

AGENDA

ASSEMBLY BUDGET SUBCOMMITTEE NO. 1 ON HEALTH AND HUMAN SERVICES

ASSEMBLYMEMBER ELOISE GÓMEZ REYES, ACTING CHAIR

WEDNESDAY, MAY 1, 2019
2:30 P.M. – STATE CAPITOL, ROOM 444

(PLEASE CONSULT THE DAILY FILE FOR ANY POSSIBLE CHANGES.)

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LIST OF PANELISTS IN ORDER OF PRESENTATION FOR ITEMS TO BE HEARD

All panelists are asked to maintain remarks to under three minutes please.
Public comment is restricted to one minute per person please.

0530 HEALTH AND HUMAN SERVICES AGENCY

ISSUE 1: GOVERNOR'S PROPOSAL TO REORGANIZE THE DIVISION OF JUVENILE JUSTICE WITHIN THE HEALTH AND HUMAN SERVICES AGENCY
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- Charles Supple, Director, Division of Juvenile Justice
- Kris Kent, Assistant Secretary, Health and Human Services Agency
- Aaron Edwards, Department of Finance
- Luke Koushmaro, Legislative Analyst's Office
- Public Comment

0530 HEALTH AND HUMAN SERVICES AGENCY 5180 DEPARTMENT OF SOCIAL SERVICES

ISSUE 2: GOVERNOR'S BUDGET CHANGE PROPOSAL (BCP) AND SPRING FINANCE LETTER (SFL) ON ELECTRONIC VISIT VERIFICATION (EVV)
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- Cynthia Tocher, Deputy Director, Office of Systems Integration
- Jim Knight, Department of Developmental Services
- Anastasia Dodson, Department of Health Care Services
- Steven Pavlov, Department of Finance
- Brian Metzker, Legislative Analyst's Office
- Public Comment

ISSUE 3: GOVERNOR'S SFLS ON MEDI-CAL ELIGIBILITY DATA SYSTEM MODERNIZATION PROJECT MULTI-DEPARTMENTAL TEAM

- Cynthia Tocher, Deputy Director, Office of Systems Integration
- Rene Mollow, Department of Health Care Services
- Pete Cervinka, Chief Deputy Director, Department of Social Services
- Laura Ayala, Department of Finance
- Brian Metzker, Legislative Analyst's Office
- Public Comment

ISSUE 4: GOVERNOR'S SFL ON CALIFORNIA HEALTHCARE ELIGIBILITY AND RETENTION SYSTEM (CALHEERS) INTEGRATOR CONTRACT TRANSITION ACTIVITIES

- James Duckens, CalHEERS Deputy Director, Office of Systems Integration
- Alek Klimek, Department of Finance
- Brian Metzker, Legislative Analyst's Office
- Public Comment

ISSUE 5: GOVERNOR'S SFLS ON STATEWIDE AUTOMATED WELFARE SYSTEM (SAWS) CONSOLIDATION

- Kristine Dudley, Deputy Director, Office of Systems Integration
- Tyler Woods, Department of Finance
- Brian Metzker, Legislative Analyst's Office
- Public Comment

ISSUE 6: ADVOCACY PROPOSAL TO FUND CALWORKS 2.0 AUTOMATION IN SAWS

- Frank Mecca, Executive Director, County Welfare Directors Association of California
- Kristine Dudley, Deputy Director, Office of Systems Integration
- Tyler Woods, Department of Finance
- Brian Metzker, Legislative Analyst's Office
- Public Comment

ISSUE 7: ADVOCACY PROPOSAL FOR FUND CALFRESH DISASTER FUNCTIONALITY AUTOMATION IN SAWS

- Frank Mecca, Executive Director, County Welfare Directors Association of California
- Pete Cervinka, Chief Deputy Director, Department of Social Services
- Kristine Dudley, Deputy Director, Office of Systems Integration
- Tyler Woods, Department of Finance
- Brian Metzker, Legislative Analyst's Office
- Public Comment

ISSUE 8: ADVOCACY PROPOSAL FOR REPORTING LANGUAGE RELATED TO QUALITY APPLICANT AND CLIENT EXPERIENCE

- Tracey Patterson, Alliance to Transform CalFresh
- Pete Cervinka, Chief Deputy Director, Department of Social Services
- Kristine Dudley, Deputy Director, Office of Systems Integration
- Tyler Woods, Department of Finance
- Brian Metzker, Legislative Analyst's Office
- Public Comment

