

# **Special Report**

## **Arkansas Legislative Audit**

### **Review of Eligibility and Enrollment Framework (EEF) Project Procurement**

Arkansas Department of Human Services  
For the Period May 2011 through January 2016



## **INTRODUCTION**

This report is presented in response to a request by the Joint Performance Review Committee of the General Assembly, approved by the Executive Committee of the Legislative Joint Auditing Committee, for Arkansas Legislative Audit (ALA) to review procurements made by the Department of Human Services (DHS) in relation to the Eligibility and Enrollment Framework (EEF) Project. Procurements for the EEF Project were achieved either through a cooperative purchasing agreement or other state contracting method. Cooperative purchasing agreements allow a governmental entity to use an existing agreement established by another governmental entity, either within the State or outside the State, to contract with a vendor. Other contracting methods include sole source agreements, requests for proposals (RFPs), or invitations for bids.

## **OBJECTIVES**

The objectives of this report were to review the following regarding the EEF Project:

1. Approval process and documentation supporting billable time.
2. Additions to and deletions of remote resources from the EEF Project.
3. Skills, knowledge, and experience of the personnel employed under the cooperative purchasing agreement or other contracts.
4. Payment of invoices for adherence to applicable laws and regulations.
5. Contractual delivery dates and whether they were met.

## **SCOPE AND METHODOLOGY**

The review was conducted primarily for the period May 2011 through January 2016. The information provided in this report was obtained from DHS, the Department of Finance and Administration (DFA), and the Department of Information Systems (DIS). ALA staff interviewed relevant DHS personnel and reviewed relevant documents, such as contracts, statements of work (SOWs), and data in the Arkansas Administrative Statewide Information System (AASIS).

The methodology used in preparing this report was developed uniquely to address the stated objectives; therefore, this report is more limited in scope than an audit or attestation engagement performed in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States.

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## **SUMMARY OF PRIOR SPECIAL REPORT**

This section summarizes a special report issued by ALA on June 24, 2015, entitled "Review of Selected Software Procurements and Cooperative Purchasing Agreements" at DHS regarding three projects, including the EEF Project.

The EEF Project is the first part of a plan to move all DHS programs into an Agency-wide commercial-off-the-shelf (COTS) software framework. DHS will use this framework to automate the business processes of its various divisions and offices. This framework will also serve as the system of record for Medicaid eligibility and enrollment and must exchange data with MMIS to process Medicaid claims. DHS currently interfaces with the Medicaid Management Information System (MMIS) using two existing mainframe systems: (a) the Arkansas Client Eligibility System (ACES) and (b) Arkansas's Networked System for Welfare Eligibility and Reporting (ANSWER), the DHS centralized system. The new framework will replace both of these systems and interface with the legacy MMIS.

The EEF Project consists of three phases:

**Phase 1:** *Health Care Reform* was scheduled to be moved into the maintenance and operations stage by January 2016, a five-month delay from the initial estimate of July 2015.

**Phase 2:** *Supplemental Nutrition Assistance Program (SNAP)* has been developed on a parallel track by RedMane Technologies. The pilot implementation was scheduled for April 2015 through June 2015, with a statewide roll-out starting in April 2016, an eight-month delay from the initial estimate of July 2015.

**Phase 3:** *Traditional Medicaid* contains more than 10 separate programs, with implementation currently delayed. DHS's intent was to develop an RFP for release during the early part of calendar year 2016.

On behalf of DHS, the Office of State Procurement (OSP) issued an RFP for the EEF Project on July 5, 2012. Proposals with cost estimates were submitted by Northrop Grumman and Noridian Administrative Services, LLC (Noridian), for \$52.8 million and \$65.4 million, respectively. DHS selected the proposal submitted by Noridian and began negotiations on November 8, 2012, although the purpose and objectives of negotiations were not documented, as required by State Procurement Rule R8:19-11-230(b). The decision to cease negotiations on February 13, 2013, after approximately three months, was made by DHS personnel involved with the Project, including Joni Jones, Director of the DHS Division of County Operations; Dick Wyatt, DHS Chief Information Officer (CIO); Janie Huddleston, DHS Deputy Director; and John Selig, DHS Director, in consultation with Jane Benton, OSP Director.<sup>1</sup> Negotiations were stopped due to the failure of DHS and Noridian to agree on milestone dates and penalties.

