

# Minnesota Eligibility Technology System

## Fiscal Report for QE 06-30-2018

### 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, current FY 2018 budget, and preliminary FY 2019 plan.

Table 2: Budget vs Est. YTD (expenditures & est. remaining encumbrances) 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 fiscal year expenditures that will be recognized after June 30th due to the standard procedural lag between invoicing and payments.

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

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

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

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

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

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

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

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TABLE 1: Overall Budget View	FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2019 Budget
<b>Expenditures</b>				
<b>Development</b>	<b>48,553,751</b>	<b>40,291,786</b>	<b>45,021,375</b>	<b>19,696,000</b>
State Personnel	6,911,741	10,277,842	13,109,962	4,278,750
Staff Augmentation	16,659,394	11,778,621	12,306,835	13,206,500
Service Contracts	19,700,289	16,504,549	14,425,901	(736,250)
Hardware/Software	4,989,592	1,635,025	4,608,896	1,068,500
MNIT Central Services	0	0	305,556	493,750
General Administration	292,735	95,749	264,225	1,384,750
<b>Operations</b>	<b>15,915,024</b>	<b>25,018,091</b>	<b>30,023,030</b>	<b>30,023,030</b>
State Personnel	6,821,556	9,771,277	7,297,051	7,297,051
Staff Augmentation	215,999	887,438	4,151,716	4,151,716
Service Contracts	77,385	1,550,802	1,300,000	1,300,000
Hardware/Software	5,214,209	9,056,395	10,462,000	10,462,000
MNIT Central Services	3,569,680	3,412,384	6,095,336	6,095,336
General Administration	16,195	339,796	716,927	716,927
<b>Total Expenditures</b>	<b>64,468,775</b>	<b>65,309,877</b>	<b>75,044,405</b>	<b>49,719,030</b>
State Personnel	13,733,297	20,049,119	20,407,013	11,575,801
Staff Augmentation	16,875,393	12,666,059	16,458,551	17,358,216
Service Contracts	19,777,674	18,055,351	15,725,901	563,750
Hardware/Software	10,203,801	10,691,420	15,070,896	11,530,500
MNIT Central Services	3,569,680	3,412,384	6,400,892	6,589,086
General Administration	308,930	435,545	981,152	2,101,677
<b>Financing</b>				
<b>Development</b>	<b>48,553,751</b>	<b>40,291,787</b>	<b>45,021,375</b>	<b>19,696,000</b>
MNsured - Premium Withhold	0	0	4,000,000	0
MNsured - Federal CCIIO	11,957,754	6,485,215	2,700,000	0
DHS - Federal Medicaid	32,345,054	29,859,827	34,478,089	17,726,400
DHS - State Appropriation	4,250,943	3,946,745	3,843,286	1,969,600
<b>Operations</b>	<b>15,915,024</b>	<b>25,018,091</b>	<b>30,023,030</b>	<b>30,023,030</b>
MNsured - Premium Withhold	1,276,385	1,513,170	4,077,093	4,077,093
MNsured - Federal CCIIO	0	0	0	0
DHS - Federal Medicaid	8,813,740	17,458,531	18,984,725	18,984,725
DHS - State Appropriation	5,824,899	6,046,390	6,961,212	6,961,212
<b>Total Financing</b>	<b>64,468,775</b>	<b>65,309,878</b>	<b>75,044,405</b>	<b>49,719,030</b>
MNsured - Premium Withhold	1,276,385	1,513,170	8,077,093	4,077,093
MNsured - Federal CCIIO	11,957,754	6,485,215	2,700,000	0
DHS - Federal Medicaid	41,158,794	47,318,358	53,462,814	36,711,125
DHS - State Appropriation	10,075,842	9,993,135	10,804,498	8,930,812
Notes:				
- <i>Development</i> includes federally defined and applicable work, and MNsured 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).				
- SFY19 development budget shown is the remainder of the FFY18 E&E IAPD. The MNsured board approved SFY19 budgets of \$5.3M for development and \$3.0M for operations. DHS has submitted a FFY19 development budget for federal approval. Upon final approval, financing shall be reconciled and included in a future report.				

