

INFORMATION TECHNOLOGY OVERVIEW

DEPARTMENT OF HEALTH AND HUMAN SERVICES (DPHHS)

GENERAL OVERVIEW

Technology Services Division (TSD) is charged with system development, implementation and maintenance, procurement, project management, as well as data center and telecommunications services for all of DPHHS. TSD has three bureaus:

- The Project Management Bureau (PMB) provides project management, contract management, and business analysis services in support of department IT projects. PMB works with program staff and IT vendors to develop and maintain mission critical systems.
- The Information Systems Bureau (ISB) provides systems development, database administration, and data center hosting services. It operates the Technology Services Center, a computer help desk that provides first level support for employees and contractors conducting business for the department.
- The Network and Communications Bureau (NCB) provides network administration services, which includes the installation and management of all personal computers, servers, printers, and other resources connected to the department's network. NCB serves as a liaison between the department and the State Information Technology Services Division, for telecommunications and wide area network services.

TSD has 56.10 FTE that are funded through HB 2 and 21.00 modified positions that are funded through Long Range Information Technology (LRIT) appropriations in HB 4 (2007 session) and HB 10 (2009 session). TSD has presently hired all but one of the 11 modified FTE associated with the Medicaid Management Information System (MMIS). The contract for MMIS is being signed.

Funding

TSD has four funding sources: general fund, state special revenue, federal special revenue, and LRIT funds for major system projects. TSD funding, excluding LRIT, is about 56% federal, 39% general fund, and 0.5% state special revenue. It receives this funding via a federally approved cost allocation process that is applied to funding sources throughout DPHHS that related to work done by TSD. The formula is primarily driven by federally mandated match percentages consisting of allowable federal funds and the required state match that may be general fund or state special revenue.

Funding for LRIT projects managed by TSD is received via a fund transfer from the Department of Administration. For example, TSD received an appropriation transfer of nearly \$5.8 million LRIT funds and \$6.4 million federal funds totaling \$12.2 million. Funds may be expended at about \$6.0 million in FY 2012 and FY 2013 of personal services, operating expenses, and equipment. The funds support work on the TANF (Temporary Assistance for Needy Families) and SNAP (Supplemental Nutrition Assistance Program) portion of the CHIMES-EA rebuild¹.

Contracts

TSD manages contracts for entities that develop, maintain, and support the systems that provide a variety of services including to eligibility determination, claims processing, data collection, case management support, quality assurance

¹ CHIMES-EA is the Combined Healthcare Information and Montana Eligibility System including Medicaid, SNAP and TANF. EA stands for enterprise architecture, which reflects the goal of system interoperability for the rebuild.

and payment processing. Funding for the contracts is contained in HB 2 and LRIT funding. The most current list of 46 contracts represents costs of \$157.5 million total funds for contracts ranging from \$6,000 to \$58.2 million. The contracts are generally for on-going maintenance and enhancement (M & E) or some system builds and are renegotiated as needed. There are a few contracts for professional services that include independent verification and validation, studies, or legal consulting.

The largest two contracts are for design, development, and implementation (DDI) and represent:

- \$58.2 million LRIT and federal funds for the MMIS system at 90% federal funds
- \$29.1 million LRIT and federal funds for the SNAP / TANF portion of the CHIMES-EA system at about 50% federal funds

There are seven M & E contracts ranging from \$3.3 million total funds for the central database system to \$9.8 million total funds for the CHIMES Medicaid / HMK project. These contracts are funded in varying percentages for federal funds up to about 90%.

Expenditures

TSD expended \$26.9 million in HB 2 authority for FY 2011 including about \$4.0 million in personal services; \$22.2 million in operating expenses, \$0.3 million for equipment and \$0.1 million in debt service.

The \$22.2 million in operating expenses includes HB 2 total fund appropriations of:

- \$13.1 million from \$12.6 million for IT vendor contracts and \$0.5 million for TSD
- \$1.6 million in agency related operating expenses
- \$7.5 million for charges from SITSD, which TSD pays for the entire agency, including about:
 - \$2.7 million for server hosting services charged to IT contracts and TSD
 - \$2.6 million for services charges for application hosting, e-mail, operations support, application development, enterprise services, and SITSD asset broker services that is primarily for software agreement costs
 - \$2.2 million for voice, video, network and long distance services

FY 2011 expenditures for HB 4 and HB 10 LRIT authority are primarily for contract costs with small amounts for personal services and ITSD services. Expenditures include over:

- \$2.7 million total funds for the HB 4 SNAP system appropriation
- \$2.8 million total funds for the HB 4 TANF system appropriation
- \$3.6 million total funds for the HB 10 MMIS system
- \$2,500 total funds for the CAPS (of the postponed MACWIS system) operating expenses

CURRENT ISSUES

Any issues would be the on-going responsibility of meeting federal requirements for IT systems related to DPHHS programs and responding to the Affordable Care Act.

