

DHS|OHA

Information Resource Request

Department of Human Services
Integrated Eligibility Determination Project

VERSION LOG

Version	Description	Author	Date
1.0	Initial Draft	Karl Olmstead	12/02/2015
1.1	Revisions based on comments from Ed Arabas	Karl Olmstead	12/15/2015

SIGN-OFF

	Name	Version	Comments	Date
Process Owner				
EA&D IT Director				
OIS Cabinet				
OCIO				

TABLE OF CONTENTS

1 DAS Information Resource Request 4

1 DAS Information Resource Request



State of Oregon

Information Resource Request

PROJECT NAME	Integrated Eligibility Determination Planning Project		
AGENCY	Department of Human Services	DATE	11/24/2015
DIVISION	Director's Office, Office of the Chief Operating Officer for Technology	DAS Control #	16-006
AGENCY CONTACT	Trisha Baxter	PHONE NUMBER	503-580-7853

SERVICES SUMMARY	PROJECT COST SUMMARY (Including development and operating costs)
<input checked="" type="checkbox"/> System Design Programming <input type="checkbox"/> Planning and Project Management <input checked="" type="checkbox"/> Project Review <input type="checkbox"/> LAN Consulting <input type="checkbox"/> Education and Training <input type="checkbox"/> Maintenance <input type="checkbox"/> Other	Hardware \$ 0 Software \$ 3.5 million Services \$ 101.6 million Other \$ 21.0 million TOTAL \$ 126.1 million

<i>Sarah Miller</i> 12/4/15	<i>Kristen New</i> 1/15/2016
Agency Business Owner date	Agency Technology Manager date

ATTACHMENTS
 Statement of Work Business Case Analysis Feasibility Study
 Strategic Plan Other

DAS COMMENTS:
 Please see attached SG-2 memorandum

<i>Edward P. Aebas, II</i> 1/14/16	(see signature on memo)
CIO Analyst date	State CIO (or designee) date

NOTE: Guidelines for completing this form are contained in the DAS/Information Technology Investment Review/Approval Policy

PROJECT NAME	Integrated Eligibility Determination Planning Project		
AGENCY	Department of Human Services	DATE	11/24/2015
DIVISION	Director's Office, Office of the Chief Operating Officer for Technology	DAS Control #	16-006
AGENCY CONTACT	Trisha Baxter	PHONE NUMBER	503-580-7853
<p>PROBLEM STATEMENT (<i>Identify problem, opportunity, or mandate [legislative, Federal, etc.]. Include summary statement of business process(es) and stakeholders affected.</i>)</p> <p>Background</p> <p>Oregonians do not currently have the ability to apply for Non-Modified Adjusted Gross Income (Non-MAGI) Medicaid through a self-service portal via an on-line application. Additionally, while individuals currently may utilize an on-line application for Oregon's Supplemental Nutritional Assistance Program (SNAP) or with manual process supplementation for Temporary Assistance to Needy Families (TANF) or Employment Related Day Care (ERDC), the system supporting the application does not link to a benefit authorization system. Department of Human Services (DHS) eligibility workers must engage in manual application processing activities, with little to no automation. Changes to regulations from federal agencies present challenges for eligibility workers when applying those regulations to each applicant's unique situation.</p> <p>Oregon Department of Human Services seeks to eliminate manual processing and the need to utilize legacy systems in support of Non-MAGI Medicaid, SNAP, TANF and ERDC eligibility determinations. The purpose of this project is to assess possible alternatives for the automation of eligibility processing, determine and develop the legacy system interface requirements to reduce or eliminate manual input, and provide a web-based front-end applicant portal to support customer self-service for at-minimum, Non-MAGI Medicaid, and potentially other human service programs (i.e., SNAP, TANF, Employment Related Day Care).</p> <p>Opportunity Definition</p> <p>The Oregon Health Authority (OHA), the state's designated Medicaid agency, is in the process of implementing a new system for MAGI Medicaid eligibility determinations. That system is called OregOneeligibility, or ONE, and is the result of transferring the State of Kentucky's Affordable Care Act compliant state-based marketplace solution (<i>kynect</i>) for use in Oregon.</p> <p>In late 2015, Kentucky is preparing to roll out an extension to the system that OHA has transferred to Oregon. That extension will support eligibility determinations for the following programs:</p> <ul style="list-style-type: none"> • Supplemental Nutrition Assistance Program (SNAP) 			

