

# **New York State Health Benefit Exchange Five Year Budget - DRAFT**

## **Table of Contents**

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<b>Schedule 1.</b>	Summary of Health Benefit Exchange - Five Year Operating Budget
<b>Schedule 2.</b>	Federal Grant Funds Received
<b>Schedule 3.</b>	IT Contract Detail
<b>Schedule 4.</b>	Staff Detail
<b>Schedule 5.</b>	Health Benefit Exchange - Contracts
<b>Schedule 6.</b>	In Person Assistor Contract Detail
<b>Schedule 7.</b>	Non Personal Services Summary Page
<b>Schedule 8.</b>	Equipment and Supplies Detail
<b>Schedule 9.</b>	Computer Hosting Detail
<b>Schedule 10.</b>	Travel Detail
<b>Schedule 11.</b>	Health Benefit Exchange - Enrollment Estimates

**DRAFT****Health Benefit Exchange - Five Year Operating Budget**

	Start Up			Operations			TOTAL	TOTAL
	CY 2011	CY 2012	CY 2013	CY 2014	CY 2015	CY 2016**	(2011-16)	(2011-2015)
<b>IT Systems Contracts</b>								
CSC	\$0	\$14,026,848	\$41,793,668	\$33,409,149	\$27,696,504	\$11,609,242	\$128,535,411	\$116,926,169
Cognosante	\$0	\$727,384	\$2,621,929	\$2,311,239	\$2,380,587	\$1,207,893	\$9,249,033	\$8,041,139
<b>Subtotal, IT Contracts</b>	<b>\$0</b>	<b>\$14,754,232</b>	<b>\$44,415,598</b>	<b>\$35,720,388</b>	<b>\$30,077,090</b>	<b>\$12,817,136</b>	<b>\$137,784,444</b>	<b>\$124,967,308</b>
<b>Program Operations</b>								
Staff*	\$634,605	\$2,642,997	\$16,814,262	\$16,814,262	\$17,150,547	\$17,493,558	\$71,550,231	\$54,056,673
Contractual	\$2,500,000	\$15,122,742	\$67,004,947	\$66,449,041	\$48,654,604	\$43,254,604	\$242,985,939	\$199,731,335
Non Personal Services	\$53,400	\$185,600	\$1,156,020	\$1,106,241	\$1,106,241	\$1,106,241	\$4,713,743	\$3,607,502
<b>Subtotal - Program Operations</b>	<b>\$3,188,005</b>	<b>\$17,951,339</b>	<b>\$84,975,230</b>	<b>\$84,369,544</b>	<b>\$66,911,392</b>	<b>\$61,854,403</b>	<b>\$319,249,913</b>	<b>\$257,395,510</b>
<b>Total Operating Costs</b>	<b>\$3,188,005</b>	<b>\$32,705,571</b>	<b>\$129,390,828</b>	<b>\$120,089,932</b>	<b>\$96,988,483</b>	<b>\$74,671,539</b>	<b>\$457,034,357</b>	<b>\$382,362,818</b>

Schedule 2.

