

Budget Request and Narrative

A. Salaries and Wages Budget

Total **\$827,500.00**
 Marketplace Establishment Grant **\$827,500.00**
 Funding other than Establishment Grant \$ 0

Position Title*	Name	Annual Salary	% Effort in Level One E	Months	Base Salary for Grant
*AHIM Executive Director	TBH	\$200,000.00	100%	10	\$166,666.67
*Business Manager	TBH	\$150,000.00	100%	10	\$125,000.00
*Communications Director	TBH	\$140,000.00	100%	10	\$116,666.67
*Director of Administration	TBH	\$150,000.00	100%	10	\$125,000.00
*IT Director	TBH	\$150,000.00	100%	10	\$125,000.00
*Executive Assistant	TBH	\$70,000.00	100%	10	\$58,333.33
*Administrative Support	TBH	\$60,000.00	100%	10	\$50,000.00
*Administrative Assistant	TBH	\$31,000.00	100%	10	\$25,833.33
**General Counsel	TBH		As needed	10	\$35,000.00

Justification:

*Arkansas Health Insurance Marketplace (AHIM) request for funds during this grant to hire key positions for the transition planning and development from a State Partnership Model to a State Based Exchange (SBE) Model. Key positions are 100% dedicated to the project and will be employees of the AHIM. Other SBE models with similar key staff were researched and provided input into the roles and salary ranges for AHIM.

** General Counsel: The AHIM researched other SBE models for General/Legal Counsel positions/salary ranges for consideration. AHIM determined that based upon anticipated legal activities during this grant to request funds to cover legal counsel as needed.

Job Descriptions

*AHIM Executive Director	TBH
<p>Job Description – The Executive Director oversees all activities of the AHIM and works closely with the Board of Directors to define and execute its mission in light of its statutory responsibilities and the health insurance needs of the state. The Executive Director must be attuned to the rapidly evolving health insurance market, health care delivery system trends, and state and national legislative and political dynamics.</p>	
*Business Manager	TBH
<p>Job Description – The Business Manager plays a principal role in establishing Arkansas Health Insurance Marketplace (AHIM) strategic and programmatic priorities and managing the staff and projects to support Exchange goals. The Business Manager is responsible for the day-to-day operations of the Exchange; prior to implementation, s/he will work to design and develop Exchange functions and processes. The Business Manager will report to the AHIM Executive Director.</p>	
*IT Director	TBH
<p>Job Description - The IT Director shall be responsible for all information technology functions throughout the organization, including both long-term planning of technology initiatives and arranging to meet the requirements of a functioning ARHIM and a public, high traffic web site. The IT Director will report to the AHIM Executive Director.</p>	
*Director of Administration	TBH
<p>Job Description - The Director of Administration is responsible for management oversight and the strategic direction of the financial operation of the Exchange, including negotiating financial contracts. The Director of Administration works directly with the AHIM Executive Director on key strategic initiatives. The Director of Administration also works closely with the other members of the senior management team, and the Exchange Board, to develop and implement financial strategy for Exchange programs. The Director of Administration will report to the AHIM Executive Director.</p>	
*Communications Director	TBH
<p>Job Description - The Communication Director is responsible for shaping the public image of the Arkansas Health Insurance Marketplace (ARHIM) and directing its interaction with the public, media, and elected representatives to ensure its responsiveness and accessibility. The Communication Director works to fulfill the ARHIM's commitment to outreach and public education about the ARHIM's new health insurance programs and the historic Patient Protection and Affordable Care Act of 2010 (ACA). The Communication Director will report to the AHIM Executive Director.</p>	
*Executive Assistant	TBH
<p>Job Description – The Executive Assistant provides administrative support to the AHIM Executive Director and AHIM Board of Directors. The Executive Assistant is responsible for conducting research, preparing statistical reports, handling information requests, preparing correspondence, arranging meetings, receiving visitors, arranging conference calls, and scheduling. The Executive Assistant also serves as a liaison to the board of directors and senior management teams; organizes and coordinates executive outreach and external relations efforts; and oversees special projects. The Executive Assistant will report to the AHIM Executive Director.</p>	
*Administrative Support	TBH
<p>Job Description – The Administrative Support provides project support to the AHIM Business Manager, Communications Director, Director of Administration and IT Director. The Administrative Support is responsible for developing, coordinating and administering AHIM standard program and project management processes. It includes coordinating, tracking and monitoring requirements gathering, scheduling and work planning, internal</p>	

communications, issue resolution, change management and deliverables. The Executive Assistant will report to the AHIM Business Manager, Communications Director, Director of Administration and IT Director.