DHS personnel chose to utilize an existing statewide cooperative purchasing agreement with Computer Aid, Inc. (CAI), for information technology (IT) staff augmentation, which requires paying CAI a 6.9% mark-up of all invoices. Under the cooperative purchasing agreement with CAI, DHS developed numerous SOWs for various contractors, three of which were identified in the Noridian proposal discussed above: (a) Cúram Software, (b) EngagePoint, and (c) eSystems, Inc.

**Cooperative purchasing agreements allow a governmental entity to use an existing purchasing agreement established by another governmental entity, either within the State or outside the State, to contract with a vendor.**

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<sup>1</sup>None of these individuals are currently employed with DHS or OSP.

DHS also established a Project Management Office to oversee or track 95% of DHS's IT projects. The office is organizationally under the Division of Medical Services (DMS) but is overseen by an IT steering committee composed of DHS employees. DHS assigned a Project Management Office Director in April 2015, and as of May 31, 2015, all other Project Management Office staff were contract labor provided by Cognosante.

## UPDATED INFORMATION FROM PRIOR SPECIAL REPORT

**Exhibit I** provides the most current total expenditures by the State of Arkansas to CAI from fiscal year 2007 through June 30, 2016.

As noted in the prior ALA special report, DHS began negotiations with Noridian to finalize the contract for the EEF Project and was represented in negotiations by a contracted individual working for CAI. Using CAI to represent the State in negotiations appears to be a conflict of interest as defined in Federal Code since CAI subsequently received contracts for development of the software system. The applicable portion of 45 CFR § 92.36(b)(3) states the following:

Grantees and subgrantees will maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts. No employee, officer or agent of the grantee or subgrantee shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

- (i) The employee, officer or agent,
- (ii) Any member of his immediate family,
- (iii) His or her partner, or
- (iv) ***An organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award.*** [emphasis added]

**ALA staff recommend** that DFA review DHS' contract and relationship with CAI to determine if additional conflicts of interest exist and establish safeguards in using cooperative purchasing agreements.

Basic functionality of Phase 1 of the EEF Project, Health Care Reform, was moved to maintenance and operations within the January 2016 revised timeframe. On December 1, 2015, the Governor directed DHS to pause development of additional features of the EEF system. Although development of new features has been halted, certain system development has continued so that the State is in compliance with federal mandates. On average for a three-month period, \$3.0 million is expended on these compliance efforts and expenses associated with maintenance and operations; prior to the Governor's directive, DHS expended an average of \$4.3 million *per month*. The cost of design, development, and implementation for the EEF Project totaled \$152.9 million as of June 30, 2016, as presented in **Exhibit II on page 4**.

Exhibit I	
State of Arkansas	
Payments to Computer Aid, Inc. (CAI)	
For Fiscal Years 2007 through 2016	
Fiscal Year	Total Expenditures
2007	\$ 1,336,142
2008	2,774,163
2009	4,757,170
2010	7,914,574
2011	10,207,560
2012	15,135,845
2013	15,026,291
2014	45,382,474
2015	55,252,220
2016	38,673,301
<b>Total</b>	<b>\$ 196,459,740</b>

**Source:** Arkansas Administrative Statewide Information System (AASIS; unaudited by Arkansas Legislative Audit)

## Review of Eligibility and Enrollment Framework (EEF) Project Procurement

### Exhibit II

State of Arkansas  
Expenditures Related to Design, Development, and Implementation of Eligibility and Enrollment Framework (EEF) Project  
As of June 30, 2016