**Federal Grant Funds: Exchange and Corresponding Public Program Grants**

	Feb 2011 Early Innovator Grant	June 2011 Establishment Grant	Dec 2011 Establishment Grant	June 2012 Establishment Grant	Medicaid APD- Early Innovator	Medicaid APD- June 2011	Medicaid APD-Dec 2011	Medicaid APD-June 2012*	Total
<b>IT Systems Contracts</b>									
CSC	\$17,919,888	\$0	\$35,560,000	\$21,150,000	\$6,815,957	\$0	\$13,525,500	\$7,854,375	\$102,825,720
Cognosante	\$1,407,672	\$0	\$0	\$6,300,000	\$535,418	\$0	\$0	\$2,396,250	\$10,639,340
APD	\$0	\$0	\$6,500,000	\$3,615,514	\$0	\$0	\$0	\$0	\$10,115,514
<b>Subtotal, IT Systems:</b>	<b>\$19,327,560</b>	<b>\$0</b>	<b>\$42,060,000</b>	<b>\$31,065,514</b>	<b>\$7,351,375</b>	<b>\$0</b>	<b>\$13,525,500</b>	<b>\$10,250,625</b>	<b>\$123,580,574</b>
<b>Program Operations</b>									
Staff	\$6,215,343	\$4,121,641	\$1,075,290	\$14,199,464	\$2,364,050	\$987,525	\$0	\$655,599	\$29,618,912
Contractual	\$0	\$5,856,000	\$5,093,625	\$49,907,411		\$106,500	\$133,125	\$14,033,062	\$75,129,723
Non Personal Services	\$1,888,530	\$797,258	\$245,904	\$324,101	\$718,316	\$6,004	\$0	\$7,881	\$3,987,994
<b>Subtotal, Operations</b>	<b>\$8,103,873</b>	<b>\$10,774,899</b>	<b>\$6,414,819</b>	<b>\$64,430,976</b>	<b>\$3,082,366</b>	<b>\$1,100,029</b>	<b>\$133,125</b>	<b>\$14,696,542</b>	<b>\$108,736,629</b>
<b>Total:</b>	<b>\$27,431,433</b>	<b>\$10,774,899</b>	<b>\$48,474,819</b>	<b>\$95,496,490</b>	<b>\$10,433,741</b>	<b>\$1,100,029</b>	<b>\$13,658,625</b>	<b>\$24,947,167</b>	<b>\$232,317,202</b>

\*The Medicaid APD for June 2012 has not been awarded yet.

Schedule 3.

**IT CONTRACTS**

**CSC Contract Details**

Spending By Year

	CY 2011	CY 2012	CY 2013	CY 2014	CY 2015	CY 2016	Total
DDO	\$0	\$12,188,561	\$31,114,575	\$8,896,270	\$0	\$0	\$52,199,407
Operations	\$0	\$0	\$3,102,488	\$17,243,302	\$17,417,477	\$7,257,282	\$45,020,550
Supplemental Staff	\$0	\$7,849,793	\$25,488,177	\$21,587,783	\$22,148,957	\$9,327,350	\$86,402,060
<b>Total</b>	<b>\$0</b>	<b>\$20,038,354</b>	<b>\$59,705,240</b>	<b>\$47,727,356</b>	<b>\$39,566,434</b>	<b>\$16,584,632</b>	<b>\$183,622,016</b>
	0.00%	10.91%	32.52%	25.99%	21.55%	9.03%	100%

**Cognosante Contract Details**

Fixed Price:	\$0	\$499,120	\$1,013,214	\$1,043,610	\$1,074,918	\$545,402	\$4,176,264
Supplemental Staff totals:	\$0	\$540,000	\$2,732,400	\$2,258,160	\$2,325,920	\$1,180,160	\$9,036,640
<b>Total:</b>	<b>\$0</b>	<b>\$1,039,120</b>	<b>\$3,745,614</b>	<b>\$3,301,770</b>	<b>\$3,400,838</b>	<b>\$1,725,562</b>	<b>\$13,212,904</b>
	0.00%	7.86%	28.35%	24.99%	25.74%	13.06%	100.00%

**Medicaid Allocation Methodology**

**CSC Contract**

Medicaid	30%	\$	-	\$ 6,011,506	\$ 17,911,572	\$ 14,318,207	\$ 11,869,930	\$ 4,975,390	<b>\$55,086,605</b>
Exchange	70%	\$	-	\$ 14,026,848	\$ 41,793,668	\$ 33,409,149	\$ 27,696,504	\$ 11,609,242	<b>\$128,535,411</b>
<b>Total</b>	<b>100%</b>	<b>\$</b>	<b>-</b>	<b>\$ 20,038,354</b>	<b>\$ 59,705,240</b>	<b>\$ 47,727,356</b>	<b>\$ 39,566,434</b>	<b>\$ 16,584,632</b>	<b>\$183,622,016</b>

**Cognosante Contract**

Medicaid	30%	\$0	\$311,736	\$1,123,684	\$990,531	\$1,020,252	\$517,669	<b>\$3,963,871</b>
Exchange	70%	\$0	\$727,384	\$2,621,929	\$2,311,239	\$2,380,587	\$1,207,893	<b>\$9,249,033</b>
<b>Total</b>	<b>100%</b>	<b>\$0</b>	<b>\$1,039,120</b>	<b>\$3,745,614</b>	<b>\$3,301,770</b>	<b>\$3,400,838</b>	<b>\$1,725,562</b>	<b>\$13,212,904</b>

IT Contract Funded to Date	Full Amount	Portion Funded*	Balance/Unfunded
CSC	\$183,622,016	\$102,825,720	\$80,796,296
Cognosante	\$13,212,904	\$10,639,340	\$2,573,564
<b>Total</b>	<b>\$196,834,920</b>	<b>\$113,465,060</b>	<b>\$83,369,860</b>

\*Assumes the June 2012 APD will be approved.