*Administrative Assistant	TBH
Job Description – The Administrative Assistant will handle incoming calls to AHIM, managing and directing visitors, maintain security badges, take messages in addition to routine functions such as setting up meetings, preparing letters and documents and ordering supplies. This position reports directly to the Administrative Support.	

**Legal Counsel	TBH
Job Description – The General Counsel serves as the chief legal advisor to the Health Benefit Exchange Board, AHIM Executive Director and the Exchange’s executive staff, providing advice on a variety of matters pertaining to the AHIM and its programs and operations. The General Counsel performs or supervises a number of functions including, but not limited to: legal research and writing of opinions; review and analysis of legislation, proposed regulations, and proposed policy changes; and, in collaboration with the Arkansas Attorney General's Office, monitors and manages pending litigation. The General Counsel has a wide variety of legal responsibilities and is expected to consistently exercise a high degree of initiative, independence, originality, and judgment in performing all duties.	

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B. Fringe Benefits Budget

Total **\$213,014.50**
 Exchange Establishment Grant **\$213,014.50**
 Funding other than Establishment Grant \$ 0

		Base Salary for Grant	FICA 7.65%	Retirement 14.88%	Unemp 0.12%	WC 0.09%	Insurance \$410 /MO	Total Fringe for Grant
*AHIM Executive Director	TBH	166,666.67	12,750.00	24,800.00	200.00	150.00	4,100.00	42,000.00
*Business Manager	TBH	125,000.00	9,562.50	18,600.00	150.00	112.50	4,100.00	32,525.00
*Communications Director	TBH	116,666.67	8,925.00	17,360.00	140.00	105.00	4,100.00	30,630.00
*Director of Administration	TBH	125,000.00	9,562.50	18,600.00	150.00	112.50	4,100.00	32,525.00
*IT Director	TBH	125,000.00	9,562.50	18,600.00	150.00	112.50	4,100.00	32,525.00
*Executive Assistant	TBH	58,333.33	4,462.50	8,680.00	70.00	52.50	4,100.00	17,365.00
*Administrative Support	TBH	50,000.00	3,825.00	7,440.00	60.00	45.00	4,100.00	15,470.00
*Administrative Assistant	TBH	25,833.33	1,976.25	3,844.00	31.00	23.25	4,100.00	9,974.50

C. Consultant/Contractor Budget

Total \$ 2,148,400.00
Exchange Establishment Grant \$ 2,148,400.00
Funding other than Establishment Grant \$ 0

Planning Vendor	TBD
<p>Nature of Services to be Rendered – The Planning Vendor will provide support to the AHIM staff for the SBE startup activities, planning and development of the AHIM project for this grant. This includes support for research, business analysis, technical analysis, assessments, alternative analysis, procurement support, facilitating/collecting business and technical requirements, IT solution RFP development, Call Center RFP development and project management support. The Planning Vendor will be expected to work closely with the AHIM management staff in the AHIM project planning and development by making recommendations, producing deliverables, provide project management methodologies, best practices and lessons learned. The Planning Vendor will support the AIM staff during the procurement for the IT Solution and Call Center Solution in addition to the ongoing coordination once the design, development and implementation vendors are selected. They will be responsible for supporting AHIM staff during the federal and state reviews and producing status and reports necessary for the continuing development of AHIM.</p>	
<p>Relevance of Service to the Project – The planning and development of the AHIM project encompasses all core activities required to support the development of a State Based Exchange.</p>	
<p>Expected Rate of Compensation - \$1,728,400.00 – <i>Detail instructions will be discussed with Center for Consumer Information and Insurance Oversight's (CCIIO)</i></p>	
<p>Basis of Rate: RFP will be developed for competitive bid.</p>	
<p>Method of Accountability: Bi-weekly status reports and assessment of deliverables measured against milestones.</p>	
<p>Period of Performance: March 1, 2014– December 31, 2014</p>	

