

Schedule 13

Department of Health Care Policy and Financing

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-10 Convert Contractor Resources to FTE

Dept. Approval By: _____



Supplemental FY 2020-21

OSPB Approval By: _____



Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$147,413,510	\$0	\$150,433,870	(\$1,028,965)	(\$719,409)
FTE		520.4	0.0	521.2	13.5	14.0
Total of All Line Items Impacted by Change Request	GF	\$34,558,055	\$0	\$36,238,130	\$0	\$0
	CF	\$14,566,504	\$0	\$15,237,552	(\$21,609)	(\$15,112)
	RF	\$2,718,267	\$0	\$2,345,839	\$0	\$0
	FF	\$95,570,684	\$0	\$96,612,349	(\$1,007,356)	(\$704,297)

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$41,276,479	\$0	\$41,080,782	\$878,910	\$910,588
FTE		520.4	0.0	521.2	13.5	14.0
01. Executive Director's Office, (A) General Administration, (1) General Administration - Personal Services	GF	\$14,487,249	\$0	\$14,650,129	\$224,021	\$232,179
	CF	\$3,911,124	\$0	\$3,939,903	\$128,794	\$133,479
	RF	\$2,305,357	\$0	\$1,892,777	\$0	\$0
	FF	\$20,572,749	\$0	\$20,597,973	\$526,095	\$544,930

Total		\$5,264,801	\$0	\$6,826,728	\$140,588	\$140,588
FTE		0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) General Administration, (1) General Administration - Health, Life, and Dental	GF	\$1,342,322	\$0	\$2,480,588	\$34,784	\$34,784
	CF	\$548,313	\$0	\$573,987	\$20,082	\$20,084
	RF	\$138,532	\$0	\$173,157	\$0	\$0
	FF	\$3,235,634	\$0	\$3,598,996	\$85,722	\$85,720

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$72,366	\$0	\$71,148	\$1,330	\$1,378
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) General Administration, (1)	GF	\$26,778	\$0	\$26,526	\$339	\$351
General Administration - Short-term Disability	CF	\$5,695	\$0	\$5,510	\$194	\$201
	RF	\$1,607	\$0	\$1,644	\$0	\$0
	FF	\$38,286	\$0	\$37,468	\$797	\$826
	Total	\$2,188,905	\$0	\$2,223,320	\$39,114	\$40,524
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) General Administration, (1)	GF	\$810,157	\$0	\$828,912	\$9,969	\$10,332
General Administration - Amortization	CF	\$172,037	\$0	\$172,189	\$5,731	\$5,940
Equalization	RF	\$48,635	\$0	\$51,380	\$0	\$0
Disbursement	FF	\$1,158,076	\$0	\$1,170,839	\$23,414	\$24,252
	Total	\$2,188,905	\$0	\$2,223,320	\$39,114	\$40,524
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) General Administration, (1)	GF	\$810,157	\$0	\$828,912	\$9,969	\$10,332
General Administration - Supplemental	CF	\$172,037	\$0	\$172,189	\$5,731	\$5,940
Amortization	RF	\$48,635	\$0	\$51,380	\$0	\$0
Equalization	FF	\$1,158,076	\$0	\$1,170,839	\$23,414	\$24,252
Disbursement						
	Total	\$2,356,365	\$0	\$2,248,313	\$140,742	\$58,500
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) General Administration, (1)	GF	\$954,547	\$0	\$919,906	\$34,442	\$12,988
General Administration - Operating Expenses	CF	\$214,413	\$0	\$200,711	\$19,921	\$7,624
	RF	\$13,297	\$0	\$13,297	\$0	\$0
	FF	\$1,174,108	\$0	\$1,114,399	\$86,379	\$37,888
	Total	\$20,838,547	\$0	\$19,531,819	\$277,500	\$0
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) General Administration, (1)	GF	\$6,423,623	\$0	\$6,012,795	\$87,384	\$0
General Administration - General Professional	CF	\$3,230,464	\$0	\$3,415,079	\$48,867	\$0
Services and Special	RF	\$150,000	\$0	\$150,000	\$0	\$0
Projects	FF	\$11,034,460	\$0	\$9,953,945	\$141,249	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$73,227,142	\$0	\$76,228,440	(\$2,546,263)	(\$1,911,511)
01. Executive Director's Office, (C) Information Technology Contracts and Projects, (1)	FTE	0.0	0.0	0.0	0.0	0.0
Information Technology Contracts and Projects - MMIS Maintenance and Projects	GF	\$9,703,222	\$0	\$10,490,362	(\$400,908)	(\$300,966)
	CF	\$6,312,421	\$0	\$6,757,984	(\$250,929)	(\$188,380)
	RF	\$12,204	\$0	\$12,204	\$0	\$0
	FF	\$57,199,295	\$0	\$58,967,890	(\$1,894,426)	(\$1,422,165)