Top Priorities

On-going

Continue the following agency enterprise IT goals and objectives:

- Replace legacy systems that have reached end-of-life with systems that use modern programming languages and system architecture
- Build an enterprise architecture that facilitates system interoperability and data sharing
- Create virtual server platforms that maximize use of hardware and minimize energy consumption
- Migrate agency data center assets to the State of Montana Data Center
- Use WebEx and SharePoint for efficient and effective collaboration
- Recruit, train, retain, and manage agency IT staff that provide skilled IT implementation and support services to agency programs and systems
- Secure agency IT assets (systems, data, network, servers, laptops, desktops)

- Expand use of e-Government applications (citizen self-service web sites)

Shorter term

Major goals and objectives for LRIT for 2012:

- Sign contract for MMIS replacement with ACS; staff and begin project
- Complete CHIMES-SNAP/TANF and CHIMES-EA (Enterprise Architecture) that implements:
 - Business Rules Engine
 - Shared Fiscal Service Layer
 - Enterprise Service Bus
 - Web Portal with Single Sign-On
 - Identify Management
 - Common Client Index

Longer term

Longer-term goals and objectives

- Restart MACWIS (CAPS replacement) LRIT project
- Implement enterprise document management and imaging
- Implement business intelligence software for decision support and data analytics
- SEARCHS replacement

Agency Computers

The agency presently maintains:

- 3,200 computers, including laptops, in the Active Directory or registered
- 2,850 computers are active on average every day on the network.

DPHHS follows the Governor's directive to use a 5-year replacement cycle, with approval by the Director. However, primarily due to funding availability, computer replacement may not be an even, annual occurrence. For instance, the Human and Community Services, Child and Family Services, and Child Support Enforcement Divisions have uniformly old computers, so this may affect the replacement cycle.

SYSTEMS

Major Mission Critical Systems

All mission critical systems are managed by TSD, but as mentioned earlier, the division contracts some system design, development and implementation work, as well as maintenance, enhancements, and independent verification and validation of some systems. The amounts listed for the vendor contracts are based on open contracts that span one to several years. They are not necessarily annual amounts. Contract amounts are based on estimates and paid when the actual work is done.

The following mission critical systems are currently in "replacement" mode.

MMIS - Medicaid Management Information System

- Program: Health Resources Division / Medicaid
- Business Function: Processes claims for Medicaid, Children's Health Insurance/ HMK, and mental health services from enrolled Medicaid providers. DPHHS contracts with ACS (Affiliated Computer Systems) to maintain and update MMIS and run the business functions.
- Current estimated vendor contracts: \$63.6 million to build the new system at:
 - \$57.4 million for design, development and implementation (contract in negotiation)
 - \$4.4 million for independent verification and validation (estimated 2011 -2014)
 - \$1.8 million for a contracted MMIS project manager (Annually through the life of the rebuild)
 - Note: The submitted ACS proposal was just over \$179.0 million including \$114.0 million for operations. The above figures address vendor contracts for building the system.

- Age of System: The current system is 35 years old.
- Current Operating issues: MMIS uses outdated technology that is difficult and costly to maintain

Chimes-EA (Enterprise Architecture) - TANF, SNAP, and Medicaid CHIMES (Combined Healthcare Information and Montana Eligibility System)

- Program: Human and Community Services
- Business Function: Eligibility determination, benefit distribution, program administration, tracking, and reporting
- Current vendor contracts for system rebuild as well as maintenance and enhancements:
 - \$29.1 million CHIMES TANF / SNAP design, development, and implementation
 - \$6.5 current vendor CHIMES Medicaid / HMK; \$9.8 million is out for RFP that is not awarded or signed
 - \$1.3 million CHIMES TANF and SNAP independent verification and validation
- Age of System: About 20 years on the systems being replaced
- Current Operating issues: aging technology and it is no longer cost effective to program required adjustments or changes. The present systems could not meet federal changes or the increasing requirements for security safeguards and confidentiality without major reprogramming efforts.
- CHIMES Medicaid, the first completed component of the CHIMES rebuilds, presently receives enhancement work to remain on track with the CHIMES-EA system.

The following mission critical systems are in need of enhancements to maintain serviceability

AWACS - Agency Wide Accounting Client System

- Program: Agency-wide linking client payments to several programs including the Management Information Cost Recovery Systems (MICRS) and the Developmental Disabilities Program subsystem
- Business Function: This is a statewide, common financial application that integrates transactions into the SABHRS (Statewide Accounting, Budgeting, and Human Resources System).
- Current estimated Operations and Maintenance: \$2.0 million for the AWACS, DDP, and MICRS
- Age of System: about 16 years with some components having been upgraded
- Current Operating issues: This is an aging, slightly cumbersome, but manageable system. Issues will be addressed with the building of CHIMES-EA, which will include a Shared Fiscal Services Layer (SFSL) that will replace some AWACS functions and modernize business processes by sharing common tools and functionality.

