

Minnesota Cover Sheet

IDENTIFYING INFORMATION

Grant Opportunity: **State Planning and Establishment Grants for the Affordable Care Act's Exchanges**

DUNS #: 8048873210000 Grant Award: \$1,000,000

Applicant: Minnesota Department of Health

Primary Contact Person, Name: April Todd-Malmlov

Telephone Number: 651-201-3561 Fax number: 651-201-5179

Email address: april.todd-malmlov@state.mn.us

State Planning and Establishment Grants for the Affordable Care Act's Exchanges: Minnesota Project Abstract

Minnesota requests a total of \$1,000,000 to conduct activities to assess whether the state should establish an Exchange. The goals of the project are to analyze the impact of an Exchange on the market, state budget, and taxpayers, evaluate the requirements and options for an Exchange, and estimate the upfront and ongoing costs of an Exchange to help policymakers determine whether Minnesota should establish an Exchange. The following project activities are proposed:

- **Background Research:** Grant funding will be used to work with a contractor for actuarial and economic modeling services to determine the market impact of PPACA and assess the impact of options such as the definition of the small group market, merging of the small group and individual markets, allowing wellness discounts, and methods for risk adjustment.
- **Stakeholder Involvement:** Minnesota plans to use existing stakeholder engagement efforts to solicit advice and input on Exchange requirements and options to avoid duplication and use limited time, staff, and financial resources efficiently. Thus, Minnesota is not requesting grant funding to establish new mechanisms for stakeholder engagement.
- **Program Integration:** Grant funds will be used to work with a contractor to conduct analyses of public program eligibility, enrollment, and customer service integration with an Exchange, the financial and administrative feasibility of establishing a Basic Health Plan, and the impact of implementing a Medicaid benchmark benefit set.
- **Resources and Capabilities:** A combination of contracted services, new staff, and portions of existing staff time will be utilized to conduct activities under the grant. Assessments related to program integration, governance, technical infrastructure, and business operations will be used to estimate the resources and capabilities needed to operate an Exchange.
- **Governance:** Grant funding will be used to identify the advantages, disadvantages, and associated costs of different structures and governance options for an Exchange. This analysis will include an assessment of Exchange functions currently being performed by state agencies and research into the governance entities currently allowed under state law.
- **Finance:** Ongoing funding sources for Exchange operations will be identified and the advantages and disadvantages of these funding sources will be evaluated.
- **Technical Infrastructure:** Grant funds will be used for a “proof of concept” request for proposals (RFP) for development of technical infrastructure options and cost estimates for an Exchange. A small number of these contractors will be selected to receive a stipend to develop a mock-up or “proof of concept” of their proposal for Exchange technology and a detailed budget for the implementation and operational costs of their proposal.
- **Business Operations:** A general assessment of the range of upfront and ongoing costs of an Exchange, not already addressed above, will be conducted for areas such as marketing, “Navigators” and customer service, health plan certification, risk adjustment, providing cost and quality information for insurers and providers, and interaction with other states.
- **Regulatory or Policy Actions:** The purpose of Minnesota’s application is not to determine the scope of state legislation for an Exchange, but to conduct activities to provide policymakers with information to determine whether the state should establish an Exchange.

**State Planning and Establishment Grants for the Affordable Care Act's Exchanges:
Minnesota Project Narrative**

Background Research

Minnesota has a long history of conducting research and applied policy analysis to monitor factors influencing health care cost, quality, and access in the state. Since the early 1990s, the Health Economics Program within the Minnesota Department of Health (MDH) has collected data on health care costs and spending, sources of health insurance coverage, characteristics of the uninsured, private market insurance coverage levels, benefits, and premiums, and trends in health care provider markets to help inform policy decisions on issues related to health care cost, quality, and access.

