

2013-15 Policy Option Package

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| <u>Agency Name:</u> | Department of Human Services (DHS) |
| <u>Program Area Name:</u> | DHS |
| <u>Program Name:</u> | DHS Modernization |
| <u>Policy Option Package Initiative:</u> | DHS has the capacity to meet client's needs |
| <u>Policy Option Package Title:</u> | DHS Modernization |
| <u>Policy Option Package Number:</u> | 102-4 |
| <u>Related Legislation:</u> | N/A |
| <u>Program Funding Team:</u> | Healthy People |

Summary Statement:

This Policy Option Package continues efforts that began in 2007-09 to transform the process for enrolling people and delivering services in eligibility programs including the Supplemental Nutrition Assistant Program (SNAP), Temporary Aid to Needy Families (TANF), Medicaid and Employment-Related Daycare (ERDC). It also expands and focuses on 2013-15 efforts in the areas of business service, service delivery transformation and technology transformation, and the connectivity and dependency between them.

This comprehensive request supports technology needs and business transformation that will enable future business strategies aligned to a renewed business architecture. The result will be consistent service delivery and maximized economies of scale in social interfaces without geographical constraints that utilizes a full range of technology options including mobile computing, seamless data access and data sharing. This will lead to multiple positive outcomes, greater efficiency for caseworkers and the ability to send referrals based on need and outcomes.

Oracle software (called a “stack”) purchased by DHS and OHA facilitates agency ability to establish a foundation based on business functions - comprehensive case management (intake, assessment, determination, authorization of services) including intelligent, informed referrals to community and provider services. DHS will be able to track service success and send enhanced referrals based on outcomes with a system that tracks provider services and quality and who we send. Instituting and leveraging data warehouse and master data management capabilities will enable DHS to establish performance metrics and share data in ways not currently possible because of the limitations of existing siloed systems. Technology solutions will enable expanded service access providing increased flexibility for clients through increased client touch points. Combined business service transformation and technology solutions will maximize client self service and improve client choices with respect to how much they need to engage in person.

This initiative includes re-engineering the client experience, the way case workers interact with clients, the interface between the client and DHS, delivery of benefits and replacement of aging technology systems far past their usability. Current manual, paper intensive processes are

cumbersome and make information sharing extremely difficult will be automated and streamlined. DHS Modernization has expanded from a singular technology focus to include modernization of the approach DHS uses to perform work and deliver services. This request recognizes the connection between transforming service delivery and technology. Technology re-engineering and replacement are one tool supporting a myriad of service delivery elements including access, eligibility, enrollment, notification, service/benefit utilization, from maintenance to closure.

Automating eligibility determination will lead to increased accessibility, quality, accuracy, timeliness and improved accountability. Information will be stored and accessed through a data warehouse that supports federal, state and local operational management and statistical reporting.

Strategically, technology solutions will enable unified case management, a data warehouse based on the principles of master data management, data strategy and data architecture, and a payments system that will replace multiple, disparate payments solutions. The solutions implemented will lay a technology foundation that will further leverage and extend support for other DHS services including intake and screening, case management, permanency, certification, case planning, licensing, provider systems, protective services and developmental disabilities.

More broadly though, our efforts include examining and transforming how we design our facilities, the facility needs, how we connect with our clients and how we expand choices for client engagement. Service delivery locations will utilize the new technology in concert with the need for face-to-face contact.

To achieve these goals and the expanded view of agency modernization, we've extended the end date for overall modernization from the initial estimate of 6 years to 10+ years. This will extend overall costs, but the end result will be a significant reduction in the total technology systems used to support DHS – from the current 80+ to a handful of enterprise solutions. This will result in far greater efficiency for case workers in all areas – the ability to view clients and cases in a holistic manner, and having just one version of the truth for data. Technology support will be dramatically improved, time spend implementing policy and other requests will improve significantly and total

cost of technology ownership should decline over time.

Continued funding is needed to support business process re-engineering efforts within the business and implement technology solutions leveraging the Oracle solution set purchased by DHS/OHA in 2011. Additional funding is necessary to continue to support and maintain both existing legacy solutions until their functionality has been replaced and they are retired as well as support in new capabilities as they are implemented.

| | General Fund | Other Funds | Federal Funds | Total Funds |
|---|---------------------|---------------------|----------------------|---------------------|
| <u>Policy Option</u> <u>Package Pricing:</u> | \$7,121,232 | \$14,184,994 | \$34,655,471 | \$55,961,697 |

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

This POP will enable clients to access benefit information, receive assistance easily at all hours, apply for benefits online and make changes to their circumstances in real time or in person. Case workers will be able to focus their time on activities that maximize the value added to clients and further the agency’s mission. Staff will have processes and technology that minimize their administrative work, create additional efficiencies, and ensure accuracy, adequate documentation and consistency in outcomes. The entire system will cost less and produce data to access progress and manage service delivery. Staff will be able to shift from an eligibility focus to an case management and problem-solving approach. Strategically, this shift will build capacity within the client’s circumstances to enhance self sufficiency, safety and choice.