Auxiliary Data

Requires Legislation?	NO		
Type of Request?	Department of Health Care Policy and Financing Prioritized Request	Interagency Approval or Related Schedule 13s:	No Other Agency Impact



Department Priority: R-10
Request Detail: Convert Contractor Resources to FTE

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	\$147,413,510	\$150,433,870	(\$1,028,965)	(\$719,409)
FTE	520.4	521.2	13.5	14.0
General Fund	\$34,558,055	\$36,238,130	\$0	\$0
Cash Funds	\$14,566,504	\$15,237,552	(\$21,609)	(\$15,112)
Reappropriated Funds	\$2,718,267	\$2,345,839	\$0	\$0
Federal Funds	\$95,570,684	\$96,612,349	(\$1,007,356)	(\$704,297)

Summary of Request:

The Department requests to build internal efficiencies and develop institutional knowledge related to supporting providers through provider field representatives and strengthening the Department’s portfolio and project management. This request would repurpose funding appropriated to the Department for contractor resources to hire state FTE to perform the duties, which is a more cost-effective solution and provides benefits such as building institutional knowledge and the ability to quickly refocus staff with changing priorities. This request is similar to the Department’s FY 2020-21 BA-11 “Convert Contractor Resources to FTE,” which also repurposed funding from contractor resources to hire FTE.

Cash funds included in this request are from the Healthcare Affordability and Sustainability Fee Cash Fund and the Children’s Basic Health Plan Trust. This change represents less than a 0.5 percent change to the Department’s budget.

The Department considers this request as aligning with Step 2 on the evidence continuum, as the Department collects data on the functions performed by provider field representatives and project management staff.



Current Program:

The Department received funding for contracted provider field representatives in the Department's FY 2019-20 R-12 "Medicaid Enterprise Operations"¹ request. This funding supports eight provider field representatives contracted with the Department's Medicaid Management Information System (MMIS) and Fiscal Agent Services vendor through the end of FY 2020-21. Provider field representatives are a valuable asset to the Department's provider services, offering personal outreach and attention to providers who either need extra help or who have problems resolving their issues with the provider call center.

The Department also received funding to establish the Medicaid Enterprise Project Management Office (PMO) in the Department's FY 2019-20 R-12 "Medicaid Enterprise Operations" request. This funding supports a contracted project management vendor and Department FTE to provide project management services, operational support, and administrative functions to the Medicaid Enterprise. The Medicaid Enterprise consists of four primary services including the Department's MMIS and Fiscal Agent Services, Business Intelligence and Data Management (BIDM) services, the Pharmacy Benefit Management System (PBMS), and Colorado Benefits Management System (CBMS).

Problem or Opportunity:

The Department has identified an opportunity to improve its ability to support providers through field representatives and strengthen its portfolio and project management by repurposing funding already appropriated for contractor resources and hiring FTE to perform these duties instead. While the appropriated contractor resources would allow the Department to make progress in these areas, the Department could make more progress and provide more ongoing support by using the funding for in-house staffing resources. This could be done with no additional General Fund and would build ongoing in-house expertise and institutional knowledge, therefore accomplishing more of the Department's goals.

Outside vendors are a less cost-effective way to meet the Department's need for provider field representatives and additional portfolio and project management capacity. If the Department were to use contractor resources, then each contractor would require oversight and management by Department staff, which must be absorbed by existing staff in most cases. Contractor work typically is more expensive than FTE costs for equivalent work. The State frequently pays hourly rates to vendors that exceed the amount that would be paid for equivalent work by State FTE. In the past, the Department has experienced difficulty in maintaining continuity of knowledge and processes when the work is transitioned between vendors. Subject matter knowledge is not always preserved during the transition process. The transition period between vendors generally results

¹ <https://www.colorado.gov/pacific/sites/default/files/HCPF%2C%20FY20%2C%20R-12%20Medicaid%20Enterprise%20Operations.pdf>

in delays in completion of deliverables as one vendor closes out and the other vendor ramps up to take on contractual responsibilities which would not occur with State FTE.

Provider Field Representatives

Funding for provider field representatives expires at the end of FY 2020-21, but the Department considers them to be a valuable asset to provider services that should be available to providers on an ongoing basis. Eight provider field representatives were added to the MMIS and Fiscal Agent Services contract in the fall of 2017 to assist providers with new Colorado interChange functionality and ease frustration. The need for provider field representatives was highest during the Colorado interChange transition period, but there continues to be a need to address ongoing provider requests. The field representatives respond to provider requests submitted through the Department's website on issues related to claims, the provider web portal, enrollment, revalidation, and policy. They resolve escalations of complex issues identified by the call center, conduct onsite or virtual site visits to address provider requests, and assist with training as needed.

