

Project Investment Justification

Returned Mail Solution

DE24011

Department of Economic Security

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1. GENERAL INFORMATION

PIJ ID: DE24011

PIJ Name: Returned Mail Solution

Account: Department of Economic Security

Business Unit Requesting: DBME

Sponsor: Jeff Morley

Sponsor Title: DBME Assistant Director

Sponsor Email: jmorley@azdes.gov

Sponsor Phone: (480) 688-5509

2. MEETING PRE-WORK

2.1 What is the operational issue or business need that the Agency is trying to solve? (i.e....current process is manual, which increases resource time/costs to the State/Agency, and leads to errors...):

Federal partners are requesting a process of mail returned due to undeliverable status, and The Division of Benefits and Medical Eligibility (DBME) does not currently have an automated process for handling incoming mail or internal processes to alert workers that changes need to be made based on the updated address information received from USPS.

During the Public Health Emergency (PHE) unwinding period, Arizona must complete renewals for all Medical Assistance (MA) customers with active AHCCCS benefits. The Consolidated Appropriations Act of 2023 requires States to attempt to contact customers before stopping MA benefits when there is returned mail associated with the case. This project will allow the Division to locate clients, prepare for audits, and ultimately, prevent gaps in coverage and associated churn. These actions are intended to prevent eligible MA customers from losing coverage and to reduce the increased workload of reapplications and appeals.

In the first five months of 2023, there was an average of 2,092 pieces of return mail a day. A total for the first five months of 2023 was 219,145 Medicaid notices. The 18 notices are: Auto Renewal Letters, Voter Registration Letters, Decision Letters, Application Summary Letters, Requests for Information (RFIs), Discontinuance Letters, Arizona Long Term Care++ System (ALTCS) Initial Financial Appointment Letters, Deemed Newborn Letters, Federally Facilitated Marketplace (FFM) RFIs, ALTCS Initial Pre-Admission Screening (PAS) Appointment letters, Pre-hearing Conference Letters, ALTCS Interview Summary Letters, Continued Benefits Decision Letters, Third Party Verification Letters, ALTCS Reassessment Appointments, Expedite Appeal Letters, ALTCS Community Spouse Resource Assessment (CSRA) Appointment Letters, and ALTCS Initial PAS/ Finance Letters.

2.2 How will solving this issue or addressing this need benefit the State or the Agency?

The solution will allow the Division to meet our regulatory requirement, provide better customer service by preventing eligible MA customers from losing MA, and a cost savings by preventing the increased workload from reapplications and appeals.

Please See: End of the Medicaid Continuous Enrollment Condition Frequently Asked Questions for State Medicaid and CHIP Agencies May 12, 2023 (attached).

When states receive returned mail in response to a redetermination of eligibility, they must undertake a good faith effort to contact an individual using more than one modality prior to disenrollment on the basis of returned mail. For the purposes of meeting this returned mail condition, a good-faith effort to contact an individual using more than one modality means: (1) consistent with section 6008(f)(2)(B) of the FFCRA, the state has a process in place to obtain up to-date mailing addresses and additional contact information (including phone numbers and email addresses) for all beneficiaries for whom the state conducts a renewal of eligibility; and (2) the state attempts to reach an individual whose mail is returned through at least two modalities using the most up-to-date contact information the state has for the individual, which could include a forwarding address if one is provided on the returned mail.

Complying with all applicable advance notice and fair hearing requirements at 42 CFR § 435.917 and 42 CFR Part 431, Subpart E.

2.3 Describe the proposed solution to this business need.

Obtain the OPEX/Falcon V+ RED, which can scan, and index return mail envelopes using a high capacity conveyor system and the UiPath software will scan the mail for forwarding address and send it to the vendor to make necessary updates in HEAplus to complete the returned mail handling process.

Document Management Services (CTR063772) - AHCCCS selected this vendor.

