FY2019 Capital Budget Request					
Project Title	**Unrestricted Gen (UGF)**	**Designated Gen (DGF)**	**Other Funds**	**Federal Funds**	**Total Funds**
Statewide Information Technology Projects	14,029,664	310,000	30,000,000	43,262,002	87,601,666
Department Total	**14,029,664**	**310,000**	**30,000,000**	**43,262,002**	**87,601,666**

This is an appropriation level summary only. For allocations and the full project details see the capital budget.

Statewide Information Technology Projects

FY2019 Request: $87,601,666
Reference No: 61942

AP/AL: Appropriation with Allocations

Project Type: Information Technology / Systems / Communication

Category: General Government
Location: Statewide
Impact House District: Statewide (HD 1-40)
Estimated Project Dates: 07/01/2018 - 06/30/2023

House District: Statewide (HD 1-40)
Contact: Shawn Henderson
Contact Phone: (907)465-3876

Brief Summary and Statement of Need:

The Governor's FY2019 capital budget includes investments in information technology (IT) systems and assets totaling $14,029.7 UGF and $87,601.7 in all funds to improve the State's retirement, financial, and health programs. The State's IT organization is going through a transformation to yield a Smarter Alaska by reducing IT costs, strengthening IT functions, and maximizing efficiency. Reorganizing IT programs under a statewide system allows all state agencies to benefit from common architecture, increases economies of scale, reduces redundant functions, and allows for greater adherence to adopted best practices.

Funding:	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	Total
1002 Fed Rcpts	$43,262,002						$43,262,002
1003 G/F Match	$552,000						$552,000
1004 Gen Fund	$13,477,664						$13,477,664
1005 GF/Prgm	$310,000						$310,000
1017 Ben Sys	$14,358,400						$14,358,400
1029 P/E Retire	$10,575,200						$10,575,200
1034 Teach Ret	$4,513,400						$4,513,400
1042 Jud Retire	$91,000						$91,000
1045 Nat Guard	$462,000						$462,000
Total:	**$87,601,666**	**$0**	**$0**	**$0**	**$0**	**$0**	**$87,601,666**

☐ State Match Required	☐ One-Time Project	☐ Phased - new	☐ Phased - underway	☑ On-Going
0% = Minimum State Match % Required		☐ Amendment	☐ Mental Health Bill	

Operating & Maintenance Costs:

	Amount	Staff
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
Totals:	0	0

Prior Funding History / Additional Information:

The Governor's proposed budget groups IT projects at a statewide level. Through setting project

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management expectations for successful project completion, and by leveraging equipment, hardware and software licensing, the Administration is committed to achieving a ten percent general fund savings across these seven projects, to be allocated based on the specific savings achieved by each individual IT project.

Bill Language:

The following appropriations are made to the Office of Governor for the following projects from the fund sources identified for distribution of information technology projects to state agencies.

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Alaska's Resource for Integrated Eligibility Services Enhancement

	FY2019 Request: $36,786,502
	Reference No: 42856

AP/AL: Allocation
Category: Health/Human Services
Location: Statewide
Impact House District: Statewide (HD 1-40)
Estimated Project Dates: 07/01/2018 - 06/30/2023
Appropriation: Statewide Information Technology Projects

Project Type: Information Systems

House District: Statewide (HD 1-40)
Contact: Michael Frawley
Contact Phone: (907)465-1624

Brief Summary and Statement of Need:
The purpose of this project is to complete the Modified Adjusted Gross Income (MAGI) Medicaid programming of the Alaska's Resource for Integrated Eligibility Services (ARIES) system and incorporate other state and federal public assistance programs into ARIES to better meet the needs of Alaskans. By enhancing the ARIES system, the Division of Public Assistance will be better equipped to provide accurate and timely benefits.

Funding:	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	Total
1002 Fed Rcpts	$27,846,840						$27,846,840
1004 Gen Fund	$8,939,662						$8,939,662
Total:	$36,786,502	$0	$0	$0	$0	$0	$36,786,502

☑ State Match Required	☐ One-Time Project	☐ Phased - new	☐ Phased - underway ☑ On-Going
50% = Minimum State Match % Required	☐ Amendment	☐ Mental Health Bill	

Operating & Maintenance Costs:

	Amount	Staff
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
Totals:	0	0

Prior Funding History / Additional Information:
Sec15 Ch18 SLA2013 P103 L28 SB119 $81,232
Sec1 Ch17 SLA2012 P118 L17 SB160 $8,738,478
Sec13 Ch29 SLA2008 P149 L4 SB221 $427,800
Sec13 Ch29 SLA2008 P149 L14 SB221 $864,300
Sec4 Ch30 SLA2007 P94 L30 SB53 $412,800
Sec4 Ch30 SLA2007 P95 L5 SB53 $662,400

RPL 06-2014-0788 $65.893,064 Federal

Project Description/Justification:
What is the purpose of the project?
The current Eligibility Information System (EIS) is a Multiple Virtual Storage (MVS) Integrated Control System (MICS) frame which is no longer fully-supported. The Alaska's Resource for Integrated Eligibility Services (ARIES) system needs enhancement and completion as the product was not completed by the previous contractor. There are several defects, missing functionality for Modified

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Adjusted Gross Income (MAGI), and remaining Division of Public Assistance programs must be incorporated.