ISSUE 9: GOVERNOR'S TRAILER BILL PROPOSAL ON STATEWIDE FINGERPRINT IMAGING SYSTEM (SFIS)

- Pete Cervinka, Chief Deputy Director, Department of Social Services
- Tyler Woods, Department of Finance
- Brian Metzker, Legislative Analyst's Office
- Public Comment

ISSUE 10: CHILD WELFARE SERVICES – CALIFORNIA AUTOMATED RESPONSE AND ENGAGEMENT SYSTEM (CWS-CARES) UPDATE

- Rebecca Stilling, Deputy Director, Office of Systems Integration
- Kevin Gaines, Project Manager, Department of Social Services
- Justin Freitas, Department of Finance
- Rob Trojan, Department of Finance
- Brian Metzker, Legislative Analyst's Office
- Public Comment

5180 DEPARTMENT OF SOCIAL SERVICES

ISSUE 11: APPLICATION HUB UPDATE

- Pete Cervinka, Chief Deputy Director, Department of Social Services
- Tyler Woods, Department of Finance
- Brian Metzker, Legislative Analyst's Office
- Public Comment

ISSUE 12: GOVERNOR'S BCP ON APPEALS CASE MANAGEMENT SYSTEM (ACMS) PERMANENT MAINTENANCE AND OPERATIONS SUPPORT

- Manuel Romero, Deputy Director, State Hearings Division, Department of Social Services
- Tyler Woods, Department of Finance
- Brian Metzker, Legislative Analyst's Office
- Public Comment

ITEMS TO BE HEARD

0530 HEALTH AND HUMAN SERVICES AGENCY

ISSUE 1: GOVERNOR'S PROPOSAL TO REORGANIZE THE DIVISION OF JUVENILE JUSTICE WITHIN THE HEALTH AND HUMAN SERVICES AGENCY

PANEL

- Charles Supple, Director, Division of Juvenile Justice
- Kris Kent, Assistant Secretary, Health and Human Services Agency
- Aaron Edwards, Department of Finance
- Luke Koushmaro, Legislative Analyst's Office
- Public Comment

BACKGROUND

The Division of Juvenile Justice (DJJ) is currently a division within the California Department of Corrections and Rehabilitation. The 2018-19 Budget provided a total of \$198.5 million, an average of roughly \$300,000 per youth and authorized a staffing level of 1,035 staff. As of March 7, 2019, there are currently 691 youth incarcerated in the Division of Juvenile Facilities (DJF). The youngest individuals are 15 years of age and the average age is about 19. There are currently four facilities, two located in Stockton, one located in Ventura, and a conservation camp in Pine Grove. The Administration projects that the daily DJJ population will increase to 760 youth in 2019-20, primarily due to the policy changes limiting which youth can be tried in adult court.

In 2003, a lawsuit, *Farrell v. Allen*, was filed against the state, alleging that it failed to provide adequate care and effective treatment programs to youths housed in DJJ. In 2004, the state entered into a consent decree in the *Farrell* case and agreed to develop and implement six remedial plans related to safety and welfare, mental health, education, sexual behavior treatment, health care, dental services, and youth with disabilities. The overarching goal of these plans was to move DJJ toward adopting a "rehabilitative model" of care and treatment. This included the implementation of the Integrated Behavioral Treatment Model, which is designed to provide a comprehensive approach to assessing and treating youth, while also reducing the likelihood of institutional violence and future criminal behavior. In February 2016, the lawsuit was terminated after the court overseeing the case found that DJJ had sufficiently complied with the requirements of the remedial plans. This released DJJ from court oversight and gave it greater flexibility in determining how to house and treat youth.

Findings from Center on Juvenile and Criminal Justice report "*Unmet Promises: Continued Violence and Neglect in California's Division of Juvenile Justice*" include:

1. Violence and use of force rates have increased in nearly all of the DJJ facilities.

2. It is difficult for youth to maintain close bonds with family and community members during their confinement at DJJ due to restrictions on phone calls and visitation as well as the remote location of the facilities, which are unreachable by public transportation.
3. Youth released from DJJ struggle to adjust to life outside of a secure institution and find it difficult to navigate the transition from state custody to county supervision.
4. The DJJ institutions were built according to an outdated congregate design in the model of a prison. State taxpayers can expect substantial future costs associated with making these facilities safe and habitable for youth.

