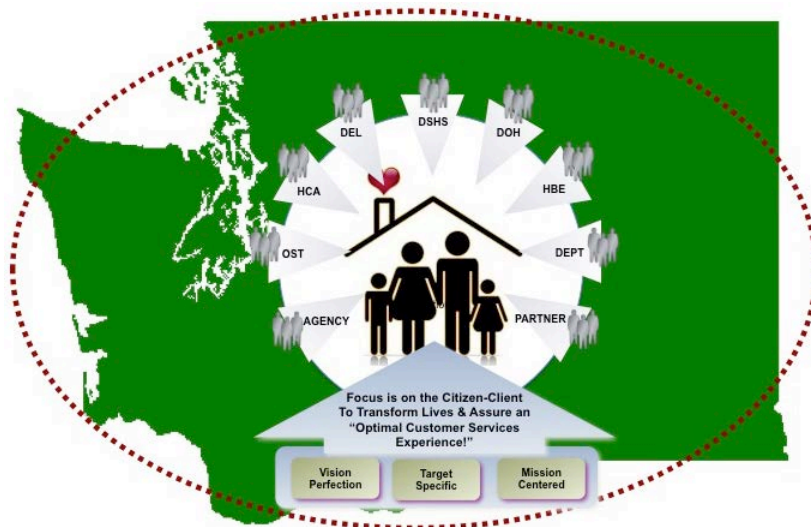


Strategic Architecture Plan For Time Capture, Payroll & Payment Eligibility & Authorization



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Executive Summary

Pursuant to the 2015-17 operating budget, Section 151, Chapter 4, Laws of 2015, 3rd Special Session, the Office of the Chief Information Officer (OCIO) was directed to develop preliminary statewide strategic architecture plans in the general areas of ‘time capture, payroll and payment’ and ‘eligibility and authorization’ for the Department of Early Learning (DEL). The OCIO procured a contractor, Elyon Strategies, and received support from the four key health and human services agencies and the Health Benefits Exchange (HBE) to complete this work.

In order to meet timelines, the programs and systems evaluated were those that most closely align with the DEL processes, programs and systems. The strategies and roadmaps are high level, conceptual recommendations. Mature governance structures will be required to support development of the go-forward strategies and provide accountability to the goals.

The initial work provides a foundation for the strategies presented in this report. Follow-on work will investigate areas not addressed in the initial effort, with the strategies and recommendations tuned as needed. As future work progresses, a more comprehensive plan for the health, human services and early learning ecosystem will begin to develop. It will take significant planning, time, resources and funding to realize the full strategy.

In the case of the DEL, there are clear business gains and incremental improvements provided by the proposed time capture, payroll and payment solution. This proposed solution intends to leverage a Software as a Service (SaaS) solution similar to the Provider Compensation Subsystem (PCSS), a subset of the ProviderOne (P1) solution, scheduled for implementation in January 2016. The DEL is currently evaluating procurement options.

The Department of Social and Health Services (DSHS) is requesting funding for two social services claim/payment investments similar to the DEL. These efforts are at differing stages of planning. These investments should align to the overall strategy, including pursuit of economies of scale by consolidating efforts with the DEL if possible.

The DEL will not pursue a separate eligibility and authorization solution for child care. The existing DSHS solution, BarCode, will be minimally modified in order to interoperate with the eventual time capture, payment and payroll solution.

The work completed to date also highlights the need for enhancing the existing collaborative cultures, more robust governance and adaptation of funding structures to encourage and promote ‘enterprise’ strategies while ensuring program and agency goals are met.

The in-scope health and human services agencies have successfully collaborated in the past on strategic business and technology initiatives. Future work will leverage the best practices from these successful partnerships.

Background

The operating budget requested “the office of the chief information officer develop a statewide strategic business and technology architecture plan for time capture, payroll and payment processes, and eligibility

and authorization processes for the department of early learning. In collaboration with the department of early learning the plan will identify and recommend whether existing systems, or planned systems, can and should be used to meet the department of early learning's business needs. A child care attendance and billing solution must be designed or modified to align with the statewide enterprise strategy once the strategic architecture is established. The plan shall be completed and delivered to the appropriate committees of the legislature by December 1, 2015."

In anticipation of the proviso, the OCIO conducted a procurement to obtain consulting services to support this work. The contract for this work could not be finalized until after the budget was passed and signed. The contract with Elyon Strategies was finalized on July 16, 2015. The engagement to develop the requisite material began on July 27, 2015.

The work was split into two phases: the work to support the time capture, payroll and payment recommendations, followed by the eligibility and authorization processes. While the proviso speaks to a plan that supports decisions related to the DEL, the work was conducted with other key health and human services agencies - the Department of Social and Health Services (DSHS), the Department of Health (DOH), the Health Care Authority (HCA) and the Health Benefits Exchange (HBE). These agencies were included because programs within those agencies perform many of the same functions or processes as DEL and use some of the same systems. Without the inclusion of those agencies, the resulting plan for the DEL would have been narrowly focused and provide reduced value.