DHS client service begins with client interest, and then moves through the application process into client intake, eligibility determination, then benefit authorization and coordination. DHS Modernization will transform eligibility services by providing clients with online access channels to determine availability of programs and services, apply for services electronically and track and manage their accounts remotely. One

key goal of DHS Modernization is to automate complex eligibility determination, which benefits clients and improves caseworker accuracy and efficiency.

This policy option package continues efforts that began in 2007-09 to improve Oregonians' access to DHS services, automate manual processes and modernize aging systems. DHS case worker staffing levels are significantly below demand, based on current client populations and approved workload model estimates. This gap increases wait times for clients to be assessed for eligibility and receive services. Case workers spend a significant amount of time processing paperwork, performing data entry in multiple systems and manually determining eligibility. Eligibility determination is an error-prone process which compromises data sharing for comprehensive case management. Unified case management is critical to long-term efficiency and accuracy.

Legacy technology solutions are aging and fragile with many custom-built, non-standard interfaces between systems. The result is a technical environment that makes case worker tasks difficult and inefficient, requiring them to enter the same data multiple times into different systems. Information is not readily shared between systems – reporting is extremely challenging in this environment. Current technology is expensive and cumbersome to support. It is complicated, time-consuming and expensive to make system and interface changes in response to federal or state mandates and support caseworker needs.

DHS Modernization efforts are anticipated to continue through the 2015-17 biennium and represent an estimated investment of over \$85 million to fully automate and modernize systems and services.

When realized, DHS clients, case workers, policy and technology will have a fully modernized service delivery and technology environment. Case workers will have automated solutions that support efficient and accurate eligibility determination. Clients will have access to multiple channels to apply for programs/services, update changes to their information, renew their benefit claims, check claims status, or schedule and confirm appointments. Eligibility determination will be automated. Data will be captured electronically at its source, reducing paper and paper management for caseworkers. Case workers will have a cohesive system for capturing and maintaining client information, notes, tracking family stability, safety, needs, assessments and employment readiness activities. Data will be available for accurate reporting. Changes in response to policy will be predictable, rapid, and much less expensive to implement than the current legacy systems.

Technology solutions will be enterprise class, architecturally sound, adhere to industry best-practices, and emphasize solution configuration over custom development in alignment with the DHS/OHA strategic technology plan. Data for management and decision making will be robust, complete and accurate. Error rates will be reduced so there are fewer over-payments and associated recoveries, and ratings will improve for program electronic review (PERM). Duplicate data will be reduced or eliminated and data will be maintained in a secure systems environment which can be scaled to meet business needs.

Primary focus of 2013-15 Project Activities

The primary focus of DHS Modernization in 2013-15 will be to continue the incremental, modular approach to transform the business service model and implement technology solutions. Planned efforts will focus on solution delivery case management, financial payments and data architecture, strategy and data warehouse functions.

This functional focus applies to business and technology transformation activities and lays the foundation for future DHS Modernization activities beyond eligibility.

1. Case Management

- Implement base case management solution on the Oracle platform and begin migrating functionality and data performed by various DHS systems such as Oregon ACCESS and TRACS to an enterprise level platform.
- Expand solutions implemented in 2011-13, which include configuration and implementation of a client portal allowing clients to apply for SNAP, Medical, TANF and ERDC benefits using an integrated, on-line application to schedule online appointments with case workers and access their case information.
- Update Oregon Rules configured in Oracle Policy Administration (OPA) across SNAP, TANF and Medical providing rules information needed to support full eligibility determination.
- Integrate eligibility determination for SNAP, TANF and Medical.

- Continue transforming case management from existing partial case management legacy systems (e.g., TRACS and Oregon Access) to the Oracle platform, moving toward a unified DHS Case Management system.
- Configure and implement an Oracle case worker portal to manage intake, assessment and client eligibility determination for SNAP, TANF, Medical, and ERDC. Create accessibility, functionality and data sharing with other DHS programs (Developmental Disabilities, Adult Protective Services, Child Welfare, and Vocational Rehabilitation).
- Implement telephony solutions including call routing, interactive voice response and web chat.
- Automate notices to clients including appointments, benefits, approvals, closures and reductions.

2. **Financial Systems**

- Configure interfaces for key legacy systems including SNAP, case manager (CM) and the Medicaid Management Information System (MMIS) for seamless continuation of benefit payments using existing legacy solutions while transferring functionality to the Oracle platform.
- Develop foundational capabilities to delivery financial payments and benefits using Oracle. This capability will be leveraged and extended to ultimately replace more than 20 different financial payments systems.

3. **Data Management – Strategies, Architecture, Warehouse**

- Extend Master Data Management system to integrate additional sub-systems as defined and approved. Examples could include: MMIS, OR-ACCESS, Client Maintenance, Food Stamps Management Information System, etc., moving towards retirement of the existing legacy Client Index system.
- Establish analytical reporting for service analytics, partner analytics, case management analytics and contact center analytics.

