

Consolidated Fiscal Note – 2013-14 Session

Bill #: S0001-7E **Complete Date:** 03/06/13

Chief Author: LOUREY, TONY

Title: MINN INSURANCE MARKETPLACE ACT

Fiscal Impact	Yes	No
State	X	
Local	X	
Fee/Departmental Earnings	X	
Tax Revenue	X	

Agencies: Health Dept (03/06/13)
 Human Services Dept (03/06/13)
 Legislative Audit Commission (03/01/13)
 Enterprise Technology Office (03/06/13)
 Health Insurance Exchange (03/06/13)

Administration Dept (03/06/13)
 Minnesota Management & Budget (03/05/13)
 Legislature (03/06/13)
 Commerce (03/06/13)

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY13	FY14	FY15	FY16	FY17
Net Expenditures					
General Fund		1,841	2,626	3,279	3,117
Human Services Dept		1,841	2,626	3,279	3,117
Legislature		0	0	0	0
Misc Special Revenue Fund		7,863	28,768	57,551	60,783
Human Services Dept		250			
Health Insurance Exchange		7,613	28,768	57,551	60,783
Other Misc Special Revenue Fund	0	0	950	1,902	1,930
Health Dept	0	0	457	903	903
Commerce			493	999	1,027
Revenues					
General Fund		(225)	(19,338)	(48,158)	(51,852)
Commerce		25	25	25	25
Minnesota Management & Budget		(250)	(19,363)	(48,183)	(51,877)
Misc Special Revenue Fund	0	7,863	28,768	57,551	60,783
Human Services Dept		250			
Health Insurance Exchange	0	7,613	28,768	57,551	60,783
Other Misc Special Revenue Fund	0	0	950	1,902	1,930
Health Dept	0	0	457	903	903
Commerce			493	999	1,027
Net Cost <Savings>					
General Fund		2,066	21,964	51,437	54,969
Human Services Dept		1,841	2,626	3,279	3,117
Commerce		(25)	(25)	(25)	(25)
Legislature		0	0	0	0
Minnesota Management & Budget		250	19,363	48,183	51,877
Misc Special Revenue Fund	0	0	0	0	0
Human Services Dept		0			
Health Insurance Exchange	0	0	0	0	0
Other Misc Special Revenue Fund	0	0	0	0	0
Health Dept	0	0	0	0	0
Commerce			0	0	0
Total Cost <Savings> to the State	0	2,066	21,964	51,437	54,969

	FY13	FY14	FY15	FY16	FY17
Full Time Equivalents					
Misc Special Revenue Fund		3.00	41.50	84.50	86.00
Human Services Dept		3.00			
Health Insurance Exchange			41.50	84.50	86.00
Other Misc Special Revenue Fund	0.00	0.00	13.86	18.22	18.22
Health Dept	0.00	0.00	4.36	8.72	8.72
Commerce			9.50	9.50	9.50
Total FTE	0.00	3.00	55.36	102.72	104.22

Consolidated EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: SUSAN MELCHIONNE
Date: 03/06/13 Phone: 651-201-8035

Fiscal Note – 2013-14 Session

Bill #: S0001-7E **Complete Date:** 03/06/13

Chief Author: LOUREY, TONY

Title: MINN INSURANCE MARKETPLACE ACT

Fiscal Impact	Yes	No
State	X	
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

Agency Name: Health Dept

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY13	FY14	FY15	FY16	FY17
Expenditures					
Other Misc Special Revenue Fund	0	0	457	903	903
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
Other Misc Special Revenue Fund	0	0	457	903	903
Revenues					
Other Misc Special Revenue Fund	0	0	457	903	903
Net Cost <Savings>					
Other Misc Special Revenue Fund	0	0	0	0	0
Total Cost <Savings> to the State					

	FY13	FY14	FY15	FY16	FY17
Full Time Equivalents					
Other Misc Special Revenue Fund	0.00	0.00	4.36	8.72	8.72
Total FTE	0.00	0.00	4.36	8.72	8.72

Bill Description

Section 4 directs Minnesota Management and Budget to transfer funds from the Health Impact Fund to the Minnesota Insurance Marketplace in an amount necessary to cover the cost of operating the Exchange.

Section 9 of the bill, which establishes the responsibilities and powers of the board of the Minnesota Insurance Marketplace, contains a number of provisions that will have a fiscal impact on the Department of Health (MDH).

Section 9 subdivision 1, paragraph (b) describes the powers of the board, including employing personnel, establishing a budget, accepting funds, contracting for the receipt of goods and services, and entering into information sharing agreements with state and federal agencies.

Section 9 subdivision 8, paragraph (a) requires the board to establish and maintain agreements with the Office of Enterprise Technology, and the Departments of Human Services, Commerce and Health. This includes establishing and maintaining an agreement with the Commissioners of Health and Commerce for services related to enforcement of certification requirements for health benefit plans offered through the Minnesota Insurance Marketplace. The board may also enter other agreements with the Departments of Health or Commerce for other services.

Assumptions

MDH will provide services to the Marketplace between now and December 31, 2014, including regulatory oversight of provider networks through network adequacy and service area reviews; developing and beginning to implement a framework for evaluating the effectiveness of the Marketplace and its impact on Minnesotan's health, health care and the state's health insurance markets; participating in workgroups and advisory committees; and assisting in the development of the Marketplace's Provider Display module. The costs for those activities will be covered by federal implementation grants already received by the State of Minnesota or anticipated to be received during calendar year 2013, and covering activities through the end of calendar year 2014 therefore these costs are not included in this fiscal note.

The version of the bill that this fiscal note is being written for is silent on a number of significant policy issues with potential fiscal impact, including whether risk adjustment will be done at the state or federal level after the first year of Marketplace operation, the specific types of public and nonpublic data that may need to be exchanged and shared with the Marketplace and for what purposes data may be used, the types of activities that may be conducted by the Marketplace over time, the need for any ongoing monitoring of the impact of the Marketplace on the health insurance market, or consumer-driven enhancements to the Provider Display module beyond December 31, 2014. As such, we assume no fiscal impact for MDH in those areas. *However, if future versions of this bill define a role for the Marketplace or MDH on these or other policy or regulatory issues, there could be a significant fiscal impact for MDH that will need to be included in future fiscal notes.*

This fiscal note assumes that additional costs to the Department of Health related to implementing this legislation will be covered by the funds transferred from the Health Impact Fund to the Minnesota Insurance Marketplace to cover the cost of operating the Exchange.

Section 9, Subd. 1, Para (b), clause (5) of the bill extends to the board of the Marketplace the power to enter into information-sharing arrangements with, among other entities, state governments. MDH assumes that the Marketplace will continue to require access to MDH's data on provider performance and rely on MDH's expertise in the further development or enhancement of the Provider Display module of the Marketplace. While future refinements to the bill may include clearer definitions of the type of data that may be needed by the Marketplace, no costs associated with other data sharing requirements are included here.

This fiscal note assumes that MDH will incur costs for the following ongoing activities related to maintaining and further expanding the provider display:

- Preparing files of quality and provider peer grouping data for loading into the provider display module and validating the accuracy of data submitted and loaded by the Marketplace.
- Providing technical assistance to Marketplace IT staff or contractors during the load process and in support of linking data to providers identified in the Marketplace's network data.

- Providing content and measurement expertise to the ongoing process of improving the display of existing and new performance measures.
- In support of these activities, MDH will be incurring staff expenses for a portion of the time of several existing FTEs with various types of expertise. This represents additional staffing costs to maintain the current level of activities while adding the additional activities associated with this legislation. Required staff time will total approximately 0.36 FTE in FY15 and 0.72 FTE in FY16 and beyond. Costs will total approximately \$46,000 in FY15 and \$92,000 in FY2016 and beyond.

Section 9, Subd. 8, Para. (a), clause (3) of the bill permits the Marketplace to contract with MDH to carry out enforcement of Minnesota Insurance Marketplace certification requirements. For the purposes of this fiscal note, we assume that the Marketplace will contract with MDH to provide the following ongoing regulatory activities in the following areas beginning January 1, 2015. At this time, information upon which to base a precise estimate of the numbers of issuers or filings that will exist in the Marketplace is not available. For the purposes of this fiscal note, we believe that the projections we have included are reasonable.

- **Network adequacy reviews:** review the proposed geographic areas to determine if they have been chosen without regard to racial, ethnic, language, health status related factors, or would otherwise exclude high utilizing, high cost or medically underserved populations.

MDH assumes this activity will require review of 10 issuers, each of whom will submit 10 filings per year. Each review will take MDH staff 80 hours. MDH will need 1.92 FTE in FY2015 (January 1, 2015 – June 30, 2015) and 3.85 FTE to complete these reviews in FY2016 and FY2017. Costs will total approximately \$157,000 in FY15 and \$312,000 in FY2016 and beyond.

- **Service area reviews:** review the proposed provider networks to determine if they include essential community providers and are sufficient in number and types of providers to assure that all services, including mental health and chemical dependency services will be accessible without unreasonable delay.

MDH assumes this activity will require review of 10 issuers, each of which will submit 5 service area filings per year. Each review will take MDH staff 24 hours. MDH will need 0.29 FTE in FY2015 (January 1, 2015 – June 30, 2015) and 0.58 FTE to complete these reviews in FY2016 and FY2017. Costs will total approximately \$23,000 in FY15 and \$47,000 in FY2016 and beyond.

- **Partial-county service area reviews:** review any proposed service area that is smaller than one county to determine if serving a smaller area is necessary, nondiscriminatory and in the best interest of the qualified individuals and employers.

MDH assumes this activity will require review of 10 issuers, each of whom will submit 5 partial-county service area filings per year. Each review will take MDH staff 24 hours. MDH will need 0.29 FTE in FY2015 (January 1, 2015 – June 30, 2015) and 0.58 FTE to complete these reviews in FY2016 and FY2017. Costs will total approximately \$23,000 in FY15 and \$47,000 in FY2016 and beyond.

- MDH assumes the following additional staff will be required to support these activities:
 - FY2015: 0.25 FTE manager; 0.50 FTE supervisor; 0.25 FTE ITS4 (application support); 0.50 OAS (administrative support). Costs will total approximately \$121,000 in FY 2015.
 - FY2016 and FY2017: 0.50 FTE manager; 1.00 FTE supervisor; 0.50 FTE ITS4 (application support); 1.00 OAS (administrative support). Costs will total approximately \$243,000 per year.
 - Additional expenses for supplies and equipment totaling \$10,000/year and indirect expenses totaling \$79,000 in FY2015 and \$156,000 in SFY2016 and SFY2017 are assumed.

For the purposes of this fiscal note, MDH assumes it will not be regulating issuers for Quality Assurance issues that currently apply to certified Health Maintenance Organizations. If these oversight duties are added, MDH will need additional resources.

Expenditure and/or Revenue Formula

Section 9, Subd. 1, paragraph (a), clause (5)

EXPENDITURES	SFY13	SFY14	SFY15	SFY16	SFY17
Salary and Fringe Benefits	0	0	37	75	75
Other Operating Costs	0	0	0	0	0
Grants	0	0	0	0	0
Administrative Services	0	0	0	0	0
OR Indirect Cost	0	0	9	18	18
TOTAL EXPENSES	0	0	46	92	92

Section 9, Subd. 8, paragraph (b), clause (3)

EXPENDITURES	SFY13	SFY14	SFY15	SFY16	SFY17
Salary and Fringe Benefits	0	0	323	645	645
Other Operating Costs	0	0	10	10	10
Grants	0	0	0	0	0
Administrative Services	0	0	0	0	0
OR Indirect Cost	0	0	79	156	156
TOTAL EXPENSES	0	0	411	811	811

Long-Term Fiscal Considerations

None

Local Government Impact

None

References/Sources

N/A

FN Coord Signature: DAVE GREEMAN

Date: 03/06/13 Phone: 651-201-5235

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: SUSAN MELCHIONNE

Date: 03/06/13 Phone: 651-201-8035

Fiscal Note – 2013-14 Session

Bill #: S0001-7E **Complete Date:** 03/06/13

Chief Author: LOUREY, TONY

Title: MINN INSURANCE MARKETPLACE ACT

Fiscal Impact	Yes	No
State	X	
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

Agency Name: Human Services Dept

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY13	FY14	FY15	FY16	FY17
Expenditures					
General Fund		1,841	2,626	3,279	3,117
Misc Special Revenue Fund		250			
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
General Fund		1,841	2,626	3,279	3,117
Misc Special Revenue Fund		250			
Revenues					
Misc Special Revenue Fund		250			
Net Cost <Savings>					
General Fund		1,841	2,626	3,279	3,117
Misc Special Revenue Fund		0			
Total Cost <Savings> to the State		1,841	2,626	3,279	3,117

	FY13	FY14	FY15	FY16	FY17
Full Time Equivalent					
Misc Special Revenue Fund		3.00			
Total FTE		3.00			

Narrative for SF1-7E

Bill Description

SF1 / HF5 establishes the Minnesota Insurance Marketplace.

