

# **Information Technology Capital Plan**

## **Department IT Capital Plan**

### **Department of Managed Health Care**

**&**

### **Office of the Patient Advocate**

**Information Technology Capital Plan, Plan Year 2009-10 through 2013-14 Executive Approval Transmittal**



**Department Name**

**APPROVAL SIGNATURES**

I am submitting the attached Information Technology Capital Plan as required by the State Administrative Manual Section 4904.

I certify that the IT Capital Plan was prepared in accordance with State Information Management Manual section 57 and that the proposed IT projects are consistent with our business strategies and information technology strategy.

I have reviewed and agree with the information in the attached Information Technology Capital Plan.

<b>Chief Information Officer</b>		<b>Date Signed</b>
<b>Printed name:</b> Barbara Garrett		
<b>Information Security Officer</b>		<b>Date Signed</b>
<b>Printed name:</b> Jorge Fuentes		
<b>Budget Officer</b>		<b>Date Signed</b>
<b>Printed name:</b> Debbie McKinney		
<b>Department Director</b>		<b>Date Signed</b>
<b>Printed name:</b> Cindy Ehnes		

## DEPARTMENT IT CAPITAL PLAN

Department Name and Org Code:

Managed Health Care and Office of the  
Patient Advocate 2400

Plan Year:

2009-10 through 2013-14

### 1. Summarize your organization's business goals and objectives below:

*Strategic Focus: Consumers*

- Empower HMO consumers through information and education to facilitate their access to medically necessary HMO services

*Strategic Focus: HMO Regulation*

- Through effective oversight practices, ensure that HMO plans provide continuous high quality health care, consumer education, aggressive prevention programs and maintain financial viability

*Strategic Focus: HMO Legislation*

- Continue to propose and support legislation regarding preventive care, access to care, continuity of care and access to medically necessary prescriptions

*Strategic Focus: Technology*

- Promote effective and efficient business operations by continuously identifying, developing, and implementing automated tools through a business driven systemic planning process and an IT governance structure that ensures full Departmental participation

*Strategic Focus: Our Employees*

- Cultivate employee interest and enthusiasm through open communication, collaborative relationships between offices, individual staff training, and a demonstrated commitment to equal employment opportunity and upward mobility

*Strategic Focus: State and National Leadership Role*

- Assume a leadership role in collaboration with consumers, health plans and other stakeholders to achieve an accountable and viable managed health care delivery system that promotes healthier Californians and access to affordable health security

*Strategic Focus: Physician and Provider Concerns*

Provide appropriate oversight to ensure physicians and other providers are appropriately compensated for care delivery in a timely manner and that provider organizations remain financially solvent.

The Department established specific Three-Year Business Goals to sustain the momentum of Strategic Goal attainment. The Three-Year Business Goals align with our Strategic Goals and SIMM 57, Office of the State CIO

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are measured quarterly by our Quarterly Report Update tool. These goals, set in Fiscal Year 2007/08, are scheduled for completion within three years.

*Three-Year Goal #1:*

Continue to streamline the licensing review process by training internal and health plan staff to ensure consistency and transparency of health plan filings; completing §§ 1300.51 and 1300.52 rulemaking package for submission to OAL; completing the reorganization of the division; promoting flexibility in reviewing health plan benefit designs to foster alternative benefit plan filings.

Understand the Department's needs related to E filing expansion and then implement 'Phase II' of the electronic filing in a manner that permits the Department to both better understand the industry it regulates and perform day-to-day regulatory activities more efficiently.

*Three-Year Goal #2:*

Through internal and external collaborative processes, update the Knox-Keene Act by June 2010, to promote access to affordable, quality health care.

*Three-Year Goal #3:*

Broaden our focus beyond Help Center internal operations and assume a leadership role with managed healthcare issues that directly affect consumers so that fragmented oversight is decreased and our effectiveness as regulators is enhanced.

*Three-Year Goal #4:*

Foster the development of enforcement standards and case law that promotes the protection of enrollees and safeguards the managed care model.

*Three-Year Goal #5:*

Supported by a systemic process to identify IT opportunities and a cooperative governance structure, OTI leads the Department in becoming a cohesive, collaborative and innovative organization. OTI's activities promote the organization of information and communication in ways that encourage knowledge sharing and allow teamwork among internal DMHC organizations and with external entities and consumers.

*Three-Year Goal #6:*

Improve program performance by automating manual processes whenever practical, identifying ways to streamline key business processes, eliminating duplicative and/or unnecessary tasks, and reducing lead-time to deliverable.

