

JOINT PERFORMANCE REVIEW COMMITTEE

OCTOBER 2, 2015

MINUTES

The Joint Performance Review Committee met Friday, October 2, 2015 in Room A, Mac Building, Little Rock, Arkansas.

Committee members present were Senators Alan Clark, Co-Chair, Linda Collins-Smith, John Cooper, Jeremy Hutchinson, Terry Rice, and Gary Stubblefield, and Representatives Kim Hammer, Co-Chair, Kenneth Ferguson, Michelle Gray, Mary "Prissy" Hickerson, Dan Sullivan, Dwight Tosh, and Dave Wallace.

Other legislators present were Senators Linda Chesterfield, Stephanie Flowers, Bart Hester, Jason Rapert, Bill Sample, and Eddie Joe Williams, and Representatives Charles Armstrong, Nate Bell, David Branscum, Andy Davis, Jim Dotson, Charlotte Douglas, Trevor Drown, Jon Eubanks, Joe Farrer, David Fielding, Lanny Fite, Jeremy Gillam, Michael John Gray, David Hillman, Douglas House, Joe Jett, Kelley Linck, Mark McElroy, Stephen Meeks, James Ratliff, Laurie Rushing, James Sorvillo, and Nelda Speaks.

Call to Order

Representative Hammer called the meeting to order.

Comments by Representative Kim Hammer and Senator Alan Clark, Co-Chairs, JPR Committee

Representative Hammer said that an update on the Adult Protective Services (APS) Unit, Arkansas Department of Human Services (DHS) is added to today's agenda due to a lack of time in the previous day's meeting.

Representative Hammer recognized Craig Cloud, Director, Aging and Adult Services, (DHS). Mr. Cloud gave an overview of the APS Unit and said a number of changes have been initiated in recent months. Shannon Halijan has been appointed as the new Director. A significant number of personnel changes have also been made in leadership positions. Assessments are being made throughout the Unit. Mr. Cloud believes the new direction the Unit is taking will provide positive results.

Mr. Cloud was asked to prepare a report to be presented at a future meeting. He was also asked to include the policies and specific assessment tools used to determine a person's competency or incompetency.

Continued Review of the Arkansas Medicaid Eligibility and Enrollment Framework (EEF) Platform and EEF Vendor Contracts

Representative Hammer told legislators Mr. Richard "Dick" Wyatt, CIO, Department of Human Services asked to address the Committee. Representative Hammer said that without objection, Mr. Wyatt would be allowed to come before the Committee. Mr. Wyatt was sworn in under oath by Representative Hammer.

Mr. Wyatt read a prepared statement concerning contract negotiations with Noridian Healthcare Solutions and Northrop Grumman Corporation for the Medicaid Eligibility and Enrollment (EEF) project. He made suggestions for restructuring contracts, specifically staff augmentation contracts to include written deliverables and penalties.

Representative Hammer told legislators that both Noridian Healthcare Solutions and Northrop Grumman Corporation have volunteered to attend the next scheduled Committee meeting. A response from the U.S. Department of Health and Human Services to a subpoena requesting Jessica Kahn, CMS, to come before the Committee listed legal restrictions about appearing before the Committee. Representative Hammer said Co-Chairs have asked Marty Garrity, Director, Bureau of Legislative Research, to review the legal requirements outlined in Ms. Kahn's letter and restate the subpoena previously issued.

Pradeep Goel, CEO, EngagePoint, was sworn in under oath by Representative Hammer. Mr. Goel gave a detailed overview of the analysis by EngagePoint of the Arkansas EEF project. He described the EEF project as a complex multi-stakeholder, multi-program system to bridge the Modified Adjusted Gross Income (MAGI) and Non-MAGI eligibility groups, including The Supplemental Nutrition Assistance Program (SNAP). This system relies on data from many sources. Mr. Goel said the core components of the system are the integration layer and data layer. Functional aspects of the system are case management, eligibility determination, enrollment management, financial management, reconciliation, plus reporting necessary for every program. Mr. Goel gave the following recommendations for the future building of the EEF project:

- Define a risk profile for the EEF project
- Choose a team with the skill sets to manage a methodology
 - Contract with vendors and require a contractual agreement to comply with the chosen methodology. The methodology should address the scope, schedule, architecture, integration, acceptance management, release management, infrastructure management, and operational management.

Senator Cooper made the following Motion:

The JPR Committee shall publicly recognize EngagePoint for the work it has done and recommend DHS give EngagePoint a positive reference so it may continue to do work in Arkansas and other states

Mr. John Selig, Director, DHS was sworn in under oath by Representative Hammer. He was asked if he knew of any reason EngagePoint would not be allowed to participate in future projects in the state and be able to bid on any Request for Proposal (RFP). Mr. Selig said he knows of nothing to prevent the company from bidding in the state.

Following discussion by legislators on the motion, without objection, the motion was pulled down by Senator Cooper.

