

# Minnesota Eligibility Technology System

## Fiscal Report for QE 09-30-2018

### Introduction

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

Table 1: Overall View of METS Budget. This table provides a four year view of the METS budget, including: actual FY 2016, actual FY 2017, est. actual FY 2018, and preliminary FY 2019 plan.

Table 2: Budget vs Est. YTD (expenditures & est. remaining encumbrances) Table 2A addresses FY 2018 and includes a *Expenditures After FY End* column to report on the fiscal year expenditures that were recognized after June 30th due to the standard procedural lag between invoicing and payments. Table 2B addresses FY 2019 and shows the current fiscal year budget, quarterly actual expenditures, and estimated encumbrances.

**Note: Expenditures often lag, i.e. do not occur at a steady rate throughout the year. Examples may include:**

- a. State Personnel, due to payroll processing and interagency billing.
- b. Staff Augmentation and Service Contracts, due to billing lag, timing of various projects based on development roadmap, and associated deadlines throughout the year.
- c. Hardware/Software, due to processing time and the execution of payments throughout the year (not shown as accruals).
- b. MNIT Central Services, due to processing and interagency billing.

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

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

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

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

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

# Minnesota Eligibility Technology System

Fiscal Report for QE 09-30-2018

TABLE 1: Overall Budget View	FY 2016 Actual	FY 2017 Actual	FY 2018 Est. Actual	FY 2019 Budget
<b>Expenditures</b>				
<b>Development</b>				
State Personnel	6,911,741	10,277,842	12,382,333	14,435,437
Staff Augmentation	16,659,394	11,778,621	10,875,647	9,975,676
Service Contracts	19,700,289	16,504,549	17,080,145	16,229,605
Hardware/Software	4,989,592	1,635,025	2,147,730	1,754,296
MNIT Central Services	0	0	916,436	1,503,011
General Administration	292,735	95,749	1,699,113	1,548,917
<b>Total Expenditures</b>	<b>64,468,775</b>	<b>65,309,877</b>	<b>72,329,001</b>	<b>75,439,193</b>
<b>Operations</b>				
State Personnel	6,821,556	9,771,277	8,719,910	10,126,768
Staff Augmentation	215,999	887,438	2,618,956	4,774,558
Service Contracts	77,385	1,550,802	993,081	1,660,000
Hardware/Software	5,214,209	9,056,395	6,148,204	4,341,575
MNIT Central Services	3,569,680	3,412,384	7,876,110	8,297,100
General Administration	16,195	339,796	871,336	792,250
<b>Total Expenditures</b>	<b>64,468,775</b>	<b>65,309,877</b>	<b>72,329,001</b>	<b>75,439,193</b>
<b>Financing</b>				
<b>Development</b>				
MNsure - Premium Withhold	0	0	3,190,218	6,411,641
MNsure - Federal CCIIO	11,957,754	6,485,215	2,698,912	0
DHS - Federal Medicaid	32,345,054	29,859,827	35,279,897	35,131,771
DHS - State Appropriation	4,250,943	3,946,745	3,932,377	3,903,530
<b>Total Financing</b>	<b>64,468,775</b>	<b>65,309,878</b>	<b>72,329,001</b>	<b>75,439,193</b>
<b>Operations</b>				
MNsure - Premium Withhold	1,276,385	1,513,170	3,889,718	3,133,359
MNsure - Federal CCIIO	0	0	0	0
DHS - Federal Medicaid	8,813,740	17,458,531	17,185,193	19,894,738
DHS - State Appropriation	5,824,899	6,046,390	6,152,687	6,964,154
<b>Total Financing</b>	<b>64,468,775</b>	<b>65,309,878</b>	<b>72,329,001</b>	<b>75,439,193</b>
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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Fiscal Report for QE 09-30-2018

