

Project Investment Justification

Provider Management System Update

HC19002

Arizona Health Care Cost Containment System

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1. GENERAL INFORMATION

PIJ ID: HC19002

PIJ Name: Provider Management System Update

Account: Arizona Health Care Cost Containment System

Business Unit Requesting: ISD

Sponsor: Sharon Ormsby

Sponsor Title: Assistant Director, Office of Inspector General

Sponsor Email: sharon.ormsby@azahcccs.gov

Sponsor Phone: (602) 417-4535

2. MEETING PRE-WORK

2.1 What is the operational issue or business need that the Agency is trying to solve? (i.e....current process is manual, which increases resource time/costs to the State/Agency, and leads to errors...):

In 2016, AHCCCS performed a Medicaid Information Technology State Self-Assessment (MITA SS-A) to gauge its maturity levels in terms of business and technology functions of its Medicaid Management Information System (MMIS). While the overall system was judged at a Level 2 (of 5) maturity, the provider system hovered at a Level 1 maturity. The state uses a paper-based process to receive information from providers and must hand-process and manage each provider application and renewal.

2.2 How will solving this issue or addressing this need benefit the State or the Agency?

By moving from a manual, paper-based approach, providers will have better service and receive faster adjudication of new enrollment requests and re-registrations. They can access their records at any time, updating information as needed. State staff will be freed from having to do manual data entry, verification of incomplete information, and answering basic questions about registration request status, and can focus on inspection and remediation efforts to ensure that providers are complying with all requirements.

2.3 Describe the proposed solution to this business need.

The proposed solution is an automated, self-service web portal and back-end system where providers will have direct access to register/re-register, check on application status, and update practice information independent of state staff involvement. The online forms' required fields and data validation will reduce or eliminate errors in data entry for common items like postal codes, phone numbers and email addresses. Once completed, state staff will be notified of new applications and can easily process them through a work queue portal.

An automated credential verification will reduce the time to finalize a registration/re-registration from a week or more to just days. It will also reduce or eliminate fraud through duplication checks and ensure that providers are registered in only the practice areas for which they are qualified and certified to serve in. The addition of a mobile application for site visits will enable audit teams to plan visits and conduct them from mobile devices.

2.4 Has the existing technology environment, into which the proposed solution will be implemented, been documented?

Yes

2.4a Please describe the existing technology environment into which the proposed solution will be implemented.

2.5 Have the business requirements been gathered, along with any technology requirements that have been identified?

Yes

2.5a Please explain below why the requirements are not available.

3. PRE-PIJ/ASSESSMENT

3.1 Are you submitting this as a Pre-PIJ in order to issue a Request for Proposal (RFP) to evaluate options and select a solution that meets the project requirements?

No

3.1a Is the final Statement of Work (SOW) for the RFP available for review?

3.2 Will you be completing an assessment/Pilot/RFP phase, i.e. an evaluation by a vendor, 3rd party or your agency, of the current state, needs, & desired future state, in order to determine the cost, effort, approach and/or feasibility of a project?

No

3.2a Describe the reason for completing the assessment/pilot/RFP and the expected deliverables.

3.2b Provide the estimated cost, if any, to conduct the assessment phase and/or Pilot and/or RFP/solicitation process.

3.2e Based on research to date, provide a high-level cost estimate to implement the final solution.

4. PROJECT

4.1 Does your agency have a formal project methodology in place?

Yes

4.2 Describe the high level makeup and roles/responsibilities of the Agency, Vendor(s) and other third parties (i.e. agency will do...vendor will do...third party will do).

Agency ISD staff will develop the data exchange between the existing MMIS and the vendor's provider management information system.

Clint Network Services (CNSI) will use its standard implementation methodology to stand up the system and integrate it to the MMIS.

Grant Thornton, as the IV&V, will perform oversight of the implementation activities and report on progress to both the state and Centers for Medicaid and Medicare Services (CMS)

Additional staff augmentation will perform project management services for the agency.

4.3 Will a PM be assigned to manage the project, regardless of whether internal or vendor provided?

Yes

4.3a If the PM is credentialed, e.g., PMP, CPM, State certification etc., please provide certification information.

