

Attachment B
California Health Benefits Exchange Level I (1.2) Establishment Grant Application
Budget and Budget Narrative

This Budget and Budget Narrative is separated into two sections. Section I focuses on the overall California Health Benefit Exchange (Exchange) budget, including Information Technology, and Section II focuses on the Information Technology and project costs.

Section I

Salaries

Total: \$12,622,903

Exchange Level I Grant (1.2):

Other Funding: \$0

Employees of the California Exchange are state employees and the salary classifications and benefit costs reflect state salary and benefit formulas. See Description of Key Personnel and Organizational Chart for job descriptions.

Table 1							
Salaries by Classification							
Classification	FTE	Monthly Salary for 2012	Monthly Salary for 2013	Salary for Grant Period	Monthly Benefits Cost 2012	Monthly Benefits Cost 2013	Benefits Cost for Grant Period
Accountant I	2	\$3,488	\$3,593	\$33,136	\$1,430	\$1,473	\$13,585
Accounting Technician	1	\$3,209	\$3,305	\$25,672	\$1,316	\$1,355	\$10,528
Assoc Admin Analyst, Acctg Systems	3	\$5,616	\$5,784	\$25,272	\$2,303	\$2,372	\$10,365
Associate Gov. Program Analyst	39	\$5,348	\$5,508	\$1,861,104	\$2,193	\$2,258	\$763,178
Assoc Govern Program Analyst-DSS	4	\$5,348	\$5,508	\$224,616	\$2,193	\$2,258	\$92,108
Assoc Information Systems Analyst	2	\$9,064	\$9,336	\$135,960	\$3,716	\$3,828	\$55,740
Assoc Systems Software Specialist	1	\$9,067	\$9,339	\$95,204	\$3,717	\$3,829	\$39,029
Associate Budget Analyst	3	\$5,348	\$5,508	\$136,374	\$2,193	\$2,258	\$55,923
Associate Personal Analyst-DSS	1	\$5,348	\$5,508	\$56,154	\$2,193	\$2,258	\$23,027
CEA 1, Information Officer III	1	\$6,409	\$6,601	\$67,295	\$2,628	\$2,707	\$27,594
CEA II	1	\$8,616	\$8,616	\$90,468	\$3,533	\$3,533	\$37,097
CEA II, Dep Dir Stakeholder Engage	1	\$8,616	\$8,616	\$90,468	\$3,533	\$3,533	\$37,097
CEA II, Dep Dir, Eligibility/Enrollment	1	\$8,616	\$8,616	\$90,468	\$3,533	\$3,533	\$37,097
CEA II, Dep Dir, Health Plan Contract	1	\$8,616	\$8,616	\$90,468	\$3,533	\$3,533	\$37,097

**Table 1
Salaries by Classification**

Classification	FTE	Monthly Salary for 2012	Monthly Salary for 2013	Salary for Grant Period	Monthly Benefits Cost 2012	Monthly Benefits Cost 2013	Benefits Cost for Grant Period
CEA II, Dir, Indiv Sales/Marketing	1	\$8,616	\$8,616	\$90,468	\$3,533	\$3,533	\$37,097
CEA II, IT Project Director	1	\$8,616	\$8,616	\$90,468	\$3,533	\$3,533	\$37,097
CEA III	2	\$9,476	\$9,476	\$184,782	\$3,885	\$3,885	\$75,758
CEA III Policy Development	1	\$9,476	\$9,476	\$99,498	\$3,885	\$3,885	\$40,793
Chief Financial Officer	1	\$12,500	\$5,125	\$131,250	\$12,500	\$5,125	\$53,813
Chief Operations Officer	1	\$17,083	\$17,083	\$179,372	\$7,004	\$7,004	\$73,542
Chief Technology Officer	1	\$13,333	\$13,333	\$139,997	\$5,467	\$5,467	\$57,404
Data Processing Manager III	5	\$8,239	\$8,486	\$432,550	\$3,378	\$3,479	\$177,345
Data Processing Manager IV	1	\$9,059	\$9,331	\$95,120	\$3,714	\$3,826	\$38,997
Deputy Chief Operations Officer	1	\$13,333	\$13,333	\$139,997	\$5,467	\$5,467	\$57,404
Dir, Small Group Sales and Marketing	1	\$8,616	\$8,616	\$90,468	\$3,533	\$3,533	\$37,097
Director, Government Relations	1	\$13,333	\$13,333	\$139,997	\$5,467	\$5,467	\$57,404
Director, Health Plan Contracting	1	\$13,333	\$13,333	\$139,997	\$5,467	\$5,467	\$57,404
Director, Public Relations & Comm	1	\$10,000	\$10,000	\$105,000	\$4,100	\$4,100	\$43,050
Director, SHOP	1	\$10,000	\$10,000	\$105,000	\$4,100	\$4,100	\$43,050
Executive Assistant	10	\$3,996	\$4,116	\$419,580	\$1,638	\$1,688	\$171,990
Executive Director	1	\$20,833	\$20,833	\$218,747	\$8,542	\$8,542	\$89,691
General Counsel	1	\$16,250	\$16,250	\$170,625	\$6,663	\$6,663	\$69,962
Health Program Auditor III/IV	2	\$6,168	\$6,353	\$18,504	\$2,529	\$2,605	\$7,588
Health Program Manager I	1	\$6,127	\$6,311	\$64,334	\$2,512	\$2,587	\$26,376
Health Program Manager II	4	\$6,727	\$6,929	\$282,536	\$2,758	\$2,841	\$115,836
Health Program Manager III	1	\$7,474	\$7,698	\$78,477	\$3,064	\$3,156	\$32,172
Health Program Specialist I	8	\$5,874	\$6,050	\$493,416	\$2,408	\$2,481	\$202,272
Health Program Specialist II	12	\$6,451	\$6,645	\$606,400	\$2,645	\$2,724	\$248,636
Info Systems Technician Spec I	1	\$9,074	\$9,346	\$95,277	\$3,720	\$3,832	\$39,060

