MEMORANDUM

March 1, 2016

TO: Government Operations and Fiscal Policy Committee

FROM: Dr. Costis Toregas, Council IT Adviser

SUBJECT: FY17-22 CIP General Government: Technology Modernization MCG P150701

The following are expected to attend:

> Michael Ferrara, Enterprise Projects Manager
> Uma Ahluwalia, Director, Department of Health and Human Services (HHS)
> Representatives from the Department of Recreation, Community Use of Public Facilities
> (CUPF), and Maryland-National Capital Park and Planning Commission (M-NCPPC) as needed
> Representatives from the Office of Management and Budget (OMB)

Staff Recommendation:

1. Recommend the Executive's recommended budget of $4,636,000 for FY17 to the Council for funding; note that there is no <u>additional</u> appropriation authority requested for this year, nor for FY18.

Overview

The Executive's FY17-22 CIP includes the Technology Modernization effort (TechMod) shown on ©1-2. This project provides for the replacement, upgrade, and implementation of IT initiatives that will ensure ongoing viability of key processes, replace outdated and vulnerable systems, and produce a high return in terms of customer service and accountability to our residents. Major new IT systems that have been completed through this project include the Enterprise Resource Planning (**ERP**) Financial and Human Resources modules, the foundation phase of the **311**/Constituent Relationship Management (CRM), Electronic Time reporting (**MCTime**), and related Business Process Review (**BPR**).

Planning activities for the Department of Health and Human Services (HHS) technology modernization of key systems and processes are underway. The budgeting module of the ERP system (Hyperion) and additional self service functionality are currently underway, and the workforce component of the Hyperion

System has been completed. The ERP project was implemented to modernize Core Business Systems to improve the efficiency, effectiveness, and responsiveness of the County Government.

The HHS program provides for the development and implementation of an Enterprise Integrated Case Management (EICM) system as part of a larger Process and Technology Modernization (PTM) program that will move the department from a traditional agency-centric model of practice to a more effective client-centered model of practice. As part of this initiative, the EICM project will upgrade obsolete IT systems and information processes to avoid duplication of data entry, reduce ineffective coordination of services, and minimize inefficiencies resulting from legacy systems. The Active Network (ActiveNet) upgrade for the Department of Recreation, Community Use of Public Facilities (CUPF), and the Maryland-National Capital Park and Planning Commission (M-NCPPC) involves the replacement of the existing CLASS registration and payment system. The Gilchrist Center is also in need of a platform to register its clients for programs and activities. Implementation involves analysis and realignment of business practices and procedures, system configuration, website designs, redesign/testing of ERP interfaces, and new Accounts Receivable functions. An Interagency Governance Committee comprised of managers from each participating department/agency will make decisions balancing the needs of each department.

In addition, modernization of the County's Tax Assessment Billing System is underway. This system is used to annually calculate and bill County residents for County and municipal property taxes, solid waste fees, water quality fees, Washington Suburban Sanitary Commission (WSSC) fees, and other fees, taxes, and related credits.

The Committee has received briefings in prior worksessions (most recently on October 21, 2015) regarding progress on programmatic grounds, as well as updates on financial expenditures. The current funding allocation regarding this complex project is on ©3.

The table on ©3 should be read with the following comments in mind:

- The increase in balance from $2.1 million to $3.1 million is due to chargebacks that had not processed yet in the Oracle system when we last prepared numbers (October). Chargebacks were debited to the Health Insurance Fund, DLC, and BIT and credited to the TechMod CIP.
- The increase in dollars available for Oracle licenses from $2.1 million to $2.461 million is due to chargebacks that had not processed yet in the Oracle system last time we prepared numbers (same as above).
- The HHS balance change from $0 to $566K is due to HHS unencumbering funds from a Xerox purchase order – they plan to encumber/spend all of the remaining funds for the remainder of the integration project.
- The ActiveNet balance has not changed. They plan to encumber the remaining balance to purchase additional credit card hardware (split between three agencies: REC/CUPF/County Parks) and partially fund a consultant to provide in-depth training on a new reporting tool.
- Numbers are rounded to the nearest thousand.

Process and Technology Modernization (PTM) in DHHS

To better understand the PTM process within DHHS, a series of questions was developed:

1. Where are we on a timeline from the needs assessment work we asked a consultant to do some 3 years ago to today, and over the next 14 months? What are choke points re: financial or other scarce resources such as time or personnel expertise?
2. What aspects of the system are operational today? Are there improved outcomes for DHHS clients and/or for DHHS staff and case managers?
3. Is the vision of single entry still there? When will it be tested?
4. Has change management (i.e., preparing clients and staff for the upcoming significant organizational and process change) started? Who is guiding it forward?
5. Are resources adequate to complete the entire changeover? Or will we wait for another day to do things in the original plan?
6. The reason this project is TechMod is because the Executive envisioned a process and technology modernization. Since last year's deeper discussion, has the "as is" analysis been helpful for the "to be" requirements being carried out now? And are there opportunities to streamline?

The responses received are on ©4-15. HHS Director Uma Ahluwalia will walk the Committee through the major points of the responses.