4.4 Is the proposed procurement the result of an RFP solicitation process?

Yes

4.5 Is this project referenced in your agency's Strategic IT Plan?

Yes

5. SCHEDULE

5.1 Is a project plan available that reflects the estimated Start Date and End Date of the project, and the supporting Milestones of the project?

No

5.2 Provide an estimated start and finish date for implementing the proposed solution.

Est. Implementation Start Date

Est. Implementation End Date

9/1/2018 12:00:00 AM

7/31/2019 12:00:00 AM

5.3 How were the start and end dates determined?

Based on project plan

5.3a List the expected high level project tasks/milestones of the project, e.g., acquire new web server, develop software interfaces, deploy new application, production go live, and estimate start/finish dates for each, if known.

Milestone / Task	Estimated Start Date	Estimated Finish Date
Vendor Cloud Environment Approved by ASET-SPR	06/20/18	08/22/18

CMS Approval of IAPD and Selected Vendor	06/27/18	08/26/18
PIJ Approved by ASET and ITAC	07/20/18	08/22/18
Project Kick Off	09/01/18	09/30/18
Requirements/Design/Solutioning	10/01/18	11/30/18
Requirements/Design Review (IV&V and CMS)	10/14/18	10/31/18
Development/System Configuration	12/01/18	04/30/19
State User/Provider Community Training	04/01/19	06/30/19
User Testing/Implementation	04/01/19	06/30/19
Operational Milestone Review (IV&V and CMS)	07/01/19	07/30/19
Go Live	07/31/19	07/31/19
Operations Period for Certification	08/01/19	01/31/20
Certification Review (IV&V and CMS)	12/01/19	01/31/20
Project Close	02/01/20	07/31/20

5.4 Have steps needed to roll-out to all impacted parties been incorporated, e.g. communications, planned outages, deployment plan?

Yes

5.5 Will any physical infrastructure improvements be required prior to the implementation of the proposed solution. e.g., building reconstruction, cabling, etc.?

No

5.5a Does the PIJ include the facilities costs associated with construction?

5.5b Does the project plan reflect the timeline associated with completing the construction?

6. IMPACT

6.1 Are there any known resource availability conflicts that could impact the project?

Yes

6.1a Have the identified conflicts been taken into account in the project plan?

Yes

6.2 Does your schedule have dependencies on any other projects or procurements?

No

6.2a Please identify the projects or procurements.

6.3 Will the implementation involve major end user view or functionality changes?

Yes

6.4 Will the proposed solution result in a change to a public-facing application or system?

Yes

7. BUDGET

7.1 Is a detailed project budget reflecting all of the up-front/startup costs to implement the project available, e.g, hardware, initial software licenses, training, taxes, P&OS, etc.?

Yes

7.2 Have the ongoing support costs for sustaining the proposed solution over a 5-year lifecycle, once the project is complete, been determined, e.g., ongoing vendor hosting costs, annual maintenance and support not acquired upfront, etc.?

Yes

7.3 Have all required funding sources for the project and ongoing support costs been identified?

Yes

7.4 Will the funding for this project expire on a specific date, regardless of project timelines?

Yes

7.5 Will the funding allocated for this project include any contingency, in the event of cost over-runs or potential changes in scope?

Yes

8. TECHNOLOGY

8.1 Please indicate whether a statewide enterprise solution will be used or select the primary reason for not choosing an enterprise solution.

There is not a statewide enterprise solution available

8.2 Will the technology and all required services be acquired off existing State contract(s)?

No

8.3 Will any software be acquired through the current State value-added reseller contract?

No

8.3a Describe how the software was selected below:

8.4 Does the project involve technology that is new and/or unfamiliar to your agency, e.g., software tool never used before, virtualized server environment?

Yes

8.5 Does your agency have experience with the vendor (if known)?

No

8.6 Does the vendor (if known) have professional experience with similar projects?

Yes

8.7 Does the project involve any coordination across multiple vendors?

Yes

8.8 Does this project require multiple system interfaces, e.g., APIs, data exchange with other external application systems/agencies or other internal systems/divisions?

