

Minnesota Eligibility Technology System

Fiscal Report for QE 06-30-2017

Introduction

1. The METS fiscal report is a product of the METS Executive Steering Committee Finance Work Group. This group includes financial management from MN.IT, DHS and MNsure.
2. The report is produced quarterly, in accordance with M.S. 62V.055, Subdivision 3, and is available approximately 45 days following quarter-end.
3. The report includes two tables:

Table 1: Overall View of METS Budget. This table shows the previous completed fiscal year, the current fiscal year budget, and budget planning for the subsequent two fiscal years.

Table 2: FY 2017 Budget v. Est. YTD. This table shows the current fiscal year budget, quarterly actual expenditures, and estimated encumbrances. Note that this table includes an *Expenditures After FY End* column to report on the FY2017 expenditures that are recognized after June 30th due to the standard procedural lag between invoicing and payments.

Note: While the entire FY 2017 budget is committed, actual expenditures may lag or not occur at a steady rate throughout the year. Examples may include:

- a. State Personnel, due to payroll processing and interagency billing.
- b. IT Staff Augmentation and Vendor Contracts, due to billing lag, timing of various projects based on development roadmap, and associated deadlines throughout the year.
- c. Licensing, Hardware & Maintenance, due to processing time and the execution of payments throughout the year (not shown as accruals).
- b. Central Charges, due to processing and interagency billing.

4. Both tables are based on the following standard reporting conventions:

Development v. Operations. Within both the Expenditure and Financing sections, development is distinguished from operations. Development includes federally defined and applicable work, and MNsure development contributions. All other expenses are considered operations.

Expenditure Categories. Within the Expenditure section, the costs are reported in standard categories.

State Personnel	Developers, architects, project managers, business analysts, quality assurance, release management, security, and other MN.IT staff, along with necessary business subject matter experts. Includes total compensation (salaries and fringe).
IT Staff Augmentation	Contracted individuals or companies to increase capacity.
IT Vendor Contracts	Major vendor agreements that provide expertise and enhanced functionality to the system. Also includes development occupancy costs.
Licensing, Hardware & Maintenance	Initial purchases and ongoing support costs for licensing/software and hardware.
Central Charges	System infrastructure components including, but not limited to, server capacity, data storage, networking, routing, and bandwidth, provided as a service from MN.IT. Also includes staff equipment.
Other	Training, supplies, travel, operations occupancy, and other miscellaneous administrative costs.

Financing Categories. Within the Financing section, the revenues (by funding source) associated with the fiscal years' expenditures is estimated based on the standing federal Public Assistance Cost Allocation Plan (PACAP) methodology. Note that actual revenues lag behind the expenditures by approximately 45 days due to the standard timing of the federal PACAP process.