Market Analysis/Business Financial Model Vendor	TBD
<p>Nature of Services to be Rendered: The Market Analysis/Business Financial Model Vendor will be responsible for leveraging the previous actuarial analyses and market predictions, the exchange will require updated market analysis utilizing the 2014 market behavior to establish predictive data regarding future exchange participation and related insurance rates. This market analysis and the Exchange Business Analysis/Technical Analysis data must be utilized to devise a future Business Financial Model to define the Self-sufficiency model for the Arkansas State Exchange. The State Exchange must be self-sufficient within calendar year 2017.</p>	
<p>Relevance of Service to the Project: Needed to assess and plan for the SBE self-sufficiency model.</p>	
<p>Expected Rate of Compensation: \$ \$224,000.00 – <i>Detail instructions will be discussed with Center for Consumer Information and Insurance Oversight's (CCIIO)</i></p>	
<p>Basis of Rate: RFP will be developed for competitive bid</p>	
<p>Method of Accountability: Bi-weekly status reports and assessment of deliverables.</p>	
<p>Period of Performance: June 1, 2014 – October 31, 2014</p>	

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3Rs Analysis Vendor	TBD
<p>Nature of Services to be Rendered: The 3Rs Analysis Vendor is responsible for researching the nation and the State of Arkansas insurance marketplace 3Rs tools. The research of risk management tools must be conducted to produce an alternatives analysis and recommendations to the State Exchange Board to define the future State of Arkansas Insurance Marketplace Risk Management methods. This analysis will provide input and direction for this activity for the Level 2 grant in October 2014,</p>	
<p>Relevance of Service to the Project: 3Rs is a core activity for SBE, including Financial Management, Risk Adjustment, and Reinsurance. The administration of premium tax credits and cost-sharing reductions, program integrity, financial management, risk adjustments and transition reinsurance.</p>	
<p>Expected Rate of Compensation: \$196,000.00 <i>Detail instructions will be discussed with Center for Consumer Information and Insurance Oversight's (CCIIO)</i></p>	
<p>Basis of Rate - RFP will be developed for competitive bid.</p>	
<p>Method of Accountability: Bi-weekly status reports and assessment of deliverables measured against milestones.</p>	
<p>Period of Performance: June 1, 2014 – September 30, 2014</p>	

D. Equipment Budget

Total \$ 71,360.00
Exchange Establishment Grant \$71,360.00
Funding other than Establishment

Items Requested	Number	Unit Cost	Total Amount
Desktops	9	850	7650
Monitors	9	140	1260
Laptops	8	1500	12000
Printers	8	400	3200
Furniture	16	2500	40000
Cell Phones & accessories	6	400	2400
Air Card	6	50	300
Portable Projector	1	700	700
Portable Screen	1	150	150
Phones + conference room	10	120	1200
FAX	1	100	100
Media center equipment	1	2000	2000
Wireless router	1	400	400

Justification – Equipment for AHIM project team for planning and development of the SBE.

E. Supplies Budget

Total \$50,469.82
 Exchange Establishment Grant \$50,469.82
 Funding other than Establishment Grants \$ 0

Supplies Items Requested					Cost
General Office Supplies (pens, pencils, computer paper, folders, staplers, tape, etc.)					\$16,000.00
General Office Supply Detail					
Average General Office \$ per month	Employees	Months in Grant	Per Month	Total for Grant Period	
100.00	16	10	1,600.00	16,000.00	
General office supply cost based on monthly estimates from other SBE models. Includes general office supplies for 9 AHIM staff and 7 Planning Vendor consultants.					
Data Processing Supplies Printers - 4 cartridges @ \$400.00* 8 printers*6 replacements during 10 months = \$19,200.00 Toner for copier - \$450.00* 10 replacements = \$4500.00					\$23,700.00
Software Licenses: Microsoft Professional Suite 2013 - 9 AHIM staff*\$399.99 = 3,599.91 Microsoft Project Standard 2013 – 5 AHIM staff* \$589.99 = \$2,949.95 Visio Standard 2013 – 4AHIM Staff* \$299.99 = 1,199.96 Microsoft Professional Suite provides the software for AHIM staff to create documents in Word, Excel, PowerPoint, OneNote, Access, Publisher and Outlook Microsoft Project provides the software assist AHIM staff in managing the AHIM project Visio provides the software for AHIM staff to develop workflows					\$7,749.82
Promotional Startup: used for communicating AHIM and creating awareness of the SBE. Creating the AHIM logo for communication and awareness of the SBE					\$2,000.00
Storage Devices: CD , DVDs, Flash Drives					\$270.00
Postage: General office mailing = \$75.00 Monthly x 10					\$750.00
					\$50,469.82

Justification – General office supplies, data processing supplies, software licenses, storage devices and postage will be used by staff members to carry out daily AHIM project planning and development activities.

