72,390	100%	11 months	\$132,716
SHOP Director	\$95,690	100%	7 months	\$55,819
SHOP Bus. Analyst	\$75,010	100%	7 months	\$43,756
SHOP Sales/Customer Service Escalation (2)	\$72,390	100%	11 months	\$132,716
Plan Mgmt & Quality Rpt Director	\$102,761	100%	7 months	\$59,944
Plan/Provider Comparison Specialist	\$75,010	100%	7 months	\$43,756
Program Analyst	\$75,010	100%	7 months	\$43,756
Insurance Customer Service/Compliance (2)	\$72,390	100%	11 months	\$132,716
Customer Services Director	\$95,960	100%	7 months	\$55,819
Training Mangers (3)	\$80,782	100%	11 months	\$222,150
Navigator/Broker /Assister Program Director	\$95,221	100%	11months	\$87,286
Nav/Brkr/Asst – Sales/Customer Service Rep (3)	\$72,390	100%	11 months	\$199,074
Navigator/Broker Program Coordinator	\$72,390	100%	11 months	\$66,358
Stakeholder Relations Coordinator	\$95,690	100%	11 months	\$87,716
Communications & Marketing Director	\$95,690	100%	7 months	\$55,819
Communications Assistant Coordinator	\$72,390	100%	11 months	\$66,358
Communications Analyst	\$72,036	100%	11 months	\$66,358
Outreach Analyst	\$72,036	100%	11 months	\$66,358

New Positions

Chief Information Officer	\$128,182	100%	12 months	\$128,182
System Administrator (2)	\$98,527	100%	3 months	\$49,264
Database Administrator	\$98,527	100%	3 months	\$24,632
Integration Administrator (1)	\$98,527	100%	12 months	\$98,527
Integration Administrator (1)	\$98,527	100%	3 months	\$24,632
Identity Management Administrator	\$98,527	100%	3 months	\$24,632

Staff Augmentation (other state agencies – continued from prior grant unless noted)

Commerce - Rate Analysis (3)	\$72,036	100%	11 months	\$198,098
Commerce - Policy Forms Analysis (3)	\$72,036	100%	11 months	\$198,098
Commerce - Policy Review Coordinator	\$72,036	100%	11 months	\$66,033
Commerce Filing Director	\$91,350	50%	11 months	\$41,869
Commerce – Enforcement (2) (new)	\$72,036	100%	3 months	\$36,018
Health – Network Adequacy/Service Area (12)	\$75,010	100%	11 months	\$825,108
Health – QHP – IT maintenance	\$98,527	100%	5 months	\$41,053
Health – Health Economics Director	\$93,380	10%	11 months	\$8,560
Health – Health Economics Asst. Director	\$74,642	30%	11 months	\$21,771
Health – Health Economics Analyst	\$72,036	100%	11 months	\$69,281
Health – Project Manager (new)	\$62,000	100%	11 months	\$56,833

Justification

Below are brief position descriptions for each of the proposed existing and new Exchange staff. Funding is requested for continuation of 20 positions created in the first two Level 1 grants and 54 positions created in the third Level 1 grant as well as for 7 new positions to continue funding all positions until December 31, 2013. Funding is also requested to continue funding for the Department of Commerce and Department of Health staff from the third Level 1 grant plus 3 new positions through December 31, 2013. Staff will work to build on the efforts undertaken as part of Planning Grant and previous Level-One activities and begin operational readiness for the Exchange.

Job Descriptions

Please note there has been restructuring within the Exchange organization chart. The project is maintaining the same number of positions, however, certain positions have been renamed and some positions have been repurposed to meet our current projected needs for operational readiness of the Exchange. New positions are noted.

Senior Management/Office Administration

Exchange Director – Chief Executive Officer: The Exchange Director is the Chief Executive Officer of the Exchange and is responsible for the entirety of Exchange activities, working closely with Exchange staff, Commissioners of State agencies, and the Advisory Task Force to define and execute its mission and responsibilities.

Chief Operations Officer: The Operations Director is responsible for providing strategic direction for the business operations of the Exchange. Included in those operations are Eligibility, SHOP, Plan Management and Quality Reporting, Customer Service and Navigator/Broker/Assister programs.

Chief Financial Officer: The Chief Financial Officer is responsible for providing strategic direction for the financial operation of the Exchange. This position also ensures compliance with HHS financial monitoring and reporting activities and has lead responsibility for creating and overseeing Exchange financing mechanisms, financial operations for premium collection, and collaboration with the Department of Human Services on cost allocation between Medicaid and Exchange funding streams.

Chief Information Officer: The Chief Information Officer is responsible for providing strategic direction for the information technology design, development and implementation functions of the Exchange. This position ensures state readiness and coordination with contractors for technology infrastructure, staff and other resources to support the Exchange and ensuring seamless interfaces with federal and state systems.

Information Technology Director: The Information Technology Director is responsible for leading the successful implementation of all information technology functions of the Exchange, including working with contractors on the design and development of the IT integration architecture and requirements that facilitate interaction with partnered systems.

Public Relations Officer: The Public Relations officer is responsible for strategic direction and oversight of stakeholder engagement, public/media relations, and government relations as it relates to legislative activity and legislative relations.

General Counsel: The General Counsel is responsible for providing legal counsel and providing legal services on a variety of matters pertaining to the Exchange and its programs and operations, including compliance with State and Federal laws and review and negotiation of all contracts. This position will also oversee the operational readiness of the appeals processes for the Exchange.

Senior Policy Administrator: The Senior Policy Administrator is responsible for coordinating all work plans and timelines associated with the Exchange and ensuring that all grant reporting responsibilities are met. The Senior Policy Administrator is also responsible for tracking all relevant Federal and State legislation, guidance, and proposed rules, and coordinating appropriate responses with Exchange staff and the Minnesota Departments of Commerce, Human Services, and Health.

Project Manager/Consultant: The Chief Project Manager is responsible for the tracking and managing all work plans ensuring coordination and identifying interdependencies.

Privacy/Security Officer: The Chief Privacy and Security Officer's primary responsibility is for ensuring that the Exchange remains in compliance with all applicable privacy and security laws, including developing, implementing, monitoring, and maintaining all policies and procedures related to data privacy and security. In carrying out these responsibilities, the Chief Privacy and Security Officer will work in close partnership with the information technology staff, information security staff legal staff and compliance staff.

