



Department of Health Care Services
Information Technology Capital Plan
2009-2010

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



Department Name

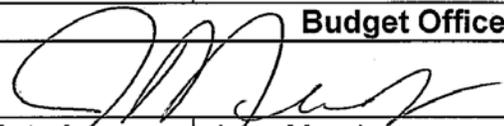
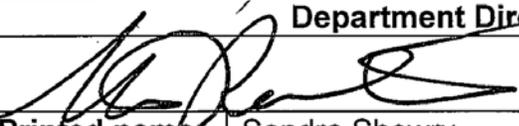
Department of Health Care Services (DHCS)

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.

Chief Information Officer		Date Signed
		9-17-08
Printed name:	Mike Nguyen	
Information Security Officer		Date Signed
		9-17-08
Printed name:	Steve Moore	
Budget Officer		Date Signed
		9-17-08
Printed name:	John Mendoza	
Department Director		Date Signed
		9/19/08
Printed name:	Sandra Shewry	

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DEPARTMENT IT CAPITAL PLAN

Department Name and Org Code:

Department of Health Care Services 4260

Plan Year:

2009-10 through 2013-14

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

The Department's goals and objectives are listed in the DHCS Strategic Plan [draft from July 2008].

Goal 1: Organize Care to Promote Improved Health Outcomes

Objectives

- A. Ensure every beneficiary has a medical home
- B. Provide care in settings that promote community integration
- C. Promote use of preventive, health improvement and wellness services/activities
- D. Reduce disparities in health care delivery and health outcomes
- E. Increase care management for those with the highest health burdens and costs
- F. Promote quality improvement within the health care delivery system

Goal 2: Promote Comprehensive Health Coverage

Objectives

- A. Enroll eligible individuals
- B. Retain eligible persons in health coverage

Goal 3: Measure Health System Performance and Reward Improved Outcomes

Objectives

- A. Measure health outcomes and provide information to providers, individuals and the public
- B. Reward health plans, providers and business partners who are top achievers

Goal 4: Increase Accountability and Fiscal Integrity

Objectives

- A. Establish and monitor performance metrics for DHCS
- B. Identify and improve high priority business practices
- C. Improve relationships with business partners, stakeholder groups and policymakers
- D. Reduce waste and fraud
- E. Act in accordance with state and federal statutes and regulations
- F. Identify and achieve federal policy and rule changes that support DHCS programs

Goal 5: Ensure Viability and Availability of Safety Net Services

Objectives

- A. Identify mechanisms to maximize federal reimbursement for safety net services
- B. Maintain availability of and access to safety net services

Goal 6: Expand and Promote Use of Information Technology

Objectives

- A. Identify top priority systems for modernization and improvement
- B. Establish governance for DHCS/California Department of Public Health (CDPH) shared IT infrastructure services
- C. Transition the support and control of non-infrastructure IT services to CDPH

Goal 7: Recruit, Retain, Train and Nurture High Quality, Diverse Staff

Objectives

- A. Improve human resource processes and outcomes
- B. Increase communication with employees about the impact of the DHCS' work
- C. Promote worksite wellness
- D. Support employee professional development and upward mobility
- E. Participate in statewide and national policy organizations

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

DHCS plans to upgrade its servers, desktops, laptops and printers on a regular 4-year replacement cycle. If funding is available, DHCS will replace approximately 25% of its hardware each year. Individual programs pay for their own replacements as funding is available.

- Wintel Servers
- Backup Tape Drives
- Appliances
- Desktops
- Laptops
- PDAs - Blackberry
- Printers

2.2. Software

Enterprise software is upgraded on an as needed basis, and most software is covered under a maintenance agreement that is paid for annually and provides for all upgrades. Software is scheduled for upgrade only after sufficient analysis and testing, and based upon business requirements and availability of resources. No specific upgrades have been scheduled at this time. The following is a list of major enterprise software subject to potential upgrade each year:

- Active Directory
- Blackberry Enterprise Server
- Business Objects Windows Servers
- Citrix Remote Access
- Exchange E-Mail
- Guardian Edge Desktop Encryption
- IIS Web Servers
- Microsoft Office
- ProofPoint Anti-Spam
- Remedy Help Desk
- SharePoint Servers
- SMS/System Center Configuration Manager
- SQL Servers

- Voltage Anti-Virus
- Voltage E-Mail Encryption
- Websense Internet Content Filter
- Windows Desktop

2.3. Network

DHCS plans to replace all network devices including switches, routers, firewalls, VPNs and appliances every 6 years. If funding is available, DHCS replaces approximately 17% of its network devices annually. Most routers are replaced by DTS through monthly payments for their WAN services.

- Routers
- Core Switches
- Distribution Switches
- Access Switches
- Appliances
- Network Monitoring Tools
- VPN Devices

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 through 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
Health Insurance Portability and Accountability Act (HIPAA)	\$41.4 million	4260-179	June 30, 2010
Medi-Cal Provider Enrollment Automation Project (PEAP)	\$5 million	4260-191	April 30, 2010
Case Management, Information and Payrolling System (CMIPS) II project (See Department of Social Services Existing 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
California Medicaid Management Information System (CA-MMIS) procurement	1	APD Estimated for 07/2009	Not available due to security restriction during RFP process
Medi-Cal Eligibility Data System (MEDS) Modernization	2	07/2010	\$150 million – \$200 million
California Rx Prescription Drug Web Site	3	Assembly Bill No. 2877 exempts this project from the FSR approval requirements.	\$1.6 million
Public Assistance Reporting Information System (PARIS)	4	01/2012	\$1 million
Medi-Cal Administrative Activities (MAA) Automation	5	01/2009	\$1.2 million
Senate Bill (SB) 437 Presumptive Eligibility (PE) Process	6	TBD	\$5 million - \$10 million
Third Party Verification of Income and Assets	7	01/2010	\$250,000 (FSR only)
SB 24 Prenatal Gateway	8	TBD	\$2.1 million
AB 1948 Child Health and Disability Prevention (CHDP) Gateway	9	TBD FSR completed	\$9 million
Medicaid Information Technology Architecture (MITA) Transition	10	TBD	TBD
HIPAA Enhancements (HIPAA-2)	11	01/2009	\$5 million
Legal Document Management	12	07/2013	\$1 million - \$5 million
Health Information Exchange (HIE)	13	TBD	TBD
DHCS Enterprise Resource Planning (ERP) System	14	07/2012	\$10 million
Foster Care (FC) Children Presumptive Eligibility (PE)	15	TBD	\$1 million - \$5 million
SB 24 Newborn Hospital Gateway	16	TBD	\$2.3 million

IT Project Proposal Form

4.1. Proposal name and priority ranking:

California Medicaid Management Information System (CA-MMIS) procurement
(See Request for Proposal 08-85022) – Priority 1

4.2. Description of the proposed IT project:

The Department of Health Care Services (DHCS), Fiscal Intermediary & Contracts Oversight Division, is soliciting Proposals from firms that are able to provide the latest advancements and innovations to replace the claims processing and reporting systems of the California Medicaid Program to meet new State and federal requirements.

This is currently a services contract providing operations support for claims processing of Medi-Cal claims. California's MMIS (CAMMIS-FI) is the largest and most complex Medicaid claims processing system in the nation. The major claims processing includes a thirty (30) year-old, mainframe, batch legacy system, which has been modified innumerable times to keep pace with the ever-increasing complexity of the Medi-Cal Program. There is a number of supporting sub systems utilizing newer technologies such as: Oracle, Java, Medi-Cal Web Portal and others. Today, continued system maintenance and changes have become extremely costly and time restrictive, with the system no longer meeting the needs of Medi-Cal policy makers.

4.3. Which of your department's business goals and objectives does this project support, and how?

This proposal supports the Department's Goal #4 by increasing accountability and fiscal integrity. Specifically, this proposal would allow the Department to improve relationships with business partners, stakeholder groups and policymakers and reduce waste and fraud, to act in accordance with state and federal statutes and regulations, and to identify and achieve federal policy and rule changes that support DHCS programs.

This proposal also supports the Department's Goal #6 by expanding and promoting use of information technology (IT). Specifically, this proposal would allow the Department to replace current legacy systems with new technology that is flexible, scalable, and able to support business programs.

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 new MMIS system will improve the management of the Medi-Cal program by: enabling quicker implementation of statutory and regulatory changes because system changes will be faster; creating an environment for integrating the business and IT environments to improve management; providing a solid platform for future growth with scalable architecture that can grow and change; align the MMIS with current industry standards to enable more competitive bid processes in future procurements; providing easier access for the provider community to submit claim documents and retrieve status information, billing information, and assistance. The development of a new system provides the Department with the opportunity to establish standards for supporting the Department's move toward Health Information Exchange/Health Information Technologies

that will improve healthcare quality, effectiveness and efficiency for Medi-Cal beneficiaries.

- Reduction in the backlog of projects estimated at over \$100 million dollars identified in the recent CA-MMIS assessment.
- Enable Medi-Cal's claim data to be shared with health care providers, regional health information organizations and immunization registries to support the goal of essential clinical and coverage information at the point of care.
- Working within the MITA guidelines being championed by the Centers for Medicare and Medicaid (CMS) is essential, not only because they represent current and mainstream technical architecture and business planning concepts, but also because this approach would clearly be the best way to maximize federal financial participation (FFP).

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.

Although the Enterprise Architecture implementation is still in progress as stated in Appendix A, we anticipate that the proposed project will be consistent with the organization's Enterprise Architecture once implementation is complete.

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?

This project is under the requirement of an APD. Estimated for 07/2009.

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

Replacement project start is estimated for 07/2010.

4.10. What is the duration of the proposed project?

Four Years.

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

- Yes
- No

If no, explain what kind of changes to the existing infrastructure will be needed:

The system architecture is included as part of the CA-MMIS replacement.

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:

Failure to adopt a technical application architecture could result in further degradation of system maintainability and interoperability between applications, leading to escalating system costs year after year.

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

- Augmentation needed
- Redirection of existing funds
- Other (describe):

4.15. What are the estimated cost and funding source(s) by fiscal year through implementation (information should be provided in the following format):

The project is currently in the middle of the RFP process and under the control of the security restrictions of the RFP. The project will be ninety percent funded from federal matching funds. It is anticipated that the replacement project will be between 10-20% of the service contract bid. The payments are based on the proposed work plan deliverables to be submitted by the awarded vendor.

Fund Source	2009-10	2010-11	2011-12	2012-13	2013-14 and future	Total
General Fund						
Federal Fund						
Special Fund						
Total						

IT Project Proposal Form

4.1. Proposal name and priority ranking:

Medi-Cal Eligibility Data System Modernization – Priority 2

4.2. Description of the proposed IT project:

The DHCS is proposing to modernize the Medi-Cal Eligibility Data System (MEDS) and its enrollment processes to achieve a more secure, efficient, and maintainable system that supports secure information exchange with other systems, the implementation of integrated statewide automated enrollment in California's health care and social service programs, and maximizes enhanced Federal Financial Participation (FFP).

4.3. Which of your department's business goals and objectives does this project support, and how?

This proposal supports the Department's Goal #4 by increasing accountability and fiscal integrity. Specifically, this proposal would allow the Department to act in accordance with state and federal statutes and regulations.

This proposal also supports the Department's Goal #6 by expanding and promoting use of Information Technology. Specifically, this proposal would allow the Department to replace current legacy systems with new technology that is flexible, scalable, and able to support business programs.

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

A modernized MEDS will provide:

- Flexible data independence that can accommodate change and new business requirements efficiently.
- Cohesive and continued interface functionality with the State, County and Federal entities operationally involved in the continuous data exchange or update efforts.
- Improved HIPAA data confidentiality and applicable privacy and data transmission standards.
- Ability to meet state and federal reporting requirements.
- Ability to integrate and consolidate existing program eligibility data, existing data processing functions and interface needs under one central system, and improvements in communicating with outside entities.

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.

Although the Enterprise Architecture implementation is still in progress as stated in Appendix A, we anticipate that the proposed project will be consistent with the organization's Enterprise Architecture once implementation is complete.