GOVERNOR'S PROPOSAL

The Governor's 2019-20 Budget proposes moving the Division of Juvenile Justice (DJJ) from the California Department of Corrections and Rehabilitation (CDCR) to a new department under the California Health and Human Services Agency (CHHS). The new department is proposed to be called the Department of Youth and Community Restoration.

The Administration states that the proposal better aligns California's approach with its rehabilitative mission and core values – providing trauma-informed and developmentally appropriate services in order to support a youth's return to their community, preventing them from entering the adult system, and further enhance public safety. By moving the Division of Juvenile Justice from the adult corrections system into a new department under the state's Health and Human Services Agency, California will be better positioned to achieve this mission.

Over the past several decades, research on effective methods to improve juvenile justice outcomes has expanded, providing a framework for reform, enhancements, and refinement of current systems, highlighting the important need to distinguish between adult corrections and juvenile strategies.

The new framework includes recognizing:

- Advances in brain science research that underscores the fundamental differences between adolescents up to the age of 25 and adults.
- Youth involved with the juvenile justice system have experienced multiple traumas, often in early childhood, and reoccurring over a long period – 93 percent of juvenile offenders reported at least one or more traumatic experiences. Such maltreatment can alter brain function and affect mental, emotional, and behavioral development.
- Adolescents involved in the juvenile justice system rely on adults who can provide critical resources and support as they internalize information and learn from their experiences.

California is one of only thirteen states where juvenile justice is still housed within a corrections or public safety agency.

This transition will allow for the specialization and enrichment of services for the youth population in safe and secure settings, ultimately serving society's greater public safety goals. Most importantly, this alignment under CHHS will assist the new Department in ensuring better long-term outcomes for the youth, their families, and their communities at large by helping youth successfully transition into adulthood. The new Department will provide comprehensive education, training, treatment and rehabilitative services to youthful offenders. These services and programs are designed to promote community restoration, family reunification, accountability to victims, and to develop youth into law-abiding and productive members of society.

The Administration's proposal currently focuses on transferring authority from CDCR to the new Department, allowing current day-to-day operations to continue during the transition. The move will require additional resources to establish the administrative structure of the new Department. [These new resources may be requested in the upcoming May Revision.]

The Department will develop and launch a new independent training institute that will train all staff on best practices so they can further the new Department's rehabilitative mission. The transition will also enhance the new Department's ability to build enduring partnerships with state and local agencies, as well as develop community partnerships that can provide youth with essential linkage to resources for re-entry.

The Administration states that many of the services critical to re-entry are provided by CHHS, and the Department's new alignment could streamline collaboration, allow for the development of alternative delivery models, and track the effectiveness of programs and services.

LEGISLATIVE ANALYST'S OFFICE (LAO)

The LAO notes that the Executive Branch Reorganization Process, granted by the Legislature to the Governor, provides the authority to reorganize functions among executive officers and agencies through this process. The process is summarized below:

- Before initiating the reorganization process, the Governor must give a copy of the reorganization plan to Legislative Counsel for statutory drafting so that it reflects the form and language suitable for enactment in statute and to ensure that the plan clearly and specifically expresses its nature and purpose.
- At least 30 days before submitting a reorganization plan to the Legislature, the Governor must submit the plan to the Little Hoover Commission—an independent state oversight agency tasked with reviewing and making recommendations to the Governor and Legislature on state operations and any proposed government reorganization plan.
- Once the Governor submits the plan to the Legislature: (1) the Little Hoover Commission has 30 days to issue a report reviewing the plan; and, (2) the Legislature