Vendor Name	Project Purpose	Total Expenditures by Project Purpose	Vendor Total
<b>Professional Services</b>			
Computer Aid, Inc. (CAI)	Project management	\$ 4,959,332	
	Contingency planning	231,053	
	Office change management	419,384	
	Development	628,250	
			\$ 6,238,019
Consumer Health Technologies, Inc. (dba EngagePoint)	System integrator	27,502,959	27,502,959
Cognosante	Project management	3,417,030	
	Independent verification & validation	209,688	
			3,626,718
eSystems, Inc.	Cúram development	29,189,691	
	Cúram development & operations	8,793,441	
			37,983,132
Department of Information Systems	Systems hosting/security	4,210,689	
	Application hosting	4,158,316	
			8,369,005
International Business Machines Corporation (IBM)	Cúram product oversight	4,942,548	
	Technical training	206,532	
			5,149,080
Illantus Technologies	Single sign-on implementation	365,884	365,884
Northrop Grumman	ANSWER transition/reporting	11,800,299	11,800,299
RedMane Technology	Supplemental Nutrition Assistance Program (SNAP)	7,094,739	
	Medicaid	8,425,733	
			15,520,472
Xerox	Document imaging	379,405	379,405
HP Enterprise Services	Private Option - Design, development, & implementation	720,649	
	Private Option - Hosting services	1,519,974	
			2,240,623
ProTech Solutions	Development	1,191,585	1,191,858
First Data Consulting Solutions	Independent verification & validation	3,076,773	
	Security audits	64,093	
			3,140,866
<b>Total Professional Services</b>			<b>123,508,320</b>
<b>Other Expenses</b>			
Software licensing			25,373,922
Arkansas employee payroll & benefits			2,408,049
Facility rental, equipment, & supplies			1,632,663
<b>Total Other Expenses</b>			<b>29,414,634</b>
<b>Total Project Cost</b>			<b>\$ 152,922,954</b>

Source: Department of Human Services (unaudited by Arkansas Legislative Audit)

Completion of the Phases 2 and 3 of the EEF Project (i.e., SNAP and Traditional Medicaid) will be included in a System Integrator RFP. As of report date, DHS, DIS, and the Gartner Group are developing the various requirements of the RFP. After completion, DHS will seek approval from the Centers for Medicare and Medicaid Services (CMS); plans are to release the RFP for bid in late summer 2016.

In July 2015, DHS amended an existing contract with Cognosante to provide project management of the EEF Project. In addition, DHS assigned personnel to begin staffing the Project Management Office.

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## RESULTS OF REVIEW

ALA staff review of DHS procurements related to the EEF Project revealed that DHS assumed all risk associated with EEF Project design and development by using time and materials contracts (i.e., staff augmentation contracts). Additionally, DHS personnel lacked skills, knowledge, and experience related to management of projects of the size and scope of the EEF Project, and DHS failed to maintain EEF Project documentation, including methodology for approving vendors' submissions of billable time.

Results are discussed below by objective.

### **Objective 1: Review the Approval Process and Documentation Supporting Billable Time**

Prior to October 1, 2015, Arkansas agencies were required to adhere to the following process when utilizing the State's cooperative purchasing agreement with CAI for IT needs, regardless of whether services were provided on-site or off-site:

- To submit a request for services, an authorized employee of an agency logged into the People Check system or contacted a CAI service representative.
- State agencies either allowed CAI to select who would perform the work or directed CAI to use a particular vendor.
- When the work to be performed was lengthy, an agency provided a statement of work (SOW) to DIS.
- DIS reviewed the SOW to ensure that it contains only work to be performed, and any contractual terms (e.g., payment requirements, references to master or service agreements, or other language covered in the CAI contract) were removed.
- After the review by DIS was complete, CAI, subcontractors, and the agency executed the agreed-upon SOW. Although an agency could inquire into DIS' ability to perform the work, agencies were not required to do so before contracting with CAI.
- As work was performed, the subcontractor recorded hours worked in the People Click system. Authorized agency personnel reviewed and approved the hours reported. DIS received a monthly report from CAI of approved time and utilized this information to break out charges by agency and to bill the agencies accordingly.

Beginning October 1, 2015, DIS implemented additional requirements to which agencies must adhere when employing subcontractors under the CAI contract:

1. SOWs must contain performance standards and evaluation criteria.



2. If expenditures for project costs will exceed:
  - \$10,000, a purchase requisition must be created. Agencies pay DIS directly for amounts owed to CAI.
  - \$100,000, a solicitation review memorandum must be created and approved by DFA – Intergovernmental Services and DIS.
  - \$1 million, a solicitation review memo must be approved by DFA – Intergovernmental Services, DIS, and the Office of the Governor.
3. A SOW determined to be for technical and general services of \$100,000 or more must be submitted for Arkansas Legislative Council (ALC) review, before review by DIS.
4. A SOW determined to be for professional consulting services of \$50,000 or more must be submitted to ALC for review before execution.

