# Change Request Review
## Arizona Health Care Cost Containment System - HC24003 - ServiceNow - CR-1216
## Oversight Name:  Thomas O'Dowd

| OA Peer Review Date: 01/29/2025 | OA recommendation Date:01/29/2025 | EM Review Date: |
|---|---|---|
| Approve with Standard Cond… ▾ | Approve with Standard Conditions ▾ | No Response ▾ |

| Oversight Director Decision Date:01/30/2025 | OR Deputy CIO Decision Date: |
|---|---|
| Approve ▾ | No Response ▾ |

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## Area of Impact

| ☑ **Development Costs** | ☑ **Scope** | ☑ **End Date** |
|---|---|---|

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## Brief Project Description

This project will establish the design of workflows, configuring ServiceNow environment, implementing ServiceNow workflows in the AHCCCS environment, integrating ServiceNow to other AHCCCS required software and services

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## What Initiated This Change, Reasons

This change request is initiated due to the complexity of the ServiceNow multiple module implementations and the need for specialized expertise to ensure successful project delivery.

- The agency's current resources are stretched due to ongoing projects and day-to-day operational demands, limiting their capacity to effectively manage this complex implementation.
- To mitigate project risks and ensure compliance with CMS requirements, the agency requires external support from a vendor with specific experience in ServiceNow implementations, large-scale projects, CMS certification and reporting, and Medicaid knowledge.

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**CR Submission Date:** 01/20/2025

**Original Project Duration:**
Start Date: 10/02/2023
End Date:  02/21/2025

**CR Project Duration:**
Start Date: 10/02/2023
End Date:  07/01/2025

**Original Project Budget**
| | |
|---|---|
| Development Cost | $ 18,010,878.30 |
| Operational Cost | $ 18,721,640.01 |
| **Total Cost** | **$ 36,732,518.31** |

**CR Project Budget**
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|---|---|
| Development Cost | $ 21,306,200.00 |
| Operational Cost | $ 18,721,640.01 |
| **Total Cost** | **$ 40,027,840.01** |

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**If the project has prior CR list below:**

| CR-ID | Approved Date | Type |
|---|---|---|
| **N/A** | **N/A** | **N/A** |

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**<u>Security Review</u>**

Has the change impacted security? **No changes to scope.**

**EX.** Vendor, Hosting Environment, Scope, system interfaces and any other situation impacting the environment, interfaces or other directly or indirectly impact Security.

If Yes, the CR will have to go through a Security Review with the new information provided by the agency.

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**<u>Funding source re-verification*</u>** **Required if there is a change to the Development costs on the project**

| The budget will be available through the following sources: | Funding expiration(s)? |
|---|---|
| % Base Budget | Start Date:<br>End Date: |
| 90% Federal - $2,226,150.00 | Start Date: 10/01/2024<br>End Date: 09/30/2025 |
| 10% APF - $247,350.00 | Start Date: 04/01/2024<br>End Date: 06/30/2026 |
| % Other Appropriated | Start Date:<br>End Date: |
| % Other Non-Appropriated | Start Date:<br>End Date: |

New Development being added.

1. Non-APF development amount (if applicable) =  2,226,150.00
2. APF development amount =   247,350.00
3. Total new development amount (Non-APF + APF) =  **2,473,500.00**

**<u>CR Checklist</u>**

| Requirement | Received? | Notes |
|---|---|---|

| | | |
|---|---|---|
| **Is the CR above 10%** | Received ▾ | |
| **Security approval (SSP update)** | Not Needed ▾ | |
| **New SOW or quote from the vendor** | Received ▾ | A Task order has been provided |
| **New Project Plan** | Not Needed ▾ | |
| **5-Year Equipment Refresh Plan for Equipment Purchases** | Not Needed ▾ | |
| **Maintenance & Support Options Identified for Years 2-5** | Not Needed ▾ | |
| **Cloud Exception Form for On-Prem Servers** | Not Needed ▾ | |
| **Vendor activity or documentation (training, functionally change, etc.) to be Shared with Agency (Knowledge Transfer)** | Not Needed ▾ | |
| **Internal Approvals from the Director, CTO, CIO, CFO/Budget Manager via email** | Not Needed ▾ | |
| **Have the original ITAC conditions reviewed** | Received ▾ | |
| **If APF funding, Has it been discussed with Financial Analyst** | Received ▾ | |
| **Ask Report needed** | Not Needed ▾ | |

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|---|
| **Risks** <br> ● |
| **Vendor Selection if applicable (3 Quote)** <br><br> ● **Considered Vendors: CGS** <br> ● **Selected Vendor: CGS** <br> ● **3 Quotes Obtained: Task Order** <br> ● **Exception Reason:** For the CGS Government Solutions contract, this was competitively bid and there were 5 bidders.  CGS won based on scoring and is known to the agency. |

## CR Modifications + Follow-Up

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## OA Post-Approval Checklist

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|---|
| ☑ ~~Copy the information from this document into the Oversight Summary section in Salesforce (Project Background, Business Justification, Implementation Plan, Vendor Selection, and Budget or Funding Considerations).~~ |
| ☑ ~~Ensure that within the Submission Info section of the PIJ in Salesforce, the IT Goal, Brief Description, Status Report Frequency, and Requested Development Amount fields have been populated.~~ |
| ☑ ~~Add the appropriate~~ **conditions** ~~within the Conditional Approval Section.~~ |
| ☑ ~~Complete any follow-up/edits to the CR that were noted in the executive review.~~ |
| ☑ ~~After the CR is complete, pdf this document and attach to the Project.~~ |
| ☑ ~~Click Generate CR Document, copy as a pdf, and attach to the approval email.~~ |
| ☑ ~~Log the approval email to the Project in Salesforce using the Gmail Extension.~~ |

# Guides

## Milestones
Common milestones include, but not limited to:

- Project Kickoff
- Delivery of Signed SOW
- Delivery of Project Plan Document
  - Sometimes an Agency can only produce this after an assessment from the vendor. Ensure this is added as a milestone after the assessment takes place, and ensure the assessment is added as a milestone as well.
- Installation
- Configuration
- Sprints (design & build, with descriptions)
- UAT
- Training (support team/admin)
- Training (end users)
- Go Live
- Payment Invoices (by milestone or date(s))
- Final Payment of Invoices
- Lessons Learned
- Project Close

Common things to look out for:
- If milestones span a long interval of time, for example, several months or longer, there are events that take place within this milestone that can be broken into several milestones that can be more easily monitored.

## Financials
- All financials during the first fiscal year are considered Development. Every year after is Operational. However this may be different for projects that span over 1 year.
- Professional services cannot be taxed.
- Ensure the quote from the vendor matches the financials' line items.
- Keep note of the funding expiration dates, when payments will be made (identified within milestones), and whether the Agency has the budget for the project. For example, some Agencies receive new funding every October. Ensure their payment dates are aligned with their ability to pay using the funding they anticipate to receive. Some projects will have multiple funding sources expiring at different times.
- Ensure the categorization of the line items makes sense and they are separated by 1 item per line. For example, licenses and professional services should not be combined; they should be separated into each line item with the applicable categorization and tax information.
- If static maintenance and support costs for years 2-5 are not guaranteed by the vendor, include a 2.5% increase year over year in order to account for any future price increases.

## Risks
- Common risks include:
  - Aggressive timelines
  - Two or more agencies involved with the project
  - Two or more vendors involved with the project
  - Paying the vendor at one time, all upfront, prior to any work being performed

- Any other items included in the conditional approval that are required within future status report submissions