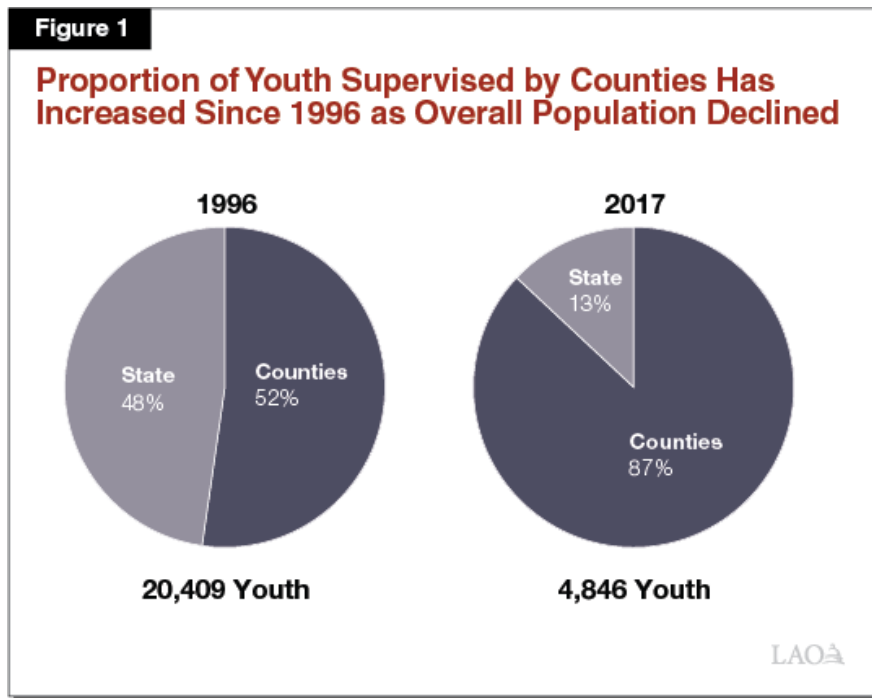
has 60 days to consider the proposal. Upon receipt, the plan is referred to policy committees of each house. The committees study and report on the plan no later than ten days prior to the end of 60-day period. Either house can reject the proposal by majority vote—but not until its policy committee has issued a report or the report's deadline has passed.

- If neither house rejects the reorganization plan during the 60-day period, it goes into effect on the 61st day.

The LAO states that while the Governor's proposal to place DJJ under the HHS Agency with the goal of improving the outcomes of youth could have some potential benefits, the Administration has provided very little in the way of details at this time about how the reorganization would be implemented and why it is needed. Given the complexity of both the state's juvenile justice system and the process of reorganizing state government, the LAO states there should be a well-defined purpose and plan for carrying out this proposal.

1. **Does DJJ Need to Be Reorganized to Improve Rehabilitation?** Currently, it is unclear what specific barriers to rehabilitation currently exist, what specific outcome target the administration is seeking to achieve, and how DJJ is currently performing.
2. **What Are Potential Benefits of the Proposed Reorganization?** The reorganization could potentially result in certain benefits, such as improved rehabilitation and reduced costs for the state. However, the Governor has not provided specific information on the extent to which the reorganization would accomplish these benefits or why they could not be pursued with DJJ's current organizational structure.
3. **What Are Potential Consequences of the Proposed Reorganization?** The reorganization may not result in improved outcomes, could increase costs, and could result in unintended consequences such as complicating coordination with CDCR.
4. **Are There Alternative Organizational Options Available?** The Legislature will want to consider what other options are available to adjust the organizational structure of the state's juvenile justice system, including trends in how other states have organized their juvenile justice systems.
5. **Should the Reorganization of DJJ Be Done Through Budget Trailer Legislation?** The administration has not provided a rationale why the proposed reorganization should be done with budget trailer legislation rather than going through the executive branch reorganization process established in statute.

The LAO notes that counties now are responsible for a greater portion of youth, although the size of the populations they are responsible for has declined. If a juvenile court judge finds that a youth committed certain significant crimes, the judge can place the youth in state juvenile facilities operated by DJJ. Very few youth are placed in DJJ by the juvenile courts. For example, only 224 youth were sent to DJJ in 2017—less than 1 percent of the youth placed by juvenile courts. The figure on the following page shows the number of youth in detention at the county level:



The LAO states that as the Governor develops his proposed reorganization of DJJ and provides additional detail going forward, it will be important for the Legislature to consider these questions and weigh the relative trade-offs of such a change. Moreover, the Legislature could consider alternative approaches to the Governor's proposal that could more effectively result in improved outcomes for youth.

