

CHANGE REQUEST / AMENDMENT

PIJ ID HC19002 - Provider Management System Update

Arizona Health Care Cost Containment System

Amended 5-Year Lifecycle Budget Estimate:

Total Development Budget	\$ 14,716,160
<u>Total Operational Budget</u>	<u>\$ 9,311,900</u>
Total Overall Budget	\$ 24,028,060

Areas Affected:

End Date	Yes
Development Costs	Yes
Scope	Yes

Original End Date: 08/31/2019

Revised End Date: 03/31/2021

Change Description:

CURRENT AMENDMENT 02: 8/21/19

The project has moved through the Initiating and Planning Phase and is now in the Requirements and Design Phase. During this phase CNSI conducted GAP/Solution sessions and produced their first Detail System Design Document (DSDD). After AHCCCS/Med-QUEST reviewed the document it was rejected due to numerous errors and difficulty in navigating. The DSDD is a critical document due to its input to AHCCCS's Requirements Documentation and AHCCCS's/Med-QUEST's User Test Cases and User Acceptance Testing.

After a few more iterations of the DSDD there was an agreed to Conditional Approval to allow CNSI to start their coding and AHCCCS to start their Requirements Documentation for the AHCCCS Mainframe MMIS system. This also allowed AHCCCS/Med-QUEST to start Test Plan/Test Case creation.

During this time, both AHCCCS and Med-QUEST identified a number of gaps in the original requirements. Due to the additional effort that needed to be expended, it was evident that the original 8/26/2019 Go Live date would not be met. There were numerous AHCCCS/Med-QUEST/CNSI Executive meetings with the outcome of a new Go Live Date of 3/1/2020.

This CR requests a change in the Go Live date to March 2020, the planned certification review to September 2020 and a change in the project end date to March 31, 2021 when it is anticipated all invoices will be resolved, all implementation contracts closed and all resources released.

This CR requests a transfer of \$3.1 million in funds from operations to implementation, to be added to previously approved CR-0375 \$700,000, for a total transfer of approximately \$3.8 million. This CR also requests authorization to enter into new contracts, if needed, sign contract amendments and extend staff augmentation where the project will spend an additional \$2.4 million on the new Development activities.

PREVIOUS AMENDMENT 01: 4/15/19

The cost of the Software Year 1 Maintenance was originally understood to be part of O&M and would be paid at the end of implementation/start of operations. This was a misinterpretation of the vendor's pricing proposal and it has since been agreed to be an up-front implementation cost. The \$707,171 cost has been shifted from Operational to Implementation funds. This has the added benefit of also changing its cost allocation with Hawaii (now 50/50 instead of 88/12) and moving to a 90% Federal reimbursement rate (instead of 75%). The Implementation Software cost is increased from \$459,735 to \$1,166,906. The SFY2021 License & Maintenance Costs are decreased from \$4,171,374 to \$3,464,203. There is no net increase in the total 5-year cost of the project and operations budget.

CHANGE REQUEST / AMENDMENT

PIJ ID HC19002 - Provider Management System Update

Arizona Health Care Cost Containment System

Financial Detail:

Original PIJ Financials 8/22/18 ITAC

<i>Five Year Life-Cycle Summary</i>						
<i>Cost Description</i>	<i>FY2018</i>	<i>FY2019</i>	<i>FY2020</i>	<i>FY2021</i>	<i>FY2022</i>	<i>Total</i>
Development Costs	\$322,268	\$6,256,821	\$2,034,924	\$0	\$0	\$8,614,013
Operational Costs	\$0	\$0	\$4,171,374	\$4,092,381	\$4,175,649	\$12,439,404
Total Project Costs	\$322,268	\$6,256,821	\$6,206,298	\$4,092,381	\$4,175,649	\$21,053,417

Amended PIJ Financials 8/28/19 ITAC

<i>Five Year Life-Cycle Summary</i>						
<i>Cost Description</i>	<i>FY2018</i>	<i>FY2019</i>	<i>FY2020</i>	<i>FY2021</i>	<i>FY2022</i>	<i>Total</i>
Development Costs	\$311,300	\$6,482,200	\$7,639,260	\$283,400	\$0	\$14,716,160
Operational Costs	\$0	\$0	\$893,400	\$4,193,800	\$4,224,700	\$9,311,900
Total Project Costs	\$311,300	\$6,482,200	\$8,532,660	\$4,477,200	\$4,224,700	\$24,028,060