Kansas Health Policy Authority (KHPA)

Kansas Access to Comprehensive Health (KATCH)

CITO Feasibility Study Report

FINAL

August 3, 2010

REVISION HISTORY

Name	Date	Reason For Changes	Ver
Mitchell Ummel	6/9/2010	Initial "Next Generation" FSR Version Tightening up Sections #1, 2, and 3 … formatting, font consistency, etc.	1.0
Mitchell Ummel	6/11/2010	Introducing the "State of Kansas EHHS Vision" at the beginning of Section 3.0 which can become a reusable component across HHS-related FSR's and RFP's.	1.1
Mitchell Ummel	6/12/2010	Inserts or placeholders for initial set of supporting/informing EA models	1.2
Mitchell Ummel	6/13/2010	First round of edits on Section 3.0 Business Case (Sections 4.0-7.0 has some notes, but will be fully edited for later review this week)	1.3
Mitchell Ummel	6/15/2010	Incorporating KHPA's input and guidance via Darin	1.4
Mitchell Ummel Ken Orr	6/16/2010	Incorporating KHPA's input from Christiane Edited Vision section (added preamble to Vision and tweaked Vision wording)	1.5
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Mitchell Ummel	6/20/2010	FSR Sections 1.0-5.0 for Comment/Review (End of Week #2 Deliverable)	1.9
Mitchell Ummel	6/28/2010	Incorporating all review comments received to date from KHPA and Joe Hennes reviewers	2.0
Mitchell Ummel Bob Benson	6/29/2010	Incorporated review feedback and notes from Bob Benson	2.1
Mitchell Ummel Ken Orr	6/30/2010	Additional input and feedback incorporated from Duncan and Carey Additional Updated EA artifacts incorporated	2.2
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Mitchell Ummel Ken Orr	7/5/2010	Final revisions and quality assurance reviews. Removed DRAFT watermark. • Version 3.0 (with track changes history documentation) Version 3.0 (clean version for review, with all changes accepted)	3.0
Mitchell Ummel	7/19/2010	Final revisions incorporating reviews from KHPA verbal and email input and SRS written input.	4.0
Darin Bodenhamer	7/27/2010	Edits	4.1
Mitchell Ummel	7/31/2010	Final Integration of all verbal and written edits, cleanup, and quality review.	5.0
Darin Bodenhamer Christiane Swartz	8.2.2010	Final quality review and minor edits.	5.1

TABLE OF CONTENTS

1 EXECUTIVE PROJECT APPROVAL TRANSMITTAL 4

2 IT PROJECT SUMMARY PACKAGE 4

2.1 Project Summary Package Form 4

3 PURPOSE 5

4 BUSINESS CASE 12

4.1 Business Program Background 12

4.2 Business Problem or Opportunity 15

4.3 Business Objectives 21

4.4 Business Functional Requirements 23

5 BASELINE ANALYSIS 24

5.1 Current Method 24

5.2 Existing Infrastructure 33

6 PROPOSED SOLUTION 38

6.1 Solution Description 38

6.2 Rationale For Selection 51

6.3 Other Alternatives Considered 54

6.4 Describing Alternatives 55

7 HIGH LEVEL PROJECT PLAN 56

7.1 Cover Letter Requesting Project Approval 56

7.2 High Level Project Plan 56

7.3 Risk Assessment Summary 56

8 ECONOMIC ANALYSIS WORKSHEET 57

8.1 Economic Analysis Worksheet 57

APPENDIX A – LIST OF BUSINESS PROGRAMS IMPACTED 58

APPENDIX B - AGENCY PROGRAM MAPPING TO VALUE STREAM 61

APPENDIX C – PROJECT MANAGEMENT RISKS AND APPROACH 62

1 EXECUTIVE PROJECT APPROVAL TRANSMITTAL

The Executive Project Approval Transmittal (Form FSR02) has been submitted with this report and is named;

FSR Transmittal

2 IT PROJECT SUMMARY PACKAGE

The Project Summary Package has been submitted with this report and is named;

KHPA FSR – Project Summary

2.1 *Project Summary Package Form*

The Project Summary Package includes the sections (forms) listed below:

- Section A: Executive Summary
- Section B: Project Contacts
- Section C: Project Relevance to State and/or Departmental Plans
- Section D: Project Schedule
- Section E: Budget Information
- Section F: Vendor Project Budget
- Section G: Risk Assessment Information

3 PURPOSE

Rarely does an opportunity come along that allows multiple visions and strategies to converge at a point where one investment can result in monumental advancements for all interested parties. The Kansas Access to Comprehensive Health (KATCH) project, the subject of this FSR, is one of those rare opportunities that will benefit the State of Kansas as a whole, not just the Kansas Health Policy Authority (KHPA).

In June of 2009, KHPA submitted an application to the U.S. Department of Health and Human Services (HHS) Health Resources and Services Administration (HRSA) in response to their grant opportunity related to the State Health Access Program (SHAP). SHAP is a series of grants that have been funded by Congress in order to study, and now with this grant, to implement expansions of coverage to uninsured populations. In order to qualify, states had to be planning or willing to implement coverage expansions to new groups of uninsured individuals. The grant money could be used to pay for coverage, for outreach, for technology, or for other administrative and implementation costs. The grant was offered for up to five years (September 2009 through August 2014) with annual renewal applications required. A maximum of $10 million per year ($50 million total) could be requested by each state and only one organization per state could apply. KHPA was the agency designated by Governor Parkinson to make application for this opportunity.

The initial grant applications were competitive, meaning that if more money was requested than was budgeted for the program (up to $70 million per year nationally), only certain states would be approved. Kansas was one of 13 states to be notified on September 1, 2009 that it had been approved for its initial grant request--$1.8 million for the first year. Subsequent requests must be made annually. Kansas anticipates that the total five year grant could be worth the requested $40.3 million.

Approximately $13 million of the requested money will be used for programmatic purposes such as administrative expenses associated with creating an expansion and outreach for enrolling additional individuals. Approximately $27 million was set aside for the acquisition of an eligibility system for Medicaid and HealthWave 21 (the state's Children's Health Insurance Program [CHIP]), with an eye to other future integration with the Medicaid Management Information System (MMIS), the potential for future health care reform, and expanding the system for use by other agencies—primarily SRS—to determine benefits for public assistance programs.

In March 2010, health care reform[1] passed, increasing the significance of the opportunity now present in Kansas with regard to KATCH. Nearly every state in the country now has the challenge of determining how to implement health care reform by January 2014 (enrollment begins October 1, 2013) given their antiquated eligibility technology and underlying business architecture. The practical and cultural changes that will need to occur for all states will be nothing like we have seen since Medicaid was first created in 1969. Because of the KATCH project, Kansas is already miles ahead of other states. KATCH provides a tremendous opportunity for Kansas to lead-out on implementation of health care reform and may be a model many other states can adopt to implement health care reform. Such a model will be necessary if there is any hope that states will be able to implement on time. Kansas is in an unprecedented position to influence the entire direction of health care reform and health care itself for the coming decades as a result of the KATCH project and its direct alignment to PPACA.

At the same time, KHPA realizes that other needs exist within the State of Kansas and KATCH positions the state well in order to begin achieving other essential goals that have been in the works for the past several years.

First, KHPA and SRS had partnered on the AVENUES project previously. The AVENUES project was to provide a comprehensive replacement of all of KHPA's and SRS' eligibility determination functions. The agencies attempted to get funding for AVENUES together for two years, but were unsuccessful, given the budget crisis of the past couple of years. KATCH is our opportunity to accomplish part of the AVENUES project by providing the framework, the basic core functions, and the Medicaid business logic and workflow that was part of the AVENUES project. SRS has continued to advance the AVENUES concept over time through short-term, tactical projects. The system part of the KATCH project has always been intended to employ service oriented architecture (SOA) in order to substantially enable reuse of the platform and framework for other purposes. Chief among those is the need to modernize the technology used for determination of public assistance programs that SRS administers. The KATCH

[1] The **Patient Protection and Affordable Care Act** (**PPACA**) is a federal statute that was signed into law in the United States by President Barack Obama on March 23, 2010. Along with the Health Care and Education Reconciliation Act of 2010 (signed into law on March 30, 2010), the Act is a product of the health care reform agenda of the Democratic 111th Congress and the Obama administration. The law includes a large number of health-related provisions to take effect over the next four years, including expanding Medicaid eligibility, subsidizing insurance premiums, providing incentives for businesses to provide health care benefits, prohibiting denial of coverage/claims based on pre-existing conditions, establishing health insurance exchanges, and support for medical research. (source: http://democrats.senate.gov/reform/patient-protection-affordable-care-act-as-passed.pdf

project will put in place a framework that SRS can leverage in order to advance the AVENUES project without making redundant investments.

Secondly, within KHPA and across other agencies there are several initiatives that we envision will leverage the framework implemented by KATCH. Many of those will be elaborated on later in this FSR, but chief among them is the opportunity to leverage the SOA features to use the eligibility system as a single beneficiary component of the Medicaid Management Information System (MMIS), thereby eliminating a large chunk of redundant functionality currently present in the MMIS.

Finally, the Department of Administration's information technology representatives have a vested interest in the investment that KATCH will make in an infrastructure that can be leveraged across multiple agencies, including, but not limited to, other Kansas HHS-related agencies with similar business functions. While flexibility needs to be present within the framework to meet specific agency, program, business, and customer needs, where at all possible, KATCH will provide the foundation on which many services and functions can be available and used by other agencies. Among the benefits of this approach is a reduced investment for future projects initiated by all state agencies and a move toward a simplified state technology architecture. Perhaps the greatest return, though, is the benefit that it will provide the residents of Kansas. Ultimately, the framework should provide the foundation for a common Kansas portal where all services can be accessed and where people in need of those services can go for enrollment and engagement with a minimum of effort. Today's siloed business approach will fade as the fundamentals are laid for an integrated approach to government services.

While KATCH is the first project out of the gate, KHPA does not see this project operating in a vacuum. KHPA is committed to working closely with SRS, the chief stakeholder of the system procured through KATCH, D of A, and other stakeholders. The success of KATCH will likewise depend on those stakeholders' contributions and commitment as these stakeholders will benefit directly from KATCH's success.

The opportunity for the State of Kansas is much bigger than any one project and, in fact, must be viewed as a larger project or program that is inclusive of both KHPA's and SRS' efforts. Both efforts must work together to ensure the other's success and the success of future projects as well. KHPA believes that this approach is what is envisioned and articulated in Kansas' Strategic Information Management (SIM) plan 2008-2013. With the help of the CITO, the CITA, the agencies, and other stakeholders, the time is right to begin the discussion about a larger Electronic Health and Human Services (EHHS) vision that will guide technology investments of HHS agencies in Kansas in the future. While that conversation has not yet begun in earnest as of yet, this vision will be referred to conceptually somewhat in this document in order to provide a starting point for that discussion. KHPA looks forward to being a participant in that

conversation and in being able to provide an opportunity that will serve as the foundation for future IT investments in the state.

The guiding principles involved in delivering the EHHS vision will be:

- To embrace and encourage use of all practical electronic channels, including the Internet, fax, phone, etc. to provide "anytime, anywhere, anyhow" access to government services by technology-savvy citizens, while still maintaining accessibility and availability through traditional means for certain populations.
- To meet citizens "where they are," without the need to navigate government organizational structures or associated service delivery silos.
- To use a technical approach that supports the development of business processes that are driven by and responsive to customers and respects differences in populations served and the use of third-party intermediaries for delivery.
- To make use of common systems, where practical and appropriate, to improve both technical and operational efficiency and reduce cost.
- To ensure interoperability, and appropriate and efficient data sharing among governmental agencies in ways which improve management decision-making and effectiveness.
- Embracing innovative channels for outreach to Kansas citizens in need, who may qualify for other related programs or services(e.g. education, job training, unemployment insurance, nutrition services, health monitoring, broadband subsidies, etc.).

These principles springboard from, and are supportive of, the overarching principles adopted within the State of Kansas 5-Year Strategic Information Management (SIM) Plan 2008-2013. The project which is the subject of this FSR directly supports SIM Plan goals as shown in Table 1.

Table 1: Project Supportive of SIM Plan Goals

KANSAS SIM PLAN GOALS (source: Kansas SIM Plan 2008-2013[2])		HOW THE PROJECT SUPPORTS SIM PLAN GOALS
Provide Customer-Centric Services to citizens, businesses, and government entities making them easier to use, more accessible, and more cost efficient.	✓	**Through the implementation of an integrated architecture for Eligibility Determination across related programs, citizens will have a common method to access benefits and services for which they're eligible.**
Improve Business Processes to provide those services Kansans want and need in the most cost effective manner	✓	**Through Business Process Innovation and Improvement (BPI[2]) arising from state-led change initiatives, or through adoption of proven best practices from leading states.**
Manage Enterprise Information by making all appropriate state-managed data available to all levels of government, citizens, and businesses	✓	**Through a federated information architecture, managed uniformly and shared across related programs, irrespective of sponsoring Kansas agency, with privacy controls in place to insure appropriate use.**
Improve Collaborative Partnerships to allow government entities, businesses, and citizens to work together and transform state government, services, and economy	✓	**KHPA is collaborating with SRS and other stakeholders.**
Enhance Workforce Efficiency by creating and supporting innovative government services and processes with a skilled workforce using modernized information technology	✓	**Through an automated, business rule-based, eligibility and case management system, knowledge workers will be able to focus more of their time on complex eligibility decisions, problem claims, or proactively on health promotion and educational efforts.**
Provide Leadership and Governance by establishing appropriate processes to understand and guide the direction, value, and potential enterprise solutions for State IT investments	✓	**Through establishment of a common governance structure, an inter-agency portfolio of EHHS-related initiatives will be orchestrated across ever changing dimensions of priority and available funding.**

The State of Kansas 10-Year EHHS Roadmap (see Figure 1 below) describes a portfolio of programs, initiatives, and services, across a multitude of Kansas government agencies

[2] State of Kansas Strategic Information Management (SIM) Plan 2008-2013.
http://www.da.ks.gov/kito/cita/simpln/SIMPLAN_2008_Final.pdf

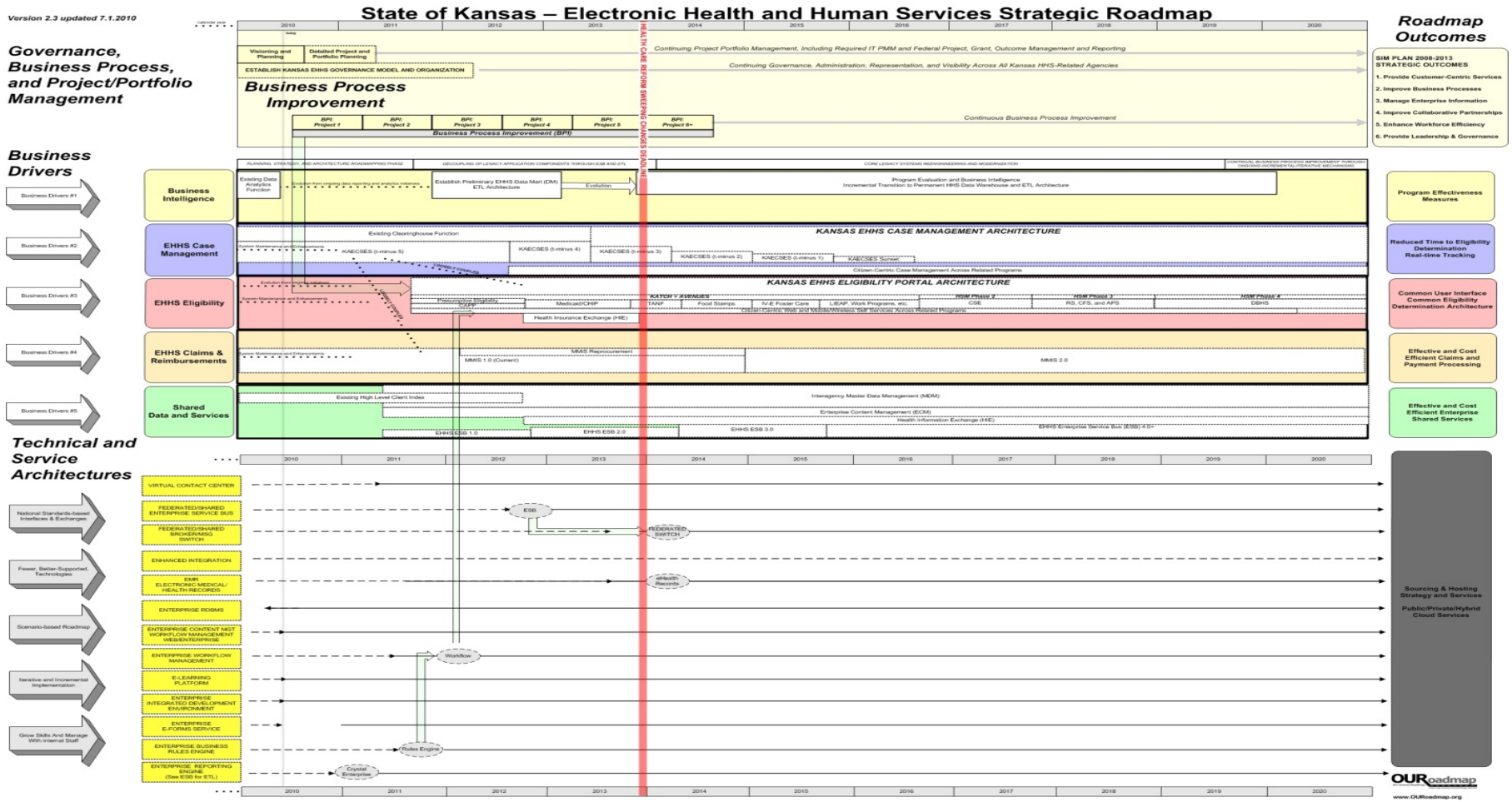

State of Kansas – Electronic Health and Human Services Strategic Roadmap
Version 2.3 updated 7.1.2010
Governance, Business Process, and Project/Portfolio Management
Business Drivers
Technical and Service Architectures
Business Process Improvement
Business Intelligence
EHHS Case Management
EHHS Eligibility
EHHS Claims & Reimbursements
Shared Data and Services
KANSAS EHHS CASE MANAGEMENT ARCHITECTURE
KANSAS EHHS ELIGIBILITY PORTAL ARCHITECTURE
Roadmap Outcomes
Program Effectiveness Measures
Reduced Time to Eligibility Determination Real-time Tracking
Common User Interface Common Eligibility Determination Architecture
Effective and Cost Efficient Claims and Payment Processing
Effective and Cost Efficient Enterprise Shared Services
Sourcing & Hosting Strategy and Services
Public/Private/Hybrid Cloud Services
OURroadmap
www.OURroadmap.org

Figure 1

Kansas, in collaboration with its local and federal partners, has a unique near-term opportunity to leverage available state and federal grant funding channels, successfully embracing the changes required as part of the health care reform directives prior to the January 2014 compliance deadline (indicated with the red vertical line in Figure 1).