This resource within MDH provides a wealth of baseline information on Minnesota's health care market to help inform analyses of the impact of requirements and options for an Exchange under the Patient Protection and Affordable Care Act (PPACA). Minnesota conducts its own household survey to collect detailed information on sources of health insurance coverage and characteristics of the uninsured, that currently number 480,000. Minnesota also regularly surveys health insurers to track trends in benefits, premiums, and enrollment for the roughly 410,000 lives in the small group market and 250,000 lives in the non-group market. This type of information, collected on a regular basis, will help the state monitor the impact of reforms enacted under PPACA on health care cost, quality, and access in Minnesota over time.

However, to estimate the impact of requirements and options under PPACA, help Minnesota policymakers determine whether the state should establish an Exchange, and the potential role of an Exchange, additional analyses are needed to project future market outcomes.

Under PPACA, the structure of the insurance market and public programs will change by 2014. Actuarial and economic modeling services are needed to determine the impact of these changes in Minnesota on enrollment in health insurance coverage and public programs, premium levels, state spending, and overall health care costs. To assess the impact of an Exchange in conjunction with these market changes, modeling will also be needed to assess the impact of options such as the definition of the small group market, merging of the small group and individual markets, allowing wellness discounts in the individual market as they currently exist in the group market of up to 50% of spending (premiums and cost-sharing), methods for risk sharing/risk adjustment, and the establishment of a Basic Health Plan. Grant funding is requested for contracted actuarial and economic modeling services and staff time at MDH to direct and assist with these modeling activities. Existing Minnesota-specific data, as described above, will be used in these models to estimate the impact of various requirements and options for an Exchange.

MDH will work with Jonathan Gruber, an economist at the Massachusetts Institute of Technology (MIT), and his partner Bela Gorman of Gorman Actuarial on these actuarial and economic modeling analyses. This team is nationally recognized for their economic, actuarial, and modeling expertise, has detailed knowledge of Minnesota-specific data sources through previous modeling work with MDH, and has an existing model with economic assumptions based on the provisions within PPACA that will allow for time-sensitive modeling results to be available before, during, and after the 2011 Minnesota Legislative Session. The availability of these modeling results during the legislative session will help policymakers narrow down the options for the structure of an Exchange, which will be necessary for other analyses regarding program integration, resources, governance, financing, technical infrastructure, and business operations.

Stakeholder Involvement

Over the past few months, many efforts have been started to engage stakeholders in discussions on the requirements and options under PPACA. Consumer advocates, small employers and business associations, brokers/agents, health insurers, health care provider organizations, health care policy experts, academics, legislators, and state agency officials have been involved in discussions regarding federal health reform through the following mechanisms:

- Federal Reform State Agency and Health Plan Work Group: Since April, the Departments of Commerce, Health, and Human Services have been meeting with health plans doing business in Minnesota to discuss various insurance requirements and options under PPACA, including Exchanges.
- Health Care Reform Task Force: During the 2010 Legislative Session, legislation was enacted that created a health care reform task force to advise and assist the Governor and Legislature regarding state implementation of federal health care reform legislation, including Exchanges. Membership on the task force includes legislators from the Minnesota House and Senate, state agency representatives, and stakeholders appointed by the Governor.
- Legislative Commission on Health Care Access: In July, this legislative commission started meeting to work on recommendations for state implementation of federal health care reform. The commission has established four work groups: Exchanges, payment reform, the small group insurance market, and workforce shortages. Membership on these four working groups consists of legislators and a variety of stakeholders chosen through a public application process.

- Joint State Agency Request for Comment Regarding State Consideration of a Health Benefit Exchange: On August 3rd, the Minnesota Departments of Health, Commerce, and Human Services released a request for comment from stakeholders on issues of interest regarding implementation of an Exchange for operation in Minnesota.
- Medicaid Advisory Groups: The Minnesota Department of Human Services (DHS), Minnesota's Medicaid agency, is advised by a number of stakeholder groups including the Medicaid Citizens' Advisory Committee, the Health Services Advisory Council, and a SHAP Advisory Committee, which advises the work of Minnesota's State Health Access Program (SHAP) grant. These committees include health care providers, community organizations, state and county government representatives, and consumer advocates. These groups have been involved in advising Minnesota's Medicaid agency on federal health care reform issues, including Exchanges.
- Minnesota Administrative Uniformity Committee: A public-private collaborative of health care payers and providers that develop best practices and community standards to reduce variation and encourage industry administrative simplification.