RECENT ASSEMBLY SUB. 5 HEARING

The Assembly Subcommittee No. 5 on Public Safety heard this issue at its April 22, 2019 hearing. Staff noted the following to the Subcommittee in that agenda and hearing:

Under DJJ's current leadership, the youth facilities have made significant progress in the areas of expanding rehabilitative and treatment focused programming, particularly from community based organizations and individuals who had been previously incarcerated in DJJ. In addition, DJJ's leadership has sought to expand opportunities for "honorable discharge," which would assist in removing barriers to youth upon their release back into the community as they seek employment, education, and housing needs. Many of these notable efforts are hindered by the facility conditions that are not conducive to programming and a culture that has not yet fully embraced these approaches. These challenges may be overcome by the Governor's proposal to shift DJJ away from CDCR to the Health and Human Services Agency, which is a significant step in the right direction that will continue the state's trajectory towards being a model for youth justice reform. The Subcommittee is in receipt of letters from the following advocates that support this shift and also call on the Administration and the Legislature to engage in more comprehensive juvenile justice reform since the vast majority of youth impacted by the juvenile justice system are referred to county programs and placements:

- Anti-Recidivism Coalition
- Center on Juvenile and Criminal Justice
- Children's Defense Fund
- Ella Baker Center for Human Rights
- Fathers and Families of San Joaquin
- First District Appellate Project
- Healing Dialogue and Action
- Human Rights Watch
- MILPA
- National Center for Youth Law
- Pacific Juvenile Defender Center
- W. Haywood Burns Institute
- Youth Justice Coalition

The advocates' recommendations include:

1. Create and adopt a uniform youth development framework across all youth serving systems that would facilitate continuity and effective coordination of services for youth, along with the creation of a centralized youth authority. A commission/taskforce should be convened to help plan DJJ's shift and to create this framework.
2. End the Board of State and Community Corrections authority over children and youth and shift responsibility of granting, data, promulgation of facility standards, and technical service provision to local jurisdictions on facility conditions to the centralized youth agency.
3. Create a state oversight body with meaningful enforcement authority over youth development.
4. End the use of large DJJ facilities for cases adjudicated in juvenile court and shift youth into small, regionally based facilities that repurpose existing county facilities (no new facilities), be limited to no more than 30 beds and only for youth with the most serious offenses, be close to families, prioritize care and treatment that promote youth development, and with a goal of reducing the detained youth population.
5. Increase infrastructure for community-based responses including directing existing funding streams like the Juvenile Justice Crime Prevention Act funding to accomplish this purpose.
6. Write a new youth justice code, including a new youth justice purpose statement, drafted by a diverse group of stakeholders, including those directly impacted by the juvenile justice system.

In the interests of providing sufficient time for public input and addressing concerns and issues raised by stakeholders, staff made the following recommendations for consideration by the subcommittee in developing a plan for the shift:

1. **Timeline.** Provide for a shift of the Division of Juvenile Justice into a new youth development focused, centralized department that is housed in the Health and Human Services Agency by July 1, 2021, subject to an appropriation by the Legislature and accompanying trailer bill language.
2. **Stakeholder Taskforce.** Establish a diverse stakeholder taskforce made up of 12 experts in the field of youth development, effective youth delinquency interventions, rehabilitative and trauma-informed youth programming, and those personally impacted by the juvenile justice system to develop a plan with recommendations.

The taskforce shall submit their plan with recommendations to the Administration and the Legislature by April 1, 2020, for consideration. Recommendations should address, at a minimum, the following issue areas:

- **Transition:** Develop a plan to transition DJJ away from CDCR to the Health and Human Services Agency, including defining the role and responsibilities of the new centralized youth development authority.
 - **Programming Goals:** Assess current programming and consider innovative or evidence based programming to improve youth outcomes and reduce recidivism.
 - **Physical Facility and Location:** Recommend any changes needed regarding the physical conditions and location of current DJJ facilities, including the consideration of factors that promote improved youth outcomes and reduced recidivism.
 - **Complementary policies.** Provide complementary policy recommendations that have a nexus to the shift of DJJ into HHS and the goal of improving outcomes of justice system-involved youth in the state.
3. **Oversight.** Require the Office of Inspector General's authority to maintain its oversight of DJJ after the shift from CDCR to HHS.
 4. **Costs.** The Department of Finance shall provide cost estimates of this shift to the Legislature as part of the Governor's January 10, 2021 proposed budget. The Legislative Analyst's Office shall separately provide an analysis of the DOF's assessment and cost estimates by February 22, 2021.