In achieving both strategic and tactical program improvement towards its vision, Kansas seeks to be recognized as a leader among states in the innovative application of technology-enabled, business process improvement. The improvements will be ushered in swiftly in Kansas so that Kansas can be a model for other states needing to quickly align with sweeping federal changes on the horizon.

4 BUSINESS CASE

As background, KATCH is an initiative led by KHPA to further expand health insurance coverage to uninsured Kansans. While the scope of this project and subject of this FSR is KATCH, the long term renovation of the State's health and human services programs involves replacing a number of the systems involved in health and human services outreach, intake and eligibility determination functions, across and among not only KHPA and SRS, but across a number of other stakeholder organizations. KATCH is a first step in the roadmap involving a carefully orchestrated, incremental replacement of core state legacy systems.

Among the side benefits of the KATCH project is to give other agencies a unique opportunity to create a new organizational-systems environment, built upon the foundation created to serve KATCH, to provide citizens, providers, staff and management real-time access to improved services, more flexible and productive business processes and greater management information.

4.1 *Business Program Background*

Despite past efforts to expand eligibility, Kansas was one of only ten states with an uninsured population that grew between 2004/2005 and 2006/2007, with the rate rising from 10.5% to 12.5%. In 2008/2009, the rate was statistically unchanged at 12.4%, still a significantly higher rate than earlier in the decade.[3]

KHPA is the single state agency for both Medicaid[4] and the Children's Health Insurance Program[5] (CHIP), and also administers other public health care programs. Information technology is a critical element in KHPA's ability to administer these programs, yet the core systems upon which KHPA rely are decades old – built on technologies which are no longer well supported, and certainly not viable to be maintained or extended into the future. Although KHPA has upgraded much of its technology services, the KAECSES-AE (Kansas Automated Eligibility and Child Support Enforcement System) has not kept pace. KAECSES-

[3] Kansas Health Institute. "No Change in Kansas Uninsured Rate." 2009 Current Population Survey (CPS) for 2007 and 2008. Available online at http://media.khi.org/news/documents/2009/09/18/UninsuredFinal.pdf

[4] Medicaid is the United States health program for eligible individuals and families with low incomes and resources. It is a means tested program that is jointly funded by the state and federal governments, and is managed by the states. (source: Medicaid General Information from the Centers for Medicare and Medicaid Services (CMS) website)

[5] CHIP provides health care coverage for low-income children living in families with incomes that exceed Medicaid limits. The federal government provides approximately 72 percent of the cost of CHIP and the State contributes the remaining 28 percent, as well as any excess spent above the federal allotment. Unlike Medicaid, CHIP is not open-ended; states are awarded yearly allotments. Kansas provides low-cost health insurance coverage to children who are under the age of 19, do not qualify for Medicaid, have family incomes at or below 241 percent of the federal poverty level, and are not eligible for state employee health insurance and are not covered by private health insurance. (source: Kansas Health Policy Authority website)

AE determines eligibility, case management and payment mechanisms to dozens of human service programs supporting hundreds of thousands of customers. However, the KAECSES-AE system, managed by SRS, is over 20 years old and does not provide the needed support for medical programs. Although the eligibility system provides the foundation data for all other systems and services, it is not built to adequately support sophisticated billing processes, pricing methodologies, and reporting requirements.

In January 1999, Kansas began modernizing its public insurance programs -- moving away from a system strictly linked with cash assistance programs - while seamlessly implementing CHIP (brand name is "Health Wave 21" in Kansas). CHIP implementation introduced a new method (a simplified application) for enrolling children in CHIP, and KHPA expanded this application process to Medicaid enrollees, including low income children and families. Taking this streamlined process a step further, KHPA established a centralized Clearinghouse which receives applications via a mail-in process. Verification requirements were loosened, eligibility was extended to children for a full twelve months, and coinciding with aggressive statewide marketing and outreach efforts, HealthWave was launched. Ten years later, the Clearinghouse processes 10,000 to 12,000 applications and renewals monthly. There are over 40,000 children enrolled in CHIP and approximately 150,000 children enrolled in Medicaid (plus 120,000 adults, including pregnant women and those with disabilities). The role of the Clearinghouse has evolved to include enrollment of the family medical programs (pregnant women and low income families with children). Enrollment and maintenance of elderly and disabled medical cases and child welfare cases remains a function performed at local offices of the Department of Social and Rehabilitation Services (SRS). SRS also determines initial eligibility on a portion of family medical cases, therefore, will be a key stakeholder in the development of the new systems.

It is important to note that the current insurance-related eligibility systems are largely paper based, do not have an integrated front end, and do not have an effective option for web-based citizen self-services through the Internet. With the goal of expanding health care coverage to qualified citizens in Kansas, it's critically important to further reduce the "barriers to entry" for citizens in the application process, by introducing new channels of enrollment through electronic means.

KATCH is an initiative to expand health insurance coverage to uninsured Kansans. Administered by Kansas Health Policy Authority (KHPA), KATCH will provide the infrastructure for enrolling, determining eligibility, retaining eligible Kansans into Medicaid and Children's Health Insurance Program (CHIP), reporting, and analyzing the eligibility data.

The high-level goals of the KATCH program are to:

1. **Increase outreach and reduce the number of citizens not covered by health insurance**

2. **Be the vehicle through which health care reform will be implemented, to a large extent, in Kansas.**
3. **Create a framework that can be built on and leveraged within KHPA and by other agencies to achieve common business functions.**

On behalf of the State of Kansas, KHPA has obtained a five-year State Health Access Program (SHAP) grant from the Health Resources and Services Administration (HRSA) to expand coverage to residents who are currently uninsured. The grant total is anticipated to be $40,319,441 (approximately $29 million for the IT part of the project) over a five year Project Period. KHPA will develop and implement a model, which other states may replicate, to significantly increase the number of Kansans enrolled in Medicaid, CHIP and other public insurance programs through targeted, grassroots level outreach efforts and by implementing a user-friendly, unified, web-based enrollment and automated eligibility system. The KATCH grant supports three separate components, the first two of which are technology related:

Electronic Enrollment and Eligibility Determination - The KATCH project will support electronic enrollment and eligibility determination for all public insurance programs administered by the State of Kansas. Of these, Medicaid is the largest with an average monthly enrollment of 297,785 during FY08. Medicaid, as it stands today is actually composed of nearly 40 categories, each with different rules and processes. Also included are HealthWave 21 (the state's CHIP program with an average monthly enrollment of 39,275) during FY08), MediKan (a state-only funded program for persons with disabilities), and the AIDS Drug Assistance Program (ADAP). See Appendix A for a full listing of programs to be addressed within the scope of KATCH.

Presumptive Eligibility (PE) – The KATCH initiative will provide for a standardized and automated application for processing PE. Kansas supports Presumptive Eligibility for children which allows specific Medicaid providers to make Medicaid and HealthWave 21 determinations with tools provided by KHPA. The initial PE determination is valid for two months, while the full eligibility application is being processed.

KHPA Outstationed Workers - As part of the KATCH grant award, KHPA will place 12 workers in various locations throughout the state. These staff will be placed primarily in health clinics. They will be responsible for processing initial medical assistance applications and will transfer completed cases to either the Clearinghouse or the appropriate SRS Service Center. The first of these staff persons was deployed in late March, 2010 with a full staff expected to be in place by late summer. These out-stationed workers will also be primary users of the new eligibility systems.

Because the eligibility system provides the foundation for all medical program functions, many other entities are also impacted by this project. These include medical providers (such as doctors, dentists, hospitals, clinics, nursing homes and pharmacies), managed care organizations, federal agencies who receive data from the system and other contractors.

Customers of the new system are primarily the applicants and recipients of medical assistance, along with those individuals who help them with these processes. KHPA is striving to establish a web presence and capabilities to meet the expectations of its customers. The on-line application and self-service features will be especially helpful for customers, who will also benefit from a rules-driven system that will return a timely and accurate eligibility decision.

4.2 *Business Problem or Opportunity*

As a result of the legacy systems environment, an unacceptable situation exists; KHPA policy and program choices are actually influenced and constrained by the system's inflexibility. The lack of an eligibility system fully integrated with an online application and presumptive eligibility screening tool results in duplicate data entry by staff. Keying errors and other problems result in duplicated records stored in the system, increasing the potential for inaccurate eligibility/enrollment histories and uncoordinated health care, negatively affecting outcomes and increasing overall program costs. Information coming from the eligibility system is eventually sent to the Medicaid Management Information System (MMIS) where it becomes the foundation for the member record. Unless these fundamental issues are addressed, problems will escalate exponentially when Kansas implements the next phases of Health Information Technology (HIT), such as health information exchanges (HIEs), health insurance exchanges, regional health information organizations (RHIOs), and electronic health record (EHR) systems.

Additionally, KHPA routinely receives requests for data that is not available. The lack of a centralized reporting system as well as system limitations for tracking deadlines results in the need to manually complete tracking logs and reports. For all medical programs and service delivery locations, there are various timeframes that have to be met and necessary program tracking components. KHPA requires the Clearinghouse vendor to provide a system to accomplish these requirements.

In nearly every way, Kansas's legacy system environment is a barrier to achieving the spirit of the federal and state-funded programs which have as their goal achieving effective outreach to underserved citizens in maintaining their individual or family insurance coverage.

In summary, KHPA faces six fundamental issues with the existing legacy system.

Key Problem/Challenge	Proposed Solution Opportunity
1. <u>System Inflexibility</u> The vast majority of configurations for the application were hard coded by developers and, therefore, changes require countless man-hours to scope, specify, develop and test. While there are some numbers of support tables that can be altered within the system, most business rule changes require countless man-months and even man-years to implement.	✓ **Through implementation of modern information system architecture, business rules will be implemented and maintained, without the need to make significant application changes. Business rule-driven system architecture increases flexibility, decreases cost, and reduces the time needed to implement changes to a system over time.**
2. <u>High Level of Expertise Needed to Administer Programs</u> No rules engine exists within the system, and users are required to understand the specifics of each and every program in order to properly enter and validate data.	✓ **Modern information systems architectures provide for a robust business rules engine which can be applied uniformly across programs, agencies, and projects. By enforcing business decisions within the processing of the system, consistency is improved, error-rates are reduced, and the time to train new knowledge workers is shortened.**
3. <u>Limited System Capacity</u> The eligibility application possesses an inherent limitation on the number of programs that can be implemented, and it hit that limit in the early 90's. As a result, a number of workarounds and manual processes are used in order to implement new initiatives.	✓ **Modern information systems for eligibility applications face few practical limits in their flexibility to support a large number of programs each having unique program-level requirements, while still operating under a consistent shared application, data, and technology architecture.**
4. <u>Limited System Accessibility</u> KHPA partners with a number of external agencies and intermediaries to facilitate eligibility determination and enrollment, making remote-access to the application critical. The current application does not have a native web-based access protocol to enable such access	✓ **Modern information systems architectures are designed for native Internet web-based presentation mode, with access control governed by firewalls, and security authentication or authorizations managed by role-based security credentials. Internet web-based access will be a core port of the proposed system solution.**

5. <u>Limited Reporting Capability (Business Intelligence)</u> Adequate reports are not available from the KAECSES-AE system. A reporting engine was not built into the system and only certain data sets are extracted on a periodic basis. These data sets are made available through SAS® Software. To create reports and mine data requires skilled SAS-experienced staff or a programmer who understands the system and the "Natural" language necessary to create an ongoing report, limiting the ability for end users to quickly obtain reports they need for decision-making and program oversight. 'Canned' reports are available, but do not capture information at the level needed, primarily because critical data elements are not captured within the process of the determination.	✓ **Modern information systems architectures are built upon relational data base management system (RDMS) products. A RDMS provides for direct query capability, or as more often the design, the Extraction, Transformation, and Loading (ETL) to a reporting data mart or data warehouse for business analytics. In either case, information can be accessed via canned or ad-hoc reports, through popular off-the-shelf query products such as Crystal Reports, which are flexible and easy-to-use for end users.**
6. <u>Inconsistent and Error-Prone Processes</u> KHPA maintains numerous medical programs each with different rules and processes. Specific steps may vary according to the actual service delivery location. There is no workflow engine in the current system to establish or promote accurate or consistent workflow.	✓ **Modern information systems provide for business rule-based workflow, which can be applied uniformly across the enterprise to knowledge workers based on their roles and skillsets. In a workflow-driven system, the software (and with few exceptions, not the individual knowledge worker) determines the correct orchestration of steps involved. This role-based and skill-based workflow will help assure and enforce consistency of process within the new data management systems.**

As the evaluator of the KATCH grant, the Kansas Health Institute (KHI) will assess the impact of the program relative to the overall implementation of the state's health care coverage expansion. To do this requires that KHI have information about the targeted populations both before implementation of key KATCH program components and after implementation.

The intent of KATCH is to simplify the application and eligibility determination process for all applicants as well as to enroll hard-to-reach populations. For this reason, data would ideally be captured about individuals (or assistance units) as they move through the application process, starting as applicants and ending as beneficiaries (or ineligibles). However, KAECSES poses a number of challenges generating

appropriate information for measuring KATCH outcomes. The following list provides some examples of these additional program related problems:

- KAECSES cannot provide detailed reports about applications (here referring to forms through which coverage is requested), approvals and denials for individuals or even assistance units (e.g., families, individuals, etc.). Rather, KAECSES can only be used to track the multiple programs that have been opened for an assistance unit. For example, multiple medical programs may be opened for one assistance unit based on one application. Some members of the assistance unit may be denied for one program but approved for another and vice versa. Moreover, there is considerable variation in how many programs a caseworker may open for a given assistance unit, partly based on the caseworker's experience with and knowledge of these programs. Therefore, changes in the number of "applications" may be affected by changes in staffing and caseworker behavior. This imposes certain limitations on the ability to attribute observed changes in the number of "applications" to the KATCH program.

- Because KAECSES is organized by program and assistance unit (or part of an assistance unit), it is not possible to break out the data for the specific populations that KATCH is intended to target. Moreover, information about the eligibility determination process that is associated with a given group of individuals within an assistance unit cannot then be linked to the beneficiary files in the MMIS.

- It is impossible to associate applications in KAECSES with a particular site where the application form originated (such as a school or a safety net clinic) and it is difficult to associate it with the caseworker that initially processed the application. For example, applications initiated by a caseworker may be transferred to the Clearinghouse for maintenance, and any record of the caseworker who initially processed the application is lost.

- Retroactive eligibility is not noted within the KAECSES system, making it nearly impossible to distinguish retroactively eligible beneficiaries from other beneficiaries. This is a particular problem given the backlog in processing applications at the Clearinghouse.

- Not all Medicaid beneficiaries in the MMIS have income information associated with their file because these data may not have been entered into KAECSES. For example, beneficiaries who are eligible because they receive SSI may not have their income information entered into KAECSES, even though this information is captured in the application form.

- Information about retention and renewal of Medicaid beneficiaries cannot be easily generated by KAECSES.
- KAECSES management reports used both for the evaluation and for program oversight, require additional manipulation in order to be converted from text files to a format that can be imported into spreadsheet software.

Due partly to these limitations, the evaluation crafted by KHI relies on a variety of indicators and data sources to measure the application, eligibility determination, and renewal process. These data sources include: KAECSES, the MMIS, and the software platform used by the Clearinghouse to perform off-system tasks not easily handled by KAECSES.

