ARIZONA DEPARTMENT OF HEALTH SERVICES

LICENSING

Agency Vision

Health and Wellness for All Arizonans

Agency Mission

To promote, protect, and improve the health and wellness of individuals and communities in Arizona

eLicensing System Implementation

State of Arizona – Department of Health Services

Colby Bower, Assistant Director Division of Licensing

Project ID - HS20003

May 20, 2020

Agenda

State of the Project:

High level project update

Change Request Introduction:

High level review of problem statement and proposed changes

Amended Financials:

Development and operational amendment recommendations

Question and Answer:

Open forum question and answer

State of the Project

Recent Success:

1. Senate Bill 1494 requirements released to eLicensing platform Dec 1, 2019. Eliminates $1-1.5M annually on card printing operation.
2. User acceptance testing complete of Medical Marijuana Licensing and Management System for patient, dispensary, employer, and law enforcement portals.

Upcoming Release Schedule:

1. **May 20, 2020** - Planned release of eLicensing Medical Marijuana Dispensary Renewal Application Intake
2. **June 2020** - Planned release of patient, dispensary, employer, and law enforcement portals (completes original project scope)

Change Request Introduction

Problem Statement:

For reasons outside the control of the project team including COVID-19 pandemic restrictions, the Agency's need to temporarily reassign project resources to the COVID-19 Health Emergency Operations Center, and the Agency's strategy to eliminate IT consultants for maintenance and operations activities, the Arizona Department of Health Services is seeking approval to alter course to continue the project's successful start.

Proposed Changes:

The Agency seeks to leverage the use of the existing system integration firm (SHI). This would take the form of a 12-month maintenance and operations plan aiming to completely transition full-time employee staff to maintain the eLicensing solution.

Amended Financials

Original PIJ Financials: 9/18/19 ITAC

Five Year Life-Cycle Summary						
Cost Description	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Development Costs	$5,423,635	$0	0	$0	$0	$5,423,635
Operational Costs	$0	$3,381,453	$3,492,333	$3,492,333	$3,332,173	$13,698,293
Total Project Costs	$5,423,635	$3,381,453	$3,492,333	$3,492,333	$3,332,173	$19,121,929

Amended PIJ Financials: 5/20/20 ITAC

Five Year Life-Cycle Summary						
Cost Description	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Development Costs	▲ $7,883,884	$0	$0	$0	$0	▲ $7,883,884
Operational Costs	$0	▲ $7,681,543	▼ $2,548,013	▼ $2,548,013	▼ $2,548,013	▲ $15,325,583
Total Project Costs	▲ $7,883,884	▲ $7,681,543	▼ $2,548,013	▼ $2,548,013	▼ $2,548,013	▲ $23,209,458

Q & A
Session

Appendix

Change Detail

Change: Add a new Y1 milestone for Maintenance and Operations Support

Key Benefit: Full transition to full-time employee team to align with Agency strategy

Change: Remove milestone M-2251 "Post Go Live Support".

Key Benefit: "Post Go Live Support" will not be necessary with new maintenance and operations format.

Change: Retain Independent Verification & Validation services for the remainder of Y1

Key Benefit: Continued partnership and process to monitor the transition of the maintenance and operations strategy

Change Detail

Change: Strategic shift to reduce Maintenance and Operations previously budgeted for consultants to full-time staff

Key Benefit: Lower maintenance costs, increased knowledge retention, Agency strategic alignment

Change: Additional organizational change management resources to milestone M-2249 "Release 1B-Deployment, Training, & Support"

Key Benefit: Additional training materials, Medical Marijuana dispensary training, ADHS end user organizational change management, outgoing patient and dispensary onboarding communications