Minnesota plans to use existing stakeholder engagement efforts to solicit advice and input on Exchange requirements and options in order to avoid duplication and use limited time, staff, and financial resources efficiently. As such, Minnesota is not specifically requesting grant funding to establish new mechanisms for stakeholder engagement. Communication with the stakeholder groups referenced above will occur throughout the grant period regarding the analyses described in this application. Depending on the outcome of analyses specified in this grant application and the direction of the Governor's Office and Legislature regarding whether or not Minnesota will

establish an Exchange and the role of that Exchange, Minnesota may engage specific stakeholder groups to solicit input on targeted issues.

Program Integration

PPACA changes eligibility levels and processes for Medicaid and creates a federal subsidy program and options for a Basic Health Plan that are similar to the state's MinnesotaCare program, a sliding fee scale program for low and middle-income Minnesotans. PPACA also establishes provisions for eligibility determination and enrollment in these programs through an Exchange. These provisions provide a potential opportunity to streamline Minnesota's public program eligibility and enrollment functions, thereby potentially reducing the complexity and size of government functions involved in eligibility determination. MDH requests grant funding for DHS staff time and contracted services to assess the operational, administrative, enrollment, and overall cost impacts of the public program changes and options under PPACA.

DHS will assess the feasibility of integrating public program eligibility, enrollment, and customer service functions with an Exchange. Grant funding is requested for staff time at DHS to conduct these assessments. DHS conducted an extensive evaluation of the health care eligibility system workload and resources from 2006 to 2008. This evaluation revealed that in 2007 Minnesota had approximately 1,900 FTEs involved in health care eligibility determination, between the counties and operations at DHS. It was estimated that 2,700 FTEs were needed for the system to meet previously agreed-upon performance metrics related to health care eligibility processing. To bridge this gap a number of process and infrastructure improvements were suggested. Most of these process and infrastructure suggestions are also initiatives that are

foundational to an Exchange. Our process for assessing potential synergies with the Exchange to streamline functions will focus on an analysis of our existing capacity and the Exchange requirements and the costs and benefits of different approaches to bridging the gap between existing and needed capacity.

Minnesota will examine the feasibility of adopting a Basic Health Plan to serve individuals with incomes between 133% and 200% of the federal poverty guidelines (FPG), many of whom are currently enrolled in our MinnesotaCare program. An actuarial analysis of the anticipated health care costs and service utilization of individuals eligible for this program will be conducted. The study will compare the estimated cost of providing care to this population with projected federal reimbursements for premiums and cost-sharing that these individuals would receive if they enrolled in subsidized private plans through an Exchange. The feasibility study will also examine whether a Basic Health Plan would deliver more comprehensive health care at a lower cost to taxpayers than additional state-funded subsidies or wrap-around services to facilitate individuals' participation in an Exchange. The study will also compare the service and administrative costs of the Basic Health Plan to the service and administrative costs of the MinnesotaCare program. Results from this study will be available during the 2011 Minnesota Legislative Session and used as inputs in the economic modeling referenced above under the background research section to assess the market wide impacts of requirements and options under PPACA related to Exchanges on enrollment, premium levels, state spending, and overall health care costs.

DHS will also explore the possibility of implementing a benchmark benefit set for certain Medicaid populations. Minnesota currently offers the mandatory set of Medicaid benefits for all eligibility groups, as well as certain optional services. This analysis would include:

- An assessment of what Medicaid populations could receive benchmark benefits and how they would be affected by receiving benchmark benefits instead of full state plan benefits.
- A discussion of the benefits that would be included in a benchmark plan.
- An actuarial analysis of implementing benchmark benefits for certain populations; including a cost comparison between offering benchmark benefits to certain populations and offering state plan benefits to all Medicaid populations.
- An analysis of the effect on program administration (such as whether a benchmark benefit set would increase Medicaid program complexity).
- A review of what other states have adopted for benchmark benefits and the outcomes.

