**ADOA-ASET**

Arizona Strategic Enterprise Technology

# Project Investment Justification

# Electronic Visit Verification System

# HC19005

# Arizona Health Care Cost Containment System

## Contents

# 1. GENERAL INFORMATION

**PIJ ID:** HC19005
**PIJ Name:** Electronic Visit Verification System
**Account:** Arizona Health Care Cost Containment System
**Business Unit Requesting:** DHCM
**Sponsor:** Virginia Rountree
**Sponsor Title:** Assistant Director for Clinical and Operations
**Sponsor Email:** virginia.rountree@azahcccs.gov
**Sponsor Phone:** (602) 417-4122

# 2. MEETING PRE-WORK

2.1 What is the operational issue or business need that the Agency is trying to solve? (i.e....current process is manual, which increases resource time/costs to the State/Agency, and leads to errors…):

Section 1903 of the Social Security Act (42 U.S.C. 1396b), as amended by H.R. 6042, mandates that AHCCCS implement an Electronic Visit Verification (EVV) system for non-skilled in home services (attendant care, personal care, homemaker, habilitation, respite) by January 1, 2020 and for in home skilled nursing services (home health) by January 1, 2023. The EVV system must, at a minimum, electronically verify:

- Type of service preformed

- Individual receiving the service

- Date of the service

- Location of service delivery at the beginning and end

- Individual providing the service

- Time the service begins and ends

There is no current statewide system that complies with this mandate, requiring that AHCCCS implement a new system to fulfill these requirements.

2.2 How will solving this issue or addressing this need benefit the State or the Agency?

Failure to comply with the EVV requirements will result in a loss of federal funding for these services. Implementation of an EVV is also aimed at helping to ensure that services billed were actually rendered, reducing waste/fraud in these types of services. The system we have procured will further aid our members and their caregivers by providing them with a way to schedule and monitor their care through web-based applications that will be accessible through computers and mobile applications.

2.3 Describe the proposed solution to this business need.

The Sandata solution provided both the technology (hardware and software) to collect visit information and aggregate data from third party sources, into a single repository for review and analysis by AHCCCS. Sandata's collection solutions offered flexibility in modality (fixed or mobile devices managed by Sandata, mobile applications for a bring your own device (BYOD), telephonic verification, or paper-based recording in remote, frontier areas). The offering included a member/provider web portal for scheduling and monitoring of visits, resulting in empowering members to better manage their services.

2.4 Has the existing technology environment, into which the proposed solution will be implemented, been documented?

Yes

2.4a Please describe the existing technology environment into which the proposed solution will be implemented.

2.5 Have the business requirements been gathered, along with any technology requirements that have been identified?

Yes

2.5a Please explain below why the requirements are not available.

# 3. PRE-PIJ/ASSESSMENT

3.1 Are you submitting this as a Pre-PIJ in order to issue a Request for Proposal (RFP) to evaluate options and select a solution that meets the project requirements?

No

3.1a Is the final Statement of Work (SOW) for the RFP available for review?

3.2 Will you be completing an assessment/Pilot/RFP phase, i.e. an evaluation by a vendor, 3rd party or your agency, of the current state, needs, & desired future state, in order to determine the cost, effort, approach and/or feasibility of a project?

No

3.2a Describe the reason for completing the assessment/pilot/RFP and the expected deliverables.

3.2b Provide the estimated cost, if any, to conduct the assessment phase and/or Pilot and/or RFP/solicitation process.

3.2e Based on research to date, provide a high-level cost estimate to implement the final solution.

# 4. PROJECT

4.1 Does your agency have a formal project methodology in place?

Yes

4.2 Describe the high level makeup and roles/responsibilities of the Agency, Vendor(s) and other third parties (i.e. agency will do...vendor will do...third party will do).

AHCCCS staff will manage the overall project effort, develop and test modifications to the MMIS and Data Warehouse to integrate with the system, perform UAT of the Sandata system, and oversee all actions by the vendors. AHCCCS staff will be supported by additional contracted temporary staffing in project management, quality analysts, and application developers.

SLI is contracted to perform IV&V services in accordance with both State and Federal requirements. SLI will observe the project, interview both state and Sandata staff, and submit monthly and quarterly progress reports to AHCCCS and to CMS.