All contracting for the development of the EEF Project utilized the guidelines in place prior to October 1, 2015, with the exception of one SOW with eSystems, Inc., initiated in December 2015 for application maintenance and operations.

In the automated environment used for vendor billing, time records were reviewed by DHS staff or Project Management Office contractors to determine if time charged by vendors appeared appropriate. Based on the use of a time and materials contract (i.e., a staff augmentation contract), completion of an end product would not have been the determining factor for authorizing payment for services. In the sample of personnel time payments tested by ALA staff, 84% of time sheets were approved by Dick Wyatt, former CIO at DHS. The remaining 16% of timesheets were approved by a contractor in the Project Management Office. No documentation was available regarding the methodology used to determine if time charged by vendors was appropriate.

## **Objective 2: Review Additions to and Deletions of Remote Resources from the Project**

ALA staff requested information from DHS and DIS regarding the manner in which program coding and changes were monitored by the agencies. Monitoring program coding or changes to coding allows an agency to review and approve modifications to a system and withhold payment for coding that fails user acceptance testing. The only vendor identified by DHS as operating at a remote location was RedMane Technologies. As of report date, DHS was unable to provide a comprehensive file of program coding or changes made by vendors at remote locations.

In accordance with Federal Code, DHS received and provided programming code to other states during the development of the EEF system. According to DHS personnel, the State of Arkansas received programming code from North Carolina and Maryland and provided code to South Carolina. DHS has stated that no expense was incurred for programming code received from other states; however, if the code received must be modified, DHS would incur expenses associated with the modifications. As discussed in the section on page 7 related to Objective 4, the cost of modification could not be determined.

## **Objective 3: Review Skills, Knowledge, and Experience of Personnel Employed Under the Cooperative Purchasing Agreement or Other Contracts**

To augment staff requirements for the design, development, and implementation of the EEF Project, DHS developed SOWs with various vendors through two methods: (a) a cooperative purchasing agreement with CAI or (b) directly with vendors currently under other statewide

contracts. Approximately 90% of all professional services were obtained under the CAI contract.

To determine if the State was provided with knowledgeable contractors, ALA staff selected 40 contractors and reviewed their résumés and experience. The contractors selected and the amount paid to each are shown in **Exhibit III on page 8**. Based on the résumés reviewed, ALA staff noted that 10 contractors had not previously worked with the Cúram software. Although not a requirement of the various SOWs, previous experience with the Cúram software would have provided a basis to evaluate the contractors' skills and abilities.

#### **Objective 4: Review Payment of Invoices for Adherence to Applicable Laws and Regulations**

As discussed previously, CAI electronically submits billable time to DIS and adds a 6.9% charge. In turn, DIS bills state agencies for the total CAI invoice. Due to the electronic billing and contract methodology, billing is simply a matter of time worked that has been approved, as discussed on page 6 regarding Objective 1.

#### **Objective 5: Review Contractual Delivery Dates and Whether They Were Met**

A review of SOWs noted various deliverables with associated dates. ALA staff selected SOWs representing approximately 30% of the SOWs, identified various deliverables, and requested documentation from DHS to determine if these items were received by DHS in accordance with the SOWs' delivery timeline.

In response to the request for documentation, DHS personnel stated that work performed was on a time and materials basis, and deliverables identified in the various SOWs were not actually deliverables but indicators of projects on which the vendor was expected to work. No payments were tied to delivery of the project, and daily work was not limited to the projects or timeline.

Because DHS did not consider the deliverables as projects to be completed within the associated dates and was unable to provide detailed project documentation, ALA staff could not determine whether items were delivered. It should be noted that DHS did provide release notes and deployment listings as documentation; however, these items lacked substantive information regarding programmer, approver, or results testing.

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## **CONCLUSION**

By utilizing time and materials contracts, DHS assumed all risk associated with the design and development of the EEF Project. Based on interviews with DHS personnel and the lack of sufficient documentation noted in this report, DHS personnel lacked the project management knowledge needed for producing systems of the size and scope of the EEF Project. In July 2015, DHS amended an existing contract with Cognosante to provide project management of the EEF Project. In addition, DHS has assigned personnel to begin staffing a Project Management Office.

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## **MANAGEMENT RESPONSE**

Management Response is available in its entirety in **Appendix A**.

