

Proposed Maine Health Insurance Exchange IT Budget

Level 1 Establishment Grant

Introduction

Maine is requesting Level One Establishment grant funding to assist us as we begin working to create a health insurance Exchange that best meets Maine’s goals and also satisfies the requirements of the Patient Protection and Affordable Care Act (ACA).

We have developed an IT systems budget that provides an estimate of the funding we will need to carry out all Level One Establishment activities. Our budget is predicated upon our understanding of the goals and objectives of the ACA based on the guidance provided by the federal government to date and our proposed IT work plan for the Level One Establishment grant. This budget narrative demonstrates our understanding of the scope of Exchange functions and describes the work we will undertake during the grant period to achieve program goals and objectives in alignment with our IT work plan.

Work Plan

Our IT work plan consists of three phases:

November 2011 – December 2011: The first phase will be the acquisition of a systems integration team consisting of experts in enterprise business, technical, and data architecture and related fields. Maine will secure consulting resources to assist the State team in preparing a Request for Proposal that ensures the procurement of a systems integrator with the appropriate expertise, experience, and capabilities to assist us in the creation of Maine’s Exchange systems.

January 2012 – March 2012: The second phase will involve an aggressive effort to produce technical design specifications and a build plan. Maine fully anticipates that federal guidance will continue to arrive during this period and during the subsequent build phase and that State policy will develop during the same period. To accommodate these realities, Maine plans to engage in a highly iterative, Agile approach to its Exchange system development. Thus, this design phase is not meant to provide the final blueprint for the Exchange system, but rather to provide the foundation and system strategy. It is during this period that Maine will make decisions regarding system re-use, leveraging components from other States / Early Innovators, and technical platforms.

April 2012 – July 2013: The third phase will be the development and testing phase. This Level One grant request addresses only the first 3 months of the development and testing phase. The remainder of the development and testing phase are anticipated to take place during the Level Two Establishment grant. As described above, the intent is that this will be an iterative, Agile development effort that will involve close collaboration between business users and technical developers. Maine’s proposed budget identifies how these funds are allocated within the Exchange.

Our proposed IT budget was developed based upon the following assumptions:

- The Maine Exchange will interface with the current ACES, Eligibility Portal, and MHIMS systems in addition to other key state partners (e.g., Bureau of Motor Vehicles, Department of

Corrections, Maine Revenue Services, etc.) through a “Service Layer” component architecture based on web services.

- Will include only the portion of system cost estimated to be incurred for design during the Level One grant period and does not account for build or ongoing maintenance and operation. We intend to include these costs into our Level Two Establishment funding request, to be submitted in 2012.
- Is based on currently available information and is subject to modification as changes in federal and/or state regulations drive additional requirements and scope.
- Includes only costs for activities and functionalities that are integral to Exchange operations and meeting minimum Exchange requirements.

Roles

To accomplish the tasks outlined in our grant application, Maine will utilize existing staff from the Exchange Steering Committee workgroups. These are state staff that will participate in and oversee the activities to meet the core area minimum requirements as described within Maine’s Level One Establishment grant. The state has not requested funding for adding any new state positions.

Business Analysts(s): Responsible for defining the work processes and flows that the Exchange and Medicaid must follow to meet the policy objectives of the state and the federal government. They are responsible for working with current system users, policy makers, and the appropriate regulatory experts in order to map out the most efficient methods for achieving business goals.

Director of Applications, OIT (oversight of all DHHS applications): Serves on the Steering Committee, chairing the IT Workgroup and participating with the Administration/Operations Workgroup. As the individual with responsibility for all DHHS systems, the Director will be responsible for all systems modifications, integrations, and development that pertain to Medicaid. This position will also partner and collaborate with the Deputy Director, DHA on the design and build of the Exchange application foundation components and services.

Deputy Director, DHA: Serves on the Steering Committee, co-chairing the Operations workgroup and participating on the IT workgroup. As the individual with responsibility for all Exchange system and financial development for this Level One funding cycle, the Deputy Director will be responsible for all systems developments that pertain to the Exchange and to the integration with the private market. This position will also partner and collaborate with the Director of Application, OIT/DHHS on the design and build of the Exchange application foundation components and services.

IT Manager(s): Oversee application / system support teams. They will be responsible for the oversight of systems modifications, integrations, and development efforts on existing systems in DHHS.

Programmer(s): Develop source code to integrate or build systems, components, and resources for the Exchange.

Project Associate: Provides administrative support to the project. This role will be responsible for cataloging and maintaining documents and other resources required by the project members.

