

ISD Systems Integrator

State of Arizona – AHCCCS

Change Request

February 19, 2025

Project # HC23028

ARIZONA
HEALTH CARE COST
CONTAINMENT SYSTEM

Agency Vision

Shaping tomorrow's managed care...from today's experience,
quality and innovation

Agency Mission

Reaching across Arizona to provide comprehensive, quality health care
to those in need.



Project Team Introduction

Roles Present at ITAC

- Anthony Flot- *Chief Technology Officer*
- Joshua Worley- *Deputy Assistant Director, Business and Finance Division*

Project Introduction

Overview of Original Project Investment Justification (PIJ):

Background

AHCCCS is looking to design, develop and implement the Medicaid Enterprise Systems (MES) - Systems Integration Platform. This platform will create a standardized and electronic document and data management solution across enterprise systems, to allow the business to efficiently and effectively make decisions. On **6/21/2023**, ADOA-ASET gave approval to procure the *Systems Integrator* solution.

Benefits of the Systems Integrator Solution:

- *Creates a standardized platform to allow for cost effective integration of current and future systems*
- *Centralizes the aggregation of the enterprise data and document sets to connect the MES by removing barriers and redundancies through a common systems integration platform*
- *Standardizes operational reporting, Center for Medicare and Medicaid Services (CMS) reporting, common data extracts, dashboards, and Transformed Medicaid Statistical Information System (T-MSIS)*

The original PIJ spanned **14 months** and had development costs of **\$34,605,100**.

Current Overall Project Health - Green

Budget		<ul style="list-style-type: none">● The original budget met the expectations of the original PIJ approval.
Schedule		<ul style="list-style-type: none">● The original schedule is meeting the expectations of the original PIJ.
Scope		<ul style="list-style-type: none">● The original scope is meeting the expectations of the original PIJ.● If CR 1215 is not approved then AHCCCS will be unable to replace the EVV solution with an aggregator only model and will have to go to procurement for a new solution or retain the existing vendor at a higher cost
Milestones		<ul style="list-style-type: none">● The original scope of work has completed and has moved into M&O.
Risks		<ul style="list-style-type: none">● There are no identified risks
Issues		<ul style="list-style-type: none">● There are no identified issues

Project Change Request Overview

What in the PIJ is changing?

- ✓ **Timeline**
 - End date change from 2/2025 to 3/2026
- ✓ **Scope**
 - Adding Electronic Visit Verification (EVV)
- ✓ **Budget**
 - From \$34,305,100 to \$44,327,598

What initiated this change?

- The current EVV aggregator solution being used is reaching its end of term through its current contract with SanData, and needs replaced with a new solution from our existing vendor, HealthTech. AHCCCS is downscoping the solution to an Aggregator only model and owning the solution to avoid future procurements.
 - The new solution will leverage the System Integration platform, be hosted within the AHCCCS Microsoft Azure tenant, and be owned by AHCCCS.
 - Due to headcount restrictions, AHCCCS has had to procure an outside vendor to support the oversight of the project. CSG was the selected vendor for the additional tasks.

Revised Project Scope

Identify any change in scope and possible benefits:

The goal of adding this additional scope is to combine data from many different EVV providers into one platform, making it easier to access, standardize, and analyze the information. The Key components of the EVV aggregator include:

- **Data Integration:** The scope of the EVV aggregator is limited to aggregator functions. HealthTech will leverage ServiceNow for portal functions, Azure Integration Services (AIS) and the API Manager for API management and integration, PowerBI for reporting, and SQL server for the underlying database.
- **Central Database:** Utilize the existing Azure database infrastructure for storing and managing EVV data from diverse sources.
- **Security:** Implementing stringent security measures to protect sensitive healthcare information and ensuring compliance with HIPAA and AHCCCS regulations. The solution configured will be in alignment with the required system security and access requirements as outlined in the system integrator system security plan.
- **Reporting and Analytics:** Utilizing Power BI tool for generating reports and analytics based on aggregated EVV data, which can help in identifying trends, monitoring compliance, and improving operational efficiencies. User friendly reports will be available to AHCCCS staff, MCOs, and Providers, with access controlled through the establishment of specific security groups.
- **User Interface:** Designing user-friendly interfaces for approximately 600 providers, and AHCCCS administrators to access and manage EVV data efficiently. ServiceNow will be used as the product to configure the interface.

Financial Impact

Change in Project Financials

Actual Spend from 7/23 through 1/25	\$10,868,991.10
Projected Spend for 2/25 through 2/28	\$3,458,606.90
Increase of:	+\$8,224,898

Note: The increase in costs are to implement a new EVV solution within the Systems Integration platform. This will replace the existing EVV solution. The IV&V contract will be expanded to include this project, is included in the financials, and pending CMS approval.