Yes

8.9 Have any compatibility issues been identified between the proposed solution and the existing environment, e.g., upgrade to server needed before new COTS solution can be installed?

No

8.9a Describe below the issues that were identified and how they have been/will be resolved, or whether an ADOA-ASET representative should contact you.

8.10 Will a migration/conversion step be required, i.e., data extract, transformation and load?

Yes

8.11 Is this replacing an existing solution?

Yes

8.11a Indicate below when the solution being replaced was originally acquired.

MMIS was developed in-house in the 1980s

8.11b Describe the planned disposition of the existing technology below, e.g., surplus, retired, used as backup, used for another purpose:

MMIS will continue to be used for its other functions and will serve as a hub for the data collected through the proposed solution.

8.12 Describe how the agency determined the quantities reflected in the PIJ, e.g., number of hours of P&OS, disk capacity required, number of licenses, etc. for the proposed solution?

AHCCCS provided the vendor estimated counts for number of providers and state staff that will access and use the system for both Arizona and Hawaii and the vendor determined the quantities and size required for its application and environment for optimum performance to meet the SLA required in the RFP.

8.13 Does the proposed solution and associated costs reflect any assumptions regarding projected growth, e.g., more users over time, increases in the amount of data to be stored over 5 years?

Yes

8.14 Does the proposed solution and associated costs include failover and disaster recovery contingencies?

Yes

8.14a Please select why failover and disaster recovery is not included in the proposed solution.

8.15 Will the vendor need to configure the proposed solution for use by your agency?

Yes

8.15a Are the costs associated with that configuration included in the PIJ financials?

Yes

8.16 Will any app dev or customization of the proposed solution be required for the agency to use the project in the current/planned tech environment, e.g. a COTS app that will req custom programming, an agency app that will be entirely custom developed?

Yes

8.16a Will the customizations inhibit the ability to implement regular product updates, or to move to future versions?

No

8.16b Describe who will be customizing the solution below:

AHCCCS staff will customize its existing MMIS to exchange data with the proposed solution.

No customization of the proposed solution is anticipated.

8.16c Do the resources that will be customizing the application have experience with the technology platform being used, e.g., .NET, Java, Drupal?

Yes

8.16d Please select the application development methodology that will be used:

Waterfall

8.16e Provide an estimate of the amount of customized development required, e.g., 25% for a COTS application, 100% for pure custom development, and describe how that estimate was determined below:

CNSI System will be customized 20% to develop interfaces and specialized reporting.

MMIS will be 100% custom work performed by state staff to integrate CNSI system.

8.16f Are any/all Professional & Outside Services costs associated with the customized development included in the PIJ financials?

Yes

8.17 Have you determined that this project is in compliance with all applicable statutes, regulations, policies, standards & procedures, incl. those for network, security, platform, software/application &/or data/info found at aset.az.gov/resources/psp?

Yes

8.17a Describe below the compliance issues that were identified and how they have been/will be resolved, or whether an ADOA-ASET representative should contact you:

8.18 Are there other high risk project issues that have not been identified as part of this PIJ?

Yes

8.18a Please explain all unidentified high risk project issues below:

Refer to the RAID document attached to this PIJ.

9. SECURITY

9.1 Will the proposed solution be vendor-hosted?

Yes

9.1a Please select from the following vendor-hosted options:

Commercial data center environment, e.g AWS, Azure

9.1b Describe the rationale for selecting the vendor-hosted option below:

A vendor-hosted solution was sought in order to comply with mandates of both the Governor's office and CMS to procure systems that are modular and reusable. CMS certification, and continued enhanced funding for implementation and operations requires modular and reusable systems.

9.1c Has the agency been able to confirm the long-term viability of the vendor hosted environment?

Yes

9.1d Has the agency addressed contract termination contingencies, e.g., solution ownership, data ownership, application portability, migration plans upon contract/support termination?

Yes

9.1e Has a Conceptual Design/Network Diagram been provided and reviewed by ASET-SPR?

Yes

9.1f Has the spreadsheet located at <https://aset.az.gov/arizona-baseline-security-controls-excel> already been completed by the vendor and approved by ASET-SPR?