STAFF COMMENT/QUESTIONS

Sub. 1 staff is in agreement with Sub. 5's staff guidance surrounding this proposal and the general expectations set by the Members in the course of that discussion. The modifications being suggested to the Governor include, in summary:

- Allowing the transition to happen over a longer period, from one year to two years, which will allow for more thoughtful and collaborative discussions around vision, purpose, and a culture shift for the new Department of Youth and Community Restoration.
- Creation and maintenance of a stakeholder Taskforce, to include representation from the Legislature and longtime advocates in this field, which would issue a report by April 1 of next year, but also operates on an ongoing basis to inform the early development of the new Department.

Now that the trailer bill proposal has been received from the Governor, staff recommends that Sub. 1 continue to receive and review stakeholder feedback and provide suggestions on how the trailer bill can be modified to meet the expectations of the Legislature and advocacy community.

The Subcommittee may wish to ask the following questions as part of this conversation about the Governor's proposal:

1. Tell us about your vision for the state role changing in the service of underserved and disadvantaged youth as part of this proposal.
2. How does situating a strengthened department into CHHS allow for the rehabilitative model to be implemented in a new way? Please provide practical, realistic examples of what this collaboration with health and human services could look like.
3. What is the connection to local practices from this change? How can we work to assure that all systems in our state create fidelity to the rehabilitative model and operate in the most trauma-informed, strength-based, and client-led ways possible?

Staff Recommendation:

Hold open.

0530 HEALTH AND HUMAN SERVICES AGENCY
5180 DEPARTMENT OF SOCIAL SERVICES**ISSUE 2: GOVERNOR'S SPRING FINANCE LETTER (SFL) ON ELECTRONIC VISIT VERIFICATION (EVV)****PANEL**

- Cynthia Tocher, Deputy Director, Office of Systems Integration
- Jim Knight, Department of Developmental Services
- Anastasia Dodson, Department of Health Care Services
- Steven Pavlov, Department of Finance
- Brian Metzker, Legislative Analyst's Office
- Public Comment

BACKGROUND

H.R. 2646 was signed in December of 2016 and contains provisions related to Electronic Visit Verification, or "EVV." These provisions would require states to implement EVV systems for Medicaid-funded personal care and home health care services, such as IHSS. The bill stipulates that the electronic system must verify: (1) the service performed; (2) the date and time of service; (3) the location of the service; and, (4) the identities of the provider and consumer. California has until January 2020 to comply for personal care services, and until January 2023, for home care services, or escalating penalties will be incurred.

The Subcommittee heard the following prior proposal as a Budget Change Proposal (BCP) at its March 20, 2019 hearing:

The Governor's budget includes a one-time increase of \$24.3 million (\$2.7 million General Fund) for CDSS and a corresponding increase of \$22.2 million for OSI to implement the federally mandated Electronic Visit Verification project. The requested resources would be for six permanent positions, two-year limited-term funding for 7.5 positions for CDSS.

The Department will modify its existing Case Management, Information, and Payrolling System (CMIPS) to meet the EVV requirements. The six requested permanent positions will aid with system design, testing, and stakeholder involvement. The two-year limited-term funding will support positions that will provide technical assistance and guidance to stakeholders during the implementation of EVV. The requested positions will staff two units within CDSS. One unit will support policy development, and the other unit will work with OSI and legal counsel to ensure the system designed aligns with EVV policies.

GOVERNOR'S SPRING FINANCE LETTER

This multi-departmental proposal requests one-time resources of \$3.5 million (\$351,000 General Fund) to support the equivalent of seven positions for the Electronic Visit Verification Phase II planning efforts across multiple departments under the California Health and Human Services Agency.

The requested resources include project management, technical, and program resources necessary for a technically sound solution plan and design to support multi-departmental program needs. These positions represent the core planning team identified through project management (PM) best practices to conduct functions within the planning phase. This request is intended to continue the planning required by the Project Approval Lifecycle (PAL) process and provide for stakeholders/partners that are actively engaged. The requested resources will be critical in maintaining a unified and defined strategy across the sponsor departments in the planning and implementation stage through subsequent procurement and project lifecycle phases.