## Review of Eligibility and Enrollment Framework (EEF) Project Procurement

### Exhibit III

#### Eligibility and Enrollment Framework (EEF) Project Selection of Contractors and Amounts Paid to Computer Aid, Inc. (CAI) As of February 28, 2016

Contractor Name	Vendor	Date of Work (Month/Year)	Amount
Bindal, Mukul	eSystems, Inc.	2/13 - 12/15	\$ 819,130
Chevula, Kumar	eSystems, Inc.	5/13 - 12/15	1,248,128
Choudhary, Prasoon K	eSystems, Inc.	5/13 - 12/15	1,299,581
Darya, Saeed	eSystems, Inc.	9/15 - 12/15	135,609
Deng, Zeyu	RedMane Technology LLC	7/14 - 8/14	27,786
Eichom, Paul	First Data Government Solutions, LP	3/14 - 1/15	271,099
Faris, Lori	Consumer Health Technologies, Inc. (dba EngagePoint)	4/13 - 1/15	943,302
Harris, Felisha	Computer Aid, Inc. (CAI)	9/12 - 12/12	50,960
Kahn, Sanford	Northrop Grumman Systems Corporation	3/14 - 2/16	799,710
Kardam, Akhil	eSystems, Inc.	7/13 - 12/15	737,447
Karmakar, Dibyendu	Consumer Health Technologies, Inc. (dba EngagePoint)	9/13 - 1/15	529,539
	eSystems, Inc.	2/15 - 12/15	267,476
Lemelin, Abby	Consumer Health Technologies, Inc. (dba EngagePoint)	4/13 - 4/14	309,862
Lewis, Kenny	Computer Aid, Inc. (CAI)	10/12 - 11/13	338,580
Liu, Bin	eSystems, Inc.	6/13 - 9/15	877,591
	Consumer Health Technologies, Inc. (dba EngagePoint)	4/13 - 11/14	654,159
Mahapatra, Rakesh	eSystems, Inc.	12/14 - 1/16	296,551
	ProTech Solutions, Inc.	11/14 - 12/14	13,596
Mak, Max	Computer Aid, Inc. (CAI)	6/12 - 8/12	42,180
Makam, Vijay	eSystems, Inc.	2/14 - 12/15	834,036
	Consumer Health Technologies, Inc. (dba EngagePoint)	7/13 - 8/14	630,173
McClain, Daniel	ProTech Solutions, Inc.	12/14 - 12/15	297,586
Mohammad, Samee	Consumer Health Technologies, Inc. (dba EngagePoint)	4/13 - 1/15	909,962
Mohrmann, Harry	Northrop Grumman Systems Corporation	10/13 - 2/16	755,656
	Consumer Health Technologies, Inc. (dba EngagePoint)	8/13 - 1/15	377,234
Nanda, Shiva	eSystems, Inc.	4/15 - 9/15	83,690
Nel, Lizette	RedMane Technology LLC	3/14 - 11/15	801,110
Nickels, Clay	Computer Aid, Inc. (CAI)	9/11 - 12/14	940,131
Nofiele, Regie	eSystems, Inc.	6/13 - 12/15	800,386
Pardeshi, Yogesh	eSystems, Inc.	7/13 - 1/14	250,932
Rahman, Anzia	Consumer Health Technologies, Inc. (dba EngagePoint)	1/14 - 3/14	71,033
Raju, Jabin	Consumer Health Technologies, Inc. (dba EngagePoint)	10/13 - 12/13	48,231
Ramineni, Sarath C	eSystems, Inc.	7/13 - 12/15	963,345
Reddy Doddipalli, Bharath	eSystems, Inc.	6/15 - 12/15	128,436
Santos, Azer	Consumer Health Technologies, Inc. (dba EngagePoint)	8/14 - 12/14	139,838
	Consumer Health Technologies, Inc. (dba EngagePoint)	7/13 - 11/14	529,269
Sattineni, Rajender	eSystems, Inc.	2/15 - 12/15	331,430
	ProTech Solutions, Inc.	11/14 - 1/15	52,792
Sawhney, Vivek	eSystems, Inc.	8/13 - 12/15	840,484
Schrubbs, Todd	Computer Aid, Inc. (CAI)	8/11 - 9/13	719,727
Shah, Sameer	RedMane Technology LLC	1/14 - 10/15	947,971
Starlard, Willard	First Data Government Solutions, LP	7/13 - 12/15	745,551
	Consumer Health Technologies, Inc. (dba EngagePoint)	7/13 - 9/14	570,885
Subbiah, Sudhakar	eSystems, Inc.	5/15 - 12/15	195,862
	Consumer Health Technologies, Inc. (dba EngagePoint)	11/13 - 1/15	453,180
Tripurneni, Yogi	RedMane Technology LLC	3/15 - 12/15	276,981
Vallepu, Venkateswara	eSystems, Inc.	12/14 - 12/15	401,286
Vankadara, Guru Vamshi K	eSystems, Inc.	6/13 - 12/15	944,449
Zeni, Ovais	RedMane Technology LLC	8/14 - 12/15	304,611
<b>Total Paid</b>			<b>\$ 25,008,543</b>