SEARCHES - System for Enforcement and Recovery of Child Support

- Program: Child Support Enforcement
- Business Function: enforcement and recovery of child support, financial accounting, payments, and reporting.
- Current estimated O & M: \$7.3 million with contracted provider
- Age of System: 19 years old and on mainframe-based system
- Current Operating issues: Ever growing federal changes and aging technology make it no longer cost-effective to enhance and maintain the current system.

CAPS - Child and Adult Protective Services system

This is also referenced with MACWIS (Montana Automated Child Welfare System), which is a long-range IT (LRIT) project that was postponed during the 2011 session. Because of the postponement, contracted enhancements are necessary to keep the system operating smoothly and ensure CAPS meets federal compliance until the MACWIS project is done.

Program: Child and Family Services Division: Child and Adult Protective Services

- Business Function: Monitors foster care cases, adoption cases, provider contacts and licensing, financial accounting, payment for service to providers, and reporting.
- Current estimated Operations and Maintenance:
 - \$8.7 million in a vendor contract
- Age of System: Over two decades old and destined to be replaced in the future with MACWIS. \$18.4 million was removed from the LRIT budget in the 2011 session and will be addressed in the future.

- Current Operating issues: As with MMIS and CHIMES-EA, it is no longer cost-effective to attempt to meet future business needs and federal changes with CAPS enhancements.

OPM (Operation Protect Montana) is the adult protective /case management component of MACWIS and is attached to Senior and Long Term Care and Adult protective services.

CDS - Central Data Base System and HMIS - Homeless Management Information System

- Program: Intergovernmental Services Bureau, Human and Community Services
- Business Function: Delivery of services from Human Resource Development Councils (HRDCs) for LIEAP, Weatherization, Energy Share, and Community Service Block grant programs. HMIS Tracks client information and reports for Emergency Shelters, transitional housing and permanent supportive housing. It also supports the commodities delivery system.
- Current estimated O & M: \$3.3 million for a contract in negotiation
- Age of System: 20 + years
- Current Operating issues: Update to web-based developed in JAVA

The following mission critical systems receive on-going maintenance and support, primarily through outside vendors.

CCUBS – Child care Under the Big Sky

- Program: Early Childhood Services Bureau
- Business Function: Child care licensing, provider inspection, family eligibility determination for subsidy and payment processes and the quality improvement program contract management. It interfaces with CHIMES-EA, CAPS, CDS and the Montana Practitioner Registry.
- Current estimated O & M: \$3.6 million with an outside provider outside vendor
- Age of System: 10 years
- Current Operating issues: Updating forms and reports to meet current operating needs and interactions with other systems such as TANF, CAPS and the centralized data system.

WIC M-SPIRIT – Women, Infants, and Children food and nutrition service

- Program: Public Health and Safety
- Business Function: The SPIRIT system ensures services are provided, tracked and reported in all WIC Clinics across the state and that federal WIC requirements are met; TSD is working on an EBT an electronic benefit transfer system that would replace WIC benefit checks.
- Current estimated O & M:
 - \$0.3 million for professional services for the WIC EBT
 - \$1.0 million operations and maintenance only for the new (2010), WIC SPIRIT, the web-based WIC management system
- Age of System: new web-based management; EBT start-up following FNS approval
- Current Operating issues: No issues; maintenance to ensure services can be maintained adequately in all 95 Montana sites

TPL - Third Party Liability (TPL) / the Health Insurance Premium Payment System (HIPPS)

- Program: Quality Assurance Division
- Business Function: The TPL case management system and database tracks data for case management and third party resources owned by clients whose medical costs were originally paid by Medicaid. The process ultimately returns money to the state. The HIPPS system electronically receives referrals for the Health Insurance Premium Payment program from the Medicaid eligibility system and enables TPL staff to determine if paying health insurance premiums with Medicaid funds is cost effective for qualifying individuals.
- Current O & M: None at this time; the contract can be amended at any time if work is determined to be needed.
- Age of System: These are newer system upgrades
- Current Operating issue: Enhancing the web-based system that increases functionality and interoperability with CHIMES-EA.