Sandata will implement their EVV system, handle all device configuration, distribution, maintenance and support, conduct all training with State staff and providers, integrate all third party systems identified by AHCCCS, communicate project efforts with the provider and member communities, and in concert with AHCCCS and SLI in their efforts to ensure CMS certification of the system.

4.3 Will a PM be assigned to manage the project, regardless of whether internal or vendor provided?

Yes

4.3a If the PM is credentialed, e.g., PMP, CPM, State certification etc., please provide certification information.

4.4 Is the proposed procurement the result of an RFP solicitation process?

Yes

4.5 Is this project referenced in your agency's Strategic IT Plan?

Yes

# 5. SCHEDULE

5.1 Is a project plan available that reflects the estimated Start Date and End Date of the project, and the supporting Milestones of the project?

Yes

5.2 Provide an estimated start and finish date for implementing the proposed solution.

| Est. Implementation Start Date | Est. Implementation End Date |
|---|---|
| 6/1/2019 12:00:00 AM | 1/31/2020 12:00:00 AM |

5.3 How were the start and end dates determined?

Based on project plan

5.3a List the expected high level project tasks/milestones of the project, e.g., acquire new web server, develop software interfaces, deploy new application, production go live, and estimate start/finish dates for each, if known.

| Milestone / Task | Estimated Start Date | Estimated Finish Date |
|---|---|---|

| Planning and Procurement | 06/01/17 | 05/31/19 |
|---|---|---|
| Implementation Initiation and Planning | 06/01/19 | 06/30/19 |
| Program Requirements Analysis and Design | 06/01/19 | 07/31/19 |
| System Configuration and Deployment | 06/01/19 | 12/31/19 |
| Project Implementation | 06/01/19 | 12/31/19 |
| CMS Certification R2 Operational Milestone | 11/01/19 | 01/31/20 |
| Go Live | 01/31/20 | 01/31/20 |
| CMS R3 Certification Planning and Review | 02/01/20 | 08/31/20 |
| Project Close | 09/01/20 | 09/30/20 |

5.4 Have steps needed to roll-out to all impacted parties been incorporated, e.g. communications, planned outages, deployment plan?

Yes

5.5 Will any physical infrastructure improvements be required prior to the implementation of the proposed solution. e.g., building reconstruction, cabling, etc.?

No

5.5a Does the PIJ include the facilities costs associated with construction?

5.5b Does the project plan reflect the timeline associated with completing the construction?

# 6. IMPACT

6.1 Are there any known resource availability conflicts that could impact the project?

Yes

6.1a Have the identified conflicts been taken into account in the project plan?

Yes

6.2 Does your schedule have dependencies on any other projects or procurements?

No

6.2a Please identify the projects or procurements.

6.3 Will the implementation involve major end user view or functionality changes?

Yes

6.4 Will the proposed solution result in a change to a public-facing application or system?

Yes

# 7. BUDGET

7.1 Is a detailed project budget reflecting all of the up-front/startup costs to implement the project available, e.g, hardware, initial software licenses, training, taxes, P&OS, etc.?

Yes

7.2 Have the ongoing support costs for sustaining the proposed solution over a 5-year lifecycle, once the project is complete, been determined, e.g., ongoing vendor hosting costs, annual maintenance and support not acquired upfront, etc.?

Yes

7.3 Have all required funding sources for the project and ongoing support costs been identified?

No

7.4 Will the funding for this project expire on a specific date, regardless of project timelines?

No

7.5 Will the funding allocated for this project include any contingency, in the event of cost over-runs or potential changes in scope?

Yes

# 8. TECHNOLOGY

8.1 Please indicate whether a statewide enterprise solution will be used or select the primary reason for not choosing an enterprise solution.

There is not a statewide enterprise solution available

8.2 Will the technology and all required services be acquired off existing State contract(s)?

No

8.3 Will any software be acquired through the current State value-added reseller contract?

No

8.3a Describe how the software was selected below:

8.4 Does the project involve technology that is new and/or unfamiliar to your agency, e.g., software tool never used before, virtualized server environment?