Is this a new systems development project? Or, an upgrade or enhancement to existing department capabilities?
This is an enhancement to an existing system.

Specifically, what hardware, software, consulting services, or other items will be purchased with this funding? Include a line item breakdown.

	FFP Estimates	Total	Federal	GF
Project Management Staff $240,000 per quarter	CMS 90% Fed/10% GF	$960,000	$864,000	$96,000
Project Management Office Facilities/Supplies/ Travel $36,000 per quarter	CMS 90% Fed/10% GF	$144,000	$129,600	$14,400
Qualis	CMS 90% Fed/10% GF	$934,728	$841,255	$93,473
18F	CMS 90% Fed/10% GF	$1,000,000	$900,000	$100,000
Project Tools	CMS 75% State 25% GF	$75,000	$56,250	$18,750
State IT Staff Support FY2019 $60,000 per quarter	CMS 90% State 10% GF	$240,000	$216,000	$24,000
Subject Matter Expert $117,787.50 per quarter	CMS 90% State 10% GF	$471,150	$424,035	$47,115
Aged Blind Disabled Medicaid	CMS 90% State 10% GF	$6,500,000	$5,850,000	$650,000
Long Term Care Medicaid	CMS 90% State 10% GF	$6,500,000	$5,850,000	$650,000

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Alaska's Resource for Integrated Eligibility Services Enhancement

FY2019 Request: $36,786,502
Reference No: 42856

Waiver Medicaid	CMS 90% State 10% GF	$7,120,160	$5,907,850	$1,212,310
Remaining Medicaid Categories	CMS 90% State 10% GF	$7,120,160	$5,907,850	$1,212,310
Self-Service Portal Enhancements	CMS 90% State 10% GF	$500,000	$450,000	$50,000
Known Deficiency Remediation	CMS 90% State 10% GF	$500,000	$450,000	$50,000
APA Cash	State 100% GF	$4,000,000	$0.00	$4,000,000
Development Total		$36,065,198	$27,846,840	$8,218,358

Capital Funds Administration Total	2%	$721,304	$0.00	$721,304

How will service to the public be measurably improved if this project is funded?
Over 200,000 Alaskans received a benefit managed by the Division of Public Assistance during FY2017. With 33% of Alaskans being served by the Division of Public Assistance, an improved eligibility system allowing for more automated processes will improve timeliness for those served. The purpose of this project is to complete the Modified Adjusted Gross Income (MAGI) Medicaid programming of the Alaska's Resource for Integrated Eligibility Services (ARIES) system and incorporate other state and federal public assistance programs into ARIES to better meet the needs of Alaskans. By enhancing the ARIES system, the Division of Public Assistance will be better equipped to provide accurate and timely benefits. For example, ARIES sends batched information to the Medicaid and Medicare Information System managed by the Division of Health Care Services in order to appropriately assign Medicaid benefit eligibility to recipients.

Will the project affect the way in which other public agencies conduct their business?
No.

What are the potential out-year cost implications if this project is approved? (Bandwidth requirements, etc.)
This FY2019 capital project addresses the most urgent needs for the system. However, there are additional Division of Public Assistance programs which will need to be added to the system in future fiscal years. The current estimate for FY2020 project costs is $19,324,878 with an additional $419,686 for capital funds administration.

What will happen if the project is not approved?
The Division of Public Assistance will be unable to determine eligibility for applicants and current recipients timely or correctly which will result in further

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non-compliance with Federal standards.

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Health Information Technology Care Management Solution   FY2019 Request: $8,160,000
Reference No: 61899

AP/AL: Allocation

Category: Health/Human Services
Location: Statewide
Impact House District: Statewide (HD 1-40)
Estimated Project Dates: 07/01/2018 - 06/30/2023
Appropriation: Statewide Information Technology Projects

Project Type: Information Technology / Systems / Communication

House District: Statewide (HD 1-40)
Contact: Michael Frawley
Contact Phone: (907)465-1624

Brief Summary and Statement of Need:
This project will design, develop, and implement an innovative and modernized health care management system that will allow department programs to work smarter and provide better and seamless care to Alaskans. A modular solution will replace multiple current information technology management systems and create a department-wide care management solution.

Funding:	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	Total
1002 Fed Rcpts	$7,200,000						$7,200,000
1004 Gen Fund	$960,000						$960,000
Total:	$8,160,000	$0	$0	$0	$0	$0	$8,160,000

☐ State Match Required ☑ One-Time Project ☐ Phased - new ☐ Phased - underway ☐ On-Going
0% = Minimum State Match % Required ☐ Amendment ☐ Mental Health Bill

Operating & Maintenance Costs:

	Amount	Staff
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
Totals:	0	0

Prior Funding History / Additional Information:

No prior funding history.

Project Description/Justification:
The Department of Health and Social Services is in need of a robust, modular care management solution that supports the care and services provided to Alaskans. The care management solution needed must include: secure, encrypted document repository for storage of patient's health records, scheduling tools, business intelligence and analytic tools, identity management, provider directory, care coordination tools, and other necessary tools or functionality to support care management.