*Three-Year Goal #7:*

Become a viable mechanism for DMHC to address research, education and technical assistance regarding risk bearing organizations and provider claim processing.

**2. What are your organization's plans to upgrade or replace your IT infrastructure for the following? When responding, please indicate the timeframes of your intended upgrade or replacement efforts.**

**2.1. Hardware**

The Department of Managed Health Care's practice is to refresh infrastructure equipment as it reaches end of life to insure reliability and availability. The current Dell Power Edge 1750 and 2650 servers are all 1-4 years old. The manufacturer provides 5 years of support and replacement parts. As servers approach 5 years of service, they will be replaced.

**2.2. Software**

Upgrade from MS SQL 2005 to MS SQL2008: FY10/11  
Upgrade from Windows 2003 server to Windows 2008 server: FY11/12  
Upgrade from Exchange 2003 to Exchange 2008: F11/12  
Upgrade from Windows XP (SP3) to Windows 7: FY11/12

**2.3. Network**

Upgrade backbone infrastructure from Gigabit to 10 Gigabit: FY13/14  
Upgrade access switches from 100Mb to 1000Mb: FY13/14  
Upgrade cabling plant from Cat5 to Cat6 wiring in the downtown office: FY 12/13  
Specific hardware components that will be upgraded include: Cisco CAT3750s, CAT3560s, GE modules on CAT6500  
The equipment supporting the Wide Area Network is provided by the Dept. of Technology Services and will be refreshed per their schedule.

**3. Existing Approved Reportable IT Projects**

**Provide the following information regarding your existing approved reportable IT projects on Table 1 on the following page:**

- Existing IT Project;
- Approved Project Cost;
- Project Number; and
- Implementation Date

**4. Proposed IT Projects**

**After each proposed IT project has been documented by answering questions 4.1 through 4.14 of the attached IT Project Proposal Form, provide the following information on Table 2 on the following page:**

- The name of each proposed IT project;
- The priority ranking;
- The FSR submission date; and
- The estimated cost

**Table 1-Existing Approved Reportable IT Projects Summary by Department**

Existing IT Project	Approved Project Cost*	Project Number	Implementation Date
The Department of Managed Health Care and The Office of the Patient Advocate do not have any existing reportable IT projects.			

**\*Note:** If a Special Project Report (SPR) was submitted for review in July 2008 that includes project costs that differ from the last approved project document, enter both the last approved project cost and the revised project cost from the SPR under review.

**Table 2-Proposed IT Project Summary**

Proposed IT Project	Priority Ranking	FSR Submission Date	Estimated Total Cost
Clarify CRM Replacement Project	1	12/01/08	\$450,000

## PROPOSED IT PROJECTS

Complete this IT Project Proposal Form (questions 4.1 through 4.14 below) for each proposed IT project that meets the definition of a reportable project as defined in the State Administrative Manual Section 4819.37:

**4.1. Proposal name and priority ranking:**

**Clarify CRM Replacement - Project Priority #1**

**4.2. Description of the proposed IT project:**

The Department must determine whether to upgrade the current Amdocs Clarify version 11.5 customer relationship management (CRM) software to a more current version, or implement a new system utilizing off-the-shelf software to resolve current system deficiencies and implement changes to enhance system usability and improve customer service to customers of the HMO Help Center and the Office of Provider Oversight. A feasibility study will be conducted to determine which of these two options would be the optimal choice.

The HMO Help Center currently uses the Amdocs Clarify CRM software, an off-the-shelf tool that was subsequently and heavily modified to meet the Help Center's needs. Clarify is an automated tool to support the tracking, reporting, and priority management of all Help Center contacts and cases, from creation to closure. Information from the system is utilized by the Help Center to process and monitor its caseload, and by other offices within the DMHC for multiple tasks including determining plan survey needs, assessing regulatory compliance, and providing information to the public, media, and government officials.

The Office of Provider Oversight, Provider Complaint Unit also utilizes the Amdocs Clarify CRM software to process and monitor its caseload, identify health plan and provider trends, and provide reports. The reports are used for survey needs, assessing regulatory compliance, and providing information to the public, media, and government officials.

The HMO Help Center and Provider Complaint application environment is described as follows:

Server Platform: Windows 2003 Server  
Application Platform: Clarify Clear Support (Version 11.5)  
Programming Language: Clarify Clear Basic (Version 11.5)  
Database Server: MS SQL Server 2000  
Report Writer: Crystal Reports (Version 8.5)

**4.3. Which of your department's business goals and objectives does this project support, and how?** The replacement or upgrade of the existing Clarify CRM software is related to the Department's goals aligned with Consumers and Technology; and specifically with the Office of Technology and Innovations **Goal #2** Implement strategic information technology projects using best practices for project and contract management.

