

AP/AL: Appropriation **Project Type:** Information Systems
Category: Health/Human Services
Location: Statewide **Contact:** Arnold Liebelt
House District: Statewide (HD 1-40) **Contact Phone:** (907)465-1870
Estimated Project Dates: 05/01/2008 - 06/30/2013

Brief Summary and Statement of Need:

The Eligibility Information System (EIS) is the backbone of Public Assistance operations. While aging and complex, EIS has been a reliable, adaptable and effective eligibility system for over 20 years. EIS supports the application, eligibility, budgeting, and benefit issuance for Food Stamps, Medicaid, Temporary Assistance, Denali Kid Care, Senior Benefits, General Assistance, Chronic and Acute Medical Assistance, PFD Hold Harmless, Child Care, and Adult Public Assistance programs and work services. Over the years the number and types of changes required by legislation and the changing caseload demographics of an aging population have underscored the need to evaluate alternatives to upgrade or replace EIS.

Funding:	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	Total
Fed Rcpts	\$389,700						\$389,700
G/F Match	\$389,700						\$389,700
Gen Fund	\$84,900						\$84,900
Total:	\$864,300	\$0	\$0	\$0	\$0	\$0	\$864,300

<input checked="" type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input checked="" type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
50% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	215,820	2
Ongoing Operating:	0	0
One-Time Startup:	0	
Totals:	215,820	2

Additional Information / Prior Funding History:

CH30/SLA07/P95/L5 \$165.6 GF, \$248.4 GF Match and \$248.4 Federal

Project Description/Justification:

1. Has this project been previously approved? YES

This request is for Phase 2 of a comprehensive needs assessment and feasibility study of system alternatives for the upgrade or replacement of the Eligibility Information System (EIS). In FY07, EIS generated over \$25 million in Alaska Temporary Assistance payments, over \$88 million in food stamp benefits, over \$56 million in Adult Public Assistance payments and over \$2 million in General Assistance payments. In total over \$172 million in public assistance payments were issued using EIS to determine eligibility and benefit level. Over 67,000 families or individuals are served monthly. EIS accuracy in determining eligibility and calculating benefit levels is critical.

FY08 Project Update and Milestones

The project is in its initial project startup. Funding received in FY08 will be used to hire two project positions, a Project Manager and Project Assistant. Once the project team is established and a project structure in place, a professional services request for proposals and federal advance planning document will be completed. Work will begin to evaluate

business needs, technology trends, and available system alternatives. The project duration is expected to run between 19 and 24 months.

Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011
Project Startup	System Requirements	Request Funding	Start New Project
Seek Professional Svcs	System Alternatives	Select Alternative	
Fed Planning Document	Create Short List	GAP Analysis Alt	
Project Work plan	Cost Benefit Analysis	Seek Professional Svcs	
Business Analysis	Federal Planning Update		

Overall Capital Project Budget

Project Costs	Cost Per Milestone	Est Months per Milestone
Contractual Cost		
Project Work Plan	\$ 38,400	1.5
Gap / Business Analysis / System Analysis	\$ 80,000	2.0
System Requirements Specifications	\$ 148,800	3.0
System Alternatives / Recommendations	\$ 206,093	4.0
Cost Benefit Analysis / Alternative Selection	\$ 154,570	3
Federal Planning Doc	\$ 117,174	3
Alternative Request for Proposal	\$ 97,645	2.5
Contractual Total	\$ 842,682	
Operating Costs (Capital Receipts)		
Project Personnel Services (FY2008-2010)	\$ 499,176	
Other Project Costs (FY2008-2010)	\$ 184,842	
Operating Total	\$ 684,018	
Total Project Cost	\$ 1,526,700	19.0

Background

The EIS is over 22 years old, resides on an IBM mainframe platform and is written in old, and difficult to support, software development language (COBOL) and database (ADABAS). The last EIS alternative analysis was done in 1992 before Welfare Reform.

The Eligibility Information System is the backbone of the division's operations, as its mission critical information systems application to support key programs and services within the Division. Originally implemented statewide in 1984, EIS provides eligibility support for the food stamps, Medicaid, Temporary Assistance, Denali Kid Care, Senior Benefits, General Assistance, Chronic and Acute Medical Assistance, PFD Hold Harmless, Child Care, and Adult Public Assistance programs and work services.