Staff discussion

➤ The impact of the PTM program will be a considerable positive force on both staff and clients of DHHS. For this reason, the efforts of the Change Management team are important and should be continued with high priority.

➤ Practice changes may lead not only to improvements in care provided to clients and workplace enhancements for employees, but may also be a trigger for changes in the support requirements for staff training, staff assignments, and other important cost items in future years. Once the process and the technology improvements are identified and put in place, this discussion may lead to a deeper exploration of the operational environment of DHHS. See ©13-14 for an early example of the effects of this "technological streamlining".

➤ PTM is not a single program, but 7 interrelated projects:
   o Enterprise Integrated Case Management;
   o Enterprise Content Management System;
   o Electronic Health Records;
   o US Department of Health and Human Services Interoperability Grant;
   o Organizational Change Management;
   o Project Management Office; and
   o Quality Assurance.

   Several of these projects are not technological in nature and will require support after the PTM program has left the CIP environment and become part of the HHS operating budget. Plans should be made now to prepare for this transition.

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➢ The timeframe for delivery of the final system is long and complex. According to the CIP PDF, no new funding is foreseen for any TechMod project beyond 2017, an assumption that challenges the degree of complexity and current timeline for delivery (see ©11-12).

➢ The TechMod project has launched many vital modernization efforts in the County since its inception in 2007. Consideration should be given for the next generation of complex projects that can be undertaken in future years, and their costs begin to be shown in the out years of the TechMod CIP PDF.

Technology Modernization -- MCG (P150701)

Category	General Government	Date Last Modified	11/17/14
Sub Category	County Offices and Other Improvements	Required Adequate Public Facility	No
Administering Agency	County Executive (AAGE03)	Relocation Impact	None
Planning Area	Countywide	Status	Ongoing

	Total	Thru FY15	Est FY16	Total 6 Years	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	Beyond 6 Yrs
EXPENDITURE SCHEDULE ($000s)											
Planning, Design and Supervision	134,353	110,412	19,305	4,636	4,636	0	0	0	0	0	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0
Other	56	0	56	0	0	0	0	0	0	0	0
Total	134,409	110,412	19,361	4,636	4,636	0	0	0	0	0	0
FUNDING SCHEDULE ($000s)											
Contributions	1,340	1,340	0	0	0	0	0	0	0	0	0
Current Revenue: General	67,412	62,812	4,600	0	0	0	0	0	0	0	0
Federal Aid	741	0	0	741	741	0	0	0	0	0	0
Land Sale	2,634	2,634	0	0	0	0	0	0	0	0	0
Recreation Fund	645	0	645	0	0	0	0	0	0	0	0
Recordation Tax Premium	2,623	2,623	0	0	0	0	0	0	0	0	0
Short-Term Financing	59,014	41,003	14,116	3,895	3,895	0	0	0	0	0	0
Total	134,409	110,412	19,361	4,636	4,636	0	0	0	0	0	0
OPERATING BUDGET IMPACT ($000s)											
Maintenance				2,802	467	467	467	467	467	467	
Productivity Improvements				-29,148	-700	-3,472	-6,244	-6,244	-6,244	-6,244	
Program-Staff				858	143	143	143	143	143	143	
Program-Other				10,374	1,054	1,864	1,864	1,864	1,864	1,864	
Net Impact				-15,114	964	-998	-3,770	-3,770	-3,770	-3,770	

APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 17	0
Appropriation Request Est.	FY 18	0
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		134,409
Expenditure / Encumbrances		126,901
Unencumbered Balance		7,508

Date First Appropriation	FY 07	
First Cost Estimate		
Current Scope	FY 17	134,409
Last FY's Cost Estimate		134,909

Description
This project provides for the replacement, upgrade, and implementation of IT initiatives that will ensure ongoing viability of key processes, replace outdated and vulnerable systems, and produce a high return in terms of customer service and accountability to our residents. Major new IT systems that have been completed through this project include the Enterprise Resource Planning (ERP) Financial and Human Resources modules, foundation phase of the 311/Constituent Relationship Management (CRM), Electronic Time reporting (MCTime), and related Business Process Review (BPR). Planning activities for the Department of Health and Human Services (HHS) technology modernization of key systems and processes are underway. The Budgeting module of the ERP system (Hyperion) and additional self-service functionality is currently underway and the workforce component of the Hyperion System has been completed. The ERP project was implemented to modernize Core Business Systems to improve the efficiency, effectiveness, and responsiveness of the County Government. In addition, modernization of the County's Tax Assessment Billing System is underway. This system is used to annually calculate and bill County residents for County and municipal property taxes, solid waste fees, water quality fees, Washington Suburban Sanitary Commission (WSSC) fees, and other fees, taxes, and related credits. The HHS program provides for the development and implementation of an Enterprise Integrated Case Management (EICM) system as part of a larger Process and Technology Modernization (PTM) program that will move the department from a traditional agency-centric model of practice to a more effective client-centered model of practice. As part of this initiative, the EICM project will upgrade obsolete IT systems and information processes to avoid duplication of data entry, reduce ineffective coordination of services, and minimize inefficiencies resulting from legacy systems. The Active Network (ActiveNet) upgrade for the Department of Recreation, Community Use of Public Facilities (CUPF), and the Maryland-National Capital Park and Planning (M-NCPPC) involves the replacement of the existing CLASS registration and payment system. The Gilchrist Center is also in need of a platform to register its clients for programs and activities. Implementation involves analysis and realignment of business practices and procedures, system configuration, web-site designs; redesign/testing of ERP interfaces; and new Accounts Receivable functions. An Interagency Governance Committee comprised of managers from each participating department/agency will make decisions balancing the needs of each department.