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?

The Department would submit an FSR in July 2010.

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

The Department would begin IT project activities in July 2011.

4.10. What is the duration of the proposed project?

The Department would complete IT project activities in June 2016.

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

- Yes
- No
- Unknown

The Department would determine the use of existing IT infrastructure during the FSR development phase. Components of the existing IT infrastructure would be used (for example, networks) but the architecture is yet to be determined.

MEDS is a legacy mainframe application originally intended for a system life expectancy of 6-8 years; it is currently over 25 years old. The programming language of MEDS is primarily COBOL and the pool of programmers knowledgeable in this language has been decreasing over time. The original security architecture of MEDS was intended for a single State program networked with 200 hardwired dumb terminals with a limited quantity of users. The system currently uses the same internal security architecture, but supports approximately

60,000 users. It is anticipated that the proposed solution would be a web-based enrollment solution, which offers a common, publicly accessible web-based front-end and a common messaging infrastructure on which to build a secure common back-end data repository. The objective is to allow for the use of more modern technologies for beneficiary searching, matching and verification, and to be consistent with state and federal IT direction for connecting existing and future systems to each other.

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

- Yes**
 No

4.13. Describe the consequences of not doing this proposed project:

MEDS is currently a stable system that can track, report, and claim maximum federal funds for the 6.6 million Medi-Cal subscribers and the nearly one million Healthy Families subscribers. However, the system's current architecture is preventing the department from efficiently meeting the demands of program, policy, state and federal legislative changes and court orders. In addition, many of the senior Subject Matter Experts (SMEs) of the MEDS system have announced plans to retire within the next five to eight years. These are individuals who have extensive knowledge in the inner working of how policies and functionalities are inter-related and embedded in the MEDS application. If we do not start and complete the proposed project within the planned timeframe, each year that it is delayed, the system's stability, the system flexibility, and the knowledge base will be at risk. The modernization of MEDS will enable the next generation of staffing resources to support the administration of the Medi-Cal program.

The Department would be at risk of losing enhanced FFP for future MEDS changes if it does not address the Medicaid Information Technology Architecture (MITA) needs specified by the Center for Medicare and Medicaid Services (CMS). MITA is a national framework designed to foster integrated business and IT transformation across the Medicaid enterprise to improve the administration of the Medicaid program. The Department would also miss an opportunity to move MEDS and the enrollment process toward a technical system architecture and infrastructure that will enable common service availability within a central repository of shared business rules and processes. Some of these business processes will serve the State with identification and authentication and other common exchanges of information. Without this project, the Department would also have a diminished capability to meet HIPAA data confidentiality and applicable privacy and data transmission standards.

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

- Augmentation needed**
 Redirection of existing funds
 Other (describe):

4.15. What are the estimated cost and funding source(s) by fiscal year through implementation (information should be provided in the following format):

Fund Source	2009-10	2010-11	2011-12	2012-13	2013-14 and future	Total
General Fund	\$ 550,000	*	*	*	*	
Federal Fund	\$1,550,000	*	*	*	*	
Special Fund	n/a	n/a	n/a	n/a	n/a	n/a
Total	\$2,100,000	*	*	*	*	\$150 - \$200 Million

*The Department would determine estimated costs during the development of an FSR.

IT Project Proposal Form

4.1. Proposal name and priority ranking:

California Rx Prescription Drug Web Site – Priority 3

4.2. Description of the proposed IT project:

Assembly Bill 2877, Frommer; (Chapter 720, Statutes of 2006), requires the Department to establish the California Rx Prescription Drug Web Site program, which the Governor signed into law on September 29, 2006. AB 2877 directs the Department to establish and administer a website that will provide information to California residents and health care providers about options for obtaining prescription drugs at affordable prices.

The website will provide "typical prices charged by licensed pharmacies in the state of at least 150 commonly prescribed prescription drugs, links to information about patient drug assistance programs operated by pharmaceutical manufacturers, prescription drug benefits available to Medicare beneficiaries and state programs that provide drugs for California residents at discounted prices."

4.3. Which of your department's business goals and objectives does this project support, and how?

The web site will assist DHCS in meeting Strategic Plan Goal #1, "Organize Care to Promote Improved Health Outcomes" objectives:

- C. Promote use of preventive, health improvement and wellness services/activities
- E. Increase care management for those with the highest health burdens and costs
- F. Promote quality improvement within the health care delivery system

By providing useful and timely information on prescription drug availability, costs and ways to control costs and other funding sources, the web site will assist California citizens to prevent illness, improve their health and wellness, better manage their own care and costs, and improve the quality of the services they receive.

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 Pharmacy Benefits Division's overarching goal is to improve the health of all Californians by doing what we know the best, i.e., managing the use of drugs. By helping Californians get information on their medications, and ways to save money on them, we will work toward meeting our goal.

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.

Although the Enterprise Architecture implementation is still in progress as stated in Appendix A, we anticipate that the proposed project will be consistent with the organization's Enterprise Architecture once implementation is complete.

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?

There are no plans to submit an FSR for the California Rx Prescription Drug Web Site Program. The bill that mandated development of the California Rx Prescription Drug Web Site "Program" (AB 2877) specifically exempts it from certain requirements, including, but not limited to, the project authority requirements of the State Administrative Manual as they relate to approval of information technology projects (please see below, excerpted from AB 2877).

"Exempts the project from;

- a. The competitive bidding requirements of State Administrative Manual Management Memo 03-10;
- b. The project authority requirements of the State Administrative Manual as they relate to approval of information technology projects;
- c. Part 2 of Division 2 of the Public Contract Code;
- d. Article 4 of Chapter 5 of Part 2 of Division 5 of the Government Code;
- e. Any Control Section language contained in the Budget Act of 2005 (Section 11.05 of and Provision 6 of Item 4260-001-0001 of Section 2.00 of the Budget Act of 2005) (Ch. 38, Stats. 2005)"

The bill also makes implementation of the website component of the bill contingent upon an appropriation, if the department determines that the requirements of this section cannot be implemented without additional funding.

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

The development of the California Rx Prescription Drug Web Site Program will begin as soon as the FY 08-09 budget is approved, likely the fall of 2008.

4.10. What is the duration of the proposed project?

It is estimated that it will take approximately one year to develop and implement the Drug Price Website.

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

- Yes
- No

If no, explain what kind of changes to the existing infrastructure will be needed:

The California & Prescription Drug Web Site effort is based on the following assumptions:

- Data will only be pulled from existing Medi-Cal databases – no extranet components and no data entry screens.
- Database size will remain fairly constant - 150 most common drugs and a fairly constant or slow growth in the number of pharmacies.
- No archiving of data will occur.
- Static content will be managed by Program.
- No reports off the database will occur.
- Use existing application hardware and database storage
- Existing bandwidth is sufficient.
- A state employee (in the Pharmacy Benefits Division (PBD), Pharmacy Policy Branch) will serve as the content expert and program manager for the first two years. After the initial implementation, DHCS may document the ongoing support requirements of the website and system to justify conversion to a permanent support position.

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:

- The Department would fail to meet the statutory requirements established by AB 2877.
- California consumers would continue to lack ready access to prices charged by local pharmacies for commonly prescribed drugs.
- The Department would fail to support the Governor's platform on improvement in health care affordability.

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

- Augmentation needed** - One limited term AGPA position was approved for implementation of the website.
- Redirection of existing funds**
- Other (describe):**
Redirection of existing resources.

In order to fulfill the intent of the legislation without creating a negative impact on the existing Medi-Cal system or security vulnerabilities and to maintain the integrity of the pricing information on the web, this project requires temporary Information Technology (IT) resources to implement the web site. Therefore, DHCS will be redirecting a significant amount of resources from other current ITSD efforts. The specific efforts that will be affected are data matches being performed for DHCS's Third Party Liability (TPL), Social Security Administration Remediation activities, subject matter expert participation in the reprocurement of Medicaid Management Information System (MMIS), and the Public Assistance Reporting Information System (PARIS).

4.15. What are the estimated cost and funding source(s) by fiscal year through implementation (information should be provided in the following format):

Staff will be redirected from other projects. This effort is scheduled to begin as soon as the FY 2008-09 budget is approved and complete within one year, so the bulk of the estimated \$1.6 million cost will occur in FY 2008-09.

Fund Source	2009-10	2010-11	2011-12	2012-13	2013-14 and future	Total
General Fund						
Federal Fund						
Special Fund						
Total						

IT Project Proposal Form

4.1. Proposal name and priority ranking:

Public Assistance Reporting Information System (PARIS) – Priority 4

4.2. Description of the proposed IT project:

DHCS may propose an IT project on July 1, 2011 based on the results of two PARIS pilot programs. If the pilot programs are successful and the Department determines that an IT investment is necessary to expand PARIS statewide, the Department would propose an IT project starting July 1, 2011. The PARIS program allows the Department to verify the circumstances of Medi-Cal beneficiaries, such as veteran status or the receipt of public assistance benefits in another state.

4.3. Which of your department's business goals and objectives does this project support, and how?

This proposal supports the Department's Goal #4 by increasing accountability and fiscal integrity. Specifically, the Department is dedicated to improved public access, and fiscal integrity and accountability of programs and services. By exchanging data with PARIS, the Department proposes to improve Medi-Cal program integrity.

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 expected outcome is to increase the Department's ability to compare beneficiary information with the federal government and other states in order to prevent fraud and abuse of the Medi-Cal program. In addition, the enactment of PARIS may result in extensive savings for the Medi-Cal program.

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.

Although the Enterprise Architecture implementation is still in progress as stated in Appendix A, we anticipate that the proposed project will be consistent with the organization's Enterprise Architecture once implementation is complete.

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?

If the pilot programs are successful and the Department determines that an investment in IT is necessary, the Department would submit an FSR in January 2012.

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

If the pilot programs are successful and the Department determines that an investment in IT is necessary, the Department would begin IT project activities in July 2012.

4.10. What is the duration of the proposed project?

The Department would determine the duration of IT project activities as part of the FSR development phase.

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

The Department would determine the use of existing IT infrastructure during the FSR development phase.

- Yes
- No
- Unknown

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

- Yes
- No

4.13. Describe the consequences of not doing this proposed project:

If the Department determined that an IT investment is necessary to expand statewide, and the Department did not do the proposed project, the Department would be unable to expand statewide with the proper IT support. Therefore, the Department would continue using the level of effort necessary for the pilot program.

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

If the Department expanded statewide and required funding to increase IT support, an augmentation would be necessary.

- Augmentation needed**
- Redirection of existing funds**
- Other (describe):**

4.15. What are the estimated cost and funding source(s) by fiscal year through implementation (information should be provided in the following format):

Fund Source	2009-10	2010-11	2011-12	2012-13	2013-14 and future	Total
General Fund	\$0	\$0	*	*	*	\$0*
Federal Fund	\$0	\$0	*	*	*	\$0*
Special Fund	n/a	n/a	n/a	n/a	n/a	n/a
Total	\$0	\$0	*	*	*	\$0*

*The Department would determine estimated costs during the development of an FSR. A best-guess estimate is less than \$1 million.

IT Project Proposal Form

4.1. Proposal name and priority ranking:

Medi-Cal Administrative Activities (MAA) Automation – Priority 5

4.2. Description of the proposed IT project:

The objectives of the MAA Automation project are to automate training, funding, monitoring and oversight for the MAA program conducted in counties, schools, cities, and tribal organizations. The DHCS has responsibility to implement and enforce policies in order to comply with federal and state laws and regulations. The DHCS Administrative Claiming Local and Schools Services Branch (ACLSSB) conducts site visits and desk reviews; sets up Contract packages and processes invoices; and performs tracking, monitoring, reporting, training, mentoring, and accounting for the MAA program.

The DHCS MAA program's current method of operation is comprised of paper-based, manual-intensive business processes that rely on the talent and expertise of limited staffing resources. The manual processes require the MAA documents to be logged in multiple Excel spreadsheets and Word documents to track and report document status. The result is that DHCS does not have a simplified method to access critical program-wide business information. This is problematic as DHCS executives need to have reliable data to monitor the overall health and welfare of the Medi-Cal program and the business areas that they direct.

