

Economic Services Administration

060 - M2 - FG - ESAR STRATEGIC MODERNIZATION

Agency Submittal: 11-2017-19-YR Agency Req

Budget Period: 2017-19

SUMMARY

Washington residents who apply for Medicaid benefits or enroll in a Qualified Health Plan depend on Economic Services Administration's (ESA) Automated Client Eligibility System (ACES) to facilitate their eligibility determination. The 20-year old legacy system is at risk for becoming out of compliance with state and federal information technology (IT) standards. To ensure the ACES complex remains stable, ESA must continue to invest in the strategic modernization of infrastructure. ESA requests \$3,946,000 (\$917,000 GF-State) to procure the services of an Enterprise Architecture (EA) consulting group to aid in the development of a Strategic Technology Roadmap and an Application Lifecycle Management tool suite to ensure compliance with software development standards. ESA is requesting funding to build the roadmap for ACES replacement, cloud architecture, and web based systems focused on customer and social worker access and functionality.

PROBLEM STATEMENT

Eligibility Service (ES) and ACES Remediation (ESAR) Strategic Modernization is comprised of two distinct efforts:

1. Acquisition of an EA consulting group to aid in the implementation of the DSHS/ESA Strategic Technology Roadmap. In order to achieve the successful and on-time implementation of the ES in response to the federally mandated Affordable Care Act (ACA), the Economic Services Administration (ESA) IT Solutions (ITS) organization was forced to take steps along its Strategic Technology Roadmap out of order. ESA ITS needs to redevelop its Strategic Technology Roadmap to ensure that technology decisions are linked to business strategy by documenting objectives and prioritizing investments in modernization.
2. Acquisition and implementation of an Application Lifecycle Management (ALM) tool suite to meet federally required best practices and standards for requirements management, traceability and testing. In addition, ALM will monitor, track, and document any changes to software systems. This tool will allow ESA to track changes to the ACES complex much more closely than is available now. ESA ITS current software development lifecycle (SDLC) tools have been used in support of ACES for approximately ten years. The tools lack complete traceability from the beginning of the SDLC to the end (requirements to test) as required by the United States Food and Nutrition Services (FNS) and Centers for Medicare and Medicaid Services (CMS). They are not fully integrated nor are they being used to their full potential according to software development industry standards and best practices. Failure to comply with federal testing standards could result in audit findings and corresponding corrective action that prevent the timely completion of ESAR project activities.

Funds for ESAR Strategic Modernization were requested through the 2016 Supplemental Decision Package, approved and placed in the newly created IT Projects Investment Pool. As required to obtain the funds, ESA submitted an IT Investment Submission Document to Washington Technology Solutions (WaTech) on October 28, 2015. Upon consultation with the Office of Financial Management (OFM), WaTech instructed ESA to request funding through the



DSHS VISION

People are healthy • People are safe • People are supported • Taxpayer resources are guarded

DSHS MISSION

To transform lives

DSHS VALUES

Honesty and Integrity • Pursuit of Excellence • Open Communication • Diversity and Inclusion • Commitment to Service

060 - M2 - FG - ESAR Strategic Modernization

Governor's budget. After legislative review, the decision was made to fund this effort through the IT Projects Investment Pool and, on April 19, 2016 the IT Investment Submission Document was resubmitted to WaTech. As of August 2016, WaTech has not certified the project. This delay in funding prevented the timely procurement of an Enterprise Architecture (EA) consulting group and an ALM Tool Suite in Fiscal Year 2016 (FY16).

In the meantime, ESA ITS has hired a new Chief of Technology and is in the process of recruiting an EA. By August 31, 2017 these two key staff members, in coordination with other members of ESA ITS management, will have completed the analysis and planning necessary to initiate the procurement of EA consulting services.

Due to the delay in funding, ESA ITS made the decision to activate an existing requirements management tool, IBM RequitePro, as the current version had reached end-of-life for support in April 2016. Funding has not been made available to procure the entire ALM tool suite as requested in the 2016 Supplemental Decision Package.

PROPOSED SOLUTION

ESA intends to procure the services of an EA consulting group that will define current ESA architecture, lay out the to-be architecture that aligns with the comprehensive statewide enterprise architecture approach and create a detailed transition plan. Deliverables out of this effort will be an as-is architecture, a to-be architecture and a transition plan all of which will support the development of ESA's Strategic Technology Roadmap.

ESA also intends to procure ALM tool suite software, user licenses and the services of a systems integrator, if necessary, to implement and integrate the software. Funding will also pay for knowledge transfer, process improvement recommendations and training for the ESA ITS staff who will use the ALM tools.