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TABLE 1: Overall Budget View	FY 2016 Actual	FY 2017 Budget	FY 2018 Budget	FY 2019 Budget
Expenditures				
Development	48,553,751	60,623,644	15,293,662	0
State Personnel	6,911,741	11,263,678	2,550,183	0
IT Staff Augmentation	16,659,394	23,887,115	3,532,895	0
IT Vendor Contracts	19,700,289	21,324,917	6,109,835	0
Licensing, Hardware & Maintenance	4,989,592	3,233,431	2,983,750	0
Central Charges	0	0	0	0
Other	292,735	914,503	117,000	0
Operations	15,915,024	32,070,042	30,723,029	30,723,029
State Personnel	6,821,556	10,554,673	7,767,050	7,767,050
IT Staff Augmentation	215,999	3,556,800	4,178,516	4,178,516
IT Vendor Contracts	77,385	1,300,000	1,300,000	1,300,000
Licensing, Hardware & Maintenance	5,214,209	11,564,018	10,812,000	10,812,000
Central Charges	3,569,680	4,477,462	5,948,536	5,948,536
Other	16,195	617,089	716,927	716,927
Total Expenditures	64,468,775	92,693,686	46,016,691	30,723,029
State Personnel	13,733,297	21,818,351	10,317,233	7,767,050
IT Staff Augmentation	16,875,393	27,443,915	7,711,411	4,178,516
IT Vendor Contracts	19,777,674	22,624,917	7,409,835	1,300,000
Licensing, Hardware & Maintenance	10,203,801	14,797,449	13,795,750	10,812,000
Central Charges	3,569,680	4,477,462	5,948,536	5,948,536
Other	308,930	1,531,592	833,927	716,927
Financing				
Development	48,553,751	60,623,644	15,293,662	0
MNsure - Premium Withhold	0	0	2,167,842	0
MNsure - Federal CCIIO	11,957,754	7,686,705	0	0
DHS - Federal Medicaid	32,345,054	47,211,380	11,795,688	0
DHS - State Appropriation	4,250,943	5,725,559	1,330,132	0
Operations	15,915,024	32,070,042	30,723,029	30,723,029
MNsure - Premium Withhold	1,276,385	2,944,935	4,777,093	4,777,093
MNsure - Federal CCIIO	0	0	0	0
DHS - Federal Medicaid	8,813,740	21,283,535	18,984,725	18,984,725
DHS - State Appropriation	5,824,899	7,841,572	6,961,211	6,961,211
Total Financing	64,468,775	92,693,686	46,016,691	30,723,029
MNsure - Premium Withhold	1,276,385	2,944,935	6,944,935	4,777,093
MNsure - Federal CCIIO	11,957,754	7,686,705	0	0
DHS - Federal Medicaid	41,158,794	68,494,915	30,780,413	18,984,725
DHS - State Appropriation	10,075,842	13,567,131	8,291,343	6,961,211
Notes:				
- <i>Development</i> includes federally defined and applicable work, and MNsure development contributions. All other expenses considered <i>operations</i> .				
- Fiscal year <i>Financing</i> numbers are based on the federally-approved cost allocation methodology that is generally applicable to each fiscal year (i.e. the report reflects a reasonable matching of expenditures and revenue).				