Office Manager: The Office Manager is responsible for providing administrative support to the Exchange Director, all Exchange staff, and the Advisory Task Force.

Administrative Assistant (3): The Administrative Assistants will be responsible for providing administrative support to the Chief Operating Officer, Chief Information Officer, Chief Financial Officer, General Council, Privacy and Security Officer, Public Relations Officer, Senior Policy Administrator, and operational managers.

Legal/Compliance

Compliance/Program Integrity Supervisor: This position will be responsible for the development and implementation of policies and procedures related to the oversight and monitoring of the 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 as appropriate.

Hearing Office Supervisor: This position will be responsible for the management of the adjudication of appeals functions within the Exchange, including curriculum development and training hearing officers and development and implementation of adjudication of appeals process within the Exchange including interfaces with external systems.

Hearing Officers (3): These positions will be responsible for the starting the process of the adjudication of appeals including conducting hearings.

Paralegal: This position will provide administrative assistance in the development and implementation of workflows for responding to appeals.

Information Technology

Information Technology Project Manager: The Information Technology Project Manager is responsible for working with contractors to develop work plans and budget estimates to implement the design and development of IT integration architecture and associated requirements. The IT Project Director is specifically responsible for managing IT implementation timelines and compliance with HHS SDLC stage gate reviews including: Project Start-Up Review, Architecture Review, Project Baseline Review, Preliminary Design Review, Detailed Design Review, Final Detailed Design Review, Pre-Operational Readiness Review, and Operational Readiness Review. This position will also be responsible for coordinating the Exchange's gate review activity with the Department of Human Services' APD activity.

Data Base Administrator (2 current positions and 1 new position): These positions are responsible for providing services to create, maintain, and support data base activities.

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

System Administrators(4 current positions and 2 new positions): These positions will provide server administrative activities and assist identifying, installing, monitoring and supporting the 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 coordinate and provide security related to oversight to ensure the Servers are meeting the necessary security requirements.

Integration Administrator (2 current positions and 2 new positions): These positions will perform application support for all middle tier architecture including Web-sphere components (WPS, WAS, Web, WTX-IS, etc.)

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

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

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

Identity Management Administration (1 current positions and 1 new position): 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.

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

Finance/General Administration

Finance Business Analyst: The Finance Business Analyst is responsible for analyses of the financial management functions required for the Exchange. This includes funding flows and business processes design and development for advance premium tax credits, cost sharing reductions, fund aggregation, premium collection and payments processing, risk sharing, payment transfers, and reconciliation between the Exchange, insurers, employers, and federal agencies . This position is also responsible for assisting the Exchange Finance Director in the creation of an operating accounting, budget and reporting structures.

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.

Grant/Reporting Coordinator: This position will be responsible for grant management and reporting on Exchange grant activities, including quarterly federal operational and fiscal reports.

Accounting Director: This position will oversee day to day accounting needs of the Exchange, overseeing accounts payable and receivable, account reconciliation, processing revenue refunds, implementing cost allocation plans and other accounting functions. This position will coordinate activity within the Department of Commerce Financial Management Division.

Accounting Staff (3): These positions will process premium payments and provide for daily reconciliation between the Exchange, the state accounting system, the state e-payment and lock-box provider on all funds flowing through the Exchange.

Operations

Plan Management and Quality Measurement Director: The Plan Management and Quality Measurement Director is responsible for managing the QHP certification process, including the Exchange's interaction with the Insurance Division at Commerce and the Minnesota Department of Health. In addition, this position is responsible for the design, development, and reporting of quality rating systems for the Exchange including cost, quality, and customer satisfaction.

Plan/Provider Comparison Specialist: The Plan/Provider Comparison Specialist provides technical expertise and coordination of activities related to reporting and comparison of health care provider and insurer information. This position is responsible for analyzing complex federal requirements related to

Exchange functions and ensure Minnesota's model for reporting and comparison aligns with these requirements and is interoperable with other essential Exchange functions. This position is responsible for working closely with external contractors, Exchange staff, and other state agencies to develop and implement models for effectively reporting, comparing, and updating cost, quality, and customer satisfaction information related to health care providers and insurers.

Program Analyst: The Health Services Researcher provides technical expertise and coordination of highly technical and advanced health services research activities related to Exchange analytics and reporting and design and development of methods for health insurer ratings.

Insurance Customer Service/Compliance Specialists (2): These positions would support issuers offering plans within the Exchange. These positions would be respond to carrier inquiries on information about QHPs, coordinate communications, and assist plans with compliance issues to ensure continuity of services for Exchange customers.

Eligibility and Enrollment Director: The Eligibility and Enrollment Director is responsible for coordinating, developing, and implementing strategy for individual eligibility and enrollment operations related to the Exchange, including interactions with the Minnesota Department of Human Services in its role as Minnesota's Medicaid Agency.

Individual Eligibility Business Analyst: The Individual Eligibility Business Analyst provides technical and subject matter expertise on individual eligibility business design. This position coordinates activities related to designing, developing, and maintaining business design requirements and functionality priorities of the Exchange. This position is responsible for analyzing complex state and federal policy and leading activities to document business design requirements for the functional components of the Exchange with a focus on eligibility requirements, plan enrollment, and 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. This position will work closely with the Department of Human Services staff in integrating MAGI determinations across Medicaid and the premium tax credits.

Individual Customer Service –Issue Escalation Team (2): This team would support the Advance Premium Tax Credit and Cost Sharing Reduction population served through the Exchange in coordination with the Customer Service Center. This team would serve as an escalation point for complex issues that cannot be resolved in the Customer Service Center. To the extent that an appeal from an individual eligibility determination is needed, this team would create appeals summary case files and work with legal resources for review of legal reference and authority in preparation of appeals hearings.

SHOP Director: The SHOP Director is responsible for coordinating, developing, and implementing strategy for the small business operations of the Exchange and managing individual and small employer Exchange integration issues.

SHOP Business Analyst: The SHOP Business Analyst provides technical and subject matter expertise on the commercial business design of the Exchange. This position is responsible for analyzing complex state and federal policy and leading activities to document business design requirements for the functional components of the Exchange with a focus on small employer eligibility and enrollment requirements, 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.