Yes

8.5 Does your agency have experience with the vendor (if known)?

No

8.6 Does the vendor (if known) have professional experience with similar projects?

Yes

8.7 Does the project involve any coordination across multiple vendors?

Yes

8.8 Does this project require multiple system interfaces, e.g., APIs, data exchange with other external application systems/agencies or other internal systems/divisions?

Yes

8.9 Have any compatibility issues been identified between the proposed solution and the existing environment, e.g., upgrade to server needed before new COTS solution can be installed?

No

8.9a Describe below the issues that were identified and how they have been/will be resolved, or whether an ADOA-ASET representative should contact you.

8.10 Will a migration/conversion step be required, i.e., data extract, transformation and load?

No

8.11 Is this replacing an existing solution?

No

8.11a Indicate below when the solution being replaced was originally acquired.

8.11b Describe the planned disposition of the existing technology below, e.g., surplused, retired, used as backup, used for another purpose:

8.12 Describe how the agency determined the quantities reflected in the PIJ, e.g., number of hours of P&OS, disk capacity required, number of licenses, etc. for the proposed solution?

AHCCCS, with its Hawaii partners, assessed the requirements of the Act and determined the specific services that would be covered and populations currently using those services. The data breaks down the expected populations by service categories and by geographic locations within each state. The data was gathered and provided to all bidders in our RFP and is available online under the Data Supplemental section: https://www.azahcccs.gov/PlansProviders/HealthPlans/YH10-0025.html

8.13 Does the proposed solution and associated costs reflect any assumptions regarding projected growth, e.g., more users over time, increases in the amount of data to be stored over 5 years?

Yes

8.14 Does the proposed solution and associated costs include failover and disaster recovery contingencies?

Yes

8.14a Please select why failover and disaster recovery is not included in the proposed solution.

8.15 Will the vendor need to configure the proposed solution for use by your agency?

Yes

8.15a Are the costs associated with that configuration included in the PIJ financials?

Yes

8.16 Will any app dev or customization of the proposed solution be required for the agency to use the project in the current/planned tech environment, e.g. a COTS app that will req custom programming, an agency app that will be entirely custom developed?

No

8.16a Will the customizations inhibit the ability to implement regular product updates, or to move to future versions?

8.16b Describe who will be customizing the solution below:

8.16c Do the resources that will be customizing the application have experience with the technology platform being used, e.g., .NET, Java, Drupal?

8.16d Please select the application development methodology that will be used:

8.16e Provide an estimate of the amount of customized development required, e.g., 25% for a COTS application, 100% for pure custom development, and describe how that estimate was determined below:

8.16f Are any/all Professional & Outside Services costs associated with the customized development included in the PIJ financials?

8.17 Have you determined that this project is in compliance with all applicable statutes, regulations, policies, standards & procedures, incl. those for network, security, platform, software/application &/or data/info found at aset.az.gov/resources/psp?

Yes

8.17a Describe below the compliance issues that were identified and how they have been/will be resolved, or whether an ADOA-ASET representative should contact you:

8.18 Are there other high risk project issues that have not been identified as part of this PIJ?

No

8.18a Please explain all unidentified high risk project issues below:

# 9. SECURITY

9.1 Will the proposed solution be vendor-hosted?

Yes

9.1a Please select from the following vendor-hosted options:

Vendor's data center environment

9.1b Describe the rationale for selecting the vendor-hosted option below:

The vendor offering is a SaaS solution and vendor hosting is the only option offered by the vendor.

9.1c Has the agency been able to confirm the long-term viability of the vendor hosted environment?

Yes

9.1d Has the agency addressed contract termination contingencies, e.g., solution ownership, data ownership, application portability, migration plans upon contract/support termination?

Yes

9.1e Has a Conceptual Design/Network Diagram been provided and reviewed by ASET-SPR?

Yes

9.1f Has the spreadsheet located at https://aset.az.gov/arizona-baseline-security-controls-excel already been completed by the vendor and approved by ASET-SPR?

Yes

9.2 Will the proposed solution be hosted on-premise in a state agency?

No

9.2a Where will the on-premise solution be located:

9.2b Were vendor-hosted options available and reviewed?