Project Director: Responsible for the overall running and delivery of the project. This role coordinates with the project managers, the technical architect, and the Steering Committee to ensure the project team stays focused on the highest priority tasks and that efforts are being appropriately synchronized to achieve project goals. This role is also responsible for managing the budget and ensuring that the project stays within its financial parameters.

Project Manager(s): Responsible for the overall organization of the project efforts, ensuring that timelines, dependencies, and deliverables are appropriately defined; adequately staffed with the correct resources; and for making the appropriate adjustments to keep the project on track for the planned go-live.

Systems Analyst(s): Responsible for taking the work processes defined by Business Analysts and, in concert with the Technical Architect, translating those requirements into technical specifications.

Technical Architect: Responsible for the design of the new technologies the team will implement for the Exchange, including Medicaid changes and integration between Medicaid and the Exchange.

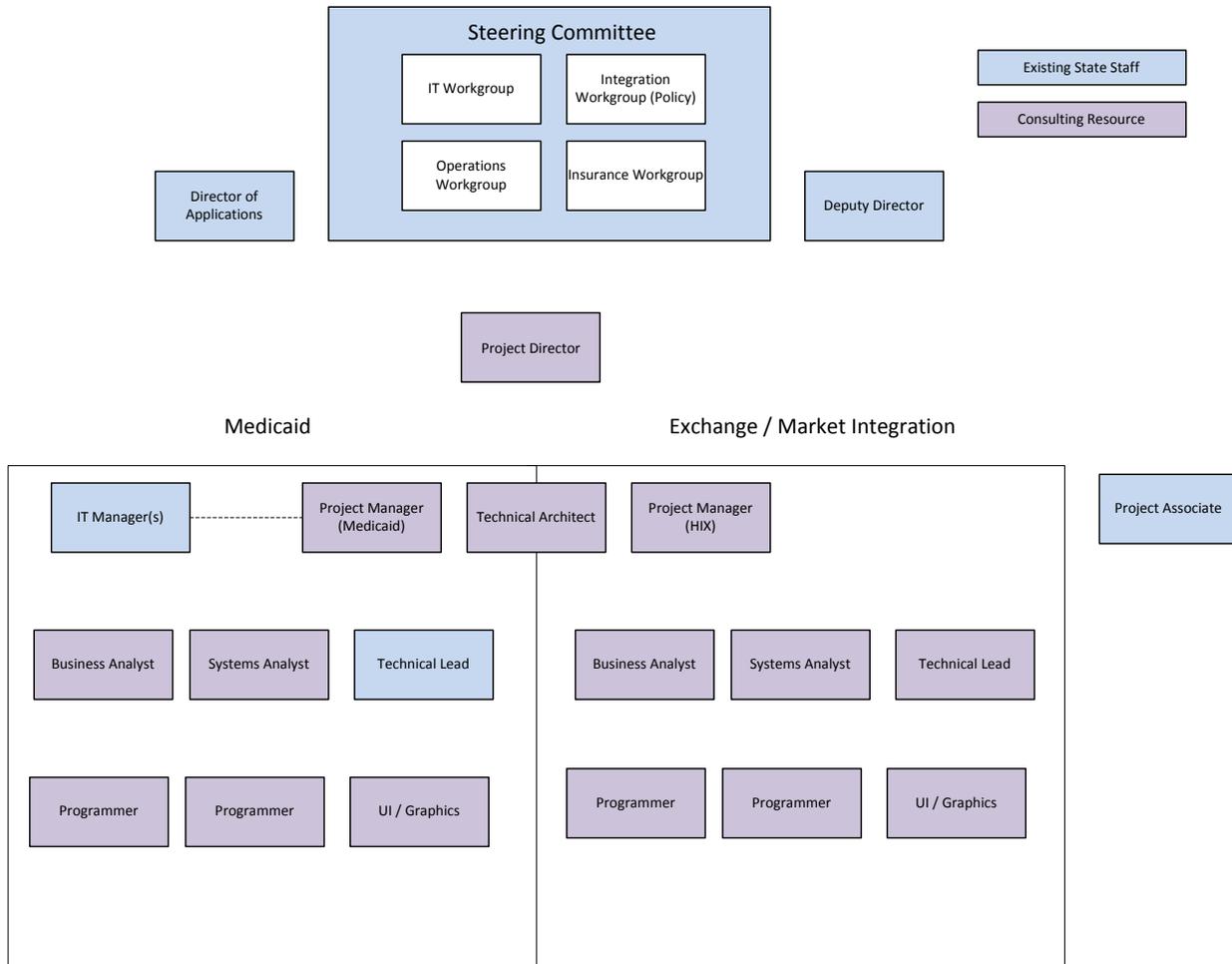
Technical Lead(s): Responsible for leading a team of programmers in the development of specific components of the project.