Further Opportunities for Reducing Program Administration Costs

The ability to efficiently complete all business processes related to the eligibility determination is critical to KHPA and the other entities responsible for pieces of the process. With multiple service channels and a fairly complex service delivery model, creating efficient processes is a challenge. Each particular service delivery location currently has a different work flow model and there is no automated workflow associated with KAECSES-AE to support these. Only the HealthWave Clearinghouse is utilizing an automated work flow, which is provided by the vendor as part of their proprietary automated solution to provide administrative support to the eligibility determination process.

Implementing policy and program changes quickly and efficiently is also an ongoing struggle for KHPA. Implementation time frames, specific rules and even the actual policies are often driven by when KAECSES – AE can accommodate the change and how. This takes flexibility away from policy managers, agency leadership and even the legislature to appropriately and efficiently implement new programs. Because the current system cannot offer adequate support for most program and policy changes, workarounds or special processing instructions are almost always included. Not only are these processes inefficient but case management actions taken later, have a much greater chance of being inconsistent and inaccurate. With the new system, the agency seeks the following improvements:

- Centralized repository for all medical eligibility documents (electronic forms, imaged verification documents, imaged paper documents) will be available as needed for business function.
- Reduce or eliminate paper documents where possible.
- Standardized application of business rules for eligibility determination reduces inefficiencies and reduces chance of incorrect payments.

- Implementation of a rules engine with business rules manageable by business staff will reduce costs of implementation and provide flexibility in the implementation date.
- Reduce or eliminate the collection of redundant data common to various medical assistance groups or programs.

Further Opportunities to Generate Additional Revenue

Medicaid is considered the payer of last resort for most medical claims. This means that other entities with a legal obligation to pay on a claim must do so before Medicaid. The term Third Party Liability (TPL) is used to describe this obligation. Examples of liable third parties include health insurance (including Medicare and TriCare), probated estates, court-ordered judgments, certain child support obligations, long term care insurance and automobile insurance. Although Medicaid generally attempts to avoid paying claims with a third party liability until after the third party has paid, sometimes Medicaid must pay a service and then seek recovery directly from the liable entity.

KHPA includes the majority of third party liability collection with the contract for fiscal agent services. However, eligibility staff have primary responsibility to identify potential third parties through the application process and report it to the fiscal agent. Currently, there is no automated interface to identify third party liability from KAECSES-AE to the MMIS (except for Medicare), to support this process. With the new system, the agency seeks the following improvements:

- An automated interface to identify potential third party liability quickly so claims can be avoided before they are paid. A centralized location for medical eligibility data will also make TPL recoupment easier.
- Enhance collection of medical support debt through Child Support Enforcement (CSE). The system will also make it possible to consider implementation of new federal options and enhancements to the CSE system.
- Provide support for recoupment of all incorrect payments, especially on the beneficiary level. If eligibility is granted in error or claims are paid incorrectly, an improved recovery system will allow for additional revenue to be directed to program activities. An automated interface with the state's debt setoff program could also be considered.
- Further control state costs through an eligibility algorithm which considers the optimal combination of federal, private, and state funded insurance program options for each citizen.

Managing Long Range Operational Costs Effectively

With total expenditures exceeding 2 billion dollars a year, the ability to accurately predict and manage program and enrollment changes is essential. When budgets are tightened, policy makers rely on precise forecasting to distribute funding appropriately. The ability to recognize changes and trends as early as possible is crucial to this process.

The current system does not capture all relevant data associated with the eligibility determination, making it nearly impossible to accurately estimate the impact of a policy change in some instances. Readily available information through a centralized reporting system would provide necessary tools to better manage programs. In addition, it would allow the agency to take full advantage of features in the Data Analytics Interface (DAI)[6], which could make it possible to include health factors and conditions of certain populations in development of budget projections. The proposed solution must also fully support and integrate with the DAI, with the goal of servicing an enterprise-wide Data Warehouse. Finally, the ability to evaluate the impact of a planned policy decision or future change in a specific program is also desired with this implementation.

4.3 *Business Objectives*

KHPA will develop a flexible, dynamic, and integrated automated eligibility system with the goal of providing the following enhancements for medical assistance:

- **Open New Service Channels** – The online eligibility application process will invite residents to easily access medical coverage applications and information, enabling access to benefits from any computer terminal. In addition, self-service capabilities will allow applicants or recipients to check the status of their application or benefits and report certain changes electronically. In addition, KHPA has already implemented member self-service features through the Medicaid Management Information System (MMIS), with both a web-based (Member Web Services) and "ROSIE" (secured automated attendant) features available to check medical benefits, including managed care assignments. (SIM Plan 1: Provide Customer-Centric Services)
- **Maximize Investments** - KHPA has invested in an agency-wide imaging system, and a Data Analytic Interface (DAI) which are not fully utilized because of limitations within the existing eligibility system. KHPA is unable to use KAECSES-AE as the host system for the imaging system, making it nearly impossible to use for eligibility cases housed outside of the Clearinghouse.

[6] The KHPA Data Analytics Interface (DAI) is a data warehouse reporting system, which provides for advanced reporting capabilities in support of state program business intelligence (BI) and planning.

The full potential of the DAI cannot be realized due to the lack of reliable, accurate, eligibility and enrollment data that can be incorporated into this system. Until 'clean' eligibility information is available, very specific population analysis will not be possible. The recent implementation of a comprehensive premium billing services also offers members automated features to pay premiums and check receipt of payment. Additionally, KHPA will be required to re-procure the MMIS before the current contract ends on June 30, 2015. An updated eligibility system may take over some of the MMIS functions thereby eliminating redundancies and saving taxpayer dollars. In order to maximize these investments and offer members consistent, integrated information, the eligibility system must be upgraded.

- **Improve Accuracy** - A rules based system along with a standardized work flow will enable KHPA, and the Kansas Legislature, to ensure program polices are implemented as intended. Accurate determinations will result in appropriate expenditures, ensuring those eligible receive these benefits and ensuring federal compliance. Reducing incorrect eligibility determinations will ensure a better use of limited resources on the populations to which they are allotted. (SIM Plan 2: Improve Business Processes)
- **Manage Staff** – Tools to allow managers to assign work and measure performance will create a more efficient and responsive workforce and allow agencies to better maintain minimum service levels with workforces which have been severely reduced in the last several years. The ability to complete time studies for specific tasks and functions will also allow management to determine cost effectiveness.
- **Mobilize Staff** - A web-based, integrated system will enable a mobile, out-stationed, workforce whose members will have the flexibility to meet changing needs of the population it serves;
- **Improve Customer Service** – KHPA, SRS and other staff responsible for medical programs can provide quicker determinations and more accurate information, resulting in improved customer service;
- **Implement New Initiatives** – KHPA anticipates the need for a flexible eligibility system. The ability to quickly implement new programs will enable KHPA to take advantage of recent federal options and improvements available for health care programs, including Express Lane Eligibility and expansion of Presumptive Eligibility. The new system will also improve the ability to respond expeditiously to other joint efforts such as Medicare Improvements for Patients and Providers Act (MIPPA). This will set the foundation for addition of other means tested programs.

4.4 Business Functional Requirements

KHPA is in the process of developing specific detailed requirements to be included in the Request for Proposals (RFP) for the new system(s). These requirements are outlined, at a high level in this section as well as within the description of the Proposed Solution section of this FSR.

By category of functionality, requirements include:

- **Assessment** - This business function covers the initial assessment of potential eligibility for coverage. This does not include a prescreening tool completed by the consumer.
- **Determine Eligibility** - This business function covers the application of program policy to financial and non -financial information to determine the programs and level of benefits for which a customer is eligible.
- **Case Maintenance** - This business function covers the comprehensive management of a case and all the activities related to it, making case/person changes, and initiating appropriate processes (such as eligibility redetermination and case reviews) as a result of the changes. This includes the activities related to following a case through its life cycle allowing the customer and end user staff to know the status of the case.
- **Caseload Management** – This is an administrative function that focuses on assignments to workers, case transfers and workflow to support the service delivery model. (SIM Plan 5: Enhance Workforce Efficiency)
- **Incorrect benefits and Collections** - This function supports account establishment, collections, adjustments, reversals, transfers, and maintenance. Account investigation and similar activities related to correcting over or under payments to a customer or other entity. The system needs to interface with other state and contractor financial systems.
- **Financial Management** - This includes budget, cost allocation, funding, planning, reporting, oversight and reconciliation of all expenditures and funding.
- **General Requirements** – This function includes end user training, hours of operation, multiple environments, e.g. testing, training, development, use acceptance training, production, etc.
- **User Support** - Includes, online and toll free number, internal worker support and outside consumer support.
- **Reporting** – This function supports the creation of ad-hoc and standardized reports as defined.
- **System Documentation** – This function covers system documents and manuals as well as updating manuals throughout life of contract.
- **Hearings & Appeals** - A request to review an agency decision or action. This includes administrative appeals (fair hearings), fraud hearings and grievances.
- **Intake** - Capture demographic information about the household and individual members of the household.

- **Registration** - Enter the captured information into the system to establish a case with a unique identifying individual number. (These numbers will be unique to each case and individual).
- **Interfaces/Data Exchange** - Covers the sharing of information with various sources outside of this system. This includes exchanges such as the retrieval of information from other state agencies, enhancing referral mechanisms to/from SRS Child Support Enforcement, and transmitting payment/benefit data to financial systems. (SIM Plan 3: Share Enterprise Information)
- **Outreach & Notifications** - This business function covers the mechanism for providing effective collaboration with the public. Outreach methods will facilitate the public getting more information upfront and facilitate requesting assistance they may need. Notification functionality will provide the generation and management of formal communications to the customer, provider, facility, collaterals and responsible persons associated to a case.
- **Performance Management** - This function covers the collection and manipulation of data from existing data sources to measure agency outputs and outcomes and aid in making informed strategic business decisions.
- **Quality Assurance** - This also includes the QA process of internal reviews; sample identification for reviews such as audits, the status of reviews and the outcomes.
- **Policy Management** - This function covers all aspects of the management of policy. This includes the development and implementation of policies and post-implementation reviews to ensure effectiveness and accuracy.
- **Technical** - This function covers the technical needs that a system must support. This could include such things as technical infrastructure components, protection/security needs, and various technical standards and policies of the Agency and the State. It also includes IT Management such as development, maintenance, project management, enterprise architecture, etc.

5 BASELINE ANALYSIS

5.1 *Current Method*

KHPA administers nearly 40 individual medical assistance groups, serving over 400,000 Kansans annually. The KAECSES –AE system is used to document eligibility determination for each medical assistance case. Certain elements from all approvals, and some denials and terminations, are sent to the MMIS where benefit delivery is coordinated. Unlike most other human service programs, medical programs consist of many individual groups, many of which currently operate like an independent

program. The rules for these programs vary widely, with a wide range of income limits and other requirements. Some programs have resource or asset limits, and some provide coverage only for individuals diagnosed with a specific disorder or disease. Funding for each program also varies, and each must be reported separately. Because each program is unique, there is much complexity in the overall design of the service and benefit delivery systems.

The KAECSES-AE system does not provide the necessary level of support to manage this multitude of programs efficiently or effectively. Because all determinations must flow through KAECSES, where adequate support does not exist, the system can actually get in the way of an otherwise simple process. The result is a business environment with intensive, redundant manual process and handoffs. The processes are inefficient, confusing and error-prone.

KHPA provides services through multiple benefit delivery models. The majority of members participate in one of two managed care plans (MCOs); (1) UniCare (average monthly enrollment of 50,710 during FY08, 32% penetration rate) and (2) Children's Mercy Family Health Partners (average monthly enrollment of 109,428 during FY08, 68% penetration rate). Others are served under a traditional fee-for-service model and targeted managed care plans as well.

Coverage under any of the KHPA medical programs begins with an application or request for coverage (medical assistance is automatic in a limited number of programs). The application process is paper-based, and although fax applications are accepted there is not an electronic option for applicants. KHPA encourages community organizations and advocates to provide assistance to consumers with the application process (called facilitators). Once completed, the application is submitted to a location authorized to accept an application. The current medical assistance service delivery model utilizes multiple intake points. The program, type of medical coverage and the customer's specific needs are some of the elements used to determine the appropriate intake point. Once eligibility is determined, cases are maintained in multiple locations as well. All eligibility determinations must be recorded in the KAECSES-AE system, but additional systems and processes are used to supplement KAECSES. Additional system support available also varies by program and location. The processes used by these various entities can be very different. Specific responsibilities of each entry point follow: See Figure 2 (KHPA Context Model – As Is)

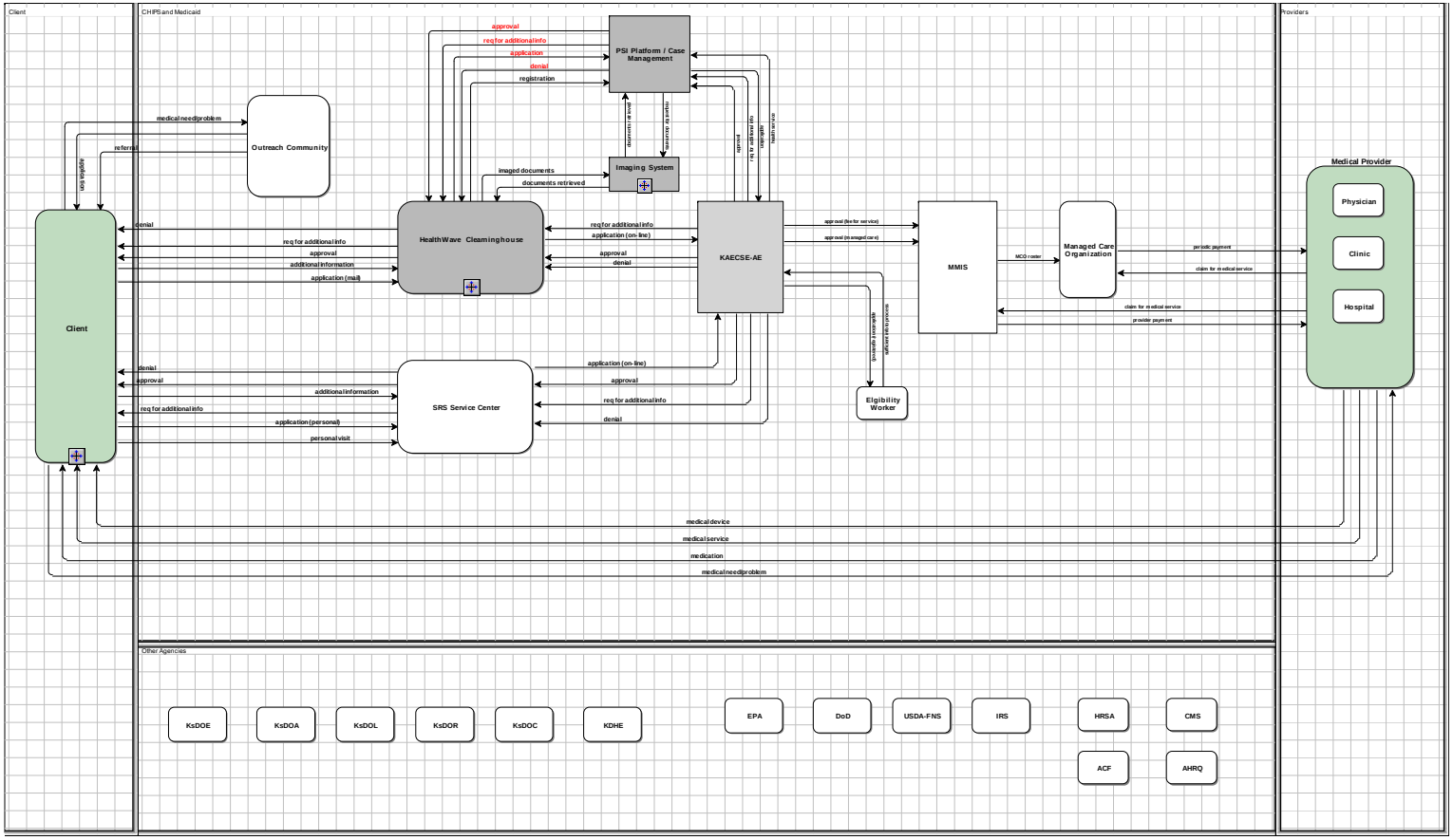

Client
CHIPS and Medicaid
Providers
PSI Platform / Case Management
approval
req for additional info
application
denial
registration
medical need/problem
referral
applicant form
Outreach Community
document request
document retrieval
approval
req for additional info
registration
health service
Imaging System
imaged documents
documents retrieved
Client
denial
req for additional info
approval
additional information
application (mail)
HealthWave Clearinghouse
req for additional info
application (on-line)
approval
denial
KAECSE-AE
approval (fee for service)
approval (managed care)
MMIS
MCO roster
Managed Care Organization
periodic payment
claim for medical service
claim for medical service
provider payment
Medical Provider
Physician
Clinic
Hospital
eligibility inquiry
eligibility response
Elgibility Worker
denial
approval
additional information
req for additional info
application (personal)
personal visit
SRS Service Center
application (on-line)
approval
req for additional info
denial
medical device
medical service
medication
medical need/problem
Other Agencies
KsDOE
KsDOA
KsDOL
KsDOR
KsDOC
KDHE
EPA
DoD
USDA-FNS
IRS
HRSA
CMS
ACF
AHRQ

Figure 2

HealthWave Clearinghouse – A single processing center located in Topeka processes the greatest volume of family medical assistance work. The Clearinghouse is the primary intake point for all Family Medical (Pregnant Women, Poverty Level Children, HealthWave 21 [CHIP], Low Income Families and Transitional Medical) applications (although some are processed by SRS). Once approved, all family medical cases are sent to the Clearinghouse for ongoing case maintenance (including reviews, changes and other functions). Over 114,000 individual cases are managed by the HealthWave Clearinghouse. The Clearinghouse also processes and maintains all cases under the Tuberculosis Program and the Breast and Cervical Cancer program. All activities related to Presumptive Eligibility following the initial approval by the entity are also completed by the Clearinghouse. The Clearinghouse is operated by a contractor, currently Policy Studies Inc, (PSI), and also houses KHPA staff in order to meet federal Medicaid requirements.