Minnesota will work with The Lewin Group to conduct these analyses. The Lewin Group possesses detailed knowledge of Minnesota's public health care programs based on previous consulting work it has done for the state and is well-qualified to assist with these analyses.

Resources and Capabilities

In order to provide information to policymakers in a timely fashion to assist them in determining whether Minnesota should establish an Exchange, a combination of contracted services, new staff, and portions of existing staff time will be utilized to analyze the impact of an Exchange on the market, state budget, and taxpayers, evaluate the requirements and options for an Exchange, and estimate the level of upfront and ongoing funding that would be needed for Exchange establishment.

Minnesota will contract for services to provide actuarial and economic modeling as background research, assess the impacts of public program options and integration with an

Exchange, and provide estimates of the upfront and ongoing costs of the infrastructure for the technology needed for an Exchange.

One new full-time planning director will be hired to coordinate the various grant activities and ensure that they are completed in a timely fashion. This person would be involved in all aspects of the grant activities and be specifically responsible for analyzing governance options and estimating costs for various business operations of an Exchange. To effectively utilize existing expertise on Exchanges and ensure that diverse perspectives from the various state agencies that would interact with an Exchange are coordinated, a percentage of staff time for ten existing personnel at the Minnesota Departments of Health (MDH), Commerce (DOC), Human Services (DHS), and Management and Budget (MMB) will be dedicated to the activities under the grant.

Assessments conducted by staff and contractors related to program integration, governance, technical infrastructure, and business operations will be used to estimate the upfront and ongoing costs for the resources and capabilities to operate an Exchange. Given the range of options for operation of an Exchange, various scenarios of necessary resources and capabilities and the associated upfront and ongoing costs will be developed to assist policymakers in determining whether Minnesota should establish an Exchange and the potential role of an Exchange. A final resource assessment will be available in September 2011 at the end of the grant period.

Governance

PPACA specifies a list of functions that an Exchange is required to perform and establishes options for the structure (e.g. separate or combined Exchange for individuals and

small groups, multiple subsidiary Exchanges within a state based on geography, or a regional Exchange including multiple states) and governance (e.g. state entity, non-profit, or run by the federal government) of an Exchange. Grant funding is requested for MDH staff time to identify the advantages, disadvantages, and associated costs of different structures and governance options based on required and optional functions an Exchange may perform. This analysis will include an assessment of Exchange functions that are currently being performed by state agencies and research into the types of state entities and non-profit entities currently allowed under Minnesota state law. Initial results from these two analyses will be available at the start of the 2011 Minnesota Legislative Session and updated as necessary to reflect the findings from other activities under this grant.

Finance

PPACA specifies that starting in 2015, federal funding will not be available to pay for ongoing Exchange operations and that a funding source must be found to fund the ongoing operational costs of an Exchange. Staff from the departments of Health, Commerce, and Human Services will be involved in identifying and analyzing both existing and proposed financing sources to support the ongoing operating costs of an Exchange. In addition, grant funding is requested for staff time from the Minnesota Management and Budget Department to assist these agencies in identifying and summarizing financing sources and evaluating advantages and disadvantages of the identified funding sources within the context of the overall state budget. Initial results from this analysis will be available at the start of the 2011 Minnesota Legislative Session and updated at the end of the grant period to reflect the level of ongoing operating costs determined through other analyses under this grant.

Technical Infrastructure

An Exchange is envisioned to be a web portal with real time data sharing and interaction with various state and federal agencies. For example, an Exchange will need to compare health plans, determine eligibility, process subsidies, and facilitate enrollment for private market health plans and Medicaid. Grant funding is requested for staff time at the Minnesota Departments of Commerce, Health, and Human Services and contracted services to assess the upfront and ongoing costs of options for establishing the infrastructure for this technology. Staff at these departments will evaluate technical specifications regarding data sharing and eligibility determination for subsidies and Medicaid from the IRS and HHS/CMS tentatively scheduled for release in the spring of 2011, determine technology requirements for the functions of an Exchange based on other analyses conducted under this grant and potential legislative direction from policymakers, and work with contractors to develop a range of cost estimates for Exchange technology needs.