What is the purpose of the project?
Currently, the Department of Health and Social Services has outdated technology that does not support electronic transmission of the patient's health record nor modern solutions for the patient's health care record supporting interoperability of systems across Alaska's entire healthcare system. The Department of Health and Social Services needs to design, develop and implement an innovative and modernized system that will allow our department to work smarter and provide better and

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seamless care to Alaskans. This project is to implement a modular solution that will meet the basic requirements for multiple divisions and create a department-wide care management solution. This solution will allow the Department of Health and Social Services to be more efficient in treating Alaskans we serve across multiple divisions and will allow the patient's healthcare record to more easily follow their care in a secure, electronic manner.

Is this a new systems development project? Or, an upgrade or enhancement to existing department capabilities?
This project will implement technology that does not already exist within the department. It will also include, wherever possible, the re-use of existing technology. It is possible existing technology will need to be upgraded or enhanced to best fulfill the department's needs and to continue to have quality and useful technology in the future. The project will be designed and implemented through contracting within the statewide Health Information Exchange to take advantage of other service offerings provided by the statewide Health Information Exchange.

Specifically, what hardware, software, consulting services, or other items will be purchased with this funding? Include a line item breakdown.
The modular solution implemented would align with the Medicaid Information Technology Architecture 3.0 business processes to meet the requirements for the department, these include: business relationship management, care management, contractor management, eligibility and enrollment management, financial management, member management, operations management, performance management, plan management and provider management.

FY2019 Total Costs

Total	$8,160,000
Total Federal Participation	$7,200,000
Total General Funds	$960,000

Breakdown of FY2019 Total Costs

State Personnel, including benefits	State Support	$800,000
Travel, Training, Conferences, other administrative (postage, computer, paper, etc.)	State Support	$200,000
Contractor Costs	Contracted Service	$7,000,000
Capital Funds Administration	Capital Improvement Project	$160,000
Total		$8,160,000
Total Federal Participation		$7,200,000
Total General Funds		$960,000

How will service to the public be measurably improved if this project is funded?
The project is anticipated to reduce costs over time as other existing systems will be replaced by this solution.

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Service to the public will be measurable by the number of Alaskans who have improved access to their health and social information to make more informed decisions about their own care. Alaskans will be able to have better choices for how they interact with the department for services. An upgraded and improved system will allow for secure options, including mobile connectivity. The project will also be measured by the reduction in worker time across divisions within the department for data entry. This project will reduce duplication of data entry and tasks completed by staff with the shared usage of a platform across the department.

Will the project affect the way in which other public agencies conduct their business?
This project could impact how other agencies connect with the department. It should allow for easier, more modern connections to other agencies systems and technology. This project should also allow the department to provide better transitions of care for mutual clients we serve along with other agencies.

What are the potential out-year cost implications if this project is approved? (Bandwidth requirements, etc.)
Maintenance and operational costs in future years: $250,000; it is anticipated a portion of this would be eligible for federal funding participation through cost allocation.

What will happen if the project is not approved?
If this proposal is not funded the Department of Health and Social Services will continue to utilize outdated, unsupported technology that does not allow for the patient's healthcare record to follow them through transition of care across divisions in a secure, electronic manner. Additionally, the department will continue to maintain multiple systems at a higher cost instead of having a single solution that can support all divisions with care management.

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Integrated Resource Information System (IRIS) Upgrade   **FY2019 Request:**   **$4,500,000**
Reference No: **61876**

AP/AL: Allocation

Project Type: Information Technology / Systems / Communication

Category: General Government
Location: Statewide
Impact House District: Statewide (HD 1-40)
Estimated Project Dates: 07/01/2018 - 06/30/2023
Appropriation: Statewide Information Technology Projects

House District: Statewide (HD 1-40)
Contact: Cheri Lowenstein
Contact Phone: (907)465-5655

Brief Summary and Statement of Need:
This project upgrades the statewide enterprise resource planning system to the latest major version 3.11.x. This is a contractually required upgrade that the state must complete prior to January 2020. In addition, ALDER (the statewide reporting system) data warehouse servers will be replaced, and the application and database software will be upgraded to the latest version available.

Funding:	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	Total
1004 Gen Fund	$4,500,000						$4,500,000
Total:	$4,500,000	$0	$0	$0	$0	$0	$4,500,000

☐ State Match Required	☑ One-Time Project	☐ Phased - new	☐ Phased - underway ☐ On-Going
0% = Minimum State Match % Required		☐ Amendment	☐ Mental Health Bill

Operating & Maintenance Costs:

	Amount	Staff
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
Totals:	0	0

Prior Funding History / Additional Information:
Sec1 Ch5 SLA2011 P2 L25 SB46 $47,380,000
Sec10 Ch11 SLA2008 P57 L15 SB256 $4,100,000
Sec24(c) Ch82 SLA2006 P147 L6 SB231 $20,000,000
Sec1 Ch82 SLA2003 P2 L24 SB100 $300,000
Sec1 Ch1 SLA2002 P2 L30 SB2006 $600,000

Project Description/Justification:
The Integrated Resources Information System (IRIS) is the statewide accounting and human resource software used by all departments for financial, procurement and human resource management. Funding will be used to upgrade to version 3.11.x, the latest major release and is a contractually required upgrade that must be complete prior to January of 2020 with work beginning in March of 2018. In addition, ALDER data warehouse servers will be replaced, and the application and database software will be upgraded to the latest version available.

