

Budget Narrative – Revised May 8, 2013

This Budget Narrative references and summarizes information provided in greater detail in the Grant Application. The New Hampshire Insurance Department’s (the Department) total budget for the Cooperative Agreement to Support Establishment of the Affordable Care Act’s Health Insurance Exchanges – Level One Exchange Establishment Grant project described below and in the Abstract, Narrative and Work Plan is \$ 5,372,682.

The Department is requesting resources to implement the following areas spelled out in the grant narrative and work plan: (i) Put agreements in place to coordinate with the Federally facilitated Exchange (FFE) ; (ii) Establish and manage a process to support, administer and oversee aspects of the Navigator program; (iii) Establish and manage an in-person assistance program distinct from the Navigator program; and (iv) increase the numbers of consumers in New Hampshire with health coverage through an outreach and education plan to educate consumers about the Exchange.

Contracts with consultants and contractors will be developed for the completion of the projects, and will account for the majority of the costs allocated under the budget. The following consultants and contractors are proposed to complete the work plan:

- Project manager
- Facilitator/planner
- IPA contractors
- Navigator Consultant
- Navigator Monitor
- Communication Contractor

Costs for outside consultants are estimated at \$ 886,550. A project manager will be hired on a contract basis to provide support to Department staff as vendor contracts are developed and the grant objectives are met. All contractors selected by the Department shall be subject to the state’s competitive bidding process.

A. Salaries and Wages

Personnel

Total \$18,414
 Exchange Establishment Grant \$18,414
 Funding other than Establishment Grant \$0.00
 Sources of Funding: Non Applicable

<u>Position Title and Name</u>	<u>Annual</u>	<u>Time Months</u>	<u>Amount Requested</u>
Bookkeeper/Admin Support To Be Determined (TBD)	\$29,718	78% for 9 Months	\$18,414

Job Description: Bookkeeper/Admin Support – (To Be Determined)

Develop and administer a combination of account monitoring, administrative support and bookkeeping programs for federal grant administration, including financial management, budgetary monitoring, analysis and reporting, financial data entry and personnel data activities. One hundred percent of this position’s 29½ hour work week is devoted to the support and implementation of the plan management partnership exchange at the NH Insurance Department.

Project Director, Alain Couture 15% for 12 Months \$0.00
Mr. Couture will provide supervision to the Consultants and the Bookkeeper. Mr. Couture is the NHID Health Reform Project Director. His time is contributed.

Legal Counsel, Jennifer Patterson 15% for 12 Months \$0.00
Ms. Patterson will provide oversight to the work of the consultants in terms of the compliance with the ACA and the MOU with CCIIO and will be the Department liaison with the Health Reform Advisory Board.

B. Fringe Benefits

Total \$1,408
Exchange Establishment Grant \$1,408
Funding other than Establishment Grant \$0.00
Sources of Funding: Non Applicable

Fringe Benefits: 7.65 % of Total Salaries

Bookkeeper/Admin Support – Salary \$18,414

FICA 6.20% of \$ 18,414 \$1,141
Medicare 1.45% of \$18,414 \$ 267
Total: \$1,408

C. Consultant Costs

Total \$ 886,550
Exchange Establishment Grant \$ 886,550
Funding other than Establishment Grant \$0.00
Sources of Funding: Non Applicable

Consultants will be selected via the State’s competitive bidding process; therefore; specific vendor information cannot be provided at this time. However, the following justification is provided.

Position Title and Name Amount Requested

1) Project Manager (TBD) \$155,565

Justification:

Professional Fees: The Project Manager will assist the NHID with activities 2.0-4.3 (see work plan). We are estimating 108 working days for this consultant at a rate of \$1,303 per day totaling \$140,565.

Travel Costs:	
Mileage (46 round trips of 150 miles @.565)	\$3,975
Lodging (75 @ federal CONUS of \$96)	\$7,200
Meals (75 days @ CONUS of \$51/day)	<u>\$3,825</u>
Total estimated travel Costs	\$15,000

2) Facilitator/Planning Consultant (TBD) \$38,675

Justification:

Professional Fees: The Facilitator/Planning Consultant will assist the NHID with activity 3.1 (see work plan). We are estimating 200 hours for this consultant at a rate of \$175 per hour totaling \$35,000.

Travel Costs:	
Mileage (20 round trips of 150 miles @.565)	\$1,695
Lodging (10 @ federal CONUS of \$96)	\$ 960
Meals (20 days @ CONUS of \$51/day)	<u>\$1,020</u>
Total estimated travel Costs	\$3,675

3) Navigator Consultant (TBD) \$174,137

Justification:

Professional Fees: The Navigator Consultant will assist the NHID with activities 2.1-2.6, 2.8-2.9, and 3.5-3.9. (see work plan). We are estimating 800 hours for this consultant at a rate of \$200 per hour totaling \$160,000.