Part of the process to determine technology requirements will include consideration of existing infrastructure and standards in the state. For example, DHS has standards for data exchange with providers, has capacity to securely exchange information between the counties and the state, and is developing an online public program eligibility application. In addition, as part of the development and implementation of an online application, DHS is developing the foundation for a statewide Electronic Document Management Services (EDMS). In conjunction with a statewide mail center, this could allow eligibility processing centers and the Exchange to work with public program eligibility-related documents electronically. Minnesota has also been developing the infrastructure and policies necessary to allow for the interoperable and secure exchange of health information across the state, which includes the development of health

information exchange technical infrastructure. DHS will identify opportunities to leverage technology activities required for an Exchange with its other technology activities under the Medicaid Electronic Health Records Meaningful Use Incentives program.

Staff at the Minnesota Departments of Commerce, Health, and Human Services will establish technology requirements and work with contractors/vendors to establish options and cost estimates for technical infrastructure for an Exchange that provides a simple and easy, yet informative, experience for consumers. Based on Minnesota's past experience with the development of real time, online eligibility and enrollment infrastructure for public programs, we have learned the benefit of getting more detailed information from contractors/vendors related to technology options, flexibility, and range of implementation and ongoing operational costs. To get the level of detailed information desired, grant funding is requested for a "proof of concept" process with technology contractors/vendors.

The "proof of concept" process would create a two-step process for Minnesota to collect information from contractors/vendors on technology options and costs. This process is similar to how road construction companies and architectural firms bid for building projects. During the first step, the Minnesota Departments of Commerce, Health, and Human Services would release a request for proposals (RFP) that specifies the technical requirements and requests proposals for development of the technology for an Exchange. Based on these proposals, a small number of contractors/vendors would be selected to receive a stipend to develop a mock-up of their proposal for the Exchange technology and a detailed budget for the implementation and operational costs of their proposal. Through this process, the state will get a more detailed range of cost estimates and a better sense of the technology options available for an Exchange than would be available through a typical RFP process. Results from this "proof of concept" process

would be available towards the end of the grant period, as the information necessary for the development of technology requirements depends on the results from the background research and program integration analyses proposed for this grant and the technical specifications set to be released by the IRS and HHS/CMS in the spring of 2011.

Business Operations

In order to provide the Governor's Office and Legislature with the information necessary to determine whether Minnesota should establish an Exchange and the potential role of an Exchange, a general assessment of the range of upfront and ongoing costs related to the core and potential functions of an Exchange, not already addressed in this application, is needed. Some examples include the costs of marketing, "Navigators" and general customer service, health plan certification, risk adjustment, providing cost and quality information for health insurers and health care providers, and interaction with other states. Grant funding is requested for staff time at the Minnesota Departments of Health, Commerce, Human Services, and Management and Budget to establish cost estimates for these types of Exchange functions.

Regulatory or Policy Actions

The goal of this application is to use the grant funds to analyze the impact of an Exchange on the market, state budget, and taxpayers, evaluate the requirements and options of an Exchange, and estimate the level of upfront and ongoing funding needed to establish and run an Exchange. The purpose of Minnesota's application is not to determine the scope and detail of enabling state legislation for an Exchange. The various analyses described in this application will

provide the Governor’s Office, Legislature, and stakeholders with information to determine whether or not Minnesota should establish an Exchange.