Sections 1: Includes the Minnesota Insurance Marketplace to the entities governed by the classification and data sharing standards in 62V.06

Section 2: Ensures meetings of the Minnesota Insurance Marketplace are governed by section 62V.06.

Section 3: Requires the board of directors to certify costs necessary to run the Marketplace each year by April 30.

Section 4: Requires the commissioner of MMB to transfer funds each fiscal year from the health impact fund to the Minnesota Insurance Marketplace account in the special revenue fund. The transfer shall be the amount of certified expenditures identified under section 3. Following this transfer, any remaining funds will be transferred from the health impact fund to the general fund. Any funds available in excess of the amount of certified tobacco related expenditures, those funds are transferred to the health care access fund.

Section 5: Contains the title of the bill.

Section 6: Defines relative terms.

Section 7: Establishes the Minnesota Insurance Marketplace as a board to facilitate the selection and purchase of health plan coverage for individuals and small businesses. It will also provide access to premium tax credits, public health care programs, and certificates of exemption from the individual insurance mandate. The Marketplace is subject to existing state law regarding open meetings with certain exceptions. The Marketplace is also exempt from certain administrative and procurement requirements of state law.

Section 8: Establishes the governance of the seven member board of directors for the Marketplace. Designates appointing authority and specifies meeting intervals. Sets terms, defines conflicts of interest, establishes Chair and Officers. Establishes vacancy and removal procedures. Defines a quorum. Establishes the compensation rate and advisory committees.

Section 9: Specifies the responsibilities and powers of the Marketplace. Those powers include:

- Establishing a budget;

- Employing personnel;

- Establishing certification requirement for insurance producers;

- Rulemaking

- Establishing and maintain agreement with chief information officer of the Office of Enterprise Technology for information technology services that ensures coordination with public health care programs;

- Establishing a health carrier that is aggrieved by a decision of the board regarding its compliance with certification requirements or participation in the Minnesota Insurance Marketplace is entitled to a contested case proceeding under chapter 14.

- Obtaining grants and loans from public and private sources;

- Establishing operating policies and procedures;

- Establishing certification requirements for and certifying health plans offered through the Marketplace;

- Establishing a navigator and assister program under Minn. Stat. section 256.962 (a statute that is currently used to provide application assistance for individuals applying for Minnesota public health care programs); counties and tribes may serve as assisters. Expands the outreach responsibilities of DHS to include providing application assistance for both public health care programs and qualified health plans sold in the Marketplace.

- Conducting appeal hearings and recommending final orders related to any Marketplace determination, except (in subdivision 6, paragraph (d)) for those appeals that the Department of Human Services (DHS) is required to hear under Minn. Stat. section 256.045

- Establishing provisions of this section that apply to health plans also apply to dental plans offered as stand-alone dental plans to the extent practicable.

- Clarifies the board shall not bear insurance risk or enter into any agreement with health care providers to pay claims. The Minnesota Insurance Marketplace is not prevented from providing insurance for its employees.

Section 10: Permits the Marketplace may share nonpublic data with other state and federal agencies as necessary to carry out its functions.

Section 11: Funds received by the Marketplace must be deposited in the special revenue fund of the state treasury.

Section 12: Requires the Marketplace to provide an annual report to the legislature.

Section 13: Clarifies that the authorizing legislation contains no sunset, and that the board is not subject to the Minnesota Sunset Act.

Section 14: Establishing the legislative oversight committee to provide oversight to the implementation and operation of the Minnesota Insurance Marketplace. Defines membership, meetings, and compensation.

Section 15: The commissioner of management and budget will carry out the responsibilities of the Marketplace until the Marketplace board of directors establishes bylaws and operating policies and procedures.

Section 16: The commissioner of commerce has the authority to develop and implement a plan to phase-out health coverage provided under the Minnesota Comprehensive Health Association. This phase-out will begin no sooner than January 1, 2014.

Section 17: By February 1, 2014 and February 1, 2015 the Board of Directors will submit a report to the legislature on the appeals process for eligibility determinations established under section 7.

Section 18: Ensures Minnesota Insurance Marketplace will notify all multiemployer plans of final federal rules; conform all policies and procedures to federal rules. Permits multiemployer plans to be integrated into Minnesota Insurance Marketplace. States Minnesota Insurance Marketplace will submit written notification to the legislature on compliance with the federal rules.

Section 19: Repeals MN Statutes section 256.9658, subdivision 1 which states the purpose of the health impact fee is the recovery of tobacco related health costs.

Section 20: Makes section 1-18 of the bill effective upon enactment. Coverage through the exchange begins on January 1, 2014.

Assumptions

Section 9, Subdivision 4 assumes \$250,000 in additional funds in FY14 for the current MNCAA program established under 265.962. This program currently provides application assistance for Minnesota Health Care Programs at community organizations across the state. This provision would expand those responsibilities to include application assistance for qualified health plans sold through the Marketplace. These additional funds provide training, certification, ongoing technical support, and resource materials to support these activities. 3 FTE will be necessary to support these functions in FY14.

Section 9, subdivision 8, paragraph 2 requires the Minnesota Insurance Marketplace (“Marketplace”) board to establish and maintain an agreement with the Commissioner of Human Services for cost allocation and services regarding eligibility determinations and enrollment for public health care programs and other services. It is assumed that “public health care programs” refers to Medical Assistance, which is Minnesota’s Medicaid program. This fiscal note only addresses costs under the agreement regarding eligibility and enrollment functions; it does not cover other Medicaid (Medical Assistance) program expenditures.

This analysis assumes that the Marketplace will allocate costs to the Medicaid program, based on participation ratios between the public and private program participants in the Marketplace, for allowable Medicaid costs. This fiscal note uses recently updated participation estimates for 2016 (which the Minnesota Health Insurance Exchange received from Dr. Jonathan Gruber and Bela Gorman) to develop the estimates of required state share funding that are included in the following section. (Note: Using updated participation estimates results in a different and slightly higher calculation of state fiscal impact than is included in the Governor’s January 22, 2013 budget recommendations for DHS.)

This fiscal note assumes that the legislature would only appropriate the state share of these cost-allocated Medicaid costs to DHS. This analysis also assumes that the appropriations to DHS would be transferred into and spent out of the DHS major systems account in the special revenue fund.

Expenditure and/or Revenue Formula

The fiscal information in this section and on the cover sheet reflects the high enrollment scenario that is detailed in the Health Insurance Exchange’s narrative of the consolidated fiscal note.

Guidelines from the federal Centers for Medicare and Medicaid Services proscribe different levels of federal funding for various activities associated with the Medicaid program’s interaction with the Marketplace. Based on analysis of which of the Medicaid-related activities associated with the Marketplace are most appropriately classified as development costs vs. operating costs, the fiscal impact has been calculated using a blended rate for the state share costs.

	<u>FY 14</u>	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>
Total Medicaid Costs	\$7,362,859	\$9,404,434	\$9,367,499	\$8,905,851
Portion w/ 75% FFP	\$7,362,859	\$6,658,251	\$0	\$0
Federal Share	\$5,522,144	\$4,993,688	\$0	\$0
State Share	\$1,840,715	\$1,664,563	\$0	\$0
Portion w/ 65% FFP	\$0	\$2,746,183	\$9,367,499	\$8,905,851
Federal Share	\$0	\$1,785,019	\$6,088,874	\$5,788,803
State Share	\$0	\$961,164	\$3,278,625	\$3,117,048
Total Federal Share	\$5,522,144	\$6,778,707	\$6,088,874	\$5,788,803
Total State Share	\$1,840,715	\$2,625,727	\$3,278,625	\$3,117,048

DHS Fiscal Summary						
(\$ in 000's)						
Fund	BACT	Description	FY2014	FY2015	FY2016	FY2017
GF	11	State Share of Medicaid-Allocated Costs	\$1,841	\$2,626	\$3,279	\$3,117
2000	13	Health Care Administration	\$250			
REV1		Special Revenue Fund HIX Interagency Agreement	(\$250)			
		Total Net Fiscal Impact	\$1,841	\$2,626	\$3,279	\$3,117
2000		Health Care Administration	3			

Long-Term Fiscal Considerations

The costs reflected in this fiscal note are ongoing.

Local Government Costs

References/Sources

Agency Contact Name: Patrick Hultman 651-431-4311
FN Coord Signature: JAYNE RANKIN
Date: 03/04/13 Phone: 651-431-3432

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: MARY CROSSON
Date: 03/06/13 Phone: 651-201-8042

Fiscal Note – 2013-14 Session

Bill #: S0001-7E **Complete Date:** 03/06/13

Chief Author: LOUREY, TONY

Title: MINN INSURANCE MARKETPLACE ACT

Fiscal Impact	Yes	No
State	X	
Local	X	
Fee/Departmental Earnings	X	
Tax Revenue		X

Agency Name: Health Insurance Exchange

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY13	FY14	FY15	FY16	FY17
Expenditures					
Misc Special Revenue Fund		7,613	28,768	57,551	60,783
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
Misc Special Revenue Fund		7,613	28,768	57,551	60,783
Revenues					
Misc Special Revenue Fund	0	7,613	28,768	57,551	60,783
Net Cost <Savings>					
Misc Special Revenue Fund	0	0	0	0	0
Total Cost <Savings> to the State					

	FY13	FY14	FY15	FY16	FY17
Full Time Equivalents					
Misc Special Revenue Fund			41.50	84.50	86.00
Total FTE			41.50	84.50	86.00

Bill Description

SF1-7e establishes the Minnesota Insurance Marketplace.

Section 1 specifies that the classification and sharing of data is governed by section 62V.06

Section 2 – specifies that meetings of the Marketplace are governed by section 62V.03 subdivision 2.

Section 3 – creates a biennial certification process for the Marketplace operational costs.

Section 4 – authorizes the commissioner of management and budget to transfer funds from the health impact fund to the Marketplace in the amount of the certified biennial costs in section 3 or the balance of the fund whichever is less. For the 2014-15 biennium, the funds may be used in either year of the biennium.

Section 5 creates the title of the act

Section 6 provides definitions of board, dental plan, health benefit plan, health carrier, individual market, insurance producer, Minnesota Insurance Marketplace, navigator, public health care program, qualified health plan and small group market.

Section 7 creates the Minnesota Insurance Marketplace as a board and defines duties. Defines provision of law the board is subject to and provisions it is exempt.

Section 8 describes the governance structure of the Minnesota Insurance Marketplace and board compensation.

Section 9 subdivision 1 describes the responsibilities of the Minnesota Insurance Marketplace including employing personnel, establishing a budget, seeking and accepting funds, contracting for the receipt of goods and services, entering into information sharing agreements, taking other actions required to implement and administer its responsibilities, and establishing policies and procedures.

Section 9 subdivision 2 defines operation costs of the Marketplace as operations of the Marketplace and navigator compensation.

Section 9, subdivision 3 authorizes the commissioner of Minnesota management and budget, in consultation with the commissioner of commerce, to establish standards for certifying insurance producers for certification of producers who may sell plans through the Marketplace. Defines producer compensation establishment processes through health carriers, reporting of compensation and other incentives for insurance producers by carriers and insurance producers responsibilities if they sell plans in the Marketplace.

Section 9 subdivision 4 establishes the process for the establishment of policies and procedures for navigators, in-person assistors and call center. Directs the board to include certain training standards for the navigator program and ensure information provided by customer service entities be accessible to persons with disabilities.

Section 9 subdivision 5 establishes health carrier participation requirements.