UI / Graphics Specialist: Responsible for specialized programming and design pertaining to the user interface of the web portal for the Exchange.

Project Structure

Within the structure of the IT project, we intend to have two technical teams, one focused on Medicaid system development, and the other on Exchange / private market integration system development.

State of Maine
 Level One Establishment Grant – Project Narrative
 Funding Opportunity Number IE-HBE-11-004



Existing State Resources (Personnel, Fringe, and Supplies)

State Resources: IT									
			% of Total EE Costs		Maine STD	Months Alloc = 9			
			65%	35%	EE Load	Object Class Categories			
Role	FTE	Salary and Benefits	Salary	ERE	Admin Load	Fringe = ERE + Admin	9 Month Fringe	9 Month Salary	9 Month Total
Director of Applications	0.25	\$ 124,756	\$ 81,091	\$ 43,665	\$ 13,837	\$ 57,502	\$ 10,782	\$ 15,205	\$ 25,986
DHA Director	1.00	\$ 140,334	\$ 91,217	\$ 49,117	\$ 13,837	\$ 62,954	\$ 47,216	\$ 68,413	\$ 115,629
Technical Lead (Medicaid)	2.00	\$ 78,441	\$ 50,987	\$ 27,454	\$ 13,837	\$ 41,291	\$ 61,937	\$ 76,480	\$ 138,417
IT Manager	0.50	\$ 78,441	\$ 50,987	\$ 27,454	\$ 13,837	\$ 41,291	\$ 15,484	\$ 19,120	\$ 34,604
Project Associate	1.00	\$ 54,175	\$ 35,214	\$ 18,961	\$ 13,837	\$ 32,798	\$ 24,599	\$ 26,410	\$ 51,009
Total							\$ 160,018	\$ 205,628	\$ 365,646

The total 2011–2012 cost for state IT personnel salary is estimated to be **\$205,628**.

The total 2011–2012 cost for state IT personnel fringe is estimated to be **\$160,018**.

State of Maine
 Level One Establishment Grant – Project Narrative
 Funding Opportunity Number IE-HBE-11-004

Supplies (Software): IT													
	\$ 782,340 = Budget			33% Per Phase 3 Month									
	50%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	50%	
	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP		
Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 260,780	\$ 260,780	\$ 260,780	\$ 260,780	\$ 260,780	\$ 260,780
Monthly Totals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 260,780	\$ 260,780	\$ 260,780	\$ 260,780	\$ 260,780	\$ 260,780
Grand Total												\$782,340	

The total 2011–2012 cost for IT software procurement is estimated to be **\$782,340**.

Consulting Resources (Estimated)

Consulting Resources: IT													
		173 Hours Per Month											
		FTE Load per Month											
FTE Type	Hourly Rate	50%	100%	100%	100%	100%	100%	100%	100%	100%	100%	50%	Total
		NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	
Project Manager / Director	175	3	3	3	3	3	3	3	3	3	3	3	3
Business Analyst	165	2	2	2	2	2	2	2	2	2	2	2	2
Systems Analyst	165	2	2	2	2	2	2	2	2	2	2	2	2
Programmer	160	0	0	0	0	0	0	2	4	4	4	4	4
UI / Graphics	160	0	0	0	0	0	0	1	2	2	2	2	2
Technical Lead	175	0	0	0	0	0	0	1	2	2	2	2	2
Technical Architect	175	1	1	1	1	1	1	1	1	1	1	1	1
Monthly Totals		\$ 117,640	\$ 235,280	\$ 235,280	\$ 235,280	\$ 235,280	\$ 348,595	\$ 461,910	\$ 461,910	\$ 461,910	\$ 230,955	\$ 230,955	\$ 461,910
Grand Total												\$3,024,040	

The total 2012 cost for consulting IT personnel is estimated to be **\$3,024,040**.

Level One IT Budget Summary

Budget Class (IT Only)

OBJECT CLASS CATEGORIES	DESCRIPTION	9 MONTH BUDGET
a. Personnel	State staff time allocated to Exchange efforts	\$205,628
b. Fringe Benefits	Employee related expenses at Maine rate of 35% Plus State Per Employee Administrative Load	\$160,018
c. Travel	Exchange related trips	\$ -
d. Equipment	N/A	\$ -
e. Supplies	Software procurement	\$ 782,340
f. Contractual	Consulting Budget	\$3,024,040
g. Construction	N/A	\$ -
h. Other	N/A	\$ -
i. Total Direct Charges		\$4,172,206