The Clearinghouse uses a separate system to compensate for KAECSES functional limitations. During the recent re-procurement process, KHPA required the clearinghouse vendor to provide a supplemental tracking and support system in order to adequately track performance measures to determine contract compliance. PSI uses the PSI Platform to provide workflow, case/administrative tracking, aging/timeliness reports, and an automated income worksheet to help staff determine countable income. The PSI Platform also fully supports the financial eligibility determination for at least one program (as that functionality is not in KAECSES). PSI operates a call center and is required to provide system support for these functions as well. PSI has implemented an automated interface, that essentially pushes and pulls information between the PSI Platform and KAECSES.

SRS Service Centers – Staff of the SRS Service Centers will also be primary users of the new eligibility system. The Economic and Employment Support section within SRS Service Centers are responsible for processing and maintaining all Elderly and Disabled medical cases (Medically Needy, Medicare Savings Programs, Long Term Care, MediKan). They also provide intake and initial application processing for those Family Medical applicants choosing to apply at SRS. Because SRS also has responsibility for several human service programs (Food Assistance, Temporary Aid to Needy Families, Child Care Subsidy, etc.) individuals are often applying for another service or benefit at the same time. In addition to the family medical intake function, SRS manages about 90,000 elderly and disabled medical cases in their EES division. The Children and Family Services section within SRS Service Centers are responsible for processing and maintaining all child welfare cases (foster care, adoption support and foster care aged out). They provide medical determination for children in SRS custody as well as those in the custody of the Juvenile Justice Authority (JJA). There are approximately 14,000 child welfare medical cases. SRS also offers universal access, allowing individuals living outside of normal county boundaries to apply at a

different Service Center if it is more convenient for the applicant. SRS Service Centers almost exclusively use KAECSES for medical determinations. Although KHPA has developed some tools to assist staff, such as Excel worksheets, paper methods are generally used when adequate support isn't available on KAECSES. Some offices have developed small data bases to help track and capture information that isn't included in KAECSES, but there is no KHPA oversight over these individual systems. SRS uses additional systems for other programs they service. For example, KsCARES is used to support Child Care Subsidy and TAF Work Programs. Child Welfare workers have a similar situation where the FACTS system is used to capture and document most relevant information regarding the child's situation. However, medical eligibility information is currently manually entered in KAECSES.

Although KAECSES-AE supports several programs administered by SRS in addition to KHPA, medical has been impacted disproportionally because of the growth in the program. The number of persons covered by health care programs has more than doubled in the past 10 years. The number of medical programs offered has also increased dramatically. Over 10 new programs have been added in recent years, each with unique rules and policies (examples include Working Healthy, Youth Aging out of Foster Care, Breast and Cervical Cancer, and Medicare Part D Subsidy), as well as additional Home and Community Based Services (HCBS) waivers, managed care plans and other significant program changes. The sheer volume of programs, services and members requires a more flexible IT solution than KAECSES can offer.

Paper-based Application - All medical coverage begins with a paper application. Although SRS offers an on-line application for some programs, this option does not exist for medical. For cases in SRS offices, SRS reports the Business processes viewed were very paper-intensive. There are an abundance of paper forms and verifications; these are not stored electronically so hard copies are made of every piece of paper presented to the worker. The reliance on hard-copy documents is ingrained in today's business culture. Even where automated support exists, staff generally completes additional paper forms or prints the automated screens to include in the already full paper file for the customer. This process is done due to quality control, auditors, and federal re-reviews that require this paperwork be present. In all situations, a paper case file was created for every record that existed within the system and in some situations multiple case files were prepared for the same customer if they were utilizing multiple services. In addition, photocopies were made of all verifications submitted/viewed and paper documents were sometimes created to provide information to staff next in the chain of handoffs and/or reviews. These documents are often redundant and include information that has previously been entered into the automated system which could be viewed by the workers at a later time, making this an unnecessary step in the process. Paper files lock a customer into a certain office unless the request is made to transfer the paper file to another office. This makes it very difficult for a caretaker in another location to assist the customer. Customers are sometimes asked to provide redundant information or verification because a case file is misplaced or located at another office or a Case Worker for a particular

program is unaware that the customer has already provided that same verification or documentation for another program area. Duplication of effort occurs with each customer contact as employees complete multiple forms, most of which require the same customer information.

Service Delivery - The current medical assistance service delivery model utilizes multiple intake points. The program, type of medical coverage and the customer's specific needs are some of the elements used to determine the appropriate intake point. Once eligibility is determined, cases are maintained in multiple locations as well. All eligibility determinations must be recorded in the KAECSES-AE system, but additional systems and processes are used to supplement KAECSES. Additional system support available also varies by program and location. Specific responsibilities of each entry point follow:

KHPA Out-stationed Workers - As part of the KATCH grant award, KHPA will place 12 workers in various locations throughout the state. These staff will be placed primarily in health clinics. They will be responsible for processing initial medical assistance applications and will transfer completed cases to either the Clearinghouse or the appropriate SRS Service Center. The first of these staff persons were deployed in late March 2010 with a full staff expected to be on board by August 2010.

KHPA workers will also be using KAECSES –AE as their primary system. They will have access to the PSI Platform, but will not have a special workflow or other processes built in for their use.

Prescreening Tool (PT) – As an optional part of the benefits eligibility application process, the means could be provided for a consumer to populate a web-based worksheet, or wizard, to gain some initial indications about which programs or services for which they may qualify. The data captured through the prescreening tool process would be confidential and used for consumer informational purposes only – not linked to an authenticated web-client. As an added feature, there would be a means for a consumer to "opt-in" to continue the formal eligibility application process by using the pre-screening tool data which they've entered, therefore eliminating rekeying of data. Prescreening could share some common components or business rules with Presumptive Eligibility (PE), which is described below.

Presumptive Eligibility (PE) – Kansas has a Presumptive Eligibility program for children, allowing specific Medicaid providers to make Medicaid and HealthWave 21 determinations with tools provided by KHPA. The initial determination is valid for 2 months. There are currently 4 designated PE entities in Kansas, with a fifth location scheduled to be implemented soon. Once the PE entity makes a determination, the information is sent via fax to the Clearinghouse for data entry into the KAECSES-AE system. A full application is then required in order for the child to continue to receive coverage past the initial period. The Clearinghouse maintains a separate data base specifically for PE to track cases and to document and record productivity.

For security purposes, PE entities are not given any access to the KAECSES-AE system. A paper-based/referral process is used by 3 or the 4 entities to facilitate a PE determination and record the results of the determination. Entities have been provided a paper worksheet and an Excel spreadsheet to record the results of each determination. Only Hunter Health Clinic in Wichita uses additional automation in the process, as they incorporate the PE determination into their standard intake process and submit the results of each determination on a nightly basis via FTP. However, Hunter Health Clinic is still using the Excel worksheet for the actual determination.

Kansas Department of Health and Environment - KDHE staff are responsible for processing applications for the AIDS Drug Assistance Program (ADAP). Staff at KDHE is responsible for maintenance of these programs. KDHE also makes required pre-determinations for two medical assistance programs. Both the Breast and Cervical Cancer program and the Tuberculosis program require notification of eligibility from KDHE designees prior to providing coverage. Staff in the HealthWave Clearinghouse actually processes these applications. Currently, only ADAP staff is responsible for making actual determinations in KAECSES. Other program staff relies on paper referral processes to send the information to the Clearinghouse. All programs have primary systems to record eligibility and track/monitor cases. KAECSES does not interface with any of these related KDHE systems.

Although the named entities above are responsible for processing applications --coordination and communication with hundreds of other entities is required in order to make a determination. There are dozens of scenarios which exist, but for a couple examples, (1) the Kansas Department on Aging is responsible for providing assessment information required in order to complete long term care determinations, and (2) a child in the custody of JJA (Juvenile Justic Authority) must be referred to the appropriate worker to complete the determination.

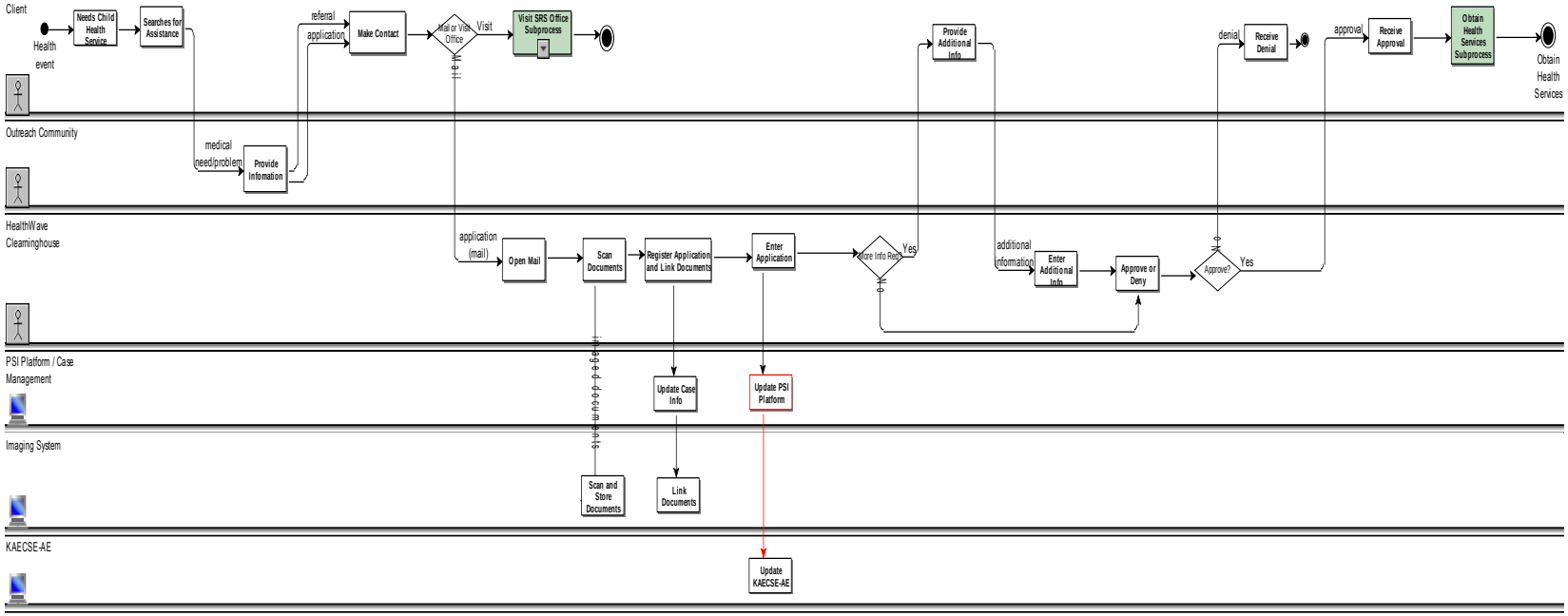
Although the current service delivery model does offer some advantages, it is sometimes problematic to adequately provide complete coverage to a whole family, or even an individual. Various members of a family may have coverage managed at different offices. For example, a disabled parent with a child may have their Working Healthy case managed at SRS while the child's HealthWave coverage may be managed by the Clearinghouse. Because the cases don't cross reference appropriately, it takes careful coordination between the workers to ensure accurate benefits are provided. Consider a child leaving foster care that has recently been reunited with his family and needs medical coverage. Extra effort on the part of both the foster care worker and the Clearinghouse worker are required to ensure the child's coverage does not lapse. Even a slight break in coverage can impact a fragile reintegration plan.

Medical Benefits and Coverage Plans - Although the KAECSES-AE system is used to support eligibility determination, ultimately those results must be sent to the MMIS, where information is used to provide

benefits to plan members. Functions completed by the MMIS include claims payment, managed care assignment, federal reporting, and generating additional benefit files to CMS and other organizations. The information coming from KAECSES-AE is used to determine what benefits the member will receive. KHPA provides a large number of different Benefit Plans in the MMIS, and each plan offers a different package of services. Members are placed in a plan based on the eligibility information coming from KAECSES-AE. For example, a child eligible for poverty-level Medicaid will receive an enhanced benefit package for children and will be offered enrollment in a managed care plan. But, a child eligible for HealthWave 21 will have a delayed effective date and will only be offered services through the managed care plan. A single two-digit code coming from the KAECSES-AE system that distinguishes these programs is in the MMIS. Eligibility staff actually making determinations must have very specific, detailed knowledge of these codes and how they impact coverage. There are well over a hundred codes used by KAECSES – AE and a simple data entry error can result in incorrect coverage, missing managed care assignments and inaccurate funding. Eligibility staff typically find out about these errors well after benefits have been paid.

Policy Changes and Coverage Expansions - Over 10 new medical programs/groups have been added in the past several years. Adequate system support has not been included with any of these implementations. The result is a series of work-arounds and special coding eligibility workers must follow when attempting to work these programs. For example, the mandatory coverage group for low income families (also called the TAF group) has no financial determination built into the system, forcing workers to make decisions using paper worksheets, excel spreadsheets or tools developed by the Clearinghouse vendor. Spousal Impoverishment provisions for married couples in long term care were implemented in 1989, but no pieces of the process have been automated to date and, a paper worksheet is still used to collect and capture complicated information on a couple's assets.

The result has been inconsistent determinations without a single source for data and information about the financial status of these populations. System capabilities must be considered when implementing a new program and policies are sometimes abandoned or changed because of a limitation by the system. For example, all HCBS waivers are held to the same protected income level because changing the parameters would be costly and time-consuming. This prevents policy makers from realizing the full flexibility of various groups. Figure 3 illustrates the current (as is), KHPA Enrollment and Eligibility Determination Process for Family Medical programs.



KHPA Enrollment and Eligibility Determinarion Process (as-is)

Figure 3

Inconsistent Processes - As noted earlier, and based on latest available information, typically cases at SRS are heavily reliant on paper processes as opposed to the paperless system that exists at the HealthWave Clearinghouse. KHPA contracts for agency wide imaging services from a company called Perceptive Software, which was recently acquired by Lexmark. The inconsistent method of maintaining case files results in continual imaging and printing of documents as case files pass between entities.

This makes it very difficult for a caretaker in another location to assist the customer. Customers are sometimes asked to provide redundant information or verification because a case file is misplaced or located at another office or a Case Worker for a particular program is unaware that the customer has already provided that same verification or documentation

In addition, the current business model has multiple owners of information and multiple systems and data bases that do not communicate customer/caseload information effectively. KHPA Clearinghouse uses two separate systems for the same client; one system is the KAECSES-AE system, which is the eligibility determination system; and the other is the case tracking system maintained by PSI. Information gathering requires both paper documentation and data entry into the system. The systems often times do not interact with each other and do not populate the appropriate fields with data that are entered in another SRS system, thereby requiring the staff to enter the same data in two or more separate systems. This duplication of effort is very inefficient and error prone as keying errors can be made.

Reporting System – Due to the lack of a comprehensive centralized reporting system and the system's limitations in tracking deadlines, staff must manually maintain tracking logs and reports. For all medical programs and service delivery locations, there are various timeframes that have to be met and numerous necessary program tracking components. Within SRS, staff reported several small data bases have been created outside of the legacy systems solely for the capture, tracking, and reporting of data that does not exist within the major legacy systems. The clearinghouse vendor provides a proprietary system as part of its solution to support the reporting and tracking needs.

5.2 *Existing Infrastructure*

SYSTEMS:

- Statewide Imaging System: ImageNow (Perceptive Software/Lexmark)
- Member Web Services: Web-based portal which translates some functionality from the legacy eligibility system providing a limited scope of self-service for customers.
- MMIS: Medicaid Management Information System

- DAI: Data Analytic Interface System
- Premium Billing Services: Provides premium collection services for all of KHPA programs and offers members automated features to pay premiums and check receipt of payments.

Legacy Business System Maintained by SRS:

KAECSES-AE	Determines client eligibility for means tested programs for SRS and KHPA including TANF, GA, RA, Medicaid, MediKan, HealthWave, CHIP, Adoption Support, Foster Care, and Food Stamp programs, calculates the benefit amount, pays the client, and tracks issues and benefits.

