



MNsure Financing and Budget Overview

Board of Directors Meeting

May 29, 2013

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MNsure Executive Director



Overview

Financing Mechanisms

**Development Budget and
Spending**

**Operating Budget and
Financing**

Financing Mechanisms

Financing Mechanisms

Federal Exchange Grant

Funding available through 2014 for development and operations, except for navigators – some restrictions/approvals needed for use and change

DHS Cost Allocation

Cost allocated based on services used and share of enrollment that is public programs – enhanced federal match available, but federal approvals (APDs) needed

Premium Withhold

2014: Up to 1.5% of MNsure premiums
2015 and on: Up to 3.5% of MNsure premiums

Other

May seek and accept money, grants, loans, donations, services, and ad revenue. May earn interest. Loan available for FY 14 and 15 - must be repaid with interest by June 30, 2015.

Financing Mechanisms

- **Through 2013**
 - Federal Exchange Grant
 - DHS Cost Allocation
 - May get MMB loan starting July 1, 2013
 - Other
- **2014**
 - Federal Exchange Grant - \$40 million approved by legislature plus amount for risk adjustment assessment and evaluation
 - DHS Cost Allocation
 - Up to 1.5% of MNsure Premiums – limited to 25% of 2012 MCHA assessment, \$42 million
 - May get MMB loan
 - Other

Financing Mechanisms

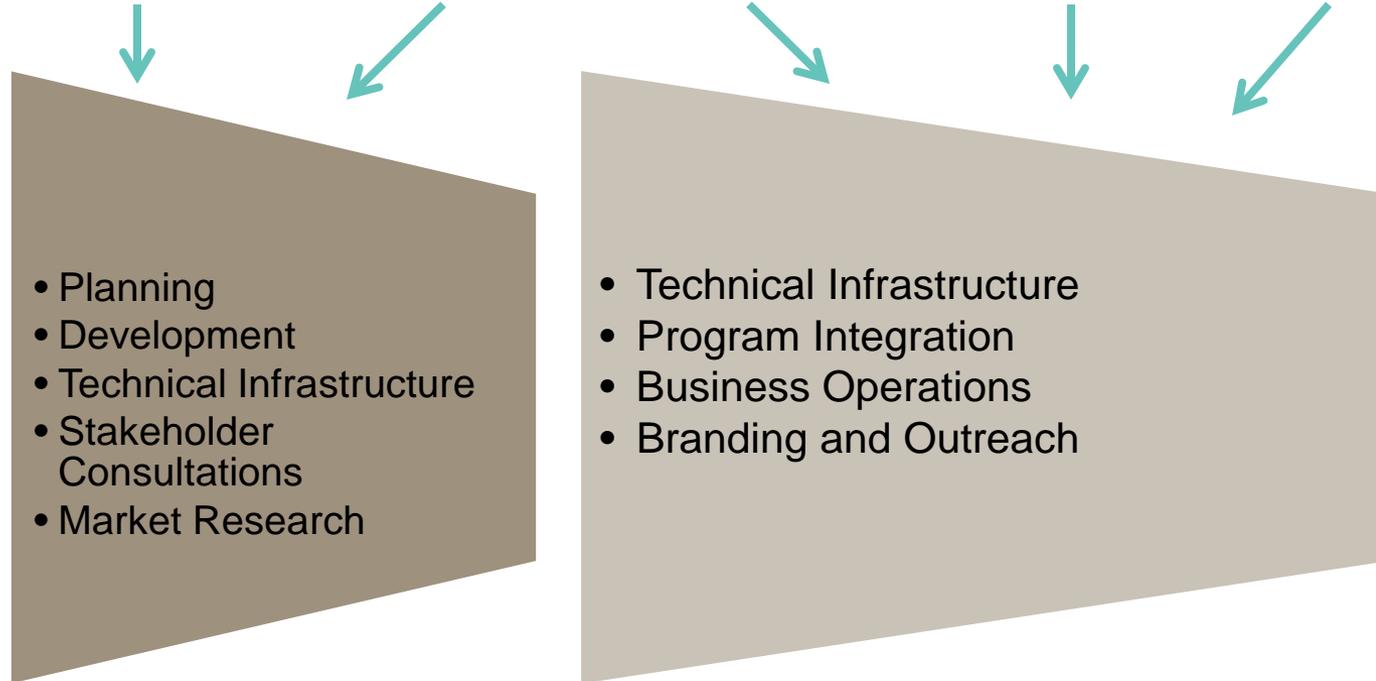
- **2015**
 - DHS Cost Allocation
 - Up to 3.5% of MNsure Premiums – limited to 50% of 2012 MCHA assessment, \$84 million
 - May get MMB loan through June 30, 2015 – must repay all loans with interest by June 30, 2015
 - Other
- **2016 and on**
 - DHS Cost Allocation
 - Up to 3.5% of MNsure Premiums – limited to 100% of 2012 MCHA assessment annually, \$168 million
 - Other



Development Budget and Spending

Federal Exchange Grant Funding

Federal Grant of \$1 M February 2011	Federal Grant of \$4.2 M August 2011	Federal Grant of \$23.3 M February 2012	Federal Grant of \$42.5 M August 2012	Federal Grant of \$39.3 M January 2013
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Development Funding and Spending

- Federal Exchange Grants
 - Total Awards: \$110 million
 - Spent through April 2013: \$33 million
 - Encumbered through April 2013: \$17 million
 - Remaining: \$60 million
- Medicaid Cost Allocation (includes state and federal share)
 - Total APD Spending Approved: \$55 million
 - Spent through April 2013: \$25 million
 - Encumbered through April 2013: \$16 million
 - Remaining: \$14 million