9.2c Describe the rationale for selecting an on-premise option below:

9.2d Will any data be transmitted into or out of the agency's on-premise environment or the State Data Center?

9.3 Will any PII, PHI, CGIS, or other Protected Information as defined in the 8110 Statewide Data Classification Policy be transmitted, stored, or processed with this project?

Yes

9.3a Describe below what security infrastructure/controls are/will be put in place to safeguard this data:

Sandata has a comprehensive security policy in place. Further, the agreement between Arizona and Sandata specifies as part of the BAA that Sandata agrees to safeguard all PHI and use it only as permitted. They must disclose to AHCCCS any improper use or disclosure of PHI within twenty-four hours of learning of the unauthorized use or disclosure. All Sandata subcontractors must also adhere to these requirements.

# 10. AREAS OF IMPACT

Application Systems

Other

Sandata EVV Solution

Database Systems

Data Warehouse/Mart

Software

COTS Application Acquisition

Hardware

Hosted Solution (Cloud Implementation)

Vendor Hosted

Security

Telecommunications

Enterprise Solutions

Contract Services/Procurements

# 11. FINANCIALS

| Description | PIJ Category | Cost Type | Fiscal Year Spend | Quantity | Unit Cost | Extended Cost | Tax Rate | Tax | Total Cost |
|---|---|---|---|---|---|---|---|---|---|
| Sandata EVV Solution Implementation - Year 1 | Professional & Outside Services | Development | 1 | 1 | $35,700 | $35,700 | 0.00 % | $0 | $35,700 |
| SLI IV&V Services (SFY2019) | Professional & Outside Services | Development | 1 | 1 | $18,060 | $18,060 | 0.00 % | $0 | $18,060 |
| Contractor Project Management, Business Analyst and QA Analyst Staff Augmentation (SFY2019) | Professional & Outside Services | Development | 1 | 1 | $8,400 | $8,400 | 0.00 % | $0 | $8,400 |
| Sandata EVV Solution Implementation - Year 2 | Professional & Outside Services | Development | 2 | 1 | $511,840 | $511,840 | 0.00 % | $0 | $511,840 |
| SLI IV&V Services (SFY2020) | Professional & Outside Services | Development | 2 | 1 | $324,266 | $324,266 | 0.00 % | $0 | $324,266 |
| Contractor Project Management, Business Analyst and QA Analyst Staff Augmentation (SFY2020) | Professional & Outside Services | Development | 2 | 1 | $791,000 | $791,000 | 0.00 % | $0 | $791,000 |
| Sandata Transaction Fees SFY2020 (Jan 20 - Jun 20) | Other | Operational | 2 | 3862530 | $0 | $1,467,761 | 0.00 % | $0 | $1,467,761 |
| Sandata Device Lease per Month (SFY2020) | Other | Operational | 2 | 6 | $458,700 | $2,752,200 | 0.00 % | $0 | $2,752,200 |
| Contractor Project Management, Business Analyst and QA Analyst Staff Augmentation (SFY2021) | Professional & Outside Services | Development | 3 | 1 | $436,000 | $436,000 | 0.00 % | $0 | $436,000 |
| Sandata Transaction Fees SFY2021 (Jul 20 - Jun 21) | Other | Operational | 3 | 7849956 | $0 | $2,982,983 | 0.00 % | $0 | $2,982,983 |
| Sandata Device Lease per | Other | Operational | 3 | 12 | $458,700 | $5,504,400 | 0.00 % | $0 | $5,504,400 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Month (SFY2021) | | | | | | | | |
| Sandata Transaction Fees SFY2022 (Jul 21 - Jun 22) | Other | Operational | 4 | 8098944 | $0 | $3,077,599 | 0.00 % | $0 | $3,077,599 |
| Sandata Device Lease per Month (SFY2022) | Other | Operational | 4 | 12 | $458,700 | $5,504,400 | 0.00 % | $0 | $5,504,400 |
| Sandata Transaction Fees SFY2023 (Jul 22 - Jun 23) | Other | Operational | 5 | 8363832 | $0 | $3,178,256 | 0.00 % | $0 | $3,178,256 |
| Sandata Device Lease per Month (SFY2023) | Other | Operational | 5 | 12 | $458,700 | $5,504,400 | 0.00 % | $0 | $5,504,400 |

