Team Introduction

Roles Present at ITAC

- Daniel Lippert, Assistant Director & Chief Information Officer – Information Services Division

- Anthony Flot, Chief Technology Officer – Information Services Division – Project Sponsor

- Joshua Worley, Deputy Assistant Director – Division of Business and Finance

Project Introduction

Stated Operational/Business Issue

- Electronic Data Interchange (EDI) functions are a key business operation within AHCCCS. Currently, AHCCCS uses a combination of tools and service providers for the EDI functions.

- Due to the cost of operations and procurement constraints, AHCCCS is implementing a modernized EDI solution to be developed and implemented which will ultimately lead to cost savings to the State, improved operations and reduction of manual intervention by AHCCCS team(s).

- Our current EDI vendor will not sign the state's terms and conditions. As such, we need to move solutions as quickly as possible. EDI is the heart of all data exchange with the Agency. All HIPAA electronic transactions needed to run a Health Plan come through this exchange. In excess of 30 million annually.

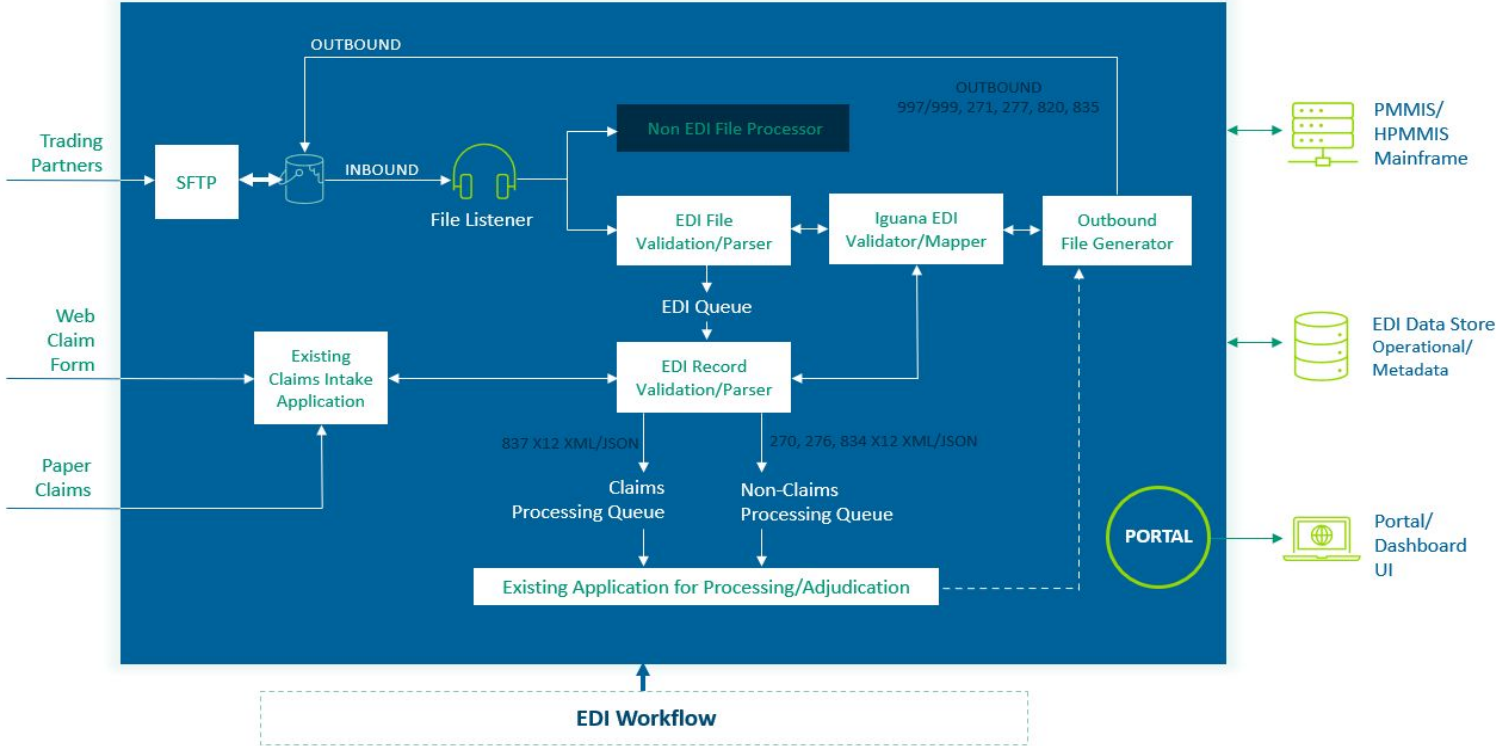## Benefit to the State Agency and Constituents

- Modernized solution that leverages existing investments and infrastructure of the system integration hub.

