

Change Request Review Template
Arizona Health Care Cost Containment System - HC24014 - MES Mainframe
Refactor - CR- 1217
Oversight Name: Akhil

OA Peer Review Date: Approve with Standard Cond... ▾	OA recommendation Date: 01/29/2025 Approve with Standard Conditions ▾	EM Review Date: No Response ▾
Oversight Director Decision Date: Approve ▾	OR Deputy CIO Decision Date: No Response ▾	

<u>Area of Impact</u>		
<input checked="" type="checkbox"/> Budget	<input type="checkbox"/> Scope	<input type="checkbox"/> Timeline

Brief Project Description

AHCCCS is currently utilizing a mainframe-based application which has reached 90% of its total capacity usage. The primary objective of this project is to migrate these mainframe systems to the Azure cloud platform.

What Initiated This Change, Reasons

Two vendors have contracts defined that include **PMO support (CSG) and supplemental mainframe support -developer (IBM)** to help with the Refactor.

The new dev budget is increased by \$19,932,750.

To ensure that the modernized PMMIS can integrate with the new Program Integrity pre-claims module and that legacy changes are implemented into the refactored code, AHCCCS must shift key resources that currently support the legacy system to focusing on the Refactor and Program Integrity projects. This will ensure that as the new systems go live, they are paying claims appropriately, both to ensure new doors for fraud are not opened but also to ensure that providers continue to be paid timely for legitimate activity. AHCCCS will need additional support due to the increased workload.

Scope of new activities
 Project Management Support
 A vendor, CSG Government Solutions, Inc. will provide both program and project management support on behalf of AHCCCS ISD to ensure that the project remains on track.

Summary
 Shift of financials and increase in overall budget due to Professional Services required to support the project.

Future Change request :

A future change request to support the development of documentation to support the testing and validation of the new system that will require additional BA support, especially as the head count restrictions remain on the agency. Additionally, a CR is expected to support the migration of reports required for state and federal reporting from the mainframe to the data warehouse or operational data store. This contract is not yet in place as the timing is later in the future.

<p><u>CR Submission Date:</u> 1/20/2025</p> <p><u>Original Project Duration:</u> Start Date: 4/1/2024 End Date: 1/19/2027</p> <p><u>CR Project Duration:</u> Start Date: 4/1/2024 End Date: 1/19/2027</p>	<p><u>Original Project Budget</u></p> <table><tr><td>Development Cost</td><td>\$ 56,291,832.54</td></tr><tr><td>Operational Cost</td><td>\$ 58,032,000.00</td></tr><tr><td>Total Cost</td><td>\$ 114,323,832.54</td></tr></table> <p><u>CR Project Budget</u></p> <table><tr><td>Development Cost</td><td>\$ 76,224,583.5</td></tr><tr><td>Operational Cost</td><td>\$ 38,688,000.00</td></tr><tr><td>Total Cost</td><td>\$ 110,568,583.48</td></tr></table>	Development Cost	\$ 56,291,832.54	Operational Cost	\$ 58,032,000.00	Total Cost	\$ 114,323,832.54	Development Cost	\$ 76,224,583.5	Operational Cost	\$ 38,688,000.00	Total Cost	\$ 110,568,583.48
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If the project has prior CR list below: NA

CR-ID	Approved Date	Type
CR-####		End Date, Scope

Security Review NA

Has the change impacted security?

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.

Funding source re-verification* 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: End Date:
90% Federal	Start Date: 10/01/2024 End Date: 09/30/2025
5% APF	Start Date: 04/01/2024 End Date: 06/30/2026
% Other Appropriated	Start Date: End Date:
5% Other Non-Appropriated	Start Date: 04/01/2024 End Date: 01/31/2027

CR Checklist

Requirement	Received?	Notes
Is the CR above 10%	Received ▾	
Security approval (SSP update)	Not Needed ▾	

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

Risks

- The project is already in red status due to multiple issues. And hiring the contractors would mitigate these issues.
- Federal funds expire on September 30,2025. CMS renews funding every year.

Vendor Selection if applicable (3 Quote)

- **Considered Vendors:** CSG Government Solutions & IBM
- **Selected Vendor:** CSG Government Solutions -Signed task order YH25-0036 & IBM
- **3 Quotes Obtained:** No
- **Exception Reason:** NA

For the CSG Government Solutions contract, this was competitively bid and there were 5 bidders. CSG won based on scoring and is known to the agency. IBM was chosen as they are the only ones who know how to code in IDEAL language.

CR Modifications + Follow-Up

OA Post-Approval Checklist

<input type="checkbox"/> 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).
<input type="checkbox"/> 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.
<input type="checkbox"/> Add the appropriate conditions within the Conditional Approval Section.
<input type="checkbox"/> Complete any follow-up/edits to the CR that were noted in the executive review.
<input type="checkbox"/> After the CR is complete, pdf this document and attach to the Project.
<input type="checkbox"/> Click Generate CR Document, copy as a pdf, and attach to the approval email.
<input type="checkbox"/> 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