

DE24011 DBME Returned Mail Solution

State of Arizona – DES

Change Request

November 20, 2024



DEPARTMENT OF ECONOMIC SECURITY

Your Partner For A Stronger Arizona

Agency Vision

A Thriving Arizona

Agency Mission

To strengthen individuals, families and communities for a better quality of life



Project Team Introduction

Roles Present at ITAC

- Mark Darmer - CIO
- Melissa Hyde- DBME Project Administrator
- Justin Harris - DBME Project Manager
- Ernest Baca - FAA Systems

Project Introduction

Date/high-level overview:

This solution:

- Konica Minolta's solution will deploy a Robotic Process Automation (RPA bot) solution to process the "Good" scans which contain data that can be extracted and thus automatically processed. It will address three main buckets of returned mail for Medicaid recipients: Return Response Requested (RRR), No Return Response Required (NRRR) & Other. Each bucket comprises In State and Out of State. The solution will process and document the steps taken by AZDES for each piece of returned mail, and facilitate notifying AHCCCS customers in a timely and reportable manner.
- At present DBME is at capacity with 22 humans and cannot process 83% of MA mail. The cost to process one piece of mail for humans is \$3.62, the cost per item with robots will be \$1.09 - the latter includes annualized software costs, maintenance/support, code updates, total cost of ownership.
- With automation the capacity will increase by 735%. The new RPA solution will give DBME the power to process all 697k pieces of mail.

The original PIJ spanned Oct 13, 2023 to May 1, 2024 and had a cost of \$262,253.68 , with a 10% variance.

Original Project Timeline

Date	10/23	11/23	12/23	1/24	2/24	3/24	6/24	7/24	8/24	9/24	10/24
Order/Build	[Magenta bar]										
Set-up/Training			[Blue bar]								
Payment of Invoice			[Pink bar]								
Phase 2 Initiation & Staffing*				[Light Blue bar]							
Phase 2 Kickoff*				[Black bar]							
Sprint 1 - 5*					[Cyan bar]						
Lessons Learned*								[Dark Blue bar]			
Payment of Invoice*									[Brown bar]		
Close out Report*									[Cyan bar]		

Current Project Status

Revised project plan:

- The current project is roughly $\frac{2}{3}$ completed. The project became delayed due to additional security documentation required from AHCCCS to be completed plus the creation and approval of a new server by DTS.
- AHCCCS “suspended for unauthorized use” DBMEs access in the HEAplus testing environment on 8/9/2024. The vendor project team Accelirate was released on 8/30/24 due to this delay.
- Due to the additional security documentation, and the delays that this created in the project schedule, the vendor project team Accelirate was released on 8/30/24 to avoid increased costs.
- Items that remain:
 - UAT (2-3 weeks) (Wave 3)
 - Reporting output report (Wave 4)
 - Knowledge transfer to DTS (Wave 4)
 - Hypercare availability (Wave 5)
 - Roughly 4 - 6 more weeks +/- until this project is completed and into production, once all approvals come through.

Original Project Costs

Project Costs by Category	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Professional & Outside Services (Contractors)	\$668,399.00	\$0.00	\$0.00	\$0.00	\$0.00	\$668,399.00
Hardware	\$232,222.10	\$0.00	\$0.00	\$0.00	\$0.00	\$232,222.10
Software	\$367,933.17	\$0.00	\$0.00	\$0.00	\$0.00	\$367,933.17
Communications	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Facilities	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
License & Maintenance Fees	\$885.09	\$636,727.27	\$681,261.72	\$728,912.48	\$779,897.66	\$2,827,684.22
Other Operational Expenditures	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Development	\$1,269,439.36	\$0.00	\$0.00	\$0.00	\$0.00	\$1,269,439.36
Total Operational	\$0.00	\$636,727.27	\$681,261.72	\$728,912.48	\$779,897.66	\$2,826,799.13
Total						\$4,096,238.49

Project Change Request Overview

What in the PIJ is changing?:

- Timeline
 - From October 31, 2024 to March 31, 2025
- Scope
 - Descoping ____ and/or Adding ____
- Budget
 - From \$____ to \$____

What initiated this change?:

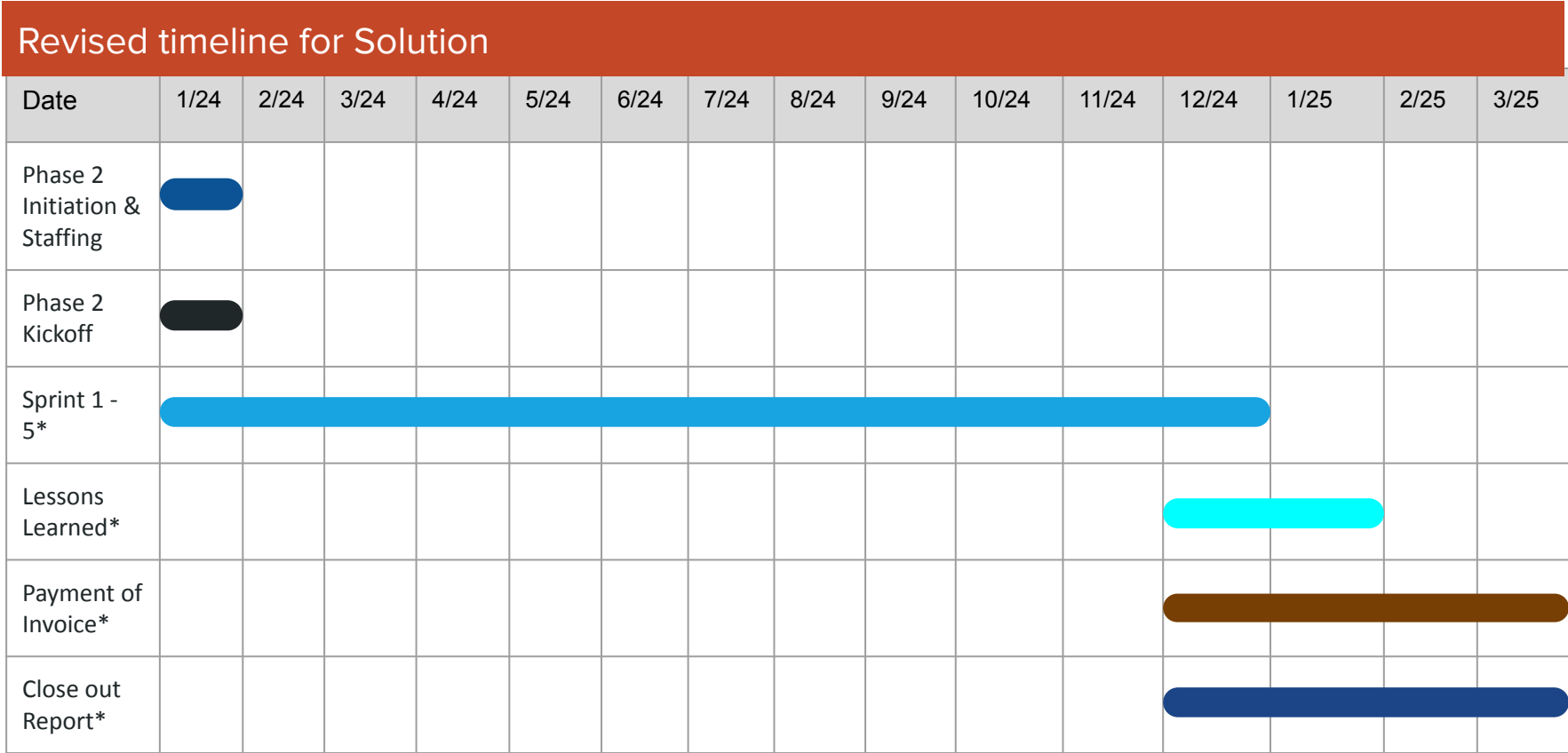
- The project became delayed due to additional security documentation required from AHCCCS to be completed plus the creation and approval of a new server by DTS.

Revised Project Milestones

Identify any change in timeline and possible benefits:

Milestone Name	Milestone Health	% Complete	Original Start Date	Original End Date	Revised Start Date	Revised End Date
Phase 2 - Initiation/Staffing	Green	100	1/1/2024	1/31/2024		
Phase 2 Kickoff	Green	100	1/1/2024	1/31/2024		
Sprint 1 - 5*	Red	75	2/1/2024	7/31/2024		12/31/2024
Lessons Learned*	Red	Not Started	7/1/2024	8/31/2024	12/1/2024	1/31/2025
Payment of Invoices*	Red	Not Started	8/1/2024	10/31/2024	12/1/2024	3/31/2025
Close Out Report*	Red	Not Started	8/1/2024	10/31/2024	12/1/2024	3/31/2025

Revised Project Timeline



Q & A Session

Recommended Conditions

ADOA-ASET Conditions

1. 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.
2. 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.
3. Added by ITAC on December 13, 2023.

Prior to providing change request approval, the Agency must work with the Department of Administration (ADOA) and Department of Homeland Security (AZDOHS) Cyber Command, to assure the hosting environment that was approved by AZDOHS Cyber Command has not been significantly altered.

ITAC Voting Options

What ITAC May Consider In Review Whether:

- a. The proposed solution addresses the stated problem or situation;
- b. The budget unit is competent to carry out the project successfully;
- c. Sufficient sponsorship and support by budget unit leadership exists;
- d. Cost estimates provided are accurate;
- e. The proposed project aligns with the budget unit's Strategic IT Plan; and
- f. The proposed solution complies with statewide IT standards.

ITAC Motions:

- a. Move to Approve
- b. Move to Approve with Conditions As Presented
- c. Move to Approve with Conditions
 - i. Committee May Modify or
 - ii. Add Conditions
- d. Move To Deny

Relevant Statutes and Rules

[Per A.R.S. § 18-101](#) - [Per Administrative Code R2-18-101](#)