Source: Department of Information Systems (unaudited by Arkansas Legislative Audit)



## **Appendix A**

### **Arkansas Department of Human Services Management Response**

On July 26, 2016, Arkansas Legislative Audit (ALA) provided the Department of Human Services (DHS) a draft special report regarding procurement for the Eligibility and Enrollment Framework (EEF) project. DHS appreciates ALA allowing this opportunity to respond.

DHS has been working to address many of the lessons learned over the last few years on the EEF project. As many studies and reports have noted, an effort with the magnitude and complexity of the EEF project was not a good fit for time-and-materials engagements. The agency is currently engaged with Gartner, Inc. to help gather requirements, develop a fixed price fixed deliverable RFP, and procure systems integration (SI) services to deliver the outcome of the State visioning committee's recommendations. The RFP is anticipated to complete state and federal reviews and be posted in the 4<sup>th</sup> quarter of 2016 with an anticipation to award in early 2017.

DHS has also eliminated all but two time and material resources it contracted through the Computer Aid, Inc. (CAI) cooperative contract held by the Department of Information Systems (DIS) on the EEF project. As noted in this report, the eSystems, Inc. contract initiated in 2015 converted project delivery resources to a fixed price fixed deliverable contract with performance standards and evaluation criteria. The only two resources remaining on the EEF project under the CAI agreement are one person to manage the reporting server software and one resource responsible for release management and coordination. These resources are currently engaged under CAI using the new DIS requirements specified in the report. Additionally, all current EEF project resources have been through the required executive and legislative review processes.