- Temporary Assistance to Need Families (TANF)
- Medicaid Waiver Management Applications
- Child Care

Assuming that both Kentucky's integrated eligibility project and Oregon's ONE project are successful, and given CMS direction that it will only provide a 90/10 funding match for extending the ONE system, the time is clearly right to consider extending ONE to support Non-MAGI Medicaid eligibility determinations and eligibility determinations for other DHS Human Service programs too.

The high-level business objectives driving this effort are:

- Allowing applicants to apply for benefits on-line, reducing the need to travel to local offices and reducing the need to provide duplicate information when applying for benefits from more than one program
- Automating manual processes in order to:
 - Reduce the amount of time that elapses between completing an application and making an eligibility determination
 - Reduce the amount of time that staff must spend creating, reviewing, and acting on each application
 - Reduce the rates of errors in making eligibility determinations
- Allowing for seamless sharing of information and transfer of cases among program staff

On August 10, 2011, three federal agencies (Centers for Medicare and Medicaid Services (CMS), Food and Nutrition Services (FNS) and the Administration for Children & Families (ACF)) announced a time-limited, specific exception to the cost allocation requirements set forth in Office of Management and Budget (OMB) Circular A-87. These provisions generally require the costs associated with building shared state-based information technology systems to be allocated across all benefitting programs. The exception reflected a federal focus on streamlining enrollment in health and human services programs while leveraging funding efficiencies at the state-level. On July 20, 2015, the three agencies extended the exception for an additional 3 years, through December 31, 2018, and provided additional guidance on how states may take advantage of it to leverage these investments to better serve consumers' multiple programs and needs.

AGENCY ANALYSIS (Identify alternatives considered and significant reasons for the alternative chosen. Include summary of agency analysis related to cost/benefit, feasibility, risk assessment, impacts on current environment, and other relevant business factors.)

The CMS policy to fund only a single financial eligibility system per state and the fact that Medicaid Title XIX will provide 90 percent of the funds needed for the system means that Oregon's only viable alternative to the status quo must include enhancement of the ONE system to support Non-MAGI Medicaid eligibility determinations. DHS has explored four possible courses of action, including continuing in the current state. These are the alternatives:

Alternative #1: Implement Non-MAGI Medicaid Eligibility Determination into the ONE System

Under this alternative, the ONE system would be extended to support Non-MAGI Medicaid eligibility determinations and service authorization to community-based care programs only. This approach limits the scope of DHS programs that would be affected. It requires transfer of the Kentucky system, removal or disabling of the functionality in that system supporting programs like SNAP and TANF, and customization for Oregon's Non-MAGI Medicaid program. This approach would use 90/10 federal funding.

Alternative #2: Implement Integrated Eligibility Determination into the ONE System

Under this alternative, the ONE system would be extended to support Non-MAGI Medicaid eligibility determinations and SNAP, TANF, and ERDC determinations, as well as service authorizations for community-based care programs. This approach involves a wider range of DHS programs. It avoids the risk and expense of removing functionality for these programs from the Kentucky system. It requires potential customization for a larger number of Oregon programs. This alternative could be rolled out all at once or it could be phased-in program-by-program. This approach would use Medicaid 90/10 federal funding to the benefit of other programs, which would only have to fund parts of the solution that were benefitting those programs exclusively.

