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JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Alberta Darling
Representative John Nygren

Date: January 22, 2018

Re: DHS Report to JFC

Attached is an annual report on information system projects under development, including the implementation schedule, an estimate of costs, and the methods of determining charges for service, where applicable from the Department of Health Services, pursuant to s. 46.03(26), Stats.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachments

AD:JN:jm

State of Wisconsin
Department of Health Services

Scott Walker, Governor
Linda Seemeyer, Secretary

January 18, 2018

JAN 2 2 2018
Jt. Finance

The Honorable Alberta Darling
State Senator
Joint Committee on Finance
317 East Capitol
Madison WI 53707-7882

The Honorable John Nygren
State Representative
Joint Committee on Finance
309 East Capitol
Madison WI 53708

Dear Senator Darling and Representative Nygren:

Wisconsin Stat. § 46.03(26) requires the Department of Health Services to report annually on information system projects under development, including the implementation schedule, an estimate of costs, and the methods of determining charges for service, where applicable.

The Department has the following projects under development consistent with the JLAC reporting criteria: 1) Facilities Electronic Health Records (EHR) System; 2) IRIS Self-Directed Information Technology System (ISITS); 3) MITA Assessment and MMIS Procurement; 4) Total Cost of Care (TCoC); 5) Wisconsin Provider Management (WPM) Implementation; 6) Fraud Data Analytics Services; 7) State Vital Record Information System Part 2; 8) FoodShare EBT, which was completed in November; 9) Third Party Liability (TPL); and 10) Katie Beckett Medicaid Eligibility Determination Automation.

Information regarding these initiatives is included in the enclosed report, which can also be found online at https://www.dhs.wisconsin.gov/publications/p00988-2017.pdf.

Sincerely,

Linda Seemeyer
Secretary

Enclosure

cc: David Cagigal, DOA Division of Enterprise Technology

WISCONSIN DEPARTMENT
of HEALTH SERVICES

Report to the Legislature on Data Processing Projects - 2017

P-00988-2017 (01/2018)

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1. Facilities Electronic Health Records (EHR) System

The seven facilities currently rely on a combination of paper records created in Word and Excel, legacy software, and information stored largely in stand-alone MS Access databases to document and manage patient care. This antiquated approach to managing patient information creates significant inefficiencies, potential data security concerns, lost opportunities to enhance the quality of patient care, and could begin to create potential accreditation and compliance issues for the facilities that are licensed and/or receive federal funding. Facilities report that with the days of faxing records rapidly fading, the primary means of communicating with health care providers in regard to emergency admissions to an ER, admissions to DHS facilities, coordination of health care while the person is in a DHS facility and at time of discharge, is with the inter-connectivity of EHRs.

None of the facilities have the capacity to create an exchangeable electronic health record, which is a foundational expectation of all health care facilities. The 2013-15 biennial budget appropriated annually $3.5 million all funds, starting in FY 2014-15, to fund the implementation of an EHR.

Consequently, DHS and the seven facilities completed an intensive planning, procurement, and implementation project to significantly modernize the DHS facilities' health information technology. The purpose of implementing an EHR is to collectively capture critical patient care data across all seven facilities, increase efficiencies among staff, standardize common processes, and create an electronic health record for each patient. This will allow DHS to improve the quality of patient care, easily share patient data securely with internal and external providers, and offer better opportunities for measuring patient care outcomes.

Cerner was awarded the contract as the EHR system vendor in Q1 2017. Contract negotiations were completed and the project kicked off in Q3 2017. An EHR system implementation consulting services contract was awarded to PCG in Q2 2017.

The total cost of the project is estimated to be $33 million for system procurement and implementation over 10 years. The target timeframe for project completion (with the implementation of the EHR at all seven facilities and transition to production support) is Q4 CY2019. The amount to be provided through Master Lease is $12M. Due to the need for master leasing specific implementation costs, the approved funding will continue to cover project costs for at least 10 years.

2. IRIS Self-Directed Information Technology System (ISITS)

The "Include, Respect, I-Self Direct" (IRIS) Medicaid Home and Community-Based Waiver Program provides long-term care services to adults who have physical disabilities, developmental disabilities, or who are frail elders.