TECHNOLOGY:

KHPA and SRS workers performing eligibility determination, to date have had to rely on KAECSES (a system operated and managed by SRS) for medical eligibility determination processing. This core system was built 20+ years ago and was designed and implemented to serve one programmatic area. Based on the latest information available, and although incremental improvements have been made over the years, KAECSES is antiquated, complex and difficult to master. Its multiple manual processes create higher risk for errors in processing, and due to the numerous manual processes involved policies are sometimes applied inconsistently across the State. The KAECSES–AE system used for eligibility determination is a legacy (antiquated) mainframe application. The application was developed with what are now considered outdated platforms, including COBOL and Natural. The current system presents numerous issues, hampering the agency's ability to properly and efficiently manage the eligibility determination and enrollment processes. Processes are frequently designed around the system, and have resulted in an overall service delivery system with intensive redundant manual processes and handoffs. These processes result in inefficiencies, promote the possibility of missing case information and are very error-prone. With current budgetary limitations, there are fewer offices in the State, making it difficult for consumers to access enrollment opportunities. The installation of a user- and employee-friendly, web-based, and integrated IS will increase accessibility for consumers and productivity for employees, enabling KHPA to mobilize its workforce.

With too few resources, it is essential KHPA combine available resources and employ lessons learned by others. Lack of a coordinated agenda for outreach has been a primary barrier to reaching uninsured residents who are eligible for insurance coverage. An integrated, web-based information system is a corner stone in solving this problem. KHPA desires the opportunity to demonstrate what may be accomplished over a long term for a relatively small investment

KHPA staff primarily uses personal computers to perform their work. These systems use current hardware platforms, operating system (Microsoft Windows XP) and desktop applications (Microsoft Office 2007). Productivity (Microsoft Exchange E-Mail) and collaboration (SharePoint) applications and web based technologies (Microsoft IIS and .Net) exist, but their adoption and use is not consistent across the agency. Data management and data sharing are supported by relatively modern server architecture (Microsoft Server 2003 or higher) and Storage Area Network.

Network services and infrastructure, including wide area and local area network, and internet access are contracted through the Kansas Division of Information Systems and Communications (DISC) which manages the Kansas Wide Area Information Network (KanWIN). KanWIN provides network connectivity to state agencies, and local units of government, and manages the statewide data network. KHPA partners with SRS in the intake and processing of medical eligibility applications. SRS is responsible for management and support of the network services and infrastructure for regional offices and other locations that are outside the service area of KanWIN. These services are supported by current hardware (routers, switches, and firewalls) and network services, a redundant backbone network, multiple internet access providers, and a 24 x 7 Network Control Center.

The Medicaid Management Information System (MMIS) is responsible for the fiscal agent functions of Kansas Medicaid. The MMIS is reliant upon updated and current information received from the KAECSES eligibility system in order to properly pay Medicaid claims. KHPA is in the final stages of implementing a Data Analytic Interface, which is a data warehouse incorporating data from the Kansas Medicaid and other medical programs, the State Employee Health Benefit Program and the Kansas Health Information System. The new eligibility system will be able to interface with the DAI to allow reporting across multiple subsets of data. In addition, KHPA has recently secured new service vendors which include automated services as a major function of the contracts. Hewlett Packard (HP) serves as the agency wide Premium Billing vendor, for collection of health care premiums for all KHPA programs; Perceptive Software provides an agency wide imaging system and Policy Studies Inc (PSI) is the new vendor for HealthWave Clearinghouse.

At the high end of the technology maturity model, but the low end of the system technology scale, are the individual or end-user solutions. As technology has progressed and become more affordable, individual workers have become adept at developing applications with tools available to them. Desktop applications (Microsoft Office) and data bases (Microsoft Access) are tools which allow individual workers to develop their own automated solution in response to a perceived business need, which may or not be part of the KHPA business model. In most cases these tools are not integrated with other KHPA application systems. In some business areas, the use of these tools has expanded beyond the intended capabilities of the technology and the ability of the users to support these solutions. This has created a

situation where program staff are now dependent on a tool or system to perform their daily work and the IT staff must find a way to support it or replace it with a comparable solution. This approach to system development only exacerbates the disconnect between the business and technology strategy and the programmatic silo approach to application system development that has historically existed.

Technical Requirements

KHPA will ensure that the selected vendor implements an SOA-based solution, following MITA standards, and adhering to all Federal and State guidelines:

Service Oriented Architecture: In computing, a **service-oriented architecture** (**SOA**) is a flexible set of design principles used during the phases of systems development and integration. A deployed SOA-based architecture will provide a loosely-integrated suite of *services* that can be used within multiple business domains.[7]

The Medicaid Information Technology Architecture (MITA): is an initiative of the Centers for Medicare and Medicaid Services (CMS), aligned with the National Health Infrastructure Initiative (NHII), and intended to foster integrated business and information technology transformation across the Medicaid enterprise to improve the administration of the Medicaid program.[8] The MITA objectives are specifically to:

1. Adopt data and industry standards,
2. Promote secure data exchange,
3. Promote reusable component through standard interfaces and modularity,
4. Promote efficient and effective data sharing to meet, stakeholder needs,
5. Provide a beneficiary-centric focus,
6. Support interoperability and integration using open architecture and data standards,
7. Support integration of clinical and administrative data to enable better decision making,
8. Break down artificial boundaries between systems, geography, and funding (within the Medicaid program)

[7] Service Oriented Architecture. http://en-wikipedia.org/wiki/Service-oriented_architecture

[8] For more information on MITA, see www.mitahealth.org

To facilitate its health insurance coverage expansion initiative, KHPA will implement a state-of-the-art eligibility determination and enrollment system. The goal is to employ an electronic data entry system for applicants/their facilitators to enter enrollment data from a variety of end-points. KHPA has developed a list of specific functionality required of the new system, as well as certain high-level requirements that the agency desires. These include:

- information regarding eligibility determination and enrollment shall be entered electronically by enrollees and/or their facilitators to the extent possible;
- all information entered shall be passed through a configurable rules-engine (a number of rules governing work flow) and validation mechanism to ensure the most accurate data are presented;
- the system shall be web-based and, therefore, easily accessible to potential enrollees and to all community-based access points where enrollment may be facilitated;
- on-site scanning of enrollment support documentation shall be included, and the system must interface with KHPA's existing document and imaging management system, KHPA's premium billing system, and also support SRS workers who perform eligibility determination using SRS's existing document and imaging management system.
- the rules engine shall be easily managed by KHPA non-technical staff and not require a level of expertise that will hinder the ability to implement, alter and maintain current and new programs;
- no limitations may exist on the number of programs or other data within the application;
- the system must be highly scalable so as to allow the KHPA to grow, implementing as many programs as necessary, and enabling the enrollment of individuals in those programs as they expand. The system must also be scalable, allowing additional entities the ability to use or expand the system for similar programs such as eligibility for other human services programs.;
- a multi-tiered security apparatus, that utilizes user and role based security and application access capabilities, is required;
- a comprehensive suite of built-in reports;
- a user-friendly ad-hoc reporting environment;
- the application shall be built in an easily maintainable and flexible programming language so that any modifications requested can be specified, developed, tested and implemented within a reasonable amount of time;
- interfaces with other KHPA and government-related systems is critical and, the application must have built-in interfacing capabilities with the ability to interact with the proposed Enterprise Service Bus (framework in the middle of applications to enable transfer of information);

- an application built with the framework of Service Oriented Architecture (SOA) is required, so as to more easily facilitate open standards-based system interfaces;
- the system must be built with the Medicaid Information Technology Architecture (MITA) and other standards such as the National Information Exchange Model (NIEM) in mind, so it may more easily participate in the exchange and interaction of data across state Medicaid programs (health information exchange or HIE);
- the system shall possess comprehensive workflow, tracking and quality assurance mechanisms to ensure that information entered at any entry point is as clean as possible and processed as efficiently and expeditiously as possible;
- the system shall adhere to Department of Administration's SAS No. 70 rules; and
- interface with various Geographic Information Systems (GIS) to perform geographically focused analysis.

6 PROPOSED SOLUTION

6.1 *Solution Description*

A number of architectural scenarios exist for the development and construction of a modern eligibility system serving, at the onset, the primary requirement of fulfilling KATCH, but also serving as an architectural foundation, not only to perform eligibility determination, but also other common program functions across other Kansas EHHS service domains and programs. These options include, but are not limited to, Stand Alone, Federated, and Unified architectures. See Figure 4 below for a visualization of these three architectural scenarios.

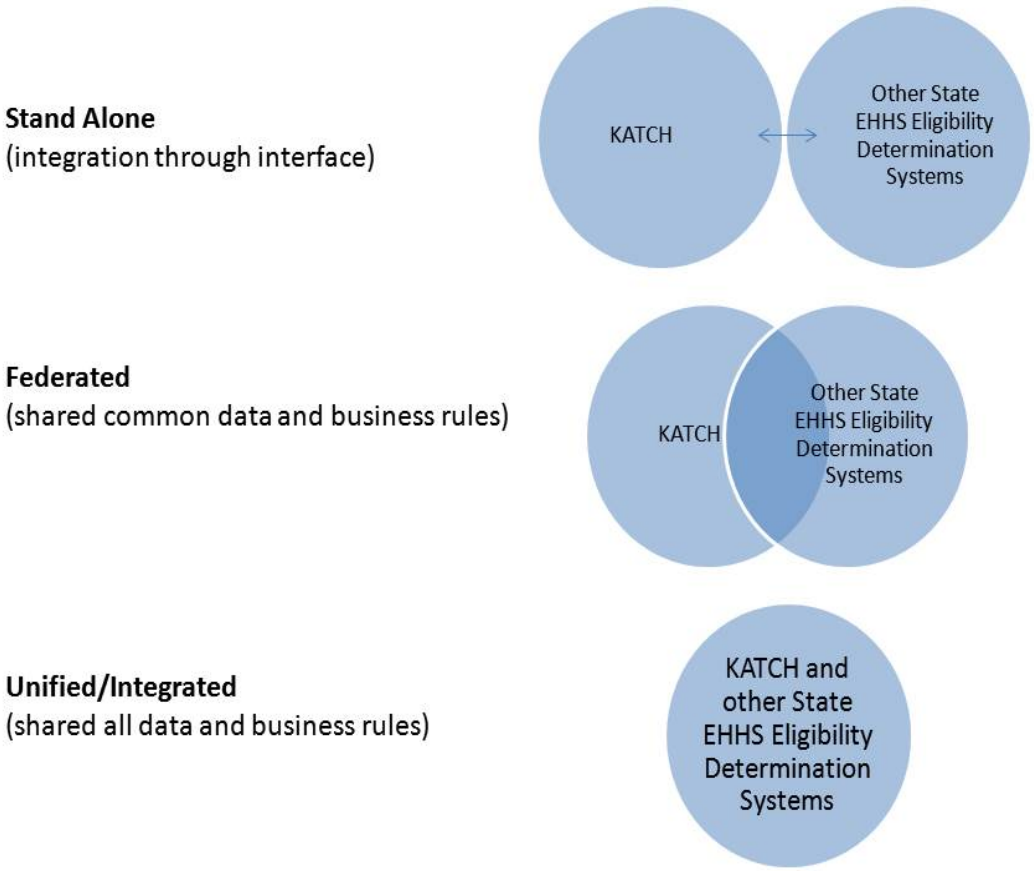


Figure 4

The architectural scenarios assessed include, but are not limited to:

- **Stand-Alone:** A KATCH-specific eligibility determination architecture, which serves the unique requirements for KHPA, and shares data with other programs and agencies through clearly defined interfaces.
- **Federated:** An eligibility determination architecture which is designed to serve common program requirements, across multiple Kansas agencies, through a mature business rules engine, common set of shared core data, and a federated web portal architecture which may be highly customized to the needs of the individual programs, but having the appearance of a single

portal (e.g. a customer may login to the portal once, and access a broad set of programs and services through that single-sign-on). Where common, core, modules cannot meet unique or specialized program requirements, program-specific extensions will be configured.

- **Unified/Integrated:** A single, common, core architecture, set of business rules, and unified information model, which is shared by all agencies and programs for eligibility determination.

Although the resulting architecture is dependent upon the vendor solutions which are proposed in the RFP, the State of Kansas is seeking viable solutions for **federated solution architecture**. Federated solution architecture provides the opportunity to share common business processes, information, and technology where it makes sense, while still serving the unique needs of the individual programs in a highly flexible manner. In achieving this federated architecture, a number of shared services will be required to be hosted serving multiple agencies as illustrated in Figure 5 below.

Figure 5 serves only as a representation of the various architectural layers/services which are commonly supported in a shared services model across related programs/projects within an enterprise. It by no means implies a level or degree of federation or unification of those shared services across programs --- in fact, as previously described, each shared services layer may be realized, in practice, much differently across programs, among architectures which may be (1) loosely integrated through services, (2) federated, and/or (3) unified.

What's important to note is that the investments in these shared services, which will eventually serve a much broader set of programs, insures the long-term viability and longevity of the proposed solution decades into the future. Further discussion certainly needs to be had on the degree of federation and/or unification which is practical and appropriate at each layer of the shared services model – and much may be dependent upon the inherent capabilities of the solution or framework selected.

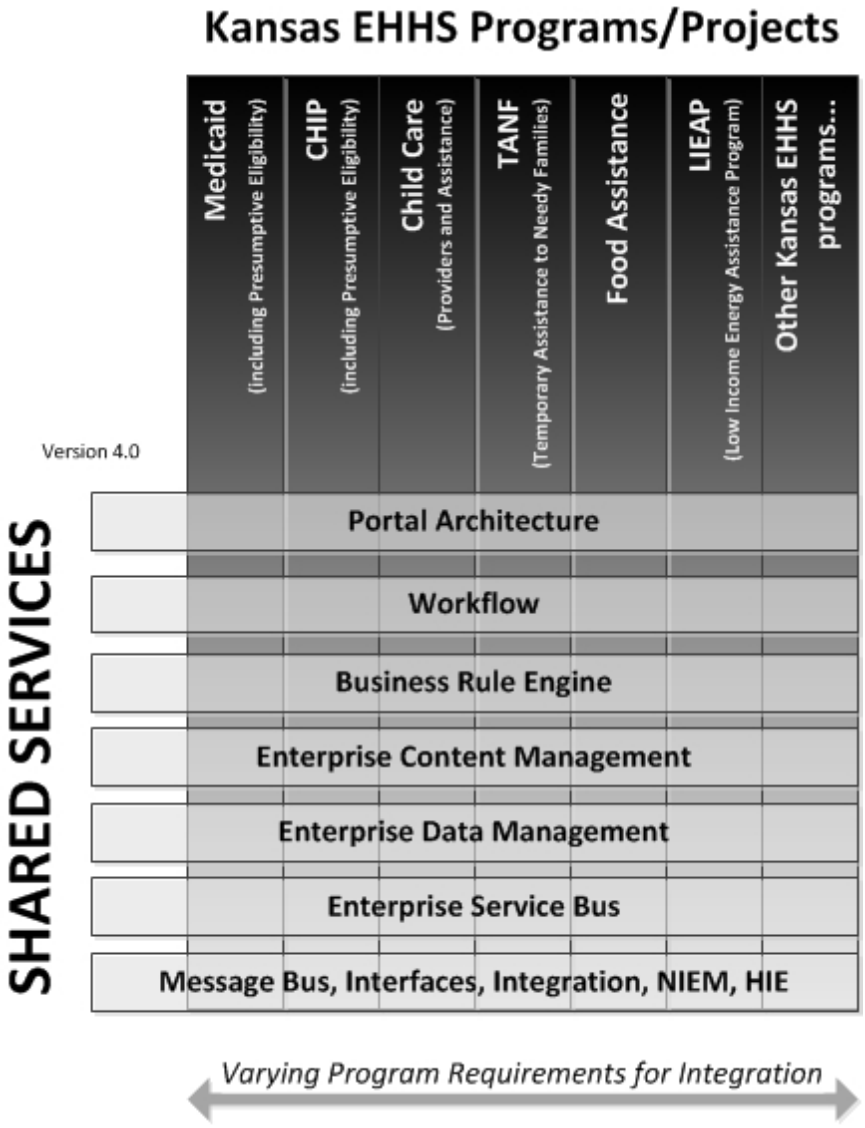
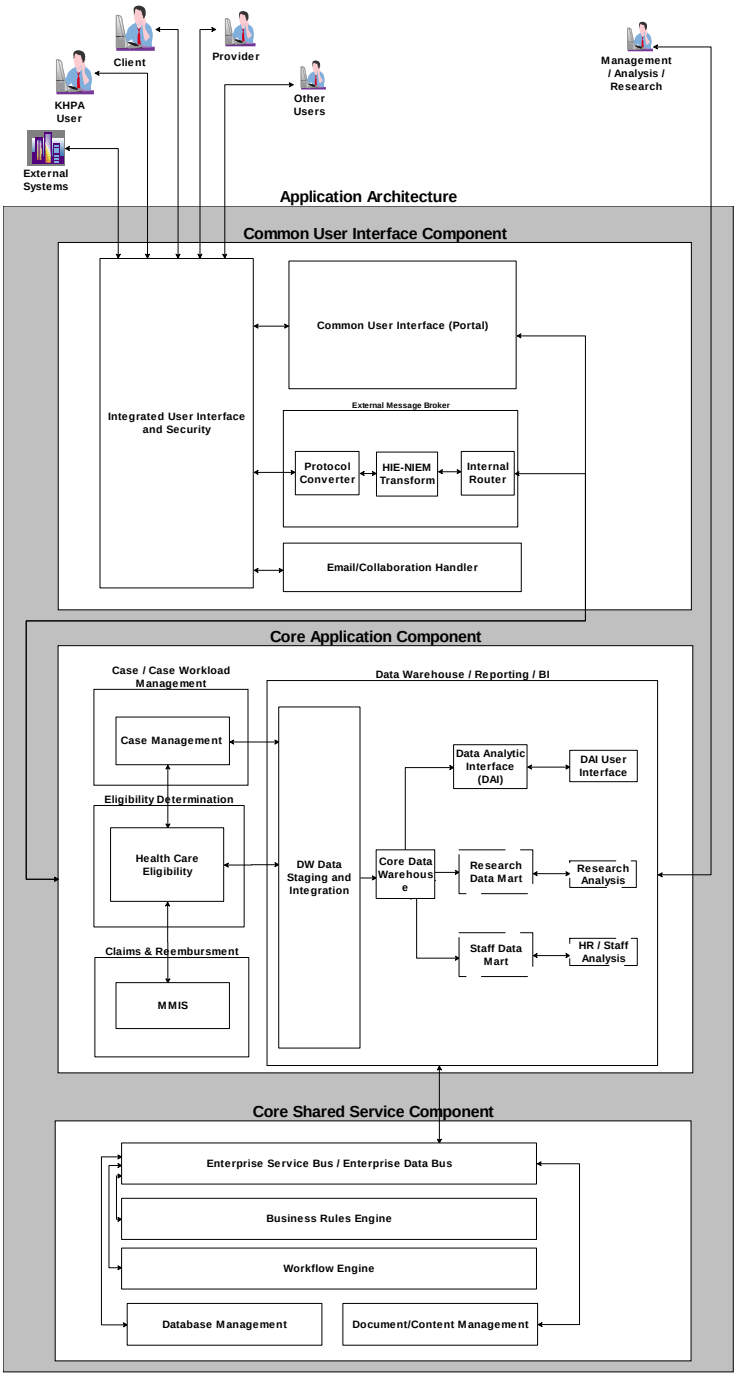