- Creation of a platform to allow for more cost-effective processes and ongoing operational efficiencies.
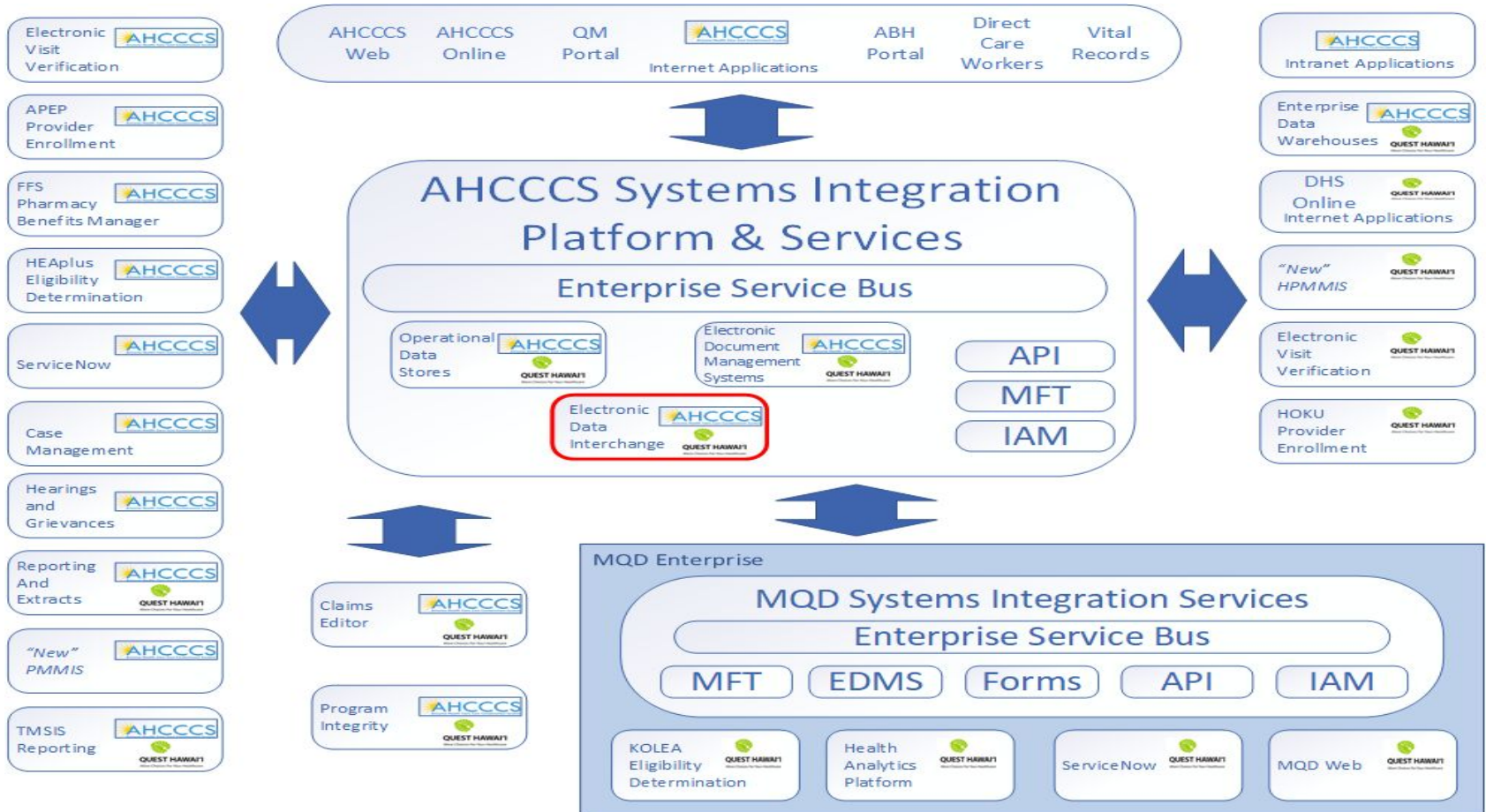
Proposed Solution

Overview of Proposed Solution

- The EDI function is required to meet federal HIPAA rules for processing standard healthcare transactions to exchange data with the state trading partners.