**DRAFT****EXCHANGE STAFF \***

Exchange - Full Time Staff	80
Exchange/Medicaid Staff	18
Department of Financial Services (DFS) Staff	21
<b>TOTAL STAFF</b>	<b>119</b>

	<b>SALARY</b>	<b>FRINGE</b>	<b>INDIRECT</b>	<b>TOTAL</b>
Exchange - Full Time Staff	\$ 7,015,117	\$ 3,518,300	\$ 1,632,680	\$ 12,166,096
Exchange/Medicaid Staff	\$ 1,564,346	\$ 784,676	\$ 364,098	\$ 2,713,120
Department of Financial Services (DFS) Staff	\$ 1,867,352	\$ 808,003	\$ 95,142	\$ 2,770,497
<b>TOTAL STAFF COSTS</b>	<b>\$ 10,446,815</b>	<b>\$ 5,110,979</b>	<b>\$ 2,091,920</b>	<b>\$ 17,649,714</b>

**Exchange - Public Program Allocations**

Exchange Share	\$ 9,965,105	\$ 4,869,354	\$ 1,979,803	\$ 16,814,262
Public Program Share	\$ 481,709	\$ 241,625	\$ 112,117	\$ 835,451
<b>Total</b>	<b>\$ 10,446,814</b>	<b>\$ 5,110,979</b>	<b>\$ 2,091,920</b>	<b>\$ 17,649,713</b>

\*Staff costs for 2015 and 2016 assume yearly salaries, fringe, and indirect and planned 2% salary increases for 119 total staff, pursuant to PEF labor agreements.

Schedule 5.

# DRAFT

**New York Health Benefit Exchange**  
Contracts Budget (2011 - 2015)

Project	Total Costs	CALENDAR YEARS					
		2011	2012	2013	2014	2015	2016
Customer Service & Back-End Operations*	\$93,238,874	\$0	\$350,000	\$36,894,437	\$36,894,437	\$19,100,000	\$14,000,000
							\$0
IT Subject Matter Experts	\$280,000	\$0	\$0	\$280,000	\$0	\$0	\$0
Exchange Policy Studies (Milliman, Wakely, HMA, Deloitte)	\$576,000	\$0	\$376,000	\$200,000	\$0	\$0	\$0
Stakeholder Meetings	\$98,764	\$0	\$98,764	\$0	\$0	\$0	\$0
Consumer Assistance Activities	\$9,419,849	\$2,500,000	\$4,580,000	\$2,339,849	\$0	\$0	\$0
Actuarial Assistance	\$1,257,750	\$0		\$1,257,750	\$0	\$0	\$0
Plan Rating, Appeals	\$381,925	\$0		\$381,925	\$0	\$0	\$0
All Payer Database	\$10,939,032	\$0	\$1,093,903	\$9,845,129	\$0	\$0	\$0
Marketing	\$41,424,930	\$0	\$8,335,075	\$5,473,235	\$13,808,310	\$13,808,310	\$13,808,310
SHOP Consultant	\$150,000	\$0	\$150,000	\$0	\$0	\$0	\$0
Simulation Modeling	\$556,000	\$0	\$139,000	\$417,000	\$0	\$0	\$0
Third Party Assistor Training**	\$8,274,000	\$0	\$0	\$2,758,000	\$2,758,000	\$2,758,000	\$2,758,000
Financial and Operational Audits	\$1,500,000	\$0	\$0	\$500,000	\$500,000	\$500,000	\$500,000
Accounting Services	\$1,700,000	\$0	\$0	\$1,600,000	\$50,000	\$50,000	\$50,000
In Person Assistors/Navigators	\$29,334,211	\$0	\$0	\$5,057,623	\$12,138,294	\$12,138,294	\$12,138,294
Evaluation	\$600,000				\$300,000	\$300,000	\$0
<b>Total</b>	<b>\$199,731,335</b>	<b>\$2,500,000</b>	<b>\$15,122,742</b>	<b>\$67,004,947</b>	<b>\$66,449,041</b>	<b>\$48,654,604</b>	<b>\$43,254,604</b>