4.3. Which of your department's business goals and objectives does this project support, and how?

This project will support the following DHCS business goals:

- Increase Accountability and Fiscal Integrity
- Assure compliance with state and federal laws and regulations
- Expand and Promote Use of IT

The goal of the project is to eliminate manual processes; reduce processing time, errors, and labor efforts; to provide information on a continuous real time basis; and to use this information to enhance the MAA program and its oversight as required by state and federal laws and regulations.

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

Automating and streamlining the MAA processes will give DHCS the ability to provide improved customer service, meet the mandates of the federal and state governments, increase participation in the MAA Program, and provide required oversight and technical assistance to ensure Local Program Participants (LPPs) receive the federal reimbursement funds to which they are legally entitled. Automating the core components of the program and developing a solution for storage and retrieval of information will eliminate duplicate data entry. The addition of system edits, business rules, and field pre-population capabilities will

improve the accuracy of the information, increase efficiency and reduce the cost of processing contracts, claiming/operational plans, and invoices for DHCS and LPPs. End users will have the ability to search pertinent program information and produce reports from a single database. As the data management processes are automated and required data is made available through a MAA Automated System, time spent by program users on data entry, information retrieval, and error corrections will be significantly reduced.

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.

Although the Enterprise Architecture implementation is still in progress as stated in Appendix A, we anticipate that the proposed project will be consistent with the organization's Enterprise Architecture once implementation is complete.

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?

It is estimated that the FSR will be submitted to OCIO for approval in November 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?

Two Years

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

- Yes
 No

If no, explain what kind of changes to the existing infrastructure will be needed:

Additional servers and software will need to be acquired dependent on the solution.

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:

Current processes are almost entirely paper-based, requiring substantial resources for redundant data entry, manual validation of claims, and verification of calculations. Ink signatures are required, so time is lost as documents are passed back and forth to communicate claims, report errors and submit corrections.

Since the current process is paper-based, there is no database to provide access to current information or history. Excel spreadsheets, Word documents, handwritten notes, contracts, claiming plans, and other paper-based documents contain critical information used in oversight and monitoring the MAA Program. There are frequent delays in producing required information due to the difficulty of gathering and organizing the data.

If this project is not completed, ACLSSB will continue to apply its resources to managing the growing workload, and will be unable to provide adequate training or conduct the necessary site reviews to fulfill the federal and state mandates for program oversight.

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

- Augmentation needed
 Redirection of existing funds
 Other (describe):

This project will be funded 50% federal financial participation (FFP) and 50% local governmental funds (counties and schools).

4.15. What are the estimated cost and funding source(s) by fiscal year through implementation (information should be provided in the following format):

Fund Source	2009-10	2010-11	2011-12	2012-13	2013-14 and future	Total
General Fund						
Federal Fund	\$150,000	\$300,000	\$150,000			\$ 600,000
Special Fund*	\$150,000	\$300,000	\$150,000			\$ 600,000
Total	\$300,000	\$600,000	\$300,000			\$1,200,000

* Reimbursed by LPPs.

IT Project Proposal Form

4.1. Proposal name and priority ranking:

Senate Bill (SB) 437 Presumptive Eligibility (PE) Process – Priority 6

4.2. Description of the proposed IT project:

SB 437 (Chapter 328, Statutes of 2006) requires the Department and the Managed Risk Medical Insurance Board (MRMIB) to make systems changes to implement the Women, Infants, and Children (WIC) Gateway. The WIC Gateway would allow families to simultaneously apply for WIC benefits and no-cost or low-cost medical coverage for children under age 19. Families would complete a simplified application providing adequate information to allow the WIC Gateway system to receive feedback via electronic connectivity with other state systems to automatically screen the child's eligibility for no-cost or low-cost health coverage. The system would get real time feedback and allow the child to get Presumptive Eligibility (PE) temporary Medi-Cal benefits until a final eligibility determination for Medi-Cal or the Healthy Families Program (HFP).

The overall objective of this IT program is to expedite health care coverage to qualified low-income, uninsured children. Access to the Medi-Cal and Healthy Families programs would be made available at a WIC point of contact.

The proposed automation of the WIC Gateway will require modification of the current WIC program application and new data transfers to Medi-Cal and HFP. During the planning process, it will be important to include stakeholders from DHCS, MRMIB, the WIC program, WIC agencies, counties, IT specialists, advocates, etc. The design of the system must include:

- A screening process for presumptive eligibility to Medi-Cal or HFP.
- A transactional platform to obtain minimum data for enrollment that interfaces with the simple electronic application, Medi-Cal Eligibility Data System (MEDS), and Medi-Cal and HFP.
- Real time connection with MEDS for checking on an applicant's status.
- Electronic transfer of information to Medi-Cal or HFP for a final eligibility determination.
- Capability to electronically check available government databases to verify an applicant's income.
- Ease of operation by entities operating the WIC program.

Currently, if a WIC participant wants to apply for health coverage for children through Medi-Cal or HFP, the individual must do one of the following:

- Apply in person at the local county social services agency,
- Apply with the assistance of an enrollment entity or certified application assistor participating in the Medi-Cal for Children/Healthy Families program,
- Apply with a Child Health and Disability Prevention (CHDP) provider if the child is seeking health assessment and screening services through CHDP, or
- Complete an application and mail it to the single point of entry for Medi-Cal and HFP or to the local county office.

4.3. Which of your department's business goals and objectives does this project support, and how?

Goal 2: Promote Comprehensive Health Coverage, Objective A. Enroll eligible individuals. The proposed project will provided an additional avenue to enroll uninsured children in Medi-Cal and HFP.

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

This project will expand and promote use of information technology by making government services more accessible. The project will improve the efficiency and accessibility of the program by enrolling eligible children when families are visiting their local WIC office.

The IT program will provide services to families that may not apply at the county or have not yet visited a provider for health care. This project promotes and maximizes enrollment of uninsured children into the Healthy Families and Medi-Cal programs, improves the retention of children already enrolled and supports county-based efforts to enroll eligible children in existing public programs.

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.

Although the Enterprise Architecture implementation is still in progress as stated in Appendix A, we anticipate that the proposed project will be consistent with the organization's Enterprise Architecture once implementation is complete.

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

(As defined in SAM Section 5320.5)

- Yes
 No

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

TBD.

There is no appropriation for the project at this time. It is estimated the FSR will take 6 months to complete. Statutes require that DHCS and MRMIB, in collaboration with WIC program offices, local WIC agencies and stakeholders, will design, promulgate and implement policies and procedures for the development of this IT project.

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

No definite date established until funding is available.

4.10. What is the duration of the proposed project?

Two to three years.

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

- Yes
 No

If no, explain what kind of changes to the existing infrastructure will be needed:

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:

The intent of the Governor is to have all children insured by 2010. Denial of this project lessens that prospect. California's low-income families will:

- Continue to experience delays in obtaining health insurance for their children;
- Continue to experience obstacles for uninterrupted health care; and
- Not have a gateway to health insurance through programs such as WIC

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

- Augmentation needed**
- Redirection of existing funds**
- Other (describe):** Appropriate federal financial participation

4.15. What are the estimated cost and funding source(s) by fiscal year through implementation (information should be provided in the following format):

The following only shows the cost estimates for conducting an FSR, time and motion study to determine the affect of the WIC Gateway on local WIC staff and contract staff to provide support efforts such as stakeholder meetings, policy discussions, development of business requirements and technical expertise. Cost for systems development will be budgeted once the FSR is fully developed. A very rough order of magnitude estimate is \$5-\$10 million.

Fund Source	2009-10	2010-11	2011-12	2012-13	2013-14 and future	Total
General Fund	\$105,000	\$209,000				\$314,000
Federal Fund	\$105,000	\$209,000				\$314,000
Special Fund						
Total	\$210,000	\$418,000				\$628,000

IT Project Proposal Form

4.1. Proposal name and priority ranking:

Third Party Verification of Income and Assets – Priority 7

The DHCS will study the feasibility of contracting with a third party vendor to supplement verification of income and assets reported by Medi-Cal applicants and beneficiaries

4.2. Description of the proposed IT project:

While applicants and beneficiaries are required to provide documents to identify income and assets, county welfare departments (CWDs) must use the existing Income Eligibility Verification System (IEVS), which is inefficient, outdated and untimely, to verify reported income and assets in order to determine eligibility and the proper scope of benefits. The third party verification vendor that would be requested pending a favorable FSR would provide real-time data that could indicate a higher income than was reported or assets and property not reported by the applicant or beneficiary. Eligibility determination and redetermination processes rely on the quality of available information used to determine eligibility status.

4.3. Which of your department's business goals and objectives does this project support, and how?

As stated in the Department's strategic plan, the mission of DHCS is to preserve and improve the health of Californians through service, accountability and innovation. DHCS has the goal of increasing accountability and fiscal integrity through identifying and improving high priority business practices and identifying and reducing waste and fraud. DHCS also has the goal of expanding and promoting the use of information technology through identifying top priority systems for modernization and improvement. DHCS will take an innovative approach to verification of eligibility information by utilizing a web-based system to acquire real-time asset and income verification to ensure only eligible applicants and beneficiaries receive Medi-cal benefits.

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

Accurate verification of income and assets is an integral part of the Medi-Cal eligibility determination process. Through the utilization of current technology to streamline the income and asset verification process, DHCS projects it will significantly control costs, reduce benefit losses and contribute towards more stabilized spending, while providing access to quality healthcare to eligible individuals. In addition, since the mode of access to the third party data is primarily web-based, it is projected that significant or costly modifications to the Medi-Cal Eligibility Data System (MEDS) or the county automated welfare systems will not be necessary.

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.

Although the Enterprise Architecture implementation is still in progress as stated in Appendix A, we anticipate that the proposed project will be consistent with the organization's Enterprise Architecture once implementation is complete.

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?

This is a multi-phased project due to State procurement rules. The FSR describing the cost/benefit of a Third Party Verification Vendor will be submitted to OCIO in January 2010.

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

The RFP process to obtain the Third Party Verification Vendor would begin July 2011. Third Party Vendor to begin work April 2012.

4.10. What is the duration of the proposed project?

Fifteen months. The RFP process to obtain the Third Party Vendor would begin July 2011. The approval for counties to utilize new technology would be provided via ACWDL September 2012.

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

- Yes**
- No**

If no, explain what kind of changes to the existing infrastructure will be needed:

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:

House Rules (HR) 2642, the Supplemental Appropriations Bill of 2008, was signed into law on June 30, 2008. Title VII, Section 7001(d) adds Section 1940 to the Social Security Act - "Asset Verification through Access to Information Held by Financial Institutions." The law requires states to phase in an asset verification program for aged, blind and disabled applicants/beneficiaries. The law indicates that the Secretary of Health and Human Services will provide states with technical assistance.

This law requires California, New Jersey and New York to implement an asset verification demonstration program for the purposes of determining or redetermining the eligibility of aged, blind and disabled individuals for Medicaid (Medi-Cal) through access to information held by financial institutions by October 2009. All other states would be required to phase-in implementation of an asset verification program by the year 2013.

DHCS will be unable to implement the requirements of HR 2642 in October 2009. However, the completion of the FSR during FY 2009-10 would indicate the State's willingness to comply with the law and would signal the State's "good faith" effort to establish the third party verification for the aged, blind and disabled populations although the implementation would occur later than the October 2009 deadline.

The asset verification program required in HR 2642 would require each Medi-Cal applicant/beneficiary whose eligibility is on the basis of being aged, blind, or disabled to provide authorization for the state to obtain financial records from any financial institution with respect to the applicant or beneficiary, whenever the State determines the record is needed in connection with a determination of eligibility for (or the amount or extent of) Medi-Cal. This authorization would be used to verify the financial resources of the applicant/beneficiary in order to determine or redetermine the eligibility for Medi-Cal. The third party verification program proposed by DHCS would not be limited to the aged, blind and disabled population.