- Utilize benefit delivery systems (electrical benefits transfer (EBT) card) as a passport of additional client information.

Total Estimated Cost: 2007-2017 (in millions)

| | <i>2007-09</i> | <i>2009-11</i> | <i>2011-13</i> | <i>2013-15</i> | <i>2015-17</i> | <i>Total</i> |
|--|----------------|----------------|----------------|----------------|----------------|-----------------|
| DHS Transformation / Business Process Re-engineering | \$0 | \$0 | \$1.50 | \$2.60 | \$10.00 | \$14.10 |
| Support and maintenance (<i>new solutions, infrastructure and services in parallel with sustaining legacy systems</i>) | \$0 | \$0 | \$1.00 | \$16.80 | \$6.00 | \$23.80 |
| Case Management <ul style="list-style-type: none"> • <i>Client Portal</i> • <i>Caseworker Portal</i> • <i>Eligibility Automation</i> • <i>Telephony</i> | \$3.20 | \$8.64 | \$17.50 | \$21.50 | \$3.00 | \$53.84 |
| Data Warehouse / Financial Systems (<i>replacing Legacy Back end Systems</i>) | \$0 | \$0.80 | \$3.20 | \$15.00 | \$20.00 | \$39.00 |
| Total | \$3.20 | \$9.44* | \$23.20 | \$55.90 | \$39.00 | \$130.74 |

** 2009-11 funding of \$12.76 million was estimated as follows for projects:*

- Client online application - \$2.5 million*
- Caseworker online application processing - \$2.5 million*
- Eligibility automation - \$5.0 million*
- Telephony - \$0.5 million*
- Modernization planning - \$1.5 million*

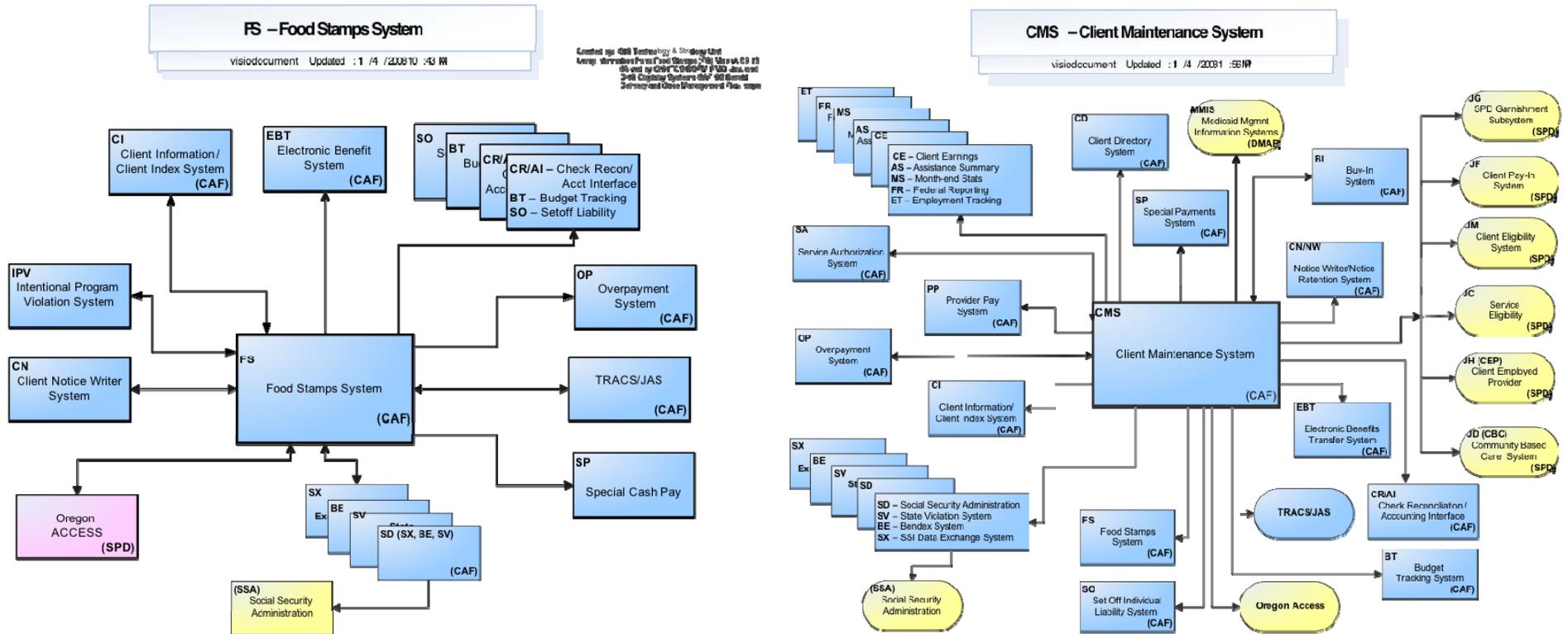
2. WHY ARE DHS AND OHA PROPOSING THIS POP?