Section 9 subdivision 6 authorizes the board to conduct hearings, appoint hearing officers, and recommend final orders to appeals of Marketplace determinations, except those determinations where a state agency hearing is available through section 256.045.

Section 9, subdivision 7 allows for contested case proceedings under Chapter 14 for health carriers aggrieved by board decisions on participation in the Marketplace.

Section 9 subdivision 8 requires the board to establish and maintain agreements with the Office of Enterprise Technology, Department of Human Services, Commerce and Health.

Section 9, subdivision 9 establishes rule making processes for the Marketplace through January 2014.

Section 9, subdivision 10 establishes rule making processes for the Marketplace after January 1, 2014.

Section 9, subdivision 11 establishes that provisions in Section 9 that apply to health plans also apply to dental plans offered as stand-alone plans in the Marketplace with the exception of certification requirements that cannot be met due to the plan only covering pediatric dental.

Section 9, Subdivision 12 – Clarifies that the board shall bear insurance risk or enter into any agreements with health care providers to pay claims.

Section 10 states that definitions under the Government Data Practices Act in chapter 13.02 apply. This section also states that certain data of the Marketplace is private data or nonpublic. This section also authorizes the marketplace to share non public data with state and federal agencies and other entities and state agencies to share not public data if reasonable and necessary to carry out the functions of the Marketplace.

Section 11 states that all funds received by the Marketplace must be deposited in a dedicated fund and that the funds are appropriate to the Marketplace.

Section 12 requires the Marketplace to submit a report to the legislature by January 15 of each year on the performance of the Marketplace operations and on meeting the Marketplace responsibilities and an accounting of budget activities.

Section 13 exempts the board from review and sunset under chapter 3D.

Section 14 – Establishes the Legislative Oversight Committee to provide oversight to the implementation of the operations of the Marketplace including the review of costs for certification in section 3. Requires the Marketplace to submit annual reports as outlined in Section 12 as well as reports on rules, the appeal process and actions taken for the treatment of multiemployer plans. Defines membership of the committee.

Section 15 authorizes the Commissioner of Management and Budget to exercise all responsibilities of the Marketplace until the board has established bylaws, policies and procedures as required under the Act.

Section 16 authorizes the commissioner of commerce, in consultation with the board of the Minnesota Comprehensive Health Association, to develop and implement the phase out and eventual termination of coverage provided by MCHA, beginning no sooner than January 1, 2104

Section 17 requires the Marketplace Board to submit a report to the legislature on the appeals process for eligibility determinations.

Section 18 requires the Marketplace, in consultation with the department of commerce and in accordance with federal regulations, take necessary action to ensure multiemployer plans are notified of final federal rules, ensure the Marketplace in compliance with the federal rules and permit multiemployer plans to participate in the Marketplace to the extent allowed by final federal rules. The Marketplace is required to notify the legislature of its compliance with this section.

Section 19 – repeals the purpose statement in statute for the tobacco health impact fee,

Section 20 states that the Act is effective the day following enactment. Health benefit plan coverage through the Marketplace is effective January 1, 2014.

Assumptions

This fiscal note displays potential fiscal impacts for high, medium and low enrollment scenarios; the cover sheet reflects the high enrollment scenario.

Sections 1, 2, 5, and 6 have no fiscal impact.

Section 3 and 4 – It is assumed the health impact fund will have sufficient funding to reimburse the Marketplace non-Medicaid portion of its operational costs. It is also assumed that the certification and subsequent transfers would be for navigator costs for FY 14 and 15 as well as costs in FY 2015 not covered by federal funds. The Governor's FY 2014-15 base budget for the Health Insurance Exchange includes costs from July 2013 through December 2014 and therefore are not part of the costs to be transferred. It is also assumed the Medicaid costs would not be part of the transfer as the Exchange is required to cost allocate to the Medicaid program. It is also

assumed the Medicaid costs would not be part of the transfer as the Exchange is required to cost allocate to the Medicaid program. The balance of the FY 2015 transfer is detailed below.

Section 7, subdivision 1 – assume activities included in fiscal estimates for Section 9.

Section 7, subdivision 2 – assume activities included in fiscal estimates for Section 9.

Section 8 Subdivisions 1-11, 13 – no costs

Section 8, Subdivision 12 – Annual salary of board members is set at a maximum of 25% of the Governor's salary. Assume annual salary of \$30,076 per board member (25% of \$120,303) through calendar year 2015.

Section 9, subdivision 1(b) 1 – the following assumptions are made for the operational budget estimates of the Exchange.

Federal Funding

It is assumed that federal funds are available to plan, design, develop and operate the Marketplace and perform other functions associated with the Marketplace outlined in section 6 through December 31, 2014. Total development and initial operating funds available through these federal grants in calendar 2014 are estimated at \$150 million. Through January 18, 2013, the Minnesota Health Insurance Exchange has applied for and received \$110 million in federal funds. It is assumed that an additional \$40 million will be applied for and received in fiscal year 2014. A recent award of \$39 million and future application of \$40 million are included in the Governor's base budget and therefore the costs are not reflected in this fiscal note.

It is assumed that this funding would be transferred to the Marketplace under section 11 for Marketplace design and development purposes.

Business Operations

It is assumed that the Marketplace will establish a business operating structure as outlined in Minnesota's Blueprint submission for State Based Exchanges including senior management staff, administrative support, legal support, appeals, financial management, quality measurement and reporting, eligibility and enrollment, SHOP, customer service, communications, stakeholder relations and navigator/broker business areas. It is also assumed these operating structures meet the needs of activities outlined in Section 6.

It is assumed that the Marketplace will establish an information technology operational structure as outlined in Minnesota's Blueprint submission for State Based Exchanges including IT staff to support and maintain the IT infrastructure as well as necessary IT maintenance and support contracts, software, hardware, and licenses to ensure the technologies developed for the Health Insurance Exchange continue under the Marketplace.

Section 9, Subdivision 1 (b) 3 and 4 – no additional revenues are assumed under this provision.

Section 9, Subdivision 4 – assumes \$250,000 in additional funds for the current MNCAA program established under 256.962. The additional funding will be used to provide training required for certification, ongoing technical support, data tracking, and assessment of additional training needs.

Section 9, subdivision 4 and 6

Per member per month costs for customer service activities such as appeals, call-center and consumer support, in-person assisters (eligibility and other assistance) and premium processing are based on the PMPM costs estimates from a budget model from the Wakely Consulting group applied to estimated member months. It is assumed that 10% of the PMPM from the Model are associated with IT support and maintenance costs of the customer service activities versus transactional costs. It also assumed that activity for initial individual eligibility determinations is covered under the current Medicaid program regardless of the outcome of the eligibility determination. (An individual needs to be determined ineligible for Medicaid prior to be determined eligible for APTC). Assumptions in the member month calculation are outlined below.

Participation

Participation estimates are based on 2016 participation estimates from Jon Gruber (Health Economist) and Bela Gorman (Health Actuary). Initial estimates for 2016 participation were provided in April 2012 from Dr. Gruber and were updated in January 2013. Table 1 reflects the enrollment estimates from Dr. Gruber. Both scenarios

assume the state does not implement a Basic Health Plan and the state has a Maintenance of Effort to cover children up to 275% in the Medicaid program.

For cost allocation purposes (**Section 7, Subdivision 8**), it is assumed the Marketplace will utilize the April 2012 enrollment scenario for allocation to Medicaid for grant activities for grants applied for and/or received prior to January 2013. The revised participation estimates will be used for cost allocation for new grant applications.

Table 1 – Estimated Marketplace Participation, 2016

	April 2012 Estimate		January 2013 Estimate	
	Total individuals	Estimated Exchange Enrollment	Total individuals	Estimated Exchange Enrollment
Tax Credit Recipients	280,000	280,000	370,000	370,000
Enrollees in Firms < 50 Receiving Tax Credit	70,000	70,000	33,000	33,000
Non-Tax Credit Recipients in Reform Market	120,000	60,000	160,000	80,000
Enrollees in Firms < 50 Not Receiving Tax Credit	350,000	90,000	393,000	98,000
Enrollees in Firms 50-99	120,000	30,000	99,000	24,000
Public Insurance Enrollees	700,000	700,000	690,000	690,000
Total Exchange Enrollment	1,640,000	1,230,000	1,745,000	1,295,000
Percent Public Enrollment (Total)		56.91%		53.28%
Percent Public Enrollment (Individuals Only)		67.31%		60.53%

In order to project enrollment estimates for 2014 and 2015, a budget model was utilized to create low, medium and high participation rate assumptions. For example, the model assumes that in 2014, 40% of the 370,000 individual's eligible for a subsidy estimated to participate in the Exchange in 2016 will participate in 2014. (370,000 x 40% = 148,000). For small businesses it is assumed that firms over 50 will not participate in the Marketplace in calendar year 2014. These assumptions are outlined in Table 2. Highlighted cells in the table reflect the estimates for 2016 from the Gruber-Gorman Report.

Table 2 – Enrollment Participation Rate Assumptions for the Exchange and Resulting Enrollment Estimates

	2014			2015			2016		
	Low	Med	High	Low	Med	High	Low	Med	High
Individual – Subsidy	40.00%	50.00%	60.00%	50.00%	70.00%	90.00%	60.00%	80.0%	100.00%
Individual – non subsidy	10.00%	20.00%	30.00%	20.00%	40.00%	50.00%	20.0%	50.00%	50.0%
Small Group	2.50%	5.00%	7.50%	5.00%	10.00%	15.00%	7.50%	15.00%	29.52%
Medicaid	90.00%	90.00%	90.00%	100.00%	100.00%	100.00%	100.0%	100.00%	100.0%
Members (end of year)									
Individual – Subsidy	<i>148,000</i>	<i>185,000</i>	<i>222,000</i>	<i>185,000</i>	<i>259,000</i>	<i>333,000</i>	<i>222,000</i>	<i>296,000</i>	<i>370,000</i>
Individual – non subsidy	<i>16,000</i>	<i>32,000</i>	<i>48,000</i>	<i>32,000</i>	<i>64,000</i>	<i>80,000</i>	<i>32,000</i>	<i>80,000</i>	<i>80,000</i>
Small Group	13,125	26,250	39,375	26,250	52,500	78,750	39,375	78,750	155,000
Medicaid	621,000	621,000	621,000	690,000	690,000	690,000	690,000	690,000	690,000

To finalize enrollment estimates, member months need to be calculated. The model allows for the use of fast, medium or slow take up rates for calendar 14. Based on a the Health insurance Exchange Finance Workgroup discussion the model inputs for the fast rate was chosen and then modified to reflect higher take-up rates during the open enrollment months.

Table 3 – Model Take up rate estimates

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	25.0%	25.0%	18.0%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%
2015	60.9%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%

For calendar year 2016 the model assumes full year enrollment for prior year participants and an average of 9.5 months enrollment for new participants. This matches the models for 2014 to 2015.

Based on the take up rate assumptions in Table 3, member months are calculated. Table 4 shows the model output for member month estimates.

Table 4 – Member month estimates

	2014			2015			2016		
	Low	Med	High	Low	Med	High	Low	Med	High
Individual	1,493,631	1,976,329	2,459,027	2,435,181	3,567,093	4,543,900	2,955,500	4,379,500	5,307,500
Sm. Group	119,536	239,072	358,608	294,578	579,791	866,422	439,688	879,375	1,669,375
Total	1,613,167	2,215,401	2,817,635	2,729,759	4,146,884	5,410,322	3,395,188	5,258,875	6,976,875
Medicaid	5,323,765	5,323,765	5,323,765	7,794,475	7,794,475	7,794,475	8,280,000	8,280,000	8,280,000

Section 9, Subdivision 5

Since health plan participation requirements are not part of the bill, it is assumed that the legislature will not adopt requirements outlined in the bill and therefore the market rules inside and outside the Marketplace may be different and could potentially result in different premium levels inside versus outside the Marketplace. With different market rules inside versus outside the Marketplace, there is a risk that premiums inside the Marketplace could be higher than premiums outside the Marketplace and thus impact the ability of the Marketplace to attract unsubsidized individuals and non-tax credit eligible small business. The reduction in enrollment could range from 0 to 202,000 enrollees in 2016 levels depending on the level of difference in the markets. It is assumed that the Marketplace will establish certification and selection requirements so the risk of negative enrollment impact is mitigated, therefore no enrollment impact is assumed.