Technology Modernization -- MCG (P150701)

Cost Change
The cost decrease is due to shifting the FY17 funding in Current Revenue to the HHS Operating budget.

Justification
According to a 2004 ranking of major existing technology systems based on their current health and relative need for upgrade or replacement, the County's then current core business systems (ADPICS, FAMIS, BPREP, and HRMS) were ranked as Priority #1, which means obsolete or vulnerable critical system in immediate risk of failure. These at-risk systems were replaced with a state of the art ERP system which provides a common database supporting financials, procurement, budget, and HR/payroll, and includes system-wide features for security, workflow, and reporting, and up-to-date technology architecture. Tax Assessment Billing System: The current system is over 30 years old, is only internally supported, and is used for the collection of over $2 billion in revenues annually. Health and Human Services EICM: This technology modernization effort will ensure ongoing viability of key processes, replace outdated and vulnerable systems, create staff operating efficiencies, and produce a high return in terms of customer service and accountability to our residents. Related plans and studies include the Information Technology Interagency Funding and Budgeting Committee's report of September 30, 2003, the Montgomery County Government FY06 IT Budget Overview prepared by Department of Technology Services, and the FY14 Process and Technology Modernization Readiness Assessment conducted by the Gartner consulting group. Recreation, CUPF, and M-NCPPC: The Active Network announced that they will release one more version upgrade of CLASS, scheduled for first quarter of 2014. After this release, there will be no further development of the CLASS software and maintenance/support will be phased out of the CLASS software (ending by December, 2017). A feasibility study determined that the Active Network's browser based application, ActiveNet, is the only software with sufficient functionality and processing capability to meet the needs of a joint registration and facility management system in a single database for Recreation, CUPF, MNCPPC, and the Gilchrist Center. The system will also improve customer service by providing a one-stop access point.

Other
The Technology Modernization - MCG project is intended to serve as an ongoing resource for future IT modernization and related process engineering to the County Government's business systems beyond the currently defined project scope. Future projects may include the following: CRM - Citizen Relationship Management Phase II: This initiative will extend the service to municipalities in the County and other County agencies (e.g. Board of Education, M-NCPPC, Montgomery College). This initiative will proceed based upon interest from these organizations and agreement on funding. Objectives include creation of a Citizen Relationship Management (CRM) program to develop or convert automated capabilities for all appropriate County services including: Case Management Events, Management Field Services, Grants Management, Help Desk Solutions, Point of Sales, Resident Issue Tracking System, Work Order Processing System, ERP - Enterprise Resource Planning, Business Intelligence/Data Warehouse Development, Loan Management, Property Tax Billing and Collection, Public Access to Contractor Payments, Upgrade to Oracle E-Business/Kronos/Siebel, and Enhancements to comply with evolving Payment Card Industry (PCI) mandates.

Fiscal Note
Project funding includes short-term financing for integrator services and software costs. The Operating Budget Impact (OBI) estimates have been reduced to reflect the full accounting of ERP operating costs in the Operating budget. ERP: In FY15, $1.340M will be transferred to the CIP by the Board of Investment Trustees (BIT) and is reflected as Contributions; another $1.175M will be transferred from the Department of Liquor Control ($625,000) and the Group Insurance Fund ($550,000) to the General Fund and is reflected as Current Revenue: General. HHS: Due to delays in the State's process for seeking federal reimbursements for capital IT upgrades, Federal Aid is only assumed in FY17. HHS will continue to seek federal aid as the State updates its process. If the State is continuously unsuccessful to receive federal reimbursements, short-term financing will be used as an alternative funding source. ActiveNet: $645,000 will be appropriated from the Current Revenue: Recreation Fund in FY15 for the ActiveNet upgrade; Recreation will charge CUPF and M-NCPPC for their share of the project's expenditures based on a proportionate share of each party's use of ActiveNet.

Coordination
MCG efforts are coordinated with applicable agencies during the project planning, requirements gathering, and requests for proposal (RFP) phases: Offices of the County Executive, Office of the County Council, Department of Finance, Department of Technology Services, Office of Procurement, Office of Human Resources, Office of Management and Budget, Department of Health and Human Services, Department of Recreation, Community Use of Public Facilities, and the Maryland-National Capital Park and Planning Commission, Gilchrist Center or CEC, all MCG Departments and Offices, Maryland Department of Human Resources, Maryland Department of Health and Mental Hygiene.