**Objective #5:** Partner with the HMO Help Center to select, procure and configure a Customer Relationship Management (CRM) solution that will replace the current Clarify system. Phase II scheduled for FY 09/10 will include system and user acceptance testing, training and production implementation of the system.

**4.4. What are the expected business outcomes or benefits of the proposal as they relate to your organization's business goals and objectives?**

The Department expects the following outcomes as a result of this proposal:

- **Improved Consumer Service** – Increase the ability for staff to respond in a timely fashion to consumer complaints and within the 30-day mandate.
- **Improved Internal Customer Service** – Improve ability to provide statistical information to other program areas for use in the areas of enforcement, surveys and financial examination.
- **Improved access to data residing within the case management tracking system** – There are many instances where the currently stored information is unreliable or difficult to interpret, resulting in a general lack of confidence in the information obtained from the current system. The opportunity is available to change the way data is input and stored to increase reliability.
- **Enhanced Data Collection and Reporting** – Improve staff's ability to collect information related to consumer and provider interaction. Improve reporting and analysis capabilities. Provide improved ability to identify trends as well as identify specific areas of non-compliance. Improve identification of initiatives for improvement in the managed health care system.
- **Increased Processing Efficiency and Management Control** – improve the ability to track cases and monitor timeliness.
- **A simplified, real-time web user interface**- The inputs from the DMHC web portal are cumbersome and overly complicated.
- **System Simplification** – streamline and simplify fields and screens to improve data input and storage. Simplify query and report-building capabilities to improve data extraction.

**4.5. The following are from the State's IT strategic plan. Check the appropriate box(es) to identify the goals this proposal supports:**

- Supporting and enhancing services for Californians and businesses**
- Enhancing information and IT security**
- Reducing state operational costs (leveraging, consolidation, new technology, etc.)**
- Improving the reliability and performance of IT infrastructure**
- Enhancing human capital management**
- Supporting state and agency priorities and business direction**

**4.6. Is the proposal consistent with your organization's Enterprise Architecture?**

- Yes**
- No**

**If no, please explain why the deviation from the organization's Enterprise Architecture is necessary.**

**4.7. Will the proposed system collect, store, transmit, or exchange confidential or sensitive information?**

**Yes**

**No**

**4.8. If this proposal is conceptually approved, what is the estimated date (mm/yyyy) the FSR will be submitted? October 2008**

**4.9. What is the estimated project start date (mm/yyyy) if the FSR is approved? March 2009**

**4.10. What is the duration of the proposed project? The project is expected to be completed within 12 months.**

**4.11. Will the proposed project utilize the existing infrastructure?**

**Yes**

**No**

**If no, please explain.**

**4.12. Is the proposal related to another proposal or to an existing project?**

**Yes**

**No**

**If yes, describe the related proposal or project and how it is related:**

**4.13. Describe the consequences of not doing this proposed project at the planned timeframe:** The current CRM system is running on an older version of the software that is reaching end of support and failure to replace or upgrade the software could result in system outages, and a lack of technical support. The current system also utilizes a proprietary programming language Clarify Clear Basic 11.5 which is not widely used in state government. Training state staff has not proven to be cost effective due to the length of time it takes to become proficient in the language, and

the availability and cost of the training. The Department currently relies on contract programming staff to maintain and modify the existing code which leaves the department vulnerable during transition from one contract to the next or as we are currently experiencing a suspension of contracts or lack of a state budget. The system is not intuitive to use and the HMO Help Center staff have difficulty training new users. Search and reporting capabilities are overly complex resulting in longer than normal delays to provide information to the various internal offices, media, and the public. The current system lacks functionality required by the business offices impacting their ability to meet mandated deadlines to provide consumer's information related to their health care rights, as well as identify specific areas of non-compliance and identification of trends in the managed care system that warrant further oversight or regulation to correct.

**4.14. Check the appropriate box(es) to identify the proposal's funding strategy:**

- Augmentation needed**
- Redirection of existing funds**
- Other (describe): What are the estimated cost and funding source(s) by fiscal year through implementation (information should be provided in the following format):**

<b>Fund Source</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14 and future</b>	<b>Total</b>
<b>General Fund</b>						
<b>Federal Fund</b>						
<b>Special Fund*</b>	<b>350,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>450,000</b>
<b>Total</b>	<b>350,000</b>	<b>15,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>\$450,000</b>

**\* Note: Identify the fund source and if the department is the sole user of the fund.**

The Health Plans are assessed a fee that supports both departments.