4.13. Describe the consequences of not doing this proposed project:

Due to the requirements imposed by HR 2642, the State is required to implement third party verification of assets for all aged, blind and disabled applicants/beneficiaries by October 1, 2009. According to guidance from the Centers for Medicare & Medicaid Services (CMS), those states not in compliance would have Federal Financial Participation (FFP) withheld for individuals whose assets were not verified through the required third party electronic asset verification. To avoid the penalty, states would be required to show "good cause" and submit a corrective action plan within 60 days that must be implemented within 6 months.

Even if DHCS is provided an exemption from completion of a FSR and from the provisions of the Public Contract Code to obtain the third party vendor, the State will not be able to comply

with the aggressive timeline requirements imposed in HR 2642 and have a vendor by October 2009. California will therefore be required to show good cause for missing the deadline and submit a corrective action plan. CMS could impose sanctions for any delays, and the longer it takes for DHCS to implement the verification system, the greater potential for a CMS sanction. Any good cause for the delay would include reference to State laws regarding the FSR requirements and contract processing.

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

- Augmentation needed**
- Redirection of existing funds**
- Other (describe):**

4.15. What are the estimated cost and funding source(s) by fiscal year through implementation (information should be provided in the following format):

The estimated cost is for FSR development cost only. The ITCP will be updated when the project costs have been estimated in the FSR.

Fund Source	2009-10	2010-11	2011-12	2012-13	2013-14 and future	Total
General Fund	\$125,000					
Federal Fund	\$125,000					
Special Fund						
Total	\$250,000					

IT Project Proposal Form

4.1. Proposal name and priority ranking:

SB 24 Prenatal Gateway (Chapter 895, Statutes of 2003) – Priority 8

4.2. Description of the proposed IT project:

The Prenatal Gateway Project is an electronic enrollment process for pregnant women to apply for Medi-Cal while applying for benefits under the Presumptive Eligibility (PE) for Pregnant Women Program at a qualified provider's office. The PE application will serve as a Medi-Cal application. It will collect sufficient information, including income, asset, immigration status and the applicant's signature under penalty of perjury. The Prenatal Gateway will allow the application to be transmitted electronically to the local county office for a final Medi-Cal eligibility determination with minimal contact with the applicant. If the woman is determined not eligible for no-cost Medi-Cal, the county will forward her application, with consent, to the Access for Infants and Mothers (AIM) program.

Currently, pregnant women can apply for PE at a qualified PE provider's office through a manual, paper-based process. The pregnant women are required to complete forms at the provider's office and self-certify information regarding residency and income. If determined presumptively eligible, these women receive a PE paper card from the PE provider and get up to two-months of temporary PE coverage for pregnancy-related services, except for labor and delivery, from any provider. If the woman wants comprehensive health coverage, she must submit a separate Medi-Cal application to the county.

If the county has not made a timely determination, the woman can request an extension from her PE provider by presenting proof of Medi-Cal application. PE coverage extends until the county makes a final eligibility determination. While under PE, her eligibility is not reported to the Medi-Cal Eligibility Data System (MEDS), nor is a plastic Medi-Cal Benefits Identification Card (BIC) issued. The woman continues to use the paper ID card for all her pregnancy-related services and the providers are required to submit a copy of the paper ID and paper claims to DHCS' Fiscal Intermediary, Electronic Data System (EDS) for reimbursement. Since most provider claims are being billed electronically, the PE manual billing process is a hindrance for providers and creates a barrier for women getting prenatal care under the PE program.

4.3. Which of your department's business goals and objectives does this project support, and how?

This project will assist in meeting the following business goals and objectives:

Goal 1 – Organize Care to Promote Improved Health Outcomes

- Utilizing the Prenatal Gateway to automate the enrollment of low-income pregnant women into PE and Medi-Cal would promote access to timely health services, preventive care, including health improvement and wellness services/activities as pregnant women tend to have greater health risks.

Goal 2 – Promote Comprehensive Health Coverage

- Utilizing the Prenatal Gateway to enroll uninsured eligible individuals into PE and Medi-Cal at the same time would help retain eligible persons in continuous health coverage.
- An infant born to a woman eligible for and receiving Medi-Cal at the time of the birth is deemed eligible for Medi-Cal up to age one as long as the infant continues to live with his/her mother in California. By providing Medi-Cal to pregnant women, children born to Medi-Cal eligible mothers will also be Medi-Cal eligible at birth and continue to have health coverage until they reach their first birthday.

Goal 4 – Increase Accountability and Fiscal Integrity - Reduce fraudulent claims.

- The electronic enrollment process would prevent filing of duplicate applications at multiple provider offices and give providers the ability to submit electronic service claims. It would allow information on PE eligible women be posted onto MEDS enabling MEDS to perform file clearance. Current PE enrollment is a manual process, creating a cumbersome paper reimbursement process that does not track claims.
- The Prenatal Gateway would provide the department with data on the number of women actually using the PE Program for Pregnant Women and allow for tracking of those women as they become eligible for ongoing Medi-Cal.

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

A Prenatal Gateway for pregnant women will:

- Ensure uninterrupted prenatal care and other health services because a separate application will not be necessary.
- Result in more providers being able to provide care to pregnant women because they will be able to submit claims electronically, reducing their administrative costs associated with the paper reimbursement process.
- Improve efficiency to PE program support by eliminating the activities related to ordering, printing, shipping and mailing the paper application package and temporary identification cards.
- Allow the Department to track applications for timely eligibility determinations by the counties.
- Prevent women from getting multiple PE periods from providers without actually applying for Medi-Cal.
- Allow providers to check PE or Medi-Cal eligibility status.

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.

Although the Enterprise Architecture implementation is still in progress as stated in Appendix A, we anticipate that the proposed project will be consistent with the organization's Enterprise Architecture once implementation is complete.

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?

The FSR submission date is to be determined (TBD). SB 24 specifies that implementation of the Prenatal Gateway may start if sufficient money from private foundations and other non-governmental sources are deposited in the special funds account for the Gateways.

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

TBD

4.10. What is the duration of the proposed project?

Twenty months

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

- Yes
- No

If no, explain what kind of changes to the existing infrastructure will be needed:

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:

- Pregnant Women program would PE for continue to operate manually with the current two-step application process.
- Pregnant women who fail to apply for Medi-Cal would have interrupted prenatal services for early preventive care and medical intervention.
- Providers would continue to use the manual claims process that causes delays in payments, resulting in providers refusing to provide services to PE patients. Providers who are not familiar with the manual reimbursement process, such as pharmacies, will deny services to pregnant women.
- PE Program Support would continue to provide support services associated with forms ordering, printing and shipping.
- Program would continue to have limited capability with regard to tracking any excessive Medical expenses claimed by providers.
- Fraud would potentially increase due to PE beneficiaries switching providers to avoid applying at the county.

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

- Augmentation needed
 Redirection of existing funds
 Other (describe):

The Prenatal Gateway is dependent upon sufficient funding from private foundations and other nongovernmental sources. This funding would be deposited into the "Gateway Fund" to defray the costs of developing the system and the hiring of sufficient new staff to support the development of the project.

4.15. What are the estimated cost and funding source(s) by fiscal year through implementation (information should be provided in the following format):

The timelines and cost for the development of the project cannot be determined until the conceptual design, policy definition and business requirements for the system are developed.

The following estimate is based on a fiscal analysis done in September 2003 for the Enrolled Bill Report. It includes costs for a feasibility analysis consultant, contract resources for MEDS modifications, and in-house development of the new electronic system. The system development and feasibility consultant cost is estimated in Year one with yearly maintenance costs for year 2 and future years.

Fund Source	2009-10	2010-11	2011-12	2012-13	2013-14 and future	Total
General Fund		\$116,850				\$ 116,850
Federal Fund	\$1,381,500	\$116,850				\$1,498,350
Special Fund* (External Funding TBD)	\$ 460,500					\$ 460,500
Total	\$1,842,000	\$233,700				\$2,075,700

IT Project Proposal Form

4.1. Proposal name and priority ranking:

AB 1948 Child Health and Disability Prevention (CHDP) Gateway – Priority 9

4.2. Description of the proposed IT project:

AB 1948 CHDP Gateway project would allow a person applying on behalf of a child to simultaneously pre-enroll the child into temporary full-scope no cost Medi-Cal and also apply for continued benefits in Medi-Cal or the Healthy Families Program (HFP) when the child is receiving health assessment and screening services at a CHDP authorized provider's office. The CHDP program oversees the screening and follow-up components of the federally mandated Early and Periodic Screening, Diagnosis and Treatment program for Medi-Cal-eligible children. It also provides periodic health assessments for non-Medi-Cal-eligible children who are only eligible for emergency Medi-Cal. CHDP is administered at the State level by the Department of Health Care Services (DHCS) and operated at the local level by local health departments for each county and three cities.

CHDP Gateway was established based on federal law, as specified in Titles XIX and XXI of the Social Security Act, which allows states to establish presumptive eligibility (PE) programs for children. DHCS implemented the CHDP Gateway in July 2003, using a service-based automated pre-enrollment process for qualified uninsured children. Through the CHDP Gateway electronic pre-enrollment process, uninsured children from birth up to 19 years of age with family incomes at or below 200 percent of the Federal Poverty Level (FPL) residing in California can qualify for PE coverage. The CHDP Gateway serves as a potential entry point for these children to enroll in continuous health care coverage through Medi-Cal or the HFP by allowing the parent/guardian to request an application for on-going benefits.

Currently, if a parent/guardian seeks health care coverage for a child and also wants to apply for Medi-Cal or HFP, the parent/guardian is required to go through a two-step process. The parent/guardian must first complete the paper CHDP Pre-Enrollment Application (DHCS 4073) at the CHDP provider's office. In accordance with the CHDP periodicity schedule and age and income requirements, the CHDP provider enters the information from the DHCS 4073 electronically through the CHDP Gateway Internet application or a Medi-Cal Point of Service (POS) device. The application information is then transmitted to the DHCS' Medi-Cal Eligibility Data System (MEDS) where the child is evaluated for PE. If the child is found eligible under PE, the child immediately receives temporary Medi-Cal for the month in which the CHDP health assessment was conducted and for the following month, and the child's PE is recorded on MEDS.

The parent/guardian then leaves the CHDP provider's office with documentation that the child is presumptively eligible for temporary Medi-Cal and instructions on how to obtain continuous coverage for the child beyond the initial PE period of two months. If the parent/guardian requested an application for continuing Medi-Cal or HFP coverage for the child on the DHCS 4073, a Medi-Cal/HFP Joint Application is mailed to the family, with instructions to return it to the Single Point of Entry (SPE).

When the joint application is received by SPE, SPE screens each child's eligibility based on age and family income, determines which program the application should be forwarded to for final eligibility determination. SPE reports the application status to MEDS which extends the

PE of each child listed on these applications until the final eligibility determination is made by the HFP or the county. If the application is not returned to SPE before the end of the PE period, the child's temporary Medi-Cal coverage will terminate at the end of the two-month period.

4.3. Which of your department's business goals and objectives does this project support, and how?

This project supports the following DHCS Strategic Business Goal:

Promote Comprehensive Health Coverage by enrolling eligible individuals.

This project supports the department's goal by increasing the effectiveness of the current CHDP gateway process by eliminating the current two-step process and allowing the simultaneous enrollment of eligible children into temporary full scope Medi-Cal while also accepting the child's application for ongoing benefits thereby providing a mechanism for greatly increasing the number of uninsured children for continuous enrollment into Medi-Cal or HFP.

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 current CHDP Gateway enrollment process is not an efficient gateway for families to get continuous health coverage through Medi-Cal or HFP. Of the 481,725 children pre-enrolled into temporary Medi-Cal through the CHDP Gateway in 2006, which parent/guardian had requested an application for continuous coverage in Medi-Cal or HFP, only 112,658 (23 percent) returned the application within the required time to extend the child's PE coverage. Applications for a total of 237,500 children (49 percent) were submitted within a year, with 124,842 of those children experiencing a lapse in health care coverage. Based on the assumption that individuals will be more likely to apply for continuous coverage with the elimination of the two-step process that is associated with the CHDP Gateway, the proposed project should significantly increase the volume of applications for uninsured children from 23 percent to 95 percent within one year after implementation.