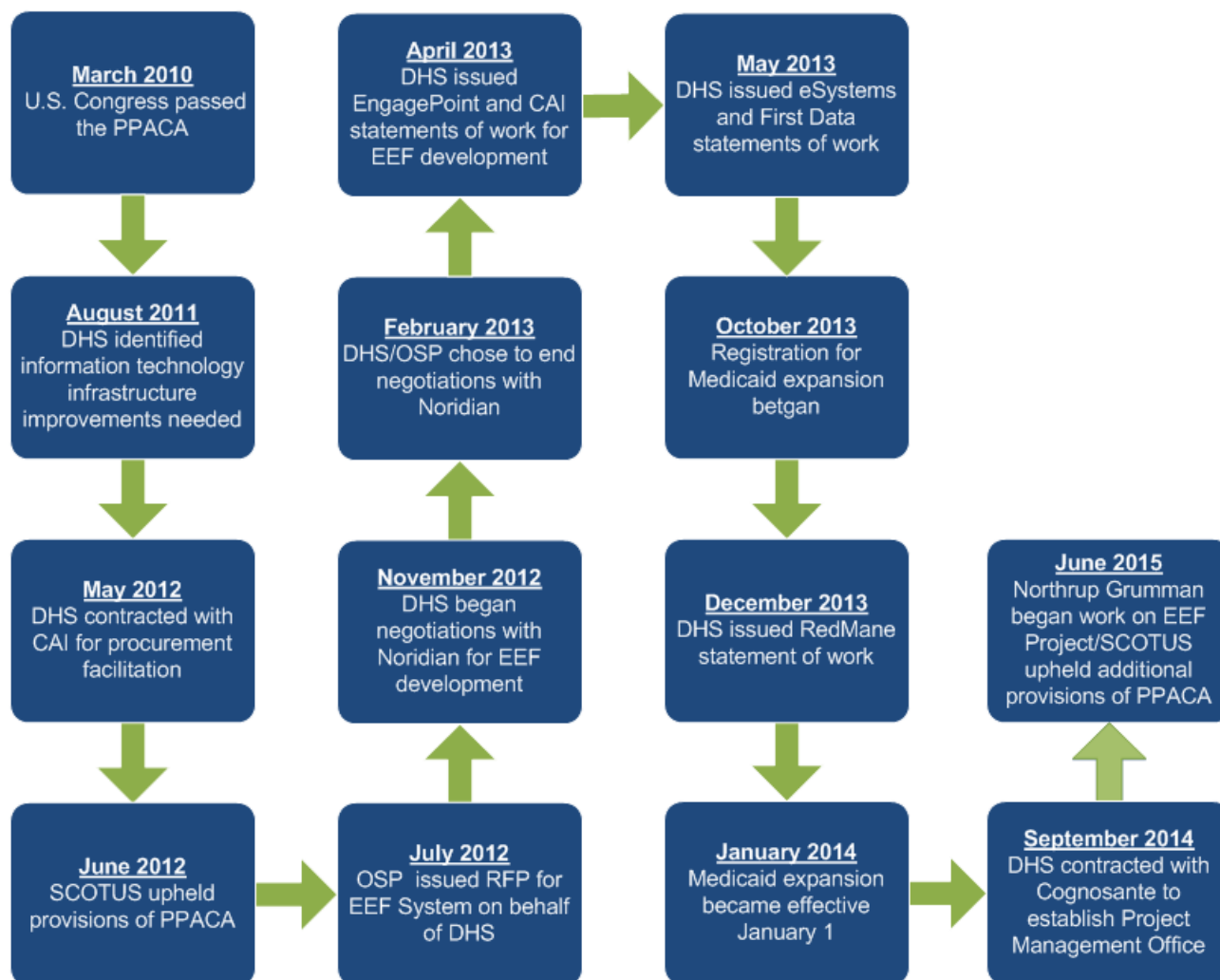
RedMane Technologies was focused on implementing the Supplement Nutritional Assistance Program (SNAP) and was not involved in the Health Care Reform portion of the EEF project. RedMane was preparing to enter user acceptance testing which was halted in December 2015 in accordance with the Governor's directive to pause new features until a bid could be performed and a systems integrator was in place. So, none of the RedMane coding changes were submitted for production system changes.

Finally, DHS would like to note the organizational improvement being made under Director Gillespie's leadership. The agency has centralized shared services for its key business operations, including centralized information technology, finance and procurement functions. Centralized finance functions will allow for greater oversight on expenditures and faster responses when decisions are made to slow spending or withhold payments for non-performance on projects. Most importantly, the DHS Office of Procurement and a Chief Procurement Officer has been put into place to ensure greater consistency in procurements across the department and ensure best practice and procurement methods are utilized. Additionally, the agency is acting to augment and retain the IT staffing needed to close the manpower, knowledge and skills gaps noted in the report.

In conclusion, DHS has worked to mitigate risk by moving away from time and materials contracts for the EEF project to fixed price fixed deliverables contracts and is working on comprehensive bid to complete the state's vision. DHS has implemented organizational changes to its key business operations to make certain best practices are being consistently utilized at DHS. DHS is continuing to evaluate its programmatic operations to further ensure similar best practices and consistency across the entire organization.

## Appendix B

Flowchart of Events Related to the Patient Protection and Affordable Care Act



CAI = Computer Aid, Inc.  
 EEF = Eligibility and Enrollment Framework  
 DHS = Department of Human Services  
 OSP = Office of State Procurement  
 PPACA = Patient Protection and Affordable Care Act  
 SCOTUS = Supreme Court of the United States

**Note:** Between April and October 2013, the Centers for Medicare and Medicaid Services (CMS) issued 17 amendments for mandatory implementation by the State.