STANDARD FEATURES

- Automatic page classification
- Automatic de-skew
- 7 Ultrasonic Multi-Feed Detectors
- 600 dpi capture
- Thick document sorting
- 3 or 5 programmable sort bins
- Mixed document capture
- 22" touch-screen display
- Wireless keyboard/mouse
- Packet-sensing technology
- Early envelope detect
- Multi-Function ID Assist™
- Reference ID
- Top Bin Mirror
- TMD override

OPEX vendor is under a State contract. AHCC Arizona Dept. of Administration has a machine and so does Arizona Dept. of Water Resources. AHCCCS stated we should use the OPEX Solution. That Opex solution is not available from any other vendors. Funding will be provided by AHCCCS, but DBME will use these machines to improve their returned mail process.

Please RUSH: The funds associated with this project must be encumbered by October 5th

Approved by Mark Darmer, CIO, on 09/28/2023

2.4 Has the existing technology environment, into which the proposed solution will be implemented, been documented?

Yes

2.4a Please describe the existing technology environment into which the proposed solution will be implemented.

2.5 Have the business requirements been gathered, along with any technology requirements that have been identified?

Yes

2.5a Please explain below why the requirements are not available.

3. PRE-PIJ/ASSESSMENT

3.1 Are you submitting this as a Pre-PIJ in order to issue a Request for Proposal (RFP) to evaluate options and select a solution that meets the project requirements?

No

3.1a Is the final Statement of Work (SOW) for the RFP available for review?

3.2 Will you be completing an assessment/Pilot/RFP phase, i.e. an evaluation by a vendor, 3rd party or your agency, of the current state, needs, & desired future state, in order to determine the cost, effort, approach and/or feasibility of a project?

No

3.2a Describe the reason for completing the assessment/pilot/RFP and the expected deliverables.

3.2b Provide the estimated cost, if any, to conduct the assessment phase and/or Pilot and/or RFP/solicitation process.

3.2e Based on research to date, provide a high-level cost estimate to implement the final solution.

4. PROJECT

4.1 Does your agency have a formal project methodology in place?

Yes

4.2 Describe the high level makeup and roles/responsibilities of the Agency, Vendor(s) and other third parties (i.e. agency will do...vendor will do...third party will do).

DES will provide a project manager, who will be responsible for managing the project and budget to ensure all project milestones are met by the vendor. DES will provide the physical location for where the equipment will be housed and utilized.

OPEX will be responsible for the configuration, delivery, set up, and training CDS staff on the use of the machines.

DTS will ensure security needs are met for hardware accessing the network.

Facilities will ensure the location of the machines will have any necessary furniture and cubicle walls removed to fit the spatial needs of the equipment. As well as, ensuring the electrical and data requirements of the equipment are met.

4.3 Will a PM be assigned to manage the project, regardless of whether internal or vendor provided?

Yes

4.3a If the PM is credentialed, e.g., PMP, CPM, State certification etc., please provide certification information.

4.4 Is the proposed procurement the result of an RFP solicitation process?

No

4.5 Is this project referenced in your agency's Strategic IT Plan?

Yes

5. SCHEDULE

5.1 Is a project plan available that reflects the estimated Start Date and End Date of the project, and the supporting Milestones of the project?

Yes

5.2 Provide an estimated start and finish date for implementing the proposed solution.

Est. Implementation Start Date

Est. Implementation End Date

9/30/2023 12:00:00 AM

5/1/2024 12:00:00 AM

5.3 How were the start and end dates determined?

Other

5.3a List the expected high level project tasks/milestones of the project, e.g., acquire new web server, develop software interfaces, deploy new application, production go live, and estimate start/finish dates for each, if known.

Milestone / Task	Estimated Start Date	Estimated Finish Date
Order / Build	10/04/23	12/08/23
Provide a full signed sow? Project plan to ADOA-ASET	10/06/23	10/20/23
Set-up	12/11/23	12/12/23
Training	12/11/23	12/22/23
Lessons learned	12/22/23	01/31/24
Payment of Invoices	12/22/23	03/31/24
Internal communication and standard of work development	01/15/24	02/15/24
Close out report	04/01/24	05/01/24

5.4 Have steps needed to roll-out to all impacted parties been incorporated, e.g. communications, planned outages, deployment plan?