TECH MOD CIP
INCEPTION THROUGH FY16

	Appropriation	Expenditures/Encumbrances			
	Total Inception thru FY16	Actual Expenditures Total Inception thru FY15 (as of 2/23/16)	Encumbrances Outstanding (as of 2/23/16)	Total Expenditures & Encumbrances (as of 2/23/16)	Balance*
ERP	$80,897,000	$79,972,000	$130,000	$80,102,000	$795,000
Infrastructure	$14,877,000	$13,232,000	$0	$13,232,000	$1,645,000
MC311	$11,875,000	$11,854,000	$0	$11,854,000	$21,000
MCTime	$2,077,000	$2,077,000	$0	$2,077,000	$0
HHS	$24,038,000	$7,894,000	$15,578,000	$23,472,000	$566,000
ActiveNet	$645,000	$563,000	$56,000	$619,000	$26,000
TOTAL	$134,409,000	$115,592,000	$15,764,000	$131,356,000	$3,053,000

*$2.461M of the balance is programmed to be used for Oracle server licenses to ensure smooth operations of the Oracle Enterprise operations.

*$566K of the balance is programmed for HHS use

$26K of the balance is programmed for ActiveNet use
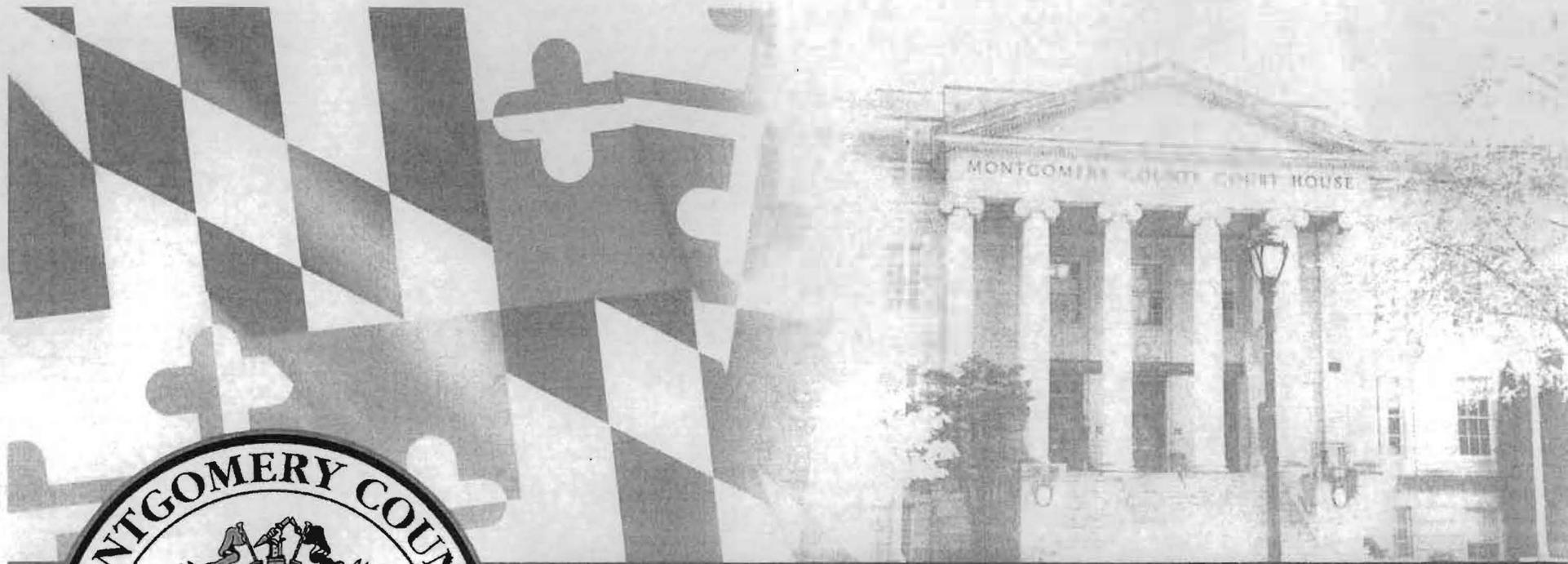
Prepared for:

**County Council Government
Operations (GO) Committee
March 3, 2016**

Strategy Impact on Clients.

- Improve customer experience – Becoming more integrated, using technological tools to prevent client from having to tell their story multiple times or losing their paper work etc.