Table 1 Salaries by Classification							
Classification	FTE	Monthly Salary for 2012	Monthly Salary for 2013	Salary for Grant Period	Monthly Benefits Cost 2012	Monthly Benefits Cost 2013	Benefits Cost for Grant Period
Info Systems Technician Spec II	1	\$9,073	\$9,345	\$95,256	\$3,720	\$3,832	\$39,060
Information Officer I	2	\$5,348	\$5,508	\$64,176	\$2,193	\$2,258	\$26,316
Labor Relations Analyst	1	\$5,350	\$5,350	\$24,075	\$2,194	\$2,194	\$9,873
Legal Analyst	1	\$4,670	\$4,810	\$49,035	\$1,915	\$1,972	\$20,108
Office Assistant	1	\$2,826	\$2,911	\$29,673	\$1,159	\$1,193	\$12,170
Office Technician	3	\$3,264	\$3,362	\$102,816	\$1,338	\$1,378	\$42,147
Research Program Specialist I	1	\$5,874	\$6,050	\$52,866	\$2,408	\$2,481	\$21,672
Research Program Specialist II	4	\$6,451	\$6,645	\$238,688	\$2,645	\$2,724	\$97,866
Senior Accounting Officer	2	\$5,348	\$5,508	\$66,850	\$2,193	\$2,258	\$27,413
Senior Information Systems Analyst	9	\$7,109	\$7,322	\$657,587	\$2,915	\$3,002	\$269,642
Senior Legal Typist	1	\$3,516	\$3,621	\$36,918	\$1,442	\$1,485	\$15,141
Sr Information Systems Analyst, Supv	4	\$9,063	\$9,335	\$380,584	\$3,716	\$3,827	\$156,042
Staff Admin Analyst, Acctg Systems	3	\$6,127	\$6,311	\$82,716	\$2,512	\$2,587	\$33,912
Staff Counsel	5	\$7,828	\$8,063	\$410,970	\$3,209	\$3,306	\$168,475
Staff Information Systems Analyst	10	\$7,110	\$7,323	\$732,240	\$2,915	\$3,003	\$300,250
Staff Management Auditor	1	\$6,434	\$6,627	\$9,651	\$2,638	\$2,717	\$3,957
Staff Program Analyst	2	\$9,070	\$9,342	\$190,470	\$3,719	\$3,830	\$78,100
Staff Services Manager I	9	\$6,127	\$6,311	\$557,561	\$2,512	\$2,587	\$228,592
Staff Srvs Mgr I/Health Program Mgr	4	\$6,127	\$6,311	\$257,336	\$2,512	\$2,587	\$105,504
Staff Services Manager II	8	\$6,727	\$6,929	\$491,074	\$2,758	\$2,841	\$201,334
Staff Services Manager III	4	\$7,474	\$7,698	\$231,694	\$3,064	\$3,156	\$94,984
Systems Software Specialist III	6	\$7,796	\$8,030	\$491,148	\$3,196	\$3,292	\$201,348
subtotal				\$12,887,903			\$5,284,209
Temp Help				\$735,000			
Salary Savings				-\$1,000,000			
Totals for Grant (1.2)	204			\$12,622,903			\$5,284,209

Benefits

Total: \$5,284,209

Exchange Level I Grant (1.2):

Other Funding: \$0

Benefits are calculated as follows:

OASI – 7.65% of monthly salary

Retirement – 16.62% of monthly salary

Health Benefits – 16.38% of monthly salary

Because benefits are based on monthly salary, they have been calculated alongside the salary calculations in the above table. A more detailed breakdown of benefit costs is available upon request.

Standard Costs Methodology (Operating Expense and Equipment)

Total: \$4,474,773

Exchange Level I Grant (1.2):

Other Funding: \$0

California State Government Standard Costs (\$28,000 per position)

Standard costs include:

General expense: \$4,000

Office automation: \$2,000

Printing: \$2,000

Communications: \$2,000

Travel (medium): \$7,000

Training: \$1,000

Data network: \$1,000

Facilities operations: \$9,000

Justification

General office supplies will be used by Exchange staff members to carry out daily activities of the program. Printing costs cover basic printing needs of Exchange staff members. Office automation costs cover computer equipment for workstations. Communications costs cover basic line costs for desk phones. Cellular phone devices will be used by Exchange staff members when they are out of the office on travel, at meetings, or after hours, as time-sensitive issues arise and must be handled before staff members can return to the office. Travel costs will be for the medium level of in-state travel covering basic travel to board and stakeholder meetings. Training costs cover work force development training courses and basic training courses for classifications. Facilities Operations costs cover standard facilities costs for private or state leased space.

Out-of-State Travel

Table 2 Out-of-State Travel by Core Area										
	8/15-12/31			Q1 1/1-3/31			Q2 4/1-6/30			Total for Grant Period
	# of trips	# of staff	Amount	# of trips	# of staff	Amount	# of trips	# of staff	Amount	
Background research & evaluation	--	--	--	--	--	--	--	--	--	--
Stakeholder Consultation	--	--	--	--	--	--	--	--	--	--
Governance, Legislative and Regulatory	7	4	29,250	3	4	9,025	3	4	9,025	47,300
Program Integrations	1	1	3,250	1	1	3,288	1	1	3,288	9,825
Qualified health plan management	4	8	46,400	1	4	12,200	1	4	12,200	70,800
SHOP	--	--	--	--	--	--	--	--	--	--
Eligibility and Enrollment	1	1	3,250	1	1	3,288	1	1	3,288	9,825
Consumer Outreach, Marketing & Assistance	1	1	3,250	1	1	3,288	1	1	3,288	9,825
IT (CalHEERS Project Only)	1	1	3,250	1	1	3,300	1	1	3,300	9,850
Operations and financial management	15	2	41,700	8	3	24,981	8	3	24,981	91,661
Total for Grant Period	30	18	130,350	16	15	59,369	16	15	59,369	249,090