Yes

9.2 Will the proposed solution be hosted on-premise in a state agency?

No

9.2a Where will the on-premise solution be located:

9.2b Were vendor-hosted options available and reviewed?

9.2c Describe the rationale for selecting an on-premise option below:

9.2d Will any data be transmitted into or out of the agency's on-premise environment or the State Data Center?

9.3 Will any PII, PHI, CGIS, or other Protected Information as defined in the 8110 Statewide Data Classification Policy be transmitted, stored, or processed with this project?

Yes

9.3a Describe below what security infrastructure/controls are/will be put in place to safeguard this data:

Refer to the CNSI proposal documents, the Implementation APD, and the ConOps.

10. AREAS OF IMPACT

Application Systems

Application Enhancements

Database Systems

Database Consolidation/Migration/Extract Transform and Load Data

Software

COTS Application Acquisition; Mainframe Systems Software

Hardware

Hosted Solution (Cloud Implementation)

Other

Oracle Government Cloud

Security

Telecommunications

Enterprise Solutions

Contract Services/Procurements

11. FINANCIALS

Description	PIJ Category	Cost Type	Fiscal Year Spend	Quantity	Unit Cost	Extended Cost	Tax Rate	Tax	Total Cost
Project Management Consultant	Professional & Outside Services	Development	1	1	\$159,096	\$159,096	0.00 %	\$0	\$159,096
IV&V Services	Professional & Outside Services	Development	1	1	\$163,172	\$163,172	0.00 %	\$0	\$163,172
Project Management Consultant	Professional & Outside Services	Development	2	1	\$367,488	\$367,488	0.00 %	\$0	\$367,488
IV&V Services	Professional & Outside Services	Development	2	1	\$270,769	\$270,769	0.00 %	\$0	\$270,769
CNSI Software - DDI	Software	Development	2	1	\$459,735	\$459,735	0.00 %	\$0	\$459,735
CNSI Implementation Services	Professional & Outside Services	Development	2	1	\$5,158,829	\$5,158,829	0.00 %	\$0	\$5,158,829
Project Management Consultant	Professional & Outside Services	Development	3	1	\$185,856	\$185,856	0.00 %	\$0	\$185,856
IV&V Services	Professional & Outside Services	Development	3	1	\$345,219	\$345,219	0.00 %	\$0	\$345,219
CNSI Implementation Services	Professional & Outside Services	Development	3	1	\$1,503,849	\$1,503,849	0.00 %	\$0	\$1,503,849
CNSI Software - Operations	License & Maintenance Fees	Operational	3	1	\$4,171,374	\$4,171,374	0.00 %	\$0	\$4,171,374
CNSI Software - Operations	License & Maintenance Fees	Operational	4	1	\$4,092,381	\$4,092,381	0.00 %	\$0	\$4,092,381
CNSI Software - Operations	License & Maintenance Fees	Operational	5	1	\$4,175,649	\$4,175,649	0.00 %	\$0	\$4,175,649

Base Budget (Available)	Base Budget (To Be Req)	Base Budget % of Project
\$328,954	\$2,823,075	15%
APF (Available)	APF (To Be Req)	APF % of Project
\$0	\$0	0%
Other Appropriated (Available)	Other Appropriated (To Be Req)	Other Appropriated % of Project
\$0	\$0	0%
Federal (Available)	Federal (To Be Req)	Federal % of Project
\$290,041	\$16,792,123	81%
Other Non-Appropriated (Available)	Other Non-Appropriated (To Be Req)	Other Non-Appropriated % of Project
\$328,954	\$490,268	4%

Total Budget Available	Total Development Cost
\$947,950	\$8,614,013
Total Budget To Be Req	Total Operational Cost
\$20,105,467	\$12,439,404
Total Budget	Total Cost
\$21,053,417	\$21,053,417

12. PROJECT SUCCESS

Please specify what performance indicator(s) will be referenced in determining the success of the proposed project (e.g. increased productivity, improved customer service, etc.)? (A minimum of one performance indicator must be specified)

Please provide the performance objective as a quantifiable metric for each performance indicator specified.