SHOP Sales/Customer Service Specialists (2): This team would support small employers serviced through the Exchange in coordination with the Customer Service Center. This team would serve as an escalation point for complex issues that cannot be resolved in the Customer Service Center, including questions on defined contribution, enrollment in Section 125 plans and application for the small employer tax credit. To the extent that an appeal from a small employer regarding eligibility determination is needed, this

team would also create appeals summary case files and work with legal resources for review of legal reference and authority in preparation of appeals hearings.

Customer Services Director: The Customer Services Director is responsible for managing the Exchange's provision of customer services including call center, member notices and billing and payment services. This will include leveraging and coordinating with similar functions at other state agencies as appropriate. This Director is responsible for managing the work of any contracted vendors.

Exchange Training Coordinators (3): These positions would provide direction and coordination for all training associated with the Exchange including call center agents, Navigators, Brokers, and Assistors.

Navigator/Broker/Assister Program Director: This position is responsible for the oversight of the day to day activities of the Navigator/Broker/Assister programs including contracting, training curriculum development, monitoring, payment, metrics and support.

Navigator/Broker/Assister Customer Services/Sales (3): These positions would support Navigators, Brokers and Assistors working with the Exchange. These positions would manage contracts and payment, develop training curriculum, and assist with program metrics and compliance for Navigators, Brokers and Assistors.

Navigator/Broker/Assister Program Coordinator (1): These positions would support assist in the tracking of Navigator metrics, support payment operations and training needs for the Navigators, Brokers and Assistors operating within the Exchange.

Outreach and Communications

Stakeholder Relations Coordinator: This position would be responsible for establishing and maintaining relationships with a wide range of stakeholders broadly in coordination with other Exchange staff and specifically counties and tribes. Responsible for communications around legislative policies and government relations to Tribal and county partners.

Communications and Marketing Director: The Communications and Marketing Director is responsible for developing and implementing strategies and work plans for communications, outreach and marketing of the Exchange in order to educate Minnesotans about the benefits of the Exchange.

Communications Assistant Coordinator: Support of on-line communications including public education website, specifically coordination and posting of information onto the website. This position will also support activities of the Communications and Outreach Analysts along with the overall communications and marketing area.

Communications Analyst: This position would be responsible for coordinating external communications including managing public information website and social media communications. This position is responsible for media relations outside of legislative activities.

Outreach Analyst: This position would be responsible for the implementation of outreach efforts for the individual and SHOP populations on the Exchange including outreach coordination with community advocates such other state agencies, navigators, assistors, and community groups and tribes; as well as coordination with agents, brokers, and business associations for outreach and communications to small business owners

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 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.

Commerce Enforcement (2): These positions will be responsible for the compliance monitoring and fraud investigation activities associated with the sale of health coverage through the Exchange. These positions will be funded with Exchange funded via interagency agreement. These positions would begin in the fourth quarter of the grant.

This unit will be responsible for conducting network adequacy reviews for QHPs submitted for certification for the Exchange and for reviewing proposed service areas to ensure they are non-discriminatory and that any sub-county service areas meet additional criteria. HMOs receive network adequacy reviews under current state practice and therefore additional resources are not necessary for HMO network adequacy 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.

IT Maintenance – Network Adequacy and Provider Directory: This position will develop a format for submitting network adequacy review and provider directory information to a centralized database from which the Exchange, the Department of Health, and the Department of Human Services can draw upon to carry out various functions related to review of network adequacy, publication of an on-line consolidated provider directory, and analysis of public program managed care organization network information..

Health Project Manager: This position will provide project management functions for the Minnesota Department of Health activities associated with the Provider Display Module of the Exchange.

Evaluation (2.4 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 assessing 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 30% of time for oversight and coordination on framework development and implementation.
- Health Economics Analyst FTE will provide management of the 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

Total	\$2,124,152
Exchange Establishment Grant	\$1,831,547
Medicaid Cost Allocation	\$292,605
Sources of Funding	Exchange Level-One Establishment Grant and Enhanced Federal Medicaid Match

31.8% of total salaries = fringe benefits

Fringe benefits will be split across all four quarters of the grant based on positions start dates.

C. Consultant Costs

See Section I Consulting/Contractual Costs.

D. Equipment

Total	\$31,800
Exchange Establishment Grant	\$20,001
Medicaid Cost Allocation	\$11,799
Sources of Funding	Exchange Level-One Establishment Grant and Enhanced Federal Medicaid Match

Item Requested	How Many	Unit Cost	Total Amount
Printer	2	\$600	\$1,200
Equipment for new staff:			
• Computer workstation	7	\$1,300	\$9,100
• Phone	7	\$200	\$1,400
• Office furniture	7	\$2,500	\$17,500
Equipment for other agency staff			
• Computer	2	\$1,300	\$2,600

Justification

Funding is requested for computer, phone, and office furniture to be purchased for 7 new Exchange staff, 2 new staff for other state agencies. Funding is also requested for 2 additional printers to be leased for on-site consultants and vender staff.

E. Supplies (including Software/Licenses)

Total	\$7,151,528
Exchange Establishment Grant	\$4,172,924
Medicaid Cost Allocation	\$2,978,604
Sources of Funding	Exchange Level-One Establishment Grant and Enhanced Federal Medicaid Match

Description	Total Amount
<i>IT Software – License renewal, maintenance and support agreements</i>	
• Development tool maintenance and support	\$250,000
• Websphere Development License	\$174,542
• Websphere Production License	\$430,726
• ESB Development License	\$180,000
• ESB Production License	\$424,973
• Oracle	\$4,000,000
• Identity Management	\$175,000
• Monitoring Software	\$15,000
• Informatica Software	\$450,000
• Linux Red Hat	\$60,000
• Security Agents	\$30,000