Oregon's self eligibility systems were designed and implemented in the 1970s and early 1980s and were primarily meant to generate payments. The eligibility process is still mostly manual and paper-driven. DHS has incorporated the LEAN system to streamline and increase service delivery efficiencies. However the touch points and basic service delivery model remain unchanged. DHS is now assessing transformational ways to improve service delivery and increase the right level of client interaction and support without increasing staff levels.

Transformation of DHS services, initially focused on eligibility is critical to ensure uniform access for clients across the state; current access to data and management of case files are largely branch office dependent. Client information required to determine eligibility is heavy touch and paper based. Substantial manual effort including keying of data into systems and calculation of eligibility is manual. Case files and case management is paper-based and therefore not readily transferable between caseworkers.

Existing systems do not meet the needs of caseworkers or clients, and continue to put children and families in need at risk. There are two primary legacy systems -- SNAP (FSMIS) and the Client Maintenance System (CMS). There are over 35 additional subsystems used to provide, track and maintain caseworker/client interaction information for SNAP, TANF, ERDC and Medical benefits to clients. These systems have over 100 interfaces to other systems within DHS and OHA and with other external entities.

Graphics showing the two current primary state systems – Food Stamps and Client Maintenance



Both the current Food Stamp and Client Maintenance systems:

- Were developed in the 1970s and early 1980s making them 30-40 years old. Both systems have weak interoperability and require manual and duplicate data entry.
- Require significant caseworker time to perform data entry and deal with system inefficiencies – time that could be much better spent providing direct services to clients.
- Require significant effort to implement code changes in response to policy and legislative actions. These code changes are time consuming, repetitive, and expensive because of the systems complexity. Using

these outdated technologies does not employ service-oriented architecture and re-use principles. The programming languages used for these systems are no longer readily supported by the general IT industry.

- Increase error rate probability due to manual decision processes and complexity of eligibility rules. These errors lead to both over- and under-payment of program benefits.
- Require staff with a unique talent-set to maintain. Because the legacy systems utilize outdated programming languages, it has become increasingly difficult to hire new staff that understands the legacy technology. Furthermore, DHS understands that significant numbers of currently employed technicians will soon qualify for retirement. Comprehensive succession planning is critical.

Utilizing updated rules-based systems will reduce staff calculation errors and increase accuracy of eligibility review audits mandated the federal government. This will in turn improve data accuracy and strengthen the eligibility determination processes.

The limitations of existing systems supporting Oregon's eligibility services include:

1. There is no comprehensive view of a client's service support. Caseworkers only have access to partial case data, limiting information on services a client is receiving and the ability to track other services essential to improving family well-being.
2. System inefficiencies reduce case worker contact with families. Inefficient systems and lack of automated medical determination contribute to high medical eligibility error rates, and excessive administrative and clerical workload for caseworkers, resulting in less time spent providing direct services to clients in need.
3. Data duplication increases security risks and reduces data integrity. This also impacts reporting accuracy and efficiency for client-based programs. SNAP, TANF, ERDD and Medical systems do not use a data warehouse for retrieving uniform data. Duplicate information is stored in multiple systems, with different data structures, security protocols, access and authentication processes.
4. Mandatory reporting is time-consuming, burdensome and more difficult because of the current manual processes. Mandated reports require pulling information from multiple, unconnected systems to produce program outcome information and provide data on accuracy, improvements and accountability. Report data are summary only, requiring staff to manually extrapolate detail for reporting purposes.

There are significant potential points of technical failure in the more than 35 systems supporting support self sufficiency service delivery and one hundred interfaces between these systems and other systems within and outside of the agency. Many systems utilize obscure or outdated programming languages for which there are very limited technical resources and which require unique staff skill sets. It's almost impossible to secure "emergency" staff to make the mandatory code changes. This creates significant risk in the department's ability to support and sustain these solutions.

5. Technical staff who support these systems spend the majority of their time providing maintenance (break-fix). Any system modifications or changes, whether to repair an existing problem or respond to legislative mandates, require extensive testing because of system complexity and interfaces. Changes to any system have a very high probability of impacting others. Resolving system problems is challenging, time consuming and expensive. Support is further complicated by the multitude of platforms and languages used in the various systems. This complexity requires staff to be well-versed in a broad variety of computing disciplines. The risk profile for systems support is high, because staff is highly fragmentation, there's a low ratio of staff to individual systems, and a lack of system documentation.