Kansas EHHS Programs/Projects
Medicaid
(including Presumptive Eligibility)
CHIP
(including Presumptive Eligibility)
Child Care
(Providers and Assistance)
TANF
(Temporary Assistance to Needy Families)
Food Assistance
LIEAP
(Low Income Energy Assistance Program)
Other Kansas EHHS programs...
Version 4.0
SHARED SERVICES
Portal Architecture
Workflow
Business Rule Engine
Enterprise Content Management
Enterprise Data Management
Enterprise Service Bus
Message Bus, Interfaces, Integration, NIEM, HIE
Varying Program Requirements for Integration

Figure 5



KATCH Application Architecture (To-be)

Figure 6

Through collaboration with its partners and stakeholders, KHPA has developed a strategic approach to expand coverage to those who are presently uninsured, combining health information technology with a targeted outreach, marketing and education campaign (with all materials, including the web site, translated into multiple languages). Employing this dual approach will build a solid infrastructure for KHPA to effectively manage public health insurance programs, expand coverage to an estimated 30,896 uninsured children who are currently eligible for coverage through the CHIP expansion, but not enrolled; and extend coverage to an additional 20,098 Kansans who are eligible for Medicaid but not enrolled (total of 50,994 additional individuals covered by insurance). The implementation of health care reform will potentially double the size of Medicaid and will potentially bring in an additional 500,000 people who will be eligible for subsidized coverage through an insurance exchange.

The future business model envisions that the customer will utilize an expanded continuum of service channels with choices including in person contact, telephone, internet (via customer's existing computer's or smart phone's web browser or alternatively, through an existing public internet web kiosk), and mail. The use of remote sites and access promises a much greater level of accessibility to customers residing in all areas of the State. With this increased automation, geographic boundaries will be minimized; there will no longer be a need for the customer to seek services from the county in which they reside due to travel and other geographic constraints. Customers will be able to access information and file applications from anywhere that internet service is available, including through home computers, public libraries and at community partner office sites. Customers and providers will be able to interact with the Agency from multiple locations, taking maximum advantage of communications alternatives, increasing both the capacity and effectiveness of KHPA in delivering efficient services. Interactive electronic eligibility determination processes allow immediate feedback to a customer, reducing errors, and guiding the customer through the process. Although paper forms and the option for a customer to talk in person to eligibility determination workers will still be available, it's expected that the majority of customers will choose to interact through convenient electronic means.

Hardware/Software/Technical Platform and Hosting; KHPA is anticipating multiple solution approaches to be presented from Vendors as part of a competitive RFP procurement process. The solutions may involve state hosting, or alternatively, we may be presented with an option for hosting services to be provided as part of the solution. A state hosting scenario would involve DISC (Division of Information Systems and Computing) hosting some or all of the shared services required across multiple agencies and programs for the solution. Evaluating hosting scenarios involves much more than cost. Assurances must be made in terms of information security, privacy, business continuity, and stewardship of the shared/federated data across multiple state programs. For any hosting involving a 3rd party (non-state entity), HIPAA requires business associate agreements, auditable controls to be established, and be subject to federally mandated SAS-70 audits (Statement on Auditing Standards No. 70) to be conducted

annually. Specific information regarding hardware, software and the technical platform cannot be determined at this time, but KHPA will adopt standards and goals as described in the Kansas Strategic Information Plan, adhere to MITA, the Kansas Information Technology Architecture (KITA), and proven Service Oriented Architecture (SOA) standards.

Development Approach: KHPA intends to use and adopt industry or national standards where ever possible to foster the sharing of enterprise information. KHPA will work hand-in-hand with the selected vendor and other stakeholder agencies, in the development of a system. Until a solution is chosen, the level of involvement of each participating agency is undetermined. KHPA will require that vendors propose the use of a proven, well-adopted, development approach or methodology for the implementation of the selected solution. This development approach or methodology shall be described in detail by vendors as part of their RFP response.

Integration/Interfaces; The solution will need to interact and interface with multiple internal and external partners, as listed below. The Vendor, in partnership with KHPA, will be responsible for ensuring successful integration through well architected interfaces with other systems.

Organizations with which Integration/Interfaces are anticipated (currently known)

- Kansas Department of Health and Environment
- Kansas Department of Labor
- Department of Administration
- Department of Social and Rehabilitation Services
- Department of Homeland Security
- Kansas Department of Revenue
- Social Security Administration
- Kansas Department of Education
- Kansas Department of Health and Environment
- Juvenile Justice Authority
- Hewlett Packard – Medicaid Management Information System and Premium Billing System
- Kansas Department on Aging
- PSI / Clearinghouse

Health Information Exchange (HIE) - KHPA will require that the proposed solution interfaces with or via the future Kansas Heath Information Exchange. Furthermore, in the scenario where KATCH is chosen as the System of Record (SOR) for the Kansas Master Patient Index (MPI), the proposed solution must also

fulfill the role of an information *provider* for multiple information *consumers* across both public and private sector domains as part of the Kansas HIE "fabric". [9]

Outreach/Stakeholders - To facilitate project communication and form relationships with the entities the systems will be interacting with, a series of external Stakeholder meetings will be regularly conducted and input will be solicited. The meetings are divided into two groups and involve both technical and business representation:

- Other state agencies External, private associations

KHPA is extremely excited not only about the opportunity this grant represents for the Medicaid and CHIP programs, but also the opportunity that it represents for the State of Kansas. By investing in the appropriate service based technology, KHPA anticipates that other agencies will be able to capitalize on the technology for future projects. While the money from the grant will be used specifically for Medicaid and Children's Health Insurance Program eligibility, nothing precludes us from laying a foundation on which other programs can build.

Governance: Kansas has substantial experience at building successful IT Governance models. We're one of a very few states, for example that has a governance model successfully spanning branches of government. A governance model appropriate to the system implementation will be chosen that involves key stakeholder agencies, and has initially been proposed to be the following.

[9] The Kansas Department of Health and Environment (KDHE); the state designee for health information technology, is facilitating the creation of strategic and operational plans for a statewide infrastructure for health information exchange (HIE). These plans will act as a blue print to not-for-profit organization responsible for the deployment and operation of the Kansas HIE. Health information exchange and health information technology have been an area of focus in Kansas for several years. As such, consideration and planning for significant changes in the Kansas health care environment have been taking place for years prior to the federal Health Information Technology for Economic and Clinical Health (HITECH) Act. The primary goal of the Kansas HIE is to enable health care stakeholders to share data for coordinating patient care and to support public entities in achieving their population health goals. More specifically, this process will enable stakeholders to focus on developing medical homes for Kansans and on utilizing the chronic care model to address identified disease conditions. More information on this Kansas effort can be found at http://kanhit.org/.

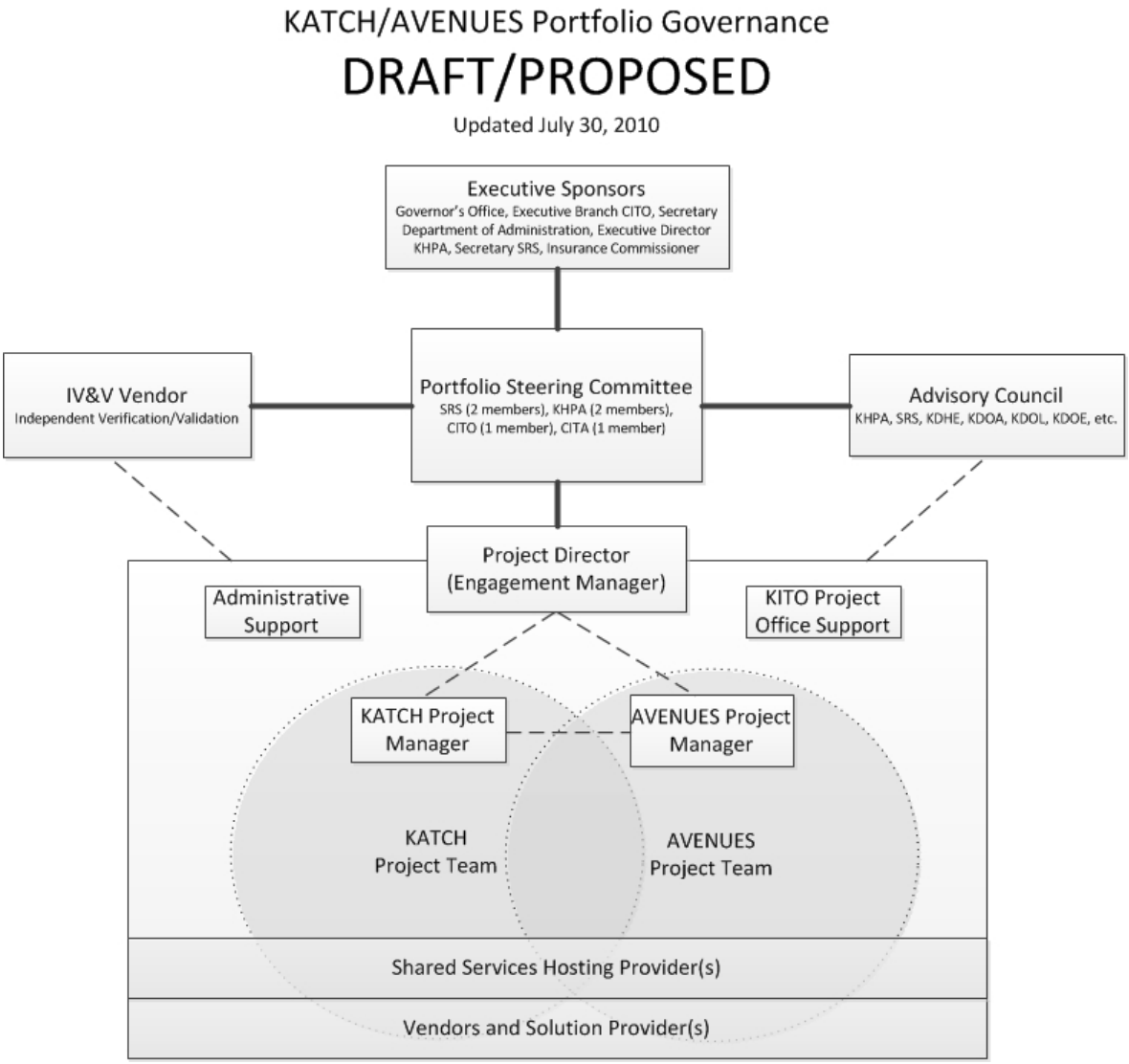


Figure 7

The governance model depicted here, represents only a very preliminary, current state of thinking which will continue to evolve and be revised over time. In evolving (and eventually adopting) a formal governance model, it's critical that **all stakeholders** have a "seat at the table" during the chartering process so that they will have an active voice in formulation of roles, responsibilities and lines of authority. Through this process, stakeholders will then be in a position to strongly endorse whatever becomes adopted as the eventual governance model for KATCH and other related projects.

On-going Maintenance: Dependent upon the solution chosen. The expectation is that a vendor or vendors may be responsible for long-term maintenance, modification and administrative support of the eligibility solution throughout the term of the contract. A number of hosting scenarios exist which include vendor provided hosting services, state shared services (DISC) hosting services, or a federated hosting model cross-cutting agency application domains. For components of the solution that are to be shared across multiple agencies and programs, it is important to consider a shared services hosting option with a strong governance model, appropriate cost allocation methodology, and formal SLA's (Service Level Agreements) in place.

Information Security/Confidentiality: Security agreements will be established with the contractor to protect the physical security of, and prevent unauthorized access to, the PHI and other secure information during the term of the development contract. In a scenario where parts of the application may be developed, or hosted, at a facility other than the State of Kansas, the vendor and subsequent hosting provider or providers will be contractually bound to follow all HIPAA standards and keep all data within the boundaries of the USA. Upon request the vendor or hosting providers will furnish the state with a written description of such steps taken. All parties will agree to allow authorized representatives of the State of Kansas and the Federal Government access to the premises where the PHI is kept for the purpose of inspecting physical security arrangements.

Authentication and Authorization: Regarding citizen access to the new system, a robust and secure single-sign-on means of authentication and authorization is to be put into place, to ensure customer privacy. Two factor authentication may be required for some or all actions, consisting of a) what you know (e.g. userid/password/SSN, etc), and b) what you have (e.g. secure PKI certificate, token-based credential, etc.). Audit controls will be established, to further insure confidentiality and system safeguards are effective.

Consistency with overall strategies: The new technology serves as a key building block for a strategy that leverages community resources and individual initiative to eliminate barriers between eligibility and enrollment. With full funding for both the technology and other resources needed to connect with community resources and individual applicants, the grant enables KHPA, in teamwork with other State of Kansas agency partners, to make substantial progress in meeting the objectives of the state's Strategic Information Management (SIM) plan by allowing for effective and efficient enrollment in public insurance programs.

Impact on current infrastructure: KHPA and SRS will see significant change to each agency's existing information technology infrastructure. The core legacy system KAECES-AE will eventually be replaced, over time, as elements of the new programs are implemented. With the anticipated outreach and public kiosk functionalities, additional hardware will be required. These costs have been included in the

grant. An increase in usage of KANWIN and Internet services is expected, as electronic channels become operational. As a final solution has not been determined at this time, projected costs involving increased usage of KANWIN services is unknown at this time. A High Level technical infrastructure diagram is being developed to include with the RFP to ensure vendors understand the full scope of work.

Impact on data center(s): The vendor's RFP responses will include operational and technical requirements for the application hosting and data repository (hardware, software, communication services). Interfaces will be required between the selected solution system and the current MMIS system. The Data Analytic Interface, which is a data warehouse incorporating the Kansas Medicaid and other medical program data, the State Employee Health Benefit Program data and the Kansas Health Insurance System data will be able to interface with the new system allowing reporting across multiple subsets of data. The full impact on these systems cannot be determined at this time, but the vendor's RFP response will consider all external systems, and include the services to make the interfaces operational. Multiple alternative hosting strategies, including (but not limited to) vendor provided hosting, state shared services (DISC) hosting, and/or Kansas agency data center hosting, should be considered. Another factor which may influence the hosting and data center strategy is the initiative sponsored by the legislature to do a feasibility study regarding State IT consolidation. A decision shall be made on the hosting strategy well in advance of the operational roll-out of the resulting solution.

Impact on End Users, Existing Systems:

Substantial impact will be felt by end users, as the legacy systems are retired, and the new systems are implemented. In addition to the learning curve of a new web-based application, business processes and job descriptions may also change significantly. Organizational impacts will be planned for, and risk mitigated, early in the project lifecycle. Training and skills transfer will be an important part of the operational readiness required, in order to successfully implement and operate the new systems.

Existing systems will be either replaced entirely, or interfaced to, as part of the new solution. Measures will be taken to insure that new functionality deployed in the proposed solution, replaces (entirely) the existing functionality in the legacy systems. Over time, all of the functionality and information existing in KAECES-AE will be migrated to the new architecture. As part of the long-range EHHS roadmap, the KAECES-AE application is to be eventually sunset (retired) completely.

Backup and Operational recovery activities include but will not be limited to, routine backup and recovery activities, correcting deficiencies within the operational eligibility solution, improving efficiencies and file maintenance activities. In the scenario where DISC hosts all or part of the new application and shared services, the Wichita Data Center may serve the requirements for backup and

operational recovery. The hosting provider shall establish procedures for responding to an emergency or other occurrence (e.g. fire, vandalism, system failure, and natural disaster) that damages systems that contain electronic protected health information. The procedures shall address what to do if a computer system and/or the data files are violated, lost, damaged, or inaccessible. Recovery procedures shall comply with all requirements under HIPAA. The hosting provider shall ensure that system recovery procedures are tested, and revised on the results of the testing. This testing shall be completed at a minimum annually and a written report of the outcome and revisions, if any, provided to KHPA. The systems will also be subject to a federally mandated SAS 70 (Statement on Auditing Standards No. 70) audit. SAS 70 provides guidance to service auditors when assessing the internal controls of a service organization.