East Coast

- ****adjusted a 15% increase per year in airfare for 2013
- ****Airfare estimated at \$1000 for round trip to east coast
- ****Per Diem and Hotel estimated at \$350 per day
- ****added a \$500 registration fee to all conferences
- ****conference were calculated at 5 days, other trips 2 days unless specified

West Coast

- ****adjusted a 15% increase per year in airfare for 2013
- ****Airfare estimated at \$500 for round trip to east coast
- ****Per Diem and Hotel estimated at \$310 per day
- ****added a \$500 registration fee to all conferences
- ****conference were calculated at 5 days, other trips 2 days unless specified

Justification

California is committed to participating in national efforts to serve states that are implementing Exchanges. Therefore, the requested grant funds will provide for trips to various locations outside the state for Exchange staff. Sixty-two trips are budgeted for an average of two people per trip to attend Health and Human Services (HHS) grantee meetings with Center for Consumer Information and Insurance Oversight (CCIIO) in Washington, DC, trips to conferences hosted by other states on aspects of their exchange, as well as trips to attend national state policy conferences, such as National Academy for State Health Policy (NASHP) and National Governors Association (NGA). The grant funds will also provide for a meeting with a smaller group of states to meet with CCIIO officials at some point during the year. The budget also includes four, four-person trips to travel to another state as part of the exchange learning collaborative to be able to glean from other states applicable components of the exchange. The people most likely to attend these meetings will be Exchange Executive Director, the Chief Operations Officer, the Chief Information and Technology Officer, and other key executive staff.

Operational Contracts/Inter-Agency Agreements

Total: \$45,011,685

Exchange Level I Grant (1.2):

Other Funding: \$0

Justification

The Exchange will engage in operational contracts and Inter-Agency Agreements (IAA) with various private and state partners. The Exchange may propose additional Level I establishment grants as these contracts and IAAs are further defined. Some of the key IAAs mentioned in the Exchange Work Plan include:

Inter-Agency Agreements:

University of California Los Angeles: \$1,630,000

- *California Health Interview Survey – will provide additional information regarding targeted eligible populations*

California State University of Sacramento: \$474,811

- *Logistic Support for Board and Stakeholder Meetings*

California Department of Insurance: \$218,750

- *Develop QHP certification standards*

Department of Health Care Services: \$7,060,781

- *Implementation and support for the California Health Eligibility and Enrollment and Retention System (CalHEERS)*

Office of Systems Integration: \$30,979,891

- *CalHEERS system integration with local county systems*

Total Direct Costs

Total Direct Costs: \$196,479,629

Salaries: \$12,622,903

Benefits: \$5,284,209

Consultant: \$156,450,249

Other Costs: \$22,122,268

Operating Expense & Equipment: \$4,474,773

Out-of-State Travel: \$249,090

Operational Contracts/Inter-Agency Agreements: \$45,011,685

Medicaid/SCHP Allocation: -\$27,613,280

Indirect Costs

There are no indirect costs associated with this proposal.

Budget by Core Area

All activities being requested in this grant are 100 percent funded through the Exchange Establishment Grant. All of the costs below reflect time, effort, resources, and materials that are estimated for this project. Each Core Area budget matches directly to the activities and timing explained in the project narrative and work plan.

Table 3 Budget by Core Area						
CORE AREA	FTE	Personnel	Benefits	Consultants	Other	TOTAL
Background research and evaluation	1	\$54,834	\$22,483	\$351,014	\$1,739,831	\$2,168,162
Stakeholder Consultation	2	\$142,548	\$58,449	\$150,000	\$44,328	\$395,325
Governance, Legislative and Regulatory	39	\$3,179,705	\$1,303,686	\$984,600	\$1,043,351	\$6,511,341
Program Integration	2	\$126,788	\$51,986	\$0	\$58,820	\$237,594
Qualified health plan management	22	\$1,186,214	\$486,372	\$1,701,888	\$1,162,160	\$4,536,634
SHOP	3	\$233,279	\$95,645	\$1,404,960	\$73,494	\$1,807,378
Eligibility & Enrollment	21	\$1,131,253	\$463,845	\$300,000	\$479,931	\$2,375,028
Consumer Outreach, Marketing & Assistance	25	\$1,397,659	\$573,048	\$37,336,842	\$1,743,389	\$41,050,938
IT						
CalHEERS*	25	\$2,021,687	\$828,940	\$109,999,945	\$12,943,258	\$125,793,830
HBEx IT	18	\$1,470,177	\$602,770	\$2,000,000	\$424,031	\$4,496,978
Service Center	0	\$0	\$0	\$800,000	\$0	\$800,000
Operation and financial management	46	\$1,678,759	\$796,985	\$1,421,000	\$2,409,675	\$6,306,419
OVERALL TOTALS	204	\$12,622,903	\$5,284,209	\$156,450,249	\$22,122,268	\$196,479,629

*18% Medicaid/SCHIP cost allocation included. CalHEERS costs are shared per cost allocation method approved in the Implementation Advanced Planning Document.