Field staff and DHS clients will benefit through improved internal processes and external client experience.¹ Benefits that Oregon expects from self sufficiency modernization include:

- 1. Adding new channels of access for customers to improve the client experience:**

- Streamlined decision cycles and improved service response time
- Increased avenues of client access to DHS services
- Increased client satisfaction through use of modern, interactive, accessible technology

- 2. Improving caseworker capacity and retention due to ability to focus more time on direct client services:**

- Increased productivity for caseworkers due to heightened ability to focus on case work

¹ Kost, J. *Strategic Technology Map for Government Human Services Agencies*. Gartner, Research Paper ID Number G00149643. 23 July 2007

- Increased ability for field supervisors to manage caseworker caseloads and monitor case work
 - Increased process efficiency due to workflow refinements
- 3. Reducing training time for new staff due to automation of complex medical determination:**
- Reduced case-worker learning curves
 - Reduced error rate due to automation of manual decision trees
 - Reduced errors due to reduction of repetitive and duplicative manual data entry
- 4. Improving system and reporting information for management staff:**
- Improved tracking of program outcome measures through improved data accuracy and access
 - More efficient interfaces with Child Welfare, Seniors and People with Disabilities and Public Health
 - Improved monitoring and tracking;
 - Ability to provide adequate and efficient documentation of services and referrals
 - Improved system response time and ease of use
 - Improved accuracy and completeness of client case forecasting using on-line session statistical data
 - Improved accuracy of federal and state reporting by capture of essential reporting criteria and data
 - Improved data accuracy due to reduction of repetitive and duplicative data entry
 - Reduced response time and risk of implementing new policies, legislative mandates, business rules and operational changes, and time and cost to implement federal guidelines through standardized development protocols
 - Reduced technology response time to code policy changes and legislative mandates

- Improved security to bring DHS into compliance with state and federal requirements
- 5. Reducing internal process complexity for staff and managers:**
- Increased accuracy of forecasting for DHS budget allowances
 - Increased accuracy of benefit level determination resulting in reduced overpayments
- 6. Improving program information for DHS management:**
- More efficient data and program support for service programs and federal grant programs
 - Ability to provide information needed to improve performance, increase efficiency and deploy limited resources more effectively, supporting integrity, stewardship and responsibility
 - Comprehensive service statistics including accuracy, timeliness and performance in meeting key outcome goals
 - Information across program services assisting resource allocation, budgeting processes and legislative requests
 -
- 7. Enabling and supporting strategic initiatives, and meeting DHS infrastructure needs:**
- Aligned technology systems and support for CAF needs
 - Aligned to the DHS technology roadmap
 - Aligned to industry-standards and best-practices
 - Aligned to the principles of code re-use and service oriented architecture principles
 - Reduced system and procedure complexity
 - Reduced number of technology platforms and interfaces, and reduced development and testing time for system changes
 - Technologies with sustainable architecture

- Transition planning and training to transform the skills of current maintenance and development staff from obsolete technologies to current technology skill sets
- Improved ability to hire technical staff that have the skill sets needed to make system modifications

As underlying technology shifts to a modular architecture, changes to application systems in response to legislative rule changes will be easier to develop, test and implement. This change will lead to long-term improvements in technology support efficiency and effectiveness. These improvements will provide caseworkers more time to focus on improving the accuracy, timeliness and quality of the support they provide to Oregonians in need.

3. HOW DOES THIS FURTHER THE AGENCY’S MISSION OR GOALS?

Modernization of business service delivery coordinated with dynamic technology solutions will allow DHS to serve Oregon citizens more effectively and assist them on their path to become independent, healthy and safe. Improved access to data will help program administrators, management and supervisors improve performance, identify outcomes accurately and deploy limited resources more effectively. These solutions help serve Oregon’s most vulnerable populations.

4. IS THIS POP TIED TO A DHS or OHA PERFORMANCE MEASURE? IF YES, IDENTIFY THE PERFORMANCE MEASURE. IF NO, HOW WILL DHS and OHA MEASURE THE SUCCESS OF THIS POP?

This POP directly supports the following DHS Key Performance Measures:

- #4 – SNAP UTILIZATION: The ratio of Oregonians served by SMAP to the number of low-income Oregonians.
- #5 – SNAP ACCURACY: The percentage of accurate SNAP payments.
- #17 – CUSTOMER SERVICE: Percentage of DHS customers rating their satisfaction with the agency’s customer service as “good” or “excellent.”

The following performance measures also will be supported through this POP:

- Percentage of accurate payments
- Percentage of total client applications submitted online
- Utilization rate for caseworker tools

5. DOES THIS POP REQUIRE A CHANGE(S) TO AN EXISTING STATUTE OR REQUIRE A NEW STATUTE? IF YES, IDENTIFY THE STATUTE AND THE LEGISLATIVE CONCEPT.

No statutory changes are required.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

DHS procured enterprise-class Oracle software solution in 2011 which serves as the foundation for modernization and delivery of expanded technology capabilities. A brief summary of options is listed below:

1. Expand and enhance current systems.

Neither feasible nor cost effective.

2. Purchase or transfer a comprehensive self sufficiency system solution secure system integrator capabilities to support implementation.

This approach establishes an on-going dependency on a system integrator for long term system support which is very expensive over time.

3. Purchase an enterprise solution set with the flexibility to configure to Oregon needs without the long-term support of a system integrator.