Project Management Office

With the high demand on current PMO resources, the Department has insufficient capacity to manage Medicaid Enterprise projects and successfully establish a responsive strategic framework that allows the Department to optimize workflow and rapidly adjust project work as changes occur. The Department's current PMO can manage approximately 30 in-progress projects at a given time. This typically leaves over 150 other in-progress Medicaid Enterprise projects unmanaged by the PMO due to the limited capacity of available resources. As the Department continues to take on additional state and federal projects to improve operational excellence and stay in compliance with state and federal requirements, the demand on PMO resources will only increase. This includes meeting Centers for Medicare and Medicaid Services (CMS) requirements for Medicaid Enterprise modular system projects, which is required for continued federal financial participation (FFP). Beyond basic project management, there is an increasing recognition in Enterprise management that embracing continuous improvement through Agile and Lean practices is a necessity in the rapidly changing world of work. There is also an increasing recognition of the need for strong project management across all the Department's strategic initiatives, not just for the Medicaid Enterprise. The Department's current PMO has insufficient resources to establish a department-wide project management framework necessary for ongoing success and performance amid continuous change.

The Department hired a contractor to perform an independent assessment regarding the need for a department-wide PMO and the recommendations from this assessment form the basis of this request. The assessment found that the Department needed to expand the current PMO to cover more than Medicaid Enterprise System projects and cover all the Department's strategic initiatives.

The assessment also provided the Department with the recommendations listed below.

- To improve project prioritization, the Department should establish a standard process that accounts for the priority efforts outlined in the Governor’s Wildly Important Goals and the Department Performance Plan. The process should consistently be applied when onboarding projects so that the most important strategic initiatives are delivered first.
- As the new PMO develops an organization-wide project management framework they should consider how to incorporate Agile practices, continuous improvement, and feedback loops to reduce risks during the project.
- To support an enterprise-wide approach to Agile and Lean, the Department should procure contractor resources for at least 12 months to guide, develop and implement the approach to include training and coaching. The assessment noted that contractor resources can bring required industry knowledge and organization change management to ensure a successful transition and operation hand off to the Department.
- To promote continuous improvement and Agile practices in the PMO framework, the Department should improve staffing levels in the PMO. The assessment concluded that the PMO does not have enough positions to support the portfolio of projects. It noted that besides managing projects, the PMO supports various operational functions including contract management, vendor management, fiscal activities, advance planning documents, change and priority board meetings, and federal reporting requirements. The assessment estimated that those activities account for approximately 30% of staff time.

The assessment recommended at least 15.0 additional FTE for the PMO to improve the portfolio and project management framework and address operational issues that impact continuous project delivery.

Proposed Solution:

The Department requests a reduction of \$1,028,965 total funds, including \$0 General Fund, a reduction of \$21,609 cash funds, a reduction of \$1,007,356 federal funds, and an increase of 13.5 FTE in FY 2021-22; and a reduction of \$719,409 total funds, including \$0 General Fund, a reduction of \$15,112 cash funds, a reduction of \$704,297 federal funds and an increase of 14.0 FTE in FY 2022-23 and ongoing to support providers with ongoing provider field representatives and strengthen the Department’s PMO with no additional General Fund and a reduction in total funds, cash funds, and federal funds. Further, the Department requests to move funding that has already been appropriated to a line item which would permit the hiring of additional staff. In addition to the increase in Department FTE, this change in funding would allow the Department to build internal efficiencies and develop institutional knowledge related to provider field representatives and the PMO. Cash funds are from the Healthcare Affordability and Sustainability Fee Cash Fund and the Children’s Basic Health Plan Trust.

This request includes 6.0 FTE to serve as provider field representatives, including additional operating funds for these FTE for travel expenses related to onsite provider visits to address provider service requests, attending provider association meetings, and provider recruitment and retention activities. Although the provider field representative work has been performed by contractors to date, FTE performing these duties allows the Department to build on areas that are not generally possible with contractors. For example, FTE can be ingrained in the Department's culture, mission, and vision. There would be an increased line of sight into provider contacts and other activities. There would also be improved efficiency and customer service to providers achieved through direct oversight and the ability to quickly refocus staff based on Departmental priorities like provider recruitment. To accomplish this change, the Department has developed a spending plan for the FY 2020-21 MMIS Maintenance and Projects line item incorporating savings from negotiated contracts and leveraging rollforward funds to create efficiencies and reduce contractual obligations funded within the line which could be sustained ongoing. The Department proposes to utilize these savings to offset the costs to transition the provider field representatives from contract staff to State FTE and thus continue this important service to providers.