What is the purpose of the project?

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Integrated Resource Information System (IRIS) Upgrade   **FY2019 Request:** **$4,500,000**
                                                              Reference No: **61876**

The purpose of the project is to upgrade the statewide system to the latest major version and to ensure the statewide reporting systems hardware and software are running on the latest version. This upgrade is anticipated to take eighteen months and will require a large data conversion, a new environment, and significant system and user testing.

Key benefits for this upgrade are:

1)   The software modifications that were completed during the fit/gap process of the implementation will be considered baseline features in the new version. If the state does not complete this upgrade, the customization will not be baselined, and responsibility will shift to the state.
2)   New features and defect resolutions are included.
3)   The state will maintain a supported version of the software installed.

Is this a new systems development project? Or, an upgrade or enhancement to existing department capabilities?

This is an upgrade to an existing system.

Specifically, what hardware, software, consulting services, or other items will be purchased with this funding? Include a line item breakdown.

Budget					
Item Description	Unit Cost	Quantity	Total Item Cost	Budget Total	Notes
Servers	$ 117,000	3	$ 351,000	$ 351,000	ALDER (Includes extra drives)
Annual Maint for add'l Servers	$ 77,220			$ -	Annual Agency Chargeback - increase
SAP Business Object (BOBJ) Licenses	$ 129,908	1	$ 129,908	$ 129,908	1 additional enterprise license (250 users)
SAP Maintenance	$ 28,580			$ -	Annual Agency Chargeback - increase
SOA Staffing	$ 125,576	8	$ 1,004,608	$ 1,004,608	Short Term non-perm positions (20F)
CGI Consulting for Upgrade	$ 540,000	5	$ 2,700,000	$ 2,700,000	
Oracle Transparent Data Encryption (TDE)	$ 12,000	24	$ 288,000	$ 288,000	
Oracle Encryption Maintenance	$ 63,360			$ -	Annual Agency Chargeback - increase
			Hardware Totals	$ 4,473,516	

How will service to the public be measurably improved if this project is funded?

IRIS is primarily a State of Alaska, internal facing system. The exception is Vendor-Self-Service (VSS). A significant number of feature enhancements to the VSS portal are available in the new version with the goal of increasing and streamlining vendor use of the system.

Will the project affect the way in which other public agencies conduct their business?

The upgrade will improve efficiency of use of IRIS.

What are the potential out-year cost implications if this project is approved? (Bandwidth requirements, etc.)

An increase in the annual software maintenance. This is an operating cost that will be included in the administrative system agency chargeback.

What will happen if the project is not approved?

Integrated Resource Information System (IRIS) Upgrade   **FY2019 Request:**   **$4,500,000**
                                                              Reference No: **61876**

The State has made a significant investment in IRIS (a statewide Enterprise Resource Planning (ERP) solution) that replaced AKSAS financial and AKPAY payroll that were in productive use for over 25 years. If properly maintained, IRIS has the capability of serving the state for a similar extended period. Ensuring that IRIS has current software and infrastructure platform ensures that the state can continue to use the system and receive a return on initial investment.

Remaining on an unsupported software and aging hardware dramatically increases risk of system failure and unplanned outages that would be unacceptable for an administrative system that performs all statewide accounting and payroll functions. If the State delays implementation of the upgrade beyond 2020, additional contractor support costs may be incurred.

Medicaid Management Information System Upgrade

FY2019 Request:	**$4,692,000**
Reference No:	**41501**

AP/AL: Allocation
Category: Health/Human Services
Location: Statewide
Impact House District: Statewide (HD 1-40)
Estimated Project Dates: 07/01/2018 - 06/30/2023
Appropriation: Statewide Information Technology Projects

Project Type: Information Systems

House District: Statewide (HD 1-40)
Contact: Michael Frawley
Contact Phone: (907)465-1624

Brief Summary and Statement of Need:
The current Medicaid Management Information System (MMIS) went live on October 1, 2013, without a decision support system in place. Xerox, the vendor, built a data warehouse but did not complete a decision support system. Decision support systems are used for population health and hot spotting for specific health conditions. The decision support system will support analysis of the progress being made on various Medicaid reform efforts. This is a data analytics tool to determine usage by recipient, and provide report cards for providers and recipients. Better data analytics will improve Medicaid reform initiative evaluations and cost containment efforts.

Funding:	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	Total
1002 Fed Rcpts	$4,140,000						$4,140,000
1003 G/F Match	$552,000						$552,000
Total:	**$4,692,000**	**$0**	**$0**	**$0**	**$0**	**$0**	**$4,692,000**

☑ State Match Required	☐ One-Time Project	☐ Phased - new	☑ Phased - underway	☐ On-Going
20% = Minimum State Match % Required		☐ Amendment	☐ Mental Health Bill	

Operating & Maintenance Costs:

	Amount	Staff
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
Totals:	0	0

Prior Funding History / Additional Information:
Sec1 Ch5 SLA2011 P85 L25 SB46 $3,283,800
Sec1 Ch43 SLA2010 P2 L25 SB230 $14,990,300
Sec4 Ch30 SLA2007 P95 L18 SB53 $12,040,900
Sec1 Ch82 SLA2006 P73 L24 SB231 $17,911,600
Sec1 Ch135 SLA2000 P14 L25 SB192 $24,622,752

Project Description/Justification:
The current Medicaid Management Information System (MMIS) went live on October 1, 2013, without a decision support system in place. Xerox, the vendor, built a data warehouse but did not complete a decision support system. Decision support systems are used for population health and hot spotting for specific health conditions. The decision support system will support analysis of the progress being made on various Medicaid reform efforts. This is a data analytics tool to determine usage by recipient,

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and provide report cards for providers and recipients. Data collected will be analyzed to determine prescriber habits as well as the number of Medicaid recipients that each provider is seeing.