- Improve Access to Care through Integration and Interoperability

- Apply Equity lens to help mitigate disparities in outcomes and customer experience

- Move intervention further upstream assuming that when client is in crisis, it is more expensive to stabilize them – a stronger prevention and intervention approach
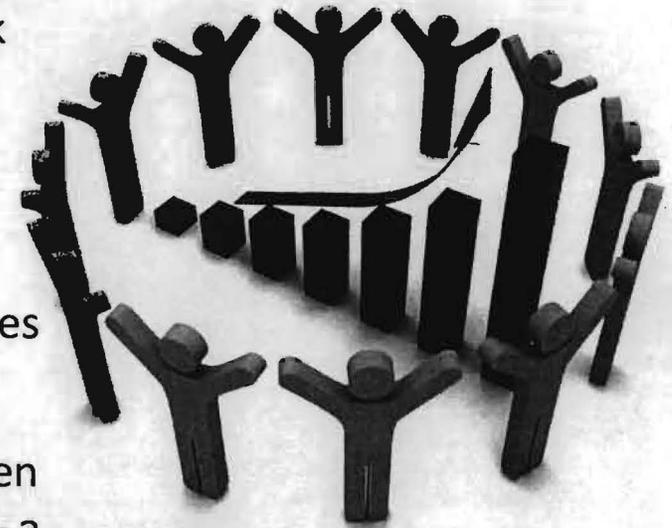
Strategy Impact on Staff.

Greater efficiencies from integration and interoperability

Staff know that they can leverage services for clients from across the enterprise

Staff will not have to do dual data entry

Staff will have a master client view which will help them coordinate across services

It will ultimately lead to a better allocation of resources based on need and capacity
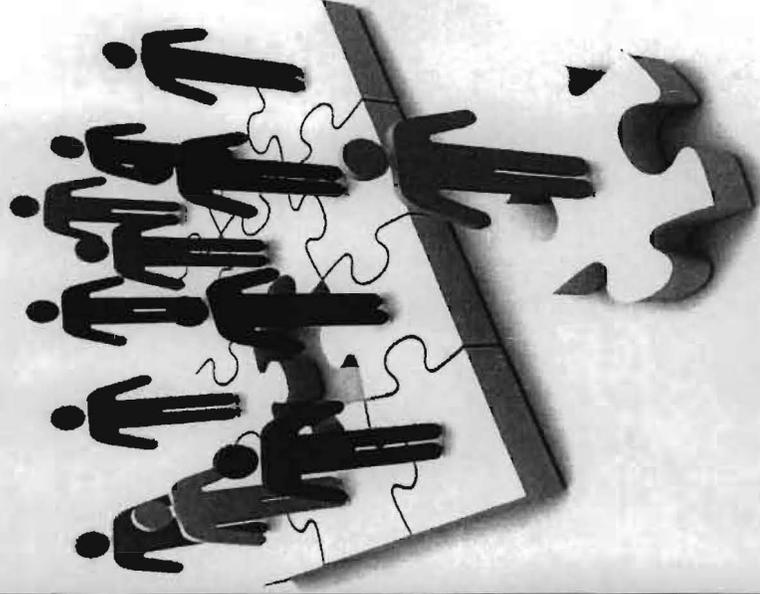
THE MCDHHS TRANSFORMATIONAL AGENDA

PRACTICE CHANGES

- Define our Service Integration Agenda – improving the customer experience, outcomes and staff efficiencies
- Operationalizing our No Wrong Door Vision
- Building momentum and capacity within our workforce, stakeholders and policy makers – supporting change management
- Address key policy issues – confidentiality and privacy; provision of services; staff and client expectations within an integrated system, etc.

TECHNOLOGY CHANGES

- Build a Master Client Index
- Reduce number of application and data entry points
- User friendly and customer accessible portal
- Seamless integration of multiple systems for staff
- Supports the business process of integration
- Strong analytics capabilities
- Enables us to make the case on ROTI and SROI

The PTM Program includes 7 interrelated projects.

1. Enterprise Integrated Case Management (EICM)
2. Enterprise Content Management System (ECMS)
3. Electronic Health Record (EHR)

IT Implementations

4. US HHS Interoperability Grant
5. Organizational Change Management (OCM)
6. Project Management Office (PMO)
7. Quality Assurance (QA)

Supporting Projects

Through PTM, we intend to transform service delivery, from largely silo-based systems and practice to integrated, collaborative service delivery.

Today

Service Integration

Program 1
Program 2
Program 3

Screening
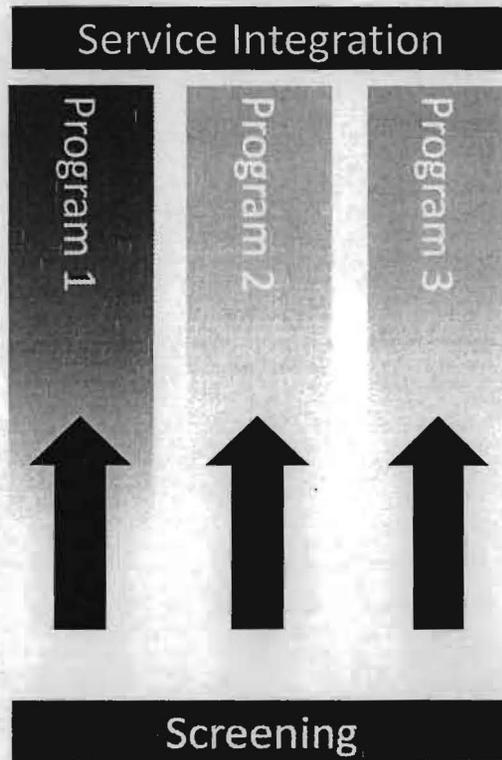
- 360° View of Client
- Integrated Service Plan
- Shared Service Catalog
- Master Client Index
- Integration with State Systems
- Basis for Advanced Analytics