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.

Although the Enterprise Architecture implementation is still in progress as stated in Appendix A, we anticipate that the proposed project will be consistent with the organization's Enterprise Architecture once implementation is complete.

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?

The AB 1948 FSR has been completed and is currently going through the final review and approval process before submittal to the Legislature as required by Assembly Bill 1948 (Chapter 332, Statutes of 2006).

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

TBD (project is based on General Fund money secured through the State legislative process and redirection of local assistance dollars).

4.10. What is the duration of the proposed project?

Three years from start date.

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

- Yes**
 No

If no, explain what kind of changes to the existing infrastructure will be needed:

To implement the proposed solution and meet the needs of AB 1948, existing systems will be leveraged and enhanced as summarized below:

Hardware

No additional hardware is required for DHCS Information Technology Services Division (ITSD) to support the back end processing. Additional hardware will be required to incorporate the CHDP pre-enrollment application into the current on-line Medi-Cal/HF application, (known as the Health-e-App) and route applications to DHCS ITSD. This hardware will be purchased by the HFP administrative vendor and reimbursed by DHCS. These costs have been included in contract services. This hardware will be hosted by the HFP administrative vendor.

Software

In order to comply with DHCS' technology standard, the solution will use the following components for the database engine and development:

- .NET Framework
- SQL Server 2005
- .NET Visual Basic 2005

Note: The software supports native XML (extensible markup language). The application database at DHCS ITSD will comply with DHCS DB2 standards.

Technical Platform

The proposed solution will leverage the current infrastructure supporting Health-e-App, with the addition of data storage at DTS and electronic routing of applications to the counties. Users will access the application through a web browser.

Internal Interfaces

A two-way interface between Health-e-App and MEDS will be required for this project.

External Interfaces

The solution includes supporting a secure FTP interface from MEDS to the four Statewide Automated Welfare Systems (SAWS).

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:

This project is an expansion of the current CHDP Gateway process. Based on the FSR, it is recommended that applicants submit an application for continuing Medi-Cal or HF benefits using the Health-e-App, an electronic application currently used by Certified Application Assistors (CAAs) and Enrollment Entities (EEs) for Medi-Cal and HF through enhancements. Currently, the Center to Promote HealthCare Access is completing an assessment to identify the requirements for modifying the Health-e-App system to allow for public access. The goal of both projects is to increase access to the State's comprehensive healthcare programs for eligible individuals.

4.13. Describe the consequences of not doing this proposed project:

The current CHDP Gateway does not meet the goals established by AB 1948 and is not an efficient gateway to enroll eligible, uninsured children into Medi-Cal or HFP.

- The current process of pre-enrolling children into temporary Medi-Cal and applying for continuous coverage under Medi-Cal or the HFP require two steps. The CHDP Gateway electronic application was not designed to also be used to apply for continuous coverage.

- Functionality of the current CHDP Gateway is limited, which impacts its ability to efficiently meet the requirements of AB 1948 and maintain data integrity. Currently, the automated enrollment process does not support the user's ability to correct data entered into the system erroneously, nor does it, based on the limited data collected, offer a sophisticated process of validating whether an applicant's record currently exists within MEDS. It also does not support an electronic process to match against California birth records to validate citizenship when the application is submitted.
- In recent months, DHCS has been criticized for siloed enrollment processes that are supported by stand-alone systems. These processes often require applicants to submit the same or similar information in multiple instances, acting as barriers to the uninsured who are seeking coverage and care.

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

- Augmentation needed**
- Redirection of existing funds**
- Other (describe):**

4.15. What are the estimated cost and funding source(s) by fiscal year through implementation (information should be provided in the following format):

Fund Source	Year 1	Year 2	Year 3			Total
General Fund	\$1,976,591	\$1,201,778	\$ 298,725			\$3,477,094
Federal Fund	\$1,976,591	\$1,201,778	\$ 298,724			\$3,477,093
Special Fund* *redirection of existing staff	\$ 188,199	\$ 926,019	\$ 906,226			\$2,020,444
Total	\$4,141,381	\$3,329,575	\$1,503,675			\$8,974,631

IT Project Proposal Form

4.1. Proposal name and priority ranking:

Medicaid Information Technology Architecture (MITA) Transition – Priority 10

4.2. Description of the proposed IT project:

The Centers for Medicare & Medicaid Services (CMS) introduced the Medicaid Information Technology Architecture (MITA) as a framework to help States improve the operation of their Medicaid programs. A State Self-Assessment (SS-A) based on the MITA Framework is now a prerequisite for federal funding of Medicaid program enhancements.

Medi-Cal performed its MITA SS-A between June 2007 and May 2008. The SS-A complements the DHCS strategic planning process by identifying targeted business process improvements for the Medi-Cal program over the next 5-10 years and beyond. It provides a common roadmap for Medi-Cal business process improvements in a unified, enterprise-wide plan.

With the SS-A completed, the State must next develop a transition and implementation plan that charts the State's course for future transformation and improvement. The plan will likely consist of the following projects that can collectively move the State from its current business capabilities to targeted future capabilities.

- Personal Health Record (PHR) accessible to, and controlled by, Medi-Cal beneficiaries
- Behavioral Health Care Management System (link up California Medicaid Management Information System (CA-MMIS), Short - Doyle / Medi-Cal (SD/MC), California Mental Health Care Management Program (CalMEND), California Outcomes Measurement System (CalOMS)
- DHCS Performance Dashboard System
- Enrollment Gateway Consolidation
- Public-Facing Medi-Cal Provider Registry
- Provider Data Repository Exchange (between State agencies)
- *Money Follows the Person* Tracking System
- Medical Registry Exchange Enhancements (State, Federal)
- Medi-Cal Beneficiary Grievance and Appeal Consolidated Tracking System
- California Dental Medicaid Management Information System (CD-MMIS) Replacement
- Health Care Programs Benefit Package Customization Enhancement
- Cost Reporting Automation and Tracking System
- Risk-Based Capitation Calculation System
- Online Medi-Cal State Plan Portal
- Audits and Investigations (A&I) Enhancement to bring in external, automated data
- A&I Tracking System Enhancement
- Provider Enrollment Application Project (PEAP) enhancement for Medicare Provider Enrollment Chain & Ownership System (PECOS) data exchange
- In Home Supportive Services (IHSS) Exchange enhancements
- Safety Net Funding Tracking System

- Medi-Cal Access to Provider Electronic Health Record/Electronic Medical Record (EHR/EMR) systems to support Prior Authorization
- Paid Claims and Encounters Systems Consolidation and Modernization

The DHCS will update its ITCP when the MITA Transition planning information is available.

4.3. Which of your department's business goals and objectives does this project support, and how?

This proposal supports the Department's Goal #4 by increasing accountability and fiscal integrity. Specifically, this proposal would allow the Department to act in accordance with state and federal statutes and regulations, and to identify and achieve federal policy and rule changes that support DHCS programs.

This proposal also supports the Department's Goal #6 by expanding and promoting use of Information Technology. Specifically, this proposal would allow the Department to replace current legacy systems with new technology that is flexible, scalable, and able to support business programs.

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

Currently, making incremental changes across Medi-Cal's multiple supporting IT systems is cumbersome, time-consuming, and prone to error. Almost every major information technology system supporting the Medi-Cal program will be replaced during the 5- to 10-year SS-A "future view" timeframe. Medi-Cal is facing transformative initiatives to enhance or replace major operational capabilities to improve the performance of the business processes that the various systems support (e.g., MEDS, CA-MMIS, CD-MMIS, Case Management, Information and Payrolling System (CMIPS), SD/MC, Provider Enrollment Tracking System (PETS), Automated Collection Management System (ACMS), Health Care Options (HCO), California State Accounting and Reporting System (CALSTARS)). Their enhanced capabilities are expected to impact nearly all Medi-Cal business processes. With the MITA Transition, the Medi-Cal program will be on track to leverage these parallel initiatives and share benefits and data across Medi-Cal's planned system replacements.

Achieving these system improvements will allow program administrators to spend more time focusing on analysis of underlying cost and quality drivers, to which the Medi-Cal leadership can respond opportunistically with policy and program changes. In addition, these new systems are expected to be more flexible, timely and capable of consistent results that will benefit all Medi-Cal stakeholders. Increased automation, decreased reliance on non-electronic or non-standard data exchange, and introduction of clinical data are additional features expected of the new systems supporting the Medi-Cal program.

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.

Although the Enterprise Architecture implementation is still in progress as stated in Appendix A, we anticipate that the proposed project will be consistent with the organization's Enterprise Architecture once implementation is complete.

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?

The Department is currently in the planning stage of obtaining resources to develop a formal MITA transition plan by June 15, 2010. The Department has not developed estimated dates to submit FSRs for the projects identified in the MITA Transition.

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

The Department is currently in the planning stage of obtaining resources to develop a formal MITA transition plan by June 15, 2010. The Department has not developed estimated project start dates for the projects identified in the MITA Transition.

4.10. What is the duration of the proposed project?

The Department is currently in the planning stage of obtaining resources to develop a formal MITA transition plan by June 15, 2010. The Department has not developed estimate for the duration of the projects identified in the MITA Transition.

4.11. Will the proposed project utilize the existing infrastructure?

- Yes
- No
- Unknown

If no, please explain.

The Department would determine the use of existing IT infrastructure during the FSR development phase of the projects identified in the MITA Transition.

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:

Failure to make progress on the MITA Transition may result in Medi-Cal's loss of previously approved 90/10 funding. CMS indicated that Medi-Cal must develop and complete its initial Transition Plan by June 15, 2010.

Without the MITA Transition, the Medi-Cal program will not be on track to leverage the parallel initiatives described in 1.4 above and share benefits and data across Medi-Cal's planned system replacements.

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

- Augmentation needed**
- Redirection of existing funds**
- Other (describe):**

4.15. What are the estimated cost and funding source(s) by fiscal year through implementation (information should be provided in the following format):

The Department is currently in the planning stage of obtaining resources to develop a formal MITA transition plan by June 15, 2010. The Department has not developed estimated project costs or identified funding sources for the projects identified in the MITA Transition.

Fund Source	2009-10	2010-11	2011-12	2012-13	2013-14 and future	Total
General Fund						
Federal Fund						
Special Fund						
Total						

IT Project Proposal Form

4.1. Proposal name and priority ranking:

HIPAA Enhancements (HIPAA-2) – Priority 11

4.2. Description of the proposed IT project:

The federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) requires support of electronic administrative health care transactions, use of standard administrative health care code sets, nationally unique health care identifiers for persons, and the protection and confidentiality of information associated with individuals' health information. All DHCS programs paying for or providing health care, as well as areas supporting those programs, are subject to some or all HIPAA requirements. The standards and other requirements for HIPAA can be updated through changes in federal law or regulations. Two sets of proposed federal regulations are planned for release during State Fiscal Year 2008-09 that will require adopting updated standards for the electronic health care transactions and a new version of health care diagnosis and procedure coding. It is currently expected that the final regulations would require adoption of these standards within two years, meaning FY 2010-11.

The HIPAA-2 project would provide a centralized project to identify programs and processes impacted by the updated requirements, support collaboration with business partners and stakeholders to identify solutions and resolve issues, and conduct (directly or indirectly) the remediation activities necessary to achieve compliance.

HIPAA-2 would likely have the following major sub-projects:

- Upgrade from Version 4010A1 to Version 5010 for X12 transactions
 - Medical FI
 - Dental FI
 - Short-Doyle Medi-Cal
 - CMSNet
 - Medi-Cal Managed Care
 - Other Non-FI

- Migrate DHCS from ICD-9 diagnosis and procedure codes to ICD-10
 - Medical FI
 - Dental FI
 - Short-Doyle Medi-Cal
 - CMSNet

4.3. Which of your department's business goals and objectives does this project support, and how?

Goal 4: Increase Accountability and Fiscal Integrity
Objective E. Act in accordance with state and federal statutes and regulations
Updates to HIPAA requirements are federally mandated; DHCS may need to make numerous changes to achieve and maintain compliance.