This request also includes 8.0 FTE to serve in the project management office. These FTE would work as a cohesive team and include one portfolio manager who would manage an overall portfolio of projects, five project managers responsible for day-to-day project management, and two project coordinators to assist the project managers. This request also includes additional operating funds to provide ongoing professional development and training for these staff. Although the assessment recommended a greater number of FTE, the Department is requesting less FTE than recommended to keep the request General Fund neutral. Having FTE perform these critical PMO functions provides a number of benefits to the Department not generally realized with contractors. For instance, FTE generally allows for better retention of institutional knowledge and subject matter expertise, which are critical for Medicaid Enterprise projects that typically involve overlapping state and federal regulations, technical requirements, policy concerns, and project management methodologies and tools. Having FTE do this work also allows for greater ability to reprioritize Enterprise projects and quickly refocus staff in response to changes in policy, federal regulations, and other circumstances.

Additionally, this request includes one-time funding for two consulting contracts that would focus on portfolio process improvements in the PMO and department-wide. One consultant would design and facilitate portfolio process improvements through training and coaching including Agile and Lean principles. The other consultant would provide organizational change management to plan, manage, and influence the adoption of Agile and Lean project practices across the Department.

This request also includes reductions to the Department's MMIS Maintenance and Projects line item, keeping the request General Fund-neutral. This line item contains funding appropriated to the Department for contractor resources related to the ongoing maintenance of the MMIS and

development projects. Reductions to this line item are possible due to recent vendor rate and payment reductions to contractors paid out of this line item, including reductions to the current PMO contractor budget. Instead of using these reductions to renew the contract for provider field representatives and procure a new contract for project management, this request proposes to reutilize these reductions to hire FTE for these functions. This would provide the Department with more overall resources than a contracted solution would within the same amount of funding, due to the efficiencies of FTE described above.

The programs in this request are in Step 2 on the Office of State Planning and Budget (OSPB) continuum of evidence. For provider field representatives, the Department's objective is to assist providers with complex system, policy, or other issues and has output measures in the number of provider requests being submitted through the Department's website for assistance from a provider field representative. This indicates an ongoing demand for provider field representatives from providers and is expected to decrease as the interChange system stabilizes after the initial transition period. For the PMO, the Department's objective is to provide effective project management services for the Department's large portfolio of projects and is actively involved in independent assessment of the Department's project management capacity, utilizing frameworks such as Agile, Lean, and 4DX to continually assess and improve the program. The Department has output measures in the number of projects in-progress across the Department versus the number actively managed by the PMO, with the objective of increasing the number of projects managed by the PMO and building project management capacity among non-PMO staff to manage smaller projects.

If this request is not approved, the Department would determine if some level of provider field representatives and increased project management capacity could be accomplished through efficiencies, negotiated contract reductions, or reprioritization of other contractor work to procure contractor resources for these purposes. This would provide the Department with overall fewer resources than could be provided through the FTE proposed in this request. Equivalent contract resources would cost more than the available MMIS line item reductions, and thus would not be a General Fund-neutral solution like the proposed solution is, which repurposes the reductions to hire FTE. A contractor-based solution would prevent the Department from realizing the benefits of bringing the work in-house, including greater efficiency, greater line of sight into the work, better ability to rapidly adjust to changes in priorities, and the building of institutional knowledge and best practices. Additionally, the Department risks the loss of enhanced FFP without a strong project management framework that can navigate the complex and evolving federal requirements for Medicaid Enterprise modular system projects.

Anticipated Outcomes:

The Department seeks to improve all areas of operations including ongoing support to providers through provider field representatives and increasing the capacity of the PMO and creating a responsive PMO framework that can be responsible for strategic projects department-wide. The

Department anticipates that approving this request would provide great return to the State by developing efficiencies and institutional knowledge on complex subject matter without additional General Fund and with a reduction in total funds, cash funds, and federal funds. The Department anticipates this request would enhance the work of provider field representatives by using State FTE that can be more responsive to Department priorities and more ingrained in the Department culture and operations. The Department also anticipates this request would add much-needed project management capacity to the PMO and position the Department to successfully manage an expanding portfolio of projects that are critical to implementing policy changes and staying in compliance with state and federal regulations.

If approved, this request would directly support the goals and initiatives in the Department's FY 2020-21 Performance Plan.² Specifically, this request would support the Department's WIG of Medicaid Cost Control through implementing strategic initiatives, as well as its pillar of Operational Excellence as the resources requested would drive more compliant, efficient, and effective business practices. This request would also represent a direct implementation of the Department's core values of accountability, person-centeredness, and employee engagement. Furthermore, this request would align with the Governor's Office of Operations focus on process improvement and professional development.