Electronic Visit Verification is a telephone and computer-based method that electronically verifies in-home service visits. EVV systems must verify: type of service performed; individual receiving the service; date of the service; location of service delivery; individual providing the services; and time the service begins and ends. Pursuant to Subsection I of Section 1903 of the Social Security Act (42 U.S.C. 1396b), all states must implement EVV for Medicaid-funded Personal Care Services (PCS) by January 1, 2020 and Home Health Care Services (HHCS) by January 1, 2023. The state is subject to incremental Federal Medical Assistance Percentage (FMAP) reductions of up to 1 percent unless the state has both made a "good faith effort" to comply and has encountered "unavoidable delays." In 2019, DHCS intends to submit a Good Faith Extension letter to the federal Centers for Medicare and Medicaid Services (CMS) to request an additional year for implementation. Pending CMS approval, this would allow California to avoid a federal penalty with implementation by January 1, 2021 for PCS and by January 1, 2024 for HHCS.

In California, EVV will impact all PCS and HHCS provided under the Medi-Cal State Plan and under several Medicaid waiver programs. These services are provided through programs managed by the Department of Health Care Services (DHCS), the Department of Developmental Services (DDS), the Department of Social Services (DSS), the Department of Public Health (CDPH), and the Department Aging (CDA). Medi-Cal beneficiaries receive HHCS and PCS from either individual providers or agencies that employ providers. Medicaid PCS are provided to beneficiaries as an alternative to out-of-home care, such as skilled nursing or assisted living facilities. HHCS agencies manage and track individual HHCS providers' time, and submit information to DHCS, DDS or other departments.

California is implementing EVV in two phases:

- **EVV Phase I:** This Phase is the self-directed model for the In-Home Supportive Services (IHSS) program and Waiver Personal Care Services (WPCS) program, which currently use the Case Management Information and Payrolling System (CMIPS), coupled with the

Electronic Timesheet System (ETS) and the Telephone Timesheet System (TTS).

- **EVV Phase II:** This Phase is for planning, identifying, developing, and implementing and/or modification of a system to implement EVV for non-IHSS/WPCS individual providers and for all agencies that provide PCS and/or HHCS to eligible Medi-Cal beneficiaries. This includes programs at DHCS, DDS, CDPH, CDSS and CDA, as listed on the following page:.

Electronic Visit Verification Phase II Programs

Department	Program	Self-Directed Model	Agency Model	Personal Care Service	Home Health Care Services
DDS	1915 (c) Waiver	✓	✓	✓	✓
DDS	1915 (i) State Plan	✓	✓	✓	✓
DDS	1915 (c) Waiver Self-Determination Program	✓	✓	✓	✓
DHCS	1915 (c) Home and Community-Based Alternatives Waiver	✓	✓	✓	✓
DHCS	Home Health Care Services		✓		✓
DHCS	Waiver Personal Care Services Agency Model (Self-Directed in Phase I)		✓	✓	
CDA/DHCS	Multipurpose Senior Services Program 1915 (c) and 1115 Waivers		✓	✓	
CDPH/DHCS	1915 (c) AIDS Medi-Cal Waiver		✓	✓	✓
CDSS	In-Home Supportive Services Agency Model (Self-Directed in Phase I)		✓	✓	

In February 2019, California submitted a Planning Advance Planning (PAPD) document to request enhanced federal resources for EVV Phase II multi-departmental planning activities. The Office of Systems Integration (OSI) will use the requested state and consultant resources for project management of the multi-departmental EVV Phase II planning activities, including managing the federal certification and state PAL activities. The project PAL Stage 1 Business Analysis (S1BA), outlining the business need and objectives, was approved by the CHHS Agency on March 20, 2019. The sponsor departments will conduct the business analysis necessary to define business requirements and explore information technology (IT) solution options. The project intends to complete the PAL Stage 2 Alternatives Analysis (S2AA) in 2019-20.