<b>TABLE 2A: FY 2018 Budget vs YTD</b>	<b>FY 2018 Budget</b>	<b>QE 9/30/17 Expenditures</b>	<b>QE 12/31/17 Expenditures</b>	<b>QE 3/31/18 Expenditures</b>	<b>QE 6/30/18 Expenditures</b>	<b>Expenditures After FY End</b>	<b>YTD Expenditures</b>	<b>%</b>	<b>Estimated Encumbrances</b>	<b>Est. FY Exp &amp; Enc</b>	<b>%</b>	<b>Estimated Balance</b>	<b>%</b>
<b>Expenditures</b>													
<b>Development</b>	<b>45,021,375</b>	<b>4,546,681</b>	<b>10,294,418</b>	<b>10,082,957</b>	<b>12,546,307</b>	<b>7,627,434</b>	<b>45,097,797</b>	<b>100%</b>	<b>3,607</b>	<b>45,101,404</b>	<b>100%</b>	<b>(80,029)</b>	<b>0%</b>
State Personnel	13,109,962	1,192,815	2,691,493	1,932,863	3,461,699	3,103,463	12,382,333	94%	0	12,382,333	94%	727,629	6%
Staff Augmentation	12,306,835	1,021,669	3,604,359	2,683,653	2,158,959	1,407,008	10,875,647	88%	0	10,875,647	88%	1,431,188	12%
Service Contracts	14,425,901	1,121,433	3,296,040	5,033,395	6,323,039	1,306,238	17,080,145	118%	0	17,080,145	118%	(2,654,244)	-18%
Hardware/Software	4,608,896	1,197,658	194,725	409,649	166,839	178,859	2,147,730	47%	0	2,147,730	47%	2,461,166	53%
MNIT Central Services	305,556	0	0	0	418,369	498,067	916,436	300%	0	916,436	300%	(610,880)	-200%
General Administration	264,225	13,107	507,801	23,397	17,402	1,133,799	1,695,506	642%	3,607	1,699,113	643%	(1,434,888)	-543%
<b>Operations</b>	<b>30,023,030</b>	<b>3,413,612</b>	<b>5,283,510</b>	<b>4,748,680</b>	<b>9,337,475</b>	<b>4,428,694</b>	<b>27,211,971</b>	<b>91%</b>	<b>15,626</b>	<b>27,227,597</b>	<b>91%</b>	<b>2,795,433</b>	<b>9%</b>
State Personnel	7,297,051	1,348,029	2,258,806	988,991	2,415,176	1,708,907	8,719,910	119%	0	8,719,910	119%	(1,422,859)	-19%
Staff Augmentation	4,151,716	61,542	465,196	819,565	823,350	449,303	2,618,956	63%	0	2,618,956	63%	1,532,760	37%
Service Contracts	1,300,000	135,585	301,064	103,873	276,153	176,406	993,081	76%	0	993,081	76%	306,919	24%
Hardware/Software	10,462,000	1,757,918	2,021,454	1,177,431	675,690	515,838	6,148,204	59%	0	6,148,204	59%	4,313,796	41%
MNIT Central Services	6,095,336	0	0	1,536,733	5,020,638	1,318,739	7,876,110	129%	0	7,876,110	129%	(1,780,774)	-29%
General Administration	716,927	110,665	236,990	122,087	126,468	259,501	855,710	119%	15,626	871,336	122%	(154,409)	-22%
<b>Total Expenditures</b>	<b>75,044,405</b>	<b>7,960,293</b>	<b>15,577,929</b>	<b>14,831,637</b>	<b>21,883,782</b>	<b>12,056,128</b>	<b>72,309,768</b>	<b>96%</b>	<b>19,233</b>	<b>72,329,001</b>	<b>96%</b>	<b>2,715,404</b>	<b>4%</b>
State Personnel	20,407,013	2,540,844	4,950,299	2,921,854	5,876,875	4,812,370	21,102,243	103%	0	21,102,243	103%	(695,230)	-3%