EXPECTED RESULTS

DSHS/ESA expects the following outcomes as a result of ESAR Strategic Modernization:

- A DSHS/ESA IT Strategic Technology Roadmap that is in alignment with the statewide enterprise architecture approach, creates a baseline from which to make decisions about the future direction, and facilitates technology and business improvements
- A fully integrated ALM tool suite that meets federally required standards, enhances development productivity and quality, increases the efficiency of requirements management, change management and configuration management practices, and the in-house knowledge and skills necessary to utilize the applications

STAKEHOLDER IMPACT

DSHS/ESA does not anticipate any customer-facing changes as a result of the ESAR project. Stakeholders will be kept apprised of all ESAR project activity through regular communication adhering to project management best practices.

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Program Contact: Dianna Wilks, (360) 725-4524

OTHER CONNECTIONS

Performance Outcomes/Important Connections

1. Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

Not Applicable

2. The decision package meets the following DSHS' strategic objectives:

1.1: People below 125 percent of the Federal Poverty Level (FPL) will have greater access to Basic Food assistance.

3. Identify other important connections or impacts below. (Indicate 'Yes' or 'No'. If 'Yes' identify the connections or impacts related to the proposal.)

a) Regional/County impacts? No

b) Other local government impacts? No

c) Tribal government impacts? No

d) Other state agency impacts? No

e) Responds to specific task force, report, mandate or executive order? No

f) Does request contain a compensation change or require changes to a Collective Bargaining Agreement? No

g) Facility/workplace needs or impacts? No

h) Capital budget impacts? No

i) Is change required to existing statutes, rules or contracts? No

j) Is the request related to litigation? No

k) Is the request related to Puget Sound recovery? No

l) Other important connections? No

4. Please provide a detailed discussion of connections/impacts identified above.

N/A

Alternatives/Consequences/Other

5. What alternatives were explored by the agency, and why was this alternative chosen?

DSHS considered using the current maintenance and operations vendor to develop a Strategic Technology Roadmap; however, it was determined that they do not have the appropriate resources to successfully develop a Strategic Technology Roadmap.

060 - M2 - FG - ESAR Strategic Modernization

DSHS considered procuring a full ALM tool suite through the competitive bid process; however, the delay in funding prevented this procurement.

6. How has or can the agency address the issue or need within its current appropriation level?

ESA does not have the funding within its current appropriation level to procure EA consulting services or an ALM suite. If this decision package is not funded, DSHS will not receive the expert consulting services necessary to develop a Strategic Technology Roadmap and will not be compliant with the federally required testing standards that are dependent upon a robust ALM tool suite.

7. Does this decision package include funding for any IT-related costs (hardware, software, services, cloud-based services, contracts or IT staff)?

- No
- Yes (Include an IT Addendum)

Fiscal Detail**060 - M2 - FG - ESAR Strategic Modernization**

Operating Expenditures	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
001-1 General Fund-State	648,000	269,000	0	0
001-C General Fund-Medicaid	2,348,000	681,000	0	0
Total Cost	2,996,000	950,000	0	0
Staffing	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
FTEs	0.0	0.0	0.0	0.0

Performance Measure Detail

Activity:	Incremental Changes			
	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
Program: 060				
F078 Program Support	0	0	0	0
No measures submitted for package				

Object Detail

	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
E Goods and Other Services	2,996,000	950,000	0	0
Total Objects	2,996,000	950,000	0	0

DSHS Source Detail**Overall Funding**

Operating Expenditures	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
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Fund 001-1, General Fund-State**Sources Title**

0011 General Fund State	648,000	269,000	0	0
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Total for Fund 001-1	648,000	269,000	0	0
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Fund 001-C, General Fund-Medicaid**Sources Title**

19UD Title XIX Admin (90%)	986,000	0	0	0
19UG Title XIX Admin (75%)	1,237,000	619,000	0	0
19UL Title XIX Admin (50%)	125,000	62,000	0	0

Total for Fund 001-C	2,348,000	681,000	0	0
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Total Overall Funding	2,996,000	950,000	0	0
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Information Technology Addendum

Recsum Code and Title 060-M2-FG-ESAR Strategic Modernization

Part 1: Itemized IT Costs

Please itemize any IT-related costs, including hardware, software, services (including cloud-based services), contracts (including professional services, quality assurance, and independent verification and validation) or IT staff. Be as specific as you can. (See Chapter 12.1 of the OFM Operating Budget Instructions for guidance on what counts as “IT-related costs.”)

Information Technology Items in this DP (insert rows as required)	FY 2018	FY 2019	FY 2020	FY 2021
Enterprise Architecture Consulting Services	1,096,200			
Application Lifecycle Management Tool Suite	1,650,000	825,000		
Training	250,000	125,000		
Total Cost	2,996,200	950,000		

Part 2: Identify IT Projects

1. Does this decision package fund the development or acquisition of a new or enhanced software or hardware system or service? Yes
2. Does this decision package fund the acquisition or enhancements of any agency data centers? (See OCIO Policy 184 for definition.) No
3. Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See OCIO Policy 121.) Yes

If you answered “yes” to any of these questions, you must complete a concept review with the OCIO before submitting your budget request. Refer to Chapter 12.2 of the Operating Budget Instructions for more information.