Tomorrow

Service Integration

Program 1
Program 2
Program 3

Screening
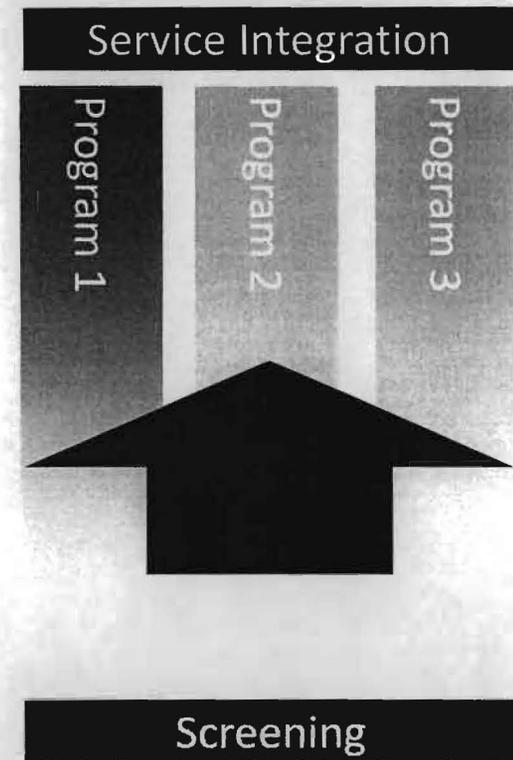
The Enterprise Integrated Case Management project will help DHHS reduce inefficiencies while realizing DHHS founding vision of integrated service delivery.

What It Is:

- Universal case management system for DHHS programs (except Child Welfare)

- Replaces multiple one-off client tracking and case management applications

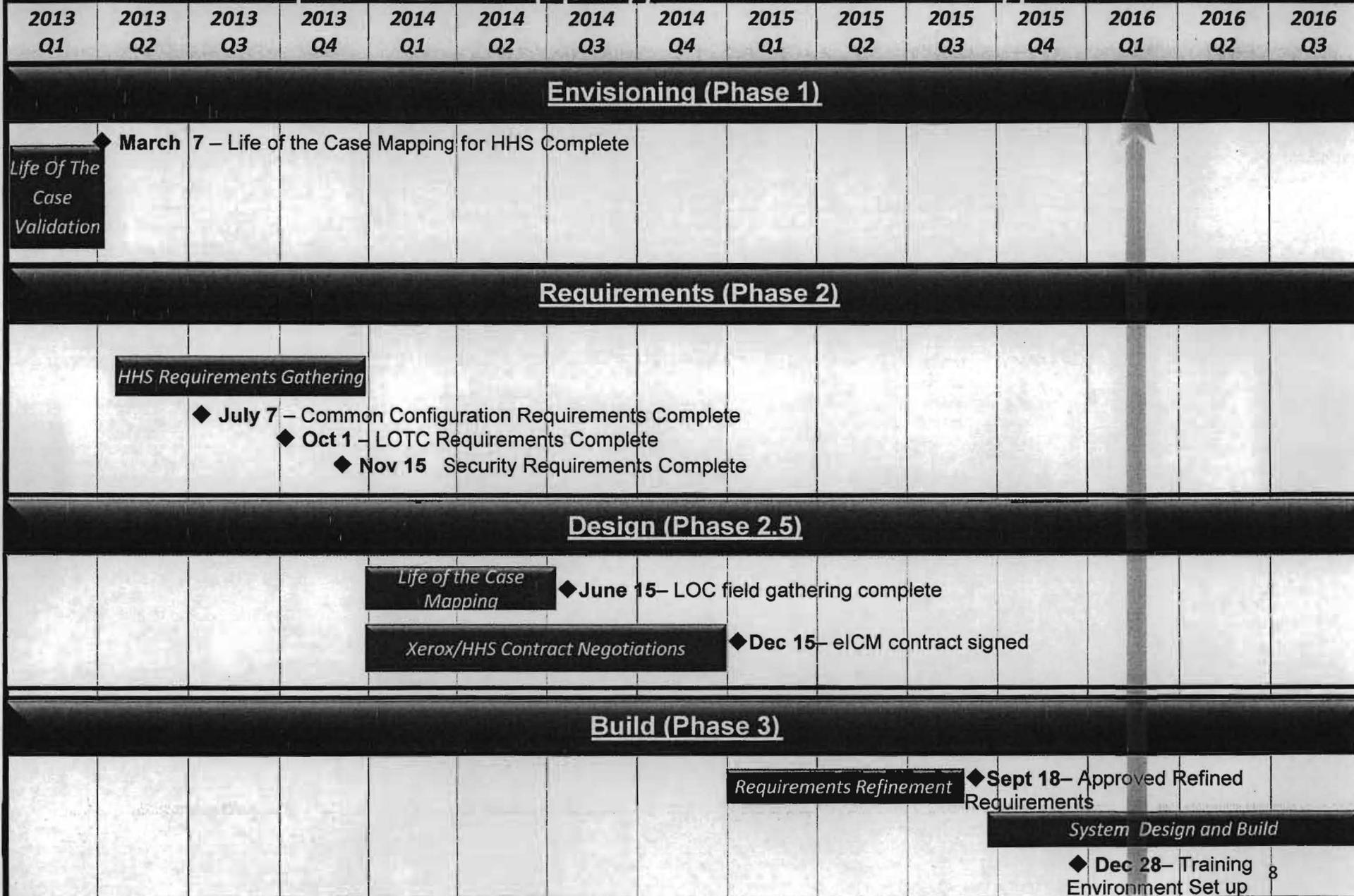- Target platform is Oracle Human Services product