Section 9, Subdivision 8, (a) 1.

It is assumed that the agreement with Office of Technology has no additional costs beyond the costs outlined for the operations of the Marketplace.

Section 9, subdivision 8 (a) (2)**Revenue - Allocation to Medicaid**

Section 9, subdivision 8, (a) 2 authorizes to board to establish and maintain an agreement with the commissioner of human services for cost allocation and services regarding eligibility determinations and enrollment for public health care programs and other services. It is assumed that the Marketplace will cost allocate to the Medicaid program based on participation ratios between the public and private program participants in the Marketplace for allowable Medicaid costs. It is assumed that eligible costs would include all operating costs except appeals, small business health options program (SHOP), premium billing and collection, and customer service (eligibility assistance, call centers and notices). These costs would not be allocated because it is assumed that Medicaid would continue to operate these functions directly and costs for providing these services to Medicaid enrollees would not flow through the Marketplace.

For cost allocation purposes, it is assumed the Marketplace will utilize the April enrollment scenario for allocation to Medicaid for grant activities for grants applied for and/or received prior to January 2013 (see Table 1 above). The revised participation estimates will be used for cost allocation for new grant applications covering activities through calendar year 2014. For future years, allocation is assumed to be based on the phased in participation ratios.

Section 9, Subdivision 8, (a) 3

Section 9, subdivision 7, (a) 3 authorizes the board to establish and maintain agreements with the commissioners of commerce and health for services regarding enforcement of the Marketplace certification requirements for

health benefit plans offered through the Marketplace. It is assumed that cost associated with those activities will be part of the Marketplace costs.

Section 9, subdivision 9 and 10 – it is assumed cost associated with rule making are within the operating budget of the Exchange as outlined under staffing structures.

Section 9, subdivision 11 and 12 – no fiscal impact.

Sections 10, 11, 13, 15 and 19 have no fiscal impact

Section 12, 17 and 18 – It is assumed costs associated with these reports are within the operating budget of the Exchange as outlined under staffing structures.

Section 16 – it is assumed that the MCHA program will be phased out over three years.

Other Assumptions

It is also assumed that the Marketplace will develop a cost allocation plan (CAP) versus an indirect cost plan, therefore only statewide indirect costs are assumed in the fiscal note. Statewide indirect costs are assumed at 1% of total costs.

The bill no longer contains exemptions from 16B and 16C. Without the exemptions, the Marketplace is at risk of not being able to respond quickly to business operation needs to meet service delivery expectations. Additional procurement requirements may limit options for the board in pursuing business solutions for customer services, which may impact the customer service and negatively impact participation. The impact would be on the enrollment of non-subsidized individuals and non-tax credit eligible small business. The impact could range from 0 to 202,000 enrollees depending on the impact to the customer service. The ability for the marketplace to mitigate the risk is not in control of the Marketplace board, therefore the risk is higher than the risk outlined in other sections of the bill that have similar potential impacts (section 7, subdivision 5). If private market participation is lessened, the low or medium scenario of the Exchange is more likely. This would mean a higher Medicaid costs and a higher Medicaid share of the Marketplace costs.

Expenditure and/or Revenue Formula

Section 8, subdivision 12 – Board Compensation

Board member salaries are assumed at 25% of the Governor's salary or \$30,076 (25% of \$120,303). Funding for members prior to January 1, 2015 will be part of the federal grant funds.

Section 9, subdivision 1

Marketplace operations-staff and general administration

It is assumed the Marketplace will employ up to 86 FTE once fully established. This includes 57 program staff and 29 IT staff. Costs through calendar year 2014 are included in the Governor's base budget and therefore not included here, however the Medicaid share of costs beginning in FY 2014 are included. Costs are based on existing state classifications. Comparable salary levels for other state Exchanges are higher and reflect levels between the public and private sectors. Under this bill the board shall establish compensation structures for managerial staff for review by MMB and approval by the legislature; as such salary levels for managerial staff are likely underestimated.

Other states' compensation structures include managerial staff salaries that are in average 50% higher than those reflected in this fiscal note (senior level managers would be more than 50% and mid-level manager would be less than 50%). If Minnesota's state based exchange were to be comparable to other state based exchanges, the annual personnel costs could be as much as \$1 million higher than reflected in this fiscal note, depending on the compensation structure the board adopts.

The Marketplace will have senior management positions including, an Executive Director, Chief Operating Officer, Public Relations Officer, Chief Financial Officer, General Counsel, Senior Policy Administrator, Chief Project Management Officer and Chief Security Officer.

Table 5 Senior Management Positions

Position	FY 14	FTE	FY 15	FTE	FY 16	FTE	FY 17
Exchange Director	NA	1	\$54,195	1	\$108,390	1	\$108,390
Operating Director	NA	1	\$54,195	1	\$108,390	1	\$108,390
Public Relations Officer (business development director)	NA	1	\$54,195	1	\$108,390	1	\$108,390
Financial Director	NA	1	\$54,059	1	\$108,117	1	\$108,117
General Counsel	NA	1	\$51,380	1	\$102,761	1	\$102,761
Senior Policy Administrator	NA	1	\$43,053	1	\$86,106	1	\$86,106
Chief Project Management Officer	NA	1	\$46,163	1	\$92,325	1	\$92,325
Chief Security Officer	NA	1	\$54,195	1	\$108,390	1	\$108,390
Total	NA	8	\$411,435	8	\$822,870	8	\$822,870

The Marketplace will create office support units for administrative support, program integrity, finance, human resources, and other general administration activities.

Table 6 - General Administrative Support Positions

Position	FY 14	FTE	FY 15	FTE	FY 16	FTE	FY 17
Executive Assistant		1	\$26,207	1	\$52,413	1	\$52,413
Administrative Assistant		2	\$50,149	2	\$100,298	2	\$100,298
Internal Audits/Program Integrity	NA	1	\$39,876	1	\$79,752	1	\$79,752
Business Managers - Procurement	NA	1	\$39,876	1	\$79,752	1	\$79,752
Business Manager - HR	NA	1	\$39,876	1	\$79,752	1	\$79,752
Business Manager Budget	NA	1	\$39,876	1	\$79,752	1	\$79,752
Business Manager – Grants/Reporting		1	\$39,876	1	\$79,752	1	\$79,752
Accounting Director	NA	1	\$39,876	1	\$79,752	1	\$79,752
Accounting/billing and collection	NA	4	\$106,530	5	\$319,590	6	\$319,590
Total		13	\$422,142	14	\$897,548	15	\$950,813

The Marketplace will create business areas for Appeals, Quality, Measurement and Reporting, Individual Eligibility and Enrollment, Small Business (SHOP), Customer Service, Communications, Stakeholder Relations and Navigator Broker activities.

Table 7 - Business Operation Positions

Position	FY 14	FTE	FY 15	FTE	FY 16	FTE	FY 17
Appeals							
Appeals Process Development Manager		1	\$43,053	1	\$86,106	1	\$86,106
Appeals Hearing Officers		2	\$136,514	4.5	\$307,157	5	\$341,285
Paralegals /Appeals Assistant		1	\$25,621	1	\$51,242	1	\$51,242
Quality Measurement and Reporting							
Measurement & Reporting Director		1	\$51,380	1	\$102,761	1	\$102,761
Business Analyst - Measurement and Reporting		1	\$37,505	1	\$75,010	1	\$75,010
Health Services Data analyst		1	\$37,505	1	\$75,010	1	\$75,010
Carrier Business Representatives		2	\$72,390	2	\$144,780	2	\$144,780
Eligibility (public and Commercial)							
Public Program Operations Director		1	\$47,845	1	\$95,690	1	\$95,690
Business Analyst - Individual Eligibility and Assistance Policy		1	\$37,505	1	\$75,010	1	\$75,010
Individual Customer Service Reps		2	\$72,390	2	\$144,780	2	\$144,780
SHOP							

SHOP Operations Director		1	\$47,845	1	\$95,690	1	\$95,690
Business Analyst - Small Employer Operations and Assistance - Policy		1	\$37,505	1	\$75,010	1	\$75,010
Small Employer Business Developers		2	\$72,390	2	\$144,780	2	\$144,780
Customer Service							
Consumer Services Director		1	\$47,845	1	\$95,690	1	\$95,690
Customer Service Training Developers		3	\$121,173	3	\$242,346	3	\$242,346
Communications							
Communications & Marketing Director		1	\$47,845	1	\$95,690	1	\$95,690
Web Analyst		1	\$36,195	1	\$72,390	1	\$72,390
Customer Service/Public Relations		1	\$36,195	1	\$72,390	1	\$72,390
Communications Analyst - Advertising		1	\$36,195	1	\$72,390	1	\$72,390
Stakeholder Relations Coordinator							
		1	\$47,845	1	\$95,690	1	\$95,690
Navigator Broker							
Navigator/Broker Program Director		1	\$47,611	1	\$95,221	1	\$95,221
Broker/Navigator Business Developers		3	\$108,585	3	\$217,170	3	\$217,170
Broker/Navigator licensing and certification/metrics and payments		1	\$36,195	1	\$72,390	1	\$72,390
Total		33	\$1,285,132	33.5	\$2,604,393	34	\$2,638,522

The Marketplace will create an Information Technology support unit to support maintenance and oversight of the information technology systems of the Marketplace.

Table 8 - Information Technology Positions

Position	FY 14	FTE	FY 15	FTE	FY 16	FTE	FY 17
Chief Information Officer		1	\$64,091	1	\$128,182	1	\$128,182
Administrative Assistant		1	\$25,075	1	\$50,149	1	\$50,149
Information Technology Director		1	\$54,195	1	\$108,390	1	\$108,390
IT Project Director/Project Manager		1	\$51,380	1	\$102,761	1	\$102,761
Database Administrator		1	\$49,506	1	\$99,012	1	\$99,012
Program Developer		2	\$88,694	2	\$177,388	2	\$177,388
Systems Administrator		4	\$197,054	4	\$394,108	4	\$394,108
System Administrator		2	\$98,527	2	\$197,054	2	\$197,054
Network Administrator		1	\$49,264	1	\$98,527	1	\$98,527
Security Administrators		1	\$49,264	1	\$98,527	1	\$98,527
Database Administrator		1	\$49,264	1	\$98,527	1	\$98,527
Database Administrator		1	\$49,264	1	\$98,527	1	\$98,527
Integration Administrator		2	\$98,527	2	\$197,054	2	\$197,054
Integration Administrator		2	\$61,579	2	\$123,159	2	\$123,159
IT Interface Communications Administrator		1	\$49,264	1	\$98,527	1	\$98,527
Web Administration		1	\$49,264	1	\$98,527	1	\$98,527
Storage Administration		1	\$49,264	1	\$98,527	1	\$98,527
Identity Management Administration		1	\$49,264	1	\$98,527	1	\$98,527
Identity Management Administration		1	\$49,264	1	\$98,527	1	\$98,527
System Admin Unit Supervisors		3	\$147,791	3	\$295,581	3	\$295,581
Total		29	\$1,379,791	29	\$2,759,581	29	\$2,759,581

Table 9 - Position Summary

Position	FY 14	FTE	FY 15	FTE	FY 16	FTE	FY 17
Board members			\$105,265		\$105,265		
Executive Office		8	\$411,435	8	\$822,870	8	\$822,870
Support Services		13	\$422,142	14	\$897,548	15	\$950,813
Business Operations		33	\$1,285,132	33.5	\$2,604,393	34	\$2,638,522
Information Technology Director		29	\$1,379,791	29	\$2,759,581	29	\$2,759,581
Total		83	\$3,603,764	84.5	\$7,294,922	86	\$7,382,316
Fringe 31.8 percent			\$1,145,997		\$2,286,311		\$2,280,628
Total			\$4,749,762		\$9,475,968		\$9,452,414

General Administrative Costs

- FY 2015 FTEs are assumed at .5 FTE for each position to reflect costs covered in calendar year 2014 and under the federal grant.
- Assume \$500 per FTE per FY for supplies
- Assume \$100 per FTE per year for Enterprise Licensing costs
- Assume \$1200 per FTE for miscellaneous costs such as communication services, printing, network, etc.)
- Assume staff development costs of \$375 per FTE
- Assume replace 28 computers per year on a three year replacement cycle. Costs \$1300 per computer
- Assume rent of \$312,000 per year based on 13000 square feet at \$24 per square foot.
- Assume printer rental costs of \$3000 per year
- Assumes Data Center Hosting Fee costs of \$240,000 per year
- Assumes training for security on new technologies installing at the Department of Human Services
 - 8 seats at \$5000 per seat, beginning in FY 16 (FY 15 costs part of federal grants)
- Assumes \$15,000 annual costs for role-based training for developers and administrators beginning in FY 16 (FY 15 costs part of federal grants)
- Assumes 8 outstate trips for 4 staff over each year and three overnight trips in state for 4 staff as well as travel reimbursement for board members. Total annual travel is estimated at \$39,428. The total is the amount requested annually in the federal grants. Spending for travel has been slightly above this request but it is assumed will be reduced due to reduced need for grantee meetings.