- Implements modern cloud-based platform and framework for:

  - Acceptance of X12 and NCPDP (National Council for Prescription Drug Programs) transactions from trading partners
  - Validation of transactions
  - Translation of transactions into the MMIS (Medicaid Management Information System) proprietary format for processing

- Replaces legacy technology and workflows and leads to improvement in service delivery and process efficiencies.

System Diagram

System Diagram

Program Structure

Oversight
CMS - ADOA- ITAC-JLBC

Executive Steering Committee

Governance
IV&V - ISD IT Gov & Compliance - ISD PMO / Governance Committee

AZ/HI
Program Manager

EDI Project Manager

ISD Technical SME/Project Manager

EDI Solution Architect

EDI Development Team
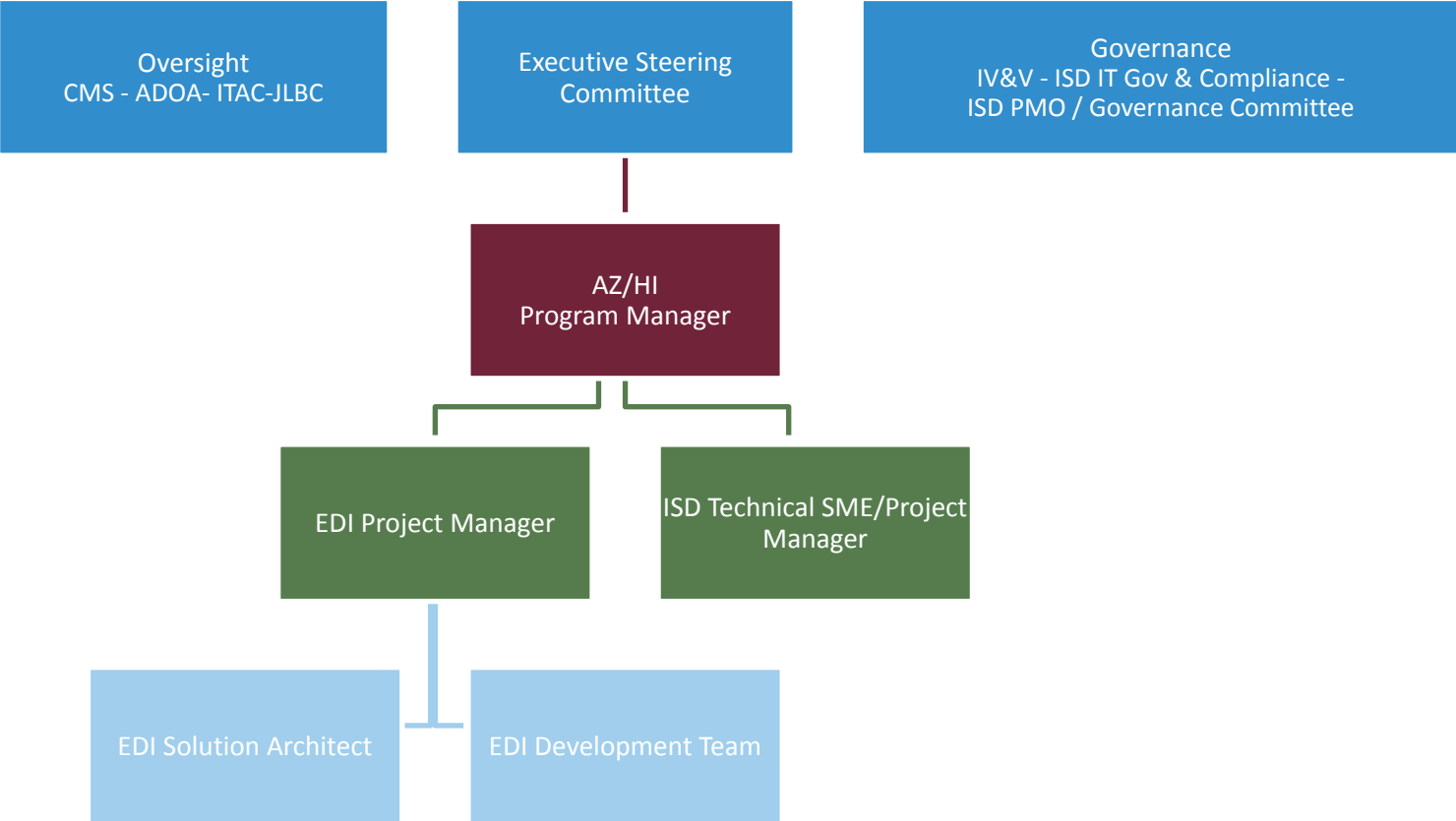
Project Responsibilities