Notes:

Estimates above reflect the Exchange portion of costs only for Customer Service/Maximus, IT Subject Matter Experts, Third Party Assistor Training, and In Person Assistors.

\*Reflects estimates for 2014, 2015 and 2016.

\*\*Third Party Assistor training costs may be higher in out years because training needs to occur for in-person assistors, brokers (SHOP), and appeals.

Schedule 6.

# DRAFT

## In Person Assistor Budget-Exchange and Public Program Shares

	2011	2012	2013	2014	2015
<b>Exchange</b>	\$0	\$0	\$ 5,057,623	\$ 12,138,294	\$ 12,138,294
<b>Medicaid/CHIP</b>	\$0	\$0	\$ 6,285,390	\$ 15,084,936	\$ 15,084,936
<b>Total</b>	\$0	\$0	\$ 11,343,013	\$ 27,223,230	\$ 27,223,230



Schedule 7.

# DRAFT

## NonPersonal Services: Summary Page

	2011	2012	2013	2014	2015
Computers	\$6,000	\$18,000	\$157,500	\$0	\$0
Computer Hosting	\$0	\$116,000	\$842,450	\$842,450	\$842,450
Supplies	\$1,400	\$5,600	\$42,350	\$42,350	\$42,350
Subscriptions	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
Travel	\$40,000	\$40,000	\$107,720	\$215,441	\$215,441
<b>Total</b>	<b>\$53,400</b>	<b>\$185,600</b>	<b>\$1,156,020</b>	<b>\$1,106,241</b>	<b>\$1,106,241</b>

# DRAFT

**Equipment and Supplies (Budget Detail)**

Five-Year Equipment & Supplies Cost Estimates					
	2011	2012	2013	2014	2015
computers*	\$6,000	\$18,000	\$157,500	\$0	\$0
supplies**	\$1,400	\$5,600	\$42,350	\$42,350	\$42,350
subscriptions**	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
Total	\$13,400	\$29,600	\$205,850	\$48,350	\$48,350
*one-time cost					
**recurring cost					

**June 2012 Establishment Grant Request**

			CCIO Request	APD Request
<b><u>Existing Exchange Positions (DOH)</u></b>				
computers	\$123,000	@ \$1,500 per person	\$115,800	\$7,200
supplies	\$28,700	@ \$350 per person	\$27,020	\$1,680
subscriptions	\$6,000		\$6,000	
	<b>\$151,700</b>		<b>\$148,820</b>	<b>\$8,880</b>
<b><u>Existing Exchange Positions (DFS)</u></b>				
computers	\$28,500	@ \$1,500 per person	\$28,500	\$0
supplies	\$6,650	@ \$350 per person	\$6,650	\$0
	<b>\$35,150</b>		<b>\$35,150</b>	<b>\$0</b>
Subtotal Computers:	\$151,500	@ \$1,500 per person	\$144,300	\$7,200
Subtotal Supplies:	\$35,350	@ \$350 per person	\$33,670	\$1,680
	<b>\$186,850</b>		<b>\$177,970</b>	<b>\$8,880</b>
<b>TOTAL EXISTING EQUIPMENT AND SUPPLIES:</b>				
	<b>\$186,850</b>		<b>\$177,970</b>	<b>\$8,880</b>
<b><u>New Exchange Positions (DOH)</u></b>				
computers	\$ 30,000	@ \$1,500 per person	\$30,000	\$ -
supplies	\$ 7,000	@ \$350 per person	\$7,000	\$ -
	<b>\$ 37,000</b>		<b>\$37,000</b>	<b>\$ -</b>
<b>TOTAL NEW EQUIPMENT AND SUPPLIES:</b>				
	<b>\$ 37,000</b>		<b>\$37,000</b>	<b>\$ -</b>
<b>TOTAL EXISTING AND NEW EQUIPMENT AND SUPPLIES</b>				
	<b>\$223,850</b>		<b>\$214,970</b>	<b>\$8,880</b>

Schedule 9.

