



November 9, 2015

VIA ELECTRONIC AND U.S. MAIL

The Honorable Tim Murphy
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515-6115

Dear Congressman Murphy:

Thank you for the opportunity to respond to additional questions and requests by members of your Subcommittee following the hearing on September 29, 2015. After reviewing the attachments you provided, I do not feel I can adequately address Representative Brooks' questions in Attachment 1 related to the operations of the Indiana Marketplace and will begin with your questions below.

The Honorable Tim Murphy

- 1. Please provide the committee with a detailed breakdown of the establishment and operational costs for the exchange that you represent.*

Answer: The first attachment you will find to this response is a budget document passed by the Mnsure Board of Directors in March of this year and amended in July. It shows establishment and operational costs for Fiscal Years 2015, 2016 and 2017.





2. *Is the exchange which you represent required to perform an audit examining how grant money was spent, either at the state or federal level? If so, please provide the committee with copies of any and all applicable audits*

Answer: Yes. The amount of federal grant funds received by MNSure subjects the exchange to the Single Audit Act. In Minnesota these types of audits are conducted by the Office of the Legislative Auditor (OLA) and are released in the form of an “Internal Controls and Compliance Audit.” See the PDF titled “ 2014 OLA Financial Audit” containing findings of that audit. MNSure is also undergoing an audit by the federal Health and Human Services Office of Inspector General (HHS OIG) on grant expenditures related to the creation of the exchange. That audit is ongoing and a final report has not been issued.

3. *What does the exchange you represent anticipate future costs to be? How will your state absorb those costs?*

Answer: MNSure refers you again to the first attachment, a three year financial plan passed by its Board of Directors. It shows MNSure’s projected costs (noted as expenditures) as well as projected revenue (noted as resources) to meet those anticipated costs. MNSure understands that a budget is a snapshot in time and is always subject to changes that cannot be predicted. MNSure operates its exchange like any other business and is prepared to make changes on either side of the budget as necessary to meet reality.

The Honorable Bill Flores

1. *Upon their release, please provide the committee the results of the rate reviews performed by the Minnesota Department of Commerce.*

Answer: As I testified at the September 29 hearing, the rate reviews done by our Minnesota Department of Commerce were not released until October 1, 2015 for the 2016 plan year. The third attachment to this response is an



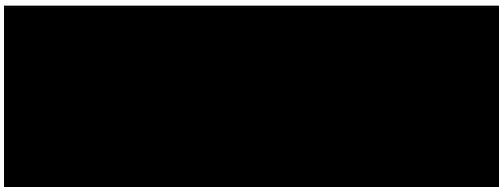


information kit provided by the Department and distributed at their press conference announcing final rates on October 1. For more information, you can go directly to their website at: <http://mn.gov/commerce>.

Finally, I want to provide you and the committee with a copy of the response we submitted via email on October 13 to Mr. Ingebretson of your staff addressing some of the questions raised during the hearing. Several of the responses were also included in this letter but in the interest of full transparency and responsiveness, I want to make sure this was noted in your official record.

Again, thank you for the opportunity to testify and provide this information. We appreciate the opportunity to address your questions and look forward to continuing to improve our consumers experience and insure all Minnesotans with comprehensive, affordable health care coverage.

Sincerely,



Allison O'Toole