Work Plan and Timeline

Grant Objectives	Timeframes and Milestones				Responsibility
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
Background Research	Complete actuarial and economic modeling	Modify modeling results to incorporate Basic Health Plan analysis	Modify modeling results to incorporate Basic Health Plan analysis		Contractor - Jon Gruber and Bela Gorman, State Staff - MDH State Health Economist and Research Supervisor and Commerce Actuarial and Regulatory Policy Director
Stakeholder Involvement	Communicate status and results of analyses to existing stakeholder groups	Communicate status and results of analyses to existing stakeholder groups	Communicate status and results of analyses to existing stakeholder groups	Communicate status and results of analyses to existing stakeholder groups	Potentially all state staff
Program Integration	Complete Basic Health Plan analysis	Modify Basic Health Plan analysis, complete benchmark benefit set analysis, and complete assessment of feasibility of integrating Exchange and public program functions			Contractor - The Lewin Group, State Staff - DHS Health Care Eligibility and Access Director and Policy Specialist
Resources and Capabilities				Complete resource assessment	All state staff, but primarily MDH Planning Director

Governance	Complete analysis comparing Exchange functions with existing state agency functions and research on state entity and non-profit governance options under state law	Update governance analyses based on interest in additional Exchange functions	Update governance analyses based on interest in additional Exchange functions		MDH Planning Director
Finance	Complete initial, high-level analysis of potential ongoing funding sources			Update and expand analysis of potential funding sources to reflect level of funding needed	All state staff, with additional analysis, summary, and review by MMB Executive Budget Officer
Technical Infrastructure		Start determining technology requirements and developing RFP	Determine technology requirements, complete two-step RFP "proof of concept" process, and select vendors to develop mock-ups	Receive mock-ups from vendors and evaluate range of upfront and ongoing cost estimates for technical infrastructure	All state staff, but primarily MDH State HIT Coordinator and Systems Analysis Supervisor, DHS Information Systems Director, and Commerce Information Management Services Director
Business Operations	Determine, as appropriate, cost estimates for business operations	Determine, as appropriate, cost estimates for business operations	Determine, as appropriate, cost estimates for business operations	Complete cost estimates for various business operations	All state staff, but primarily MDH Planning Director
Regulatory and Policy Actions		Potential decision by policymakers regarding whether or not state should establish Exchange and potential role for Exchange	Potential decision by policymakers regarding whether or not state should establish Exchange and potential role for Exchange	Potential decision by policymakers regarding whether or not state should establish Exchange and potential role for Exchange	Governor's Office and Legislature

**State Planning and Establishment Grants for the Affordable Care Act's Exchanges:
Minnesota Budget Narrative**

MDH requests grant funds for personnel, fringe benefits, contractual costs, supplies, travel, and indirect costs to accomplish the goals of the grant application.

Personnel: One new full-time staff person will be hired as a Planning Director to coordinate grant activities, analyze governance options, and estimate costs for various business operations. In addition, a portion of time from ten existing positions within the Minnesota Departments of Health (MDH), Commerce (DOC), Human Services (DHS), and Management and Budget (MMB) will be dedicated to activities related to background research, program integration, resources and capabilities, finance, technical infrastructure, and business operations. The State Health Economist will provide overall direction for grant activities.

Title	Time	Amount Requested
MDH - Planning Director	100% for 12 months	\$65,939
MDH - State Health Economist April Todd-Malmlov	25% for 12 months	\$25,186
MDH - Systems Analysis Supervisor Peter Frank	30% for 6 months	\$14,561
MDH - Research Supervisor Stefan Gildemeister	20% for 6 months	\$8,137
MDH - Health Policy Dir/HIT Coordinator James Golden	5% for 12 months	\$4,948
DOC - Information Mgmt Services Director Greg Fetter	30% for 6 months	\$14,417
DOC - Actuarial & Regulatory Policy Director Julia Philips	10% for 12 months	\$13,689

DHS - Enterprise Architect Tom Baden	30% for 6 months	\$15,469
DHS - Health Care Eligibility & Access Director Stephanie Radtke	15% for 12 months	\$14,936
DHS - Policy Specialist Mark Siegel	20% for 6 months	\$6,826
MMB - Executive Budget Officer Angela Vogt	5% for 12 months	\$3,500
<i>Total Personnel</i>		<i>\$187,608</i>
Fringe Benefits: 30.6% of personnel. <i>Total Fringe Benefits</i>		<i>\$57,408</i>

Contractual Costs: The Minnesota Department of Health (MDH) requests \$300,000 to contract with Jonathan Gruber at the Massachusetts Institute of Technology (MIT) and his partner Bela Gorman of Gorman Actuarial for actuarial and economic modeling services to determine the state market impact of PPACA provisions and Exchange options. This team is nationally recognized for their expertise, has detailed knowledge of Minnesota-specific data sources through previous work with MDH, and has an existing model with assumptions based on PPACA provisions that will allow for results to be available during the 2011 Legislative Session.