Upon approval the Clarify CRM Replacement project is scheduled to begin in the 2008-09 fiscal year. Funding for the project has been allocated and approved by the department.

Enterprise Architecture

A.1. Does your organization have documented Enterprise Architecture principles, strategies, or standards to guide decisions on technology projects?

- Yes
- No

A.2. Indicate on Table A-1 below, the completion status of the component Reference Models of your formal Enterprise Architecture efforts. If available, please submit a copy of your Enterprise Architecture document.

Table A-1, Enterprise Architecture Completion Status

Component Reference Model	Status			
	Implemented	Implementation in Progress	Planned or Planning in Progress	Not Implemented and Not Planned
Business			X	
Service			X	
Technical			X	
Data			X	

A.3. Describe the governance structure your organization uses to review and approve the Enterprise Architecture and any subsequent changes.

Currently we conduct an internal review by senior level application development staff, the Chief of Application Development, the Network Technical Lead and the Chief Information Officer to adopt or approve any changes to our current enterprise architecture.

A.4. Does your organization have an Enterprise Architect? (if yes, provide their name, telephone number, and e-mail address below)

- Yes
- No

Name: Stephanie Bobolis

Classification: DPM II

Telephone Number: 324-1864 E-Mail: sbobolis@dmhc.ca.gov

## Information Security

**B.1. How is your Information Security Officer involved in proposed project development efforts?** The Information Security Officer reviews project documents during the project initiation phase, reviews FSR's, is a member of the IT Governance Board and participates on the project team as required.

**B.2. What are your department's core business principles, policies and standards related to information integrity, confidentiality, and availability and the protection of information assets?**

DMHC management directive is to provide for the proper use and protection of our information assets from unauthorized use, access, disclosure, modification, loss, and destruction. Security controls (Administrative, Technical, and Physical) have been put in place within this environment to protect information in all forms. **Administrative** controls include, but are not limited to the development and publication of (policies, procedures, guidelines) the Information Security Policy, Email and Internet Usage Policy, Password Controls Policy, Peer-To-Peer Policy, and Background Check Policy (screening of prospective employees), Data Classification; security awareness training; and change control procedures. **Technical** controls include, but are not limited to: access control; password hardening; identification and multi-factor authentication process; encryption of laptops and portable storage devices, handheld devices, email, and back-up tapes; internet filter; administrator accounts and password reset; Operational recovery Plan; 15 minute automated screen saver lock for all employees. **Physical** controls entail controlling access into the different facilities; environmental controls; fire alarm and fire extinguishers.

**B.3. If data within your department is shared with external entities, does your department implement data exchange agreements with these entities?**

- Yes  
 No

If no, please explain.

Not applicable

**B.4. How does your department ensure that software developers and programmers follow standards and best practices for Web, application, and system development?**

OTI Developers and Programmers follow Policy 02-015-OTI titled "Application Development Policies and Standards" published on the Department's Intranet. This Policy is a subset of the Department's Project Management process and focuses on the technical aspects of application development specific to application requirements management activities. The application development and maintenance process includes:

- . Application Requirements Management
- . Application Project Planning
- . Application Project Tracking
- . Application Quality Assurance (QA)
- . Application / Software Testing

**Information Security**

Additionally, developers and programmers follow Change Management Policies and Procedures documented in Policy 03-002-OTI published on the Department's Intranet. This Policy establishes guidelines for the OTI development team to maintain its applications using a standardized approach for change management and issue resolution.

OTI contracted with the Department of Technology Services (DTS) to perform a web inspection to identify web portal application security vulnerabilities. All vulnerabilities were resolved by July 2008. OTI procured HP Web Inspect and updated their production migration procedures to ensure that all web site applications are scanned as part of the development life cycle of each web portal application.

**B.5. Does your organization have an Information Security Officer? (if yes, provide their name, telephone number, and e-mail address below)**

- Yes
- No

**The department is in the process of establishing the ISO at the Data Processing Manager II level and has established the Security Management Division. The RPA is at DPA for review and approval.**

**Name:**   Jorge Fuentes  (Acting ISO)

**Classification:**   Associate Information Systems Analyst specialist  

**Telephone Number:**   445-7460   **E-Mail:**   jfuentes@dmhc.ca.gov

**Workforce Development, Workforce Planning and Succession Planning**

**C.1. Does your organization have a workforce development plan for IT staff?**

- Yes  
 No

If yes, briefly describe it.