Travel Costs:	
Mileage (50 round trips of 150 miles @.565)	\$4,237
Lodging (50 @ federal CONUS of \$96)	\$4,800
Meals (100 days @ CONUS of \$51/day)	<u>\$5,100</u>
Total estimated travel Costs	\$14,137

4) Navigator Monitor (TBD) \$276,081

Justification:

Professional Fees: The Navigator Monitor will assist the NHID with activities 2.2-2.9 and 3.3-3.9 (see work plan). We are estimating 1650 hours at a rate of \$150 per hour totaling \$247,500.

Travel Costs:	
Mileage (100 round trips of 150 miles @.565)	\$ 8,475
Lodging (100 @ federal CONUS of \$96)	\$ 9,600
Meals (206 days @ CONUS of \$51/day)	<u>\$10,506</u>
Total estimated travel Costs	\$28,581

5) Communication consultant (TBD) \$242,092

Justification:

Professional Fees: The Communication Consultant will assist the NHID with activities 4.1-4.3 (see work plan). We are estimating 120 hours at a rate of \$2000 per day totaling \$240,000.

Travel Costs:	
Mileage (10 round trips of 150 miles @.565)	\$848
Lodging (5 @ federal CONUS of \$96)	\$480
Meals (15 days @ CONUS of \$51/day)	<u>\$765</u>
Total estimated travel Costs	\$2,093

D. Equipment

Total \$500
Exchange Establishment Grant \$500
Funding other than Establishment Grant \$0.00
Sources of Funding: Non Applicable

<u>Item Requested</u>	<u>How Many</u>	<u>Unit Cost</u>	<u>Amount</u>
Computer Workstation	1	\$500	\$500

The bookkeeper will be provided with a workstation at the department.

E. Supplies

Total \$0.00
Exchange Establishment Grant \$0.00
Funding other than Establishment Grant \$0.00
Sources of Funding: Non Applicable

No additional funding is being requested for supplies.

F. Travel

Total \$38,586
Exchange Establishment Grant \$38,586
Funding other than Establishment Grant \$0.00
Sources of Funding: Non Applicable

Costs for four staff (NHID and NHDHHS) to attend in-state and out of state meetings associated with developing and implementing the consumer assistance partnership:

In-State travel costs for 24 meetings around the state:

Mileage (24 round trips of 300 miles @ .565)	\$16,272
Meals (24 days @ CONUS of \$46/day)	<u>\$ 4,416</u>
Total in-state travel costs	\$20,688

Out of state travel cost for 3 out of state meetings of three days

Airfare (3 trips for 4 staff @ \$450 trip)	\$5,400
Ground transportation	\$1,200
Mileage @ .565 for RT of 100 miles	\$ 678
Lodging (@ federal CONUS of \$224)	\$8,064
Meals (@ CONUS of \$51/day)	<u>\$2,556</u>
Total estimated travel Costs	\$17,898

Total Travel Costs Requested: \$38,586

G. Other

Total \$20,674
Exchange Establishment Grant \$20,674
Funding other than Establishment Grant \$0.00
Sources of Funding: Non Applicable

Computer Software (Estimate based on prior grants)	\$ 600
Audit Set Aside (.1% per fiscal year x 3)	\$ 5,772
Current Expense (Estimate based on prior grants)	<u>\$14,302</u>
Total:	\$20,674

Computer Software is an estimate based on prior grant spending for consultants and the part-time bookkeeper/admin support. This is a cost incurred for any additional software that will be needed to support the functions of the support staff and consultants.

Current Expenses will be used to pay the costs of conferences calls, Legal Advertisement for requests for proposals and announcement of public hearings or meetings, rental of conference space for public hearings or meetings, and cost of printing presentations and educational materials. Please see details below:

Conference calls with vendors	\$ 400
Legal Advertisement for Requests For Proposals	600
Legal Advertisement for Public Hearings/Meetings	1,500
Rental of conference space for Public Hearings or Meetings (4)	5,500
Graphic Printing - presentations and educational material	6,302
Total	<u>\$ 14,302</u>

Audit Set aside: RSA 124:16 requires all agencies which receive federal funds to set aside .1% of the amount received to pay for financial and compliance audits.