Medicaid Information Technology Architecture (MITA) 3.0

Over the past few years, several State initiatives and Centers for Medicare & Medicaid Services (CMS) directives have changed the landscape of the Medicaid Enterprise. The Medicaid Information Technology Architecture (MITA) Framework incorporates updates and new guidance from the following:

- Health Insurance Portability and Accountability Act (HIPAA) of 1996
- International Classification of Diseases (ICD-10)
- Children's Health Insurance Program Reauthorization Act (CHIPRA) of 2009
- American Recovery and Reinvestment Act (ARRA) of 2009
- Health Information Technology for Economic and Clinical Health Act (HITECH) of 2009
- Plain Writing Act of 2010
- Patient Protection and Affordable Care Act of 2010
- President's Council of Advisors on Science and Technology (PCAST) Report on Health IT
- Medicaid Program; Federal Funding for Medicaid Eligibility Determination and Enrollment Activities
- Enhanced Funding Requirements: Seven Conditions and Standards (a.k.a. Seven Standards and Conditions)
- Guidance for Exchange and Medicaid Information Technology (IT) Systems (a.k.a. IT Guidance)
- The MITA 3.0 describes the common needs and goals of individual State Medicaid Enterprises and presents a collective vision of the future Medicaid Enterprise.

What is the purpose of the project?

The purpose of the assessment is to:
- Establish a generic business framework for all States while recognizing their differences.
- Describe how each state Medicaid Program can mature over a given period with the help of stakeholders, leadership, enabling legislation, and technology.
- Provide a baseline against which States can assess their current state of business capabilities and measure progress toward improved capabilities.

Is this a new systems development project? Or, an upgrade or enhancement to existing department capabilities?

It is a data analytics tool that will not only allow us to determine the usage by recipient, but will also provide report cards for providers and recipients.

Specifically, what hardware, software, consulting services, or other items will be purchased with this funding? Include a line item breakdown.

Vendor will write a Request for Proposal (RFP), then will go to competitive bid. The MITA 3.0 will do this process in 1/10th the time of the State. Vendor will have propriety software.

How will service to the public be measurably improved if this project is funded?

From the information provided, we will be able to tell prescriber habits as well as the number of Medicaid recipients that each provider is seeing. With more targeted data analytics we will be able to

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determine which Medicaid Reform activities are successful much quicker. It will also provide a basis for other Medicaid Reform initiatives.

Will the project affect the way in which other public agencies conduct their business?
The MITA 3.0 process can be used for other systems within the Department.

What are the potential out-year cost implications if this project is approved? (Bandwidth requirements, etc.)
Other divisions may use this for their system assessments and in the future as we adopt the modular system required by CMS.

What will happen if the project is not approved?
The U.S. Department of Health and Human Services (HHS) may stop funding the Department an estimated $32 million dollars annually.

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Retirement Systems Information Technology Modernization Project   **FY2019 Request:**   **$30,000,000**
                                                                       Reference No: **61877**

AP/AL: Allocation

Category: General Government

Location: Statewide

Impact House District: Statewide (HD 1-40)

Estimated Project Dates: 07/01/2018 - 06/30/2023

Appropriation: Statewide Information Technology Projects

Project Type: Information Technology / Systems / Communication

House District: Statewide (HD 1-40)

Contact: Cheri Lowenstein

Contact Phone: (907)465-5655

Brief Summary and Statement of Need:

An enterprise-level retirement information system solution to provide many modern tools that will enable the state to maintain and improve service to members. The system will integrate core business processes and facilitate consistent and will enable additional oversight and accountability. Once integrated and automated online reporting tools and on-demand dashboards with added Business Intelligence (BI) technology will be available.

Funding:	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	Total
1017 Ben Sys	$14,358,400						$14,358,400
1029 P/E Retire	$10,575,200						$10,575,200
1034 Teach Ret	$4,513,400						$4,513,400
1042 Jud Retire	$91,000						$91,000
1045 Nat Guard	$462,000						$462,000
Total:	$30,000,000	$0	$0	$0	$0	$0	$30,000,000

☐ State Match Required   ☑ One-Time Project   ☐ Phased - new   ☐ Phased - underway   ☐ On-Going
0% = Minimum State Match % Required   ☐ Amendment   ☐ Mental Health Bill

Operating & Maintenance Costs:

	Amount	Staff
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
Totals:	0	0

Prior Funding History / Additional Information:

No prior funding history.