MDH requests \$200,000 for the Minnesota Department of Human Services (DHS) to contract with The Lewin Group to conduct analyses of public program eligibility, enrollment, and customer service integration with an Exchange, the financial and administrative feasibility of establishing a Basic Health Plan, and the impact of implementing a Medicaid benchmark benefit set. The Lewin Group possesses detailed knowledge of Minnesota's public programs based on previous work it has done for the state and is well-qualified to assist with these analyses.

MDH requests \$150,000 for a “proof of concept” request for proposals (RFP) for development of technical infrastructure options and cost estimates for technology to operate an Exchange. Based on these proposals, a small number of contractors/vendors will be selected to receive up to a \$50,000 stipend to develop a mock-up or “proof of concept” of their proposal for Exchange technology and a detailed budget for the implementation and operational costs of their proposal. We expect to award three contracts to vendors at \$50,000 per contract.

Total Contractual Costs ***\$650,000***

Supplies: General office supplies (pens, pencils, paper, etc). ***Total Supplies*** ***\$338***

Travel: Cost for three state staff to attend required out-of-state quarterly grant meetings. Each trip per person is estimated at \$1,085.

Airfare	\$500 x 3 x 4 = \$6,000
2 nights lodging at \$200 per night	\$400 x 3 x 4 = \$4,800
3 days per diem at \$35 per day	\$105 x 3 x 4 = \$1,260
Ground transportation and misc	\$80 x 3 x 4 = \$960
<i>Total Travel</i>	<i>\$13,020</i>

Indirect Costs: 23.9% of total personnel, fringe, supply and travel costs. 23.9% of first \$25,000 for each contract (five contracts at \$5,975 each). Calculated based on an indirect cost rate of 23.9% proposed by MDH to DHHS to be effective March 2010.

Total Indirect Costs ***\$91,626***

Total Federal Financial Request: ***\$1,000,000.00***

State Planning and Establishment Grants for the Affordable Care Act's Exchanges: Minnesota Key Personnel, Job Descriptions, and Organizational Chart

Key Personnel and Job Descriptions

A combination of contracted services, new staff, and portions of existing staff time will be used to analyze the impact of an Exchange on the market, state budget, and taxpayers, evaluate the requirements and options for an Exchange, and estimate the level of upfront and ongoing funding that would be needed for Exchange establishment. One new full-time planning director will be hired to coordinate the various grant activities and ensure that they are completed in a timely fashion. In addition, a portion of time from ten existing positions within the Minnesota Departments of Health (MDH), Commerce (DOC), Human Services (DHS), and Management and Budget (MMB) will be dedicated to activities under the grant.

MDH Planning Director: This is a new position that will coordinate the grant activities. This person will be involved in all aspects of the grant activities and be specifically responsible for analyzing governance options and estimating costs for various business operations of an Exchange. 100% of this position will be dedicated to grant activities.

MDH State Health Economist: April Todd-Malmlov will dedicate 25% of her time for 12 months to grant activities. Ms. Todd-Malmlov is responsible for informing state health policy decisions through the collection and analysis of data related to health care access, cost, and quality. She also serves as the Director of the Health Economics Program within the Minnesota Department of Health. Ms. Todd-Malmlov will provide overall direction and be involved in all aspects of the project activities under the grant. She will also specifically direct the background research pertaining to the actuarial and economic modeling activities under the grant.

MDH Systems Analysis Supervisor: Peter Frank will dedicate 30% of his time for 6 months to grant activities. Mr. Frank manages information technology (IT) related activities for the Health Policy Division and Health Economics Program within the Minnesota Department of Health. These activities include the processing of data collections, system administration of hardware and software, project management, IT budget and policy reviews, and vendor partnerships. Mr. Frank will work on the assessment of the costs and options for the technical infrastructure of an Exchange.