Welfare reform, new program demands, and the continued growth and complexity in Public Assistance programs is creating a shift in business needs from when the system was initially implemented. Better reporting, greater system flexibility and a more user-friendly system to gain efficiency are essential for providing timely and accurate customer services. The system's technology limitations make it increasingly difficult for the division to respond quickly to change and to keep pace with constantly changing federal and state regulations. The Division of Public Assistance (DPA) has a growing backlog of requests for programming changes to the EIS.

EIS operating costs will continue to increase as the application continues to age and the programs that it tracks become more complex. Recommendations of efficiencies made to management in a 2006 Workload Analysis report included immediate consideration of the need to upgrade or replace the existing aging EIS system.

A major system project to extensively upgrade or replace EIS is complex and will take six to eight years.

The initial activity will be to determine what functionality should be added to the current set of EIS capabilities to better allow staff to perform their required activities. A “gap-fit” analysis will be performed to define the gap between the current system capabilities and the needed system capabilities. The next step is to evaluate the feasibility of replacing EIS by identifying the areas the current system is deficient, defective or offers significant opportunities for improvement. Finally, a strategy would be developed to bridge the gap between the current capabilities and the desired capabilities.

The alternatives for upgrading or replacing EIS include, among others, adding functionality to the current system, transferring a system from another state or developing a custom replacement system. These alternatives can be described as follows:

- a. Adding functionality to the current system would involve the development of EIS enhancements utilizing the current software development language (COBOL) and database (ADABAS). Given the difficulties in supporting these older technologies, it is likely that this alternative could involve the migration of the current application environment to a more modern software development platform. However, this approach would not totally alleviate some of the critical issues associated with the obsolete application and technology platform.
- b. Transferring a system from another state would involve utilizing the results of the “gap-fit” analysis to identify those states that have an existing welfare eligibility application which meets enough of the DPA’s current and desired requirements to be considered a potential replacement solution. The DPA would then have to estimate the cost and effort required to customize the selected transfer system to meet its needs.
- c. Developing a custom replacement system would involve utilizing the results of the “gap-fit” analysis to establish a set of desired requirements for the replacement application. The replacement application would then be implemented using modern software development architecture, tools and methods. DPA would have to estimate the cost and effort required to develop a custom application to meet their desired requirements.

The result of a 2006 Workload Analysis indicates eligibility staff spends more than 30% of work time reviewing and entering data into EIS. This project will evaluate our business needs and whether EIS can continue to effectively meet those needs. Several areas of the current EIS are inefficient because it was not designed to determine eligibility for the number of assistance programs available to Alaskans or to implement the complex rules and policies that govern such programs. A second inefficiency relates to limitations in the EIS software, which requires workaround procedures.

The scope of the analysis includes stakeholders and the activities to support interface agencies both internal and external to the department, such as the Division of Child Support Services.

The alternative analysis will include a Cost Benefit Analysis Report providing a cost for each alternative. The project will result in a replacement, upgrade or enhancement of the existing system. The table below provides some cost and schedule data regarding the major welfare eligibility system replacement projects that have been procured since the year 2000.

STATE	SYSTEM	AMOUNT	DURATION	NOTES
Texas	TX TIERS	\$120M (planned \$87M)	4.5 years	Started 1Q 2000, currently in production
Utah	UT eREP	\$20M (Planned \$19M)	2 years for TANF*, 3.5 add'l years for Food Stamps and Medical Eligibility	Started September 2002, TANF* in Pilot, Food Stamps and Medical Eligibility being developed in-house (scheduled for production in 1Q 2008)
Michigan	MI BRIDGES	\$69M+25M	3 years	Started 1Q 2006, due 4Q 2008
Tennessee	TN VIP	\$33M	2.5 years	Started 1Q 2006, due 3Q 2008
New York	SWMS	\$400M	10 years	Started 2Q 2006; Phased

*TANF is the Temporary Assistance for Needy Families program.

If the project is not approved, overall EIS maintenance, enhancement and operating costs will continue to increase as the application and the programs become more complex, the software and hardware technology platform becomes more obsolete, and experienced COBOL and ADABAS application developers become less available and more costly.

Public Assistance staff find EIS to be an inflexible application with an outdated user interface that has become difficult to adapt to the Division's diverse and ever-changing business practices. As a result, staff have developed a variety of manual and semi-automated system workarounds to support their day-to-day business needs. The cost and effort associated with developing and maintaining these workarounds could be reduced or eliminated by updating or replacing EIS with a modern, more comprehensive information system application.

Department's Mission: *To promote and protect the health and well being of Alaskans.* This project supports the Department's mission by determining the best design for the replacement system for determining eligibility for public assistance programs.

The end result to which this project contributes is "Low income families and individuals become economically self-sufficient."