Yes

5.5 Will any physical infrastructure improvements be required prior to the implementation of the proposed solution. e.g., building reconstruction, cabling, etc.?

Yes

5.5a Does the PIJ include the facilities costs associated with construction?

No

5.5b Does the project plan reflect the timeline associated with completing the construction?

Yes

6. IMPACT

6.1 Are there any known resource availability conflicts that could impact the project?

No

6.1a Have the identified conflicts been taken into account in the project plan?

6.2 Does your schedule have dependencies on any other projects or procurements?

No

6.2a Please identify the projects or procurements.

6.3 Will the implementation involve major end user view or functionality changes?

Yes

6.4 Will the proposed solution result in a change to a public-facing application or system?

No

7. BUDGET

7.1 Is a detailed project budget reflecting all of the up-front/startup costs to implement the project available, e.g., hardware, initial software licenses, training, taxes, P&OS, etc.?

Yes

7.2 Have the ongoing support costs for sustaining the proposed solution over a 5-year lifecycle, once the project is complete, been determined, e.g., ongoing vendor hosting costs, annual maintenance and support not acquired upfront, etc.?

Yes

7.3 Have all required funding sources for the project and ongoing support costs been identified?

Yes

7.4 Will the funding for this project expire on a specific date, regardless of project timelines?

Yes

7.5 Will the funding allocated for this project include any contingency, in the event of cost over-runs or potential changes in scope?

No

8. TECHNOLOGY

8.1 Please indicate whether a statewide enterprise solution will be used or select the primary reason for not choosing an enterprise solution.

There is not a statewide enterprise solution available

8.2 Will the technology and all required services be acquired off existing State contract(s)?

Yes

8.3 Will any software be acquired through the current State value-added reseller contract?

No

8.3a Describe how the software was selected below:

OPEX vendor is under a State contract. AHCC Arizona Dept of Administration has a machine and so does Arizona Dept. of Water Resources. AHCCCS stated we should use the OPEX Solution. That Opex solution is not available from any other vendors. Funding will be provided by AHCCCS, but DBME will use these machines to improve their returned mail process.

8.4 Does the project involve technology that is new and/or unfamiliar to your agency, e.g., software tool never used before, virtualized server environment?

Yes

8.5 Does your agency have experience with the vendor (if known)?

No

8.6 Does the vendor (if known) have professional experience with similar projects?

Yes

8.7 Does the project involve any coordination across multiple vendors?

No

8.8 Does this project require multiple system interfaces, e.g., APIs, data exchange with other external application systems/agencies or other internal systems/divisions?

Yes

8.9 Have any compatibility issues been identified between the proposed solution and the existing environment, e.g., upgrade to server needed before new COTS solution can be installed?

No

8.9a Describe below the issues that were identified and how they have been/will be resolved, or whether an ADOA-ASET representative should contact you.

8.10 Will a migration/conversion step be required, i.e., data extract, transformation and load?

No

8.11 Is this replacing an existing solution?

No

8.11a Indicate below when the solution being replaced was originally acquired.

8.11b Describe the planned disposition of the existing technology below, e.g., surplus, retired, used as backup, used for another purpose:

8.12 Describe how the agency determined the quantities reflected in the PIJ, e.g., number of hours of P&OS, disk capacity required, number of licenses, etc. for the proposed solution?

Reviewed data manually counted by the team, which includes counting all pieces of returned mail and time studies for processing.

8.13 Does the proposed solution and associated costs reflect any assumptions regarding projected growth, e.g., more users over time, increases in the amount of data to be stored over 5 years?

No

8.14 Does the proposed solution and associated costs include failover and disaster recovery contingencies?

No

8.14a Please select why failover and disaster recovery is not included in the proposed solution.

Other

8.15 Will the vendor need to configure the proposed solution for use by your agency?

Yes

8.15a Are the costs associated with that configuration included in the PIJ financials?