Care Management (CM) System—Currently there are over 15 different noninterfaced systems used to collect and process information for the IRIS program. Other states with similar programs have implemented a comprehensive system or interfaced systems that include all functions needed to deliver the program. Wisconsin has issued an RFP for a comprehensive participant and case management system to support the program. The RFP was successful and a winning vendor, Iron Data, was selected. Implementing the selected system will include data cleansing, system development, system

configuration, and extensive training. The implementation will be done with a phased approach, with each phase leveraging development done in the previous phase. This began with the July 2015 implementation of the vendor's core system with DHS-specific modifications, which will then be incrementally built upon. The project will also include the evaluation and modification of existing processes, policies, guidelines, and documents.

The Core ISITS was successfully launched on June 29, 2015. DHS continues to research, develop, and implement enhancements and internal controls in the ISITS platform. In the fourth quarter of calendar year 2015, Iron Data merged with MicroPact and the companies assumed the MicroPact name. As part of this conversion, MicroPact has proposed to move the ISITS system from the current Iron Data Intelligent Case Management platform to a more technologically advanced platform called Intelletrac. DHS is in the process of transitioning to the new platform as it contains increased functionality and capacity of the more advanced platform. DHS continues to receive enhanced funding through the Centers for Medicaid & Medicare Services via Advanced Planning Document Updates.

The total cost of the project is estimated to be $6.4M with 90% federal matching funds. The funding sources are $0.6M general purpose revenue and $5.8M federal matching funds. The target timeframe for project completion is September 2024.

3. MITA Assessment and MMIS Procurement

This project initiative will include multiple phases of activities to be performed.

During SFY17, DHS and its contracted vendor completed the development of and issued the MMIS RFP. Also in SFY17, DHS completed the following work related to the MMIS procurements:

- In December 2016, received federal approval to release the MMIS RFP.
- In January 2017, issued the MMIS RFP.
- In January and February 2017, initiated the development of the additional procurement efforts and RFPs including the Enterprise Data Warehouse (EDW), Data Analytics and Reporting (DAR), and Program Integrity (PI) modules to support the Medicaid Enterprise Systems (MES) modularization strategy.
- In January 2017, initiated the development of the federally required Independent Verification and Validation (IV&V) and Enterprise Project Management Office (PMO) procurement efforts and RFPs.
- In August 2017, completed the evaluation of the MMIS RFP and issued an Intent to Award to the selected MMIS supplier, DXC Technology.
- In October 2017, received federal approval to release the IV&V RFP.

During SFY18, DHS is targeting to complete the following work related to the MMIS RFP and MES procurement strategy:

- Complete contract negotiations with the MMIS supplier and initiate the implementation period for the new MMIS contract by March 2018.
- Complete the vendor evaluations and selection, award, and contract with the IV&V Supplier by May 2018.

- Obtain CMS approval for the MMIS-related EDW, DAR, and PI module RFPs, evaluation, and implementation budget by January and February 2018 respectively.
- Obtain CMS approval for the MMIS related Enterprise PMO RFP, evaluation, and implementation budget by May 2018.

DHS Bureau of Operational Coordination (BOC) is responsible for managing all MMIS efforts for this initiative, including development of the MMIS and module RFPs, evaluation proposal, and implementation budget. BOC's responsibilities include performing project management, business analysis, technical analysis, and all quality assurance activities as required by the state.

In addition to the MMIS RFP, DHS is also responsible for developing additional related proposals to support the procurements for the Enterprise Project Management Office (PMO) and Independent Verification and Validation (IV&V) as required by CMS.

The total cost of the project for SFY18 and SFY19 is estimated as follows and includes 90% federal matching funds:

- MMIS - $77,455,440 federal, and $8,606,160 state GPR.
- IV&V - $2,567,642 federal, and $285,294 state GPR.
- Enterprise PMO - $6,551,543, and $727,949 state GPR.
- EDW and DAR - $26,182,280, and $4,356,371 state GPR.
- PI - $9,367,947, and $1,559,183 state GPR.

4. Total Cost of Care (TCoC)

The scope of this project includes the development of a total cost of care financial/data system that will provide a standardized method for calculating and reporting total cost information by members/member characteristics/MA eligibility groups under the ForwardHealth umbrella.

The total cost of the project is estimated to be $4.8M with 50% federal matching funds. The funding sources are $2.4M general purpose revenue and $2.4M federal matching funds. The target timeframe for project completion is January 2019.

5. Wisconsin Provider Management (WPM) Implementation

The scope of this project includes the establishment of a single source of Medicaid (MA) and non-MA provider information from multiple divisions within DHS. A system is needed to meet the DHS business need of centralizing the collection of provider enrollment, certification, licensing and training information for both Medicaid and atypical providers. Medicaid Management Information System (MMIS) collects certified Medicaid provider information so DHS will leverage MMIS to capture the necessary information for atypical providers as well. This project will enhance and create efficiencies for provider management and analysis across DHS, for many Medicaid long-term care programs and mental health programs.