Oregon has chosen and is actively using this is the approach which is providing a high level of flexibility, relatively quick to market implementation and the benefits of a sustainable technology solution highly applicable for enterprise level use.

4. Custom develop a comprehensive new self sufficiency system.

This alternative was used to deliver some interim capabilities while determining the best overall solution to support eligibility needs and serve as an enterprise level foundation for other technology and business transformation . Custom developed solutions are expensive to develop and costly to maintain over time. It is also virtually impossible to keep custom applications up with technology progress and is challenging to establish solutions robust enough to serve as enterprise class platforms.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

Not funding this package will compromise Oregon’s ability to meet client needs as efforts to realize a full case management system, enable retirement of existing system which are now at high risk of catastrophic failure and will prevent DHS from transforming its service delivery model to one that can improve its service capabilities without continued increases in the cost of providing those services. The result will be compromises and heightened risk to client safety and wellbeing, along with diminished case workers ability to serve them as the population at risk increases. Oregon’s ability to support Health Care Reform requirements will also be compromised. Investments made to date will not leveraged without integration.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

A number of agencies will be affected by the approval of this POP. These include:

- AAA Community Partners – improved access to solutions, data and reporting for services to Senior Citizens
- Oregon Employment Department – improved access to data and reporting for Employment Related Daycare hearings
- Oregon Department of Justice – improved access to data on services to children

- The Commission for the Blind will have access to more timely and accurate statistics of people with vision challenges. This supports better identification of needs and improves services to the vision-impaired
- Children and Families Commission access to improved reporting supports better coordination, community mobilization and coordination among community groups, government agencies, private providers and other parties of programs and initiatives for children 0-18 and their families
- The Economic and Community Development Department will have access to improved reporting. This supports improved investing in human capital and promotes innovation
- Housing and Community Services access to better statistics will result in better forecasting

9. **WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?**

Implementation Date(s): July 1, 2013

End Date (if applicable): June 2017-19 retirement of remaining legacy systems, final migration of solutions to maintenance.

Key assumptions affecting this POP are:

- All QA Vendor and QC Vendor costs are development costs, not maintenance costs
- Unspent COP and limitation will be carried forward into base for funding 2013-15 efforts. This amount is anticipated to range between \$2-4 million.
- Hosting services and costs are accurately estimated
- Hardware, software and hosting services are available and the systems environment supports current versions of technology such as web sphere
- Federal funding will be at 90% for all Medical efforts
- Resources with the necessary skills including project managers and developers will be readily available

- Business partners will have adequate capacity to engage in requirements definition, design review and approval, solution selection and user acceptance testing
- Staffing estimates include a mix of permanent, limited duration positions and consulting services
- Annex facilities will be needed to house the project team

a. *Will there be new responsibilities for DHS or OHA? Specify which Program Area(s) and describe their new responsibilities.*

For the Department of Human Services: Field service staff will have new data to capture decision points for client benefit applications. There will be a new responsibility for information retrieval and an additional system to manage while the project is in development and being implemented. When technology solution implementation is completed the overall number of system interactions will be reduced and data retrieval improved. DHS Program staff will be responsible for ensuring that rules are communicated timely and input into the Eligibility Automation system to avoid inaccurate benefit determinations.

For the Oregon Health Authority: OIS will have new systems to support including interfaces to other major systems such as MMIS. Until the existing legacy systems are modernized and/or replaced, OIS will be supporting a more significant technology environment on behalf of DHS in terms of both number of systems and complexity.

b. *Will there be new administrative impacts sufficient to require additional funding? Specify which office(s) (i.e., facilities, computer services, etc.) and describe how it will be affected. See Addendum A - Administrative Services Division LC/POP Impact Questionnaire (at the end of this document).*

1. Human Resources – additional hiring for project resources
2. Information Security/Privacy – additional workload to protect data
3. Document Management – support management of document workflow

4. Audit and Consulting
5. Information Services (computers) – training for maintaining new systems; additional staff until new systems fully implemented and legacy systems sunset
6. Financial Services (accounting) – additional interfaces and finances, additional accounting costs for COP
7. Facilities – additional space to house project team and contractors, and analysis of the effects of service delivery changes to current field structure of buildings, leases, etc.
8. Contracts and Procurement – additional contracts and amendments
9. Budget, Planning and Analysis – additional budgeting and planning to assess and track project costs
10. DHS Office of Communications – additional communications during development and after as workers learn and share information

c. *Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.*

Clients will have access to benefits through their online accounts. Potential clients will be able to assess programs/service availability online and have improved access options to DHS services.

d. *Will it take new staff or will existing positions be modified? For each classification, list the number of positions and the number of months the positions will work in each biennium. Specify if the positions are permanent, limited duration or temporary.*

Additional permanent and limited duration positions will be needed within DHS business and OHA: OIS technology areas to effectively develop, manage, and interface with the development and implementation of new technology solutions. Permanent positions within the business are necessary to perform new functions for the business which include: define a business-centric data management strategy, develop new approaches to service delivery from a caseworker/field perspective and to be heavily involved in the core business analytics required to establish master data management, develop Oregon specific rules for

eligibility, and long term manage updates and changes to business rules required due to legislative and other policy actions.