Staff Augmentation	16,458,551	1,083,211	4,069,555	3,503,218	2,982,309	1,856,311	13,494,603	82%	0	13,494,603	82%	2,963,948	18%
Service Contracts	15,725,901	1,257,018	3,597,104	5,137,268	6,599,192	1,482,644	18,073,226	115%	0	18,073,226	115%	(2,347,325)	-15%
Hardware/Software	15,070,896	2,955,449	2,216,179	1,587,080	842,529	694,697	8,295,934	55%	0	8,295,934	55%	6,774,962	45%
MNIT Central Services	6,400,892	0	0	1,536,733	5,439,007	1,816,806	8,792,546	137%	0	8,792,546	137%	(2,391,654)	-37%
General Administration	981,152	123,771	744,791	145,484	143,870	1,393,300	2,551,216	260%	19,233	2,570,449	262%	(1,589,297)	-162%
<b>Financing</b>													
<b>Development</b>	<b>45,021,375</b>	<b>4,546,681</b>	<b>10,294,418</b>	<b>10,082,957</b>	<b>12,546,307</b>	<b>7,627,434</b>	<b>45,097,797</b>		<b>3,607</b>	<b>45,101,404</b>		<b>(80,029)</b>	
MNsure - Premium Withhold	4,000,000	0	0	1,279,781	1,541,700	368,737	3,190,218		0	3,190,218		809,782	
MNsure - Federal CCIIO	2,700,000	190,608	568,152	1,940,152	0	0	2,698,912		0	2,698,912		1,088	
DHS - Federal Medicaid	34,478,089	3,909,315	8,753,640	6,176,722	9,904,146	6,532,827	35,276,650		3,247	35,279,897		(801,808)	
DHS - State Appropriation	3,843,286	446,758	972,626	686,302	1,100,461	725,870	3,932,017		360	3,932,377		(89,091)	
<b>Operations</b>	<b>30,023,030</b>	<b>3,413,612</b>	<b>5,283,510</b>	<b>4,748,680</b>	<b>9,337,475</b>	<b>4,428,694</b>	<b>27,211,971</b>		<b>15,626</b>	<b>27,227,597</b>		<b>2,795,433</b>	
MNsure - Premium Withhold	4,077,093	522,707	484,899	902,436	1,219,370	758,882	3,888,294		1,424	3,889,718		187,376	
MNsure - Federal CCIIO	0	0	0	0	0	0	0		0	0		0	
DHS - Federal Medicaid	18,984,725	2,094,113	3,521,699	2,840,327	6,034,571	2,684,850	17,175,560		9,633	17,185,193		1,799,532	
DHS - State Appropriation	6,961,212	796,793	1,276,912	1,005,917	2,083,534	984,962	6,148,118		4,569	6,152,687		808,525	
<b>Total Financing</b>	<b>75,044,405</b>	<b>7,960,293</b>	<b>15,577,929</b>	<b>14,831,637</b>	<b>21,883,782</b>	<b>12,056,128</b>	<b>72,309,768</b>		<b>19,233</b>	<b>72,329,001</b>		<b>2,715,404</b>	
MNsure - Premium Withhold	8,077,093	522,707	484,899	2,182,217	2,761,070	1,127,619	7,078,511		1,424	7,079,935		997,158	
MNsure - Federal CCIIO	2,700,000	190,608	568,152	1,940,152	0	0	2,698,912		0	2,698,912		1,088	
DHS - Federal Medicaid	53,462,814	6,003,428	12,275,339	9,017,049	15,938,717	9,217,677	52,452,210		12,880	52,465,090		997,724	
DHS - State Appropriation	10,804,498	1,243,550	2,249,539	1,692,219	3,183,995	1,710,832	10,080,135		4,929	10,085,064		719,434	