• Load Balancing Equipment	\$50,000
• Recovery Development License	\$30,000
• Recovery Production License	\$30,000
• Reporting Software	\$15,000
• Web Application Firewall	\$15,000
• Security Assessment and Analysis	\$30,000
• Two-factor authentication infrastructure	\$30,000
• FileNet Software	\$300,000
• Web Services Security	\$180,000
<u>Licenses/Software Purchases</u>	
Vericode Licenses (30 licenses)	\$120,000
<u>Other Supplies</u>	
General office supplies –staff (\$1500 x 56.8 FTEs)	\$85,200
General Office Supplies – Commerce and Health Staff (7.375 Commerce FTEs+ 13,68 Health FTEs X \$1500)	\$31,588
General office supplies – IT ASAP consultants (\$42 x 10 months x 25 ASAP consultants)	\$10,417
General office supplies – on-site contract staff (\$42 x 10 months x 65 consultants)	\$27,083
Enterprise Licensing Agreement – staff (\$100 x 7)	\$700
Microsoft Windows – new staff (\$100 x 7)	\$700
Microsoft Office – new staff (\$500 x 7)	\$3,500
Microsoft Project – new staff (\$300 x 7)	\$2,100

Justification

With the prior Level 1 Establishment grant, the Exchange has begun to establish the IT infrastructure including procurement of hardware, software and required licenses. Annual maintenance and support agreements for the hardware and software will come due in October/November 2013. Renewal of software agreements are estimated at 30% of purchase and hardware is estimated at 25% of purchase. Vericode licenses will be used as a vulnerability tool by developers to catch and fix problems early.

General office supplies will be used by Exchange staff and on-site contracted staff to carry out daily activities including pens, files, paper, copy costs, on-boarding supplies 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. Supply costs will be equally split between all four quarters of the grant period, with the exception of software costs which will be spent in the first quarter.

F. Travel

Total	\$47,354
Exchange Establishment Grant	\$47,354
Medicaid Cost Allocation	\$0

Sources of Funding

Exchange Level-One Establishment Grant

<u>Description</u>	<u>Cost</u>
In-State Travel	\$12,634
Out-of-State Travel	<u>\$34,720</u>
Total	\$47,004
<u>In-State Travel</u>	<u>Cost</u>
<u>Outreach</u>	
7 trips of 1 day per diem x \$35/day x 2 people	\$490
7 trips of 2 days per diem x \$35/day x 2 people	\$980
7 nights lodging x \$150 x 2 people	\$2,100
Mileage: 14 daysx75 miles per day and 7 dayx 50 miles x \$0.51	\$714
<u>Task Force</u>	
Reimburse Task Force Members (18 membersx6 mtgs x \$35)	\$3,780
HIX staff reimbursement (2 trips x 6 staff x \$35)	\$420
Mileage: (2 meetings at 100 round trip x 6 staff x \$0.51)	\$612
<u>Training</u>	
10 trips of 1 day per diem x \$35/day x 2 people	\$700
5 trips of 2 days per diem x \$35/day x 2 people	\$700
5 nights lodging x \$150 x 2 people	1,500
Mileage: 10 daysx50 miles + 5 tripsx150miles x \$0.51	<u>\$638</u>
Total	\$12,634

Justification

Exchange staff will continue to hold monthly task force and stakeholder meetings throughout the State. Advisory Task Force reimbursement for mileage and per diem for eligible Task Force members to attend Task Force meetings per Minnesota Statutes §15.014. The Marketing and Communications Director will coordinate outreach meetings throughout the state to increase public awareness of the Exchange and continue to engage stakeholders. In addition, training for Navigators/Brokers and other stakeholders will be scheduled throughout the state. In-State travel funds will be equally split between the last three quarters of the grant period.

<u>Out-of-State Travel</u>	<u>Cost</u>
Airfare (8 trips x 4 staff x\$500)	\$16,000
Per –diem (8 trips x 4 staff x 3 days x\$35)	\$3,600
Lodging (8 trips x 4 staff x 2 nights x \$200)	\$12,800
Ground Transportation (8trips times 4 staff x \$80)	<u>\$2,560</u>
Out of State Total	\$34,720

Justification

Four Exchange staff will travel for HHS quarterly grantee meetings. Four Exchange staff will also travel to six Exchange related meetings (SERFF, Gate Reviews, NAIC, etc). Out-of-State travel funds will be equally split all four quarters of the grant period.

G. Other

Total	\$1,476,678
Exchange Establishment Grant	\$1,333,953

Medicaid Cost Allocation	\$142,725
Sources of Funding	Exchange Level-One Establishment Grant and Enhanced Federal Medicaid Match

<u>Description</u>	<u>Cost</u>
Rent for office space – temporary expansion space 2300 square feet x \$19.25 x 4 months	\$14,760
Rent for permanent Office Space 13000 square feet *\$24 *11 months	\$273,000
Space preparation Costs	\$150,000
Rent – other Agency staff \$2600 x 7.375 FTE	\$19,175
Communications services –staff \$1200 x 55.80 FTEs	\$68,160
Communication services – other Agency staff \$1200 x 21.06 FTEs	\$25,270
Communications services – IT ASAP consultants \$100 x9 months x 25 staff	\$19,000
Communications services – on-site contracted \$100 x 9 months x 50 staff	\$23,750
Staff Develop \$750 x 27 FTE (11 months)	\$18,563
Marketing Toolkit	\$750,000
Training materials	\$10,000
Training – Security Privacy	\$15,000
Training – Security Administrators (8 seats at \$5000/seat)	\$40,000
Data Center Hosting Fees	\$50,000

Justification

Currently, the Exchange is renting three spaces totaling about 9000 square feet. This space currently accommodates Exchange staff, consultants and onsite vendor staff, or about 55 to 60 total on any given day. The Exchange anticipates adding up to 60 additional staff and number of additional IT consultants as outlined in this and prior grants. To accommodate this growth, the Exchange is pursuing permanent space to accommodate the Exchange staff, leaving current space as temporary space for vendors and consultants. This will require moving staff from current space to a new permanent location. It is assumed that a space of about 13000 to 15000 square feet will be required to meet the needs.

Prior grants included request for rent of the current 9000 feet through August of 2013, with the exception of about 4 months of the most recent expansion space of 2300 square feet. The additional four months is requested in this grant. Prior grants also included a request for four months of rent for permanent space of 20,000 square feet from October through January 2013 (\$160,000). That request will be used for space preparation of the new space. This grant is requesting additional moving costs/space preparation as well as the remaining 11 months of calendar 2013 rent for the permanent space.