Montana Access EBT

- Program: Human and Community Services
- Business Function: Electronically disburses SNAP benefits and TANF cash payments as well as reimbursement of retailers and financial institutions.
- Current O & M: \$2.5 million to an outside provider contract
- Age of system is under 10 years
- Current Operating Issues: There are no real issues; maintaining maximum functionality of management, administrative, reporting and tracking tools

SAMS – Substance Abuse Management System

- Program: Addictive and Mental Disorders Division
- Business Function: Manages provider/client screening, admission, assessment, diagnosis, placement, treatment/services, discharge and follow up for both inpatient and outpatient treatment of chemical dependency and establishes financial eligibility for assistance from state programs. SAMS also provides extensive reporting for Federal, State, and local entities, and the state contracted providers of Substance Abuse and Substance Dependence treatment. It also manages the mandatory admission, treatment and discharge for those convicted of “Driving Under the Influence.”
- Current M & O: About \$200,000
- Age of System: About 10 years
- Current Operating Issues:

Legacy System Issues

Two main-frame based systems, MACWIS and SEARCHES, fall in both the “Mission Critical” and Legacy System categories. They were both listed in earlier Mission Critical discussion.

The Patient Protection and Affordable Care Act (ACA)

As ACA is presently written, Medicaid eligibility will expand beginning January 1, 2014. Montana will join the Federal Exchange and DPHHS has received permission from the Centers for Medicare and Medicaid Services (CMS) to fund (90% federal / 10% state funds) the architecture components of CHIMES–EA, since those components will provide the interoperability needed to interface with the insurance exchange. In addition, ACA requirements will require changes to the DPHHS eligibility process and the business rules used to determine eligibility. For example, the eligibility function of the exchange would verify the client’s information and send designated information to DPHHS for eligibility determination for Medicaid, TANF, SNAP, and HMK.

The challenge is that the federal timeline requires substantial system capabilities be developed by October 1, 2013. DPHHS is presently reviewing ACA and any other federal requirements to assess the impact on Montana. The impact on OPA staff is unknown at this time.

Updates on current projects

Status of projects funded in long range IT bills from 2009 and 2011 sessions

- CHIMES TANF (885TT): The original appropriation was \$16.2 million.
 - Adjustments of under \$100,000 and expenditures 2/6/2012 of \$10.5 million
 - Remaining Balance is about \$5.8 million
- CHIMES SNAP (885TF) The original appropriation was \$13.1 million.
 - Adjustments of under \$100,000 and expenditures 2/6/2012 of \$8.1 million
 - Remaining balance is about \$5.1 million
- MMIS System (885TM) \$65.5 million HB 10 authority plus a \$2.9 adjustment from the MACWIS system for a new total of \$68.4 million
 - Expenditures 2/6/2012 of \$4.3 million
 - Remaining Balance of \$64.1 million

- CHIMES Medicaid Eligibility System (885TH) The \$13.6 million appropriation is finished. There was an appropriation of \$1.1 million that is also 100% complete. Following adjustments of \$860,000 from the SNAP and TANF systems the final balance was about \$1.9 million.
- CAPS / MACWIS (885TC) The original appropriation was \$27.2 million
 - The project was placed on hold and the CAPS system receives contracted enhancements that are necessary to keep the system operating smoothly and ensure CAPS meets federal compliance

SUMMARY

Technology Services Division (TSD) is charged with system development, implementation and maintenance, procurement, project management, as well as data center and telecommunications services for all of DPHHS that are funded with general fund, state special revenue, federal special revenue, and LRIT funds for major system projects.

TSD manages contracts for entities that develop, maintain, and support the systems that provide a variety of services including to eligibility determination, claims processing, data collection, case management support, quality assurance and payment processing. The most current list of 46 contracts represents costs of \$157.5 million total funds for contracts ranging from \$6,000 to \$58.2 million. The largest two contracts are for design, development, and implementation (DDI) and represent:

- \$58.2 million LRIT and federal funds for the MMIS system at 87.19% federal funds
- \$29.1 million LRIT and federal funds for the SNAP / TANF portion of the CHIMES-EA system at about 51% federal funds

Any issues would be the on-going responsibility of meeting federal requirements for the DPHHS programs and responding to the Affordable Care Act. Some short term goals address this are:

For LRIT for 2012:

- Sign contract for MMIS replacement with ACS; staff and begin project
- Complete CHIMES-SNAP/TANF and CHIMES-EA (Enterprise Architecture) that implements:

Longer-term goals and objectives

- Restart MACWIS (CAPS replacement) LRIT project
- Implement enterprise document management and imaging
- Implement business intelligence software for decision support and data analytics
- SEARCHS replacement

The MMIS and CHIMES-SNAP/TANF are major mission critical systems that are currently in “replacement” mode at the ultimate cost of:

- MMIS - The submitted ACS proposal was just over \$179.0 million including \$114.0 million for operations. There is \$68.4 presently in LRIT.
- CHIMES-SNAP/TANF - \$29 million in LRIT