F. Travel Budget (includes Conference travel)

Total **\$ 38,837.40**
 Exchange Establishment Grant **\$ 38,837.40**
 Funding other than Establishment Grants **\$ _____ 0**

In-State Travel Requested		Total
AHIM Staff	Mileage: 150 trips x 300 miles avg x \$0.42 per mile	\$18,900.00
AHIM Staff	Lodging: 60 overnight trips x \$87.59 (\$77 avg rate + 13.75% avg tax) = \$5,255.40	\$5,255.40
AHIM Staff	Meals & Incidentals: 60 trips x 2 days x \$46.00/day = \$5,520.00 Based on State Rates	5,520.00
Total In-State Travel		\$29,675.40
Justification – Travel to community meetings, stakeholder consultation events, presentations, and outreach activities. AHIM will work in unison with the SPM to communicate the SBE model.		

Out-of-State Travel	Cost-1 Meeting Per Person	Total- 16 staff 3 meetings
Airfare: \$500	\$500.00	\$3,000.00
Meals & Incidentals: \$71 x 4 days	\$284.00	\$1,704.00
Lodging: \$231(\$202 avg rate +14.5% tax)/night x 3 nights	\$693.00	\$4,158.00
Ground transportation: \$50	\$50.00	\$300.00
Total Out-Of-State State Travel		\$9,162.00
Justification – Projected meetings per staff member = such as 1 DHHS/CCIIO Grantee Meetings, 1 NASHP/CMS/NGA/Other, States Meeting, 1 Design & Implementation Review Meetings. Total of 3 meetings for each of 6 AHIM Staff.		

G. Other Budgeted Expenses

Total \$ 173,043.75
 Exchange Establishment Grant \$173,043.75
 Funding other than Establishment Grants \$ 0

ITEM & JUSTIFICATION	COST
<p>Office Space Rent: Justification: Securing office space for AHIM staff and consultant support for the AHIM planning and development. This assumes space will be available and build out complete for 10 month occupancy from 3/14 to 12/14. 16.50 sq. ft. annually 6 AHIM @ 300 sq. ft. = 1800 sq. ft. 2 AHIM @ 250 sq. ft. = 500 sq. ft. 1 AHIM @ 250 sq. ft. = 250 sq. ft. Consultant Support @ 200 sq. ft. * 7 = 1400 sq...ft. 1 Conf. Room @ 30 sq. ft. *16 people = 480 sq. ft. Lunch room @ 225 sq. ft. Copy room @ 250 sq. ft. Estimate 4905 sq. ft. * 16.50/12*10 months = 67,443.75 Build Out Cost Structure – readjust cubes, wiring, layouts, etc. \$2000.00 Phone installation \$1000.00 Security – locks, alarms, etc. \$1000.00 Total build out cost \$4000.00 + rent 67,443.75 = 71,443.75</p>	\$71,443.75
<p>Weekly AHIM Board Meetings, Grant and Staff Sub-Committee Meetings Justification: The AHIM Board meets every week to discuss and make decisions on the planning and development of the AHIM. The Grant and Staff Sub-committee were created to focus on grant writing and identifying staff and roles to provide input into the grant for the AHIM start-up and planning effort. It is anticipated the meetings will be Bi-Weekly beginning 1/2014. Each Board Member is reimbursed \$100.00 per meeting they attend. Weekly Board Meetings, Grant and Staff Committee Meetings through 12/2013 – 11 Board Members* 22 meetings*\$100.00 = 24,200.00 Bi-Weekly Meetings 1/2014 through 12/2014 - 11 Board Members* 24 meetings*\$100.00 = 26,400.00 Total cost for board member meetings = 50,600.00</p>	50,600.00
<p>Electronic Media for AHIM Staff Recruitment Justification: Advertising to interview and hire key staff for the AHIM planning and development.</p>	2,000.00
<p>Copier and Copier Service Agreement Lease: 10 months x \$2,300 per month = Copier & Copier Service Agreement for copier. To support AHIM Staff and Planning Vendor for everyday use to conduct the AHIM planning and development.</p>	\$23,000.00
<p>Network Services: \$500.00 a month * 10 months Network, servers and internet (Cloud) networking services to support AHIM staff.</p>	\$5,000.00

Devices: Cell Phone services 6 AHIM staff* \$125.00*10 months = \$7,500.00 Air Cards 8 AHIM staff*\$50.00*10 months – 4,000.00 Office Phone Service \$750.00 a month* 10 months = 7,500.00 Webinar Service \$200.00 a month* 10 months = 2,000.00	\$21,000.00
Total Other	\$173,043.75

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