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

The marketing toolkit will be developed for all targeted exchange audiences including the uninsured, small employers and employees, and Medicaid enrollees. The expenditures are planned for all four quarters of the grant, with the bulk of the costs occurring in the second quarter.

Training includes printing costs for training; enhancing current security role based training for the Exchange and training for security administrators.

Data center hosting fees includes monthly charges for rack units, floor mounted devices, network ports, storage fabric and phone lines. Annual costs are estimated at \$200,000. Prior grant included costs through September 2013. This request is for monthly costs from October 2013 to December 2013 (\$50,000).

H. Consulting/Contractual Costs

Total	\$27,593,700
Exchange Establishment Grant	\$23,836,967
Medicaid Cost Allocation	\$3,756,733
Sources of Funding	Exchange Level-One Establishment Grant and Enhanced Federal Medicaid Match

Description	Cost
<i>Information Technology</i>	
Exchange Maintenance module development (RFP)	
• Module 1: Individual eligibility and exemption	\$433,000
• 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	\$374,000
• Module 7: Account administration	\$307,500
• Non-MAGI	\$230,000
• Internal and User Workspace License	\$200,000
IT Contracted Staff – for 11 months unless noted	
• IT Business Analyst (6 x 150,000)	\$825,000
• IT Project Managers (3 x \$280,800)	\$772,200
• Security Technician (1 x 322,400)	\$295,533
• Program Developer (1 x \$218,400)	\$200,200
• Business Analyst – Technical (2x\$218,800 – 8 months)	\$305,067
• Systems Architect (1 x 332,800)	\$305,067
• Technical Administrators (4 x 208,000 – 8 months)	\$554,667
• Technical Writer (1 x 208,000)	\$190,667
• User Acceptance Technicians (1 x 228,800 – 8 months)	\$152,533
• User Acceptance Technician (1x 228,000)	\$209,733
• Quality Assurance Technician (1 x 260,000 – 8 months)	\$173,333
• User Support Technicians (2 x 208,000)	\$381,333
• Report Developer (1 x208,000 – 8 months)	\$138,667

• Network Administrator (1 x 322,400 – 8 months)	\$214,933
• Security Administrator (1 x 322,400 – 8 months)	\$214,933
• Data Base Administrator (1 x332,800 – 8 months)	\$221,867
• Integration Administrator (1 x322,400 – 8 months)	\$214,933
• Identity Management Administrator (1 x332,800 – 8 months)	\$221,867
• User Acceptance Testers (10 x 208,000 – 2 months)	\$346,667

Business Operations

Consumer assistance Training on cost/quality metrics/consumer information
 Consumer Testing of Exchange – all
 Exchange System User Training
 Customer Service Operations
 Eligibility Assistance and Outreach
 Appeals
 Premium Billing and Collection
 Graphic Designer (800 hours at \$100/hour)
 Marketing Campaign development/ad placement
 Advertising



Contract Details:

Annual Maintenance Agreement

- Name of contractor: IBM/Curam, Connecture, EngagePoint
- Method of selection: License Agreement Renewal
- Period of performance: All four quarters of the grant period
- Scope of work: Annual maintenance costs for Exchange IT modules
- Method of accountability: Access to updates
- Budget request: \$2,534,500

Justification

Minnesota entered into a licensing agreement the three COTS vendors for the Exchange solution plus user additional user agreements for the IBM/Curam product. Initial licensing agreements were entered into in October 2012. Renewal of these agreements will occur in October 2013.

Contract Details:

Annual Maintenance Agreement

- Name of contractor: Various
- Method of selection: License, maintenance and support agreement renewal
- Period of performance: Fourth quarter of grant
- Scope of work: Annual maintenance costs for Exchange hardware and software
- Method of accountability: Access to updates
- Budget request: \$6,390,241

Justification

With the prior Level 1 Establishment grant, the Exchange has begun to establish the IT infrastructure including procurement of hardware, software and required licenses. Annual maintenance and support agreements for the hardware and software will come due in October/November 2013. Renewal of software agreements are estimated at 30% of purchase and hardware is estimated at 25% of purchase.

IT Contract Staff

- Name of contractor: TBD – Various via State of Minnesota ASAP
- Method of selection: State of Minnesota ASAP process
- Period of performance: All four quarters of the grant period
- Method of accountability: On-site contracted staff receive day to day work feedback and meet regularly with Exchange staff
- Budget request:

	\$5,939,200
○ IT Business Analyst (6 x \$150,000)	\$825,000
○ IT Project Managers (3 x \$280,800)	\$772,200
○ Security Technician (1 x \$322,400)	\$295,533
○ Program Developer (1 x \$218,400)	\$200,200
○ Business Analyst – Technical (2 x \$218,800 – 8 months)	\$305,067
○ Systems Architect (1 x \$332,800)	\$305,067
○ Technical Administrators (4 x \$208,000 – 8 months)	\$554,667
○ Technical Writer (1 x \$208,000)	\$190,667
○ User Acceptance Technicians (1 x \$228,800 – 8 months)	\$152,533
○ User Acceptance Technician (1 x \$228,000)	\$209,733
○ Quality Assurance Technician (1 x \$260,000 – 8 months)	\$173,333
○ User Support Technicians (2 x \$208,000)	\$381,333
○ Report Developer (1 x \$208,000 – 8 months)	\$138,667
○ Network Administrator (1 x \$322,400 – 8 months)	\$214,933
○ Security Administrator (1 x \$322,400 – 8 months)	\$214,933
○ Data Base Administrator (1 x \$332,800 – 8 months)	\$221,867
○ Integration Administrator (1 x \$322,400 – 8 months)	\$214,933
○ Identity Management Administrator (1 x \$332,800 – 8 months)	\$221,867
○ User Acceptance Testers (10 x \$208,000 – 2 months)	\$346,667

Justification

Funding is requested for continued use of short term IT resources through the state ASAP process. This request is in addition to the \$1.6 million requested in the February 2012 level 1 grant and \$3.056 million for services through January 2012. This request would continue these resources through Calendar 2013. 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, understandable by staff who need to specify, test, train and support it, 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 of the SHOP 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 Minnesota's Medicaid agency 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 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 Testing: 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 Assistance Training on cost/Quality metrics/consumer information

- Name of contractor: TBD
- Method of selection: existing contract, statewide contract, or RFP
- Period of performance: Second quarter of the grant
- Scope of work: Provide specific training on cost, quality and consumer information to Navigators and call center representatives
- 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 contractor to support a specialized component of the training curriculum related to cost/quality metrics and other consumer information. Cost/quality information are critical tools that promote value and competition within the Exchange and will be new information to the consumers in the Minnesota insurance market. This work would also be supported by the current Exchange and Health Department staff to assist with curriculum development.