Consultants (both individual and non-individual) by Core Area

Table 5				
Consultants by Core Area				
	8/15- 12/31/12	Q1 2013 3/31/13	Q2 2013 6/30/13	Total thru 6/30/13
Background research and evaluation	99,720	139,608	111,686	351,014
Stakeholder Consultation	50,000	50,000	50,000	150,000
Governance, Legislative and Regulatory	507,000	332,000	145,600	984,600
Program Integration	0	0	0	0
Qualified health plan management	529,624	717,984	454,280	1,701,888
SHOP	528,000	487,200	389,760	1,404,960
Eligibility & Enrollment	0	0	300,000	300,000
Consumer Outreach, Marketing & Assistance	10,195,614	13,570,614	13,570,614	37,336,842
IT				
CalHEERS*	62,749,945	29,875,000	17,375,000	109,999,945
HBEx IT	666,667	666,667	666,666	2,000,000
Service Center	650,000	150,000	0	800,000
Operations and financial management	280,000	595,000	546,000	1,421,000
Totals	76,256,570	46,584,073	33,609,606	156,450,249

Section II

IT Systems Budget

California is requesting Level I (1.2) Establishment Grant funding to continue development, testing and implementation of CalHEERS which will serve as consolidated support for eligibility and enrollment in Exchange programs, as well as applications in Medi-Cal (California's Medicaid program) and Healthy Families (California's Children's Health Insurance Program (CHIP)). To date, the California Exchange has completed the IT consulting acquisitions as follows:

- Systems Integrator (SI) to develop and operate CalHEERS; and
- Project Management (PM) and Technical Support Services Contractor to support the Exchange throughout the CalHEERS development.

The acquisition of the Independent Verification and Validation (IV&V) Contractor is in progress and on track to be completed by mid-August 2012. In addition, the Exchange anticipates contracting other technical services personnel to advise and support the configurations of the Exchange Service Center and the Exchange internal IT Network infrastructure.

The IT budget request is based on the components listed above and the work done to date to identify the IT systems and supports that will be needed to comply with provisions of the Affordable Care Act. IT systems analysis, design and development has been an early and sustained activity of the California Exchange and the proposed budget is based on extensive research, expert consultation and collaboration with the state agency partners of CalHEERS, Department of Health Care Services and Managed Risk Medical Insurance Board.

The budgeted amounts for IT are based on actual expected costs and contract development with the vendors who will perform the work.

Total estimated IT costs for the grant period (August 15, 2012 through June 30, 2013), including the costs of both state personnel and consultants, are **\$131,090,808** (the CalHEERS Medicaid/SCHIP cost allocations are included in this amount and the total direct costs amount requested). California's proposed overall budget identifies how these funds are allocated within the Exchange.

The IT budget was developed based upon the following assumptions:

- The California Exchange will interface with the current MEDS, SAWS and Healthy Families infrastructure and architectures.
- The budget time period Includes that portion of system development costs which will be incurred through June 30, 2013. This time period includes only development and implementation cost for the system and does not include maintenance and operation costs which will occur after the time period of the Level I grant (1.2).
- The budget is based on currently available information and is subject to modification as required to reflect future changes in federal and/or state laws or regulations.

Exhibit A, Budget for State IT Staff Positions

Table 6							
Classification	FTE	Monthly Salary for 2012	Monthly Salary for 2013	Salary for Grant Period	Monthly Benefits Cost 2012	Monthly Benefits Cost 2013	Benefits Cost for Grant Period
Assoc Information Systems Analyst	2	\$9,064	\$9,336	\$135,960	\$3,716	\$3,828	\$55,740
Assoc Systems Software Specialist	1	\$9,067	\$9,339	\$95,204	\$3,717	\$3,829	\$39,029
CEA II, IT Project Director	1	\$8,616	\$8,616	\$90,468	\$3,533	\$3,533	\$37,097
Data Processing Manager III	5	\$8,239	\$8,486	\$432,550	\$3,378	\$3,479	\$177,345
Data Processing Manager IV	1	\$9,059	\$9,331	\$95,120	\$3,714	\$3,826	\$38,997
Info Systems Technician Spec I	1	\$9,074	\$9,346	\$95,277	\$3,720	\$3,832	\$39,060
Info Systems Technician Spec II	1	\$9,073	\$9,345	\$95,256	\$3,720	\$3,832	\$39,060
Senior Information Systems Analyst	9	\$7,109	\$7,322	\$657,587	\$2,915	\$3,002	\$269,642
Sr Information Systems Analyst, Supv	4	\$9,063	\$9,335	\$380,584	\$3,716	\$3,827	\$156,042
Staff Information Systems Analyst	10	\$7,110	\$7,323	\$732,240	\$2,915	\$3,003	\$300,250
Staff Program Analyst	2	\$9,070	\$9,342	\$190,470	\$3,719	\$3,830	\$78,100
Systems Software Specialist III	6	\$7,796	\$8,030	\$491,148	\$3,196	\$3,292	\$201,348
Totals for Grant	43			\$3,491,864			\$1,431,710

1. **Other State Personnel** – The budget includes personnel costs of the other state IT staff to be assigned to the project. This staffing structure supports a mixture of positions across many of the participating organizations including DHCS, OTECH OSI and MRMIB and is categorized as Inter Agency Agreements (IAA) with these organizations. Support positions include information technology analysts, security analysts, business analysts, subject matter experts, contract managers and other positions to ensure that the Project activities are performed in accordance with State requirements and that the business needs of the Exchange and other partner agencies are met. The total 2012–2013 cost during the grant period for other state IT personnel is estimated to be \$5,808,428.

Exhibit B, Non-Exchange State IT Personnel Costs through June 2013

State IT Personnel Costs	Estimated Cost
DHCS	\$3,934,282
OTECH	\$1,056,000
OSI	\$605,890
MRMIB	\$212,256
Total	\$5,808,428

2. **System Integrator Services** – The contracted Systems Integrator services encompass confirming requirements; designing, coding, and integrating system components; conducting unit, integration and system testing; assisting with user acceptance testing; developing system documentation; conducting organizational change management; providing training; implementing the system statewide; and operating the system. The CalHEERS SI will be responsible for developing the work products and deliverables for and supporting the Exchange throughout the Preliminary Design Review (PDR), Detailed Design Review (DDR), Final Detailed Design Review (FDDR), Pre-Operational Readiness Review (PORR), and Operational Readiness Review (ORR). The CalHEERS SI will also be responsible for launching the:

- **Portal** by July 1, 2013 to enable consumers to use anonymous screening, shop and compare tools, SHOP employers to register and setup accounts, and assisters to register to prepare to support Open Enrollment on October 1, 2013.
- **Enrollment** functionality by September 28, 2013 to enable applicants that are determined eligible for health benefits to enroll with health plans.
- **Financial Management** functionality to complete the Baseline CalHEERS by January 1, 2014 to enable Exchange staff to fully utilize the back office components of CalHEERS and the remaining reporting functionality and consumers to gain access to more robust plan management tools.