Identify Proposed Solutions Responsibilities

Agency

1. Project Contract Oversight
2. Supply technology environment and network connectivity
3. Subject Matter Expert support
4. Review and accept deliverables
5. Extract data sets for test files
6. User Acceptance Testing (UAT)
7. Internal Organizational Change Management (OCM)

Shared

1. Participate in project meetings
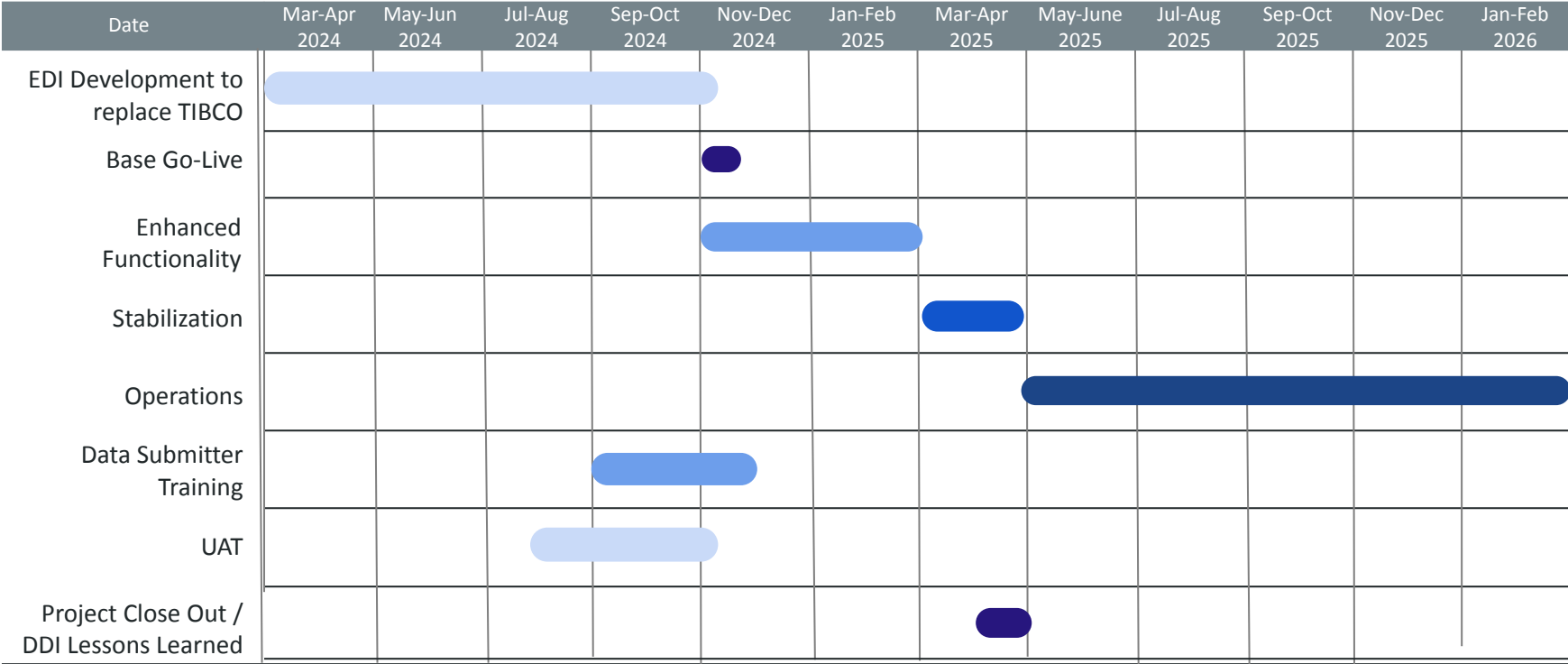2. Project Management
3. Test Planning & Execution
4. Training Planning & Delivery
5. External Organizational Change Management

Vendor/Contractor

1. Deliver Project Management and System Design Documents
2. Configure and Implement the solution within the AHCCCS Azure tenancy
3. Complete application testing
4. Prepare and deliver training
5. Provider ongoing maintenance and operations