Facilitated Consumer Testing of Exchange

- Name of contractor: TBD
- Method of selection: existing contract, statewide contract, or RFP
- Period of performance: Second and third quarter of the grant

- Scope of work: Facilitate consumer testing of Exchange user experience in navigating the Exchange portal.
- 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 contractor to support user testing of the Exchange Modules. Consultant would coordinate the variety of users of the Exchange in facilitated user testing. Participants may include individual consumers, small business owners, navigators, brokers, assisters, county workers, providers and health plans. Results of user testing will allow the Exchange to understand what components of the Exchange portal are easy for users to navigate as well as any areas of navigational challenge that need to be improved.

Exchange System User Training

- Name of contractor: TBD
- Method of selection: existing contract, statewide contract, or RFP
- Period of performance: second and third quarter of grant
- Scope of work: Training for Navigators, Brokers, counties, assisters, administrative users and Exchange customer service representatives
- 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 contract to implement necessary training for Navigators, Agents, Brokers, county workers, administrative users, and customer service representatives. The Exchange and its partner agencies (Department of Human Services, Health, Commerce, and MN.ITS) will work with the vendor and receive train the trainer expertise to maintain ongoing training responsibilities. Initial training would be implemented utilizing field training. In the future, it is anticipated that on-going training would be conducted virtually and minimal on-site training would be needed.

Customer Service Operations

- Name of contractor: TBD
- Method of selection: existing contract, statewide contract, or RFP
- Period of performance: Fourth quarter of grant
- Scope of work: Customer service operations including a toll free 1-800 number with Interactive Voice Response technology, language services, routing and referral services. This activity would also include processing notices as necessary for APTC and SHOP.
- Method of accountability: Operational metrics and weekly/monthly/quarterly reports.
- Budget request: [REDACTED]

Justification

Funding is requested for initial Customer Service operations for October through December of 2013. Services include customer assistance through toll free 1-800 number with Interactive Voice Response (IVR) technology, language services, routing and referral services. This activity would also include processing notices as necessary for APTC and SHOP. The funding request is based on a budget model for

the Exchange. The model projections for first year PMPM costs for customer service range from \$3.55 to \$5.11 depending on enrollment (high, medium and low estimates). Assuming the high end of enrollment projections (roughly 2.2 million member months) and the \$3.55 PMPM costs, an \$8,000,000 operating budget is projected for 2014. It is assumed that 60% of projected enrollment would occur in the first three months of open enrollment (October 1, 2013 through December 31, 2013). Therefore 60% of \$8,000,000 is requested to account for both the initial high demand and set up costs. Current Level-One funds are budgeted for an assessment on current customer service activities and initial customer service integration and set-up costs with the Exchange.

Eligibility Assistance and Outreach

- Name of contractor: TBD
- Method of selection: existing contract, statewide contract, or RFP
- Period of performance: Fourth quarter of grant
- Scope of work: Eligibility assistance and outreach includes in-person, phone and mail processes for general outreach and eligibility and enrollment assistance and case maintenance
- Method of accountability: Operational metrics and weekly/monthly/quarterly reports.
- Budget request: [REDACTED]

Justification

Funding is requested for initial eligibility assistance operational for October through December of 2013. Services include in-person, phone and mail/fax application assistance as well as enrollment and account management as appropriate for APTC and SHOP. The funding request is based on a budget model for the Exchange. The model projections for first year PMPM costs for eligibility assistance range from \$3.72 and \$5.37 depending on enrollment. (high, medium and low estimates). Assuming the high end of enrollment projections (roughly 2.2 million member months) and the \$3.72 PMPM costs, an \$8,300,000 operating budget is projected for 2014. It is assumed that 60% of projected enrollment would occur in the first three months of open enrollment. (October 1, 2013 through December 31, 2013), Therefore 60% of \$8,300,000 is requested to account for both the initial high demand and set up costs.

Appeals

- Name of contractor: TBD
- Method of selection: existing contract, statewide contract, or RFP
- Period of performance: Fourth quarter of grant
- Scope of work: Adjudication of appeals for APTC and SHOP
- Method of accountability: Operational metrics and weekly/monthly/quarterly reports.
- Budget request: [REDACTED]

Justification

Funding is requested for initial appeals processing for October through December of 2013 for APTC and SHOP. The funding request is based on a budget model for the Exchange. The model projections for first year PMPM costs for appeals processing range from \$.51 to \$.74 depending on enrollment (high, medium and low estimates). Assuming the high end of enrollment projections (roughly 2.2 million member months) and the \$.51 PMPM costs, a \$1.2 operating budget is projected for 2014. It is assumed that 60% of projected enrollment would occur in the first three months of open enrollment (October 1, 2013 through December 31, 2013). Therefore 60% of \$1,200,000 is requested to account for both the initial high demand and set up costs.

Premium Billing and Collection

- Name of contractor: Statewide Banking partner, statewide e-payment partner, other TBD
- Method of selection: RFP, interagency agreement
- Period of performance: Fourth quarter of grant
- Scope of work: invoice billing and collection of SHOP and individual premiums
- Method of accountability: Operational metrics and weekly/monthly/quarterly reports.
- Budget request: [REDACTED]

Justification

Funding is requested for initial premium invoicing and collection processing for October through December of 2013 for APTC and SHOP. The funding request is based on a budget model for the Exchange. The model projections for first year PMPM costs for premium billing and collection range from \$1.53 to \$2.21 depending on enrollment. (high, medium and low estimates). Assuming the high end of enrollment projections (roughly 2.2 million member months) and the \$1.53 PMPM costs, a \$3,000,000 operating budget is projected for 2014. It is assumed that 25% of premium invoicing and collections would be processed in the first three months of open enrollment. (October 1, 2013 through December 31, 2013).

