

Workers' Compensation .Net Upgrade and Rewrite**FY2010 Request: \$3,092,200****Reference No: 46892****AP/AL:** Appropriation**Project Type:** Information Systems**Category:** Health/Human Services**Location:** Statewide**Contact:** Mike Monagle**House District:** Statewide (HD 1-40)**Contact Phone:** (907)465-6045**Estimated Project Dates:** 07/01/2009 - 06/30/2012**Brief Summary and Statement of Need:**

The Worker's Compensation system needs to be upgraded to .Net since the VB6 application platform will be retiring from Microsoft maintenance support. The upgrade will reduce redundant data between our systems which causes poor management reporting, substantial lag time in claims processing, and inefficient use of personnel resources. The upgrade will allow the Division to meet our mission of ensuring efficient, fair, and predictable delivery of indemnity, medical, and vocational rehabilitation benefits to enable workers to return to work by reducing this lag time, streamlining claims processing and submittal, and providing the necessary management tools to measure resource output.

Funding:	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>Total</u>
Wrkrs Safe	\$3,092,200						\$3,092,200
Total:	\$3,092,200	\$0	\$0	\$0	\$0	\$0	\$3,092,200

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = 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:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Additional Information / Prior Funding History:

No previous funding has been provided for this project.

Project Description/Justification:

Information Technology Capital Project Review Form FY2010

1. Has this project been previously approved? No.

This project is included in the Department's Information Technology Plan.

2. What is the purpose of the project?

The Workers' Compensation system needs to be upgraded to .Net since the VB6 application platform has been retired from Microsoft maintenance support. The existing system requires a redesign effort for better work flow of existing processes, redundant and inefficient data structures; interfacing with

the Proof of Coverage System and the new imaging process; and creating new components to support the Fraud Unit and Management Reporting.

3. Is this a new systems development project? Yes.

The new system will replace an outdated system which will no longer be supported by Microsoft. The upgrade will reduce redundant data between our systems which causes poor management reporting, substantial lag time in claims processing, and inefficient use of personnel resources. The upgrade will enable the Division to meet our mission of ensuring efficient, fair, and predictable delivery of indemnity, medical, and vocational rehabilitation benefits to enable workers to return to work by reducing this lag time, streamlining claims processing and submittal, and providing the necessary management tools to measure resource output. This upgrade will enable the Division to meet its performance measures by ensuring employers comply with AS 23.30, and by making more Alaskans available for jobs by resolving claims dispute issues that prohibit reemployment benefits from being instituted in a timely fashion.

Upgrade or enhancement to existing department capabilities? This is an upgrade and enhancement to the current Workers' Compensation System

4. Specifically, what hardware, software, consulting services, or other items will be purchased with this expenditure?

Project Initiation / Planning	51.4
Requirements Definition	112.0
Staff Resources Required	117.6
System Design	305.6
Software Acquisition	20.0
Software Installation/Programming	1,447.2
Hardware / Infrastructure Installation	41.0
System Integration and Testing	615.4
Installation and Deployment	13.5
Corrective and Adaptive Maintenance	183.6
Training	184.9

5. How will service to the public measurably improve if this project is funded?

The upgrade will reduce redundant data between our systems which causes poor management reporting, substantial lag time in claims processing, and inefficient use of personnel resources.

6. Does project affect the way in which other public agencies will conduct their business? No.

7. What are the potential out-year cost implications if this project is approved? (Bandwidth requirements, etc.) None. Current bandwidth requirement will be unchanged.

8. What will happen if the project is not approved?

Microsoft VB6 has fallen off the list for support by Microsoft – as hardware and operating system upgrades occur we will have difficulty maintaining the current application as well as making upgrades required to support the system. We are already having difficulties with the reports. There

is a potential for complete system failure in the future if this upgrade is not approved. The functionality of the new Fraud Investigations Unit would be severely hindered. The Fraud Unit needs components written to support their new unit requirements. Performance issues are occurring between Proof of Coverage and the current Worker's Compensation system that need to be rectified for more accurate interfacing of data in a timely manner.