Goal 4, Objective F - Identify and achieve federal policy and rule changes that support DHCS programs. HIPAA requirements can be modified through efforts at Standards Development Organizations (SDO). The HIPAA project monitors and participates in SDOs to protect DHCS interests.

Goal 6: Expand and Promote Use of Information Technology
Objective A. Identify top priority systems for modernization and improvement

The HIPAA-2 Assessment and Gap Analysis process can identify systems that are not able to comply with HIPAA and other requirements without substantial modernization or replacement.

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 HIPAA-2 Project would bring DHCS into compliance with updated federal requirements. HIPAA would facilitate the process to modernize or replace systems that cannot accommodate the federal requirements, and automate certain manual processes in order to more effectively address such requirements. The timing of HIPAA-2 will also be able to facilitate greater adoption of Health Information Exchange objectives, such as increased accountability through data standardization and greater diagnosis detail associated with the new code set. Other business functionality supported by HIPAA that could not be implemented previously by DHCS would be available, such as preventing payment for “never events” associated with inpatient care.

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.

Although the Enterprise Architecture implementation is still in progress as stated in Appendix A, we anticipate that the proposed project will be consistent with the organization's Enterprise Architecture once implementation is complete.

**4.7. Will the proposed system collect, store, transmit, or exchange confidential or sensitive information?
(As defined in SAM Section 5320.5)**

- Yes**
 No

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

01/2009

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

07/2009

4.10. What is the duration of the proposed project?

Including the PIER, the HIPAA-2 Project would likely require six years for full completion, i.e. 06/2015.

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

- Yes**
 No

If no, explain what kind of changes to the existing infrastructure will be needed:

There is a possibility that the need to replace existing systems or develop new enterprise systems will be identified as a result of the HIPAA-2 Assessment and Gap Analysis process.

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:

The HIPAA-2 Project would be similar to the current HIPAA project. The scope of HIPAA-2 would be much smaller than HIPAA since there will not be new privacy, security, or unique identifier sub-projects. HIPAA-2 would also be able to leverage significant amounts of the project documentation produced from the current HIPAA project.

4.13. Describe the consequences of not doing this proposed project:

Failure to comply with federal HIPAA regulations leaves the Department subject to civil monetary penalties and withholding of the federal funding associated with running the IT systems of the Medi-Cal program. In addition, non-compliance can leave confidential personal and medical information subject to loss, misuse, and theft. Lastly, the failure to adopt HIPAA's data and transactions standards presents a barrier to improved exchanges of health information, potentially impeding improvement to health outcomes and program oversight.

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

- Augmentation needed**
- Redirection of existing funds**
- Other (describe):**

Depending on the strategy for utilizing the resources obtained to perform the current HIPAA project, the need for actual augmentation may vary.

4.15. What are the estimated cost and funding source(s) by fiscal year through implementation (information should be provided in the following format):

The State Support costs and Local Assistance costs for HIPAA-2 have not been analyzed at this point in time. The estimated cost of \$5 million is based on the current HIPAA since the HIPAA-2 Project would be similar to the existing HIPAA with a smaller scope.

Fund Source	2009-10	2010-11	2011-12	2012-13	2013-14 and future	Total
General Fund						
Federal Fund						
Special Fund						
Total						

IT Project Proposal Form

4.1. Proposal name and priority ranking:

Legal Document Management Project – Priority 12

4.2. Description of the proposed IT project:

This project will implement a commercial off-the-shelf document management system for the Office of Legal Services.

4.3. Which of your department's business goals and objectives does this project support, and how?

This project will support the DHCS Strategic Plan Goal #4 "Increase accountability and fiscal integrity" and Goal #6 "Expand and promote use of information technology". It will assist in meeting the business goals to efficiently and effectively provide legal services to the Department of Health Care Services. The project will allow more efficient tracking of projects, resource management, reduction in duplication of effort, and better communication between different sections within OLS.

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

OLS expects outcomes of this project to include better employee time management, immediate document retrieval, more consistent replies to public records act requests, and consistency in the handling of legal matters.

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.

Although the Enterprise Architecture implementation is still in progress as stated in Appendix A, we anticipate that the proposed project will be consistent with the organization's Enterprise Architecture once implementation is complete.

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?

July 2013.

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

July 2014

4.10. What is the duration of the proposed project?

Estimate 1 year from beginning.

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

- Yes**
- No**

If no, explain what kind of changes to the existing infrastructure will be needed:

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:

This project would build on the Legal Office Coordinated Automated Tracking Enterprise (LOCATE) system.

4.13. Describe the consequences of not doing this proposed project:

Without the project OLS will continue to experience inefficiencies and performance below abilities of the staff.

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

- Augmentation needed**
- Redirection of existing funds**
- Other (describe):**

4.15. What are the estimated cost and funding source(s) by fiscal year through implementation (information should be provided in the following format):

The best-guess estimate of project cost is \$1 to \$5 million. A more accurate estimate will be available after the feasibility study has been completed.

Fund Source	2009-10	2010-11	2011-12	2012-13	2013-14 and future	Total
General Fund						
Federal Fund						
Special Fund						
Total						

IT Project Proposal Form

4.1. Proposal name and priority ranking:

Medi-Cal Health Information Exchange – Priority 13

4.2. Description of the proposed IT project:

The project will enhance the MMIS, MIS/DSS and MEDS systems to accomplish the exchange of standardized clinical information between the Medi-Cal program and Medi-Cal healthcare providers.

4.3. Which of your department's business goals and objectives does this project support, and how?

Goal 1: Organize Care to Promote Improved Health Outcomes
Goal 3: Measure Health System Performance and Reward Improved Outcomes
Goal 4: Increase Accountability and Fiscal Integrity
Goal 6: Expand and Promote Use of Information Technology

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

DHCS intends to launch the project for the purpose of reducing healthcare costs and improving quality of care for our Medi-Cal beneficiaries.

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.

Although the Enterprise Architecture implementation is still in progress as stated in Appendix A, we anticipate that the proposed project will be consistent with the organization's Enterprise Architecture once implementation is complete.

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?

TBD

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

TBD

4.10. What is the duration of the proposed project?

TBD

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

- Yes**
- No**

If no, explain what kind of changes to the existing infrastructure will be needed:

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:

This proposal may be related to the MMIS Replacement project. While not an IT project (services project), the work may be accomplished via the MMIS.

4.13. Describe the consequences of not doing this proposed project:

Medi-Cal will not participate in the Governor's directive to advance health information exchange and will not realize reduced costs in the Medi-Cal program and better patient outcomes.

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

- Augmentation needed**
- Redirection of existing funds**
- Other (describe): Potential Grant funding.**

4.15. What are the estimated cost and funding source(s) by fiscal year through implementation (information should be provided in the following format):

Fund Source	2009-10	2010-11	2011-12	2012-13	2013-14 and future	Total
General Fund						
Federal Fund						
Special Fund						
Total						

The department is just beginning to pursue this very complex effort. Although we know that funding requirements will be significant, we also expect funding sources will be quite varied.

IT Project Proposal Form

4.1. Proposal name and priority ranking:

DHCS Enterprise Resource Planning (ERP) System – Priority 14

4.2. Description of the proposed IT project:

Currently, the Administration Division has a number of aging business administration systems: Accounting, Procurement, and Human Resources. The current method of operation is comprised of paper-based, manual-intensive business processes that rely on the talent and expertise of limited staffing resources. Modernizing and streamlining these systems will provide a stable platform for future operations, as well as position the department for an easier transition vis-à-vis enterprise projects such as 21st Century and FI\$CAL.

The proposed system will replace current business administration systems with a single ERP solution. It will include three modules: Human Resources, Accounting, and Procurement.

4.3. Which of your department's business goals and objectives does this project support, and how?

The ERP system will replace current legacy systems with new technology that is flexible, scalable, and able to support business programs. The goal of the project is to eliminate manual processes; reduce processing time, errors, and labor efforts; and to provide information on a continuous real time basis to the department's decision makers. Therefore, the ERP system will support the following department's business goals and objectives:

Goal 6: Expand and Promote Use of Information Technology

Objective A. Identify top priority systems for modernization and improvement

Goal 4: Increase Accountability and Fiscal Integrity

Objective A. Establish and monitor performance metrics for DHCS

Goal 7: Recruit, Retain, Train and Nurture High Quality, Diverse Staff

Objective A. Improve human resource processes and outcomes

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 ERP system will give the Administration Division better tools to provide better customer services to other business programs. This system will also allow the department to modernize our work environment and move out of a costly and inefficient paper environment.

The ERP system will:

- Establish a single source of financial and human resource information through the establishment of a single department-wide enterprise resource management system.

- Provide more meaningful and current administrative information to decision makers and program managers.
- Provide transparent financial, human resource and procurement information for better decision making.
- Provide user friendly reporting for decision makers and stakeholders.
- Facilitate workforce mobility and efficiency by establishing portable work skills in administrative functions.
- Automate manual processes.
- Minimize manual reconciliations among separately maintained systems and databases.

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.

Although the Enterprise Architecture implementation is still in progress as stated in Appendix A, we anticipate that the proposed project will be consistent with the organization's Enterprise Architecture once implementation is complete.

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

(As defined in SAM Section 5320.5)

- Yes
- No

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

It is estimated that the FSR will be submitted in July 2012.

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

January 2013

4.10. What is the duration of the proposed project?

3 years (including procurement and development, design, and implementation)

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

- Yes** - To the extent possible
 No

If no, explain what kind of changes to the existing infrastructure will be needed:

This project is still in the conceptual stage and the required infrastructure has yet to be defined. When defined, it will take into account existing infrastructure and all hosting alternatives prior to recommending any given solution.

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:

Fi\$Cal is a business transformation project in the areas of budgeting, accounting, and procurement. This "Next Generation" project will prepare the state systems and workforce to function in an integrated financial management system environment. The Fi\$Cal project will transform for several generations the way State government performs most of its common back office and administrative functions. 21st Century is the State Controller's Office Human Resource System. This system will reengineer how the state maintains its payroll and human resources information.

It's expected that the DHCS ERP system will have the capability to seamlessly integrate with Fi\$Cal and with 21st Century.

4.13. Describe the consequences of not doing this proposed project:

The existing processes are not an ideal long-term solution. To continue with them, the department would continue its dependency on manual processes that are costly and unreliable. The current processes involve some inefficient uses of resources, impose limitations on data availability, and include many manual processes and workarounds to support various information requirements. Together these processes minimize the department's ability to perform detailed analysis, and result in a lack of historical data to support decision making.

Without the ERP system the department will fail to improve performance and will be unable to progress in establishing the data resources required to serve an ever growing customer population. Without the ERP system, the department's transition to enterprise wide administrative systems will be manual, burdensome and may be fraught with human error in it's data conversion.

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

- Augmentation needed**
- Redirection of existing funds**
- Other (describe):**

4.15. What are the estimated cost and funding source(s) by fiscal year through implementation (information should be provided in the following format):

The estimated total cost of \$5 million is only best guess, at this time. It takes into account some of the experiences related by CalPERS' implementation of an ERP at the beginning of the millennium.

Fund Source	2009-10	2010-11	2011-12	2012-13	2013-14 and future	Total
General Fund						
Federal Fund						
Special Fund						
Total						

IT Project Proposal Form

4.1. Proposal name and priority ranking:

Foster Care (FC) Children Presumptive Eligibility (PE) – Priority 15

Allow public health nurses to perform Medi-Cal PE for new FC children through the Child Health and Disability Prevention Program (CHDP) Gateway.

4.2. Description of the proposed IT project:

Most FC children are enrolled into Medi-Cal through the CHDP Gateway, upon referral from a county public health nurse, who performs the initial evaluations of new FC children. Some of these new FC children do not have immediate access to a CHDP provider and consequently there can be a delay in enrolling for Medi-Cal services. This proposed IT project would allow a public health nurse to establish PE enrollment into Medi-Cal for a new FC child who does not have immediate access to a CHDP provider.