Through June 30, 2013, the SI costs are attributed toward completing:

- **Contracted Baseline System and Services**, including:
 - Development of the Baseline CalHEERS using the Alternative Case Data Management approach.
 - Conducting Organizational Change Management Services.
 - Developing and fully integrating Assister Management functionality into CalHEERS.
 - Developing and fully integrating SHOP functionality into CalHEERS.
 - Developing and fully integrating the Centralized Provider Directory Database into CalHEERS.
- **Optional Baseline System and Services**, including:
 - Potentially developing and fully integrating Individual Premium Aggregation functionality into CalHEERS, if the State elects this option by August 2012.

- Potentially establishing and integrating Service Center Hardware, Software, and Facilities to support CalHEERS customer service (including call and printer center services), if the State elects this option by August 2012.

The total cost for SI Services through June 30, 2013, as shown in Exhibit C.

Exhibit C, Systems Integrator Costs through June 2013	
System Integrator Cost	Estimated Cost
System Integrator Services	\$105,874,945

3. **System Interface Development** – Additional work will be required by external partners to ensure that systems that will directly interoperate with CalHEERS. These efforts will require partners to enhance or replace existing batch interfaces to be able to operate on a real time basis. The cost for the development of system interfaces through June 2013 is estimated to be \$34,130,500. A breakdown of these costs, by system interface, is provided in the following table (Exhibit D).

Exhibit D, System Interface Development Costs through June 2013	
System	Estimated Cost
MRMIB System (MAXe2)	\$630,000
SAWS Consortia Systems (C-IV, CalWIN, and LEADER)	\$30,374,000
MEDS	\$3,126,500
Total	\$34,130,500

4. Other Contract Services -

- **PM and Technical Support Services** – The PM and Technical Support Services contract includes a total of 18 full-time staff to provide services to assure for the executing, reporting, and controlling of work; the identification, tracking, and resolution of problems and issues; contract obligation management; deliverable reviews; proactive risk mitigation; and the communication and leadership necessary on all project teams to ensure overall project success. The PM and Technical Support Services costs through June 2013 are estimated to be \$3,525,000.
- **Independent Verification and Validation Services (IV&V)** – The IV&V services will provide an early warning of technical risks and deviations from requirements, which will allow the Project team to take the necessary corrective actions. IV&V services will also provide management with continuous, comprehensive visibility into the quality and progress of the development, and provide decision criteria for whether or not to proceed to the next development phase. The IV&V costs through June 2013 are estimated to be \$600,000, based on three full-time equivalent staff beginning in August 2012.
- **Technical Consultants (Internal)** – The Exchange anticipates contracting with additional technical consultants for expertise and advice for configuring and constructing its internal

network. The consultants will work alongside Exchange staff to address capacity, scalability and security for the Exchange network.

- **Service Center Consultants** – The Exchange is contracting with Service Center consultants to provide strategic and tactical support in developing and accessing alternative approaches for servicing callers who seek information or wish to enroll in new coverage options starting Summer 2013, as well as approaches providing other services such as incoming mail handling, payment processing, and outgoing communications. The work will also include preparation of solicitation documents required under the chosen approach.

The following chart (Exhibit E) presents the total costs for other contract services through June 2013.

Exhibit E, Total Costs for Other Contract Services through June 2013	
Category	Cost
PM and Technical Support Services	\$3,525,000
Independent Verification and Validation Services (IV&V)	\$600,000
Technical Consultants (Internal)	\$2,000,000
Service Center Consultants	\$800,000
Total	\$6,925,000

The following chart (Exhibit F) presents the total costs for IT for the CalHEERS and the Exchange through June 2013. Total IT consulting costs for August 15, 2012 – June 30, 2013, as described in B-F above, are estimated to be **\$152,738,873**.

Exhibit F, Total IT Costs through June 2013	
Category	Cost
Other State Personnel	\$5,808,428
System Integrator Services	\$105,874,945
System Interface Development	\$34,130,500
Other Contract Services	\$6,925,000
Total	\$152,738,873

Description of Key Personnel and Organizational Chart

Please see organizational chart.

Descriptions of Non-IT Key Personnel

Accountant I: The Accountant I will ensure that the Exchange is in compliance with all principles and practices of financial record keeping; basic principles of accounting; office methods, procedures, and equipment; governmental accounting principles and procedures. Apply rules and regulations to specific cases; operate common office appliances used in financial record-keeping work; analyze and draw logical conclusions; dictate correspondence.

Accounting Technician: The Accounting Trainee will maintain book keeping and accounting control records; compiles data for budget preparation purposes; prepare financial statements, reports, and documents; prepare correspondence; research original input documents to trace, identify and correct errors; track allotments to see how much money has been encumbered by program; receive, review and process claims for payment in accordance with contract stipulations; maintains revolving fund ledger cards; processes revolving fund checks for salary and travel advances.

ASSOC Admin Analyst, Acct Sys: The Associate Administration Analyst System will be responsible for the evaluation of existing and proposed financial organization, policies, and procedures; the preparation of factual reports with recommendations based on studies and surveys; the development of manuals for accounting procedures; assists in the installation of new procedures and systems; advises agency officials on accounting and fiscal problems; analyzes budget requests and makes recommendations on their necessity and feasibility; does research on legislation pertaining to fiscal matters and revises accounting procedures to conform; interviews and consults with departmental officials and officers of outside agencies.