Graphic Design

- Name of contractor: TBD
- Method of selection: existing contract, statewide contract, or RFP
- Period of performance: First two quarters of grant
- Scope of work: Create marketing materials for 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 contract for graphic design work. Contractor would be responsible for creating marketing materials for the Exchange. The materials would be for the outreach “toolkit” and include such items as brochures, flyers, displays, etc.

Marketing Campaign

- Name of contractor: TBD
- Method of selection: RFP
- Period of performance: First two quarters of the grant
- Scope of work: Development and placement of advertisement campaign
- 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 contract(s) for the development of a strategic marketing campaign that is both broad based and targeted. The contractor will construct a plan that includes such marketing/communication methods as paid media, earned media and community outreach. Specific tactics used will include television advertisement, direct mail, e-mails, social media, and promotions. The

contractor will assist with message development for public relations and grassroots outreach efforts; conceptualize and create marketing materials; negotiate advertisement placements; and initiate and facilitate corporate partnerships. The contractor will create a campaign that informs and engages the audience.

Advertisement

- Name of contractor: RFP
- Method of selection: RFP
- Period of performance: Second, Third and fourth quarter of grant
- Scope of work: Air time, print space, etc for Exchange marketing campaign advertisements.
- Method of accountability: Weekly meetings between Exchange staff and contractors and weekly progress reports from contractors.
- Budget request: [REDACTED]

Justification

Funding is requested for the purchase of advertisement time and print space. This request is for the actual cost of the advertising placement. The funding will allow for a thorough penetration of the market to hit on all three levels: mass (general public), targeted (specific groups) and personal (social media). Frequency will be the key to effectively heighten awareness of the exchange to the degree that compels the viewer to the website. A strong advertising presence is planned for the third and fourth quarter of the grant.

I. Total Direct Costs

Total	\$45,104,933
Exchange Establishment Grant	\$37,002,327
Medicaid Cost Allocation	\$8,102,607

J. Indirect Costs

Total	\$2,493,343
Exchange Establishment Grant	\$2,323,788
Medicaid Cost Allocation	\$169,784

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

Personnel	\$935,161 (14% x \$6,679,722)
Fringe	\$297,381 (14% x \$2,124,152)
Travel	\$6,629 (14% x \$47,354)
Supplies	\$1,001,214 (14% x \$7,151,528)
Other	\$206,567(14% x \$1,475,478)
Equipment	\$4,452 (14% of items under \$5000)
Contracts	<u>\$42,000</u> (14% of the first \$25,000 of each contract x12 contracts)
Total	\$2,493,573

Indirect costs will be spent throughout all four quarters of the grant period based on spending pattern of all prior categories.

Total Costs

Total	\$47,598,506
Exchange Establishment Grant	\$39,326,115
Medicaid Cost Allocation	\$8,272,391

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.

2.0 Consumer and Stakeholder Engagement and Support

- Total cost \$15,892,936
- Percent of cost that is fixed and/or variable
 - Fixed (includes equipment): \$0=0%
 - Variable (includes all but equipment): \$15,892,936 = 100%
- Amount of cost by object class code
 - Salaries and wages \$973,296
 - Fringe benefits (health insurance, FICA and similar costs)_ \$309,508
 - Equipment \$0
 - Supplies \$18,250
 - Travel \$12,634
 - Other \$854,238
 - Consultant/Contractual costs \$13,390,000
 - Indirect \$335,010
- Amount of costs being requested by Exchange Establishment Grant \$15,892,936
- Amount of cost being requested by other source (Medicaid) \$0
- Assumptions or other narrative
 - Salary and fringe costs include costs for Consumer Services Director, three Customer Services Training Coordinators, Communications and Marketing Director, Communications Coordinator, Outreach Analyst, Communications Analyst, Stakeholder Relations Coordinator, Navigator/Broker Program Director, three Navigator/Broker Business Representatives, and a Navigator/Broker Program Analyst through December 2013.
 - Supply costs include allocated software and general office supplies base on FTE.
 - Travel costs include in-state travel for training, outreach and task force meetings.
 - Other costs include allocated communication services, staff development, costs for printing, webinars, conferences, and monthly rent costs based on FTEs as well as costs for marketing toolkit.
 - Contract costs include consumer assistance training on cost/quality metrics, consumer testing of the Exchange, study on consumer plan choice display options, customer service, training curriculum development, appeals, graphic design, outreach and communications, and advertising.
 - Indirect costs include 14% of allowable costs.

3.0 Eligibility and Enrollment

- Total cost \$5,644,835
- Percent of cost that is fixed and/or variable
 - Fixed (includes equipment): \$0 =0%
 - Variable(includes all but equipment): \$5,644,835=100%
- Amount of cost by object class code
 - Salaries and wages \$394,027
 - Fringe benefits(health insurance, FICA and similar costs) \$125,301
 - Equipment \$0
 - Supplies \$4,500
 - Travel \$0
 - Other \$53,220
 - Consultant/Contractual costs \$4,980,000
 - Indirect \$87,787
- Amount of costs being requested by Exchange Establishment Grant \$5,644,835
- Amount of cost being requested by other source (Medicaid) \$0
- Assumptions or other narrative
 - Salary and fringe costs include costs for the Individual Eligibility and Enrollment Director, eligibility business analyst and two individual customer service representatives through December of 2013.
 - 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 eligibility assistance and outreach contracts
 - Indirect costs include 14% of allowable costs.

4.0 Plan Management

- Total cost \$2,837,660
- Percent of cost that is fixed and/or variable
 - Fixed (includes equipment): \$ 0= 0%
 - Variable (includes all but equipment): \$ 2,837,660= 100%
- Amount of cost by object class code
 - Salaries and wages \$1,807,227
 - Fringe benefits(health insurance, FICA and similar costs)_ \$574,698
 - Equipment \$0
 - Supplies \$36,213
 - Travel \$0
 - Other \$71,038
 - Consultant/Contractual costs \$0
 - Indirect \$348,485
- Amount of costs being requested by Exchange Establishment Grant \$2,837,660
- Amount of cost being requested by other source (Medicaid) \$0
- Assumptions or other narrative
 - Salary and fringe costs include costs for the Plan Management and Measurement Director, Plan/Provider Comparison Specialist, Program Analyst, two carrier business representatives, and Commerce and Health through December 31, 2012.
 - 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.
- Indirect costs include 14% of allowable costs

5.0 Risk Adjustment and Reinsurance

No budget activity in this area.