The total cost of the project is estimated to be $4.7M with 90% federal matching funds. The funding sources are $0.5M general purpose revenue and $4.2M federal matching funds. Funding would be

distributed over three years. An Implementation Advanced Planning Document Update was submitted September 11, 2015, for revised funding levels and project scope. This project has been put on "hold" as a result of project portfolio prioritization efforts and resource availability concerns. Approaches to meet the business needs defined in the scope of this project are currently being defined and evaluated.

6. Fraud Data Analytics Services

In FY17, the Office of the Inspector General (OIG) completed an RFI and RFP to procure a vendor for state-of-art analytical tools/services to assist OIG in detecting patterns or activity that may potentially result in fraud, waste, or abuse to the Wisconsin Medicaid Program and other DHS and state programs. LexisNexis was awarded the contract, which was executed in FY17 Q3. During FY17 Q3 and Q4, OIG continued to work with LexisNexis along with HPE, the DHS fiscal agent, to deploy this vendor solution. In FY18 Q1 and Q2, OIG started testing, validating with some implementation of the vendor solution. During FY18 Q3 and Q4, OIG expects to be utilizing this vendor solution to enhance OIG's ability to identify potential fraud, waste, and abuse.

The cost of the project is estimated to be $1.3M for all funds in FY18. Remaining project costs are yet to be determined. The target timeframe for project completion is January 2020.

7. State Vital Record Information System Part 2

The State Vital Record Information System (SVRIS) project provides an integrated database of vital records with web-based access to various levels of stakeholders. Part 1 of the project, completed in 2016, has provided online processing and certification for birth, fetal death, and accounting records in phase 1; death records in phase 2; and marriage, divorce, and abortion records in phase 3. Part 2 of the project will provide imaging and partial data capture for historical records that currently reside on paper or microfilm. Vital Records has historical data that dates back as far as 1814, with a more complete set of records from 1907 forward, which is when it became state law to submit the records to the state for central registration. The current online SVRIS only contains recent records. SVRIS Part 2 will create a backup image of all paper and microfilm records (many of which currently only the original exists); digital images of records that can be accessed by the online system by query for issuance or information; data capture for an additional number of years that will enable issuance of certificates from the database data rather than from images; and data capture for an additional number of years that will extend statistical analysis.

SVRIS Part 2, as of the end of 2017, has created backup copies of approximately 70% of the 15 million historical records. About 1 million of these records (birth records) have enough data keyed from the images to allow the issuance of short form birth certificates. The team will continue with scanning and capturing data from the historical records and is planning the conversion of the first million records into the SVRIS database. We currently project that all historical records will be scanned by October 2019, all data keying will be completed by November 2021 and all data will be loaded into SVRIS by July 2022.

The total cost of the project is estimated to be $13M. The funding source is program revenue.

8. FoodShare EBT (Electronic Benefits Transfer)

The FoodShare EBT procurement will establish a contract for the provision of EBT services for the FoodShare Program to issue program benefits to eligible members in Wisconsin.

The project was successfully completed within budget. The implementation went into production November 1, 2017. The budget consisted of $4M with 50% federal matching funds. The funding sources are $2M general purpose revenue and $2M federal matching funds.

9. Third Party Liability (TPL)

DHS will build a system to electronically bill insurers for claims payment initially made by Medicaid, but which private insurance appears to be responsible. This system will contribute to efforts to ensure Medicaid is payer of last resort.

The total cost of the project is estimated to be $12M with 90% federal matching funds. The funding sources are $1.2M general purpose revenue and $10.8M federal matching funds. The target timeframe for project completion is May 2019.

10. Katie Beckett Medicaid Eligibility Determination Automation

The scope of this project includes transitioning the capture of Katie Beckett Medicaid application information into the enterprise DHS Medicaid Eligibility System—CARES, and setting up the CARES system so it can be used to determine eligibility for the Katie Beckett Program, ensure the secure sharing and storage of member-specific documentation, and generate member eligibility notices.

The total cost of the project is estimated to be $2.1M with 75% federal matching funds. The funding sources are $0.5M general purpose revenue and $1.6M federal matching funds. This project has been put on "hold" as a result of project portfolio prioritization efforts and resource availability concerns. Approaches to meet the business needs defined in the scope of this project are currently being defined and evaluated.