The CHDP program oversees the screening and follow-up components of the federally mandated Early and Periodic Screening, Diagnosis and Treatment program for Medi-Cal-eligible children. It also provides periodic health assessments for non-Medi-Cal-eligible children who are only eligible for emergency Medi-Cal. CHDP is administered at the state level by the Department of Health Care Services (DHCS) and operated at the local level by local health departments for each county and three cities.

The CHDP Gateway was established by federal law, as specified in Titles XIX and XXI of the Social Security Act, which allows states to establish PE programs for children. DHCS implemented the CHDP Gateway in July 2003, using a service-based automated pre-enrollment process for qualified uninsured children.

Through the CHDP Gateway electronic pre-enrollment process, FC children can immediately be enrolled into no-cost, full service Medi-Cal. Other uninsured children from birth up to 19 years of age with family incomes at or below 200 percent of the Federal Poverty Level (FPL) residing in California can also qualify for PE coverage.

The CHDP Gateway serves as a potential entry point for FC children to enroll in continuous health care coverage through Medi-Cal by allowing CHDP providers to conduct PE. This process allows new FC children to be immediately enrolled into Medi-Cal. For those new FC children that do not have immediate access to a CHDP provider, there can be a delay in obtaining Medi-Cal services.

4.3. Which of your department's business goals and objectives does this project support, and how?

This project supports the following DHCS Strategic Business Goal:

Goal 2: Promote Comprehensive Health Coverage; Objective A: Enroll Eligible Individuals.

This project would allow public health nurses to enroll new FC children into full-scope Medi-Cal using the current CHDP gateway process, thereby providing a mechanism for greatly increasing the number of uninsured children for continuous enrollment into Medi-Cal.

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 current CHDP Gateway enrollment process works well for new FC children who have immediate access to a CHDP provider. However, not all of new FC children have the option of seeing a CHDP provider as soon as they are detained by the court system. These children are immediately evaluated by a public health nurse and could be immediately enrolled into Medi-Cal if these nurses had access to the CHDP Gateway. The proposed project would accelerate the immediate enrollment of new FC children into Medi-Cal.

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.

Although the Enterprise Architecture implementation is still in progress as stated in Appendix A, we anticipate that the proposed project will be consistent with the organization's Enterprise Architecture once implementation is complete.

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?

As there is no appropriation for the project at this time, the FSR submission date is TBD.

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

TBD (project is based on general fund money secured through the state legislative process and redirection of local assistance dollars).

4.10. What is the duration of the proposed project?

TBD.

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

- Yes**
 No

If no, explain what kind of changes to the existing infrastructure will be needed:

To implement the proposed solution, public health nurses will need to be allowed access to the CHDP Gateway and MEDS.

Hardware

No additional hardware is required for DHCS Information Technology Services Division (ITSD) to support the back end processing.

Software

TBD.

Technical Platform

TBD.

Internal Interfaces

TBD.

External Interfaces

The solution includes supporting a secure FTP interface from MEDS to the four Statewide Automated Welfare Systems.

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:

This project is an expansion of the current CHDP Gateway process and the FSR to implement AB 1948 CHDP Gateway Expansion (Chapter 332, Statutes of 2006). The goal of both projects is to increase access to the state's comprehensive health care programs for eligible individuals.

4.13. Describe the consequences of not doing this proposed project:

The current CHDP Gateway does not capture all new FC children at the point the FC child is detained by the court system (prior to placement in a foster care home). If a child needs immediate Medi-Cal services, there can be a delay in enrolling the child into Medi-Cal unless the child has access to a CHDP provider to conduct PE for the child. This proposal would allow public health nurses to conduct PE through the CHDP Gateway as soon as the child is detained by the court system and evaluated by a public health nurse.

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

- Augmentation needed
- Redirection of existing funds
- Other (describe):

Unknown, but will probably require general fund monies.

4.15. What are the estimated cost and funding source(s) by fiscal year through implementation (information should be provided in the following format):

Project cost TBD, possibly \$1 million to \$5 million.

Fund Source	2009-10	2010-11	2011-12	2012-13	2013-14 and future	Total
General Fund						
Federal Fund						
Special Fund						
Total						

IT Project Proposal Form

4.1. Proposal name and priority ranking:

SB 24 Newborn Hospital Gateway (Chapter 895, Statutes of 2003) – Priority 16

4.2. Description of the proposed IT project:

The Newborn Hospital Gateway Project would provide an electronic enrollment process for families to enroll a deemed eligible newborn into the Medi-Cal program from hospitals that elect to participate in enrolling eligible infants into Medi-Cal via an internet web application or point of service system. This Newborn Gateway enrollment system would allow for newborn information to be electronically submitted to the Department of Health Care Services' Medi-Cal Eligibility Data System (MEDS) for file clearance. The system must be able to:

- Verify the mother of the infant as being on Medi-Cal in the month of birth,
- Get real time response messages back to the enrolling provider to indicate successful deeming of the infant, and
- Provide distinct provider authentication.

Under federal law, infants (under age one) can be enrolled into ongoing full-scope Medi-Cal until age one if they were born to mothers who were eligible for Medi-Cal in the birth month and who continue to reside with their mothers in California. Currently, there are several ways for infants to be identified as deemed; such as the parents reporting to the county worker that the birth occurred; the parents or provider reporting the birth on the Newborn Referral Form; or the infants getting health screening through the Child Health and Disability Prevention Program Gateway (CHDP).

4.3. Which of your department's business goals and objectives does this project support, and how?

Goal 1: Organize Care to Promote Improved Health Outcomes. Business objectives:

B. Provide care in settings that promote community integration.

The majority of deemed eligible infants are born in hospitals or receive subsequent follow-up care at hospitals. This project would eliminate barriers and promote community integration by allowing hospitals to immediately enroll newborns into Medi-Cal, in turn allowing families to access health care in a fluid manner ensuring adequate health coverage for their newborn.

C. Promote use of preventive, health improvement and wellness services/activities.

This project would effectively reduce infant mortality and disability by allowing immediate enrollment into health coverage through Medi-Cal, increase access to uninterrupted health coverage, including immunization and other preventive health care.

E. Increase care management for those with the highest health burdens and costs.

By creating a system with ease of access, newborns with special needs can be put into care management and monitored with periodic health screening and assessment. Early intervention can reduce the health burden and costs of delayed treatment.

Goal 2: Promote Comprehensive Health Coverage.

A. Enroll eligible individuals.

This project would facilitate enrollment of newborns from birth to the age of one, including any time the infant is receiving health services at a participating hospital.

B. Retain eligible persons in health coverage.

Deemed eligible infants enrolled into Medi-Cal would remain eligible until the age of one, thereby facilitating continuity of care.

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 goal of the Department is to enroll all eligible children into health care coverage. The Newborn Hospital Gateway would provide newborns with continuous health care coverage until the age of one. Newborns would have access to well baby care and other health care services necessary to maintain good health for proper development.

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.

Although the Enterprise Architecture implementation is still in progress as stated in Appendix A, we anticipate that the proposed project will be consistent with the organization's Enterprise Architecture once implementation is complete.

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

(As defined in SAM Section 5320.5)

- Yes**
- No**

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

Date is unknown at this time due to private funding is not yet available.

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

Date is unknown at this time due to private funding is not yet available.

4.10. What is the duration of the proposed project?

Based on a timeline estimate done in November 2005, the project would take approximately 19 months.

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

- Yes**
- No**

If no, explain what kind of changes to the existing infrastructure will be needed:

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:

If the Newborn Hospital Gateway is not implemented, the State will bear the burden of higher administrative costs based on an increase of care for infants who did not receive preventive medicine, diagnosis and treatment in a timely manner.

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

- Augmentation needed**
- Redirection of existing funds**
- Other (describe):**

SB 24 Newborn Hospital Gateway would be adopted only if sufficient funding from private foundations and other nongovernmental sources is secured. This funding would be deposited

into the "Gateway Fund" to defray the costs of developing the system and the hiring of sufficient new staff to support the development of the project.

4.15. What are the estimated cost and funding source(s) by fiscal year through implementation (information should be provided in the following format):

The following information is based on an estimate done in November 2005 for the Newborn Hospital Gateway. Due to lack of private funding, no new estimate is available at this time.

Fund Source	2009-10	2010-11	2011-12	2012-13	2013-14 and future	Total
General Fund						
Federal Fund						
Special Fund*						
1. Non-State i.e. Tobacco tax	\$ 685,616					
2. External Funding	\$1,614,384					
Total	\$2,300,000					\$2,300,000

Enterprise Architecture

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

- Yes
- No

DHCS has adopted hardware and software standards for desktops, servers and network equipment. It also has web based application development standards using n-tier architecture. DHCS is also reviewing the National Institutes for Health Enterprise Architecture documents and adapting those to the DHCS environment.

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.

DHCS has a standards review and exception committee called I2E. Programs that wish to purchase IT products not in the standards must present their concepts before the committee to get an exception. The committee makes recommendations to the CIO and ISO for approval of the exception. The committee also reviews changes and updates to the standards.

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

- Yes
- No

Name: Larry Hammond

Classification: Consultant

Telephone Number: (916) 319-8595 **E-Mail:** lhammond@dhcs.ca.gov

Information Security

B.1. How is your Information Security Officer involved in proposed project development efforts?

The DHCS ISO is directly involved with proposed project development efforts. This begins during the pre-FSR concept phase, at regularly scheduled FSR initiation meetings where the concept is formally presented. During this phase, the ISO or ISO staff provides consultation and documentation on applicable security requirements and approval processes. The ISO also designates a contact person for the project manager to work with.

The ISO is involved throughout the project life cycle. This includes:

- FSR development and approval
- Requirements definition
- Vendor selection
- Design reviews
- Code reviews
- Change control
- Risk management
- Operational recovery planning
- Final go live approval

The ISO also works closely with the DHCS Privacy Office and Office of HIPAA Compliance to ensure adherence to applicable laws and regulations.

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?

The DHCS core business of operating the Medi-Cal Eligibility Data System (MEDS) involves Personal Health Information (PHI) for over 25 million Californians. Protection of this critical information asset must comply with regulations from HIPAA, Social Security Administration (SSA), Centers for Medicare & Medicaid Services (CMS), and DHCS policies and standards. As a result, DHCS has made substantial investment in conducting security risk assessments, risk remediation activities, policy and standards development, and implementation of security technology controls,

Information integrity is integral to the DHCS core business. This is reflected in the DHCS principles, policies, and standards. For example, DHCS has a strict data release policy. This policy clearly states that a release of personal, confidential, or sensitive data must be approved in writing by the ISO and Privacy Office, unless required by Federal or State laws or regulations or program policies, before transmission. DHCS has a data policy that mandates electronic files be protected from loss or unauthorized modification. This is enforced through standards dictating encryption of all data in transit, as well as data at rest on mobile devices, laptops, and desktops. DHCS security standards and controls are implemented on a centralized enterprise level, ensuring comprehensive protection and policy compliance. All staff are required to sign an agreement to comply with the security policy and validate they have completed the annual security and privacy training.

Information Security

Information integrity is crucial to the DHCS mission of preserving and improving the health status of all Californians.

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?

DHCS has specific documented standards and best practices for web, application, and system development. This is enforced through strict change control procedures such that software installations and firewall changes cannot be performed without appropriate approvals. Documented standards include specific brands and models of hardware and software, standardized development languages, locked down tier 1 builds for operating systems, databases, and web servers, and minimum requirements and best practices for application design and development. These minimum requirements define a highly secure n-tier architecture at both software and hardware levels, utilizing hardware firewalls, least privilege principles, input validation, and auditing. Additional security mechanisms include enterprise antivirus, patching, intrusion detection, persistent vulnerability scanning and web content filtering.

Adherence with standards and best practices is monitored through direct participation by the ISO, IT specialists, a change control committee, an IT standards committee, code review, vulnerability assessments, and ISO audits. Additionally, as another control point, all DHCS IT procurements require ISO review and signoff.

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

- Yes
 No

Name: Steve Moore

Classification: Data Processing Manager III

Telephone Number: (916) 440-7191 **Email:** Steve.Moore@dhcs.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.