Alternative #3: Acquire External Eligibility Determination Services from another State

Just like Alternative #1, this alternative would extend ONE to support Non-MAGI Medicaid eligibility determinations only. Like Alternative #2, it would support eligibility determinations for the SNAP, TANF, and ERDC programs. However unlike Alternative #2, that support would be outside of ONE. In this alternative, DHS would contract with another state to support SNAP, TANF, and ERDC eligibility decisions. At a minimum, that would involve modifying the partner state's system for those programs to accept applications from Oregonians and make eligibility determinations based on Oregon's rules. Limiting factors include lack of integration of Non-MAGI Medicaid program eligibility with MAGI program eligibility and recording of Oregon-specific MAGI, CHIP, and CAWEM rules. The project team was unable to identify a state where this approach is being used. Therefore, cost estimates for this alternative were unattainable.

Alternative #4: Do Nothing

Under this alternative, there would be no additional investment in the ONE system and no acquisition of eligibility services from another state. Improvements to current processes would be limited to those that arise naturally through the DHS's continuous improvement program. This alternative means losing the opportunity for enhanced federal funding to improve IT systems and thus results in greater cost in state funding for future enhancements.

Section 4 of the attached business case describes the costs, benefits, and risks of each of the alternatives. They are summarized here:

Cost, Benefits, and Risks Summary

Alternative	Project Cost	Program Benefits from Project	Overall Risk
1. Implement Non-MAGI Medicaid Eligibility Determinations	~\$80.3M	Medicaid	Low

2. Implement Integrated Eligibility Determinations	~\$126.1M	Medicaid, SNAP, TANF, ERDC	Medium
3. Acquire Eligibility Determination Services from Another State	Unknown	Medicaid, SNAP, TANF, ERDC	High
4. Do nothing	~\$4.0M		High

Based on that analysis, DHS intends to pursue Alternative #2, Implement Integrated Eligibility Determination. This means extending the ONE system by transferring, configuring, and customizing Kentucky's Non-MAGI Medicaid, SNAP, TANF, and ERDC eligibility system to Oregon.

PROJECT SUMMARY (Provide summary narrative of the current project. Include summary statement of work, community/stakeholder impact, enterprise implications and opportunities, and alignment with the State of Oregon Enterprise Information Technology Strategy and published enterprise architecture and standards.)

Section 5 of the business case sets out a tentative schedule that would implement the expanded, integrated eligibility determination system in mid-2018. These are the key project milestones.

Schedule Milestone	Expected Date
Stage Gate 2 Approval	December 2015
Independent Quality Assurance Vendor Under Contract	December 2015
Stage Gate 3 Approval	February 2016
System Integrator Under Contract/Fit-Gap Analysis Begins	March 2016
Fit-Gap Analysis Complete; Design/Development Begins	July 2016
Re-Baseline Based on Fit-Gap Findings	August 2016
Design and Development Iteration #1 Complete	March 2017
Design and Development Iteration #2 Complete	June 2017
Design and Development Iteration #3 Complete	September 2017
End-to-End User Acceptance and Regression Testing Complete	March 2018
Pilot Implementation Begins	April 2018
Initial Release	July 2018
Stage Gate 4 Approval	November 2018
Project Complete	December 2018

These are the principal stakeholders:

- **Oregonians applying for Non-MAGI Medicaid, SNAP, TANF and ERDC benefits**
- **DHS Aging and People with Disabilities (APD) Field Offices statewide & Area Agencies on Aging (AAA)** which are typically county-chartered organizations and under contract with the department. Collectively they deliver DHS's Non-MAGI Medicaid program including making initial and ongoing financial eligibility determinations for people over the age of 65 and people with disabilities who need assistance.

- **DHS Self-Sufficiency Program (SSP) Field Offices** which deliver DHS' SNAP/TANF/ERDC eligibility determinations
- **Federal Partners, including Centers for Medicare and Medicaid Services, Food and Nutrition Services, Administration for Children and Families**

The proposed solution will be fully consistent with state and department IT architecture and standards.

