

## Financial Implications:

Resources			
<b>(1) Government Spend as of 10/31/2015:</b>		\$	16,174,039
<b>(2) Financial Compensation/Concessions from Xerox:</b>			
- Reduction of FAO contract FY2015:	<sup>1</sup> \$ 2,300,000 *		
- Liquidated Damages:	\$ 608,000 *		
- Cash Payment on settlement:	\$ 10,300,000 *		
<b>Total Financial Compensation/Concessions from Xerox:</b>	\$		13,208,000 *
<b>(3) Balance (i.e. government costs):</b>		\$	2,966,039 **

Value			
<b>(4) Value Received</b>			
Xerox Provided Value - FlexibleRx, Digital Harbor, ICD-10	\$ 3,100,000		
Value of State Work - FlexibleRx, Digital Harbor, ICD-10	<sup>2</sup> \$ 2,000,000		**
<b>Total Value Received</b>	\$		5,100,000
<b>(5) Net Gain to Taxpayers (4-3):</b>		\$	2,133,961

\*These figures are accurate based on Contract Amendments 5 and 6.

\*\* These figures are estimates and/or rounded, and reflect status as of September 30, 2015. The Department will be preparing a complete and accurate accounting of the MMIS DDI project, which will more precisely and accurately summarize the net financial implications of the project, in light of the dispute resolution with Xerox.

1. In 2014, as part of Contract Amendment No. 5, the Department negotiated a reduction of \$2.3 million for FY 2015 fiscal agent services. That is, the Department saved \$2.3 million in the costs of fiscal agent services for FY 2015.

2. This is an amount estimated by the Department that reflects the investment of time and resources necessary to achieve the value of the new Pharmacy system, Digital Harbor and ICD-10, as of 9/30/15.

# MMIS DDI Project Financials

10/31/15

MMIS Project Expenditures	Life-to-Date 10/31/2015	Total Rebased Estimated Project Cost	Remaining Estimated Project Cost
<b>Project Support</b>			
DDI Contractor	\$ -	\$ 57,411,989	\$ 57,411,989
QA/QC / IV&V Contractor	\$ 4,382,820	\$ 7,591,647	\$ 3,208,827
External Project Manager	\$ 1,707,094	\$ 2,446,976	\$ 739,882
Other Contracted Services	\$ 246,766	\$ 626,394	\$ 379,627
ITSD Hosted Services	\$ 302	\$ -	\$ (302)
ICD-10	\$ -	\$ 137,500	\$ 137,500
Hardware and Software	\$ 3,962,996	\$ 4,762,770	\$ 799,774
Personal Services	\$ 3,943,993	\$ 7,525,500	\$ 3,581,506
Operating Expenses	\$ 336,295	\$ 504,471	\$ 168,176
Conversion	\$ -	\$ -	\$ -
Management Reserve	\$ -	\$ -	\$ -
<b>Total Project Support</b>	<b>\$ 14,580,268</b>	<b>\$ 81,007,247</b>	<b>\$ 66,426,978.92</b>
<b>Other Agency Support</b>			
Subject Matter Experts	\$ 874,453	\$ 1,628,038	\$ 753,585
Agency Support/Indirects	\$ 719,316	\$ 1,544,318	\$ 825,002
<b>Total Other Agency Support</b>	<b>\$ 1,593,769</b>	<b>\$ 3,172,356</b>	<b>\$ 1,578,587.00</b>
<b>Total Expenditures</b>	<b>\$ 16,174,037</b>	<b>\$ 84,179,603</b>	<b>\$ 68,005,566</b>

Tie Check

\$

MMIS Project Funding	Life-to-Date Actuals	Total Rebased Estimated Project Cost	Remaining Estimated Project Cost
<b>Project Support</b>			
Long Range CPF	\$ 1,194,049	\$ 7,377,204	\$ 6,183,155
Long Range FF	\$ 12,398,731	\$ 58,506,202	\$ 46,107,471
<b>Total Long Range</b>	<b>\$ 13,592,780</b>	<b>\$ 65,883,406</b>	<b>\$ 52,290,626</b>
HB2 GF	\$ 546,057	\$ 1,659,109	\$ 1,113,052
HB2 FF	\$ 441,432	\$ 6,137,236	\$ 5,695,804
<b>Total HB2</b>	<b>\$ 987,489</b>	<b>\$ 7,796,345</b>	<b>\$ 6,808,856</b>
<b>Total Project Support</b>	<b>\$ 14,580,269</b>	<b>\$ 73,679,751</b>	<b>\$ 59,099,482</b>
<b>Xerox Payment Share</b>			
GF	\$ -	\$ 812,789	\$ 812,789
FF	\$ -	\$ 5,527,219	\$ 5,527,219
<b>Total Xerox Payment Share</b>	<b>\$ -</b>	<b>\$ 6,340,008</b>	<b>\$ 6,340,008</b>
<b>Other Agency Support</b>			
General Fund	\$ 203,229	\$ 406,664	\$ 203,435
Federal Fund	\$ 1,390,541	\$ 2,765,691	\$ 1,375,150
<b>Total Other Agency Support</b>	<b>\$ 1,593,770</b>	<b>\$ 3,172,355</b>	<b>\$ 1,578,585</b>
<b>Total Expenditures</b>	<b>\$ 16,174,039</b>	<b>\$ 83,192,114</b>	<b>\$ 67,018,075</b>

Legislative Finance Committee  
December 7-8, 2015 EXHIBIT 7a