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TABLE 2: FY 2018 Budget vs YTD	FY 2018 Budget	QE 9/30/17 Expenditures	QE 12/31/17 Expenditures	QE 3/31/18 Expenditures	QE 6/30/18 Expenditures	Expenditures After FY End	YTD Expenditures	%	Estimated Encumbrances	Est. FY Exp & Enc	%	Estimated Balance	%
<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>0</b>	<b>37,470,363</b>	83%	<b>8,036,608</b>	<b>45,506,971</b>	101%	<b>(485,596)</b>	-1%
State Personnel	13,109,962	1,192,815	2,691,493	1,932,863	3,461,699		9,278,870	71%	3,103,463	12,382,333	94%	727,629	6%
Staff Augmentation	12,306,835	1,021,669	3,604,359	2,683,653	2,158,959		9,468,639	77%	1,288,629	10,757,268	87%	1,549,567	13%
Service Contracts	14,425,901	1,121,433	3,296,040	5,033,395	6,323,039		15,773,907	109%	1,817,388	17,591,295	122%	(3,165,394)	-22%
Hardware/Software	4,608,896	1,197,658	194,725	409,649	166,839		1,968,871	43%	195,000	2,163,871	47%	2,445,025	53%
MNIT Central Services	305,556	0	0	0	418,369		418,369	137%	498,067	916,436	300%	(610,880)	-200%
General Administration	264,225	13,107	507,801	23,397	17,402		561,707	213%	1,134,062	1,695,769	642%	(1,431,544)	-542%
<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>0</b>	<b>22,783,277</b>	76%	<b>4,441,176</b>	<b>27,224,453</b>	91%	<b>2,798,577</b>	9%
State Personnel	7,297,051	1,348,029	2,258,806	988,991	2,415,176		7,011,003	96%	1,708,907	8,719,910	119%	(1,422,859)	-19%
Staff Augmentation	4,151,716	61,542	465,196	819,565	823,350		2,169,653	52%	455,500	2,625,153	63%	1,526,563	37%
Service Contracts	1,300,000	135,585	301,064	103,873	276,153		816,675	63%	176,405	993,080	76%	306,920	24%
Hardware/Software	10,462,000	1,757,791	2,021,454	1,177,431	675,690		5,632,366	54%	525,519	6,157,885	59%	4,304,115	41%
MNIT Central Services	6,095,336	0	0	1,536,733	5,020,638		6,557,371	108%	1,318,739	7,876,110	129%	(1,780,774)	-29%
General Administration	716,927	110,665	236,990	122,087	126,468		596,209	83%	256,106	852,315	119%	(135,388)	-19%
<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>0</b>	<b>60,253,640</b>	80%	<b>12,477,784</b>	<b>72,731,424</b>	97%	<b>2,312,981</b>	3%
State Personnel	20,407,013	2,540,844	4,950,299	2,921,854	5,876,875		16,289,873	80%	4,812,370	21,102,243	103%	(695,230)	-3%
Staff Augmentation	16,458,551	1,083,211	4,069,555	3,503,218	2,982,309		11,638,292	71%	1,744,129	13,382,421	81%	3,076,130	19%
Service Contracts	15,725,901	1,257,018	3,597,104	5,137,268	6,599,192		16,590,582	105%	1,993,793	18,584,375	118%	(2,858,474)	-18%
Hardware/Software	15,070,896	2,955,449	2,216,179	1,587,080	842,529		7,601,237	50%	720,519	8,321,756	55%	6,749,140	45%
MNIT Central Services	6,400,892	0	0	1,536,733	5,439,007		6,975,740	109%	1,816,806	8,792,546	137%	(2,391,654)	-37%
General Administration	981,152	123,771	744,791	145,484	143,870		1,157,916	118%	1,390,168	2,548,084	260%	(1,566,932)	-160%
<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>0</b>	<b>37,470,363</b>		<b>8,036,608</b>	<b>45,506,971</b>		<b>(485,596)</b>	
MNSure - Premium Withhold	4,000,000	0	0	1,279,781	1,541,700		2,821,481		870,448	3,691,929		308,071	
MNSure - Federal CClIO	2,700,000	190,608	568,152	1,940,152	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		28,743,823		6,449,544	35,193,367		(715,278)	
DHS - State Appropriation	3,843,286	446,758	972,626	686,302	1,100,461		3,206,147		716,616	3,922,763		(79,477)	
<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>0</b>	<b>22,783,277</b>		<b>4,441,176</b>	<b>27,224,453</b>		<b>2,798,577</b>	
MNSure - Premium Withhold	4,077,093	522,707	484,899	902,436	1,219,370		3,129,412		777,373	3,906,784		170,309	
MNSure - Federal CClIO	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		14,490,710		2,687,003	17,177,713		1,807,012	
DHS - State Appropriation	6,961,212	796,793	1,276,912	1,005,917	2,083,534		5,163,156		976,800	6,139,956		821,256	
<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>0</b>	<b>60,253,640</b>		<b>12,477,784</b>	<b>72,731,424</b>		<b>2,312,981</b>	
MNSure - Premium Withhold	8,077,093	522,707	484,899	2,182,217	2,761,070		5,950,893		1,647,821	7,598,713		478,380	
MNSure - Federal CClIO	2,700,000	190,608	568,152	1,940,152	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		43,234,533		9,136,547	52,371,080		1,091,734	
DHS - State Appropriation	10,804,498	1,243,550	2,249,539	1,692,219	3,183,995		8,369,303		1,693,416	10,062,719		741,779	
<b>Notes:</b> - 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 2018 expenditures may be recognized after June 30th.													