

JOINT PERFORMANCE REVIEW COMMITTEE

JUNE 17, 2015

MINUTES

The Joint Performance Review Committee met Wednesday, June 17, 2015 at 9:00 a.m. in Room A, Big Mac Building, Little Rock, Arkansas.

Committee members present were Senators Alan Clark, Senate Chair, Linda Collins-Smith, John Cooper, Jane English, Jeremy Hutchinson, Missy Irvin, Terry Rice, David Sanders, and Gary Stubblefield, and Representatives Kim Hammer, House Chair, Scott Baltz, Jana Della Rosa, Lance Eads, Kenneth Ferguson, Mickey Gates, Michelle Gray, Josh Miller, Milton Nicks, Jr., Chris Richey, Dan Sullivan, Dwight Tosh, John Walker, Dave Wallace, and Richard Womack.

Other members present were Senators Jonathan Dismang, Joyce Elliott, Bobby Pierce, Jason Rapert, and Larry Teague, and Representatives Nate Bell, Mary Bentley, Charles Blake, Ken Bragg, David Branscum, Mary Broadaway, Andy Davis, Trevor Drown, Bill Gossage, Kelley Linck, Mark McElroy, David Meeks, Stephen Meeks, Reginald Murdock, Mathew Pitsch, Nelda Speaks, James Sorvillo, and Marshall Wright.

**Call to Order**

Representative Hammer called the meeting to order.

**Opening remarks – Senator Alan Clark and Representative Kim Hammer, Co-Chairs**

Representative Hammer thanked the vendors involved in the Medicaid/SNAP Eligibility and Enrollment Framework (EEF) project for attending the meeting. He referenced a list of questions relating to the issue that he had put together.

**Approval of Minutes – May 18, 2015 [Exhibit C]**

A motion to approve the minutes of the May 18, 2015 JPR Committee meeting was made by Senator English and seconded by Representative Baltz. The motion carried.

**Overview of the AR Department of Human Services (DHS) Medicaid/SNAP Eligibility and Enrollment Framework (EEF) Project [Exhibit D, D-1, D-2, D-3]**

Representative Hammer recognized John Selig, Director, Arkansas Department of Human Services (DHS), for an overview of the Eligibility and Enrollment Framework (EEF) project. Mr. Selig said the EEF project has experienced problems because of federal rules, new software required, and software vendor changes. He gave an outline of work performed by DHS:

- DHS began work on the EEF project in 2011 with a deadline of October 1, 2013 for eligibility enrollment
- DHS began work with the Department of Information Systems (DIS) and the Office of State Procurement (OSP) in 2012 processing a Request for Proposal (RFP)
- Noridian Healthcare Solutions was selected by an evaluation team

- DHS negotiated, but was unable to reach agreement with Noridian concerning, milestones, penalties, and deliverables included in the contract
- DHS entered into a Staff Augmentation Contract with DIS
- January, 2015 DHS removed EngagePoint as lead vendor

Mr. Selig said that DHS attempted to manage the project with assistance from DIS, but after several months problems occurred causing delays. Currently, the Governor's office and DIS are working closely with DHS to take corrective actions. A determination was made to create a Project Management Office. Future plans include hiring a systems integrator. Mr. Selig said the legislature approved a contract between DIS and Gartner, Inc. to review the project's software components, including the IBM/CURAM software. The review by Gartner, Inc. is projected to take approximately three months. Recommendations by Gartner, Inc. will be made to the Governor, DHS, DIS, and legislators.

### **Discussion of Western State Contracting Alliance (WSCA) – State Cooperative Purchase Agreement**

Representative Hammer recognized Camber Thompson, Director, Office of State Procurement, Department of Finance and Administration (DF&A). Ms. Thompson told legislators she represents Arkansas as a member of the National Association of State Procurement (NASPO). She explained what a cooperative contract is and said that the state participates in the WSCA contract with Computer Aid, Incorporated (CAI). Cooperative contracts have one state that acts as the lead in the procurement of software. The partnering states act as sourcing teams with different procurement agents in each state. The teams help write and evaluate an RFP to ensure a competitive process through NASPO. A master contract is held by the lead state.

### **Question and Answer Session with Vendors Affiliated With the EEF Project**

Representative Hammer recognized Mark Guerinot, IBM/CURAM Solution, Director, Client Success, and Steve Frank, Sales Leader. Mr. Guerinot gave an overview of his software company's EEF products. He said it is a framework for clients to address social programs, which include medical, food, income assistance, child welfare, and implementation of the Affordable Care Act (ACA). He said the IBM/CURAM software has been successfully deployed in multiple states. As an off-the-shelf commercial product, it required additional configuration to meet individual client needs. Arkansas obtained the software at a cost of \$11.7 million. DHS also procured IBM/CURAM services in an initial contract at a cost of \$1.9 million. Extensions to the contract brought the total cost to \$6.2 million. These services were procured through the CoCENTRIX (SHI) relationship.