Assumptions and Calculations:

Detailed calculations for this request are included on the attached appendix. The Department made the following assumptions.

Provider Field Representatives

The Department assumes the requested 6.0 FTE would start work on July 1, 2021 and be filled at the Administrator III level. The Department assumes these FTE would require travel costs of \$400 per month, per FTE. The Department assumes the requested staffing level and travel costs would be sufficient to address the ongoing rate of provider requests for assistance and conducting onsite or virtual site visits and training. The Department assumes 1.0 FTE would specifically assist providers to correctly submit applications related to Home and Community Based Services (HCBS) provider revalidations.

Project Management Office

The Department assumes that the requested 8.0 FTE would start work on July 1, 2021 and be filled at various classification levels. The Department assumes that the 1.0 FTE portfolio manager would be filled at the Project Manager II level, 5.0 FTE project managers would be filled at the Project Manager I level, and 2.0 FTE project coordinators would be filled at the Project Coordinator level. The Department assumes professional development costs of \$4,100 per year, per FTE and assumes all FTE would go through professional development training in FY 2021-22, but that only half would in FY 2022-23 and ongoing in the case of turnover and continued skill advancement. The

² <https://www.colorado.gov/hcpf/performance-plan>

Department assumes that the requested staffing level would not be sufficient to cover all of the Department's project management needs; however, the Department assumes it would be sufficient to build a strong PMO framework and help to build capacity across the Department so non-PMO staff can be leveraged to manage smaller projects. Of the 5.0 FTE project managers, the Department assumes 2.0 FTE would be focused and trained in traditional project management principles, and 3.0 FTE would be focused and trained in Agile project management.

The Department assumes a federal financial participation of 50% for these positions and related costs. This gives the new PMO staff the flexibility to work on projects that are not related to Medicaid Enterprise Design, Development, and Implementation (DDI), and which are therefore not necessarily eligible for enhanced FFP. Project management work for Medicaid Enterprise DDI is generally eligible for 90% FFP and this is the rate used by current PMO staff. The new PMO staff would still be able to utilize 90% FFP for work related to Medicaid Enterprise DDI because the PMO utilizes time-tracking tools to track staff hours. This allows the enhanced FFP rate to be used for all hours worked on Medicaid Enterprise DDI projects, but the flexibility to work on other Department projects that are funded at 50% FFP.

R-10 Convert Contractor Resources to FTE
Appendix A: Assumptions and Calculations

Table 1.1 Summary by Line Item FY 2021-22									
Row	Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
A	(1) Executive Director's Office; (A) General Administration; Personal Services	\$878,910	13.5	\$224,021	\$128,794	\$0	\$526,095	59.86%	Table 3; Sum of Salary, PERA, and Medicare
B	(1) Executive Director's Office; (A) General Administration; Health, Life, and Dental	\$140,588	0.0	\$34,784	\$20,082	\$0	\$85,722	60.97%	Table 3, Health-Life-Dental
C	(1) Executive Director's Office; (A) General Administration; Short-term Disability	\$1,330	0.0	\$339	\$194	\$0	\$797	59.92%	Table 3, STD
D	(1) Executive Director's Office; (A) General Administration; S.B. 04-257 Amortization Equalization Disbursement	\$39,114	0.0	\$9,969	\$5,731	\$0	\$23,414	59.86%	Table 3, AED
E	(1) Executive Director's Office; (A) General Administration; S.B. 06-235 Supplemental Amortization Equalization	\$39,114	0.0	\$9,969	\$5,731	\$0	\$23,414	59.86%	Table 3, SAED
F	(1) Executive Director's Office; (A) General Administration; Operating Expenses	\$140,742	0.0	\$34,442	\$19,921	\$0	\$86,379	61.37%	Sum of Table 3, Operating Expenses; Table 4, Row D; and Table 5.1, Row C
G	(1) Executive Director's Office; (A) General Administration; General Professional Services and Special Projects	\$277,500	0.0	\$87,384	\$48,867	\$0	\$141,249	50.90%	Table 6, Row G
H	(1) Executive Director's Office; (C) Information Technology Contracts and Projects; MMIS Maintenance and Projects	(\$2,546,263)	0.0	(\$400,908)	(\$250,929)	\$0	(\$1,894,426)	74.40%	Table 7, Sum of Rows A and C
I	Total Request	(\$1,028,965)	13.5	\$0	(\$21,609)	\$0	(\$1,007,356)	NA	Sum of Rows A through H