Additionally, these resources will function as data stewards which is another new responsibility for the business. New permanent positions are necessary in OIS to support new solutions including the Oracle infrastructure which do not exist today. Business Systems Analysis functions, including documenting requirements, configuring workflow and managing workflow changes in Oracle are new roles and responsibilities which do not exist today. The BSAs are also responsible for creating test plans, test scripts and managing and facilitating the testing process for initial solution implementation and on-going enhancements. These resources will work in concert with existing staff, contractors and integration vendor consultants in the development and planning efforts and will shoulder the on-going support within the business and technology areas into perpetuity.

| <u>Permanent Positions</u> | <u>Strategy</u> | <u>Type</u> |
|--|---|--------------------|
| <u>Business Analysis (DHS program)</u> <u>Four (4) Administrative Specialist 2</u> <u>One (1) Electronic Pub Design Spec 3</u> <u>One (1) Procurement & Contract Spec 1</u> <u>Two (2) OPA3 Business Analysts</u> <u>One (1) OPA1 Business Analysts</u> <u>Four (4) OPA4 Business Analysts</u> <u>One (1) PEME Manager</u> | <u>Create permanent position authority and on-going funding within the DHS program area.</u> | <u>Permanent</u> |
| <u>Business Systems Analysis & Project Managers (OIS)</u> <u>Four (4) OPA4 Business Systems Analysts</u> <u>Two (2) OPA3 Business Systems Analyst</u> <u>One (1) OPA2 Business Systems Analyst</u> <u>Three (3) PM3 Project Managers</u> <u>Three (3) PM2 Project Managers</u> <u>Two (2) PM1 Project Coordinator</u> <u>One (1) PEMD Manager</u> | <u>Permanent positions reside in OIS. These positions will be needed to support incremental modernization activities throughout development and once operational.</u> | <u>Permanent</u> |
| <u>Oracle Infrastructure & Service Desk Support (OIS)</u> <u>Four (4) ISS8 Technical Support</u> <u>Three (3) ISS7 Technical Support</u> <u>Two (2) ISS6 Technical Support</u> <u>Two (2) ISS4 Technical Support</u> | <u>Permanent positions supporting operations & maintenance of new functionality.</u> | <u>Permanent</u> |

| Limited Duration Positions | # of months | Type |
|---|----------------------|-----------------------------|
| Business Analysis (DHS program) Four (4) OPA4 Business Analysts | 24 months | Limited Duration |
| Business Analysis (DHS program) Four (4) OPA4 Business Analysts | 24 months | Limited Duration |
| IT Project Positions (OIS) One (1) PEMF Three (3) PEME Two (2) PEMD One (1) PEMC Eight (8) ISS8 Three (3) ISS7 Four (4) ISS6 Five (5) ISS5 One (1) ISS4 Two (2) ISS3 Three (3) PM2 One (1) PM1 Two (2) TDS2 Eleven (11) OPA3 Two (2) OPA2 Four (4) OPA1 One (1) Accountant 4 One (1) AS2 One (1) AS1 | 24 months | Limited Duration |

- e. *What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?*

Start up costs for DHS Modernization include SDC services, system development, consulting services, software licensing and training.

Start-up Cost Estimates

| | |
|--|---------------------------|
| SDC Services | \$1,500,000 |
| Consulting Services - Oracle consulting services - Insight into National trends, solutions, etc | \$20,000,000 \$500,000 |
| Oracle support costs for On Demand, software, Exa services and Exa software (represents DHS Modernization share of total cost) Oracle Software Support for Siebel, and Tech (\$1,122,328) Oracle Exa Software TX (\$333,333) Oracle Exa Hardware Support TX (\$28,166) Oracle Exa Software Support UT (\$297,297) Oracle Exa Hardware Support UT (\$253,353) Peoplesoft Support (\$263,145) On Demand Support (4,925,077) Subtotal \$7,222,699 | \$7,222,699 |
| Training | \$500,000 |
| Start-up Costs | \$29,722,699 |

f. *What are the ongoing costs?*

On-going costs for DHS Modernization are for SDC costs and software licensing. When existing mainframe solutions are retired at end of 2015-17 biennium there is potential for reduction in SDC costs. Additional staff to support the releases of the systems are required throughout the development lifecycle. Permanent position authority and funding will be needed in OIS to support the new technology solutions which replace manual, paper-driven processes.