6.0 SHOP

- Total cost \$384,018
- Percent of cost that is fixed and/or variable
 - Fixed (includes equipment): \$ 0= 0%
 - Variable (includes all but equipment): \$ 384,018= 100%
- Amount of cost by object class code
 - Salaries and wages \$232,291
 - Fringe benefits(health insurance, FICA and similar costs)_ \$73,868
 - Equipment \$0
 - Supplies \$4,500
 - Travel \$0
 - Other \$26,198
 - Consultant/Contractual costs \$0
 - Indirect \$47,160
- Amount of costs being requested by Exchange Establishment Grant \$384,018
- Amount of cost being requested by other source (Medicaid) \$0
- Assumptions or other narrative
 - Salary and fringe costs include costs for the SHOP director, SHOP business analyst and two SHOP business representatives.
 - 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.
 - Indirect costs include 14% of allowable costs

7.0 Organization and Human Resources

- Total cost \$1,127,076
- Percent of cost that is fixed and/or variable
 - Fixed (includes equipment): \$ 1,200=.10 %
 - Variable (includes all but equipment): \$ 1,125,786= 99.9%
- Amount of cost by object class code
 - Salaries and wages \$660,025
 - Fringe benefits(health insurance, FICA and similar costs)_ \$209,888
 - Equipment \$1,200
 - Supplies \$11,587
 - Travel \$34,720
 - Other \$71,243
 - Consultant/Contractual costs \$0
 - Indirect \$138,413
- Amount of costs being requested by Exchange Establishment Grant \$1,127,076
- Amount of cost being requested by other source (Medicaid) \$0

- Assumptions or other narrative
 - Salary and fringe costs include costs for the Exchange Director, Operations Director, Public Relations Officer, Chief Financial Office, General Council, Senior Policy Administrator, Chief Project Manager, executive and administrative assistants and the human resources business manager.
 - Equipment costs include office printers.
 - Supply costs include allocated general software and office supplies base on FTE.
 - Travel includes outstate travel for required grantee meetings, SERFF, NAIC and other Exchange related meetings.
 - Other costs include allocated communication services, staff development and monthly rent costs based on FTEs.
 - Indirect costs include 14% of allowable costs

8.0 Finance and Accounting

- Total cost \$1,142,480
- Percent of cost that is fixed and/or variable
 - Fixed (includes equipment): \$0 = 0
 - Variable (includes all but equipment): \$ 1,142,480= 94.6%
- Amount of cost by object class code
 - Salaries and wages \$223,100
 - Fringe benefits(health insurance, FICA and similar costs)_ \$70,946
 - Equipment \$0
 - Supplies \$4,625
 - Travel \$0
 - Other \$42,539
 - Consultant/Contractual costs \$750,000
 - Indirect \$51,269
- Amount of costs being requested by Exchange Establishment Grant \$1,142,480
- Amount of cost being requested by other source (Medicaid) \$0
- Assumptions or other narrative
 - Salary and fringe costs include costs for the finance business analyst, procurement business manager and budget analyst, accounting director and three accounting staff through December 2013.
 - 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 premium billing and collection services.
 - Indirect costs include 14% of allowable costs

9.0 Technology

- Total cost \$20,230,452
- Percent of cost that is fixed and/or variable
 - Fixed (includes equipment and IT development contracts): \$2,362,500 = 12%
 - Variable (includes balance of costs): \$17,867,952= 88%
- Amount of cost by object class code
 - Salaries and wages \$2,183,532
 - Fringe benefits \$694,363

- Equipment \$28,000
- Supplies (including software/licenses) \$7,068,353
- Travel \$0
- Other \$338,692
- Consultant/Contractual costs \$8,473,700
- Indirect \$1,443,812
- Amount of costs being requested by Exchange Establishment Grant \$11,958,061
- Amount of cost being requested by other source (Medicaid) \$8,272,391
- Assumptions or other narrative
 - Salary and fringe costs include costs for technology staff for through December 2013.
 - Equipment costs include computers, phones, Blackberries, and office furniture for six IT staff.
 - Supplies include development and operational licenses and software annual maintenance and support agreements 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 as well as security training and data center hosting fees.
 - Contractual costs include maintenance agreements for the Exchange Modules and IT ASAP staff.
 - Indirect costs include 14% of allowable costs

10.0 Privacy and Security

- Total cost \$158,611
- Percent of cost that is fixed and/or variable
 - Fixed(includes equipment): \$0=0%
 - Variable: (includes all but equipment) \$158,611=100 %
- Amount of cost by object class code
 - Salaries and wages \$99,358
 - Fringe benefits(health insurance, FICA and similar costs)_ \$31,596
 - Equipment \$0
 - Supplies \$1,375
 - Travel \$0
 - Other \$6,804
 - Consultant/Contractual costs \$0
 - Indirect \$19,479
- Amount of costs being requested by Exchange Establishment Grant \$158,611
- Amount of cost being requested by other source (Medicaid) \$0
- Assumptions or other narrative
 - Salary and fringe costs include costs for the Chief Security Officer through December 2013.
 - 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.
 - Indirect costs include 14% of allowable costs

11.0 Oversight, Monitoring and Reporting

- Total cost \$180,438

- Percent of cost that is fixed and/or variable
 - Fixed(includes equipment): \$2,600=1.5%
 - Variable: (includes all but equipment) \$177,838=98.5 %
- Amount of cost by object class code
 - Salaries and wages \$106,867
 - Fringe benefits(health insurance, FICA and similar costs)_ \$33,984
 - Equipment \$2,600
 - Supplies \$2,125
 - Travel \$0
 - Other \$12,704
 - Consultant/Contractual costs \$0
 - Indirect \$22,159
- Amount of costs being requested by Exchange Establishment Grant \$180,438
- 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 and Department of Commerce enforcement staff through December 2013.
 - 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.
 - 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.