Why It Matters:

- Provides consolidated view of client's involvement with multiple DHHS programs

- Standardizes most core business processes

- Integrates with multiple State eligibility and case management systems, including CARES and the Health Insurance Exchange

Project Status: Underway

# The implementation of the eICM system builds on prior business process mapping and service integration work

2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3

Envisioning (Phase 1)

◆ **March** 7 – Life of the Case Mapping for HHS Complete

Life Of The Case Validation

Requirements (Phase 2)

HHS Requirements Gathering

◆ **July 7** – Common Configuration Requirements Complete
◆ **Oct 1** – LOTC Requirements Complete
◆ **Nov 15** Security Requirements Complete

Design (Phase 2.5)

Life of the Case Mapping

◆**June 15**– LOC field gathering complete

Xerox/HHS Contract Negotiations

◆**Dec 15**– eICM contract signed

Build (Phase 3)

Requirements Refinement

◆**Sept 18**– Approved Refined Requirements

System Design and Build

◆ **Dec 28**– Training Environment Set up

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We continue to work through a series of complex issues as we move forward.

- Privacy and Confidentiality
  - HIPAA/42 CFR/VAWA
  - Cultural resistance
  - Prosecutor vs. Defense Attorney
  - Prevention and Sanction
- Billing for Services
  - MA and insurance reimbursement for clinical services
  - Culture and history
  - Public health risk
  - Place in the market

- Alignment between Technology & Practice
  - COTS-based approach
  - Case ownership
- Change in Org Structure and Job Roles
 - Performance management/metrics
  - Redefining job roles

One example of the opportunity to streamline current business processes is the payment process in the Rental Assistance Program (RAP).
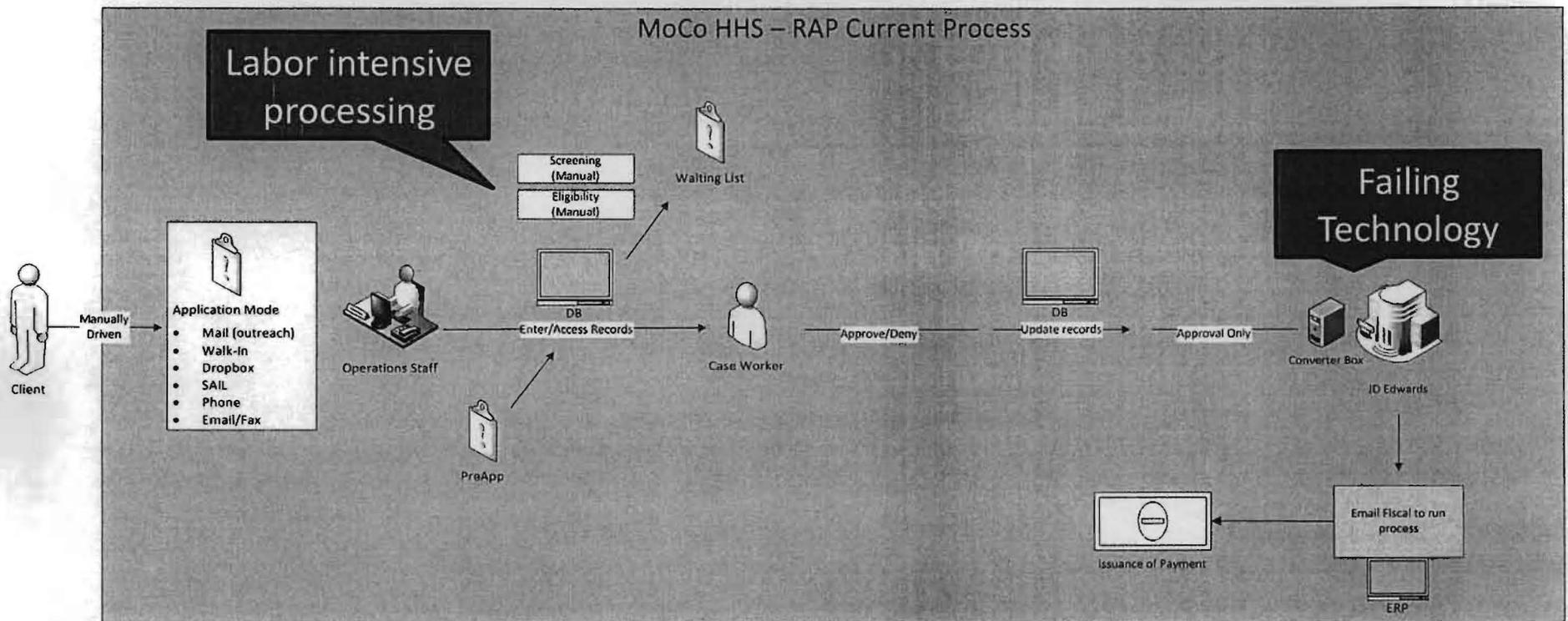
The current process involves front desk staff, case workers, supervisors, and fiscal staff using a combination of manual processes and four electronic systems.

