

# Iterative Project Report for Programs & Multi-Year Phased Projects

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## GENERAL INFORMATION

**Program/Project Name:** Eligibility System Modernization

**Agency Name:** Department of Health and Human Services (DHHS)

**Project Sponsor:** Michele Gee

**Project Manager:** Val Brostrom

## PROJECT DESCRIPTION

The Department of Human Services currently determines eligibility for medical assistance, cash assistance, supplemental nutrition, child care assistance and heating assistance in four separate information systems. Two of these systems will be heavily impacted by the modifications required to comply with the 2010 Patient Protection & Affordable Care Act (ACA) passed by Congress in March 2010. The ACA legislation will broadly expand Medicaid coverage to nearly anyone with an income up to 138% of the federal poverty level (no longer limited to low-income children, pregnant women and disabled adults). The objective of this project is to replace the current eligibility systems with a single system that will meet the requirements of the ACA as well as streamline the application process for constituents.

## BUSINESS NEEDS

1. Incorporation of ACA requirements to meet compliance date of January 1, 2014; allowing for initial enrollment by October 1, 2013 with the completion of the entire system by December 31, 2015.
2. The Centers for Medicare & Medicaid Services (CMS) has issued new standards and conditions that must be met by the states in order for Medicaid technology investments for eligibility systems to be eligible for the enhanced federal funding percentage (i.e. 90% federal matching percentage rate).
3. A single eligibility system for all economic assistance programs which provides for sharing of information regarding clients interactively amongst its service programs resulting in increased efficiency, ease of use, mobility of the application, and effective reporting for decision making.

## PROGRAM/PROJECT FORMAT

**Program/Project Start Date:** 3/20/2012 charter approval. 5/7/2013 execution start date.

**Budget Allocation at Time of Initial Start Date:** \$42,617,925

**How Many Phases Expected at Time of Initial Start Date:** The initial build being custom development by NDIT was planned to be 1 phase. It was later determined to procure a system and the project would be broken into two major phases, with the first phase being the required ACA functionality and the second being the remaining programs (Medicaid age, blind, disabled (ABD), Temporary Assistance for Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP), Child Care Assistance Program (CCAP), and Low Income Home Energy Assistance Program (LIHEAP)).

**Phase Approach Description:** The ACA functionality will be iteration 1 and will be released immediately upon completion (Release 1). The remaining iterations will include functionality for Medicaid ABD, TANF, SNAP, CCAP, and LIHEAP; known as Release 2.

**Estimated End Date for All Phases Known at Time of Initial Start Date:** 3<sup>rd</sup> quarter 2018.

## PROGRAM/PROJECT ROAD MAP

The program road map shows the high-level plan or vision for the program/projects/phases. It is intended to offer a picture of the lifespan of all the effort that is expected to be required to achieve the business objectives.

Project/Phase	Title	Scope Statement	Estimated Months Duration	Estimated Budget
ITD build	ITD Build	To develop a custom solution to replace the current eligibility systems with a single system	60 months	\$59,290,077
Iteration 1	Release 1	This includes business functionality to support the Affordable Care Act.	34.9 months	\$45,436,315 Re-baselined to \$50,943,770
Iteration 2	Release 2	Business functionality for TANF, SNAP, and CCAP including the requirements validation, construction, system integration testing, user acceptance testing, training, transition and implementation for each.	26 months	\$77,167,534 Re-baselined to \$102,658,205
Iteration 3	Release 3	The business functionality for Medicaid Aged, Blind, and Disabled.	12 months	\$9,401,329
Iteration 4	Release 4	The remaining functionality for Low Income Home Energy Assistance Program (LIHEAP)	18 months	\$5,076,429 Re-baselined to \$13,210,829

### Notes:

Release 2 was originally intended to include the requirements validation, construction, system integration testing, user acceptance testing, training, transition and implementation for the remaining business functionality for Medicaid age, blind, disabled (ABD), TANF, SNAP, CCAP, and LIHEAP programs. It was initially estimated to be 26 months. Release 3 then became the remaining functionality for Medicaid Aged, Blind, and Disabled (ABD) and Release 4 became LIHEAP. Release 4 was originally planned to be 15 months but became 33 months.