Yes

8.16 Will any app dev or customization of the proposed solution be required for the agency to use the project in the current/planned tech environment, e.g. a COTS app that will req custom programming, an agency app that will be entirely custom developed?

No

8.16a Will the customizations inhibit the ability to implement regular product updates, or to move to future versions?

8.16b Describe who will be customizing the solution below:

8.16c Do the resources that will be customizing the application have experience with the technology platform being used, e.g., .NET, Java, Drupal?

8.16d Please select the application development methodology that will be used:

8.16e Provide an estimate of the amount of customized development required, e.g., 25% for a COTS application, 100% for pure custom development, and describe how that estimate was determined below:

8.16f Are any/all Professional & Outside Services costs associated with the customized development included in the PIJ financials?

8.17 Have you determined that this project is in compliance with all applicable statutes, regulations, policies, standards & procedures, incl. those for network, security, platform, software/application &/or data/info found at aset.az.gov/resources/psp?

Yes

8.17a Describe below the compliance issues that were identified and how they have been/will be resolved, or whether an ADOA-ASET representative should contact you:

8.18 Are there other high risk project issues that have not been identified as part of this PIJ?

No

8.18a Please explain all unidentified high risk project issues below:

9. SECURITY

9.1 Will the proposed solution be vendor-hosted?

No

9.1a Please select from the following vendor-hosted options:

9.1b Describe the rationale for selecting the vendor-hosted option below:

9.1c Has the agency been able to confirm the long-term viability of the vendor hosted environment?

9.1d Has the agency addressed contract termination contingencies, e.g., solution ownership, data ownership, application portability, migration plans upon contract/support termination?

9.1e Has a Conceptual Design/Network Diagram been provided and reviewed by ASET-SPR?

9.1f Has the spreadsheet located at <https://aset.az.gov/arizona-baseline-security-controls-excel> already been completed by the vendor and approved by ASET-SPR?

9.2 Will the proposed solution be hosted on-premise in a state agency?

Yes

9.2a Where will the on-premise solution be located:

Other

9.2b Were vendor-hosted options available and reviewed?

No

9.2c Describe the rationale for selecting an on-premise option below:

Staff will be utilizing the equipment on the premises.

9.2d Will any data be transmitted into or out of the agency's on-premise environment or the State Data Center?

No

9.3 Will any PII, PHI, CGIS, or other Protected Information as defined in the 8110 Statewide Data Classification Policy be transmitted, stored, or processed with this project?

Yes

9.3a Describe below what security infrastructure/controls are/will be put in place to safeguard this data:

Housed in the DES network folders. Temporarily housed in the machine until sent to the DES network drive.

10. AREAS OF IMPACT

Application Systems

Database Systems

Software

Hardware

Other

Standalone machine to scan returned mail and deposit into a network drive

Hosted Solution (Cloud Implementation)

