

REQUEST DETAILS:

A document outlining the annual costs of billing, charging, and collecting Medical Services premiums, including costs for overdue payments and also including the number of government staff/FTEs working on MSP collection. (Date Range for Record Search: From 04/01/2012 To 03/31/2015)

RESPONSE:

**Ministry of Finance, Revenue Division, Revenue Solutions Branch (RSB)
Statement of Annual MSP Billing and Collections Cost
for the 12 months ended March 31, (\$M)**

	2013	2014	2015
Revenue Solutions Branch (RSB) expense ^{1,2}	\$ 72.8	\$ 82.3	\$ 102.6
Number of FTEs in RSB (MSP Financial Operations)	27	27	28
Less Information Technology application management and non-MSP projects expense	-14.0	-16.5	-17.1
Sub total RSB Expense for MSP & non-MSP Payment Processing & Default Collections	58.8	65.8	85.5
Less non-MSP portion of costs (estimated as 10%)	-5.9	-6.6	-8.6
Annual costs of MSP billing, charging and collecting MSP premiums (estimated) ³	\$ 52.9	\$ 59.2	\$ 77.0
The number of government staff/FTEs working on MSP collection (estimated as 90% of RSB FTEs)	24	24	25

¹ Ministry of Finance outsources MSP program financial operations; a suite of information technology applications; and collection services for several other small government programs' delinquent accounts and loans receivable. Revenue Solutions Branch manages the outsourced service provider and performs duties that cannot be outsourced.

² Includes \$6.3 million annually in amortization costs for the Revenue Management system. The system is fully amortized as of April 2015.

³ The expense and FTEs do not include Ministry of Health.

The Expense in 2015 reflects higher costs related to the last year of the outsourced contracted services

There are no separate costs for overdue payments, no late fees or interest is charged on late MSP PayDirect payments