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TABLE 2: FY 2017 Budget vs YTD	FY 2017 Budget	QE 9/30/16 Expenditures	QE 12/31/16 Expenditures	QE 3/31/17 Expenditures	QE 6/30/17 Expenditures	Expenditures After FY End	YTD Expenditures	%	Estimated Encumbrances	Est. FY Exp & Enc	%	Estimated Balance	%
Expenditures													
Development	60,623,644	6,498,805	6,554,043	11,297,686	10,743,415	0	35,093,948	58%	5,196,705	40,290,653	66%	20,332,991	34%
State Personnel	11,263,678	1,449,492	1,343,229	1,547,343	4,047,326	0	8,387,390	74%	1,890,455	10,277,845	91%	985,833	9%
IT Staff Augmentation	23,887,115	1,818,275	3,003,734	6,755,874	(1,543,581)	0	10,034,302	42%	2,438,022	12,472,324	52%	11,414,791	48%
IT Vendor Contracts	21,324,917	2,998,378	1,902,516	2,418,096	7,873,786	0	15,192,776	71%	508,883	15,701,659	74%	5,623,258	26%
Licensing, Hardware & Maintenance	3,233,431	211,865	285,355	531,675	361,256	0	1,390,151	43%	326,810	1,716,961	53%	1,516,470	47%
Central Charges	0	0	0	0	0	0	0	0%	0	0	0%	0	0%
Other	914,503	20,795	19,209	44,698	4,628	0	89,329	10%	32,535	121,864	13%	792,639	87%
Operations	32,070,042	3,344,177	5,451,449	7,791,206	4,800,220	0	21,387,052	67%	3,109,529	24,496,581	76%	7,573,461	24%
State Personnel	10,554,673	1,004,011	2,056,284	3,126,885	1,594,567	0	7,781,748	74%	985,518	8,767,266	83%	1,787,407	17%
IT Staff Augmentation	3,556,800	0	0	0	392,995	0	392,995	11%	494,606	887,601	25%	2,669,199	75%
IT Vendor Contracts	1,300,000	0	82,942	1,043,674	303,795	0	1,430,411	110%	120,391	1,550,802	119%	(250,802)	-19%
Licensing, Hardware & Maintenance	11,564,018	2,340,166	3,210,303	1,652,087	1,192,926	0	8,395,482	73%	799,477	9,194,959	80%	2,369,059	20%
Central Charges	4,477,462	0	0	1,916,457	1,172,243	0	3,088,700	69%	599,683	3,688,383	82%	789,079	18%
Other	617,089	0	101,920	52,103	143,693	0	297,716	48%	109,854	407,570	66%	209,519	34%
Total Expenditures	92,693,686	9,842,982	12,005,492	19,088,892	15,543,634	0	56,481,000	61%	8,306,234	64,787,234	70%	27,906,452	30%
State Personnel	21,818,351	2,453,503	3,399,513	4,674,228	5,641,893	0	16,169,138	74%	2,875,973	19,045,111	87%	2,773,240	13%
IT Staff Augmentation	27,443,915	1,818,275	3,003,734	6,755,874	(1,150,586)	0	10,427,297	38%	2,932,628	13,359,925	49%	14,083,990	51%
IT Vendor Contracts	22,624,917	2,998,378	1,985,458	3,461,770	8,177,581	0	16,623,187	73%	629,274	17,252,461	76%	5,372,456	24%
Licensing, Hardware & Maintenance	14,797,449	2,552,031	3,495,658	2,183,762	1,554,182	0	9,785,633	66%	1,126,287	10,911,920	74%	3,885,529	26%
Central Charges	4,477,462	0	0	1,916,457	1,172,243	0	3,088,700	69%	599,683	3,688,383	82%	789,079	18%
Other	1,531,592	20,795	121,129	96,801	148,321	0	387,046	25%	142,389	529,435	35%	1,002,157	65%
Financing													
Development	60,623,644	6,498,805	6,554,043	11,297,686	10,743,415	0	35,093,949		5,196,705	40,290,654		20,332,990	
MNsure - Premium Withhold	0	0	0	0	0	0	0	0	0	0	0	0	0
MNsure - Federal CCIIO	7,686,705	1,451,263	1,698,838	1,191,650	1,251,340	0	5,593,091		892,313	6,485,404		1,201,301	
DHS - Federal Medicaid	47,211,380	4,517,617	3,608,531	9,358,419	8,527,745	0	26,012,312		3,836,688	29,849,000		17,362,380	
DHS - State Appropriation	5,725,559	529,925	1,246,674	747,617	964,330	0	3,488,546		467,704	3,956,250		1,769,309	
Operations	32,070,042	3,344,177	5,451,449	7,791,206	4,800,220	0	21,387,052		3,109,529	24,496,581		7,573,461	
MNsure - Premium Withhold	2,944,935	68,890	240,769	191,987	140,993	0	642,639		812,072	1,454,711		1,490,224	
MNsure - Federal CCIIO	0	0	0	0	0	0	0		0	0		0	
DHS - Federal Medicaid	21,283,535	2,508,133	3,940,308	5,631,698	3,444,739	0	15,524,878		1,521,586	17,046,464		4,237,071	
DHS - State Appropriation	7,841,572	767,154	1,270,372	1,967,521	1,214,488	0	5,219,535		775,871	5,995,406		1,846,166	
Total Financing	92,693,686	9,842,982	12,005,492	19,088,893	15,543,635	0	56,481,002		8,306,234	64,787,235		27,906,451	
MNsure - Premium Withhold	2,944,935	68,890	240,769	191,987	140,993	0	642,639		812,072	1,454,711		1,490,224	
MNsure - Federal CCIIO	7,686,705	1,451,263	1,698,838	1,191,650	1,251,340	0	5,593,091		892,313	6,485,404		1,201,301	
DHS - Federal Medicaid	68,494,915	7,025,750	7,548,839	14,990,117	11,972,484	0	41,537,190		5,358,274	46,895,464		21,599,451	
DHS - State Appropriation	13,567,131	1,297,079	2,517,046	2,715,139	2,178,818	0	8,708,082		1,243,575	9,951,656		3,615,475	
Notes: - <i>Development</i> includes federally defined and applicable work, and MNsure development contributions. All other expenses considered <i>operations</i> . - <i>Expended</i> includes actual fiscal year expenditures. Due to normal processing and invoicing time, some expenditure reporting may lag. - Fiscal year <i>Financing</i> numbers are based on the federally-approved cost allocation methodology that is generally applicable to each fiscal year (i.e. the report reflects a reasonable matching of expenditures and revenue). - <i>Expenditures After Fiscal Year (FY) End</i> : Due to the standard lag between invoicing and payments, fiscal year 2017 expenditures may be recognized after June 30th.													