H. Contractual Costs

- 1) The Department is budgeting \$2,278,252 for the cost to contract the In-Person Assistance (IPA) program to statewide organization and community not for profit organizations. IPA contractors will assist the Department with activities 3.2-3.9. and 4.3. The personnel time includes the hours that will be spent in training for in-person assistance. An IPA Manager will be contracted to manage the IPA contracts. It is expected that this person will spend approximately 1250 hours for 11 months at a rate of \$175 for a total of \$218,491. This amount is included in the figure of \$2,278,252 above.

Name of Contractor(s): To Be Determined by State of New Hampshire competitive bidding process

1. Method of Selection: Competitive bidding process
2. Period of Performance: Grant period for Contract Manager and 11 months for IPA contract.
3. Scope of Work: Provide In-Person Assistance as a wrap-around to the Navigator program.
4. Method of Accountability: Contract provisions and monitoring by Department personnel will provide accountability.
5. Itemized Budget and Justification:

A total of twenty-eight (28) In-Person Assistants (IPA) to be hired by contracted organizations

- Estimate of the population needing in-person assistance at 334,000.
- Estimate that 25%, or 83,500 people will need IPA.
- Cost for IPA 's is \$2,059,761
- Cost per IPA is estimated as:

Personnel	\$	41,500
Fringe Benefits @ 25%	\$	10,375
Total Personnel	\$	51,875
Overhead @ 40%	\$	20,750
Travel (2000 miles @ .565)	\$	938
Total per IPA cost		\$73,563

The fringe rate of 25% reflects 6.20% FICA, 1.45% Medicare, 12.5% workers Comp, 2.7% unemployment tax and 8.35% benefit costs for not for profit employers in the state.

The overhead rate of 40% includes occupancy costs of rent, phone, internet, workstation, office space and supervision for most not for profit employers in the state.

- 2) The Department is budgeting \$ 2,128,298 for the cost to implement a marketing and advertising campaign. This funding is targeted for activities 4.0-4.3

Name of Contractor(s): To Be Determined by State of New Hampshire competitive bidding process

1. Method of Selection: Competitive bidding process
2. Period of Performance: July 2013 through grant ending.
3. Scope of Work: Marketing and Advertising Campaign
4. Method of Accountability: Contract provisions and monitoring by Department personnel will provide accountability.
5. Itemized Budget and Justification:

A paid and earned media plan will be implemented to ensure that the target population is reached and provided with information on assessing the exchange. The scope of services will include the following:

- Paid media campaign, including creative development and paid placement of multiple executions, including TV, radio, print and online ads;
- Earned media, including major media announcements, op-ed placements, key messaging, media monitoring and analysis, media training, reactive media counsel, etc;
- Social media, including strategic recommendations, editorial calendar, development and design and implementation of social media channels, etc.;
- Grassroots outreach and strategic partnerships, including partnerships with professional, community and corporate organizations and development of collateral material(s), etc.;
- Small business outreach, including tailored outreach and partnerships with multiple organizations, trainings and other state events for small business owners, development of collateral material(s), etc.; and Navigator and IPA program training materials and overall strategic counsel and administration.
- Partnership development with libraries, community health centers, clinics, hospitals, community and civic organizations, community colleges, adult education centers, public schools, faith-based organizations, and the United Way 211 hotline to provide outreach and education on coverage options and access.

Also note, that on form SF424 Contractual and Consultant Costs are one line item for a total of \$5,293,100.

I. Total Direct Costs:	\$ 5,372,682
a. Salaries and Wages:	\$ 18,414
b. Fringe Benefits:	\$ 1,408
c. Consultant Costs:	\$ 886,550
d. Equipment:	\$ 500
e. Supplies:	\$ 0
f. Travel:	\$ 38,586
g. Other:	\$ 20,674
h. Contractual:	\$ 4,406,550
Total:	\$ 5,372,682

J. Indirect Cost: \$0.00

No additional funding is being requesting for indirect costs.

The department is only applying for funding for the Consumer Assistance Function. The following is a breakdown of costs by business function.

Exchange Activity: Consumer Assistance

- Total Costs: \$ 5,372,682
- Amount of cost that is fixed and or variable: All costs are variable however; the overall cost is not expected to exceed \$5,372,682
- Amount of Cost by Object Class Code (OCC):
 - 020: Current Expense: \$ 14,902
 - 030: Equipment: \$ 500
 - 041: Audit Set Aside: \$ 5,772
 - 046: Consultants: \$ 5,293,100
 - 050: Personnel Services: \$ 18,414
 - 060: Benefits \$ 1,408
 - 000: Travel \$ 38,586
- Percent of costs being requested by this Cooperative Agreement application: 100%
- Identify the percentage of costs being requested by another source: 0.00%
- Assumptions or other narrative: None