Notes:  
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- Expended includes actual fiscal year expenditures. Due to normal processing and invoicing time, some expenditure reporting may lag.  
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- Expenditures After Fiscal Year (FY) End: Due to the standard lag between invoicing and payments, fiscal year expenditures may be recognized after June 30th.

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Fiscal Report for QE 09-30-2018

<b>TABLE 2B: FY 2019 Budget vs YTD</b>	<b>FY 2019 Budget</b>	<b>QE 9/30/18 Expenditures</b>	<b>QE 12/31/18 Expenditures</b>	<b>QE 3/31/19 Expenditures</b>	<b>QE 6/30/19 Expenditures</b>	<b>Expenditures After FY End</b>	<b>YTD Expenditures</b>	<b>%</b>	<b>Estimated Encumbrances</b>	<b>Est. FY Exp &amp; Enc</b>	<b>%</b>	<b>Estimated Balance</b>	<b>%</b>
<b>Expenditures</b>													
<b>Development</b>	<b>45,446,942</b>	<b>5,929,350</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,929,350</b>	<b>13%</b>	<b>41,745,000</b>	<b>47,674,350</b>	<b>105%</b>	<b>(2,227,408)</b>	<b>-5%</b>
State Personnel	14,435,437	2,018,618	0	0	0	0	2,018,618	14%	12,100,000	14,118,618	98%	316,819	2%
Staff Augmentation	9,975,676	1,123,291	0	0	0	0	1,123,291	11%	11,600,000	12,723,291	128%	(2,747,615)	-28%
Service Contracts	16,229,605	1,970,106	0	0	0	0	1,970,106	12%	15,100,000	17,070,106	105%	(840,501)	-5%
Hardware/Software	1,754,296	567,315	0	0	0	0	567,315	32%	585,000	1,152,315	66%	601,981	34%
MNIT Central Services	1,503,011	0	0	0	0	0	0	0%	1,450,000	1,450,000	96%	53,011	4%
General Administration	1,548,917	250,020	0	0	0	0	250,020	16%	910,000	1,160,020	75%	388,897	25%
<b>Operations</b>	<b>29,992,251</b>	<b>2,793,653</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,793,653</b>	<b>9%</b>	<b>25,562,500</b>	<b>28,356,153</b>	<b>95%</b>	<b>1,636,098</b>	<b>5%</b>
State Personnel	10,126,768	1,089,599	0	0	0	0	1,089,599	11%	8,410,000	9,499,599	94%	627,169	6%
Staff Augmentation	4,774,558	287,177	0	0	0	0	287,177	6%	4,010,000	4,297,177	90%	477,381	10%
Service Contracts	1,660,000	93,604	0	0	0	0	93,604	6%	1,560,000	1,653,604	100%	6,396	0%
Hardware/Software	4,341,575	1,163,856	0	0	0	0	1,163,856	27%	2,630,000	3,793,856	87%	547,719	13%
MNIT Central Services	8,297,100	0	0	0	0	0	0	0%	8,357,200	8,357,200	101%	(60,100)	-1%
General Administration	792,250	159,417	0	0	0	0	159,417	20%	595,300	754,717	95%	37,533	5%
<b>Total Expenditures</b>	<b>75,439,193</b>	<b>8,723,003</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,723,003</b>	<b>12%</b>	<b>67,307,500</b>	<b>76,030,503</b>	<b>101%</b>	<b>(591,310)</b>	<b>-1%</b>
State Personnel	24,562,205	3,108,217	0	0	0	0	3,108,217	13%	20,510,000	23,618,217	96%	943,988	4%
Staff Augmentation	14,750,234	1,410,468	0	0	0	0	1,410,468	10%	15,610,000	17,020,468	115%	(2,270,234)	-15%
Service Contracts	17,889,605	2,063,710	0	0	0	0	2,063,710	12%	16,660,000	18,723,710	105%	(834,105)	-5%
Hardware/Software	6,095,871	1,731,171	0	0	0	0	1,731,171	28%	3,215,000	4,946,171	81%	1,149,700	19%
MNIT Central Services	9,800,111	0	0	0	0	0	0	0%	9,807,200	9,807,200	100%	(7,089)	0%
General Administration	2,341,167	409,437	0	0	0	0	409,437	17%	1,505,300	1,914,737	82%	426,430	18%
<b>Financing</b>													
<b>Development</b>	<b>45,446,942</b>	<b>5,929,350</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,929,350</b>		<b>41,745,000</b>	<b>47,674,350</b>		<b>(2,227,408)</b>	
MNsurre - Premium Withhold	6,411,641	624,588	0	0	0	0	624,588		5,170,000	5,794,588		617,053	
MNsurre - Federal CCIIO	0	0	0	0	0	0	0		0	0		0	
DHS - Federal Medicaid	35,131,771	4,774,285	0	0	0	0	4,774,285		32,917,500	37,691,785		(2,560,014)	
DHS - State Appropriation	3,903,530	530,477	0	0	0	0	530,477		3,657,500	4,187,977		(284,447)	
<b>Operations</b>	<b>29,992,251</b>	<b>2,793,653</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,793,653</b>		<b>25,562,500</b>	<b>28,356,153</b>		<b>1,636,098</b>	
MNsurre - Premium Withhold	3,133,359	360,927	0	0	0	0	360,927		2,594,306	2,955,233		178,126	
MNsurre - Federal CCIIO	0	0	0	0	0	0	0		0	0		0	
DHS - Federal Medicaid	19,894,738	1,796,226	0	0	0	0	1,796,226		17,036,321	18,832,547		1,062,191	
DHS - State Appropriation	6,964,154	636,500	0	0	0	0	636,500		5,931,873	6,568,373		395,781	
<b>Total Financing</b>	<b>75,439,193</b>	<b>8,723,003</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,723,003</b>		<b>67,307,500</b>	<b>76,030,503</b>		<b>(591,310)</b>	
MNsurre - Premium Withhold	9,545,000	985,515	0	0	0	0	985,515		7,764,306	8,749,821		795,179	
MNsurre - Federal CCIIO	0	0	0	0	0	0	0		0	0		0	
DHS - Federal Medicaid	55,026,509	6,570,511	0	0	0	0	6,570,511		49,953,821	56,524,332		(1,497,823)	
DHS - State Appropriation	10,867,684	1,166,977	0	0	0	0	1,166,977		9,589,373	10,756,350		111,334	

**Notes:**

- *Development* includes federally defined and applicable work, and MNsure development contributions. All other expenses considered *operations*.
- *Expended* includes actual fiscal year expenditures. Due to normal processing and invoicing time, some expenditure reporting may lag.
- Fiscal year *Financing* numbers are based on the federally-approved cost allocation methodology that is generally applicable to each fiscal year (i.e. the report reflects a reasonable matching of expenditures and revenue).
- *Expenditures After Fiscal Year (FY) End*: Due to the standard lag between invoicing and payments, fiscal year expenditures may be recognized after June 30th.