## PROJECT BASELINES

The baselines below are entered for only those projects or phases that have been planned. At the completion of a project or phase a new planning effort will occur to baseline the next project/phase and any known actual finish dates and costs for completed projects/phases will be recorded. The iterative report will be submitted again with the new information.

Project/Phase	Project/Phase Start Date	Baseline End Date	Baseline Budget	Funding Source	Actual Finish Date	Schedule Variance	Actual Cost	Cost Variance
ITD Build	4/2/2012	9/11/2015	\$59,290,077	Federal and State	NA		\$14,660,476	
Release 1	4/15/2015	5/8/2016	\$36,971,862	Federal and State	3/9/2017	0.0%	\$35,864,831	2.9% under
Release 2	2/1/2016	5/19/2019	\$102,658,205	Federal and State	6/30/2019	6.7%	\$102,743,169	0.0%
Release 3	5/20/19	6/30/2020	\$9,401,330	Federal and State	10/16/2020	1.0%	\$9,115,290	3% under
Release 4	6/1/20	12/28/21	\$13,210,829	Federal	7/14/2023	1.0%	\$13,182,534	2% under

### Notes:

The funds that were split between Federal and State general funds were split 90% Federal and 10% State.

The ITD Build phase was cancelled prior to completion. The unused funds were transferred to the next phase, Release 1. In May 2014, the ESC made the decision to proceed with an RFP to transfer a system from another state and on August 14, 2014 the ESC canceled the ITD Build. Release 1 work with Deloitte began on April 15, 2015.

## OBJECTIVES

Project/Phase	Business Objective	Measurement Description	Met/Not Met
Iteration 1	Objective 1.1: Meet federally mandated requirements to integrate with the federal HBE.	<u>Measurement 1.1.1</u> : Successful send and receipt of all defined eligibility transactions from the federal hub and completion of the enrollment and/or reenrollment processes by October 1, 2013.	Met
Iteration 1	Objective 1.2: In order to apply the correct Federal Matching Percentage (FMAP) for Medicaid enrollees, the system must be able to determine upon enrollment whether the individual's authorization was based upon existing eligibility criteria or the criteria created by the ACA.	<u>Measurement 1.2.1</u> : Determine methodology the state will deploy for determining the application of FMAP by December 31, 2012. <u>Measurement 1.2.2</u> : The system is able to correctly report claims payment data by FMAP upon go live	Met
Iteration 1	Objective 1.3: Creation of real-time application process.	<u>Measurement 1.3.1</u> : Public facing application in which the client is capable of completing the application for Medicaid and CHIP online upon go live.	Met
All iterations	Objective 2.1: Meet the system requirements as outlined in the Centers for Medicare and Medicaid (CMS) Enhanced Funding Requirements: Seven Conditions and Standards (MITS-11-01)	<u>Measurement 2.1.1</u> : Modularity Standard - This condition requires the use of a modular, flexible approach to systems development, including the use of open interfaces and exposed application programming interfaces (API); the separation of business rules from core programming; and the availability of business rules in both human and machine-readable formats.	Met
		<u>Measurement 2.1.2</u> : MITA Condition - This condition requires states to align to and advance increasingly in MITA maturity for business, architecture, and data.	Met