Table 1.2 Summary by Line Item FY 2022-23 and Ongoing									
Row	Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
A	(1) Executive Director's Office; (A) General Administration; Personal Services	\$910,588	14.0	\$232,179	\$133,479	\$0	\$544,930	59.84%	Table 3; Sum of Salary, PERA, and Medicare
B	(1) Executive Director's Office; (A) General Administration; Health, Life, and Dental	\$140,588	0.0	\$34,784	\$20,084	\$0	\$85,720	60.97%	Table 3, Health-Life-Dental
C	(1) Executive Director's Office; (A) General Administration; Short-term Disability	\$1,378	0.0	\$351	\$201	\$0	\$826	59.94%	Table 3, STD
D	(1) Executive Director's Office; (A) General Administration; S.B. 04-257 Amortization Equalization Disbursement	\$40,524	0.0	\$10,332	\$5,940	\$0	\$24,252	59.85%	Table 3, AED
E	(1) Executive Director's Office; (A) General Administration; S.B. 06-235 Supplemental Amortization Equalization	\$40,524	0.0	\$10,332	\$5,940	\$0	\$24,252	59.85%	Table 3, SAED
F	(1) Executive Director's Office; (A) General Administration; Operating Expenses	\$58,500	0.0	\$12,988	\$7,624	\$0	\$37,888	64.77%	Sum of Table 3, Operating Expenses; Table 4, Row D; and Table 5.1, Row E
G	(1) Executive Director's Office; (C) Information Technology Contracts and Projects; MMIS Maintenance and Projects	(\$1,911,511)	0.0	(\$300,966)	(\$188,380)	\$0	(\$1,422,165)	74.40%	Table 7, Sum of Rows B and D
H	Total Request	(\$719,409)	14.0	\$0	(\$15,112)	\$0	(\$704,297)	NA	Sum of Rows A through G

R-10 Convert Contractor Resources to FTE
Appendix A: Assumptions and Calculations

Table 2.1 Summary by Initiative FY 2021-22									
Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
Provider Field Representatives									
A	FTE Costs	\$459,482	5.8	\$72,345	\$45,277	\$0	\$341,860	74.40%	Sum of Rows B through D
B	FTE Salary, PERA, Medicare	\$334,989	0.0	\$52,744	\$33,011	\$0	\$249,234	74.40%	Table 3, Positions 1 through 6
C	FTE AED, SAED, STD and HLD	\$90,575	0.0	\$14,261	\$8,924	\$0	\$67,390	74.40%	Table 3, Positions 1 through 6
D	FTE Operating Expenses	\$33,918	0.0	\$5,340	\$3,342	\$0	\$25,236	74.40%	Table 3, Positions 1 through 6
E	Travel	\$28,800	0.0	\$4,534	\$2,838	\$0	\$21,428	74.40%	Table 4, Row D
F	Contractor Cost Reductions	(\$488,282)	0.0	(\$76,879)	(\$48,115)	\$0	(\$363,288)	74.40%	Table 7, Row A
G	Subtotal	\$0	5.8	\$0	\$0	\$0	\$0	NA	Sum of Rows A, E, and F
Project Management Office									
H	FTE Costs	\$718,716	7.7	\$226,317	\$126,562	\$0	\$365,837	50.90%	Sum of Rows I through K
I	FTE Salary, PERA, Medicare	\$543,921	0.0	\$171,277	\$95,783	\$0	\$276,861	50.90%	Table 3, Positions 7 through 14
J	FTE AED, SAED, STD and HLD	\$129,571	0.0	\$40,800	\$22,814	\$0	\$65,957	50.90%	Table 3, Positions 7 through 14
K	FTE Operating Expenses	\$45,224	0.0	\$14,240	\$7,965	\$0	\$23,019	50.90%	Table 3, Positions 7 through 14
L	Professional Development	\$32,800	0.0	\$10,328	\$5,776	\$0	\$16,696	50.90%	Table 5.1, Row C
M	Portfolio Process Improvement Consulting	\$277,500	0.0	\$87,384	\$48,867	\$0	\$141,249	50.90%	Table 6, Row G
N	Contractor Cost Reductions	(\$2,057,981)	0.0	(\$324,029)	(\$202,814)	\$0	(\$1,531,138)	74.40%	Table 7, Row C
O	Subtotal	(\$1,028,965)	7.7	\$0	(\$21,609)	\$0	(\$1,007,356)	NA	Sum of Rows H, L, M, and N
P	Total Request	(\$1,028,965)	13.5	\$0	(\$21,609)	\$0	(\$1,007,356)	NA	Sum of Rows G and O