Does this project conform to program and information technology related statutes, administrative rules, executive orders, and statewide policies? Yes No
 Don't Know

If not, please provide justification: _____

BUDGET IMPACT (Provide summary narrative of the budget and resource implications of this project, as well as its relevance to the core mission of the agency.)

The preliminary estimate of the cost to implement the system in mid-2018 and operate it through June of 2019 is \$126.1 million. Details and assumptions behind that estimate can be found in the attached business case.

Most of the cost will be eligible for a 90 percent federal match. Other portions will be eligible for a 50 percent match. The total state share will not exceed 20 percent.

A more detailed budget estimate will be developed as part of preparing for Stage Gate 3 review. That work will include establishing a precise expectation about the state share of the total cost.

FUNDING SOURCE General Funds Federal Funds Lottery Funds
 Other Funds

If Other Funds, please identify source _____

CONTRACT SUMMARY (attach statement of work from procurement document)

Personal Services Goods Trade Services PO/CRO/Task Order

Contract Amount TBD End Date 12/31/2018 Amendment # _____

PRODUCT/HARDWARE SUMMARY

Please indicate required hardware (if known):

HOST-BASED SOFTWARE

- System _____
- LAN/WAN _____
- Development _____
- DBMS _____
- Application _____
- Other _____

IRR COMPLETION PROCESS

At the commencement of an information technology-related project, agency prepares form, business case and any supporting documentation required.

Agency obtains Agency Business Owner and Agency Technology Manager signatures or e-mail approvals.

Agency sends IRR, business case and any supporting documentation to:

**Department of Administrative Services
Chief Information Office
155 Cottage Street NE (4th Floor)
Salem, OR 97301**

or by e-mail to: IT_Investment.Review@das.state.or.us

DAS will review and provide analysis related to completeness of the IRR and business case based on the context of the Information Technology Review/Approval Policy and potential enterprise applications and impact on enterprise programs.

If form is complete, IRR and accompanying analysis is forwarded to the State CIO for approval

OR

If form is not complete, documentation is returned to Agency with explanation.

After documentation is approved, the IRR is returned to the Agency with DAS Control Number.

Agency forwards approved IRR with procurement documents to Dept. of Justice and DAS State Procurement Office

Total Project Cost or Purchase Price:	Agency-Provided Supporting Documentation	Approval required
≥ \$150,000	Conform with <u>Information Technology Investment Review/Approval Policy</u> Information Resource Request Business Case Any additional supporting documentation	State CIO
NOTE:	Some projects may require Independent Quality Assurance Reviews as per the <u>Technology Investment Strategy Development And Quality Assurance Reviews Policy</u> Circumstances may include the following: Those projects that are required by legislative action or executive mandate to	State CIO

	<p>have independent reviews, and information technology projects that meet <u>three</u> of the following criteria, shall provide for an independent quality assurance review.</p> <p>The system, application or infrastructure affected by the project is considered mission critical by the affected agency or DAS.</p> <p>The project schedule exceeds one year in duration.</p> <p>The project scope includes changes or enhancements to systems, applications or infrastructure managed or maintained by more than one state agency or government entity.</p> <p>The complexity of the project is deemed medium or higher using the Department of Human Services, Business and Technical Assessment (Exhibit A) or similar tool that has been approved by DAS.</p> <p>The total project costs are estimated to be greater than \$1,000,000.</p>	
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Oregon

Kate Brown, Governor

Department of Administrative Services

State Chief Information Office
155 Cottage Street NE, 4th Floor
Salem, Oregon 97301
PHONE: 503-378-3175
FAX: 503-378-3795

MEMORANDUM

To: Sarah S. Miller, DHS COO for Technology; Kristen Duus, OHA/DHS OIS Chief Information Officer
From: Alex Z. Pettit, State Chief Information Officer
Date: January 14, 2016
Subject: Department of Human Services (DHS), Office of the Chief Operating Officer for Technology, Integrated Eligibility Determination Project, Stage 2 Endorsement