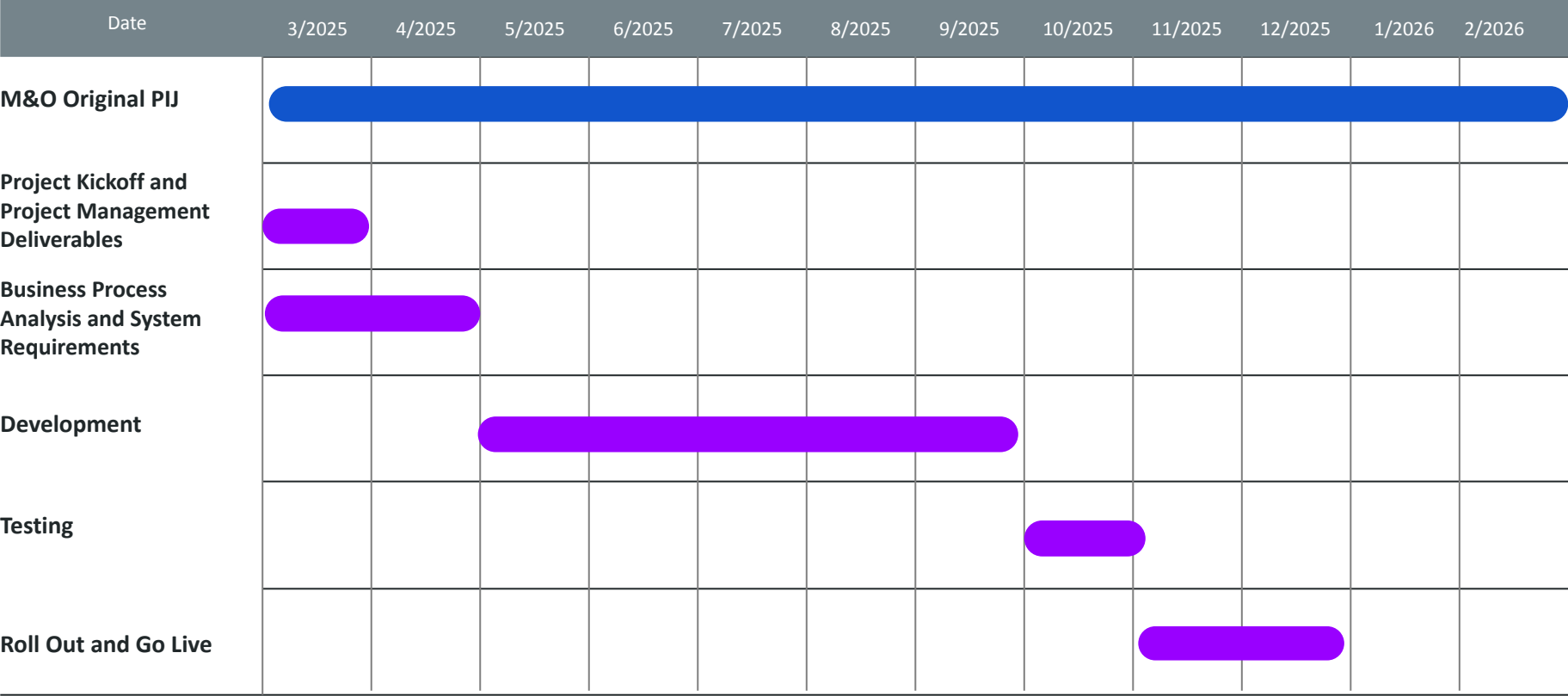
Current Project Costs

Project Costs by Category	FY23	FY24	FY25	FY26	FY27	Total
Professional & Outside Services (Contractors)	\$10,249,100	\$5,150,300	\$5,672,000	\$6,271,900	\$6,961,800	\$34,350,100
Hardware						
Software						
Communications						
Facilities						
License & Maintenance Fees						
Other Operational Expenditures						
Total Development	\$10,249,100					\$10,249,100
Total Operational		\$5,150,300	\$5,672,000	\$6,271,900	\$6,961,800	\$24,056,000

Amended Project Costs

Project Costs by Category	FY23	FY24	FY25	FY26	FY27	Total
Professional & Outside Services (Contractors)	\$10,249,100	↑ \$7,891,932.67	↑ \$12,952,865.33	\$6,271,900	\$6,961,800	↑ \$44,327,598.00
Hardware						
Software						
Communications						
Facilities						
License & Maintenance Fees						
Other Operational Expenditures						
Total Development	\$10,249,100	↑ \$2,741,632.67	↑ \$7,280,865.33			↑ \$20,271,598.00
Total Operational		\$5,150,300	\$5,672,000	\$6,271,900.00	\$6,961,800.00	\$24,056,000.00

Proposed Project Timeline



Q & A Session

ADOA-ASET Conditions

- a. 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.
- b. 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.
- c. **Completed** - The agency shall select an Independent Verification & Validation (IV&V) vendor, provide the contract to ADOA-ASET and provide an informational update to ITAC that all the necessary requirements have been met for the Federal approval within 90 days of ITAC approval.

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

Appendix

Current Project Timeline