Project Timeline

Date	Mar-Apr 2024	May-Jun 2024	Jul-Aug 2024	Sep-Oct 2024	Nov-Dec 2024	Jan-Feb 2025	Mar-Apr 2025	May-June 2025	Jul-Aug 2025	Sep-Oct 2025	Nov-Dec 2025	Jan-Feb 2026
EDI Development to replace TIBCO	████	████	████									
Base Go-Live					██							
Enhanced Functionality					████							
Stabilization							██					
Operations								████	████	████	████	████
Data Submitter Training				███								
UAT			██									
Project Close Out / DDI Lessons Learned							██					

Project Costs

Project Costs by Category	FY24	FY25	FY26	FY27	FY28	Total
Professional & Outside Services (Contractors)	$1,800,601.36	$5,765,702.48	$981,284.16	$981,284.16	$981,284.16	$10,510,156.32
Professional & Outside Services (IV&V)	$35,000.00	$140,000.00				$175,000.00
Total Development	$1,835,601.36	$5,742,155.12				$7,577,756.48
Total Operational		$163,547.36	$981,284.16	$981,284.16	$981,284.16	$3,107,399.84

Project Costs (funding source)

ARIZONA
DEPARTMENT OF ADMINISTRATION
TECHNOLOGY

Total Development Costs			
Funding Source	**Available**	**To Be Requested**	**Total**
Federal (AZ+HI Fed)	$ 6,819,980.83	$ -	$ 6,819,980.83
Base Budget (AZ State Cost)	$ 378,887.82	$ -	$ 378,887.82
APF	$ -	$ -	$ -
Other Non-Approp (HI State Cost)	$ 378,887.82	$ -	$ 378,887.82
Total	$ 7,577,756.48	$ -	$ 7,577,756.48

Total Costs (DDI + M&O)			
Funding Source	**Available**	**To Be Requested**	**Total**
Federal (AZ+HI Fed)	$ 9,150,530.71	$ -	$ 9,150,530.71
Base Budget (AZ State Cost)	$ 767,312.80	$ -	$ 767,312.80
APF	$ -	$ -	$ -
Other Non-Approp (HI State Cost)	$ 767,312.80	$ -	$ 767,312.80
Total	$ 10,685,156.32	$ -	$ 10,685,156.32

What Success Looks Like

Measures of Success

A. Current solution is using multiple vendor solutions for our EDI. Consolidating our solutions will reduce complexity and streamline the onboarding process to do EDI with AHCCCS.

B. Move 90% of provider and exchanges by November 15, 2024 and 100% by November 29th.

C. Potential cost avoidance after implementation by 20%-50% year over year

D. 100% staff training by 10/31/2024

Q & A
Session

Recommended Conditions

ADOA-ASET Conditions

1. Should development costs exceed the approved estimates by 10% or more, or should there be significant changes to the proposed technology scope of work or implementation schedule, the Agency must amend the PIJ to reflect the changes and submit it to ADOA-ASET, and ITAC if required, for review and approval prior to further expenditure of funds.

2. Monthly reporting on the project status is due to ADOA-ASET no later than the 15th of the month following the start of the project. Failure to comply with timely project status reporting will affect the overall project health. The first status report for this project is due on April 15, 2024.

3. The agency shall select an Independent Verification & Validation (IV&V) vendor, provide the contract to ADOA-ASET and provide an informational update to ITAC that all the necessary requirements have been met for the Federal approval within 90 days of ITAC approval.

4. The agency shall provide the quarterly Independent Verification & Validation (IV&V) report, via email communication, to ADOA-ASET 90 days following the start of the project. IV&V vendor to submit separate IV&V reports for each individual project every quarter.

ITAC Voting Options

What ITAC May Consider In Review Whether:

a. The proposed solution addresses the stated problem or situation;

b. The budget unit is competent to carry out the project successfully;

c. Sufficient sponsorship and support by budget unit leadership exists;

d. Cost estimates provided are accurate;

e. The proposed project aligns with the budget unit's Strategic IT Plan; and

f. The proposed solution complies with statewide IT standards.

ITAC Motions:

a. Move to Approve

b. Move to Approve with Conditions As Presented

c. Move to Approve with Conditions

    i. Committee May Modify or

    ii. Add Conditions

d. Move To Deny

Relevant Statutes and Rules

Per A.R.S. § 18-101 - Per Administrative Code R2-18-101