Public access: Beyond that of the citizens, and their own records for which they're authorized to access, the solution will not provide direct public access to State databases by any private sector organization or individual. The solution should service open records requests, for the type of data and reports which would be required to be available to the public under the Kansas Open Records Act,

Costs and Benefits/Sources of funding: On September 1, 2009, KHPA was awarded a grant by the Health Resources and Services Administration (HRSA), a division of the U.S. Department of Health and Human Services. KHPA applied for HRSA's State Health Access Program (SHAP) grant that sought to support states that were expanding or starting programs that would provide insurance for the uninsured. Based on Kansas' recent commitment to expand the CHIP to the 2008 250% FPL, KHPA asked for the grant in order to fund additional outreach and a new eligibility system. HRSA awarded KHPA the amount requested for the first year, $1, 930,490, and recommended subsequent grant awards (KHPA must apply for continuing grants each year under the requirements of the grant program) also in the amounts originally requested for the following four years--$9,432,124; $9,635,813; $9,488,919; and $9,832,096 respectively—for a total grant award of $40,319,442. Of that amount, $28,837,500 is budgeted for the procurement of a medical program eligibility system. The State is expected to match the grant amounts by 20 per cent. A contribution of $200,000 by the Kansas Health Foundation and in kind contributions of staff salaries for the existing KHPA staff who will be working on the project and their related expenses meet the matching requirement for year one. In addition to the in kind contribution by KHPA, the money appropriated by the Kansas Legislature for the expanded CHIP population is used to meet the matching requirement in subsequent years. No additional money is being requested for matching the grant amounts.

Full exploration of the costs and benefits of the proposed system are quantified in the DA518-519. In summary, the potential benefits to be realized through implementation of this new system include, but are not limited to the following:

Soft Dollars

- Standardization of technology (SOA) lowering total cost of ownership by allowing interoperability
- Decrease error rate (11.4% in 2009 to 7% in 2014). Improved efficiency (single source of data, eliminate paper worksheets and manual workarounds & calculations).

Hard Dollars

- Optimize the use of federal or private insurance funding, where practical and appropriate, with the goal of maximizing the investment of constrained state dollars across diverse program needs.
- Avoidance of federal penalties due to not meeting Medicaid requirements.
- Potential to receive bonuses from CMS for implementing high performance system.
- Eliminate the potential risk for duplicate benefits being paid to consumer
- Mainframe system and software cost savings
- Storage of paper files (replaced by imaging)
- Reductions in Forms and Postage for mailings
- Staffing cost avoidance by maintaining an ever-increasing workload, without a proportionally corresponding growth in staff

Intangible Benefits

- Hospital/clinic losses due to caring for uninsured customers who qualify but are not receiving Medicaid benefits.
- System efficiently supports collections, adjustments, reversals, transfers and account investigation and maintenance.
- Consumer can see status of application online, thereby eliminating the need to speak to state staff.
- Existing state staff will be able to more efficiently and proactively address case management, complex claims, and citizen outreach.

6.2 *Rationale For Selection*

KHPA undertook an effort to examine other state Eligibility systems and Commercial-off-the-Shelf (COTS) applications. The goal was to understand which of those systems would best meet the needs of Kansas. The survey brought to light multiple viable alternatives which could be considered. Of those, two alternatives stood out:

- State Transfer System
- Commercial-off-the-Shelf (COTS) Product or Framework

Both of these alternatives would meet the core objectives and requirements of KATCH; however, the mandate to meet a more enterprise-wide need exists, and should be given appropriate weight in the RFP evaluation criterion. The RFP will encourage bidders to develop a solution utilizing either solution or a combination thereof.

Additionally, beyond KATCH and across a broader program audience, it will be valid to consider a "hybrid approach", whereas a combination of State Transfer Systems, COTS, and Custom Build will be required to effectively service the enterprise requirements for all EHHS programs.

Whether a State Transfer, COTS, or Hybrid scenario, each solution would allow KHPA to open new service channels to Kansans across the state. Outside agencies and KHPA systems would be interfaced together for a mutually beneficial purpose. Considering all the manual work that currently takes place, accuracy would increase with any of the selections. Any selection would also enhance ease of use for staff and workflow management. Customer service would improve with faster systems and new programs could be implemented faster. The online application in conjunction with the eligibility system would cut down person and paper costs as well.

Option 1: Transfer and customize existing eligibility system from other state

The most important aspect of choosing a transfer system is picking a system which most closely meets the state's business requirements, technology requirements, and is built upon a viable architecture that can be maintained and extended for a decade or more. Other aspects to keep in mind while picking a transfer system are determining –

- How mature the architecture is and how easily integrated into the state's architecture it is.
- How the solution will capture client information, manage case visibility and initiate workflows.
- What it will take to customize and maintain the solution in a cost effective way.

- Whether the solution is a multi-state transfer or a very old system, and if so, how "fresh" the technical architecture foundation is. If more than 2-3 years old, the risk of premature technology obsolescence, and resulting higher total costs of ownership should be considered.

If an old system or a multi-level transfer is proposed, the solution might have an overly complex code base and architecture which could create problems with long-term maintenance. A state with a successful operational system could agree to provide the computer code and documentation for their system (the code is public domain so by-itself is a no-cost option for the state), which could then be adapted to the receiving state. This might not be an issue because the Vendor presenting the transfer solution in response to an RFP usually has already worked out the details about the transfer. This option takes less time and money for implementation and customization and the risk of failure is very low as the system is already working in another state. State transfers make the state solely responsible for upgrades and maintenance. This accentuates the need to have the application based on a platform that is common with open standards and where programmers are plentiful. Implementation is less expensive, but ongoing costs may be more expensive as compared to COTS, although COTS licensing can run quite high. An advantage of being completely responsible for the upgrades is that the state gets what it wants when it wants rather than having to wait for a COTS vendor to decide their need is important enough to incorporate into their proprietary software update releases.

Option 2: Implement a single COTS application framework:

There are several COTS framework products that have been on the market recently such as Curam and Oracle. Curam is already installed in several states within some social services program areas, and the company has a strategy to further broaden its penetration into additional social services domains. Oracle has recently purchased Haley (leading business rules engine) and SIEBEL with a strategy to build out a yet-to-be-proven enterprise social services solution. Albion was purchased by Affiliated Computer Services (ACS) in 2007 but after several failed implementations, has chosen not to offer the COTS solution as a product in the future. Other COTS solutions exist including Harmony and Lagan, which are both currently proven in selected social service niche program areas, but failing to meet a more enterprise-wise EHHS solution breadth.

- This approach offers the advantage of licensing a highly integrated, componentized application. These components are designed to work together. The component integration code and core rule sets are proprietary and cannot be modified by the user of the framework; however, there is a layer that can be configured to the needs of the user (i.e. data input screens, workflow, eligibility rules).

- Another stated advantage to this approach is that the platform, regardless of vendor, is robust and mature, allowing a high degree of confidence that the framework will meet business needs. The primary advantage of Curam is that its frameworks is developed specifically for an Electronic Health and Human Services environment based upon industry best practices for their programmatic modules. Utah and North Carolina have purchased Curam. Louisiana has used Curam for their Disaster SNAP system to replace old legacy system. Utah found that the product was not as mature as originally proposed and has spent approximately nine years implementing, far exceeding their original budget. Successful implementations of Curam exist, but are few and rarely occur on time and on budget.

- ORACLE has developed an eligibility system based on SIEBEL and the Haley policy automation tool. While all of these brand names are well known and have success in their respective markets, Oracle has not made any eligibility system implementations in the USA.

As no single COTS Framework currently implements modules specifically for all of the eligibility determination program areas serviced by Kansas, therefore the state will either have to develop custom modules within the COTS Framework for some program areas, adopt a Hybrid solution scenario as described above, or wait until the COTS Framework vendor implements those modules.

HHS frameworks also have very different pricing philosophies; some frameworks charge a per seat (each user) license for each tool or group of tools, while others base their pricing on application. This means for each additional program or application function that is added, the pricing of the product increases. Initial cost of these system purchases is a lot higher than the transfer system. System customization is time consuming. Some advantages of this option over a Transfer system is the Customer gets maintenance upgrades at minimal cost or free as long as they are paying licensing fee. This may include additional features or enhanced components which are part of the core (or base) solution. The annual licensing and maintenance costs are typically in the range of 15-20% (of original purchase price). Additional components can be purchased later to support other programs and services.

Disadvantages of COTS solutions include –

- Limited flexibility.
- Customization may be costly and overrun the budget.
- Waiting for maintenance release or patches in case of problem.
- Single vendor lock-in
- Substantial recurring (annual) maintenance and/or licensing costs

If a vendor goes out of business or abandons the system development/practice due to technology changes, not meeting their sales target, merger and acquisition, then conversion/maintenance may be very costly. Although it's difficult to generalize, a high-level, side by side comparison of State Transfer vs. COTS solution pros/cons follows as Figure 8.

State Transfer	**COTS**
Pros - Proven Solution - Low Entry Cost - Potential for Multi-Vendor Support	Pros - Proven Solution - Well Architected Design - Vendor Assumes Maintenance
Cons - Higher Customization Costs - State Assumes Maintenance	Cons - Higher Entry Cost - Potential for Single Vendor Lock-in

6.3 *Other Alternatives Considered*

There are two additional, generally accepted alternatives. These are recognized as higher risk than a State Transfer or COTS solution implementation. These alternatives are:

- Maintaining and upgrading existing applications, or
- Development of a new system through a custom design and build.

In either scenario, the system must adhere to the Kansas SIM Plan, MITA standards, State KITA, and Service Oriented Architecture.

6.4 *Describing Alternatives*

Maintaining and Upgrading the Current Systems

The cost and risk to maintain and extend an application, is directly proportional to the condition and age technology of the existing system. Though there was an attempt made in the past to add a web based presumptive eligibility and application component, it was dropped due to budgetary issues. Several states are employing this option as they have existing robust eligibility engines as their backend. Now, with changes in technology, a user friendly web based front end can be added and seamlessly integrated with an existing backend at a fraction cost of new system development. The current system in Kansas was built 20+ years ago. The State of Kansas system is not fully automated and is of an older technology. Most of the eligibility determination is manual and/or batch. These manual processes are inefficient and create additional costs, and take more time, and may not follow the KHPA business model/policy in a consistent manner. As a short term solution supporting an outreach initiative, it is possible to add an online application and presumptive eligibility web component to the existing base system and later add new online components may be integrated with a new backend system. Risk remains high for this scenario, and steps must be made to incrementally sunset the legacy system over time. For all of the aforementioned reasons, including the lack of viability of the legacy system architectures, the option of upgrading the existing systems is being ruled out.

New Design and Custom Development

Under this approach KHPA would get an SOA-based expandable system and set the industry trend. Custom development is costly, and can be higher risk, if not planned properly. This approach gives KHPA the opportunity to better ensure agency objectives are being met. This will also allow KHPA greater control of the architecture, design, and functionality of its systems during incremental development and provide flexibility as it matures. This would allow KHPA to undertake a multi phased approach, which would potentially minimize the risk of the overall project. Challenges in custom development are – feasibility analysis, developing proofs of concept, building a technical architecture (framework), choosing right technology and right partner and continuous availability of funds. Custom development takes longer over COTS or transfer solution as the COTS Framework is already proven. After the framework is developed, components can be developed in parallel. If the entire components are phased in over too long a period of time, it is possible it might take a lot longer and by the time system development is over, technology becomes obsolete. Given the current solution landscape which exists for viable state transfer systems, and the leading or emerging COTS frameworks, significant new design and custom development will be an inevitable component of a new solution. A ground-up, custom development would be considered a higher risk than transfer of a viable state system, or configuration of a COTS framework.

7 HIGH LEVEL PROJECT PLAN

7.1 *Cover Letter Requesting Project Approval*

A Cover Letter has been submitted with this report and is named;

KHPA FSR – Cover Letter

7.2 *High Level Project Plan*

7.2.1 IT Project Request Explanation – DA518

The IT Project Request Explanation – DA518 has been submitted with this report and is named;

KHPA FSR – DA518_519

7.2.2 IT Cost Benefit Statement – DA519

The IT Cost Benefit Statement – DA519 has been submitted with this report and is named;

KHPA FSR – DA518_519

7.2.3 Work Breakdown Structure with Major Milestones

The Work Breakdown Structure with Major Milestones has been submitted with this report and is named;

KHPA FSR – Work Breakdown Structure

7.2.4 Compliance Statement

The Architectural Statement, Privacy Statement, Security Statement, Web Accessibility, and Electronic Records Retention Statement have been submitted with this report and are named:

KHPA FSR – Compliance Statement

7.3 *Risk Assessment Summary*

The Risk Assessment Summary has been submitted with this report and is named;

KHPA FSR – Risk Assessment Summary

8 ECONOMIC ANALYSIS WORKSHEET

8.1 *Economic Analysis Worksheet*

The Economic Analysis Worksheet has been submitted with this report and is named;

KHPA FSR - EAW

APPENDIX A – List of Business Programs Impacted

Medicaid Programs

1) Poverty Level Pregnant Women
2) Poverty Level Children
    a. Newborns
    b. Ages 1-5
    c. Ages 6-18
    d. Deemed Newborns
3) Low Income Families with Children
    a. TANF related (MA CM)
    b. Healthy Choices (New MA HY)
4) Trans Med - Work Transition (MA TM)
    a. first 6 months
    b. second 6 months
5) Extended Medical - Child Support (MA EM)
6) Medically Needy
    a. Pregnant Women (MA PW)
    b. Children (MA AF)
    c. Aged
    d. Disabled (includes internal disability determination-PMDT)
    e. Blind
7) Breast and Cervical Cancer
8) Child in Institution (CI)
9) SSI Recipients (SI)
    a. Receiving SSI
    b. Deemed SSI
    c. Own disability Determinations (PMDT)
10) Qualified Medicare Beneficiary (QMB)
11) Low-Income Medicare Beneficiary (LMB)
12) Expanded LMB (E LMB)
13) Qualified Working Disabled
14) Medicare part D Subsidy
15) Working Healthy
    a. Basic (also PMDT)
    b. Medically Improved

16) Pickle Amendment Medicaid Eligibility
17) Adult Disabled Child
18) Early Widows/Widowers
19) Refugee Medical
    a. Receiving Cash Assistance (ORR funding)
    b. MA RM only
20) Long Term Care Facility/Institutional
    a. LTC Budgeting
    b. Temp Care
    c. Excess Income
21) Home and Community Based Services (HCBS)
    a. Frail Elderly (FE)
    b. Physically Disabled (PD)
    c. Developmental Disability (DD)
    d. Traumatic Brain Injury (TBI)
    e. Severe Emotional Disturbance (SED)
    f. PRTF Alternative
    g. Autism
    h. Technology-Assisted Children (TA)
22) Program All Inclusive Care for the Elderly (PACE)
23) Money Follow The Person (MFP)
    a. Frail Elderly (FE)
    b. Physically Disabled (PD)
    c. Traumatic Brain Injury (TBI)
24) Spousal Impoverishment Assessments
25) Foster Care Medical
    a. IV E
    b. Non - IV E
26) Adoption Support Medical
    a. IV E
    b. Non -IVE
27) Foster Care Aged Out
28) Perm Guardianship Subsidy recipients
29) SOBRA for ineligible immigrants
30) Presumptive Eligibility for Children

CHIP Programs

31) HealthWave XXI
    a. Newborns
    b. Children Ages 1-5
    c. Children Ages 6-18
32) Presumptive Eligibility for Children

State Only Programs

33) Tuberculosis
34) Residents of Nursing Facilities For Mental Health
35) MediKan

Programs with Other Funding

36) AIDS Drug Assistance Program
    a. Drugs
    b. Tracking only
37) Healthy Kids