Project Description/Justification:

The Division of Retirement and Benefits (DRB) administers multiple pension and health plans with highly complex rules under each retirement tier. The combined value of the plans is over $28 billion in assets. Over $40 million in operations is spent to support paper-based, labor-intensive systems. The DRB requires enterprise-wide, multi-module software applications to improve, standardize, and automate a wide range of division operations. These include benefit administration, finance reporting,

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contributions/premium collections, payment disbursements, customer service, data exchange with Third-Party Administrators (TPAs), management control, and operational control.

Over the last 25 years, the DRB has operated successfully with decentralized management of many of its core business processes for benefits administration. Today, however, the DRB is facing many internal and external challenges that require a re-evaluation of our core business processes and core IT systems.

- o The DRB lacks a solid foundation of the core system and of software applications resulting in a very heavy load of manual work, requiring a lookup in multiple systems to complete a single process.
- o The business units are highly dependent on IT staff to pull/push data and create reports for themselves or for TPAs/consultants.
- o The division is indirectly, but rapidly, moving in a direction where it has a high dependency on external entities (TPAs) for employees' and retirees' data.
- o Demographic data is lacking the Single Source of Truth (SSOT).
- o The lack of a core system causes labor inefficiencies and impedes customer service.

What is the purpose of the project?

Today's environment demands that the DRB manages more with less. In order to preserve current services and handle increased business workloads is to address our current system deficiencies. An enterprise-level system solution will provide many modern tools that will enable us to maintain and improve service to our members. It will enable the integration of core business processes and facilitate consistent, integrated reporting with fewer resources. This, in turn, will enable additional oversight and accountability. Once integrated and automated, these processes will be monitored by management using online reporting tools and on-demand dashboards with added Business Intelligence (BI) technology.

Furthermore, the new system will be designed so policies and procedures can be built into the system and updated as necessary. This will greatly reduce the dependence on policy and procedure manuals for knowledge transfer, and provide a much more efficient means to handle knowledge retention, especially as experienced staff leave or retire.

Is this a new systems development project? Or, an upgrade or enhancement to existing department capabilities?

This is a new systems development project.

Specifically, what hardware, software, consulting services, or other items will be purchased with this funding? Include a line item breakdown.

After a vendor is selected through a procurement process, a platform for the core system will be determined. The specific software and hardware required for the project is dependent upon the chosen platform. The high-level project requirements are as follows:

- o Consulting services – Project management
- o Platform for a software solution (such as Microsoft, Oracle, SAP)
- o Application developments

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- o Data cleansing
- o Procurement assistance
- o Technical environment and hardware

How will service to the public be measurably improved if this project is funded?

When user needs are met with modern business tools and systems, business operations will improve in ways that are both quantitative and qualitative. Elimination of manual processing and standalone systems will allow process cycle times and associated staff time to decrease. This can offset the increasing need for processing capacity due to the increasing volume of work. Fully integrated, enterprise-wide, multi-module software applications would improve, standardize, and automate a wide range of division operations:

- o Ease of Benefit administrations with consistency
- o Single Source of Truth: Single entry and storage of demographic data
- o Internal finance-general/ledger reporting
- o Contributions/premium collections
- o Payment disbursements
- o Improved Customer service
- o Members self-service tools
- o Management controls
- o Operational controls
- o Industry-standard data exchange interfaces for external vendors
- o (Such as financial institutes, actuaries, consultants, TPAs, and participating school districts and political subdivision (polisub) employers)
- o Modern backup software – which includes snapshot management, DR elements, cloud support, and VM protection. Backups can do so much more than simply restoring data in the event of a storage or server failure.

Will the project affect the way in which other public agencies conduct their business?

The project will primarily impact all internal sections of the DRB. It may require some coordination with the States Integrated Resource Information System which is the statewide accounting and human resource system and polisub employers to develop a possible new interface, depending on the platform.

What are the potential out-year cost implications if this project is approved? (Bandwidth requirements, etc.)

- o Annual software licensing, support and maintenance cost.
- o Periodic upgrade to the platform layer to keep the software up-to-date with the latest version.

What will happen if the project is not approved?

Due to many of add-on tools developed in the current system that were based on the specific business functions to ease the processes, the DRB lacks a solid foundation of the core system that could manage the fundamental business for multiple pension and health plans. The Division is indirectly, but rapidly, moving in a direction where the external entities have more control over

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employees' and retirees' data and the DRB relies on the external data for the valuations that may not be the Single Source of Truth (SSOT). The external entities (TPAs/consultants) are temporary partners based on the terms of a contract, and may be changed based on the next RFP process. Due to periodic changes of a TPA or consultant, the transition is extremely cumbersome due to the dependency of data transfer from the old vendor to the new. Often, it takes at least a year or two to settle the dust of disturbance experienced by the plans' staff, and furthermore, to the membership.

Under the current state, the DRB has developed many systems and tools that are task-oriented and not an extension of the existing core system. The systems are independent process flow tools that ease burdens on staff; however, there is a huge gap in connectivity between these tools/systems. Thus, the business staff has a very heavy load of manual work requiring a lookup in multiple systems to complete a single process. Also, the business units are highly dependent on IT staff to pull/push data and/or create reports for themselves or TPAs/consultants.

If this project is not approved and the membership continues to increase, business process turnarounds will need to increase. Examples of the effects are:
- New retirees will wait longer for their first retirement benefit check;
- Survivors will wait longer for their survivor benefits to be processed;
- Members will experience longer wait times for phones calls to be answered; and,
- Correspondence responses from the Division will be slower.

