# ECONOMIC SERVICES ADMINISTRATION
## ESAR Architectural Development

Transforming Lives

## 2016 SUPPLEMENTAL BUDGET

| Request | FY16 | FY17 | 15-17 |
|---|---|---|---|
| FTE | Placeholder | Placeholder | Placeholder |
| GF-State | Placeholder | Placeholder | Placeholder |
| Total | Placeholder | Placeholder | Placeholder |

## DECISION PACKAGE SUMMARY

The Economic Services Administration (ESA) requests funding for Eligibility Service and Automated Client Eligibility System (ACES) Remediation Architectural Development, which includes planning and implementation of the Independent Verification & Validation (IV&V) recommendations, project management and oversight, plus training to support the knowledge and skills necessary to support the longevity and sustainability of the ACES complex.  These Architectural Development activities will be supported by the ESAR Project Management Office (PMO) and, per the requirement of both the Office of the Chief Information Officer (OCIO) and Centers for Medicare and Medicaid Services (CMS), will receive independent oversight from Quality Assurance (QA) and IV&V consultants.  By funding this request, ESA is expected to strengthen the architectural foundation of the ACES complex and build a strong foundation for federally funded rules development and modernization.

## PROBLEM STATEMENT

The Affordable Care Act (ACA) gave states the option to develop a state-based exchange for health care insurance purchasing or use the federal exchange. The State of Washington elected to develop a state-based exchange. To comply with the federal Center for Medicare and Medicaid Services (CMS) requirements for a state-based exchange, the existing eligibility system (ACES) has to be modified and enhanced. The effort to do this has three phases:

In Phase 1 of the Eligibility Service and Automated Client Eligibility System Remediation (ESAR) project, a new Eligibility Service (ES) was designed and implemented to allow clients who are eligible for Medicaid based on their Modified Adjusted Gross Income (MAGI) to submit applications through the Health Benefit Exchange (HBE) HealthPlanFinder (HPF) system.  ESA's ACES and HPF share common data and clients and must work in synchronization so that ACES can fulfill its function as the "system of record" for all Medicaid recipients including those who now apply through the HPF. Phase 1 work included establishing these linkages as well as removing from ACES medical assistance forms now provided via HPF. This phase of the ESAR project was completed on schedule to meet the October 1, 2013 deadline.

ESAR Phases 2 and 3, funded in the 2015-17 Biennium Budget (Ch. 4, Laws of 2015, sec. 705), were intended to build on the success of Phase 1 and continue the work of modernizing ACES, including the Eligibility Rules Migration (ERM) project. During ESAR Phase 2 and 3 Discovery, a number of questions arose as to whether the current design of the system would adequately perform once all human services eligibility rules for cash, medical, and food programs were moved from Common Business Oriented Language (COBOL) to the new Operation Decision Manager (ODM) rules engine given current performance issues. ESA management decided the ESAR project must perform a technology architecture

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assessment to ensure a strong foundation for the rules development. An Independent Verification & Validation (IV&V) vendor conducted the assessment from May through July 2015. The resulting assessment identified risks, and corresponding recommendations.

On July 28, 2015, the ESA management, in conjunction with the Office of the Chief Information Officer (CIO), made the decision to stop work on the ERM portion of the ESAR project.  Instead, focus was shifted to developing a plan to address the IV&V vendor's recommendations and related Medicaid Information Technology Architecture (MITA) compliance.  By completing these two projects prior to the ERM planned for Phases 2 and 3 ESA will improve operations through infrastructure changes that are consistent with new IT standards (including data security standards) and state and federal requirements.

Without first strengthening the foundation of the ACES complex in preparation for federally funded ERM, ACES faces a sharp increase in maintenance and operation costs as the availability of staff and contractors with the knowledge of legacy systems retire. In addition, ACES would be increasingly out of sync with state and federal IT standards. Completing this foundational work now will allow Washington to take advantage of enhanced federal cost-sharing rates.

## PROPOSED SOLUTION

Implementing ESAR Architectural Development now will include the planning, prioritization, and implementation of the IV&V recommendations and training to support the knowledge and skills necessary to support the longevity and sustainability of the ACES complex.  The ESAR Architectural Development planning phase will assess IV&V recommendations, such as:

- Data replication between databases

- Database architecture and integrity

- Optimization of currently implemented MAGI rules

- Asynchronous transactions

- MITA Compliance

Funding will pay for the state, eligibility vendor, and additional contracted staff necessary to support the planning, prioritization, and implementation of IV&V recommendations and associated training.  Planning will determine the specific course of action and timeframe.  Implementing ESAR Architectural Development will push out the completion date for ESAR Phases 2 and 3.

## EXPECTED RESULTS

DSHS/ESA desires the following outcomes as a result of ESAR Architectural Development:
1: The stable architectural foundation necessary to continue implementation of the ERM
2. Architectural modernization to meet enterprise architecture and MITA compliance standards
3. In-house knowledge and skills necessary to support the longevity and sustainability of the ACES complex

There will be no change in system output and no impact to clients, citizens or other agencies.

## STAKEHOLDER IMPACT

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