On-Going Cost Estimates

| | |
|--|--------------------|
| Oracle support costs for On Demand, software, Exa services and Exa software (represents DHS Modernization share of total cost) Oracle Software Support for Siebel, and Tech (\$1,122,328) Oracle Exa Software TX (\$333,333) Oracle Exa Hardware Support TX (\$28,166) Oracle Exa Software Support UT (\$297,297) Oracle Exa Hardware Support UT (\$253,353) Peoplesoft Support (\$263,145) On Demand Support (4,925,077) Subtotal \$7,222,699 | \$7,222,699 |
| Training | \$300,000 |
| On-Going Costs | \$7,522,699 |

g. *What are the potential savings?*

Anticipated savings include improved client access; streamlined client benefit application capabilities; automation of eligibility determination; and increased accuracy of client benefit placement which will leverage federal dollars more effectively and potentially result in tangible savings of state funds. System support is expected to be more efficient as the self sufficiency technology shifts from the complex, aging

solutions environment in place today to a modern, streamlined non-duplicative one. Technology improvements are expected to enable caseworkers to focus on client services, supporting Oregon citizens toward the goal of being independent, healthy and safe.

Caseworker productivity is anticipated to benefit as a result of decreased manual, duplicate data entry, automation of manual processes and complex business rules for program eligibility determination and case management functions. Future caseload related staff workload based modeling will incorporate changes to work model resulting from these efforts. Benefits to OIS will result from decreased time to market for development and implementation of technology solutions. Reduced testing cycles and increased product quality are other benefits of the technology shift.

Potential savings associated with implementation of a modernized self sufficiency system include:

- i. Reduced data storage costs due to consolidation of duplicate data from disparate systems
- ii. Reduced data security costs and risks due to data consolidation in the data warehouse
- iii. Reduced number of batch jobs due to integration of two major self sufficiency systems into one
- iv. Reduced number of distributed servers due to technology streamlining sunset of side-systems
- v. Reduced number of reports needed to support the field, reduces State Data Center processing costs
- vi. Cost avoidance due to increased accuracy and reduced over payments

h. Based on these answers, is there a fiscal impact?

| | <u>GF</u> | <u>OF</u> | <u>FF</u> | <u>TF</u> | <u>Position</u> | <u>FTE</u> |
|--|--------------------|---------------------|---------------------|---------------------|-----------------|-------------|
| <u>Permanent Positions</u> | | | | | | |
| Personal Services | \$3,484,031 | \$0 | \$10,346,568 | \$13,830,599 | | |
| Services & Supplies | \$3,637,201 | \$0 | \$24,308,903 | \$27,946,104 | | |
| <u>Limited Duration Positions</u> | | | | | | |
| Personal Services | \$0 | \$3,344,196 | | \$3,344,196 | | |
| Services & Supplies | \$0 | \$586,421 | | \$586,421 | | |
| <u>Oracle Hosting & SDC</u> | | | | | | |
| Services & Supplies | \$0 | \$3,373,809 | | \$3,373,809 | | |
| <u>Other S&S (non-employee)</u> | | | | | | |
| Services & Supplies | \$0 | \$6,880,568 | | \$6,880,568 | | |
| Total | \$7,121,232 | \$14,184,994 | \$34,655,471 | \$55,961,697 | 0 | 0.00 |

TOTAL FOR THIS PACKAGE

| <u>Category</u> | <u>GF</u> | <u>OF</u> | <u>FF</u> | <u>TF</u> | <u>Position</u> | <u>FTE</u> |
|---------------------|--------------------|---------------------|---------------------|---------------------|-----------------|-------------|
| Personal Services | \$3,484,031 | \$3,344,196 | \$10,346,568 | \$17,174,795 | | |
| Services & Supplies | \$3,637,201 | \$10,840,798 | \$24,308,903 | \$38,786,902 | | |
| Capital Outlay | \$0 | \$0 | \$0 | \$0 | | |
| Special Payments | \$0 | \$0 | \$0 | \$0 | | |
| Other | \$0 | \$0 | \$0 | \$0 | | |
| Total | \$7,121,232 | \$14,184,994 | \$34,655,471 | \$55,961,697 | 0 | 0.00 |

DHS/OHA - Fiscal Impact Summary by Program Area:

| | Self Sufficiency Program Design | Program Area 2 | Program Area 3 | Program Area 4 | Total |
|--------------------|---------------------------------------|-------------------|----------------|-------------------|-------|
| General Fund | \$7,121,232 | \$0 | \$0 | \$0 | \$0 |
| Other Fund | \$14,184,994 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds- Ltd | \$34,655,471 | \$0 | \$0 | \$0 | \$0 |
| Total Funds | \$55,961,697 | \$0 | \$0 | \$0 | \$0 |
| Positions | 0 | 0 | 0 | 0 | 0 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

What are the sources of funding and the funding split for each one?

DHS/OHA Revenue Impact:

| Description of Revenue | <u>OF</u> | <u>FF</u> | <u>TF</u> |
|---------------------------------|------------|------------|------------|
| Licensing fees (Comp Srce 0975) | \$0 | \$0 | \$0 |
| Medicaid (Comp Srce 0995) | \$0 | \$0 | \$0 |
| Total | \$0 | \$0 | \$0 |