

CA - PMM

Project Name: WIC EBT (Electronic Benefits Transfer)
OCIO Project #:
Department: California Department of Public Health (CDPH)
Revision Date: 10/12/10

Concept Statement

Description

Brief description of the proposed project:

Funding Source: 100% Federal Funding
Center: Center for Family Health (CFH)
Start Date: 04/01/12
End Date: 04/01/14
Is BCP Needed: No
CDPH 2008-2010 Strategic Goal: 5
CA IT Strategic Plan Concepts and Strategies: 1(2,3,4),2(1,2,3), 3(2,3), 4(6), 5 (2,4), 6(1,3)
AIMS: Goal 2 (Objective 2.3, 2.4) Goal 4 (Objective 4.3)
Project Description: Currently, the Women, Infants, and Children's Program (WIC) program issues paper vouchers to its participants for the purchase of food benefits. Over seven million vouchers are processed each month, and are handled by the WIC staff, participants, vendors, banks, third party processors, and State Treasurer's Office (STO). The ability to utilize Electronic Benefit Transfer (EBT) would greatly enhance the efficiencies of the process, while also enhancing the experience for the WIC participant. WIC participants would not have to separate their food purchases that are paid for with WIC vouchers, thereby making the transactions at the cash registers transparent to the public. Grocery store clerks would immediately know if the purchased items are WIC authorized foods. The stigma of being on the WIC program would be greatly reduced.

Need Statement

High Level Capabilities Needed:

The solution would have the ability to accept participant benefits from MIS eligibility database and store the record of that benefit in a central database (or EBT host). Participants would access their benefits using a magnetic stripe card which initiates online contact between the point of sale device or ATM and the EBT host to complete the transaction. Over 4800 vendors must have the appropriate equipment to facilitate the transaction. Over 650 clinics and over 3500 users must be able to transmit food prescriptions to the EBT host and issue EBT cards to 1.47 million participants.

Project Name: WIC EBT (Electronic Benefits Transfer)

OCIO Project #: [Redacted]

Department: California Department of Public Health (CDPH)

Revision Date: 10/12/10

Concept Statement

What is Driving This Need?
USDA has mandated that its WIC programs implement EBT as a method of offering services to its participants by 2020.

Risk to the Organization if This Work is Not Done:
Future funding by the United States Department of Agriculture (USDA) may be lost.

Benefit Statement

Intangible Benefits

Process Improvements (describe the nature of the process improvement):
The ability to utilize EBT would greatly enhance the efficiencies of the current process, while also enhancing the experience for the WIC participant. WIC participants would not have to separate their food purchases that are paid for with WIC vouchers, thereby making the transactions at the cash registers transparent to the public. Grocery store clerks would immediately know if the purchased items are WIC authorized foods. As a result, a more streamlined and efficient solution will provide food benefits than is currently provided by printing and issuing paper food instruments.

CA - PMM

Project Name: WIC EBT (Electronic Benefits Transfer)

OCIO Project #:

Department: California Department of Public Health (CDPH)

Revision Date: 10/12/10

Concept Statement

Other Intangible Benefits:

The ability to utilize EBT would greatly enhance the efficiencies of the process, while also enhancing the experience for the WIC participant. With this solution, State WIC will provide an EBT card to participants to use at WIC-authorized grocery stores. The stigma of being on the WIC program would be greatly reduced. Cost savings will be realized in terms of staff time for the processing of WIC vouchers by WIC staff and other state entities such as State Treasurer's Office and Department of Technology Services. WIC currently spends five million a year on procurement and delivery services of WIC vouchers. This concept supports CDPH 2008-2010 Strategic Goal 5 (Improve effectiveness of business functions).

This concept supports the following intangible benefits in the CA IT Strategic Plan Concepts and Strategies:

1. IT As Reliable As Electricity (2) Make IT processes more efficient (3) Create secure transactions for our state customers (4) Meet a higher standard of service
2. Fulfilling Technology's Potential to Transform Lives (1) Establish a service oriented culture (2) Make government services mobile (3) Open new channels for services to Californians
3. Self-Governance in the Digital Age (2). Increase the availability and accessibility of government services and information (3) Make government services easier to find and use
4. Information as an Asset (6) Utilize the Internet as a warehouse to store public information
5. Economic and Sustainable (2). Ensure the disaster resiliency of state's IT infrastructure (4) Create IT bench strength
6. Facilitating Collaboration that Breeds Better Solutions (1) Establish common technology standards and strategies to maximize the sharing of information resources (3) Streamline access to government services and information assets

Tangible Benefits

Revenue Generation (describe how revenue will be generated):

N/A

CA - PMM

Project Name: WIC EBT (Electronic Benefits Transfer)

OCIO Project #: [Redacted]

Department: California Department of Public Health (CDPH)