Table 10 - General Administrative Costs Summary

	FY 14	FY 15	FY 16	FY 17
Supplies		\$20,750	\$42,250	\$43,000
Enterprise License Agreements		\$4,150	\$8,450	\$8,600
Miscellaneous Costs		\$49,800	\$101,400	\$103,200
Staff Development		\$15,562	\$31,688	\$32,250
Computer Replacement Costs		\$36,400	\$36,400	\$36,400
Rent		\$156,000	\$312,000	\$312,000
Printer rental		\$1500	\$3000	\$3000
Data Center Hosting Fees		\$120,000	\$240,000	\$240,000
Security Training			\$40,000	\$40,000
Role-based training			\$15,000	\$15,000
Travel		\$19,714	\$39,428	\$39,428
Total General Administrative Costs		\$423,876	\$869,616	\$872,878

Information Technology - Infrastructure

Federal grant funds will be used to set up the development, testing and production environments of the Marketplace. This includes purchase of hardware, software, licenses and installation services. Ongoing maintenance, updates and license renewals are based on a 30% of the software costs and 25% of the hardware costs. Based on current and estimated purchases, an annual IT infrastructure maintenance cost of \$6,990,241 is estimated. In addition, annual licensing costs for the Marketplace on line tool is estimated at \$3,367,200 based on current agreements. The Marketplace will need to continue annual licensing and maintenance agreement on purchased software and hardware for the information technology infrastructure and the Marketplace tool. Most of the purchases will occur in October each year, therefore the FY 15 costs will be part of CY 14 and will be covered by federal grant funds.

Table 11 – Information Technology Infrastructure

	FY 14	FY 15	FY 16	FY 17
Infrastructure			\$6,990,241	\$6,990,241
Market Place Tool			\$3,367,200	\$3,367,200
Total			\$10,357,441	\$10,357,441

Consultant/Contracting Needs

It is assumed the Marketplace will need to enter into annual professional service contracts or license agreements for the following activities:

- Quality Rating System – Annual analysis of data for the quality rating system
- Annual Training – training development and training for navigators, brokers, counties, customer services, etc.
- Attorney General
- Marketing/Outreach – continued outreach reach through advertisements, direct mail, social media and promotions.
- Communication materials

Table 12 – Contracting/Consulting

	FY 14	FY 15	FY 16	FY 17
Quality Rating System		\$350,000	\$350,000	\$350,000
Annual Training		\$50,000	\$100,000	\$100,000
Attorney General		\$75,000	\$150,000	\$150,000
Marketing/Outreach		\$1,500,000	\$3,000,000	\$3,000,000
Communication materials		\$10,000	\$20,000	\$20,000
Total		\$1,985,000	\$3,620,000	\$3,620,000

Section 9, Subdivision 4 and 6**Customer Service**

Section 9, subdivision 4 requires the board to establish a procedures for ongoing operation of a navigator program, in-person assister program (IPA), call center and customer service operations. Without operational definitions of these programs, the cost for these services are based on the budget model from the Wakely Consulting group. In addition costs for appeals and premium processing are also estimated using the budget model.

The budget Model produces a per member per month (PMPM) cost for In Person Assisters/Navigators (including eligibility determination, enrollment, outreach and education activities for both subsidized and unsubsidized groups), Customer Service (including call centers and notices), Appeals and Premium Billing. The PMPM costs include systems develop and support costs. The estimates assume the Marketplace is able to current infrastructures for Medicaid for similar services and therefore have a reduced PMPM costs as the Marketplace leverages current infrastructures.

Therefore Medicaid enrollment estimates were utilized for this purpose in the Model with the exception of Premium Billing PMPMs. It is assumed that any Medicaid costs for these services would not flow through the Exchange. It assumed that activity for initial individual eligibility determinations performed by counties is covered under the current Medicaid program regardless of the outcome of the eligibility determination, therefore not part of the estimates. (An individual needs to be determined ineligible for Medicaid prior to be determined eligible for APTC). It is also assumed that 10% of the PMPM costs in the Model are for already accounted for technology infrastructure.

Table 13 – Customer Service Budget Model

	2014			2015			2016		
	Low	Med	High	Low	Med	High	Low	Med	High
PMPM from Budget Model assuming Medicaid participation (except for Premium Billing)									
IPA/Nav Eligibility	\$1.68	\$1.64	\$1.60	\$1.69	\$1.63	\$1.59	\$1.64	\$1.58	\$1.54

IPA/Nav - Other	\$0.61	\$0.59	\$0.58	\$0.59	\$0.57	\$0.56	\$0.58	\$0.56	\$0.54
Customer Service	\$2.18	\$2.13	\$2.08	\$2.19	\$2.11	\$2.06	\$2.13	\$2.05	\$2.00
Appeals	\$0.31	\$0.31	\$0.30	\$0.32	\$0.30	\$0.30	\$0.31	\$0.30	\$0.29
Premium Billing	\$1.86	\$1.54	\$1.35	\$1.62	\$1.31	\$1.16	\$1.44	\$1.18	\$1.04
Assume 90% for transaction costs and 10% covered with IT and support costs covered elsewhere (also combined Eligibility and Navigators)									
IPA/Nav Eligibility	\$1.51	\$1.47	\$1.44	\$1.52	\$1.47	\$1.43	\$1.47	\$1.42	\$1.38
IPA/Nav - Other	\$0.55	\$0.53	\$0.52	\$0.53	\$0.52	\$0.50	\$0.52	\$0.50	\$0.49
Customer Service	\$1.96	\$1.91	\$1.87	\$1.97	\$1.90	\$1.85	\$1.91	\$1.85	\$1.80
Appeals	\$0.28	\$0.28	\$0.27	\$0.28	\$0.27	\$0.27	\$0.28	\$0.27	\$0.26
Premium Billing	\$1.68	\$1.38	\$1.22	\$1.46	\$1.18	\$1.04	\$1.29	\$1.07	\$0.94
Annual cost estimates									
IPA/Nav Eligibility	\$2,435,550	\$3,265,395	\$4,067,010	\$4,144,551	\$6,081,609	\$7,732,733	\$5,007,697	\$7,480,109	\$9,660,574
IPA/Nav - Other	\$883,119	\$1,184,017	\$1,474,679	\$1,459,024	\$2,140,936	\$2,722,188	\$1,762,881	\$2,633,256	\$3,400,854
Customer Service	\$3,160,638	\$4,237,536	\$5,277,800	\$5,378,424	\$7,892,165	\$10,034,844	\$6,498,538	\$9,707,012	\$12,536,623
Appeals	\$455,504	\$610,704	\$760,624	\$775,126	\$1,137,400	\$1,446,198	\$936,554	\$1,398,952	\$1,806,749
Premium Billing	\$2,706,759	\$3,065,299	\$3,423,839	\$3,985,321	\$4,897,462	\$5,627,837	\$4,393,194	\$5,600,744	\$6,543,922

For FY 15 costs are assumed to be half of calendar 15 projections, FY 16 are assumed to be half of CY 15 and half of CY 16 projections and FY 17 is presume to be half of CY 16 and half of CY 17 estimates.

Table 14 - Customer Service – High participation estimate

	FY 14	FY 15	FY 16	FY 17
In-person Assisters/Navigators - Eligibility		\$3,866,366	\$8,696,653	\$9,660,574
In-person Assisters/Navigators - Other		\$1,361,094	\$3,061,521	\$3,400,854
Customer Service		\$5,017,422	\$11,285,734	\$12,536,623
Appeals		\$723,099	\$1,626,473	\$1,806,749
Premium Billing		\$2,813,919	\$6,085,879	\$6,543,922
		\$13,781,900	\$30,756,261	\$33,948,722

Table 15 Customer Service – Medium participation estimate

	FY 14	FY 15	FY 16	FY 17
In-person Assisters/Navigators - Eligibility		\$3,040,805	\$6,780,859	\$7,480,109
In-person Assisters/Navigators - Other		\$1,070,468	\$2,387,096	\$2,633,256
Customer Service		\$3,946,082	\$8,799,588	\$9,707,012
Appeals		\$568,700	\$1,268,176	\$1,398,952
Premium Billing		\$2,448,731	\$5,249,103	\$5,600,744
		\$11,074,786	\$24,484,822	\$26,820,071

Table 16 - Customer Service – Low participation estimate

	FY 14	FY 15	FY 16	FY 17
In-person Assisters/Navigators - Eligibility		\$2,072,275	\$4,576,124	\$5,007,697
In-person Assisters/Navigators - Other		\$729,512	\$1,610,953	\$1,762,881
Customer Service		\$2,689,212	\$5,938,481	\$6,498,538
Appeals		\$387,563	\$855,840	\$936,554
Premium Billing		\$1,992,661	\$4,189,257	\$4,393,194

		\$7,871,223	\$17,170,655	\$18,598,863

For calendar year 2016, the IPA/Navigator program is estimated at just over \$13 million in the high enrollment scenario. These funds may be used as education and outreach grants and/or for compensation for specific activities such as eligibility, enrollment and other assistance. Assuming that 25% of individuals and 75% of small businesses utilize brokers, approximately 366,000 individuals or employees may utilize IPA/Navigator services in calendar year 2016 (high enrollment scenario). This calculates to \$35 per person served for the IPA/Navigator Program (similar results for all scenarios). It is unlikely that every one of these individuals and employees would utilize IPA/Navigator services. As stated in the assumptions, county activity for initial individual eligibility determinations will be covered under the current Medicaid program regardless of the outcome of the eligibility determination. (An individual needs to be determined ineligible for Medicaid prior to be determined eligible for APTC).

It is also likely that some of the IPA/Navigator services will include broad outreach and education efforts which would have a lower per member cost than other activities such as individual assistance for enrollment or managing account changes. If one-third of individuals and employees utilize IPA/Navigator services, this would result in \$105 per person on average (similar results for all scenarios).

**Section 9, subdivision 8 (2)
Revenue – Medicaid Allocation**

For cost allocation purposes, it is assumed allocation will be based on enrollment ratios between public and private market enrollees. The Marketplace will utilize the April 2012 enrollment scenario (see Table 1) for allocation to Medicaid for grant activities for grants applied for and/or received through January 2013. The revised participation estimates will be used for cost allocation for new grant applications covering activities through calendar year 2014 and ongoing operational costs. Based on the ratios and the high, medium and low participation rate estimates in the budget model, the following rates will apply for grant activities and post grant activities:

Table 17 – Medicaid Allocation under Grants

	FY 14 – July to December	FY 14 – January to June and FY 15 July to December		
		Low	Medium	High
IT system development and maintenance activity associated with Individual eligibility	67.31%	79.11%	74.11%	69.70%
IT systems development and maintenance activity associated with non-MAGI health care eligibility	100.00%	100.00%	100.00%	100.00%
IT system development and maintenance activity associated with all participants	56.91%	77.81%	71.85%	66.75%
IT system development and maintenance activity associated with SHOP and premium aggregation	0.00%	0.00%	0.00%	0.00%
IT infrastructure development, maintenance and support	42.14%	46.81%	50.47%	54.75%

Table 18 – Medicaid Allocation - Post Grant Activity

	CY 15 – July to December			CY 16		
	Low	Med	High	Low	Med	High
IT system development and maintenance activity associated with Individual eligibility	76.07%	68.11%	62.56%	73.09%	64.73%	60.53%
IT systems development and maintenance activity associated with non-MAGI health care eligibility	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
IT system development and maintenance activity associated with all participants	73.94%	64.76%	58.39%	70.17%	60.28%	53.28%

IT system development and maintenance activity associated with SHOP and premium aggregation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
IT infrastructure development, maintenance and support and program operations that benefit Medicaid enrollees (eligibility, enrollment, plan management, stakeholder relations, and navigators)	53.12%	46.74%	42.30%	50.54%	43.69%	39.09%

It is assumed that costs associated with the senior management and administrative support would be allocated to program cost centers based on FTE rates. The following tables reflect estimated Medicaid costs based on the allocations described in the above two tables for high, medium and low participation rates for each fiscal year. Appeal, small business health options program and other customer service activities would not be allocated to Medicaid under the assumption these activities for the Medicaid program would not flow through the Marketplace or the activity is not impacted by Medicaid (small business).