# DRAFT

**Computer Hosting Costs**  
DOH Charge to Exchange

<b>Exchange Cost per Year</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
	\$0	\$116,000	\$842,450	\$842,450	\$842,450

**DRAFT****Travel**

Five-Year Travel Cost Estimates				
Travel Costs*				
2011	2012	2013	2014	2015
\$40,000	\$40,000	\$107,720	\$215,441	\$215,441

**Assumptions:**

2011 and 2012 costs reflect actual spending.

2013 costs reflect estimates, assuming an increase in travel due to Regional Advisory Committees and modest increase in staff.

2014 and 2015 Costs reflect estimates assuming 121 Exchange Staff and increased travel due to Regional Advisory Committees.

**Detailed Travel Estimates - 2013 (DOH and DFS Staff)**

Where	Mileage	Fees	Roundtrip	Lodging Per Diem	Meals / Incd. Per Diem	# People	# Trips	Total
<b>In-State</b>	\$0.55/mile	TBD	N/A					
<b><u>Regular Planning Meetings</u></b>								
NYC to Albany			\$120			3	50	\$18,000
					\$200	3	10	\$6,000
							<b>Sub-total:</b>	<b>\$24,000</b>
<b><u>Regional Advisory Committee Meetings</u></b>								
NYC to Albany			\$120	\$104	\$61	4	4	\$4,560
Albany to NYC			\$120	\$246	\$71	6	4	\$10,478
NYC to Rochester	\$157	\$13	\$170	\$96	\$51	2	4	\$2,538
Albany to Rochester				\$96	\$51	3	4	\$1,764
NYC to Buffalo				\$100	\$56	2	4	\$1,248
Albany to Buffalo		\$5	\$233	\$100	\$56	3	4	\$4,668
NYC to Long Island				\$127	\$69	2	4	\$1,564
Albany to Long Island				\$127	\$69	3	4	\$2,346
Albany to Ulster	\$86	\$5	\$91	\$105	\$66	3	4	\$3,144
							<b>Sub-total:</b>	<b>\$32,310</b>
<b><u>Out-of-State</u></b>								
National Conference			\$800		\$400	7	3	\$25,200
		\$10				7	3	\$210
CCIIO								
Impelementation								
Review			\$800	\$300	\$200	20	1	\$26,000
							<b>Sub-total:</b>	<b>\$51,410</b>
							<b>Total :</b>	<b>\$107,720</b>

\*In-state travel by car assumes 4 people per vehicle.

\*\*Fees represent parking or throughway tolls.

\*\*Airplane = \$1.31 per mile, per GSA

\*\*Long Island = MIPD rates equal average of Nassau & Suffolk counties.

Schedule 11.

# DRAFT

## Health Exchange Enrollment Estimates\*

	2014		2015		Full Implementation (100%)
	Enrollment	Percent of Full Implementation Estimates	Enrollment	Percent of Full Implementation Estimates	
Individual Exchange	202,950	33%	405,900	66%	615,000
SHOP Exchange	149,490	33%	298,980	66%	453,000
<b>Total Members</b>	<b>352,440</b>	<b>33%</b>	<b>704,880</b>	<b>66%</b>	<b>1,068,000</b>

\*Estimates from Urban Institute

Figures conform to those presented to HHS in Design Review 10/12

	2014		2015		Full Implementation (100%)
	Enrollment	Percent of Full Implementation Estimates	Enrollment	Percent of Full Implementation Estimates	
Medicaid/CHIP new enrollment**	186,000	36%	338,580	66%	513,000
Medicaid/CHIP renewals	2,966,000	88%	3,381,000	100%	3,381,000
<b>Total</b>	<b>3,152,000</b>	<b>81%</b>	<b>3,719,580</b>	<b>96%</b>	<b>3,894,000</b>

\*\*includes MA expansion (77,000) and eligibles newly enrolled (513,000 less 77,000)