

## Schedule 13 Funding Request for the 2014-15 Budget Cycle

**Department:** Health Care Policy and Financing

**Request Title:** Benefits Utilization Services Application

**Priority Number:** S-7, BA-7

**Dept. Approval by:** Josh Block  1/2/14  
Date

**OSPB Approval by:**  12/31/13  
Date

- |   |
|---|
| <input type="checkbox"/> Decision Item FY 2014-15               |
| <input type="checkbox"/> Base Reduction Item FY 2014-15         |
| <input checked="" type="checkbox"/> Supplemental FY 2013-14     |
| <input checked="" type="checkbox"/> Budget Amendment FY 2014-15 |

Line Item Information		FY 2013-14		FY 2014-15		FY 2015-16
		1	2	3	4	5
	Fund	Appropriation FY 2013-14	Supplemental Request FY 2013-14	Base Request FY 2014-15	Funding Change Request FY 2014-15	Continuation Amount FY 2015-16
<b>Total of All Line Items</b>	<b>Total</b>	-	201,447	1,319,571	60,122	60,122
	FTE	-	-	-	-	-
	GF	-	100,723	648,834	30,061	30,061
	GFE	-	-	-	-	-
	CF	-	-	6,061	-	-
	RF	-	-	-	-	-
	FF	-	100,724	664,676	30,061	30,061
<b>(1) Executive Director's Office; (A) General Administration, Payments to OIT (NEW LINE)</b>	<b>Total</b>	-	201,447	1,319,571	60,122	60,122
	FTE	-	-	-	-	-
	GF	-	100,723	648,834	30,061	30,061
	GFE	-	-	-	-	-
	CF	-	-	6,061	-	-
	RF	-	-	-	-	-
	FF	-	100,724	664,676	30,061	30,061

**Letternote Text Revision Required?** Yes:  No:  **If yes, describe the Letternote Text Revision:**

**Cash or Federal Fund Name and COFRS Fund Number:** FF: Title XIX

**Reappropriated Funds Source, by Department and Line Item Name:** N/A

**Approval by OIT?** Yes:  No:  **Not Required:**

**Schedule 13s from Affected Departments:** OIT

**Other Information:** N/A



# COLORADO

Department of Health Care Policy  
and Financing

*Priority: S-7, BA-7  
Benefits Utilization Services Application  
FY 2013-14 Supplemental Request &  
FY 2014-15 Budget Amendment*

## ***Cost and FTE***

- FY 2013-14: \$201,447 total funds, \$100,723 General Fund, and \$100,724 federal funds;
- FY 2014-15 and ongoing: \$60,122 total funds, \$30,061 General Fund, and \$30,061 federal funds.

## ***Current Program***

- The Benefits Utilization Services application (BUS), which is maintained by the Governor's Office of Information Technology (OIT), is used to assess eligibility for long-term services and supports (LTSS) by documenting a Medicaid client's activity level and ongoing medical needs.
- Case management workers use the BUS to create and update LTSS client service plans; these plans are needed to approve medical services for LTSS clients and timely management of these plans ensures clients continue to receive the appropriate level of service.

## ***Problem or Opportunity***

- The BUS uses substandard computing practices by sharing a single computing environment for all system needs including operating the BUS, developing system changes, training new end users, and recovering the system in disaster events.
- Substandard computing practices cause: potential system instability for case managers and Department users when system changes are required; difficulty training new users of the BUS; and, increased risk for lengthy unscheduled downtime and permanent data loss in disaster events such as hardware malfunctions.
- OIT recently evaluated the BUS due to system failures and determined that if not addressed, BUS system deficiencies could jeopardize timely medical services for LTSS clients.

## ***Consequences of Problem***

- Not addressing the current limitations of the BUS compromises service delivery to LTSS clients by jeopardizing system availability, case manager training, and timely client health data exchange between the Department and the BUS.
- Limiting access to BUS data risks timely completion of mandatory federal reports, which could jeopardize federal financial participation for this population.

## ***Proposed Solution***

- Based on estimates provided by OIT, the Department requests funding to create and maintain additional BUS environments for development, training, and disaster recovery, ensuring timely receipt of health services and federal financial support.



# COLORADO

## Department of Health Care Policy and Financing

FY 2014-15 Funding Request | January 2, 2014

John W. Hickenlooper  
Governor

Susan E. Birch  
Executive Director

**Department Priority: S-7, BA-7**

**Request Detail: Business Utilization Services Application**

Summary of Incremental Funding Change for FY 2013-14	Total Funds	General Fund
Business Utilization Services Application	\$201,447	\$100,723

### **Problem or Opportunity:**

The substandard information technology (IT) infrastructure of the Business Utilization Services application (BUS) is inadequate for administering long-term services and supports (LTSS) for Medicaid clients, jeopardizing the Department's goal to provide effective and efficient health care for Colorado's Medicaid population.

The BUS is a database application maintained by the Governor's Office of Information Technology (OIT) used to input and store client assessments that determine eligibility for LTSS programs. The BUS is also used to create and update LTSS client service plans that document client needs and are subsequently used to determine authorization of Medicaid payments. Service plans must be updated timely to ensure a client's authorized services match his or her changing needs. Finally, BUS data is used to fulfill federal reporting requirements of the Centers for Medicare and Medicaid Services (CMS) to maintain ongoing federal funding for the Department's home and community based services (HCBS) waivers.