Table 19 - Estimated Medicaid Allocation – High Enrollment Scenario

	FY 14	FY 15	FY 16	FY 17
High enrollment scenario				
Grant Activity	\$7,362,859	\$6,658,251		
Post Grant Activity		\$2,746,183	\$9,367,499	\$8,905,851
Total	\$7,362,859	\$9,404,434	\$9,367,499	\$8,905,851
Medium enrollment scenario				
Grant Activity	\$7,463,426	\$7,133,072		
Post Grant Activity		\$2,988,668	\$10,457,726	\$9,928,454
Total	\$7,463,426	\$10,121,739	\$10,457,726	\$9,928,454
Low enrollment scenario				
Grant Activity	\$7,580,110	\$7,684,082		
Post Grant Activity		\$2,961,480	\$11,907,233	\$11,449,982
Total	\$7,580,110	\$10,645,563	\$11,907,233	\$11,449,982

Section 9, Subdivision 8 (a) 3 – Other Agency Costs

The Marketplace will include the funding of costs for other agencies that are associated with the Marketplace beginning in calendar year 2015. Cost prior to calendar year 2015 are included in the federal grants for the development of the Marketplace.

Table 20 - Other Agency Cost Summary

	FY 14	FY 15	FY 16	FY 17
Department of Commerce	\$0	\$493,318	\$998,774	\$1,026,799
Minnesota Department of Health	\$0	\$457,000	\$903,000	\$903,000
Minnesota Department of Human Services	\$250,000			
Total	\$250,000	\$950,318	\$1,901,774	\$1,929,799

SUMMARY SECTION – The following tables reflect a summary of potential costs and revenues based on the high, medium and low enrollment scenarios outlined in the fiscal note. FTEs for FY 15 are shown at 50% of the total FTEs for FY 2015 since the fiscal note only reflect costs beginning in calendar year 2015 (last half of fiscal year 2015, with costs prior to calendar year 2015 included in the base budget. Please note that the allocation to

Medicaid under the grant is listed separately for costs through calendar 2014 (first half of FY 2015). Medicaid costs beginning in calendar year 2015 are included in the summary expenditure totals, with total Medicaid costs reflected in the revenue section.

Table 21– Summary - High Enrollment Scenario

	FY 14	FY 15	FY 16	FY 17
Expenditures				
Personnel – Table 9		\$4,749,762	\$9,475,968	\$9,452,414
Support Costs – Table 10		\$423,877	\$869,616	\$872,878
Contract Costs – Table 12		\$1,985,000	\$3,620,000	\$3,620,000
IT Infrastructure Costs – Table 11			\$10,357,441	\$10,357,441
Customer Service – Table 14		\$13,781,900	\$30,756,261	\$33,948,722
Other Agencies – Table 20	\$250,000	\$950,318	\$1,901,774	\$1,929,799
SW Indirect (1%)		\$218,749	\$569,811	\$601,813
Medicaid Cost Associated with grant activity – Table 19	\$7,362,859	\$6,658,251		
Total Expenditures	\$7,612,859	\$28,767,856	\$57,550,870	\$60,783,067
Revenues				
Medicaid Allocation- Table 19	\$7,362,859	\$9,404,434	\$9,367,499	\$8,905,851
HIF Transfer	\$250,000	\$19,363,421	\$48,183,372	\$51,877,215
Total Revenue	\$7,612,859	\$28,767,856	\$57,550,870	\$60,783,067
Net	\$0	\$0	\$0	\$0
FTE		41.5	84.5	86

Table 22 – Summary - Medium Enrollment Scenario

	FY 14	FY 15	FY 16	FY 17
Expenditures				
Personnel – Table 9		\$4,749,762	\$9,475,968	\$9,452,414
Support Costs – Table 10		\$423,877	\$869,616	\$872,878
Contract Costs – Table 12		\$1,985,000	\$3,620,000	\$3,620,000
IT Infrastructure Costs – Table 11		\$0	\$10,357,441	\$10,357,441
Customer Service – Table 15		\$11,074,786	\$24,484,822	\$26,820,071
Other Agencies – Table 20	\$250,000	\$950,318	\$1,901,774	\$1,929,799
SW Indirect (1%)		\$191,837	\$507,096	\$530,526
Medicaid Cost Associated with grant activity – Table 19	\$7,463,426	\$7,133,072		
Total Expenditures	\$7,713,426	\$26,508,651	\$51,216,717	\$53,583,129
Revenues				
Medicaid Allocation Tables 19	\$7,463,426	\$10,121,739	\$10,457,226	\$9,928,454
HIF Transfer	\$250,000	\$16,386,912	\$40,758,990	\$43,654,675
Total Revenues	\$7,713,426	\$26,508,651	\$51,216,717	\$53,583,129
Net	\$0	\$0	\$0	\$0
FTE		41.5	84.5	86

Table 23 – Summary - Low Enrollment Scenario

	FY 14	FY 15	FY 16	FY 17
--	-------	-------	-------	-------

Expenditures				
Personnel – Table 9		\$4,749,762	\$9,475,968	\$9,452,414
Support Costs – Table 10		\$423,877	\$869,616	\$872,878
Contract Costs – Table 12		\$1,985,000	\$3,620,000	\$3,620,000
IT Infrastructure Costs – Table 11		\$0	\$10,357,441	\$10,357,441
Customer Service – Table 15		\$7,871,223	\$17,170,655	\$18,598,863
Other Agencies – Table 20	\$250,000	\$950,318	\$1,901,774	\$1,929,799
SW Indirect (1%)		\$159,802	\$433,955	\$448,314
Medicaid Cost Associated with grant activity – Table 19	\$7,580,110	\$7,684,082		
Total Expenditures	\$7,830,110	\$23,824,063	\$43,829,408	\$45,279,709
Revenues				
Medicaid Allocation Tables 19	\$7,580,110	\$10,645,563	\$11,907,233	\$11,449,982
HIF Transfer	\$250,000	\$13,178,501	\$31,922,175	\$33,829,726
Total Revenues	\$7,830,110	\$23,824,063	\$43,829,408	\$45,279,709
Net	\$0	\$0	\$0	\$0
FTE		41.5	84.5	86

Long-Term Fiscal Considerations

N/A

Local Government Costs

MA is administered by county human service agencies, with a very small number of exceptions administered at MinnesotaCare Operations. For calendar year 2011, county expenses for administration of Health Care programs eligibility are displayed below.

Personnel:	\$83,284,525
Non-personnel:	\$14,943,327
TOTAL:	\$98,227,852

County agencies fund their eligibility operations with county funds, but receive 50% federal reimbursement for Medicaid operations. The county costs above reflect gross county costs, prior to the 50% federal reimbursement.

The ACA and its provisions will bring additional individuals into the Medical Assistance, which will require new and additional effort by counties. However, the ACA simplifies Medical Assistance, which will reduce the effort by counties. The new eligibility systems being developed as part of the creation of the Marketplace will allow individuals to perform more self-service, which should, over time, reduce the counties' work load.

The counties will have flexibility in deciding their role in processing eligibility and case management functions associated with premium tax credits under the in-person assister program. Funding for the counties' work on premium tax credits will initially be funded through federal funding and through operational funding in the longer term.

References/Sources

State based Exchange Federal Blueprint <http://mn.gov/commerce/insurance/topics/medical/exchange/public-education-outreach/index.jsp>

Dr Jonathan Gruber and Bela Gorman: Analysis of ACA and Exchange Impact on Minnesota
<http://mn.gov/commerce/insurance/images/ATF-2013-01-11GruberGormanUpdatePresentation.pdf>

Minnesota Department of Health: Trends and Variations in Health Insurance Coverage (January 2011)

NAIC data source – State Interface Technology Enhancement (Department of Commerce)

Minnesota County Human Service Cost Report

Agency Contact Name: BARB JUELICH (651-296-6578)
FN Coord Signature: BARB JUELICH
Date: 03/01/13 Phone: 651-296-6578

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: MARY CROSSON
Date: 03/06/13 Phone: 651-201-8042

Fiscal Note – 2013-14 Session

Bill #: S0001-7E **Complete Date:** 03/06/13

Chief Author: LOUREY, TONY

Title: MINN INSURANCE MARKETPLACE ACT

Fiscal Impact	Yes	No
State	X	
Local		X
Fee/Departmental Earnings	X	
Tax Revenue		X

Agency Name: Commerce

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY13	FY14	FY15	FY16	FY17
Expenditures					
Other Misc Special Revenue Fund			493	999	1,027
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
Other Misc Special Revenue Fund			493	999	1,027
Revenues					
General Fund		25	25	25	25
Other Misc Special Revenue Fund			493	999	1,027
Net Cost <Savings>					
General Fund		(25)	(25)	(25)	(25)
Other Misc Special Revenue Fund			0	0	0
Total Cost <Savings> to the State		(25)	(25)	(25)	(25)

	FY13	FY14	FY15	FY16	FY17
Full Time Equivalents					
Other Misc Special Revenue Fund			9.50	9.50	9.50
Total FTE			9.50	9.50	9.50

Bill Description

Section 1 – amends Minnesota Statute 13.7191 to explain that classification and sharing of data of the Minnesota Insurance Marketplace is governed by section 62V.06.

Section 2 – amends Minnesota Statute 13D.08 to explain that meetings of the Minnesota Insurance Marketplace are governed by section 62V.03, subdivision 2.

Section 3 – Certifies the costs necessary to fund the operations of the Minnesota Insurance Marketplace by April 30 of each year.

Section 4 – defines the transfer of funds from the Health Impact fund to the special revenue fund, it also defines balance transfer to the general fund if the general fund is used to fund the Minnesota Insurance Marketplace.

Section 5 - states that chapter 62V may be cited as the “Minnesota Insurance Marketplace Act.”

Section 6 - defines the following terms: board, dental plan, health plan, health carrier, individual market, insurance producer, Minnesota Insurance Marketplace, navigator, public health care program, qualified health plan and small group market.

Section 7 - creates the Minnesota Insurance Marketplace and specifies application of other laws. The Marketplace is specified to have the following duties: to promote innovation, competition, quality, value, market participation, affordability, meaningful choices, health improvement, care management, reduction of health disparities and portability of health plans.

Section 8 – describes the governance structure of the Minnesota Insurance Marketplace. This section describes that the Marketplace is governed by a board of directors with 7 members. This section describes the appointment process, terms, conflict of interest specifications, election of officers, vacancy appointment process, removal meeting schedules, and compensation for board members.

Section 9 - specifies the responsibilities and powers of the Minnesota Insurance Marketplace This section requires the Minnesota Insurance Marketplace to implement and operate in accordance with this chapter and applicable state and federal law. Section further establishes operating funding, insurance producer compensation, policy and procedures for navigator, in-person assisters and call center, health carrier requirements, appeals, consulting agreements, rulemaking in first year and thereafter.

Section 10 - outlines data gathering and sharing of the Minnesota Insurance Marketplace.

Section 11 – outlines funds received by the Minnesota Insurance Marketplace.

Section 12 – requires reporting to the legislature by January 15, 2015 and annually regarding the performance and operations of the Minnesota Insurance Marketplace.

Section 13 – exempts the board and advisory committees from expiring/sunsetting.

Section 14 – outlines the transition of authority from the Commissioner of Minnesota Management and Budget to the board, until the Board has met requirements to properly transfer authority to the board.

Section 15 - specifies that the Commissioner of Commerce, in consultation with the board of directors of the Minnesota Comprehensive Health Association, has the authority to develop and implement the phase out and eventual termination of coverage provided by the Minnesota Comprehensive Health Association.