The short timeline associated with this effort inhibits the ability to provide a complete understanding of all programs administered by these agencies within these process areas. In order to meet timelines, the programs and systems evaluated were those that most closely align with the DEL processes, programs and systems. The strategies and roadmaps are high level, conceptual recommendations.

This work also assessed the current maturity of the state's enterprise architecture program, enterprise culture and governance structures. The state does not currently have the cultural 'enterprise' orientation, planning and governance tools and structures or the funding mechanisms to immediately implement the strategic direction. These gap areas are discussed in detail in the recommended plan as they are critical to success. Without steady incremental gains in these areas, it will be very difficult to sustain progress towards the goals.

While scoping choices were made on programs and processes and recognizing that the state must build to higher levels of 'enterprise' maturity, the information gathered and resulting recommendations are believed to be directionally valid. The OCIO will use the additional resources provided within the proviso to continue this work and to make incremental gains towards the strategies and to address the culture and governance gaps.

It should also be noted that within the health and human services agencies, there is a history of successful collaboration on critical strategic business and technology initiatives. Recent examples include the upcoming January implementation of the final phase of ProviderOne, which realizes a decade old vision for a single claim and invoicing system for medical/medical service providers, and the implementation and ongoing operation of the Affordable Care Act. The work to be done in the future will leverage the best practices from these successful partnerships wherever possible.

Time Capture, Payroll and Payment

Scope of Effort

The work evaluated a variety of social service and public assistance programs and their associated claim and payment processing mechanisms. It was not possible to evaluate all payment during the limited time period. This work focused on a cross section of payment methods and supporting systems. Programs that have a need for 'time capture and payroll' functions were included in scope.

Programs considered out of scope of this initial effort include:

- Payments from ProviderOne for Medicaid managed care or fee-for-service (other than personal care)
- Payments to Regional Support Networks or to Chemical Dependency service providers
- Child support distributions
- Programs, such as the federal Supplemental Nutrition Assistance Program (SNAP), that bypass state payment processes. SNAP settlement occurs through a federal grant management system.

Programs considered in scope of this initial evaluation:

- Programs such as Working Connections Child Care (WCCC), Seasonal Child Care (SCC), Early Childhood Education Assistance Program (ECEAP), Temporary Assistance for Needy Families (TANF) and other cash assistance programs, state funded food assistance programs, vocational rehabilitation services, child protective/welfare services, personal care services for elderly, disabled individuals, and DSHS administered habilitation services for developmentally disabled individuals the Special Supplemental Nutrition Program for Women & Infant Children (WIC).
- The systems currently used to support payment processing for in scope programs: The Agency Financial Reporting System (AFRS)/Office of the State Treasurer (OST), the Social Service Payment System (SSPS) and the Automated Client Eligibility System (ACES).
- Payment methods currently in use were also evaluated, including warrants, electronic fund transfer and electronic benefit transfer.

This scoping allowed for a limited but representative subset of programs and systems to be evaluated during the compressed time window. Future work will evaluate the programs and payment types considered out of scope of this preliminary work.

Current State

Programs, and the systems they use, independently support time capture and payroll processes (where applicable) and payment management activities. As a result, the current business and technical environment includes separately maintained business processes, interfaces, system code and payment options established by program rather than across the ecosystem. Systems that use AFRS as a vehicle for payment use fairly standard processes. The SSPS and the ACES also act as payment vehicles, interacting directly with the Office of the State Treasurer. While many processes are automated in full or in part,

there continues to be paper-based or manual processes within different program workflows. In some cases, payment data is stored separately (and occasionally redundantly) by programs/systems.

Proposed Strategic Architecture Recommendation

Strategic Time Capture, Payroll and Payment Recommendation

The core strategic recommendation is to consolidate payment-related solutions across the social, health and early learning ecosystem to one payment processing 'service' that effectively centralizes invoice intake (or other claim types), benefit tracking, payment reporting and payment transaction management onto a modern and modularized platform. This consolidated service concept applies both to the technology and the supporting business services.

The objectives of this single payment processing path include consolidation and elimination of business and technical solutions that currently limit interoperability and overall performance for benefit tracking and payment processing. A health/human services proof of concept would pave the way for future statewide initiatives for similar services and capabilities.

The success of this strategy requires a unified, coordinated and collaborative approach, sustained effort and cross-agency accountability to the strategy. The mechanisms to accomplish that include a shift in culture to adopt and actively pursue enterprise approaches over silo approaches when appropriate, creation of effective governance structures and adaptation of funding mechanisms, where needed, to support cross-agency initiatives. An early focus for governance is create the structures and processes that will allow finalization of the recommendations and creation of a strategic plan to accomplish the goals.