The BUS currently relies on substandard IT infrastructure, diminishing system usability and stability. The infrastructure is substandard because the BUS only uses one IT environment for multiple functions such as recording and viewing data, developing and testing system changes, and training new users. If the Department were to follow IT industry-standard System Development Lifecycle (SDLC) practices, it would need to separate these various functions into multiple environments, which are essentially separate copies of the application tailored to a specific function. The lack of multiple environments diminishes the usability of the system and causes instability. For example, system changes take an unacceptably long time and can potentially cause system instability while changes are implemented; user training is inefficient due to users having to utilize the full system without a training-friendly environment; and, permanent data loss is possible due to the lack of a backup environment.

These system usability and stability issues make the BUS inadequate for effectively and efficiently delivering care to LTSS clients. System instability jeopardizes access to the BUS for inputting functional assessments and determining LTSS eligibility and updating service plans, compromising timely service delivery when a client's needs are established or changed. Additionally, system instability could lead to data loss and

unplanned downtime, which jeopardizes federal reporting requirements, subsequently compromising federal financial participation.

***Proposed Solution:***

The Department requests funding in FY 2013-14 to correct the inadequacy of the BUS's IT infrastructure by creating a multi-environment infrastructure. The solution would be designed, implemented, and maintained by OIT. OIT would build separate environments for development, training, production, and disaster recovery. Further, the Department requests funding in FY 2014-15 and ongoing years for ongoing annual maintenance costs.

Implementing a multi-environment solution for the BUS would ensure efficient and effective delivery of services that are critical to maintaining the health of the Department's LTSS clients. Multiple environments support system stability during system changes, ease the training of new users, and help avoid data loss and unscheduled downtime in events such as hardware malfunctions.

If this request is not approved, the Department and OIT believe that the BUS is likely to fail in the near future. A BUS failure would jeopardize the Department's ability to enroll individuals in LTSS, maintain services plans, and compromise the Department's ability to submit required federal reports. These failures would not only put the Department's ability to draw federal funds for these services at risk, but could also potentially prevent clients from being served properly in the community.

Alternatively, the Department considered allowing the existing system to continue to function until it is replaced by the Department's new Medicaid Management Information System (MMIS). Per the Department's FY 2013-14 R-5 budget request, "Medicaid Management Information System Reprocurement," the Department is in the process of implementing a new MMIS that will replace the current BUS. While the Department expects the new MMIS will provide a more robust and stable solution for the BUS, the Department and OIT believe that the current state of the BUS is too prone to failure to wait until the expected implementation date of the new MMIS in FY 2016-17.

***Anticipated Outcomes:***

If approved, the proposed solution would move the BUS to a SDLC-compliant environment. As a result, the system would have improved performance due to proper testing, training, and disaster recovery environments added to the system's main production environment for running the application. These changes would ensure the stability of the system, preventing sluggish system performance, unscheduled downtime, and catastrophic failure or permanent data loss. As a result, the proposed solution would help ensure LTSS clients receive timely care by creating an efficient and effective multiple environment system, allowing concurrent development, training, production and disaster recovery.

The proposed solution would help the Department achieve three goals of the Department's five-year strategy plan. First, the proposed solution would help achieve the goal to "improve health outcomes, client experience, and lower per capita costs" by ensuring that approved services for LTSS clients are kept up-to-date and are available when the client needs them. Second, the proposed solution would help achieve the goal to "enhance efficiency and effectiveness through process improvement" by improving system stability

of the BUS application, ensuring that case managers and the Department are able to access the system timely and are able to effectively train to use the system. Lastly, the proposed solution would help achieve the goal to “ensure sound stewardship of financial resources” by ensuring that BUS data is timely reported to CMS to maintain federal financial support for HCBS waivers.

***Assumptions and Calculations:***

This request is based on estimates from OIT to implement and maintain a multi-environment solution for the BUS. In the attached appendix, see Table 1 for the implementation cost components of this request and Table 2 for the ongoing maintenance cost components. If this supplemental amendment is approved, the Department assumes implementation would occur in FY 2013-14 and ongoing annual maintenance costs would begin in FY 2014-15. Beginning in FY 2015-16, the Department assumes ongoing annual maintenance costs would be incorporated into the Department’s common policy billing to OIT.

***Supplemental, 1331 Supplemental or Budget Amendment Criteria:***

This request is due to new information. The BUS has recently shown symptoms of serious system inadequacies, prompting OIT to assess the application and make recommendations on how to mitigate the problems. These assessments occurred in fall 2013, leading to the solution proposed in this request.

S-7, BA-7 Benefits Utilization Services Application  
Appendix A: Calculations and Assumptions

<b>Table 1 - Total Request for FY 2013-14</b>					
<b>Row</b>	<b>Item</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Federal Funds</b>	<b>FFP</b>
A	New Hardware	\$126,447	\$63,223	\$63,224	50%
B	OIT Resource Hours for Implementation (500 hours at \$150 per hour)	\$75,000	\$37,500	\$37,500	50%
<b>C</b>	<b>Total</b>	<b>\$201,447</b>	<b>\$100,723</b>	<b>\$100,724</b>	

<b>Table 2 - Total Request for FY 2014-15 and Ongoing</b>					
<b>Row</b>	<b>Item</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Federal Funds</b>	<b>FFP</b>
A	Hardware Maintenance <sup>1</sup>	\$60,122	\$30,061	\$30,061	50%
<b>B</b>	<b>Total</b>	<b>\$60,122</b>	<b>\$30,061</b>	<b>\$30,061</b>	

<sup>1</sup> The Department anticipates that the first year of hardware maintenance (FY 2014-15) will be paid to OIT separately from the Department's common policy bill. However, the Department expects that subsequent years of hardware maintenance will be incorporated into the Department's common policy bill. This arrangement is due to the timing of when common policy billing adjustments can be made.