**C.2. Check the appropriate box(es) to identify which workforce development tools, if any, your organization is using for IT classifications:**

- Training  
 Upward Mobility  
 Mentoring  
 Career Assessments  
 Knowledge transfer program  
 Performance Evaluations  
 Other (please list)

**C.3. Does your organization have a workforce plan for IT staff (i.e., for Rank and File)?**

- Yes  
 No

If yes, briefly describe it.

**C.4. Does your organization have a succession plan for IT staff (i.e., for Management)?**

- Yes  
 No However, the Department has plans to develop a succession plan which will include the IT staff.

If yes, briefly describe it.

**C.5. IT Staffing**

**Provide the following information in table C-1 on the following page:**

- The name of each IT classification currently in the organization.
- The number of staff in each IT classification in the organization.
- The number of staff in each IT classification eligible to retire in the next five years.
- The percentage of each IT classification eligible to retire in the next five years.

Table C-1 — IT Staffing

IT Rank and File Staff Classification	Number of IT Rank and File Staff in Classification	Number of IT Rank and File Staff in Classification Eligible to Retire in Next 5 Years	IT Management Staff Classification	Number of IT Management Staff in Classification	Number of IT Management Staff in Classification Eligible to Retire in Next 5 Years
Assistant ISA	1	0	DPM II	3	3
Associate ISA	3	1	DPM IV	1	1
Staff ISA	4	3			
Associate Programmer Analyst	6	0			
Staff Programmer Analyst	1	0			
System Software Specialist II	2	0			

## Project Management, Portfolio Management and IT Governance

### D.1. Does your organization have a process for improving the alignment of business and technology?

- Yes  
 No

#### If yes, briefly describe it.

The CIO meets monthly with each of the Office Chiefs to review their current IT projects, identify priorities and discuss future plans. The project initiation process also insures that both the business and IT have a clear understanding of the problem they are trying to solve, resource commitments, and overall priority of the project within the department.

### D.2. What is the status of implementing a formal portfolio management methodology for technology projects within your organization?

- Implemented (Please describe)

- Implementation in progress (Please describe)

- Planned or planning in progress  
 Not implemented and not planned

### D.3. List any automated tools being used for portfolio management. Enter "None" if no automated tools are being used. None.

### D.4. What is the status of implementing a standard project management methodology for technology projects in your organization?

- Implemented (Please describe)

The Department's Project Management Office has a standard project management methodology based on PMI. The Project management staff adheres to a set of policies, procedures and guidelines that provide a standardized approach for project management activities. The following documents are published on the Department's Intranet:

02-008-OTI Project Initiation Policies and Procedures  
 02-009-OTI Project Management Guidelines

- Implementation in progress (Please describe)  
 Planned or planning in progress  
 Not implemented and not planned

## Project Management, Portfolio Management and IT Governance

**D.5. Does the organization require its project managers to be certified, either through a professional organization (e.g., PMI, ITIL) and/or through completion of specified project management coursework:**

- Yes**
- PMI
  - ITIL
  - Agency-specified project management coursework (identify below)
- No**

**D.6. Select from the list other areas of training your organization requires of its project managers:**

- Fundamental Project Management - Dept. of Technology Services Project Management Certificate program based on PMI.**
- Systems Development Life Cycle**
- Scheduling tool (identify below)**
- MS Project
- Project Performance Management (e.g., Earned Value Management)**
- Business Process Analysis**
- Requirements Traceability**
- Procurement/Contracts Management**
- Other (identify below)**
- Effective Presentations
  - Business Writing
- None**

**D.7. Describe project-level governance practices, including change management, issue resolution, and problem escalation.**

The Department adheres to policies and procedures that govern change management, issue resolution and problem escalation. These policies and procedures are outlined in the following documents:

03-002-OTI Change Management Guidelines  
 02-008-OTI Project Initiation Policies and Procedures  
 02-009-OTI Project Management Guidelines

Change requests are submitted to document and track the receipt, analysis and status of each request. Issues are identified, tracked and discussed in project team meetings and escalated as necessary to the appropriate Managers or Executive Sponsor.

**D.8. Does the project management methodology include processes for documenting lessons-learned and applying these to future projects?**

**Yes (Please describe)**

A post mortem "lessons Learned" and project evaluation are conducted by the project team and other vested staff at the close of the project to address project successes and identify opportunities for improvements. The process is identified in the department's Project Management Guidelines (02-009-OTI) published on the department's Intranet.

**No**