Section 16 – requires reports to the legislature by February 1, 2014 and February 1, 2015 the regarding appeals process for eligibility determinations.

Section 17 – requires the Minnesota Insurance Marketplace, in consultation with the Commissioner of Commerce, to notify multiemployer plans about final federal rules, conform their policies and procedures regarding multiemployer plans to the final federal rules, and permit multiemployer plans to be integrated in the Minnesota Insurance Marketplace.

Section 18 – repeals Minnesota Statute 256.9658, sub 1

Section 19 – establishes the effective date as the day following enactment.

Assumptions

General Assumptions

It is assumed that the increased costs will not begin until January 1, 2015 because these activities are covered under the existing federal health exchange grant. Costs will reflect 6 months of activity in FY15 and the costs will be on-going. All costs are shown as special revenue fund expenditures with an off-setting revenue. The resources to fund the proposal will come from an interagency payment into the special revenue fund at the Department of Commerce.

Enforcement Division

This bill would prospectively impact the regulatory responsibilities of the Minnesota Department of Commerce. In particular, it will increase the compliance and enforcement responsibilities of the Minnesota Department of Commerce by increasing the scope of regulated conduct and number of regulated entities and individuals. Further it expands the opportunities for fraud and other inappropriate or deceptive practices, both civil and criminal. This will result in an increased need for proactive enforcement in the form of examinations and also an increased need for compliance audits and investigations to respond to an increase in the number of complaints. With the establishment of the Minnesota Insurance Marketplace the following assumptions are made:

1. Compliance audits of entities or natural persons will be necessary to ensure they are acting in compliance with the laws and regulations enforced by the Department of Commerce.
2. Investigations of persons will be necessary in response to complaints that allege violations of laws and regulations enforced by the Department of Commerce including complaints of inappropriate sales activity, improper enrollment practices, improper compensation arrangements and other inappropriate activity as well as entities' or individuals' misrepresentations.
3. As uninsured persons move to being insured in the Minnesota Insurance Marketplace, fraudulent selling of health plans, discount medical cards, and limited benefit plans as certified health plans within the health exchange space will occur. Such fraudulent activity may be perpetrated against both natural persons as well as small businesses.
4. Some licensed insurance producers will attempt to or will engage in inappropriate cross-selling and misrepresentation in regards to the Minnesota Insurance Marketplace and other insurance and investment products that they sell.
5. Compliance audits of insurers regarding the use of their products within the Minnesota Insurance Marketplace both legitimately and illegitimately as described above will be necessary.
6. Other violations of the Minnesota Insurance Marketplace and Minnesota insurance laws will occur.

These assumptions are based upon the understanding the Minnesota Insurance Marketplace is large in scale affecting many parts of the health insurance industry and will have a significant impact on the existing marketplace and regulatory scheme relating to health care insurance. They are also based upon the Department of Commerce's prior experience in the health care marketplace which indicates that compliance audits/investigations are often lengthy and complex. The need for additional resources is based on assumptions of the number of entities and individuals engaged in navigator programs, in-person assister programs, call centers, and other customer service programs. DHS currently has contracts with 54 organizations that serve as Minnesota Community Application Agent Programs (MNCAA). The assumptions are also based on estimates of the number of individual and group enrollees in 2015 and 2016. The addition of 5 investigators will allow the Department of Commerce to conduct approximately 125-150 compliance audits/investigations on average per year to monitor compliance and respond to complaints related to this new program. The Department also anticipates hearing costs for those investigations that are not resolved informally. Based on current hearing rates for its other programs, the Department estimates two investigations will require a formal hearing per month with the cost of \$2,500 per hearing on average.

FTE	FY15	FY16
Investigator	5.00	5.00
Supervisor - Enforcement	.50	.50
Investigator - IFD	1.00	1.00
Analyst - IFD	.50	.50
OAH Hearings	24/year	24/year

Implementation of the Exchange marks a very large change for the insurance industry and also the way in which health care is consumed. The Department assumes it will need to address for consumer (both individual and employers) education that it would coordinate with the Minnesota Insurance Market Place education activities. The Department anticipates costs for printed materials, implementation of a 1-800 hotline, a fraud information website, public education events, and fraud prevention advertising. These costs are expected to begin in FY14 and will be on-going costs. The advertising cost will be spread across FY14 and FY15 and then will be discontinued. The existing federal grant will cover the FY14 costs of \$146,000 and ½ of the total FY15 costs of \$125,500.

Licensing Unit

Section 8 grants the board the ability to establish policies and procedures for the ongoing operation of a navigator program and an in-person assister program within 30 days of enactment. The extent to which the bill would have a fiscal impact, if any, on the Licensing Division depends on whether navigators and assisters will be licensed or registered by the Department of Commerce and, if so, the extent to which eligibility for licensure will require prelicense education, prelicense examination, continuing education, and recertification testing, and the extent to which any or all of these can be administered via the electronic licensing systems used by the Department.

It is assumed that the board will eventually establish certification and licensure requirements for navigators and in-person assisters that mirror those currently in place for insurance producers. It is also assumed that the majority of navigators will be business entities, which do not have pre-license education, pre-license examination, and continuing education requirements. The number of business-entity navigators is assumed to be fewer than 100. It is additionally assumed that most in-person assisters will either be business entities or be individuals who are already licensed as insurance producers. Taken together, these assumptions lead to the conclusion that the Licensing Division will be able to administer its responsibilities under this bill using current staff resources, systems, and procedures. As a result, it is anticipated that the bill will not result in any fiscal impact to the Licensing Division.

Insurance Division

Estimation of the participation levels of the Exchange is challenging. Currently we expect 6 to 10 insurers to participate in the Exchange by FY15. Initial indications are that each participant will have 4 to 10 products to verify annually. We have selected the high end of the range for both participation and product filings and therefore expect approximately 100 annual filings. Assuming the same approximate allocation between HMOs and Indemnity carriers that is currently in the marketplace and we would estimate 70 indemnity products and 30 HMO products. Commerce has received between 145 to 263 major medical form filings annually for the last 3 years to put these estimates in perspective.

Internal estimates are that it takes one policy form analyst 16 to 24 hours from start to finish to review a policy form filing. Commerce selected 24 hours in order to address the complexity of new and yet to be determined requirements. Reviewing the 70 indemnity filings would yield 1,680 hours annually. However the flow of this work is likely to occur within a 4 month period. Considering a 40 hour work week during that time requires 2.65 FTE policy form analysts to timely review and ensure quality health products are available for the exchange. Accordingly, we expect the need for 2 new FTE policy form analysts to be dedicated for the Exchange and expect to reallocate other personnel during peak periods. Filing fees are \$125 per filing and this revenue would be on-going because major medical plans are typically re-filed on an annual basis.

In addition, to the form review a rate review must be conducted for all filings. Commerce is under an interagency contract to perform rate reviews for all HMO and Indemnity products. Accordingly, the starting point is 100 annual filings. It takes approximately 10 hours to complete a rate review. Reviewing the 100 annual filings would yield 1,000 hours annually or .5 FTE. Accordingly, we expect .5 FTE rate analyst to be dedicated to the Exchange and expect to reallocate other personnel during peak periods. For revenue, we receive \$125 for each filing, in addition

to the \$125 shown above for form filing. Therefore, the revenue associated with 100 filings per year is \$25,000 annually with \$12,500 from both form and rate filings.

Expenditure and/or Revenue Formula

Enforcement Division:

Description	FTE	Fund	FY14	FY15	FY16	FY17
Civil Investigator	5	2001	\$0	\$234,654	\$483,457	\$498,067
Enforcement Supervisor	.5	2001	\$0	\$27,439	\$56,551	\$58,278
Analyst	.5	2001	\$0	\$23,466	\$48,346	\$49,807
Office of Admin Hearings			\$0	\$30,000	\$60,000	\$60,000
1-800 hotline		2001	\$0	\$6,000	\$12,000	\$12,000
Fraud Prevention Advertising		2001	\$0	\$7,500	\$0	\$0
Fraud Prevention staff	1	2001	\$0	\$46,931	\$96,691	\$99,613
Total Expenditures			\$0	\$375,990	\$757,045	\$777,765
From Interagency payment		2001	\$0	\$375,990	\$757,045	\$777,765

Insurance Division:

Expenditures

Description	FTE	Fund	FY14	FY15	FY16	FY17
Policy Form Analyst	2	2001	\$0	\$93,862	\$193,383	\$199,227
Rates Review Analyst	.5	2001	\$0	\$23,466	\$48,346	\$49,807
Total Expenditures			\$0	\$117,328	\$241,729	\$249,034

Revenue

Description	Fund	FY14	FY15	FY16	FY17
Policy Form Filings	1000	\$12,500	\$12,500	\$12,500	\$12,500
Rates Review Filings	1000	\$12,500	\$12,500	\$12,500	\$12,500
From Interagency payment	2001	\$0	\$117,328	\$241,729	\$249,034
Total Revenue		\$25,000	\$142,328	\$266,729	\$274,034

Totals

Description	FTE	Fund	FY14	FY15	FY16	FY17
Enforcement Division	7	2001	\$0	\$375,990	\$757,045	\$777,765
Insurance Division	2.5	2001	\$0	\$117,328	\$241,729	\$249,034
Total Expenditures	9.5		\$0	\$493,318	\$998,774	\$1,026,799
Rate and Form Filing		1000	\$25,000	\$25,000	\$25,000	\$25,000
From Interagency payment		2001	\$0	\$493,318	\$998,774	\$1,026,799
Total Revenue			\$25,000	\$518,318	\$1,023,774	\$1,051,799

Long-Term Fiscal Considerations

The costs are on-going.

Local Government Impact

N/A

References/Sources

N/A

FN Coord Signature: TODD JONES
Date: 03/06/13 Phone: 651-296-5689

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: ELISABETH HAMMER
Date: 03/06/13 Phone: 651-201-8022

Fiscal Note – 2013-14 Session

Bill #: S0001-7E **Complete Date:** 03/06/13

Chief Author: LOUREY, TONY

Title: MINN INSURANCE MARKETPLACE ACT

Fiscal Impact	Yes	No
State	X	
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

Agency Name: Legislature

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY13	FY14	FY15	FY16	FY17
Expenditures					
General Fund		14	14	14	14
Less Agency Can Absorb					
General Fund		14	14	14	14
Net Expenditures					
General Fund		0	0	0	0
Revenues					
-- No Impact --					
Net Cost <Savings>					
General Fund		0	0	0	0
Total Cost <Savings> to the State					

	FY13	FY14	FY15	FY16	FY17
Full Time Equivalents					
-- No Impact --					
Total FTE					

Bill Description

SF 1-7E establishes a Minnesota Insurance Marketplace which is governed by a seven member board of directors. The Senate will confirm six of the members of the board that were appointed by the Governor. The board has the power to employ staff. The compensation plan that governs the director and managerial staff will be submitted to the Legislative Coordinating Commission (LCC) and the Legislature for approval under MS 3.855 except that MS 15A.0815, subd 5 (c) will not apply.

A Legislative Oversight Committee (LOC) is established to review the operations of the Minnesota Insurance Marketplace and make policy, implementation, and statutes recommendations to the board and legislature. The LOC will be comprised of five senators and five representatives appointed by legislature leadership. The LOC will meet at least once annually with the first meeting to be convened by the chair of the LCC. LOC members will serve without compensation.

The board will submit the following reports to the Legislature:

- Adopted rules (due by January 15, 2014);
- Agency agreements (due each year by March 15 beginning in 2014)
- Performance of the Marketplace operations, meeting responsibilities and an accounting of the budget activities (due each year by January 15 beginning in 2015);
- Appeal process for eligibility determinations (due by February 1, 2014 and February 1, 2015).

Assumptions

We assume:

- 1) The Subcommittee on Employee Relations (SER) will need to meet once a fiscal year on an ongoing basis to approve the compensation plan. If the meeting occurs during the interim, SER legislative members are eligible for reimbursement of expenses incurred from participating in the subcommittee meetings. The LCC will absorb the cost.
- 2) SER member meeting participation costs include: per diem (\$86 senators, \$66 representatives), \$84 round trip mileage (76 miles average), and lodging for half of the legislative members (\$100 senators, \$115 representatives).
- 3) The LCC will continue to provide administrative and fiscal services to the SER.
- 4) The review of the reports will not have a substantial fiscal impact on the legislature.
- 5) LOC members will serve without compensation. Their participation in meetings will not have a fiscal impact on the legislature.
- 6) The LCC will provide staff support of .01 FTE commission assistant and .02 FTE director to LOC. The LCC will absorb the cost.
- 7) The House and Senate will each provide .05 FTE research analyst support to the LOC. The House and the Senate will absorb the cost.