Representative Hammer recognized Amy Caro, Vice President and General Manager, Health and Human Services Division, Northrop Grumman, and Brian Keltch, Arkansas Program Manager, Northrop Grumman. Ms. Caro gave an overview of the company and said they have partnered with Arkansas for nineteen years. Beginning in 2013, the company performed tasks related to the EEF project which include:

- The Arkansas Network System for Welfare and Eligibility Reporting (ANSWER)

- Transition Support Task Order providing the transition of DHS Division of County Operations Systems to IBM/CURAM
- The Data Conversion Task Order to convert information containing demographics benefit history, and case narrative images for 400,000 individuals from ANSWER to the EEF
- The EEF Reporting Task Order provided reports required by the federal Centers for Medicare and Medicaid Services (CMS) and the Arkansas Department of Human Services Division of Children and Family Services (DCFS) for reports to support the EEF implementation

Ms. Caro said that Northrop Grumman has provided Legacy IT support to the state for Medicaid eligibility services with 128 Arkansas based employees. In response to a question, Brian Keltch told the legislators their company partnered with the RedMane company on the EEF project. The company is assisting with the transition from the existing system, as required by the Arkansas Governance Board.

Representative Hammer recessed the meeting at noon to resume at 12:50 p.m.

Representative Hammer recognized Pradeep Goel, CEO, EngagePoint and Lorie Farris, Vice President, EngagePoint. Mr. Goel gave an overview of the work his company performed for DHS on the EEF project. He referenced information provided to legislators (Handout 1).

- EngagePoint entered into a time and materials contract with DHS in March, 2013
- EngagePoint was assigned the role of systems integrator in June, 2013
- EngagePoint worked with a variety of vendors from June, 2013 to October, 2013
- Eligibility determination software was in place by November, 2013
- Beginning October, 2013 through December 31, 2013 problems continued to occur
- Multiple teams worked on various issues from January, 2014 through May, 2014

Mr. Goel said EngagePoint was unable to reach consensus with DHS leadership on how to organize the project. The company's contract expired at the end of 2014 and was not renewed by DHS. EngagePoint was allowed to transition its data to another vendor.

Representative Hammer recognized Ashish Mukherji, President, eSystems, and Vivek Sawhney, Vice President, eSystems. Mr. Sawhney gave an overview of his company. He said the company specializes in social services implementations as an IT services company. They also specialize in implementation of the IBM/CURAM product. eSystems was a subcontractor for Noridian. Their role was the customization of the IBM/CURAM product. The system was implemented during a four month timeframe and went into production October 1, 2013. Following production of the system, additional functionality was being incorporated. CMS changed federal requirements and the expected functionality of the IBM/CURAM product did not work as intended.

Representative Hammer recognized Colin Michaelis, Principal, RedMane Technology and Ms. Pui Leung, RedMane. Mr. Michaelis gave an overview of RedMane. Mr.

Michaelis said the company focuses on computer systems for state governments, primarily in the area of social services, SNAP, Child Welfare, and Child Support. RedMane was contracted to assist in the implementation of the IBM/CURAM product. RedMane began work as the Systems Integrator in January, 2014 to develop a modernized SNAP system built on the IBM/CURAM product. He said the project is continuing and is on schedule. Additionally, RedMane has been asked to integrate the SNAP solution with the Modified Adjusted Gross Income (MAGI) Medicaid. RedMane is beginning additional work under a current contract.

Representative Hammer recognized Bruce Dunham, Practice Director, Cognosante, Kurt Hartman, Project Manager, and Aaron Cardola, Cognosante. Mr. Dunham said that Cognosante has been working in Arkansas since 2009. The company is currently developing MMIS project requirements and design. In October, 2014, DHS asked the company to conduct an assessment of the EEF project to evaluate management needs and best practice standards. Upon completion of the assessment, a series of recommendations was given to the DHS IT Steering Committee. Mr. Dunham said the company is working with DHS to establish a new Project Management Office, which he will lead.

Representative Hammer recognized David Sodergren, First Data. Mr. Sodergren said the company entered into a contract with DHS in May, 2013. The company provides project management services, business transformation, and procurement support. The focus of its contract was an evaluation of the IBM/CURAM product. First Data compiles a report, which is submitted on a monthly basis to the Arkansas EEF Governance Board, CMS, and state leadership.

Representative Hammer recognized Wes Menzies, Protech Solutions. Mr. Menzies said the company originally provided staff augmentation for EngagePoint. Protech Solutions entered into a state contract under Computer Aide, Inc. (CAI) November, 2013. Protech Solutions provides experts, system administrators, and Senior IBM/CURAM coders. Mr. Menzies told legislators he is currently working in the change management area as a liaison between the coders and the developers.

Representative Hammer recognized Bill Guize, Senior Vice President and John Malcom, Vice President, Government Solutions, CoCENTRIX. Mr. Malcom gave an update and a progress report from May 18, 2015 to the present. Mr. Malcom said that implementation of a Universal Assessment Platform system for the Division of Developmental Disabilities and the Division of Aging and Adult Services is now current. The company is focusing on an offline solution for the laptops used by Pine Bluff Psychological Associates and the Division of Aging and Adult Services. Improvements have been made, but the system is still experiencing problems.

Representative Hammer announced that the Joint Performance Review Committee will meet June 18, 2015 at the Second Chance Youth Ranch in Paron, Arkansas.

There being no further business, the meeting adjourned at 5:30 p.m.