The DRB will continue to struggle with its many deficiencies, which will have an impact on vendor management and result in poor customer service to our active and retired members.

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Senior and Disabilities Services System Upgrade

FY2019 Request: $4,712,016
Reference No: 50917

AP/AL: Allocation

Project Type: Information Technology / Systems / Communication

Category: Health/Human Services
Location: Statewide
Impact House District: Statewide (HD 1-40)
Estimated Project Dates: 07/01/2018 - 06/30/2023
Appropriation: Statewide Information Technology Projects

House District: Statewide (HD 1-40)
Contact: Michael Frawley
Contact Phone: (907)465-1624

Brief Summary and Statement of Need:
The purpose of this project is to manage a functional Long-Term Services and Supports database system and meet the State's obligations to follow state and federal requirements for data management and reporting. The database system upgrade will provide increased efficiency to the State by automating Medicaid access services, service authorization and resource allocation. Additional efficiencies include the management of eligibility assessment tools and the service authorization process.

Funding:	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	Total
1002 Fed Rcpts	$4,075,162						$4,075,162
1004 Gen Fund	$636,854						$636,854
Total:	$4,712,016	$0	$0	$0	$0	$0	$4,712,016

☐ State Match Required ☐ One-Time Project ☐ Phased - new ☑ Phased - underway ☐ On-Going	
0% = Minimum State Match % Required ☐ Amendment ☐ Mental Health Bill	

Operating & Maintenance Costs:

	Amount	Staff
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
Totals:	0	0

Prior Funding History / Additional Information:
Sec1 Ch5 SLA2011 P85 L28 SB46 $2,700,000

RPL 06-2013-0098 $10,800,000 Federal

Project Description/Justification:
The Division of Senior and Disabilities Services (DSDS) case management system, known as DS3, was designed and built in house over the last 5 years. Some of the technology used is now obsolete and is difficult to maintain. Continual development to support changing business and regulatory needs has compounded this issue. The system was originally proposed as the means to consolidate the DSDS program waivers into a single database.

What is the purpose of the project?
The purpose of this project is to manage a functional Long-Term Services and Supports database system and meet the State's obligations to follow state and federal requirements for data

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management and reporting. The database system upgrade will provide increased efficiency to the State by automating Medicaid access services, service authorization and resource allocation. Additional efficiencies include the management of eligibility assessment tools and the service authorization process.

Independent Verification and Validation (IV & V):
Implementation of a system change must include a second party review. In the case of projects that meet certain criteria, CMS requires that Independent Verification and Validation efforts must be conducted by an entity that is independent from the State. The IV&V contractor develops a project work plan, reviews technical aspects of the project and makes recommendations, provides risk management, etc.

Assessment Tool:
The development of the new assessment tool (access process) estimates assumed that the InterRAI suite of tools could be built within the Mediware System as a complete package. The Division has since learned that the costs for design and build of the InterRAI in the Mediware system include only the InterRAI Home Care Tool. The Home Care Tool meets the needs for the Nursing Facility Level of care assessment but does not meet the need for the Intermediate Care Facility. The assessment tool for Individuals with Intellectual and Developmental Disabilities (IDD) is a separate tool and requires separate system changes. This incorporation of the IDD tool is an enhancement to the Mediware system.

Required System Enhancements:
State regulations (changes in Personal Care Regulations to reflect savings in Medicaid), Federal rules (settings final rule and requirement for person centered planning) and division system workflow requirements have increased project scope and required the execution of an additional, unanticipated contract with the IV&V contractor and impacted the required deliverables for the Mediware Harmony product. The changes in the deliverables are seen as enhancements to the system and therefore require additional funding.

Person Centered Requirements:
The Division has taken steps to solidify the role of the Aging and Disabilities Resource Centers and Short-Term Assistance and Referral program as the front door for Long-Term Services and Supports. What we know is that if individuals are provided options (from Medicaid services, to community or natural supports) we see a delay in Medicaid spending. In order for the division to track the data and develop a front door to services (not just Medicaid services) the database must have the capacity to collect and report out the data. The project will integrate the person-centered intake within the Mediware system. The person-centered intake is an enhancement to the current system.

Is this a new systems development project? Or, an upgrade or enhancement to existing department capabilities?
The project is an enhancement to existing department capabilities.

Specifically, what hardware, software, consulting services, or other items will be purchased with this funding? Include a line item breakdown.

Annual Expenditure	Rate	Projected	Federal	GF

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Design, Development and Implementation Contractor: Mediware	90%	1,150,000	1,035,000	115,000
Quality Assurance Contractor: Qualis	90%	1,056,000	950,400	105,600
Xerox Medicaid Management Information System Modification	90%	100,000	90,000	10,000
Other Contractor	90%	400,000	360,000	40,000
State Personnel, including benefits	90%	1,304,624	1,174,162	130,462
Travel, Training, Conferences, other administrative	90%	59,000	53,100	5,900
Harmony Soft.: Maintenance and Operations	75%	550,000	412,500	137,500
Capital Funds Administration		92,392		92,392
Total		4,712,016	4,075,162	636,854

How will service to the public be measurably improved if this project is funded? Outcome of project:

Automated Assessment tools for Individuals with Intellectual and Developmental Disabilities, compliance with Federal and State regulations for person centered intake and support plan development.