Expenditure and/or Revenue Formula

	FY14	FY15	FY16	FY17
SER Legislative Member Meeting Participation Cost	2,000	2,000	2,000	2,000
LCC Staff Support (.01 Cmsn Asst, .02 Director)	4,000	4,000	4,000	4,000
House Staff Support (.05 FTE Research Analyst)	4,000	4,000	4,000	4,000
Senate Staff Support (.05 FTE Research Analyst)	4,000	4,000	4,000	4,000
Total Cost	14,000	14,000	14,000	14,000

Total Cost Absorbed	(14,000)	(14,000)	(14,000)	(14,000)
----------------------------	-----------------	-----------------	-----------------	-----------------

Long-Term Fiscal Considerations

Cost will be ongoing in the future. The LCC, House, and Senate will continue to absorb costs.

Local Government Costs

N/A

References/Sources

Greg Hubinger, Legislative Coordinating Commission
 Jim Greenwalt, Minnesota Senate
 Jim Reinholdz, Minnesota House of Representatives

FN Coord Signature: DIANE HENRY-WANGENSTEEN
 Date: 03/06/13 Phone: 651-296-1121

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: MICAH INTERMILL
 Date: 03/06/13 Phone: 651-201-8044

Fiscal Note – 2013-14 Session

Bill #: S0001-7E **Complete Date:** 03/01/13

Chief Author: LOUREY, TONY

Title: MINN INSURANCE MARKETPLACE ACT

Fiscal Impact	Yes	No
State		X
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

Agency Name: Legislative Audit Commission

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY13	FY14	FY15	FY16	FY17
Expenditures					
-- No Impact --					
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
-- No Impact --					
Revenues					
-- No Impact --					
Net Cost <Savings>					
-- No Impact --					
Total Cost <Savings> to the State					

	FY13	FY14	FY15	FY16	FY17
Full Time Equivalents					
-- No Impact --					
Total FTE					

Bill Description

SF 1-7E, sec. 7, subd. 2, subjects the Minnesota Insurance Marketplace to review by the legislative auditor under Minnesota Statutes 3.971.

Assumptions

This bill authorizes, but does not require, the Office of the Legislative Auditor (OLA) to audit or evaluate the Minnesota Insurance Marketplace. If an audit or evaluation is conducted, it would be done by reprioritizing OLA's existing resources.

Expenditure and/or Revenue Formula

N/A

Long-Term Fiscal Considerations

None

References/Sources

James Nobles, Legislative Auditor

FN Coord Signature: ERIC JACOBSON
Date: 03/01/13 Phone: 651-296-4720

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: MICAH INTERMILL
Date: 03/01/13 Phone: 651-201-8044

Fiscal Note – 2013-14 Session

Bill #: S0001-7E **Complete Date:** 03/06/13

Chief Author: LOUREY, TONY

Title: MINN INSURANCE MARKETPLACE ACT

Fiscal Impact	Yes	No
State		X
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

Agency Name: Enterprise Technology Office

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY13	FY14	FY15	FY16	FY17
Expenditures					
-- No Impact --					
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
-- No Impact --					
Revenues					
-- No Impact --					
Net Cost <Savings>					
-- No Impact --					
Total Cost <Savings> to the State					

	FY13	FY14	FY15	FY16	FY17
Full Time Equivalents					
-- No Impact --					
Total FTE					

Bill Description

This bill requires the Health Care Exchange (HIX) to:

- 1) Establish the Minnesota Insurance Marketplace;
- 2) Prescribe the Minnesota Insurance Marketplace’s powers and duties;
- 3) Provide for legislative appointments;
- 4) Appropriate money for when the HIX federal grant funding ends on 12/31/2014
- 5) Requires the board to establish and maintain agreements with the Office of Enterprise Technology, and the Departments of Human Services, Commerce and Health.

Assumptions

MN.IT Services¹ (MN.IT) has worked with the HIX Program and the other agency partners to identify information technology (IT) expenditures related to the requirements of this bill. Any IT fiscal impact is included in the HIX Program and the Departments of Health, Commerce, Human Services, and Administration’s fiscal notes.

1. Laws of Minnesota 2011, First Special Session chapter 10, article 4 mandates the consolidation of Minnesota executive branch information technology (IT) under the State Chief Information Office (CIO) and transfers the authority for and the management of IT resources – dollars, people and assets -- to the Office of Enterprise Technology.

Expenditure and/or Revenue Formula

There is no fiscal impact to MN.IT Services other than what is contained in the agency fiscal notes.

Long-Term Fiscal Considerations

None

Local Government Impact

N/A

References/Sources

N/A

FN Coord Signature: JULIE FREEMAN
Date: 03/06/13 Phone: 651-201-1191

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: KATHARINE BARONDEAU
Date: 03/06/13 Phone: 651-201-8026

Fiscal Note – 2013-14 Session

Bill #: S0001-7E **Complete Date:** 03/06/13

Chief Author: LOUREY, TONY

Title: MINN INSURANCE MARKETPLACE ACT

Fiscal Impact	Yes	No
State		X
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

Agency Name: Administration Dept

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY13	FY14	FY15	FY16	FY17
Expenditures					
-- No Impact --					
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
-- No Impact --					
Revenues					
-- No Impact --					
Net Cost <Savings>					
-- No Impact --					
Total Cost <Savings> to the State					

	FY13	FY14	FY15	FY16	FY17
Full Time Equivalents					
-- No Impact --					
Total FTE					

Bill Description

SF 0001-7E establishes the Minnesota Insurance Marketplace. The following provisions relate to the Department of Administration (Admin).

Section 1 amends M.S. 13.7191 of the Minnesota Government Data Practices Act, making a technical cross reference to section 62V.06 (classification and sharing of data of the Minnesota Insurance Marketplace).

Section 2 amends Minn. Stat. section 13D.08 of the Open Meeting Law, making a technical cross reference to 62V.03, subd. 2 (meetings of the Minnesota Insurance Marketplace).

Section 7 creates 62V.03 (Minnesota Insurance Marketplace Establishment). Subdivision 2 states board meetings of the Minnesota Insurance Marketplace are subject to the Open Meeting Law, Chapter 13D. Meetings regarding personnel negotiations or contract negotiations may be closed at the discretion of the board. Meetings discussing not public data or trade secret information must be closed.

Section 9 creates 62V.05 (Responsibilities and Powers of the Minnesota Marketplace). Subdivision 9 creates rulemaking procedures in which the Marketplace may adopt rules until January 1, 2014. Paragraph (e) states the Marketplace shall seek comments from Admin's Information Policy Analysis Division (IPAD) before adopting any final rules involving the sharing or use of not public data.

Section 9 also requires the board to provide public notice in the State Register.

Section 10 creates 62V.06 (data). This section classifies government data of the Marketplace as private on individuals or nonpublic and allows agencies to share not public data if the Marketplace determines the sharing is reasonably necessary. It also allows summary data to be derived from nonpublic data.

This version does not include exemptions from M.S. 16B and 16C.

Assumptions

There is no fiscal impact for IPAD. IPAD provides technical expertise and answers questions on the Minnesota Government Data Practices Act (M.S. Chapter 13) and Open Meeting Law (M.S. Chapter 13D). The requirement in Section 9 of the bill that the Marketplace seek comments from IPAD before adopting new rules concerning sharing of not public data falls under IPAD's existing duties of providing technical assistance upon request. IPAD would use existing resources if there is an increase in questions on the data practices/open meeting law language contained in the bill.

Admin is responsible for the *State Register*. The *State Register* publishes public information based upon customer's requests. It is projected that the number of billable pages will not change due to the requirement in this bill. Therefore, no impact is expected on subscriptions to the *State Register*.

Marketplace would follow the public procurement requirements of Chapter 16C. Admin/Materials Management Division interactions with the Marketplace would be comparable to its existing relationships with other executive branch agencies and would not incur any unique or added costs.

Expenditure and/or Revenue Formula

None

Long-Term Fiscal Considerations

None

Local Government Impact

Unknown

References/Sources

FN Coord Signature: LENORA MADIGAN
Date: 03/05/13 Phone: 651-201-2563

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: MICAH INTERMILL
Date: 03/06/13 Phone: 651-201-8044

Fiscal Note – 2013-14 Session

Bill #: S0001-7E **Complete Date:** 03/05/13

Chief Author: LOUREY, TONY

Title: MINN INSURANCE MARKETPLACE ACT

Fiscal Impact	Yes	No
State		X
Local		X
Fee/Departmental Earnings		X
Tax Revenue	X	

Agency Name: Minnesota Management & Budget

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY13	FY14	FY15	FY16	FY17
Expenditures					
-- No Impact --					
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
-- No Impact --					
Revenues					
General Fund		(250)	(19,363)	(48,183)	(51,877)
Net Cost <Savings>					
General Fund		250	19,363	48,183	51,877
Total Cost <Savings> to the State		250	19,363	48,183	51,877

	FY13	FY14	FY15	FY16	FY17
Full Time Equivalents					
-- No Impact --					
Total FTE					

Bill Description

Senate file 1, the seventh engrossment, establishes the Minnesota Insurance Marketplace (MIM).

Section 3 amends M.S. 16A.725 by adding subdivision 2a that requires the MIM to certify its costs necessary to fund its operations to the commissioner of MMB by June 1 of each year beginning in 2013. This section has no fiscal impact.

Section 4 amends M.S. 16A.725, subdivision 3 by requiring the commissioner of MMB to transfer each fiscal year, beginning in fiscal year 2016, to the MIM the amount of certified expenditures, or the fund balance—whichever is less--from the health impact fund. This shall be the first transfer out of the health impact fund, superseding any existing transfers identified in current law.

Section 9, subdivision 1, requires the board to operate the Minnesota Insurance Marketplace according to M.S. 62V.05 created in this bill, and applicable state and federal law. The board is required to submit to the commissioner of MMB their compensation plan for review and comment. This section has no fiscal impact.

Section 9, subdivision 3, requires the commissioner of MMB to establish requirements and compensation for insurance producers. This is work done on a regular basis within MMB’s Enterprise Human Resources Division and will not have any additional fiscal impact.

Section 9, subdivision 4, number 3, requires the commissioner of MMB to establish requirements and compensation for in-person assisters program within 30 days of enactment. This is work done on a regular basis within MMB’s Enterprise Human Resources Division and will not have any additional fiscal impact.

Section 9, subdivision 4(c) requires the commissioner of MMB to establish a toll-free number for the Minnesota Insurance Marketplace. Any costs associated with this provision are included in the Health Insurance Exchange’s portion of this fiscal note.

Section 15 requires the commissioner of MMB to exercise all authorities and responsibilities created in this bill under new M.S., sections 62V.03 and 62V.05 until the Minnesota Insurance Marketplace satisfies the requirements outlined in M.S. 62V.05, subdivision 1, paragraph d. These requirements will have no additional fiscal impact on MMB.

Assumptions

Because the health impact fee revenue collected today is considered non-dedicated revenue, section 4 will have an impact to the general fund in the amounts identified by the MIM for expenditures costs in FY15-17.

The remaining sections of this bill have no fiscal impact to MMB.

Expenditure and/or Revenue Formula

Per section 3, MMB expects the first certification of operating costs will occur by June 1, 2013. The following costs have been identified by the health exchange under the high enrollment scenario used in previous fiscal notes for this bill:

FY2014 total costs	\$250,000
FY2015 total costs	\$16,363,000
FY2016 total costs	\$48,183,000
FY2017 total costs	\$51,877,000

Long-Term Fiscal Considerations

Local Government Impact

References/Sources

Agency Contact Name: Dennis Munkwitz (651) 201-8004
FN Coord Signature: DENNIS MUNKWITZ
Date: 03/05/13 Phone: 651-201-8004

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: KATHARINE BARONDEAU
Date: 03/05/13 Phone: 651-201-8026