Security

Telecommunications

Enterprise Solutions

Document Management/Imaging

Contract Services/Procurements

11. FINANCIALS

Description	PIJ Category	Cost Type	Fiscal Year Spend	Quantity	Unit Cost	Extended Cost	Tax Rate	Tax	Total Cost
FEE: PROFESSIONAL SERVICES	Professional & Outside Services	Development	1	1	\$7,400	\$7,400	0.00 %	\$0	\$7,400
"*NASPO: ASM FRAME M72 FRM ADJ HGT 110V US LIFT SYS OPT SA"	Hardware	Development	1	2	\$3,119	\$6,237	860.00 %	\$536	\$6,773
*NASPO: ASM M72 STAT PRNTR SA	Hardware	Development	1	2	\$1,196	\$2,392	860.00 %	\$206	\$2,597
"*NASPO: ASM M72 BASE W/MILL TOP CUT 110V SA"	Hardware	Development	1	2	\$35,345	\$70,690	860.00 %	\$6,079	\$76,769
*NASPO: FALCON V+ QR BARCODE	Software	Development	1	2	\$257	\$513	860.00 %	\$44	\$557
"*NASPO: FALCON V+ VRS TECHNOLOGY SOFTWARE"	Software	Development	1	2	\$2,912	\$5,823	860.00 %	\$501	\$6,324
CERTAINSCAN EDIT & TRANSFORM PKG	Software	Development	1	1	\$2,595	\$2,595	860.00 %	\$223	\$2,818
CERTAINSCAN MONITOR	Software	Development	1	1	\$810	\$810	860.00 %	\$70	\$880
Service - CERTAINSCAN EDIT AND TRANSFORM ANNUAL LICENSE FEE - Year 1	License & Maintenance Fees	Development	1	1	\$635	\$635	860.00 %	\$55	\$690
Service - CERTAINSCAN EDIT MNTR ANNUAL LICENSE FEE - Year 1	License & Maintenance Fees	Development	1	1	\$180	\$180	860.00 %	\$15	\$195
*NASPO: FALCON V+ BASE MACHINE W/CORRUGATOR NA 120V FLVP	Hardware	Development	1	2	\$66,564	\$133,128	860.00 %	\$11,449	\$144,577
"*NASPO: FALCON V+ COMPUTER WINDOWS	Hardware	Development	1	0	\$0	\$0	860.00 %	\$0	\$0

10 64 BIT UEF FLVP"									
*NASPO : FALCON V+ MICR (PLUS)FLVP	Software	Develop ment	1	2	\$5,142	\$10,283	860.00 %	\$884	\$11,168
*NASPO : FALCON V+ MICR (PLUS)FLVP	Software	Develop ment	1	2	\$693	\$1,386	860.00 %	\$119	\$1,505
Service - CERTAINSCAN EDIT MNTR ANNUAL LICENSE FEE - Year 2	License & Maintena nce Fees	Operatio nal	2	1	\$185	\$185	860.00 %	\$16	\$201
Service - CERTAINSCAN EDIT AND TRANSFORM ANNUAL LICENSE FEE - Year 2	License & Maintena nce Fees	Operatio nal	2	1	\$654	\$654	860.00 %	\$56	\$710
Service - CERTAINSCAN EDIT AND TRANSFORM ANNUAL LICENSE FEE - Year 3	License & Maintena nce Fees	Operatio nal	3	1	\$674	\$674	860.00 %	\$58	\$732
Service - CERTAINSCAN EDIT MNTR ANNUAL LICENSE FEE - Year 3	License & Maintena nce Fees	Operatio nal	3	1	\$191	\$191	860.00 %	\$16	\$207
Service - CERTAINSCAN EDIT AND TRANSFORM ANNUAL LICENSE FEE - Year 4	License & Maintena nce Fees	Operatio nal	4	1	\$694	\$694	860.00 %	\$60	\$754
Service - CERTAINSCAN EDIT MNTR ANNUAL LICENSE FEE - Year 4	License & Maintena nce Fees	Operatio nal	4	1	\$197	\$197	860.00 %	\$17	\$214
Service - CERTAINSCAN EDIT AND TRANSFORM ANNUAL LICENSE FEE - Year 5	License & Maintena nce Fees	Operatio nal	5	1	\$715	\$715	860.00 %	\$61	\$776

Service - CERTAINSCAN EDIT AND TRANSFORM ANNUAL LICENSE FEE - Year 5	License & Maintenance Fees	Operational	5	1	\$203	\$203	860.00 %	\$17	\$220
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Base Budget (Available)	Base Budget (To Be Req)	Base Budget % of Project
\$0	\$0	0%
APF (Available)	APF (To Be Req)	APF % of Project
\$0	\$0	0%
Other Appropriated (Available)	Other Appropriated (To Be Req)	Other Appropriated % of Project
\$0	\$0	0%
Federal (Available)	Federal (To Be Req)	Federal % of Project
\$0	\$0	0%
Other Non-Appropriated (Available)	Other Non-Appropriated (To Be Req)	Other Non-Appropriated % of Project
\$266,068	\$0	100%

Total Budget Available	Total Development Cost
\$266,068	\$262,254
Total Budget To Be Req	Total Operational Cost
\$0	\$3,814
Total Budget	Total Cost
\$266,068	\$266,068

12. PROJECT SUCCESS

Please specify what performance indicator(s) will be referenced in determining the success of the proposed project (e.g. increased productivity, improved customer service, etc.)? (A minimum of one performance indicator must be specified)

Please provide the performance objective as a quantifiable metric for each performance indicator specified.