Table 2.2 Summary by Initiative FY 2022-23 and Ongoing									
Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
Provider Field Representatives									
A	FTE Costs	\$443,861	6.0	\$69,885	\$43,743	\$0	\$330,233	74.40%	Sum of Rows B through D
B	FTE Salary, PERA, Medicare	\$346,541	0.0	\$54,563	\$34,152	\$0	\$257,826	74.40%	Table 3, Positions 1 through 6
C	FTE AED, SAED, STD and HLD	\$91,620	0.0	\$14,425	\$9,029	\$0	\$68,166	74.40%	Table 3, Positions 1 through 6
D	FTE Operating Expenses	\$5,700	0.0	\$897	\$562	\$0	\$4,241	74.40%	Table 3, Positions 1 through 6
E	Travel	\$28,800	0.0	\$4,534	\$2,838	\$0	\$21,428	74.40%	Table 4, Row D
F	Contractor Cost Reductions	(\$472,661)	0.0	(\$74,419)	(\$46,581)	\$0	(\$351,661)	74.40%	Table 7, Row B
G	Subtotal	\$0	6.0	\$0	\$0	\$0	\$0	NA	Sum of Rows A, E, and F
Project Management Office									
H	FTE Costs	\$703,041	8.0	\$221,383	\$123,800	\$0	\$357,858	50.90%	Sum of Rows I through K
I	FTE Salary, PERA, Medicare	\$564,047	0.0	\$177,616	\$99,327	\$0	\$287,104	50.90%	Table 3, Positions 7 through 14
J	FTE AED, SAED, STD and HLD	\$131,394	0.0	\$41,374	\$23,136	\$0	\$66,884	50.90%	Table 3, Positions 7 through 14
K	FTE Operating Expenses	\$7,600	0.0	\$2,393	\$1,337	\$0	\$3,870	50.92%	Table 3, Positions 7 through 14
L	Professional Development	\$16,400	0.0	\$5,164	\$2,887	\$0	\$8,349	50.91%	Table 5.1, Row E
M	Contractor Cost Reductions	(\$1,438,850)	0.0	(\$226,547)	(\$141,799)	\$0	(\$1,070,504)	74.40%	Table 7, Row D
N	Subtotal	(\$719,409)	8.0	\$0	(\$15,112)	\$0	(\$704,297)	NA	Sum of Rows H, L, and M
O	Total Request	(\$719,409)	14.0	\$0	(\$15,112)	\$0	(\$704,297)	NA	Sum of Rows G and N

R-10 Convert Contractor Resources to FTE

Appendix A: Assumptions and Calculations

Table 3 - FTE Calculation Assumptions:					
Operating Expenses -- Base operating expenses are included per FTE for \$500 per year. In addition, for regular FTE, annual telephone costs assume base charges of \$450 per year.					
Standard Capital Purchases -- Each additional employee necessitates the purchase of a Personal Computer (\$900), Office Suite Software (\$330), and office furniture (\$3,473).					
General Fund FTE -- Beginning July 1, 2019, new employees will be paid on a bi-weekly pay schedule; therefore new full-time General Fund positions are reflected in Year 1 as 0.9615 FTE to account for the pay-date shift (25/26 weeks of pay). This applies to personal services costs only; operating costs are not subject to the pay-date shift.					
Expenditure Detail	FY 2021-22		FY 2022-23		
Personal Services:					
Classification Title	Biweekly Salary	FTE	FTE		
ADMINISTRATOR III	\$1,977	5.8	\$298,166	6.0	\$308,448
PERA			\$32,500		\$33,621
AED			\$14,908		\$15,422
SAED			\$14,908		\$15,422
Medicare			\$4,323		\$4,472
STD			\$507		\$524
Health-Life-Dental			\$60,252		\$60,252
Subtotal Positions 1-6, 5.8 FTE		5.8	\$425,564	6.0	\$438,161
Classification Title	Biweekly Salary	FTE	FTE		
PROJECT MANAGER II	\$3,073	1.0	\$79,908	1.0	\$79,908
PERA			\$8,710		\$8,710
AED			\$3,995		\$3,995
SAED			\$3,995		\$3,995
Medicare			\$1,159		\$1,159
STD			\$136		\$136
Health-Life-Dental			\$10,042		\$10,042
Subtotal Position 7, 1.0 FTE		1.0	\$107,945	1.0	\$107,945
Classification Title	Biweekly Salary	FTE	FTE		
PROJECT MANAGER I	\$2,456	4.8	\$306,547	5.0	\$319,320
PERA			\$33,414		\$34,806
AED			\$15,327		\$15,966
SAED			\$15,327		\$15,966
Medicare			\$4,445		\$4,630
STD			\$521		\$543
Health-Life-Dental			\$50,210		\$50,210
Subtotal Positions 8-12, 5.0 FTE		4.8	\$425,791	5.0	\$441,441
Classification Title	Biweekly Salary	FTE	FTE		
PROJECT COORDINATOR	\$1,977	1.9	\$97,675	2.0	\$102,816
PERA			\$10,647		\$11,207
AED			\$4,884		\$5,141
SAED			\$4,884		\$5,141
Medicare			\$1,416		\$1,491
STD			\$166		\$175
Health-Life-Dental			\$20,084		\$20,084
Subtotal Positions 13-14, 2.0 FTE		1.9	\$139,756	2.0	\$146,055
Subtotal Personal Services		13.5	\$1,099,056	14.0	\$1,133,602
Operating Expenses:					
		FTE	FTE		
Regular FTE Operating	\$500	14.0	\$7,000	14.0	\$7,000
Telephone Expenses	\$450	14.0	\$6,300	14.0	\$6,300
PC, One-Time	\$1,230	14.0	\$17,220	-	
Office Furniture, One-Time	\$3,473	14.0	\$48,622	-	
Subtotal Operating Expenses			\$79,142		\$13,300
TOTAL REQUEST		13.5	\$1,178,198	14.0	\$1,146,902