Will the project affect the way in which other public agencies conduct their business?

Enhancements to Mediware system may impact the Division of Health Care Services (HCS).

What are the potential out-year cost implications if this project is approved? (Bandwidth requirements, etc.)

Annual Expenditure	Rate	Projected	Federal	GF
Hosting of system	50%	332,500	166,250	166,250
Harmony Soft.: Maintenance and Operations	50%	550,000	275,000	275,000

What will happen if the project is not approved?

If this proposal is not approved the division will not have the capacity to determine eligibility for and authorize Long-Term Services and Supports for vulnerable Alaskans. The division will not have the tools required to implement reform efforts and meet the Center for Medicare and Medicaid requirements for implementation and administration of Home and Community Based Federal Programs.

State Parks Electronic Fee Stations

FY2019 Request:	**$310,000**
Reference No:	**61854**

AP/AL: Allocation
Category: Natural Resources
Location: Statewide
Impact House District: Statewide (HD 1-40)
Estimated Project Dates: 07/01/2018 - 06/30/2023
Appropriation: Statewide Information Technology Projects

Project Type: Equipment / Commodities

House District: Statewide (HD 1-40)
Contact: Fabienne Peter-Contesse
Contact Phone: (907)465-2422

Brief Summary and Statement of Need:
This project will fund the purchase, engineering costs, and installation of twenty electronic fee stations in State Parks with the goal of increasing fee compliance, decreasing loss from vandalism, and increasing administrative efficiency and safety.

Funding:	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	Total
1005 GF/Prgm	$310,000						$310,000
Total:	**$310,000**	**$0**	**$0**	**$0**	**$0**	**$0**	**$310,000**

☐ State Match Required	☑ One-Time Project	☐ Phased - new	☐ Phased - underway	☐ On-Going
0% = Minimum State Match % Required		☐ Amendment	☐ Mental Health Bill	

Operating & Maintenance Costs:

	Amount	Staff
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
Totals:	**0**	**0**

Prior Funding History / Additional Information:

No prior funding history.

Project Description/Justification:
The Division of Parks and Outdoor Recreation will purchase and install 20 electronic fee stations with this funding, replacing 20 of 40 iron rangers (metal cash collection stations) in locations with power and cellular coverage. These fee stations will be located at our highest demand day use areas, boat launches, and campgrounds. Locations will be strategically chosen based on revenue generating potential in the specific facility.

The division is successfully operating four electronic fee payment machines in high traffic facilities including Glen Alps trailhead in Chugach State Park and Chena River State Recreation Site in Fairbanks.

Increased Fee Compliance: The use of this system increases fee compliance by making it possible for park patrons to pay with credit cards, as opposed to the traditional method of cash collection, which is cumbersome and inefficient. Depending on the location, electronic fee stations have the ability to increase fee collection and program receipts for the division.

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Losses from Vandalism: Recent years have seen increased vandalism of the cash-based iron ranger collection systems which are a target for vandals. Costs associated with stolen cash along with repair and redesign costs are a burden to field operations.

Administrative Efficiency & Safety: The use of electronic fee stations will decrease the amount of cash that is handled by division employees. The excessive handling of cash presents health concerns for staff members, and potential liability from theft and slippage. Minimizing this cash handling function will create administrative efficiency and reduce liability and potential losses.

Line Item	Amount
1000 – Personal Services	$40,000
2000 - Travel	$20,000
3000 - Contractual	
4000 - Commodities	
5000 – Capital Outlay	$250,000
7000 - Grants	
Total Request	$310,000

Partial funding for existing positions:
(10-5084) PFT Maint Sub-Journeyman, Eagle River
(10-5179) PFT Maint Gen Journeyman, Juneau
(10-5265) PFT Maint Gen Journeyman II, Soldotna
(10-5032) PFT Engineer Asst I/II, Anchorage

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Statewide Information Technology Project Savings   **FY2019 Request:** **$-1,558,852**
                                                      Reference No: **61943**

AP/AL: Allocation

Category: General Government

Location: Statewide

Impact House District: Statewide (HD 1-40)

Estimated Project Dates: 07/01/2018 - 06/30/2023

Appropriation: Statewide Information Technology Projects

Project Type: Information Technology / Systems / Communication

House District: Statewide (HD 1-40)

Contact: Shawn Henderson

Contact Phone: (907)465-3876

Brief Summary and Statement of Need:

The Governor's proposed budget groups IT projects at a statewide level. Through setting project management expectations for successful project completion, and by leveraging equipment, hardware and software licensing, the Administration is committed to achieving a ten percent general fund savings across these seven projects, to be allocated based on the specific savings achieved by each individual IT project.

Funding:	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	Total
1004 Gen Fund	$-1,558,852						$-1,558,852
Total:	$-1,558,852	$0	$0	$0	$0	$0	$-1,558,852

☐ State Match Required	☑ One-Time Project	☐ Phased - new	☐ Phased - underway	☐ On-Going
0% = Minimum State Match % Required		☐ Amendment	☐ Mental Health Bill	

Operating & Maintenance Costs:

	Amount	Staff
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
Totals:	0	0

Prior Funding History / Additional Information:

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