Revision Date: 10/12/10

Concept Statement

Cost Savings (describe how cost will be reduced):
N/A

Cost Avoidance (describe the cost and how avoided):
N/A

Risk Avoidance (describe the risk and how avoided):
N/A

Improved Services:
N/A

CA - PMM

Project Name: WIC EBT (Electronic Benefits Transfer)

OCIO Project #:

Department: California Department of Public Health (CDPH)

Revision Date: 10/12/10

Concept Statement

Consistency

"No" Responses →		Rationale	Action Required
Enterprise Architecture	Yes		
Business Plan	Yes		
Strategic Plan	Yes		

Impact to Other Agencies

Nature of Impact to Other Agencies

<p>Agency:</p> <p><i>Describe the nature of the impact:</i></p> <p>STO may have to change some of their processes to accommodate WIC transactions</p>
<p>Agency:</p> <p><i>Describe the nature of the impact:</i></p> <p>N/A</p>
<p>Agency:</p> <p><i>Describe the nature of the impact:</i></p> <p>N/A</p>

CA - PMM

Project Name: WIC EBT (Electronic Benefits Transfer)

OCIO Project #:

Department: California Department of Public Health (CDPH)

Revision Date: 10/12/10

Concept Statement

Agency:
<i>Describe the nature of the impact:</i>
N/A

Solution Alternatives

Alternative 1:
Alternative Description: Using in-house staff, modify MIS to utilize web interface and incorporate EBT. The EBT solution must interface with WIC MIS. A web interface would allow WIC staff to issue food benefits and vendors to process WIC transactions using an EBT card. This solution would also provide WIC participants with one card in order to integrate the current process of using WIC vouchers and separate transactions at the cash registers into one transaction that would be transparent to the public. Grocery store clerks would immediately know if the purchased items are WIC authorized foods.

Technical Considerations for Alternative 1:	
This solution includes a web-based interface. Over 650 clinics, 3500 users, and 4800 vendors must be able to access the EBT host simultaneously. This solution will also provide the ability of the state to house a 24/7 online system to accommodate EBT transactions. This system would be hosted by OTech.	
ROM Cost: 35 million to 38 million	Note: high end of range must not exceed 200% of low end of range

Alternative 2:
Alternative Description: Hire a contractor to develop and host the system proposed in alternative one.

CA - PMM

Project Name: WIC EBT (Electronic Benefits Transfer)

OCIO Project #:

Department: California Department of Public Health (CDPH)

Revision Date: 10/12/10

Concept Statement

Technical Considerations for Alternative 2:		
Ongoing costs and support associated with hosting a system outside OTech.		
ROM Cost:	38 million to 40 million	Note: high end of range must not exceed 200% of low end of range

Alternative 3:
N/A

Technical Considerations for Alternative 3:		
N/A		
ROM Cost:	to	Note: high end of range must not exceed 200% of low end of range

Recommendation

Comparison:

Alternative 1	ROM Cost	Risk
	35 million - 38 million	
Alternative 2	ROM Cost	Risk
	38 million - 40 million	<i>Long term viability and support of a system hosted outside Otech</i>
Alternative 3	ROM Cost	Risk
	\$0 - \$0	

CA - PMM

Project Name: WIC EBT (Electronic Benefits Transfer)

OCIO Project #: _____

Department: California Department of Public Health (CDPH)

Revision Date: 10/12/10

Concept Statement

Conclusions:

1	
2	
3	
4	

Recommendation:

Alternative one is the recommended solution. Leveraging the current stable ISIS system and redesigning this system for future capabilities and efficiencies is the most cost efficient solution and would best meet the project requirements and effectively support both the CDPH 2008-2010 Strategic (Goal: 5) and the CA IT Strategic Plan Concepts and Strategies: 1(2,3,4),2(1,2,3), 3(2,3), 4(6), 5 (2,4), 6(1,3). AIMS: Goal 2 (Objective 2.3, 2.4) Goal 4 (Objective 4.3)

Project Approach (if known)

System Complexity:		System Business Hours: (e.g., 24x7, 9am-5pm) :		
Architecture	<input type="checkbox"/> Mainframe	<input type="checkbox"/> Client Server	<input type="checkbox"/> Web Based	Num. of New Databases:
Technology	<input type="checkbox"/> New	<input type="checkbox"/> New to Staff	<input type="checkbox"/> In-House Experience	Interfaces:
Implementation	<input type="checkbox"/> Central Site	<input type="checkbox"/> Phased Roll-out		Num. of Sites:
M & O Support	<input type="checkbox"/> Contractor	<input type="checkbox"/> Data Center	<input type="checkbox"/> Project	<input type="checkbox"/> In House
Procurement Approach:				Number of Procurements:
Open Procurement?		Delegated Procurement?		
Scope of Contract	<input type="checkbox"/> Development	<input type="checkbox"/> Implementation	<input type="checkbox"/> M & O	<input type="checkbox"/> Other:
Anticipated Length of Contract:		Years /	extensions for	years