MDH Research Supervisor: Stefan Gildemeister will dedicate 20% of his time for 6 months to grant activities. Mr. Gildemeister is responsible for directing, planning, and organizing the design and conduct of research studies and data collection initiatives pertaining to health care market conditions and competition, health care spending, and health insurance coverage. Mr. Gildemeister will provide assistance with background research pertaining to the actuarial and economic modeling activities under the grant.

MDH Health Policy Director/State HIT Coordinator: James Golden, Ph.D. will dedicate 5% of his time for 12 months to grant activities. Dr. Golden provides strategic direction for the following activities: monitoring and tracking health care access, cost, and quality; implementing Minnesota's current health reform efforts, including transparency and public reporting;

promoting the adoption, use and exchange of health information through electronic health records; implementing uniform billing and coding requirements; and promoting access to quality health care for rural and underserved urban Minnesotans. Dr. Golden has also been designated by the Governor as the State HIT Coordinator. Dr. Golden will assist with the assessment of the costs and options for the technical infrastructure of an Exchange.

DOC Information Management Services Director: Greg Fetter will dedicate 30% of his time for 6 months to grant activities. Mr. Fetter is responsible for directing the information and data integrity of the enterprise for the Department of Commerce, including all data centers, service desks, production scheduling functions, communication networks, application development and support, security, and project management functions. Mr. Fetter will work on the assessment of the costs and options for the technical infrastructure of an Exchange.

DOC Actuarial & Regulatory Policy Director: Julia Philips will dedicate 10% of her time for 12 months to grant activities. Ms. Philips provides actuarial support to the management and staff of the Department of Commerce involved in the regulation of the health insurance industry. Ms. Philips will provide support for background research pertaining to the actuarial and economic modeling activities under the grant, and well as assist with the assessment of various business operations for an Exchange.

DHS Enterprise Architect: Tom Baden will dedicate 30% of his time for 6 months to grant activities. Mr. Baden is responsible for leadership in vision, overall direction, guidance, definition and leading the effort to develop, maintain, govern and evolve the information technology enterprise architecture function and program across the Department of Human Services. Mr. Baden will work on the assessment of the costs and options for the technical infrastructure of an Exchange.

DHS Health Care Eligibility & Access Director: Stephanie Radtke will dedicate 15% of her time for 12 months to grant activities. Ms. Radtke is responsible for processes associated with health care eligibility and access for the Department of Human Services. She advises on strategic and tactical directions to improve the well being of children, families, people with disabilities and senior citizens. Ms. Radtke will direct the analyses of public program eligibility, enrollment, and customer service integration with an Exchange, the financial and administrative feasibility of establishing a Basic Health Plan, and the impact of implementing a Medicaid benchmark benefit set.

DHS Policy Specialist: Mark Siegel will dedicate 20% of his time for 6 months to grant activities. Mr. Siegel provides analysis of state and federal program regulations and related costs, analyzes interactions with other state and federal programs, develops impact statements, recommends policy directions, advises management in health care program policy formulation and manages legislative activities related to both internal and external proposals. Mr. Siegel will assist with the analyses of public program eligibility, enrollment, and customer service integration with an Exchange, the financial and administrative feasibility of establishing a Basic Health Plan, and the impact of implementing a Medicaid benchmark benefit set.

MMB Executive Budget Officer: Angela Vogt will dedicate 5% of her time for 12 months to grant activities. Ms. Vogt is responsible for evaluating the fiscal impact on the state of health care related programs. She evaluates budget options for possible inclusion in the Governor’s budget, reviews all policy bills for fiscal impact, and reviews assumptions to determine what is included in the official MMB forecast. Ms. Vogt will provide assistance to the departments of Health, Commerce, and Human Services in identifying and analyzing potential ongoing financing sources for an Exchange and evaluating advantages and disadvantages of the identified funding sources within the context of the overall state budget.

Organizational Chart