Note: The performance objective should provide the current performance level, the performance goal, and the time period within which that performance goal is intended to be achieved. You should have an auditable means to measure and take corrective action to address any deviations.

Example: Within 6 months of project completion, the agency would hope to increase "Neighborhood Beautification" program registration by 20% (3,986 registrants) from the current registration count of 19,930 active participants.

Performance Indicators

Within 9 months of completion of the project, the agency expects to decrease the number of current staff, 15 to a future staffing of 8 and will reassign those staff to other duties.

13. CONDITIONS

Conditions for Approval

Should development costs exceed the approved estimates by 10% or more, or should there be significant changes to the proposed technology scope of work or implementation schedule, the Agency must amend the PIJ to reflect the changes and submit it to ADOA-ASET, and ITAC if required, for review and approval prior to further expenditure of funds.

Monthly reporting on the project status is due to ADOA-ASET no later than the 15th of the month following the start of the project. Failure to comply with timely project status reporting will affect the overall project health. The first status report for this project is due on November 15, 2023.

14. OVERSIGHT SUMMARY

Project Background

The Department of Economic Security (DES) strengthens Arizona by helping residents reach their potential through temporary assistance for those in need, and care for the vulnerable.

The Division of Benefits and Medical Eligibility (DBME) administers the Supplemental Nutrition Assistance Program (SNAP) and Cash Assistance (CA) program for the State of Arizona. The Division also determines eligibility for Medical Assistance and Social Security Disability Insurance. Arizona must complete renewals for all Medical Assistance (MA) customers with active AHCCCS benefits. The Consolidated Appropriations Act of 2023 requires States to attempt to contact customers before stopping MA benefits when there is returned mail associated with the case. DBME currently has a manual process for handling incoming mail. A new request from Federal partners requiring a process be developed to address mail returned due to an undeliverable status, requiring a new internal process to be made based on the updated address information received from USPS.

The proposed solution would utilize a machine, capable of scanning, and indexing return mail envelopes using a high capacity conveyor system and the software scan the mail for forwarding address and send it to the vendor to make necessary updates in HEAplus to complete the returned mail handling process.

Business Justification

The agency will implement the solution to improve the utilization of a digital mailroom document scanner solution to improve their returned mail process. This implementation will allow the department to decrease the amount of staff required to be completed. The machine will be capable of sorting, scanning and opening each of the 15k-20k pieces of mail daily.

Implementation Plan

Data will be processed and remain on-premise at the agency. No AZRAMP or SSP required. The physical location for the equipment will be housed within DES.

DES

Project Manager - Justin Harris

monitor vendor project milestones

budget

OPEX -Vendor

configuration, delivery, set up, and training CDS staff on the use of the machines

DTS

security needs are met for hardware accessing the network

Facilities

prepare spatial needs of the equipment

ensure electrical and data requirements of the equipment are met

Vendor Selection

Multiple state agencies currently utilize this as a solution. AHCCCS suggested the OPEX Solution, not available from any other vendors. Funding will be provided by AHCCCS, but DBME will use these machines to improve their returned mail process in response to Federal partners request.

Vendor

OPEX -Document Management Services (CTR063772)

Budget or Funding Considerations

The funding for the project will be provided through Other Non-Appropriated funds in the amount of \$262,253.69 in development costs.

15. PIJ REVIEW CHECKLIST

Agency Project Sponsor

Jeff Morley by Jason Sauer

Agency CIO (or Designee)

Mark Darmer

Agency ISO (or designee)

Dan Wilkens by Rich Donaldson

OSPB Representative

ASET Engagement Manager

ASET SPR Representative

Emily Gross

Agency SPO Representative

Agency CFO

Roberta Harrison