The streamlined RAP business process is all electronic using only two systems and eliminates non-value-added steps.
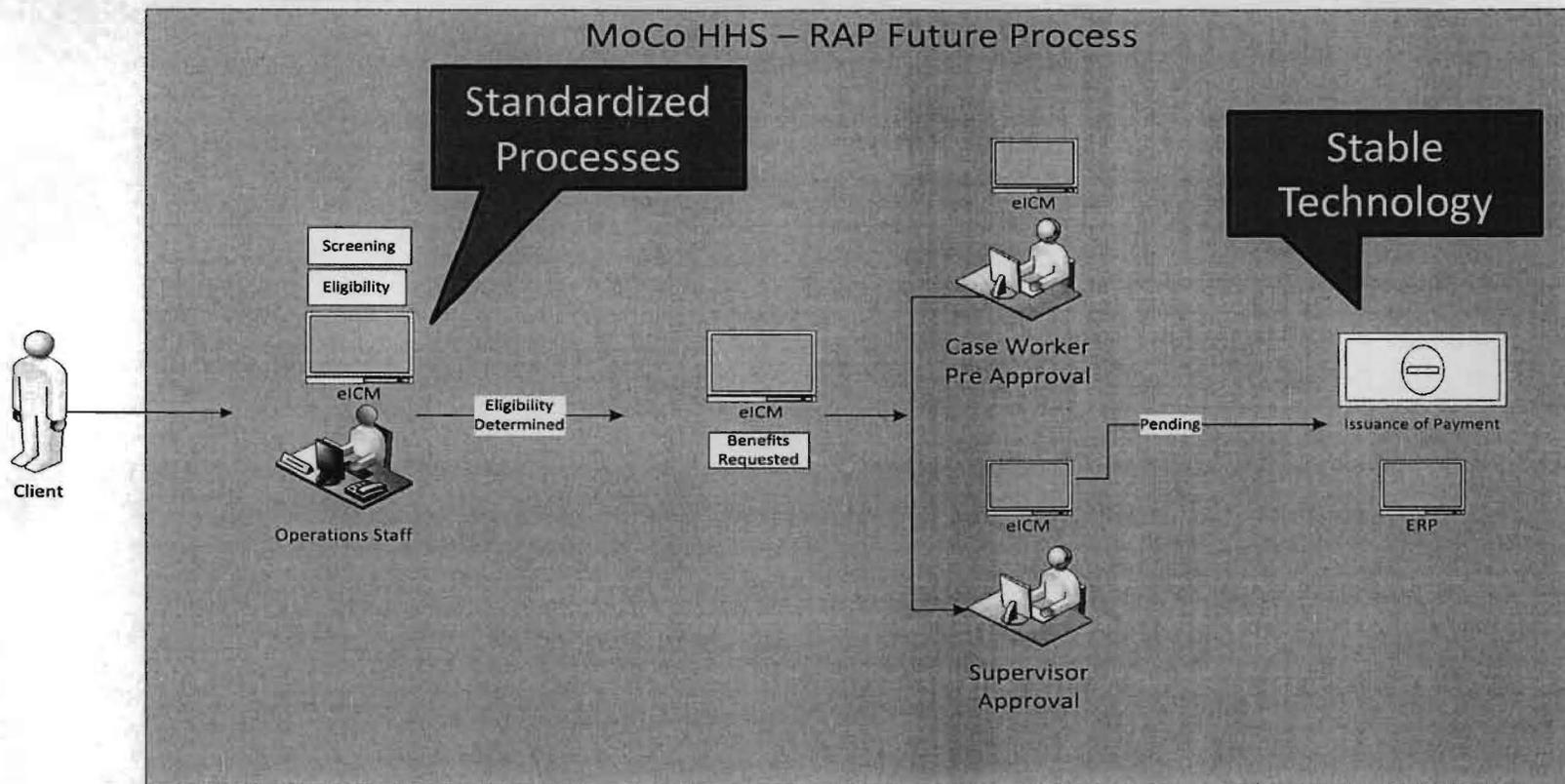
Uma S. Ahluwalia, Director

Montgomery County Department of Health and Human Services

401 Hungerford Drive | 5th Floor

Rockville, Maryland 20850

Email: uma.ahluwalia@montgomerycountymd.gov

Telephone: 240.777.1266 |

Facsimile: 240.777.1494

Thank You!