Associate Gov. Program Analyst: The Associate Governmental Program Analyst performs the more responsible, varied, and complex technical and analytical staff services assignments such as program evaluation and planning; policy analysis and formulation; systems development; budgeting, planning, management, and personnel analysis; and continually provides consultative services to management or others.

Associate Budget Analyst: The Associate Budget Analyst performs the more responsible and complex technical budget work by coordinating and assisting in the development, preparation, administration, maintenance, review and control of a department's budget; provides consultative budget service to department management; and does other related work.

Associate Personnel Analyst: The Associate Personnel Analyst performs the more responsible, varied, and complex technical work of the state personnel management program; including advising and assisting operating officials; acting as lead person for other staff personnel; and doing other related work.

CEA I-Information Officer: The Information Officer prepares replies to difficult and complicated correspondence, including letters for signature by superiors; plans exhibits; provides writing, editing, and advisory service to other agency officials; acts as spokesperson for the agency before public groups,

to the news media, and to individuals who inquire regarding the agency's activities; arranges participation of other agency officials as speakers before public groups, or on radio and television newscasts or other programs; collects, evaluates, and distributes information from outside sources to the agency's staff; and in larger agencies supervises work of one or more Assistant Information Officers.

CEA II-Stakeholder Engagement: The CEA II- Stakeholder Engagement will advise and assist the Executive Officer and Executive Management Team in the formulation, implementation, coordination, administration, and evaluation of Departmental programs and policies related to the development and ongoing management of statewide outreach efforts to stakeholders who are integral to the successful implementation of the Exchange Mission. Also serves as the central point of contact for stakeholder groups.

CEA-II-Individual Sales and Marketing: The CEA II- Individual Sales and Marketing, will provide executive leadership for the sales and marketing functions for the individual market for the Exchange. The Director will have oversight of the sales and marketing to individuals and the broad campaign to foster knowledge of an enrollment in the full spectrum of state public health programs.

CEA-III: The CEA III will provide leadership and creativity in the identification, development, and implementation of new programs, program revisions, and program evaluation in special education; conduct conferences, workshops, and institutes; and plan, organize, and direct the work of others.

CEA-III-Policy Development: The CEA III-Policy Development will plan, organize, and direct the work of multidisciplinary professional and administrative staff; analyze administrative policies, organization, procedures and practices; integrate the activities of a diverse program to attain common goals; gain the confidence and support of top level administrators and advise them on a wide range of administrative matters; develop cooperative working relationships with representatives of all levels of government, the public, and the Legislative and Executive Branches; analyze complex problems and recommend effective courses of action; prepare and review reports; and effectively contribute to the department's or agency's affirmative action objectives.

Chief Operations Officer: The Chief Operations Officer oversees the business functions of the Exchange. The COO will provide operational supervision to the Exchange and work closely with partners of the Exchange to ensure the entity is working appropriately and with integrity. This position relates to all core areas.

Chief Financial Officer: The Chief Fiscal Officer offers budgetary oversight to the Exchange. The CFO will ensure the operational expenditures, contracts, revenues, and payments of the Exchange occur continuously and in a responsible manner. This position relates to all core areas.

Chief Technology Officer: The Chief Technology Officer is responsible for the overall design, development and execution of California's Health Benefit Exchange information technology (IT) systems and programs. The Chief Technology Officer oversees the planning, development, implementation, maintenance and operational activities for the Exchange's information technology systems. In addition, the Chief Technology Officer represents the information technology projects with stakeholders, including state and federal government agencies, vendors, and users of the

Deputy Chief Operations Officer: The Deputy Chief Operations Officer is responsible for the effective formulation, implementation and evaluation of the policies and procedures pertaining to all

administrative and operational processes of the Exchange. As a member of the Exchange executive management team, the Deputy Chief Operations Officer will provide leadership and oversight of all aspects of the Exchange operations. The position will coordinate daily tasks; develop project plans through subordinate staff to ensure the Exchange mission is achieved.

Director, Small Group sales and Marketing: The Director, Sales and Marketing, will provide executive leadership for the marketing and outreach functions for the Exchange. The Director will have oversight of the sales and marketing for individuals and small group market segments for the Small Business Health Options Program.

Director of Governmental Affairs: The Director of Governmental Affairs conducts timely review and evaluation of federal regulations and guidance that may affect the Exchange programs or operations. The Director of Governmental Affairs identifies specific state authorities and requirements necessary for the Exchange operations, advise the Legislature, and support legislative proposals necessary to enhance the authority of the Exchange and other state agencies as needed to comply with federal law and ensure effective implementation.

Director of Health Plan Contracting: The Director of Health Plan Contracting will be responsible for the development and administration of statewide program policies for health, dental, and vision care benefits and for development and monitoring quality improvement standards to ensure compliance with federal and state law and regulations for the Exchange's programs.

Director of Communications: The Director of Communications will oversee the outreach and education campaigns of the Exchange and administer the Navigator program. The Director of Communications will provide strategic development of the marketing campaign that will accompany the Exchange's launch. This position relates to all core areas.

Director SHOP Exchange: The Director SHOP Exchange will lead the effort to establish a SHOP program at the California Exchange. The SHOP Director will provide leadership to staff and consultants to develop, implement, and operate a SHOP program.

Executive Assistant: Under direction of a high level administrator, provides staff assistance on sensitive departmental or program issues; administrative assistance and secretarial support; office management, supervisory services, and other staff and office services; and does other related work.

Exchange Executive Director: The Executive Director provides leadership to the Exchange, work with the board to make policy decisions, and provide strategic direction to the entity. The Executive Director will lead the staff to develop, implement, and operate the Exchange. This position relates to all core areas.