Development Spending

- Joint funds spent through April 2013: \$58 million
 - MNsure Personnel: \$2.0 million
 - Administrative: \$1.0 million
 - Rent, Furniture, Phone, Equipment: \$0.3 million
 - Agency Indirect: \$0.4 million
 - Other (supplies, printing, travel, etc.): \$0.3 million
 - IT: \$52.5 million
 - Hardware/Software Infrastructure: \$24.7 million
 - IT Application Contract : \$20.8 million
 - IT Application Annual Maintenance: \$3.4 million
 - Other IT (IV&V, consultants, project management):\$3.6 million
 - Operations: \$2.5 million
 - Operations Design Contracts: \$1.8 million
 - Outreach and Marketing: \$0.7 million

Development Commitments

- Development Commitments: \$107 million
 - MNsure Personnel: \$6.3 million
 - IT Personnel: \$3.9 million
 - Regulatory Agency Personnel: \$2.8 million
 - Administrative: \$8.0 million
 - Rent, Furniture, Phone, Equipment: \$1.6 million
 - Agency Indirect: \$6.0 million
 - Other (supplies, printing, travel, etc.): \$0.4 million
 - IT: \$60.8 million
 - Hardware/Software Infrastructure: \$19.9 million
 - IT Application Contract : \$25.1 million
 - IT Application Annual Maintenance: \$3.4 million
 - Other IT (IV&V, consultants, project management):\$12.4 million

Development Commitments

- Development Commitments: \$107 million (continued)
 - Operations: \$25.2 million
 - Operations Design and Development Contracts: \$6.0 million
 - Outreach and Marketing: \$7.9 million
 - In-Person Assisters: \$4.0 million
 - Call Center/Customer Service: \$5.0 million
 - Premium Processing: \$0.8 million
 - Appeals: \$0.7 million
 - Other Contracts: \$0.8 million



Operating Budget and Financing

Budget Summary

Budget Category	2014	2015	2016
Personnel	\$11.1 million	\$11.2 million	\$11.3 million
Administrative	\$1.3 million	\$1.4 million	\$1.4 million
IT Infrastructure	\$17.5 million	\$10.6 million	\$10.6 million
Business Operations	\$28.2 million	\$31.5 million	\$35.8 million
Total	\$58.1 million	\$54.7 million	\$59.1 million
MNsure	\$40.0 million	\$38.3 million	\$39.9 million
Medical Assistance	\$10.0 million	\$7.2 million	\$8.9 million
MinnesotaCare/BHP	\$8.1 million	\$9.2 million	\$10.3 million
Enrollment (High Estimates)	975,000	1,220,000	1,330,000
Individual	180,000	275,000	300,000
Small Group	40,000	80,000	150,000
Medicaid	620,000	690,000	690,000
MinnesotaCare/BHP	135,000	175,000	190,000

Budget Summary - Personnel

Budget Category	2014	2015	2016
MNsure	\$5.6 million	\$5.7 million	\$5.7 million
Info Technology	\$3.6 million	\$3.6 million	\$3.7 million
Regulatory Agencies	\$1.9 million	\$1.9 million	\$1.9 million
Total	\$11.1 million	\$11.2 million	\$11.3 million
FTEs			
MNsure	57	57	57
Info Technology	29	29	29
Regulatory Agencies	22	22	22

- Call Center positions are included in operations, not personnel. Estimated FTEs for 2014 at 35.

Budget Summary – Administrative

Budget Category	2014	2015	2016
Other (supplies, printing, travel, etc.)	\$0.3 million	\$0.3 million	\$0.3 million
Rent, Furniture, Phone, Equipment	\$0.5 million	\$0.5 million	\$0.5 million
Indirect	\$0.5 million	\$0.6 million	\$0.6 million
Total	\$1.3 million	\$1.4 million	\$1.4 million

Budget Summary – IT Infrastructure

Budget Category	2014	2015	2016
MNsure Application Annual Maintenance, Support, & Upgrades	\$3.4 million	\$3.4 million	\$3.4 million
IT Infrastructure maintenance & support	\$7.0 million	\$7.0 million	\$7.0 million
Data Center	\$0.2 million	\$0.2 million	\$0.2 million
IT Contracted Resources	\$6.9 million		
Total	\$17.5 million	\$10.6 million	\$10.6 million

Budget Summary – Business Operations

Budget Category	2014	2015	2016
Assisters	\$13.0 million	\$13.0 million	\$14.0 million
Customer Service	\$6.8 million	\$7.2 million	\$9.3 million
Premium Processing	\$2.4 million	\$6.3 million	\$7.2 million
Appeals	\$1.0 million	\$1.0 million	\$1.3 million
Marketing/Outreach	\$4.0 million	\$3.0 million	\$3.0 million
Other (analysis, training, audit, etc.)	\$1.0 million	\$1.0 million	\$1.0 million
Total	\$28.2 million	\$31.5 million	\$35.8 million

Budget Summary – Business Operations

2015 Cost Ranges

Budget Category	Low	Medium	High
Assisters	\$9.0 million	\$11.0 million	\$13.0 million
Customer Service	\$3.6 million	\$5.5 million	\$7.2 million
Premium Processing	\$5.8 million	\$6.0 million	\$6.3 million
Appeals	\$0.5 million	\$0.8 million	\$1.0 million
Total	\$18.9 million	\$23.3 million	\$27.5 million

- There are low, medium, and high estimates for 2014, 2015, and 2016
- Associated with these low, medium, and high budget estimates are estimates of the level of premium withhold which ranges from 1.75% to 3.00%.
- Premium withhold levels will also be dependent on premium levels and if they are different from actuarial estimates.

Questions?