R-10 Convert Contractor Resources to FTE
 Appendix A: Assumptions and Calculations

Table 4 Annual Travel Costs for Provider Field Representatives			
Row	Item	Amount	Notes/Calculations
A	Average monthly travel cost per FTE	\$400	Department estimate
B	Number of FTE	6.0	Table 3, Positions 1 through 6
C	Months per year	12	Full year
D	Total Cost	\$28,800	Row A * Row B * Row C

R-10 Convert Contractor Resources to FTE
 Appendix A: Assumptions and Calculations

Table 5.1			
Professional Development Costs			
Row	Item	Amount	Notes/Calculations
A	Professional Development Cost Per Person	\$4,100	Table 5.2, Row H
B	Number of People Trained in FY 2021-22	8	Table 3, Positions 7 through 14
C	FY 2021-22 Total Cost	\$32,800	Row A x Row B
D	Number of People Trained in FY 2022-23 and Ongoing	4	Row B / 2
E	FY 2022-23 and Ongoing Total Cost	\$16,400	Row A x Row D

R-10 Convert Contractor Resources to FTE
 Appendix A: Assumptions and Calculations

Table 5.2			
Professional Development Cost per Person			
Row	Item	Amount	Notes/Calculations
A	Kanban Fundamentals	\$400	Current rate for online or in-person training
B	Lean Fundamentals	\$400	Current rate for online or in-person training
C	Root Cause Analysis	\$400	Current rate for online or in-person training
D	PMP Certification	\$400	Current rate for online or in-person training
E	Scrum Workshop and Certification	\$1,000	Current rate for online or in-person training
F	PMI-ACP Workshop and Certification	\$500	Current rate for online or in-person training
G	Scaled Agilist Workshop and Certification	\$1,000	Current rate for online or in-person training
H	Total Cost	\$4,100	Sum of Rows A through G

R-10 Convert Contractor Resources to FTE
 Appendix A: Assumptions and Calculations

Table 6			
FY 2021-22 Portfolio Process Improvement Consulting			
Row	Item	Amount	Notes/Calculations
Process Improvement (Agile/Lean)			
A	Estimated hours of work	1,000	Department estimate
B	Hourly rate	\$185	Rate for PMI-ACP and SAFe certified consultant
C	Total Cost	\$185,000	Row A * Row B
Organizational Change Management			
D	Estimated hours of work	500	Department estimate
E	Hourly rate	\$185	Rate for PROSCI certified consultant
F	Total Cost	\$92,500	Row D * Row E
G	Grand Total	\$277,500	Sum of Rows C and F

R-10 Convert Contractor Resources to FTE
Appendix A: Assumptions and Calculations

Table 7 Contractor Cost Reductions								
Row	Item	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
Provider Field Representatives								
A	FY 2021-22	(\$488,282)	(\$76,879)	(\$48,115)	\$0	(\$363,288)	74.40%	Reduction to MMIS Maintenance and Projects line item
B	FY 2022-23 and Ongoing	(\$472,661)	(\$74,419)	(\$46,581)	\$0	(\$351,661)	74.40%	Reduction to MMIS Maintenance and Projects line item
Project Management Office								
C	FY 2021-22	(\$2,057,981)	(\$324,029)	(\$202,814)	\$0	(\$1,531,138)	74.40%	Reduction to MMIS Maintenance and Projects line item
D	FY 2022-23 and Ongoing	(\$1,438,850)	(\$226,547)	(\$141,799)	\$0	(\$1,070,504)	74.40%	Reduction to MMIS Maintenance and Projects line item