Chief Counsel: The Chief Counsel provides legal oversight for the Exchange. The Chief Counsel ensure that all legal agreements are fulfilled and the Exchange entity operates within its legal authority. The Chief Counsel will also provide guidance on any statutes or regulations pertaining to the Exchange. This position relates to all core areas.

Health Program Auditor III/IV: The Health Program Auditor series administer, supervise, manage or conduct management, financial, and internal audits and investigations of hospitals, nursing homes, repaid health plans, adult day health centers, organized health systems, pilot projects, family planning

clinics, rural and Indian health clinics, departmental programs, site mitigation and other contractors and fiscal intermediaries; perform special and complex reviews of health care maintenance organizations; determine and obtain compliance with Federal and State laws and regulations governing various program contractors, preventive health programs and Medi-Cal reimbursements; conduct informal appeal hearings including controlling the course of the hearing, reviewing evidence in written form, examining testimony, and preparing reports of findings and recommending proposed decisions; serve in a staff or supervisory capacity to develop and interpret audit and compliance procedures, and review and analyze the fiscal and program impact of pending legislation on the Department's various health programs; and provide expert testimony at hearings related to disputed audit findings.

Health Program Manager I, II, III: This series of Managers have full management and supervisory responsibility for a small complex program with emphasis on health program knowledge and requiring staff services skills. They are in charge of a small highly visible program characterized by broad policy development and implementation, where the nature of such program and policy recommendations is extremely sensitive and controversial, far-reaching and highly visible both within and outside the department. Responsibilities also includes program development for grant proposals and multiple complex contracts requiring a high level of program knowledge.

Health Program Specialist I, II: The series of Health Program Specialists are highly skilled, technical program consultants in areas of extreme sensitivity and with responsibility for coordinating the development of broad policy with multiple departmental, immediate, and long-range impact. Positions at this level are those where the level of expertise required is definably greater than that for any other supervisory position at this level and the function performed is critical to the department's basic mission.

Information Officer I: The Information Officer will plan, write, edit, and prepare more complicated information material for dissemination through all major means of communication; disseminates such information material through appropriate channels; prepares replies to difficult and complicated correspondence, including letters for signature by superiors; plans exhibits; provides writing, editing and advisory service to other agency officials; acts as spokesperson for the agency before public groups, to the news media, and to individuals who inquire regarding the agency's activities; arranges participation of other agency officials as speakers before public groups, or on radio, and television newscasts or other programs; collects, evaluates, and distributes information from outside sources to the agency's staff; and in larger agencies supervises work of one or more Assistant Information Officers.

Labor Relations Analyst: The Labor Relations Analyst will read, analyze, and logically interpret and apply appropriate laws, rules, regulations, memoranda of understanding, policies, procedures, and instructions; plan, organize, and conduct research, and investigatory and statistical work; reason logically, analyze situations, and develop and evaluate alternatives and take effective action; accurately secure, evaluate, analyze, and record facts; prepare clear and succinct reports, graphs, correspondence, and statistical reports; comprehend written material; communicate effectively verbally and/or in writing; consult and advise interested parties; use good judgment and make sound decisions in critical situations; establish and maintain cooperative relations and gain confidence with those contacted in the work environment; and handle stressful and/or sensitive situations with tact and labor-management diplomacy.

Legal Analyst: The Legal Analyst will investigate and analyze facts and documents in connection with civil litigation; assists in criminal trial preparation by coordinating witnesses and processing subpoenas;

coordinates with local law enforcement and judicial entities relative to ministerial problems; when delegated by the attorney, drafts interrogatories and responses to interrogatories; interviews witnesses, complainants, and defendants concerning the facts of cases; drafts roughs of pleadings, complaints, and motions for attorney review by the attorney; assists in the preparation of witness books and exhibit books; conducts historical research with regard to cases and by summarizing deposition transcripts; assists in administrative proceedings by preparing drafts of accusations and statements of issues; prepares responses to routine procedural and/or large volume type inquiries; prepares legislative histories and follow-ups on legislative and regulatory files.

Office Assistant: The Office Assistant will perform clerical work, including ability to spell correctly; use good English; make arithmetical computations; operate various office machines; follow oral and written directions; evaluate situations accurately and take effective action; read and write English at a level required for successful job performance.

Research Program Specialist I, II: The series of Research Program Specialists will independently develop and utilize research methodology to perform complex health analysis on research projects and activities. The Research Program Specialist will lead and direct proposal evaluations during procurement and conduct complex, statewide health analyses on research projects and activities. The RPS II will serve as the primary resource for specialized research, act as a subject matter expert and the senior advisor on new value-based health initiatives and cost saving innovations. The Research Program Specialist will advise the Division Director and Deputy Director in contract negotiations related to performance guarantees, pay-for-performance and other incentives for health plan providers

Senior Accounting Officer: The Sr. Accounting Officer will independently perform the more difficult accounting duties which require an understanding of the entire accounting process, such as coordinate implementation of accounting for new programs/functions; review proposals to change accounting procedures; prepare cash analysis reports for management; coordinate completion of year-end reports. Assignments at this level may involve responsibilities which impact the entire accounting operation and may be given broad discretion in the solution of problems.

Senior Legal Typists: The Senior Legal Typists will perform the less complex legal secretarial work in State service. The Senior Legal Typist will perform legal typing and difficult clerical work that may involve transcribing dictation from a dictating machine and performing related office work required in preparing and processing a variety of legal documents.

Staff Management Auditor: The Staff Management Auditor will conduct financial compliance and/or management audits of a variety of State departments, governmental jurisdictions, and private businesses; complete comprehensive investigations of accounting, financial, and business organization procedures and recommend solutions to problems and issues; and analyze accounting/financial management audit studies.

Staff Admin Analysts: The Staff Administration Analyst will act as a working supervisor over a small intradepartmental accounting systems unit which has responsibility for a major segment of a large, rapidly changing and complex accounting systems analysis program, and direct the entire accounting systems staff in the department with a program of limited scope, dispersion, and complexity.