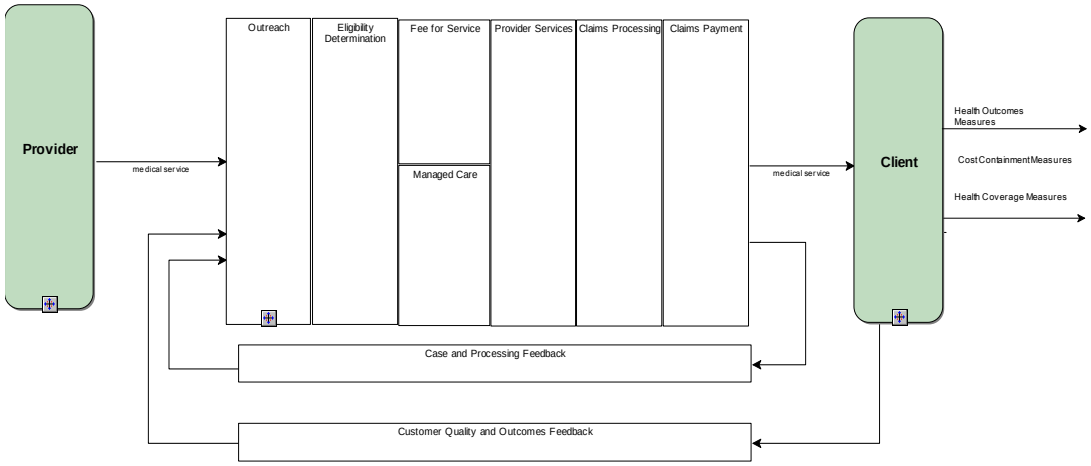
Cash Assistance Programs

38) State Supplemental Payment Program

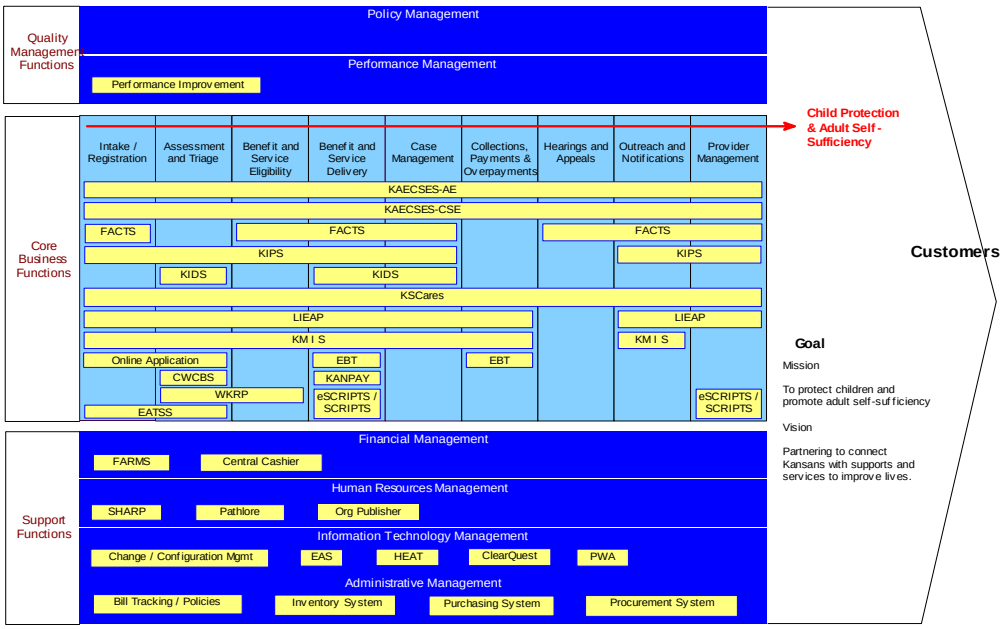
APPENDIX B - AGENCY PROGRAM MAPPING TO VALUE STREAM

<KHPA>

KHPA Medicaid and CHIP Value Chain



<SRS>



APPENDIX C – Project Management Risks and Approach

Regardless of the procurement approach and integration strategy, this is a high risk, joint KHPA/SRS project initiative of very high complexity, with a large number of critical inter-agency dependencies.

Careful governance and orchestration across both agencies is required in order to meet the overall objectives for all dependent programs involved. Each agency, at the highest levels of management, must commit to full participation and priority support, to insure a successful outcome.

For this reason, it's recommended that a dedicated, co-located, joint agency, project team be established, with project team members assigned "full time" to assigned tasks, during their phase of involvement. The program (portfolio of projects) will be governed by an independent Project Director assigned by, or arranged via task order by, the Department of Administration. This independent Project Director shall be mutually agreed to by all participating parties, with agency Project Managers responsible for individual projects (and resources managed for those projects) within this overarching portfolio.

Due to the cost, scope, and high level of risk associated with this project portfolio, IV&V (Independent Verification and Validation) services shall also be engaged through an independent outside vendor. The IV&V scope will cross-cut all projects within the portfolio along the dimensions of cost/budget, time/schedule, and scope/quality. IV&V will also serve in a risk management role, providing support for risk identification, mitigation, and management of requirements validation, vendor and contract management, resource (state staffing) allocation, and critical inter-dependencies among the projects within the portfolio as well as interfaces to other systems.

Procurement Approach: KHPA, in teamwork with the State of Kansas Division of Purchases, adheres to a standard process for all RFP procurements. Those steps are as follows;

- Once the request for an RFP is prepared, all individual contact with potential vendors will stop. Vendors will be referred to the KHPA Contract Unit prior to publication, and to the Division of Purchases if the RFP has been published.
- The KATCH project will prepare the Scope of Work (RFP Section 4) and Cost Sheets.
- KHPA will utilize sections 1, 2 & 3 prepared by the Division of Purchases. The KHPA contract unit will work with the Divisions of Purchases on any changed needed to section 3.
- The following will be taken into consideration when developing the RFP and considering the procurement process;
    - A list of deliverables will be included. These are expected to be provided in a clear, concise, and unequivocal language. Deadline should be specified as should turn-around times if the deliverables require our approval or any other response.

  - The evaluation process may require on-site visits at other locations. We may specify the bidders are required to cover the costs of visits for a reasonable number of state employees at a reasonable number of sites where their product is in use.
  - Performance requirements will be provided in a clear, unequivocal, concise & comprehensive language. Liquidated damages may be specified for each requirement with a reasonable period to 'cure' the problem before enforcement.
  - A performance bond will be required if a 'failure to perform' on the part of the contractor will result in any monetary or other loss to the state of to the intended beneficiaries of the RFP.
- Written and electronic copies of the RFP, a bidder list, a Purchase Requisition, and a request to appoint a Procurement negotiating Committee (PNC) will be prepared and submitted to the Director of Purchases.
- KHPA will answer all vendor questions regarding the scope of services being sought and any KHPA items added to the standard boiler plate. KHPA will also evaluate the technical Proposals and Cost Proposals submitted and ensure that all vendors adhere to the Service Oriented Architecture (SOA) standards, practices as well as the SIM plan and MITA.
- KHPA will develop any follow up questions for vendors for areas of their response that require additional explanation. These will be submitted to the vendors who are asked to provide a written response and to be prepared to discuss them further during face-to-face negotiations.
- Once The Technical and Cost Proposals are evaluated, KHPA will invite all responsive bidders (whose bids meet the minimum requirements of the RFP) to Topeka for face-to-face negotiations. After those negotiations are held, the bidders are told to submit any follow-up questions posed during negotiations. Then the selection will be made.
- The Division of Purchases will notify the various vendors' of bid award. The RFP, Questions and Answers, the vendor's Technical Response, and all documents developed during negotiation are part of the contractual documents.

Testing Plan: The Vendor will be responsible for developing a comprehensive test plan with identifiable test cases, which will be reviewed and approved by KHPA. The Project Test Plan will include testing, verifiable results and approval of test results at various levels in the software development cycle. Test scripts will drive both manual and automated testing of the system. The levels of testing will include:

- Unit Testing: A comprehensive Unit Test Plan will include, but may not be limited to, a single web page with related fields (verification of valid values, completeness, accuracy, presence when required, etc.), or a single action (system sign-on, print screen functionality, etc.). Screen

copies of individual screens, with appropriate messages when required, data base changes (when data is saved, or updated) will be included for each test case.

- System/Integration Testing: A comprehensive System Integration Test Plan will include, but may not be limited to, a series of web pages with related fields (verification of valid values, completeness, accuracy, presence when required, etc.), or a single action or thread (system sign-on, print screen functionality, complete screening process, etc.). Verification of a thread or process path will be documented to include a screen print of all screens and data base changes which occur as during the completion of a process or test case. All internal and external interfaces will be tested, verified and confirmed with supporting documentation for each interface.
- User Acceptance Testing: A comprehensive User Acceptance Test (UAT) Plan will include, but may not be limited to, any or all of the Unit or System/Integration test cases as approved by KHPA. KHPA may also design and execute test cases as determined by the appropriate KHPA staff. The Vendor will be responsible for providing and maintaining a test environment for exclusive use of KHPA for UAT. KHPA will be responsible for creating and executing the UAT Plan test cases. The Vendor will be responsible for assisting KHPA in validation and verification of data base changes which occur as a result of executing the UAT test cases.
- Performance Testing: The application will be scaled up to run on a quasi-production system environment, and simulation of a typical peak load will be made, with end users executing common functions and the subsequent application response measured.
- Stress/Load Testing: The application will be scaled up to run on a quasi-production system environment, and a load of 2X-3X of expected peak load will be simulated in order to measure application and system resiliency and operations under greater than peak load conditions.

The Vendor will provide a problem tracking methodology for use in the identification, documentation of problem, resolution, successful verification and status of issues which may arise during the System/Integration or User Acceptance Testing phases. Successful resolution and closure of a minimum percentage of test problems will be required prior to system implementation.

A complete and up-to-date user's manual must be available in electronic and printed form. It must have an index and a table of contents.

Resource Requirements; KHPA anticipates contracting out system support, including ongoing maintenance and modification, help desk support, training, fielding support calls, report writing, and help desk. KHPA anticipates ongoing agency staff needs include individuals to manage the vendor contract as well as additional workers in the field and community liaisons.

Training Plan: The RFP will require the Vendor to develop a comprehensive initial training to be provided to all direct users (KHPA, SRS, PE Entities, etc.) at their location. Training will be oriented to the skill level of each KHPA/SRS staff member and will offer a curriculum for continuous skill enhancement within each staff function. Training is to be conducted at no fewer than five levels – executive staff, program managers, eligibility staff, policy staff, and technical staff – in order to meet each group's particular needs. A complete and up-to-date user's manual must be available in electronic and printed form. It must have an index and a table of contents.

A. Contractor Responsibilities.
   a. Requirements are the mandatory activities that must be accomplished by the Contractor. These activities are:
      i. Prepare an outline and obtain approval from the State for the contents and format of each deliverable document before beginning work on the deliverable.
      ii. Responsible for taking minutes at meetings and providing written minutes seven (7) calendar days after the meeting.
      iii. Provide an implementation project manager and staff to conduct design sessions.
      iv. Obtain written approval from the State on the final deliverables.
      v. Revise deliverables, if required, using State review findings to meet content and format requirements.
      vi. Develop, obtain approval, and maintain project work plan.
      vii. Identify issues related to the project using the State-approved process for documenting issues, processes for assigning issues to resources, and resolving issues.
      viii. Use State-approved change control/management processes for implementing changes in scope.
      ix. Report progress against the work plan through weekly written status reports, at weekly review meetings with the State, or state appointed, Project Manager, and through a weekly update of the work plan/task schedule.
      x. Deliver written status reports and updated work plans/schedules one business day before the status meeting.
      xi. Identify scope of work issues. Specify the basis upon which an issue is out of scope, including appropriate RFP references.
      xii. Obtain written State authorization before commencing work on changes to the scope of any task identified within the Work Breakdown Structure.

xiii. Identify any assumptions or constraints in developing the work plan.
xiv. Develop an approach to identifying and mitigating risk.
xv. Develop a work plan and schedule that addresses all activities required to accomplish the scope of work from project initiation through full statewide implementation of the new Medicaid – CHIP Eligibility, Administrator and Marketing Services.
xvi. Deliver reports sufficient to meet Kansas Information Technology Project Reporting requirements. See below for more detailed information.

State Project Management and Governance Approach. The State of Kansas has developed a project management methodology. State policy includes specific reporting requirements for information technology (IT) projects. The project management methodology as well as the reporting requirements can be found on the Kansas Government Website at http://da.ks.gov/kito/ The Contractor is encouraged to use the Kansas methodology or similar methods to manage Kansas data projects. As described earlier in this FSR, a strong executive, program, and project governance model will be required in order to successfully orchestrate these initiatives as a single portfolio, among a number of inter-related projects (including KATCH) among a number of stakeholder organizations, and across multiple project management teams.

B. **Project Communication.** KHPA has developed methods to facilitate and collaborate with the KATCH project users and partners. A series of Steering Committee, Sponsor, Sponsor meetings are scheduled.

a. **Steering Committee –** The KHPA/SRS Eligibility System Steering Committee is made up of selected members of the KHPA and SRS Executive staff that will help set the direction for this project. They will help to ensure that we have secured the necessary resources, and help to resolve issues and risks in order to make this project a success. This committee will assist in communicating that this project is the top priority and focus for both agencies.

b. **Sponsor Meeting –** The Project Sponsors are ultimately responsible for championing the project among all participating agencies. Some of their responsibilities include the following:

- Champion the project, project managers, and project team.
- Ensure necessary and adequate resources are available for the project.

- Budget: Aid in the development of the project budget, review estimates, obtain executive authorization, and provide ongoing monitoring.
- Approve the project deliverables, project schedule, change requests, and scope.
- Active involvement throughout the project life cycle; from the concept statement thru the implementation.
- Provide updates to the KHPA/SRS Eligibility System Steering Committee on a regular basis.
- Set the direction on any outstanding questions or issues that the project team raises to the Sponsors.
- Ensure the communication protocol is being executed so that communications are reaching to the correct people in a timely manner.
- Ensure issues are resolved and risks are mitigated in a timely manner.
- Ensure sustained buy-in at all management levels.
- Maintain close communication with the Project Manager to ensure success of the project.
- Attend the status update meetings.
- Guide the project team with respect to business directions and objectives.
- Resolve inter-agency and interdepartmental issues.

a. **Stakeholders**

Agencies – Other agencies who may be impacted by the KATCH project

- Kansas Department of Health and Environment
- Kansas Department of Labor
- Department of Administration

- Department of Social and Rehabilitation Services
- Department of Homeland Security
- Kansas Department of Revenue
- Social Security Administration
- Kansas Department of Education
- Kansas Department of Health and Environment
- Juvenile Justice Authority
- Kansas Department on Aging
- Kansas Insurance Department

Associations – Community partnerships

- Kansas Medical Society
- Kansas Hospital Association
- Kansas Medical Group Managers Association
- Kansas Action for Children
- Statewide Independent Living Councils
- Kansas Health Consumer Coalition
- Kansas Association for the Medically Underserved
- Kansas Pharmacy Association

ii. **Sharepoint – House technical documents and team communication**

iii. **KATCH Website –Communication with those interested in the status of the KATCH project.**

b. **State Responsibilities.** The responsibilities of State personnel are stated for each of the tasks. There are a number of activities that reoccur in every task. Standard State responsibilities for each task are:

i. Perform overall monitoring and management overview of the project to ensure timely and satisfactory completion of all tasks and activities.

ii. Review and approve the proposed outline format and content of all deliverable documents.

iii. Review Contractor deliverables, determine the approval status of the deliverable, and provide written comments to the Contractor within ten (10) business days of receipt, unless KHPA identifies a different time frame.

iv. Conduct weekly status meetings with the Contractor to review progress against the work plan.

v. Review weekly written status reports and weekly work plan/task schedule updates.

vi. Analyze project issues and approve issues resolutions.
vii. Monitor Contractor progress toward achievement of task milestones and Contractor's adherence to the work plan and schedule.
viii. Analyze proposed project scope of changes, and authorize those that are approved.
ix. Provide notice to the Contractor of inadequate performance; request and approve plans for correction.
x. Assign State project managers to the various phases of the contract.
xi. Prepare and deliver Project Management Reports.
xii. Report on risk and status to the project Steering Committee per project management standards.

C. **Testing**

a. Minimum requirements are:
   i. A test plan and schedule for each functional area.
   ii. A description of test scenarios, test conditions, and expected test results.
   iii. An organizational plan showing Contractor personnel responsible for each stage phase of testing.
   iv. A discussion of management of the testing effort, including strategies for dealing with delays in the testing effort, back-up plan, back-up personnel, and other related events.
   v. Procedures for tracking and correcting deficiencies discovered during testing.
   vi. Procedures for notifying the State of problems discovered during testing.
   vii. A plan for organizing and summarizing test results for State review and approval.

D. **Project Change Requests**

a. Project Change Request ("PCR") is the vehicle for proposing a change for the project. A PCR may be initiated by the steering committee, project director, project managers, or the Contractor's project manager. The PCR will describe the change being requested, the justification for the change, and the priority of the change.
   i. If the change is initiated by KHPA, the Contractor's project manager will log the change request, assign a change request number, provide an impact assessment and send the change request to KHPA's project manager for KHPA approval. The Contractor will return the PCR with an impact assessment to the State's project manager within the following timeframes:
   ii. PCR Priority:
      1. Urgent—within two (2) or otherwise mutually agreed to number of working days;

2. High—within three (3) or otherwise mutually agreed to number of working days;
3. Medium—within five (5) or otherwise mutually agreed to number of working days;
4. Low—within ten (10) or otherwise mutually agreed to number of working days;

iii. If the change request is initiated by the Contractor, the Contractor's project manager will complete the change request and submit the PCR to KHPA's project manager for approval.

iv. Once the completed PCR is delivered to the KHPA's project manager, KHPA will have ten (10) or otherwise mutually agreed to number of working days to approve, reject, or request additional information about the PCR.

v. If the PCR is rejected, KHPA's project manager will notify the Contractor's project manager for closure of the PCR.

vi. If the PCR is approved, KHPA's project manager and the Contractor's project manager will work together to schedule the implementation of the change and update the project schedule and other project documentation as needed.

vii. The Contractor's project manager will be responsible for notifying the project team of the change and the impact of the approved change.

viii. KHPA's project manager will be responsible for notifying stakeholders that are not project team members of the change and the impact of the approved change.

E. Participate in project post mortems per project management standards