All iterations	Objective 2.1: cont.	<p><u>Measurement 2.1.3:</u> Industry Standard condition - States must ensure alignment with, and incorporation of, industry standards: the Health Insurance Portability and Accountability Act of 1996 (HIPAA) security, privacy and transaction standards; accessibility standards established under section 508 of the Rehabilitation Act, or standards that provide greater accessibility for individuals with disabilities, and compliance with federal civil rights laws; standards adopted by the Secretary under section 1104 of the Affordable Care Act; and standards and protocols adopted by the Secretary under section 1561 of the Affordable Care Act.</p>	Met
		<p><u>Measurement 2.1.4:</u> Leverage Condition - State solutions should promote sharing, leverage, and reuse of Medicaid technologies and systems within and among states.</p>	Met
		<p><u>Measurement 2.1.5:</u> Business Results Condition - Systems should support accurate and timely processing of claims (including claims of eligibility), adjudications, and effective communications with providers, beneficiaries, and the public.</p>	Met
		<p><u>Measurement 2.1.6:</u> Reporting Condition - Solutions should produce transaction data, reports, and performance information that would contribute to program evaluation, continuous improvement in business operations, and transparency and accountability.</p>	Met
		<p><u>Measurement 2.1.7:</u> Interoperability Condition - Systems must ensure seamless coordination and integration with the Exchange (whether run by the state or federal government), and allow interoperability with health information exchanges, public health agencies, human services programs, and community organizations providing outreach and enrollment assistance services.</p>	Met
		<p><u>Measurement 2.1.8:</u> A state self-assessment will be completed after the release of the final MITA 3.0 guidelines.</p>	Met
All iterations	Objective 3.1: Increase efficiency in application processing for each program.	<p><u>Measurement 3.1.1:</u> Reduction in the meantime from which an application is received until the application is authorized. The mean time and expected reduction for each program will be identified during the project and met within six months of go live for that program.</p>	Met
		<p><u>Measurement 3.1.2:</u> Utilization of online reauthorization at go-live.</p>	Met

All iterations	Objective 3.2: The system is user friendly.	<u>Measurement 3.2.1</u> : Conduct survey of Eligibility workers within three months of application roll-out with a 90% approval rating.	Not measured
		<u>Measurement 3.2.1</u> : Request online customer feedback at end of application process with a 90% approval rating for six months post implementation.	Not measured
All iterations	Objective 3.3: Web based application is accessible from any location using multiple devices types including PCs, smartphones, and tablets.	<u>Measurement 3.3.1</u> : Successful application access and interaction through identified devices during acceptance testing.	Met
All iterations	Objective 3.4: Application will include business intelligence features which allows for tracking in real-time key performance measures as well as long term trending via data warehouse solution.	<u>Measurement 3.4.1</u> : Key performance measures are captured during requirements gathering and demonstration of functionality confirmed during user acceptance testing.	Met
		<u>Measurement 3.4.2</u> : Project will include data extraction, transfer, and load to external data store with business intelligence functionality which will allow stakeholders to query and generate ad hoc reports.	Met
Iteration 1	Objective 1.1: Meet federally mandated requirements to integrate with the federal HBE.	<u>Measurement 1.1.1</u> : Successful send and receipt of all defined eligibility transactions from the federal hub and completion of the enrollment and/or reenrollment processes by October 1, 2013.	Met

## KEY LESSONS LEARNED AND SUCCESS STORIES

A lessons learned effort is performed after each project or phase is completed. This process uses surveys and meetings to determine what happened in the project/phase and identifies actions for improvement going forward. Typical findings include, "What did we do well?" and "What didn't go well and how can we fix it the next time?"

Project/Phase	Key Lessons Learned and Success Stories
All phases	Adding temporary policy staff to backfill state staff to allow state staff to do more project related activities and not be overburdened with daily responsibilities.
Iterations 1-4	The system that was transferred from another state was to have minimal system changes with the business making process changes, however, the opposite occurred. Few process changes were made, and significant changes were made to the system. The approach for the system transfer needed to be clearly communicated to the policy staff making decisions
All phases	Great collaboration across all teams

## KEY CONSTRAINTS AND/OR RISKS

The project has the following constraints:

- Availability of CMS federal funding for eligibility requirements related to ACA will end December 31, 2015.
- Availability of technical standards for ACA requirements, such as specifications for interfacing with the federal data hub and the federal exchange.
- Cost, schedule, scope, and quality are often in conflict during projects. The governing committee elected to prioritize as follows:
  1. Schedule

2. Quality
3. Cost
4. Scope