Staff Program Analyst: The Staff Program Analyst will write complex programs and develop detailed program specifications; analyze information and situations, reason logically and

creatively, identify problems, draw valid conclusions, and develop effective solutions; apply creative thinking in the design and development of methods of processing information with information technology systems; establish and maintain cooperative working relationships with those contacted in the course of the work; communicate effectively; and prepare effective reports.

Staff Counsel: Studies, interprets, and applies laws, court decisions, and other legal authorities; prepares or assists in preparing cases, opinions, briefs, and other legal documents such as memoranda, digests, summaries, and reports. Assists in review of regulations and contracts issued by the Executive Board.

Staff Services Manager I, II, and III: Three management levels used throughout state service in the performance of a wide variety of fiscal, management, and staff services functions including areas such as personnel, budget, management analysis, administrative services, program evaluation and planning, and policy analysis and formulation.

Temp Help: The Temp help employees will be used to facilitate various duties within the Exchange and will consist of Retire Annuitants, Students, and Special consultants.

Descriptions of Key IT Systems Personnel

The California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS) staffing plan includes the following state IT staff positions, by functional title.

Project Director (Exempt): The Project Director is responsible for planning, directing and overseeing the project, and ensuring that deliverables and functionality are achieved as defined in the Project Charter, funding documentation and subsequent project plans. The Project Director is also responsible for the management of all resources assigned to the project, serves as the primary liaison between the project and the Project Sponsor and Executive Committee, and escalates decisions and issues as needed. The Project Director coordinates project related issues with other efforts, reviews and resolves project issues not resolved at lower levels, and directs the project management functions. Provides leadership and strategic direction to CalHEERS multidisciplinary state/contractor teams to ensure project and organizational objectives are accomplished via effective project management. Plans, directs and oversees the project, and ensures deliverables and functionality are achieved as defined in the Project Charter, funding documentation and subsequent project plans. Reviews and approves the Project Schedule and Master Project Plan. Reviews and approves invoices and key project deliverables such as planning documents, business requirements, interface specifications, system design and implementation plans. The Project Director has the authority to make a final decision on all Change Requests unless the magnitude of change requires the review and approval of the project sponsor and control agencies.

Data Processing Manager IV (Assistant Project Director): Assists the Project Director with directing and managing the ongoing operations of the CalHEERS Project. Directs and oversees staff (state and consultant) responsible for oversight of the California CalHEERS system design, development and implementation. Directs and mentors the Data Processing Manager III responsible for managing the Project Management Unit which includes support for the procurement, contract management, and fiscal activities at the CalHEERS Project as well as oversight of the system integrator's project management

office. Also directs and mentors the Data Processing Manager III responsible for managing the System Development Support Unit that contains both state and consultant staff to support the business side of the application design and development as well as the technical side of DD&I. Along with the Project Director, has state signature authority for the CalHEERS Project, including the prime contractors and nonprime contractors' contracts and deliverables. Responsible for communication between the state, the CalHEERS contractors, project sponsors (the Health Benefit Exchange, DHCS, MRMIB, et al.), and the federal government. Ensures contractor performance meets the terms and conditions of the state's CalHEERS contracts. Monitors and directs quality assurance and project management oversight contracts.

Data Processing Manager III (Project Management Chief): Manages and directs project management and administrative support components for the California Healthcare Eligibility, Enrollment and Retention System (CalHEERS) Project. Manages and directs the activities of state and consultant staff responsible for the assisting and overseeing the System Integrator (SI) with the design, development, deployment, and maintenance of the CalHEERS solution. Ensures that the CalHEERS Systems Integrator functions according to contractual obligations and is ultimately responsible for all functional and technical deliverables.

Senior Information Systems Analyst: Provides leadership during all phases of the System Development Life-Cycle. Performs project management tasks relating to quality assurance, risk management, planning, issue management, schedule management, and other project management disciplines by providing both required information and recommendations for action by management. Reviews and evaluates SI deliverables, provides findings and recommendation to project management on acceptance. Monitors SI performance to ensure the use of accepted industry, project, state standards and quality controls. Decomposes high-level requirements to validate and identify interface requirements. Leads the effort to establish and maintain written agreements, Interagency Agreements, and Memorandums of Understanding with CalHEERS Project interface partner organizations.

Staff Information Systems Analyst: The Analyst is responsible for performing project management support tasks for the project. The Analyst supports the project management processes (including but not limited to) risk management, issue and action item management, schedule management, change management, cost management, and communications management and develops content for control agency documents. Reviews and evaluates SI deliverables, provide findings and recommendation to project management on acceptance. Analyzes deliverables to ensure the use of accepted industry, project, state standards and quality controls.

Associate Information Systems Analyst: Assists with project related activities to help ensure the Project Management Office remains consistently responsive.

Systems Software Specialist III – Sup (Technical Architect): Leads and oversees the activities of the Technical Architecture Team to ensure the CalHEERS architecture is defined, planned, developed, implemented, and maintained as defined in CalHEERS Project requirements, specifications, plans, and other documents.

Systems Software Specialist II (Systems Engineer): Ensures the appropriate technical computing architecture standards at the project, state and federal level are met and properly integrated into the system design. Identifies high-level technical requirements in support of mission critical business requirements, coordinating with technical experts at the Exchange and state levels. Oversees the design of bi-directional and extremely complex interfaces with multiple external systems, to facilitate seamless integration of numerous county and state business processes.

Information Systems Technician – Spec I & II (Desktop / Printer Support): Responsible for the desktops, laptops, printers and peripherals, such as Blackberry's and PDAs. Set up, configure computers for new users, and are responsible for any physical work relating to the computers such as repairing software or computer hardware issues and moving workstations to another location. The help desk will assign the Desktop / Printer Support team the second-level desktop issues that the first level was not able to solve.