Stage Approval

The Office of the State Chief Information Officer (OSCIO) has completed review of the following documents, which DHS provided on December 16, 2015 in support of its request for Stage 2 Endorsement for the Integrated Eligibility Determination Project:

1. Integrated Eligibility Determination Project Information Resource Request, v1.1
2. Integrated Eligibility Determination Project Business Case, v1.1
3. Integrated Eligibility Determination Project Charter Revised, v1.1
4. Integrated Eligibility Determination Project EA Impact Assessment Stage Gate 1, v1.1
5. Integrated Eligibility Project Budget Schedule Estimate, v1.1
6. Integrated Eligibility Project Initial Risk Assessment Version, v1.1

The OSCIO is satisfied with the information and data presented for Stage Gate 2 endorsement in the provided documentation.

Background

DHS seeks to eliminate manual processing and the need to utilize legacy systems in support of eligibility determinations for Non-Modified Adjusted Gross Income (Non-MAGI) Medicaid, the Supplemental Nutritional Assistance Program (SNAP), Temporary Assistance to Needy Families (TANF), and Employment Related Day Care (ERDC). The purpose of this project is to (1) assess alternatives for the automation of eligibility processing, (2) determine and develop the legacy system interface requirements that will reduce or eliminate manual data inputs, and (3) provide a web-based, front-end applicant portal to support customer self-service eligibility applications for at-minimum, Non-MAGI Medicaid, and potentially for other human service programs (i.e., SNAP, TANF, and Employment Related Day Care). Applications for MAGI Medicaid eligibility are now handled through the Oregon Eligibility (ONE) system.

Discussion

DHS explored four alternatives to support eligibility determinations for citizens that do not qualify for Medicaid under the Modified Adjusted Gross Income provisions and for other legacy services support systems. These alternatives all center on the federal Centers for Medicare and Medicaid Services (CMS) notification to DHS of its policy to provide enhanced funding for a single financial eligibility system per state. This has given Oregon the opportunity to consider using the ONE system for all Medicaid eligibility, as well as other eligibility determinations. DHS has chosen to further extend the state-transfer solution from Kentucky (kynect) to service eligibility determinations for Non-MAGI Medicaid, and for the SNAP, TANF, and ERDC programs.

The estimated budget for this extension of the ONE system is approximately \$126 million, and the preliminary timeframe for project completion is June of 2019. Under existing federal guidelines, this will allow federal funds to pay for over 85% of the system expansion costs. DHS has received approval for a special procurement methodology to enable continued use of the current ONE System system integration contractor (Deloitte) and the current independent Quality Management services vendor (Public Knowledge), which is intended to reduce overall project risk by retaining expert knowledge about the ONE and kynect systems.

DHS anticipates revising key elements of the project schedule and a more detailed specification of the code development needed to enable the integrated eligibility functionality it requires from the enhanced ONE system prior to Stage Gate 3 approval. These revisions will follow a formal fit-gap analysis, and will inform several subsequent design and development iterations.

Recommendation

Endorse the Integrated Eligibility Project through Stage Gate 2 (and implicitly, past Stage Gate 1 simultaneously), including vendor contract negotiations, subject to the following conditions:

1. Provide to OSCIO copies of all special procurement authorization documentation related to the system integration and quality management contractors;
2. Provide to OSCIO copies of all vendor (QA and system integrator) statements of work for review (and approval, if required by law or policy) prior to execution;
3. Provide to OSCIO and to the Legislative Fiscal Office (LFO) an independent Initial Risk Assessment, and any other final Quality Control reports, prior to Stage 3 endorsement;
4. Provide to OSCIO and to LFO the fit-gap analysis completed by the systems integration contractor, and the resulting revised project schedule, when completed; and,
5. Complete all detailed project management planning activities required for Stage Gate 3 endorsement, as described in OSCIO policy, and provide those plans and artifacts to the OSCIO and the LFO for review and approval.

Analysis prepared by: Edward P. Anastas, II Date: 1/14/16

Analysis approved by: [Signature] Date: 1/14/16