Review of the EEF Governance Board's History, Duties and Responsibilities [Exhibit D]

The following members of the EEF Governance Board were sworn in under oath by Representative Hammer:

Jeff Dean, Arkansas Department of Information Systems
Scot Utley, Arkansas Department of Information Systems
Susan Burton, Division of County Operations, DHS
Tim Lampe, Director, Office of Quality Assurance, DHS
Delia Anderson, Director, Division of County Operations, DHS
Mary Franklin, Division of County Operations, DHS
Bashorat Ibragimova, Division of Medical Services, DHS
Robert Williams, Division of County Operations, DHS
Larry Crutchfield, Division of County Operations, DHS

Mr. Lampe gave an overview of the EEF Governance Board, which he chairs as Project Director of the DHS Program Management Office (PMO). Mr. Lampe said he came onto the project in April, 2015 when he assumed the position as Project Manager. On July 6, 2015, Cognosante was contracted to develop project management plans, including a Project Charter to identify the governing structure for the project. Four aspects of the structure are:

- ❖ An Executive Steering Committee which meets weekly for an update and progress report
- ❖ A Governance Review Board which meets weekly for a project status review
- ❖ A Technical Review Board which meets weekly to review the architecture and/or technical aspects
- ❖ The Business Review Board meets frequently to review business

Mr. Lampe said the Governance Board prepares a weekly report of the scope, risk, deliverable status, and design. Minutes of the Board's decisions are published in addition to a comprehensive status update report.

Update on the Status of the CoCENTRIX Contract with the Arkansas Department of Human Services and the Current Functionality of the Universal Assessment Platform [Exhibit E]

Representative Hammer swore in under oath the following presenters:

Mary Ahdab, CEO, CoCENTRIX

Gregg Barker, CTO, CoCENTRIX

Craig Cloud, Director, Aging and Adult Services, DHS

James Brader, Director, Developmental Disabilities Services (DDS), DHS

Tim Lampe, Director, Office of Quality Assurance, DHS

Representative Hammer recognized Craig Cloud to give a status update of the CoCENTRIX licensing agreement. Mr. Cloud told legislators that deliverables have been provided by CoCENTRIX and are being tested for functionality. Items waiting for functionality, specifically are the DHS-704 form and other critical items which are pending before a decision can be made to go-live. Mr. Cloud said the project has been put on hold at the request of DHS in conjunction with agreements by himself and James Brader, Director, DDS. An assessment of all payments made during the course of the project will be conducted. Each payment will be referenced to a specific deliverable. A decision to move the project forward will be made when a final assessment has been concluded.

Mr. Cloud was asked if any payments are currently being withheld. He responded and said payments are being withheld at this time. However, two weeks ago he learned of hosting fees that had to be paid to SHI, the host company for CoCENTRIX and other vendors. He also learned of a payment of \$411,592.00, which had been authorized to be made to CoCENTRIX. Mr. Cloud said that once he discovered the payment authorization he immediately began efforts to recall the payment. Mr. Cloud was asked who authorized the payment to CoCENTRIX.

Mr. Tim Lampe, Director, Office of Quality Assurance, DHS responded and said he had mistakenly authorized the payment.

Greg Barker, CTO, CoCENTRIX responded to a question as to whether or not the company has returned the payment. He said this payment has not been received.

May Ahdap, CEO, CoCENTRIX told legislators her company was well aware that payments were being withheld based on testimony given during previous committee meetings. She said that had the payment been received it would have been returned.

Craig Cloud explained to legislators that all payments for the project are made to the contract hosting company, SHI. SHI has agreed to return the \$411,592.00 payment to DHS.

DHS representatives were asked to explain a payment of \$302,304 made to CoCENTRIX in June, 2014 for the initial Phase 0.

Craig Cloud said his staff researched and found a Statement of Work (SOW) referenced as Phase 0 which was signed in late April, 2014 by Anna Lanski, former DDS Assistant Director. The SOW provided for assessments to be conducted by Pine Bluff Psychological Associates for the developmental disability population. The assessments are used to make determinations for the level of care and treatment plans.

Legislators discussed in detail the development of a universal assessment tool as it relates to the Community First Choice Option (CFCO) of the Affordable Care Act (ACA). Legislators raised concerns about current DHS programs that need to interface with federal mandated programs specifically requiring a universal assessment tool.

May Ahdap told legislators it is her understanding that the Medicaid Transportation Plan requires states to build a universal assessment tool for Medicaid. The reason Medicaid is pushing the tool is it relates to payments for services with no formal assessment for structure treatment plans and delivery of services. Ms. Ahdap said Medicaid audits of states will involve the review of a universal assessment tool, a level of care plan, a treatment plan, and a determination of whether or not provider agencies and states have conformed to the plans.

Ms. Ahdap was asked if it is her testimony that CMS and/or Medicaid has issued a mandate that states are required to develop a universal assessment tool. Ms. Ahdap responded and said she has conducted research and found this to be a trend with many states moving forward with universal assessment tool development. She also said she will do further research and send the literature to the committee.

Representative Hammer asked John Selig, Dick Wyatt, and Tim Lampe to respond to questions regarding the authorization of the payment of \$411,592.00 to CoCENTRIX.

Mr. Wyatt responded to questions regarding his involvement in the payment to CoCENTRIX. He explained the payment process:

- A quotation is received from SHI on behalf of vendors
- Purchase orders are processed with payment amounts listed by line item
- Purchase orders are submitted to Tim Lampe
- Tim Lampe authorizes payments for goods and services
- Tim Lampe forwards invoices to AP to make payments

Mr. Wyatt was asked if he did not make a correlation between the payment in process, and previous testimony that payments were to be withheld until all issues with the agreement between DHS and CoCENTRIX were resolved. Mr. Wyatt responded and said his testimony is that he was not aware of the directive to withhold payments.

John Selig was asked what the committee could expect from DHS regarding payments being made while the project has been placed on hold, particularly with the discovery of the \$411,592.00 payment authorized to CoCENTRIX? Mr. Selig noted that Mr. Lampe made it clear in his statement that he made a mistake and accepted full responsibility. Mr. Selig said the committee can expect DHS to follow the commitments it makes to the committee. Mr. Selig stated that this situation will not happen again and no payments will be made until all parties, including the committee, are in agreement.