MNsure / DHS Interagency Agreements – Three Main components

1. DHS Support Service Costs

* Corresponds to Component A on FY 2016 DHS/MNsure Interagency Agreement Invoice Summary
* **DHS bills MNsure** for various support services
* The current array of DHS support services includes:
* Human Resources
* Payroll & Accounts Payable
* Procurement
* Management Services
* Financial Operations
* Background Studies
* Internal Audits
* Appeals
* HCA (QHP unassisted)
* Receipts Center
* Issuance Operations Center
* Equal Opportunity & Access
* Standard IT Support
* Some charges are fixed, e.g. Human Resource services are provided for $200K/year
* Some charges are variable, e.g. Financial Operation services are based on time-tracking
* The billing / payment process is quarterly
* $6.2 million has been billed/paid, inception through QE 6-30-2016 (covering 12 CY quarters)

1. MNsure Business Operations

*Note: Federal CCIIO Establishment Grant funds continue to be available to finance certain federal–approved activities through 6-30-2017.*

* Corresponds to Component D on FY 2016 DHS/MNsure Interagency Agreement Invoice Summary
* MNsure’s non-CCIIO Establishment Grant eligible activities have been financed by the Premium Withhold and DHS Reimbursement (consistent with original fiscal note)
* Non-CCIIO eligible costs are allocated between QHP, SHOP, MA and MinnesotaCare based a federal-approved amendment to the Public Assistance Cost Allocation Plan (PACAP)
* **MNsure bills DHS** for the costs allocated to MA and MinnesotaCare (a.k.a. DHS Reimbursement)
* The billing / payment process is quarterly
* $12.1 million has been billed /paid, inception through QE 6-30-2016 (covering 6 CY quarters)
* Based on estimated expenditures and cost allocation, approximately 60% of MNsure’s on-going agency operations costs will be financed by DHS. DHS recovers approximately 40% (of the 60%) from the federal Medicaid Program via the PACAP.

1. METS System Costs

* Corresponds to Component B and C on FY 2016 DHS/MNsure Interagency Agreement Invoice Summary
* **DHS bills MNsure --** METS costs are accounted for by DHS, managed by MN.IT, but shared (financed) by DHS and MNsure. (new quarterly reporting requirement in M.S.62V.005)

System development costs are shared in accordance with the terms of the federal CCIIO Establishment grants (generally 79% DHS, 21% MNsure). Federal CCIIO development funding is currently authorized through 6-30-2017. DHS recovers approximately 90% (of the 79%) from the federal Medicaid Program via an IAPD.

* System operations costs are shared in accordance with a federal-approved amendment to the PACAP (generally 90% DHS, 10% MNsure). DHS recovers approximately 60% (of the 90%) from the federal Medicaid Program via the PACAP.