## Appendix C

### Department of Information Systems Billing Information for Computer Aid, Inc. (CAI) For Fiscal Years 2011 through 2016

Agency	Fiscal Year						Grand Total
	2011	2012	2013	2014	2015	2016	
Administrative Office of the Courts	\$ 66,539	\$ 412,279	\$ 940,736	\$ 688,295	\$ 614,076	\$ 424,599	\$ 3,146,524
Arkansas Board of Examiners in Counseling					15,969	37,712	53,681
Arkansas Board of Registration for Foresters		9,968			270		10,237
Arkansas Crime Information Center	160,732	191,499	8,958		135,551	638,051	1,134,791
Arkansas Economic Development Commission	42,736	23,597	14,932	28,794			110,059
Arkansas Forestry Commission			2,806	43,357	18,299		64,462
Arkansas Game and Fish Commission	45,492						45,492
Arkansas Geographic Information Office	161,188	204,918	239,516	265,840	322,843	277,904	1,472,209
Arkansas Manufactured Home Commission						26,992	26,992
Arkansas Motor Vehicle Commission				3,992	12,301	2,374	18,667
Arkansas Public Defender Commission	11,848	8,740	11,330	11,491	13,110	70,785	127,304
Arkansas Rehabilitation Services				264,868	543,031	430,974	1,238,873
Arkansas Science and Technology Authority		374,131	18,403				392,534
City of Fayetteville					51,713		51,713
Department of Career Education						30,537	30,537
Department of Education	248,504	1,140,694	1,744,594	1,423,519	1,692,392	1,158,120	7,407,821
Department of Environmental Quality	86,768	48,323	38,479	15,063	49,410	25,360	263,402
Department of Finance and Administration (DFA)		18,236	6,515	496	6,701	27,080	59,028
Department of Higher Education		155,365	299,745	207,653	255,234	237,296	1,155,293
Department of Human Services	765,869	562,783	3,254,935	34,510,782	44,844,562	17,880,458	101,819,388
Department of Information Systems	882,119	766,160	484,865	916,075	1,196,380	1,858,675	6,104,275
Department of Workforce Services	2,220,540	1,844,686	2,761,819	3,543,598	3,282,096	2,068,445	15,721,183
DFA- Office of Child Support	18,927						18,927
DFA - Revenue Services Division	5,838,180	8,759,516	4,462,534	4,443,668	4,559,594	4,777,146	32,840,638
Educational Television Division			1,619				1,619
Health Department	173,701	329,602	312,226	342,754	290,808	66,470	1,515,561
Northwest Arkansas Community College			168,162	299,536	294,390	241,993	1,004,080
Office of the Governor	14,133	17,909	6,315	4,298	38,647		81,301
Office of Health Information Technology			230,270	122,291	86,901	224,073	663,534
Professional Bail Bondsman Licensing Board	21,485	18,006	18,006	18,810	27,331	14,364	118,002
Pulaski Technical College					101,383	22,271	123,653
Secretary of State				18,241			18,241
State Board of Dental Examiners	3,189	6,879	1,484	130,834	135,554	6,425	284,365
State Board of Embalmers and Funeral Directors	21,446				216	108	21,770
State Highway and Transportation Department	197,817	59,917	44,085	557,758	605,896	525,183	1,990,655
State Insurance Department				155,041	532,057	97,382	784,480
State Military Department		318,557	709,589	537,474	504,809	332,763	2,403,192
Treasurer of State					432	10,948	11,379
University of Arkansas Community College at Batesville					35,008		35,008
University of Arkansas - Cossatot Community College					11,459		11,459
University of Arkansas at Fayetteville			123,710	458,910	792,369	417,370	1,792,358
University of Arkansas for Medical Sciences					31,317	300,127	331,444
<b>Grand Total</b>	<b>10,981,212</b>	<b>15,271,764</b>	<b>15,905,630</b>	<b>49,013,437</b>	<b>61,102,106</b>	<b>32,231,984</b>	<b>184,506,132</b>
<b>Less:</b>							
1% retained by Department of Information Systems	109,812	152,718	159,056	490,134	611,021	322,320	1,845,061
Timing differences	663,840	(16,799)	720,283	3,140,828	5,238,865	(6,763,637)	2,983,380
	<u>773,652</u>	<u>135,919</u>	<u>879,339</u>	<u>3,630,963</u>	<u>5,849,886</u>	<u>(6,441,317)</u>	<u>4,828,441</u>
<b>Total</b>	<b>\$ 10,207,560</b>	<b>\$ 15,135,845</b>	<b>\$ 15,026,291</b>	<b>\$ 45,382,474</b>	<b>\$ 55,252,220</b>	<b>\$ 38,673,301</b>	<b>\$ 179,677,691</b>

Source: Department of Information Systems (unaudited by Arkansas Legislative Audit)

