

DBME Returned Mail Solution

State of Arizona – DES

Change Request

ITAC March 19, 2025

Project # DE24011



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 PIJ currently spans Oct 13, 2023 to March 31, 2025 and has a cost of \$262,253.68 , with a 10% variance.

Project Change Request History

Change Request	Date Approved	Type	Brief Description
CR-1003	11/14/2023	<ul style="list-style-type: none">✓ Budget✓ Schedule✓ Scope	<p>The time increase will be an additional 7 months (From March 2024 - September 2024). The cost will increase by \$1,007,185.68. The change includes additional software and professional services. We request an approval to expand the existing PIJ# DE24011; Amend the current UiPath software licenses PO0000572160 and purchase new professional services for the development of an AHCCCS returned mail RPA solution. Federal partners request a process for returned AHCCCS mail due to undeliverable status. There is no current automated process and not enough staff to complete this request. The original solution was to purchase OPEX machines which automate many traditional document preparation activities. This change request is to add the development of a Robotic Process Automation (RPA) solution that will automate the returned mail process from returned mail received to include system updates, client outreach and case prep for staff decision making.</p>
CR-1181	11/22/2024	<ul style="list-style-type: none"><input type="checkbox"/> Budget✓ Schedule<input type="checkbox"/> Scope	<p>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. The timeline was extended from 10/31/24 to 3/31/25.</p>

Current Overall Project Health Red

Budget		<ul style="list-style-type: none">• Still within budget
Schedule		<ul style="list-style-type: none">• Delayed due NASPO contract expiring• Delayed due to new task order creation• Delayed due to AHCCCS Security Document review and approval• DTS SRC and TRB review and approval is dependent upon AHCCCS approval
Scope		<ul style="list-style-type: none">• Slight change in scope due to change of central image repository (OnBase)<ul style="list-style-type: none">○ AHCCCS will only approve OnBase solution
Milestones		<ul style="list-style-type: none">• Work was paused effective August 9, 2024 due to AHCCCS security requirements• Work delayed Dec 2024 because NASPO contract expired July 2024• Work delayed until new task order sign-off and approved
Risks		<ul style="list-style-type: none">• Continued delay with procurement to sign task order• Continued delay with AHCCCS to get security documents approved
Issues		<ul style="list-style-type: none">• Delayed resume date will push completion date up to 9 months<ul style="list-style-type: none">○ Includes task order creation; AHCCCS and DTS approvals; 10-12 weeks of development, UAT and pre-production work; payment of invoices; project close out

Project Change Request Overview

What in the PIJ is changing?



Timeline

- From March 31, 2025 to December 31, 2025



Scope

- Adding: OnBase (Image repository)



Budget

- From \$____ to \$____

What initiated this change?

- The reason for the change is due to AHCCCS security requirements and an expired contract. While trying to approve a change order and contract amendment due to the project pause to complete the required AHCCCS security documents, ADES procurement notified DBME that the current NASPO contract, which this task order fell under, expired July 2024
- A new task order is required to be executed in order to bring the contractor back and resume the project
- The new task order will fall under the New Multi-Functional Devices and Related Software Services and Cloud Solutions Contract
- Slight change in scope due to change of central image repository (OnBase) - AHCCCS will only approve OnBase solution

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		100	1/1/2024	1/31/2024		
Phase 2 Kickoff		100	1/1/2024	1/31/2024		
Sprint 1 and 2 (OnBoarding, Document Understanding)		100	2/1/2024	6/28/2024		
Sprint 3 (Development, Rework, UAT)		75	7/1/2024	9/13/2024		7/31/2025
AHCCCS Security Approval		In Progress			2/7/2025	7/29/2025
Sprint 4 (Reporting)		Not Started	9/16/2024	10/18/2024	8/1/2025	8/29/2025
Sprint 5 (Move into Production, Hypercare)		Not Started	10/21/2024	12/31/2024	9/1/2025	9/30/2025
Lessons Learned		Not Started	12/1/2024	1/31/2025	10/1/2025	12/31/2025
Payment of Invoices		Not Started	12/1/2024	3/31/2025	10/1/2025	12/31/2025
Close Out Report		Not Started	12/1/2024	3/31/2025	10/1/2025	12/31/2025

Revised Project Scope

Identify any change in scope and possible benefits:

In the course of completing the AHCCCS required security documents, AHCCCS informed DBME that OnBase would be the only approved image repository solution. Therefore, DBME is no longer using a designated server to store the returned mail images.

- With the new OnBase solution, the Bot will take all scanned images and use existing Document Understanding (DU) and Optical Character Resolution (OCR) to extract the data required. It will send that metadata and PDF images to be uploaded into OnBase, including the exception and error codes.

Change in Scope Project Timeline and Resource Allocation for new Requirements:

- Estimated Effort: 200 hours
- Design meetings and documentation for new requirement: 30 hours (currently in progress)
- Development and Testing of UiPath with OnBase Unity Client: 100 hours
- End-to-End Testing and UAT Support of OnBase Unity Client/UiPath: 40 hours
- Production Support and Deployment of OnBase Unity Client and UiPath: 30 hours

Negotiations with the vendor for remaining milestones and the additional scope resulted in a net \$4,000 increase in the PIJ Development Costs.

Project Costs

\$ Current
\$ Increase
\$ Decrease

Project Cost by Category	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Professional & Outside Services	\$668,399.00	\$0	\$0	\$0	\$0	\$668,399.00
	\$460,857.00	\$243,833.00	\$221,289.00	\$0	\$0	\$672,664.00
Hardware	\$232,222.10	\$0	\$0	\$0	\$0	\$232,222.10
	\$0	\$0	\$0	\$0	\$0	\$0
Software	\$367,933.17	\$0	\$0	\$0	\$0	\$367,933.17
	\$0	\$0	\$0	\$0	\$0	\$0
License & Maintenance Fees	\$885.09	\$636,727.27	\$681,261.72	\$728,912.48	\$779,897.66	\$2,827,684.22
	\$0	\$0	\$0	\$0	\$0	\$0
Other Operational Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0
Total Current Dev	\$1,269,439.36	\$0	\$0	\$0	\$0	\$1,269,439.36
Total Revised Dev	\$808,582.36	\$243,833.00	\$221,289.00	\$0	\$0	\$1,273,704.36
Total Operational	\$0	\$636,727.27	\$681,261.72	\$728,912.48	\$779,897.66	\$2,826,799.13
Total Revised Ops	\$0	\$0	\$0	\$0	\$0	\$0
Total Original Project Cost						\$4,096,238.49
Total Revised Project Cost						\$4,100,503.49

Q & A Session

Recommended Conditions

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. 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