Near-term activity should include:

- Establishment of a clear, shared vision that reinforces the enterprise focus and approach of the strategy.
- Establishment of principle-driven and data driven governance that is accountable to the strategic plan. Create methods to tightly link governance activities to investment decisions and processes. Governance entities must be empowered to make decisions that balance risk against the strategic plan, including the ability to authorize exceptions when a strong business case exists.
- Development of the project portfolio needed to accomplish the strategy. This portfolio must be supported by ongoing prioritization, funding and resourcing.
- Identification of a responsible entity to create and track the strategic plan and resulting project portfolio for the time capture, payroll and payment areas.
- Creation of action plans to address obstacles to cross-agency efforts as they are identified.
- Adoption of a dashboard approach to report and track progress toward the strategy.
- Assessment of health/human services programs not included in this initial phase. As this work incrementally completes, the strategy, portfolio and roadmap must be tuned and adjusted as needed.
- Assessment of this strategy in relation to other efforts, such as One Washington, to ensure appropriate coordination and collaboration.

- Capture of business rules for programs involved in these process areas. Develop plans to decouple these rules from current systems/assets.
- Identification and automation of paper-based or manual processes wherever possible to achieve early efficiencies.

Short-Term Recommendation for DEL

The long-term, strategic view must balance against near-term tactical and practical needs. Incremental improvements that move the enterprise in the right direction should be encouraged and supported.

In the case of the DEL, there are clear business gains and incremental improvements provided by the proposed funding package which proposes a modularized solution to the time capture, payroll and payment needs. Gains include:

- Replacement of legacy technology
- Ability to implement streamlined and improved business processes
- Improved customer service for both the client and the provider
- Ability to meet changing business needs such as payment of early learning incentive awards
- Ability to leverage solution across all DEL early learning payment types (increase total value of ownership)
- Improved record keeping resulting in increased payment quality
- Increased amounts and quality of data supporting improved business intelligence and decision making
- Early realization of program benefits or ‘savings’
- Ability to provide online and mobile access to the provider community

The DEL should investigate whether existing service-oriented solutions, such as the PCSS within the ProviderOne solution set, can be leveraged to meet their needs. This subsystem, a SaaS solution with ancillary business services, is scheduled to go into production in January of 2016, and will support provider payments for a variety of aging and developmental disability services. The DEL should determine the acceptable procurement model for the acquisition of a solution. The three known contractual options for that include:

- Use of an existing contract and/or interagency agreement,
- Evaluation of justification for a sole source procurement, or
- A competitive procurement.

The DSHS is requesting funding for two similar social services claim/payment solutions. Both requests are aimed at moving remaining social service providers from the legacy SSPS to more modern solutions. Each effort is considering a SaaS model similar to the DEL. These efforts are at differing stages of planning. It will be important for the eventual solutions to align to the overall strategy, including pursuit of economies of scale by consolidating efforts with the DEL if possible.

Eligibility and Authorization

Scope of Effort

Similar to the time capture, payroll and payment work, the short timeline resulted in scoping of this effort. For the purpose of this report, in scope programs include those that predominantly initiate with a request for assistance (an application). Programs considered out of scope of this initial work are most likely to start with an investigation/complaint, a court order or a referral.

Programs considered out of scope of this initial effort include: child protective/child welfare, juvenile rehabilitation, WorkFirst and other employment and training related or supportive services, child support services, caregiver support services, child care services for medical treatment and specific services for homeless individuals/families and behavioral health services.

Programs considered in scope include TANF and other cash programs, SNAP and other food assistance programs, all types of Medicaid/medical assistance and related personal care services, DSHS's developmental disabilities/habilitation services, vocational rehabilitation services and the WIC program.

The eligibility and authorization process was further defined to include these sub-processes (and only these sub-processes):

- Recognize – the initial point of contact
- Apply – information gathering & formal application step
- Assess – information analysis, synthesis and assessment (both financial and functional)
- Decision – information judgment and decision
- Authorize – a service or benefit is authorized
- Manage – lifecycle management of eligibility/authorization

All other process and sub-process areas were considered out of scope of this initial effort.

As opportunities arise, additional programs and a broader scope of process areas will be assessed. For example, reaching a common definition around broader case management business processes and the development of an enterprise strategy around supporting technologies would be hugely beneficial. It is expected that the resources provided for technical oversight will make incremental progress in this area.

Current State

At the time of this writing, the strategic architecture plan for the eligibility and authorization process areas has not been finalized. This work is anticipated to be completed in December 2015. Copies of the all final deliverables will be provided to the committees once available. Briefings will be scheduled with key legislative members and staff in the near future.

Short-Term Recommendation for DEL

The DEL will not pursue a separate eligibility and authorization solution for child care. The existing DSHS solution, BarCode, will be minimally modified in order to interoperate with the eventual time capture, payment and payroll solution.