Note: The performance objective should provide the current performance level, the performance goal, and the time period within which that performance goal is intended to be achieved. You should have an auditable means to measure and take corrective action to address any deviations.

Example: Within 6 months of project completion, the agency would hope to increase "Neighborhood Beautification" program registration by 20% (3,986 registrants) from the current registration count of 19,930 active participants.

Performance Indicators

- Reduce manual submittal of provider documents (new applications, reactivations, revalidations, updates) from 100% to 15% within 12 months of implementation.
- Reduce number of days to process new provider documents from 19 to 12 calendar days within 12 months of implementation.
- Reduce return mail from 5660 returned provider documents to 2831 within 12 months of implementation.

13. CONDITIONS

Conditions for Approval

The Agency will present to ITAC for review and approval prior to spending any funds dedicated to this project.

Should expenses exceed the estimated costs 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 for review and approval by ITAC, prior to further expenditure of funds.

Security condition: Prior to final approval, a letter is required from Client Network Services (CNSI) stating State of Arizona data will be stored in Oracle's AZRamp approved cloud.

14. ENGAGEMENT MANAGER COMMENTS

Project Background

Arizona Health Care Cost Containment System (AHCCCS) is the state's federally matched Medicaid program. In compliance with mandates of both the Governor's office and CMS to procure a system that is modular and reusable, AHCCCS is implementing a self-service web portal with back-end system integration to MMIS. This will enable providers direct access to register, check on application status and update practice information independent of state staff involvement, streamlining its current process.

Business Justification

In the current process, Arizona Health Care Cost Containment System staff manual processes provider enrollment, work on re-registration requests, verify and correct incomplete information and answering basic questions about registration request status. By moving from a manual, paper-based approach, providers will have better service and receive a faster adjudication of new enrollment requests and re-registrations. With the implementation of a

self-service web portal, providers can access their records at any time, updating information as needed. Arizona Health Care Cost System staff will be freed from having to do manual data entry and can focus on inspection and remediation efforts to ensure that providers are complying with all requirements.

Implementation Plan

Arizona Health Care Cost Containment System has provided Oversight with an implementation plan and a Project Manager/Coordinator has been assigned to the acquisition, deployment, and testing of the system. Agency IT staff will develop the data exchange between the existing MMIS and the vendor's provider management information system. CNSI will use its standard implementation methodology to stand up the system and integrate it to the MMIS.

Grant Thornton, as the IV&V, will perform oversight of the implementation activities and report on progress to both the state and Centers for Medicaid and Medicare Services (CMS). Additional staff augmentation will perform project management services for the agency.

Vendor Selection

Arizona Health Care Cost Containment System has selected vendor CNSI. CNSI will use standard implementation and project management methodologies to stand up the self-service system and integrate it into the MMIS.

Budget or Funding Considerations

Funding is currently available from State and Federal sources in the amount of \$947,950 with additional monies being requested and current pending fed approval in the amount of \$20,105,466.82 from multiple sources (State, Federal & Hawaii).

Arizona Health Care Cost Containment System (AHCCCS) has in place an agreement with the Feds (called a Planning APD) that is covered for SFY2018 through Q1 SFY2019 . The expenses covered are the IV&V and Project Management Consultant work for the planning phase of the project.

AHCCCS also has approved funding through state budgets for SFY2018 and SFY2019 costs (both AZ and HI).

AHCCCS is requesting (through the Implementation APD) the Federal match of SFY2019Q2-Q4, and remaining funds of the project to acquire the solution and implement it, and pay for the support services of the IV&V and project management.

AHCCCS will also be submitting annual budgets for SFY2020 and beyond (both AZ and HI) to pay our portions of the remaining work.

15. PIJ REVIEW CHECKLIST

Agency Project Sponsor

Sharon Ormsby

Agency CIO (or Designee)

Dan Lippert

Agency ISO (or designee)

Dan Lippert

OSPB Representative

ASET Engagement Manager

ASET SPR Representative

Agency SPO Representative

Agency CFO

Jeffery Tegen