| Base Budget (Available) | Base Budget (To Be Req) | Base Budget % of Project |
|---|---|---|
| $107,802 | $7,029,246 | 22% |
| **APF (Available)** | **APF (To Be Req)** | **APF % of Project** |
| $0 | $0 | 0% |
| **Other Appropriated (Available)** | **Other Appropriated (To Be Req)** | **Other Appropriated % of Project** |
| $0 | $0 | 0% |
| **Federal (Available)** | **Federal (To Be Req)** | **Federal % of Project** |
| $1,911,201 | $22,662,357 | 77% |
| **Other Non-Appropriated (Available)** | **Other Non-Appropriated (To Be Req)** | **Other Non-Appropriated % of Project** |
| $106,263 | $280,395 | 1% |

| Total Budget Available | Total Development Cost |
|---|---|
| $2,125,266 | $2,125,266 |
| **Total Budget To Be Req** | **Total Operational Cost** |
| $29,971,998 | $29,972,000 |
| **Total Budget** | **Total Cost** |
| $32,097,264 | $32,097,266 |

## 12. PROJECT SUCCESS

Please specify what performance indicator(s) will be referenced in determining the success of the proposed project (e.g. increased productivity, improved customer service, etc.)? (A minimum of one performance indicator must be specified)

Please provide the performance objective as a quantifiable metric for each performance indicator specified.
**Note:** The performance objective should provide the current performance level, the performance goal, and the time period within which that performance goal is intended to be achieved.  You should have an auditable means to measure and take corrective action to address any deviations.
**Example**: Within 6 months of project completion, the agency would hope to increase "Neighborhood Beautification" program registration by 20% (3,986 registrants) from the current registration count of 19,930 active participants.

Performance Indicators

Readiness Metrics

75% of providers who will be utilizing the statewide EVV system will complete required training by December 2019

75% of providers with an EVV system in place and committing to use one statewide system as a data aggregator will successfully complete a submission an acceptance of data file transfer by November 2019

Manual Verification  Metric

After a baseline year, a measure will be developed to monitor the number of times when EVV data is not captured (but the service is otherwise provided) is below the established rate.

Gaps in Services Metric

After a baseline year,  a measure will be developed to ensure providers have no more than the acceptable determined amount of reported gaps in services.

# 13. CONDITIONS

Conditions for Approval

# 14. ENGAGEMENT MANAGER COMMENTS

Project Background

The Arizona Health Care Cost Containment System (AHCCCS) is Arizona's Medicaid agency that offers health care programs to serve Arizona residents. Individuals must meet certain income and other requirements to obtain services. A recent amendment to Section 1903 of the Social Security Act (42 U.S.C. 1396b) mandates implementation of an Electronic Visit Verification system for both skilled and non-skilled in-home services.  The non-skilled services must be tracked by January 1, 2010 and the skilled services by January 1, 2023.  This system must track type of service performed, client receiving services, date of service, location of service, person providing the service, and the time the service begins and ends.

Business Justification

Failure to comply with the mandate for an Electronic Visit Verification system will result in loss of federal funding for AHCCCS.  Implementation of this system will help to ensure that billed services were actually rendered to reduce waste and fraud.  This will also allow members and caregivers a method to schedule and monitor care via web-based applications.

Implementation Plan

The vendor selected to implement the solution is Sandata. They will handle all device configuration, distribution, maintenance, support and conduct all training. AHCCCS will be responsible for overall project management, testing and oversight of the vendor. The solution will be hosted in the vendor's data center.

AHCCCS is implementing a SaaS solution hosted in the vendor's data center.

Vendor Selection

Vendor was selected via the RFP process.

Budget or Funding Considerations

Funding does not have any constraints and consists of base budget, federal and other non-appropriated funds.

# 15. PIJ Review Checklist

Agency Project Sponsor

Virginia Rountree

Agency CIO (or Designee)

Daniel Lippert

Agency ISO (or designee)

Daniel Lippert

OSPB Representative

ASET Engagement Manager

ASET SPR Representative

Thomas Considine

Agency SPO Representative

Agency CFO

Jeff Tegen