Currently in the planning stage, DHCS's workforce development efforts will work with coordination with the Health and Human Service Agency (HHS) to incorporate recruitment, lifelong learning, and mentorship into an effective plan of action for successfully increasing the size and aptitude of our skilled staff. Our plan formulation strategy involves seven key steps to goal fruition:

1. **Develop an overall plan structure.** DHCS will follow HHS's general outline of the plan's architecture with the final framework goals of incorporating and implementing policies and processes within reasonable time frames, and at acceptable costs. The plan will be geared towards realizing observable improvements in department and agency performance, labor force management and retention.
2. **Establish roles and responsibilities.** The plan structure will outline roles, responsibilities, and targets for leadership.
3. **Incorporate formal and informal efforts.** The plan will make room for both formal development efforts (i.e., job fair recruitment), and informal efforts (i.e., supporting word-of-mouth recruitment and mentorship outside of an established mentoring program).
4. **Develop performance process mechanisms and procedures.** With the necessary safeguards and appropriate accountability mechanisms in place, our performance plan will focus on achieving organizational results, accelerating change, providing meaningful performance distinctions, and opening up ongoing dialogs between management and staff to aid in employee growth.
5. **Formulate retention and mentor recruiting elements.** Using proven recruiting and retention methods, we will create a workable, affordable plan of action to initiate and maintain productive recruiting and mentoring programs within the department.
6. **Solidify department participation.** Departmental feedback is critical to create workable, affordable procedures and attain employee "buy in." DHCS will participate in construction of the final framework for workforce development.
7. **Identify core competencies.** To create an effective workforce development plan, along with HHS, we will examine the existing architecture of our department and identify those core competencies essential to successful operations. Our development plan will nurture the sustainment of these competencies by cultivating a talented staff guaranteed to support operations and meet DHCS short and long-term needs.

DHCS will work with HHS to initiate proven recruiting methods to hire new talent, map the advancement of current employees, identify and address potential future knowledge and skill needs, uphold workforce diversity, and increase employee retention. Based on thorough workforce planning analysis, our workforce development plan will successfully

Workforce Development, Workforce Planning and Succession Planning

aid in the achievement of organizational goals, and meet the current and future needs of DHCS, whatever the challenge.

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)

As stated, DHCS will participate with HHSa to solidify a formal workforce development plan geared towards the following priorities:

- Implement mentorship and management training programs to maximize the upward mobility of current staff and enhance retention efforts.
- Aid employee growth through the development of performance process mechanisms and procedures to provide meaningful performance distinctions, accelerate positive change, and initiate employee growth.
- Potentially further support retention efforts through recruitment bonuses and employee recognition programs that acknowledge and reward excellence while promoting individual and team growth.

Performance management is vital to ensure and enhance department performance, due to the correlation between an individual's activities and departmental results. To increase department-wide performance, our workforce development plan will involve three key practices:

1. **Behavior modification support: linking individual performance with department performance and goals.** Each individual will be encouraged to realize the connection between their daily activities and accomplishments and their broader impact on company operations and objectives. This awareness will nurture our team mentality and identity as a cohesive unit, aiding in DHCS's health and future growth.
2. **Increasing communication and accountability.** As part of the plan's behavior modification support, mentoring, and retention efforts, each employee will be impressed upon the fact that, as part of a team, they have a responsibility both to reaching their goals and helping their coworkers achieve the same results. Further, performance monitoring by management will open up ongoing dialogs between supervisors and staff, supporting that same establishment of a link between individual performance and team/department performance. This collaborative atmosphere will provide a nurturing, open environment for staff at every level.
3. **Performance tracking.** Employee assessments will continue to be used for performance monitoring, providing a framework for constructive criticism, and enhancing individual productivity. The assessment, which will include an

Workforce Development, Workforce Planning and Succession Planning

analysis of employee competencies, job duties, performance, and behavior, will allow the employee to “self-monitor” and address performance gaps. The result will be the enhancement of both accountability and management-employee communications, creating a continuous wish for growth within the employee that directly and continuously contributes to department success.

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.

As stated, DHCS will participate as a part of HHSA, in the process of implementing an effective workforce development plan, which will incorporate recruitment, lifelong learning, and mentorship. The plan will outline governance roles, responsibilities, and targets for leadership. The envisioned plan will be formulated for utilization by all departments.

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

- Yes
 No

If yes, briefly describe it.

DHCS has a strong presence as an employer within the state of California. Though IT staff retention levels are historically low within the IT industry, DHCS does not suffer from high IT turnover and personnel shortages. We are adept at coping with increases and decreases in staffing requirements, and our effective workforce planning management procedures eliminate negative program continuity impact due to employee vacancies. Nevertheless, DHCS is in the process of developing a succession plan, applicable to all departments, that ensures continued success in adequate staffing.

DHCS's succession a plan will accomplish the following:

- Incorporate a workable, affordable recruitment strategy based on established best practices, and attracting potential talent via targeted outreach efforts and word of mouth.
- Implement mentorship and management training programs to increase staff promotions and help to ensure the retention of our current talent.
- Further support retention efforts through recruitment bonuses and recognition programs.

At DHCS, we stay abreast of changes in the local economy affecting employment rates, as well as any employee recruitment developments within the greater Sacramento area. We realize that the welfare of our current and newly acquired staff members is paramount to agency success. Our plan will promote communication and knowledge sharing, increase retention rates, and provide employees with stability and valuable opportunities for advancement, creating a dedicated, reliable workforce.

Workforce Development, Workforce Planning and Succession Planning

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
Asst ISA (1479)	7	3	DPM I (1381)	12	6
Assoc ISA (1470)	77	27	DPM II (1384)	9	5
Staff ISA Spec (1312)	75	25	DPM III (1393)	12	8
Staff ISA Sup (1316)	0	0	DPM IV (1387)	2	1
Sr. ISA Spec (1337)	14	6	CEA II	1	
Sr. ISA Sup (1340)	9	3	CEA IV	1	
IST (1360)	8	3			
IST Spec I (1562)	1	1			
IST Spec II (1557)	6	2			
IST Sup II (1407)	0	0			
Comp Operator (1353)	0	0			
Programmer I (1382)	0	0			
Programmer II (1383)	2	2			
Assoc PA (1579)	11	4			
Staff PA (1581)	20	9			
Sr. PA (1583)	1	1			
KDO (1419)	3	2			
SSS I Tech (1587)	3	0			
SSS II Tech (1373)	7	3			
SSS II Sup (1558)	2	0			
SSS III Tech (1367)	1	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.

DHCS' current method for ensuring that business and IT are aligned involves a process for describing project concepts and elevating them through program executives to departmental executives for decisions about whether to pursue these concepts by initiating feasibility studies. The process includes a monthly meeting with chief deputy directors and the fiscal officer to present concepts for approval to proceed with planning and analysis. If approved, feasibility studies are conducted, Feasibility Study Reports are completed and, if the recommendation is adopted, the path forward is determined based upon state regulations (SAM 4800) and departmental priorities.

This process is currently undergoing modification to ensure more program participation vis-à-vis a multi-layered approach with an executive council informed by an advisory committee. When and if it is adopted, this process will include managerial and technical participation on the advisory committee, which will recommend priorities, standards and exceptions to the executive committee, comprised of deputy directors and division chiefs from each of the program areas. As currently proposed, this process provides for both DHCS and CDPH participation in the joint advisory committee, with each department conducting its own unique executive process for endorsement and adoption of recommendations by the advisory committee. The new process is being vetted in each of the departments (DHCS and CDPH) this summer.

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

DHCS recognizes the importance of formal portfolio management processes for technology projects. The Planning and Project Management Branch has internally developed tools for tracking and reporting project status from initiation through closeout. However, the resources required to obtain and implement a robust portfolio management toolset, and to populate it with the standards, methodologies, resources and workload of the organization are not currently available. Furthermore, the adoption of such practices and tools will require a significant effort, especially given the decentralized elements of the department's information technology community. DHCS is considering piloting a portfolio management tool and process in the future. Future Information Technology Capital Plans should reflect the results of the planning process.

Project Management, Portfolio Management and IT Governance

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

DHCS' Planning and Project Management Branch (PPMB) has an in-house Access database that is used to capture projects from the conceptual phase and track them through implementation and completion of the Post Implementation Evaluation Report. No commercial tools are currently employed for portfolio management in the department.

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

Implemented (Please describe)

Although not a commercial methodology, DHCS' PPMB uses standard PMI Project Management practices and processes, as appropriate for the size, complexity and scope of each project. Our methodology is standard waterfall or iterative waterfall, depending upon the project content and program implementation priorities. It employs IEEE standards, SIMM and PMBOK templates and guidelines and addresses each of the appropriate phases of the standard System Development Life Cycle (SDLC). Additional industry best practices are incorporated as necessary to optimize the results of our project management processes. Like the Office of System Integration's "SID Policy on Project Management", DHCS' project management methodology complies with the SEI CMM, the OCIO IT Project Oversight Framework, and the PMI PMBOK.

The PMO's procedures, templates and samples are currently in the process of being published to the department's intranet for use by project managers in the department's decentralized IT environments.

Implementation in progress (Please describe)

Planned or planning in progress

Not implemented and not planned

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

Although a PMP is not required for small projects, neither is it sufficient for medium and larger sized projects. Training and experience are required and evaluated prior to acceptance of a proposed project manager. In evaluating a project manager's

Project Management, Portfolio Management and IT Governance

experience, PPMB looks for individuals who have had increasing levels of experience managing projects of comparable size and complexity to that being staffed. Ideally the proposed project manager would have recent experience being largely responsible for successful projects, and past experience with projects that encountered significant issues, from which the project manager candidate would have learned a great deal.

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

- Fundamental Project Management**
- Systems Development Life Cycle**
- Scheduling tool (identify below)**
 - Microsoft Project (proficiency is required, regardless of level of training)
 -
 -
- Project Performance Management (e.g., Earned Value Management)**
- Business Process Analysis**
- Requirements Traceability**
- Procurement/Contracts Management**
- Other (identify below)**
 - Process monitoring, measurement and reporting (OJT)
 - Project Governance training (developed in-house)
- None**

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

DHCS project managers are required to file a Project Management Plan that contains multiple sub-plans including a Schedule Management Plan, a Communication Management Plan (including a description of problem escalation), a Resource Management Plan, a Change Management Plan, an Issue Management Plan, a Risk Management Plan, a Budget Management Plan, etc.

All PPMB projects are governed by a Project Steering Committee, chaired by the Project Sponsor (an executive from the program area most closely affected by the project) and composed of the Sponsor, additional representatives of the program as needed, representatives of other internal and external stakeholders, the Chief Information Officer and the Project Management Officer. The project manager, the program lead, the technical lead, and project oversight staff report to the Project Steering Committee a minimum of once per month. (Frequency of the meetings is increased on high risk projects or projects encountering significant issues.) At the first Steering Committee meeting, the Project Charter is submitted for approval by the Steering Committee, and the date for the completion of the Project Management Plan is established. The Project Management Plan is reviewed by both the PPMB and the Project Steering Committee and either approved or returned for modification.

Project Management, Portfolio Management and IT Governance

In addition, project status is reported for all projects at a monthly meeting with departmental chief deputy directors and the fiscal officer. This meeting is the same as the meeting during which new project concepts are currently introduced. This chief deputy director meeting will be replaced by the Information Technology Executive Council (see response to question D.1) when that process has been approved.

All project managers report to Project Directors. Project managers may be state or consultant staff, but all project directors are senior level state managers with robust project management backgrounds.

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

Yes (Please describe)

Project close out processes include lessons learned sessions with technical, program and project management staff. Lessons are enumerated, documented and added to the project archive as well as reported in the Post Implementation Evaluation Report. Project lessons are added to the agendas of monthly PPMB meetings and shared with all PMO and Planning and Oversight Section staff. In addition, as new projects are undertaken, current project managers are expected to meet with past project managers to share experiences, lessons learned and areas of concern. On multi-year projects, lessons learned may occur not only at the end of the project, but at the end of major milestones, if appropriate or if deemed necessary by the project director.

No