Upon completion of this analysis and identification of a preferred solution for EVV Phase II, California will submit an Implementation Advance Planning Document (IAPD) for enhanced federal resources to support the cost of the Design, Development, and Implementation (DD&I) activities of the proposed solution for EVV Phase II.

This request proposes dedicated resources for the planning efforts of a multi-departmental initiative that leverages both the expertise and experience of the OSI for centralized project management and the departments' program knowledge for the business and technical

analysis. The approach directly supports the mission of the CHHS Agency, which is to provide policy leadership and direction to the departments, boards and programs it oversees to ensure programmatic integrity, and to advance the Governor's priorities on health and human services issues. Leveraging OSI further supports the CHHS Agency technology vision of improving the quality and efficiency of programs by providing an approach that drives thought leadership and aligns key CHHS Department, State and Federal goals with tangible processes that provide measurable benefits to stakeholders and clients.

Pursuant to Subsection I of Section 1903 of the Social Security Act (42 U.S.C. 1396b), if an EVV solution is not implemented by the federally mandated deadline for Phase II, California will be subject to incremental FMAP reductions.

This proposal provides a comprehensive approach to planning for EVV Phase II, to include:

- **Enterprise Approach and Stakeholder Involvement** - Ensures that common business needs are addressed in a consistent and collaborative manner. Supports full inclusion and collaborative decision making on informed investment decisions through a formal governance body. Prevents a silo approach that results from departments/programs operating independently and duplicating efforts in a parallel manner. Avoids the lack of critical partners early in project planning which is regularly identified as a key reason for large IT project delays, cost overruns, and even failure. Identifies the program and business needs up-front and designs the IT system to meet those needs. This is widely considered a best practice that requires an up-front dedication of resources from all partners to ensure that planning is done properly.
- **PAL** - Ensures experienced project management leadership is provided to all participating departments throughout the stage/gates of the new project approval life cycle. Given the multiple departments and federally mandated due date, having experienced, dedicated resources to guide the planning effort will be critical to maintaining the schedule.
- **Federal Funding Availability** - Through leveraging enhanced Federal Financial Participation (FFP), departments will benefit from available federal funds, which will minimize the impact on the General Fund.
- **Sustaining Enhanced FFP** - Proper planning and implementation of EVV Phase II will ensure future maintenance and operations costs will be reimbursed at the enhanced FFP of 75% federal and 25% state, as the future state will comply with the CMS Medicare Information Technology Architecture (MITA) standards.

This proposal is based on a PM best practices framework which addresses all key functions conducted in the planning phase. This multi-departmental planning team is a blend of PM, business and technical resources that will execute required activities associated with planning effort.

The scope of the planning phase includes:

- Establishing formal governance committee
- Initiating and managing stakeholder engagement
- Developing PM plans and associated artifacts for the planning
- Completing documentation of the current business and technical environment
- Conducting organizational readiness assessments
- Assessing readiness gaps and developing a mitigation plan
- Developing high-level business and technical requirements
- Assessing alternatives for future State business processes
- Conducting market research
- Assessment of viable alternatives for the multi-departmental solution

The following request for resources equivalent to seven positions reflects the needs of the Agency-wide planning effort. The following tables outline the budget and funding request for 2019-20:

Table 1 - BCP Resource Request

	Departments				
Type	DHCS ¹	DDS ²	OSI	CDPH	Line Item Total
Positions	0.0	3.0	3.0	1.0	7.0
Personal Services	\$0	\$350,000	\$404,000	\$114,000	\$868,000
Consultant Contracts	\$500,000	\$0	\$1,170,000	\$0	\$1,670,000
Facilities	\$0	\$0	\$664,000	\$0	\$664,000
Other OE&E	\$0	\$66,000	\$202,000	\$33,000	\$301,000
Total	\$500,000	\$416,000	\$2,440,000	\$147,000	\$3,503,000

¹ DHCS received 2.0 PYs in 2018-19 for this effort and will be redirecting 2.5 additional PYs.

² DDS received 2.0 PYs in 2018-19 for this effort.

Table 2 - BCP Funding Request

Funding ³	Federal Fund (FF) 90%	General Fund (GF) 10%	Total
DHCS	\$1,548,000	\$172,000	\$1,720,000
DDS ⁴	\$1,472,000	\$164,000	\$1,636,000
CDPH	\$132,000	\$15,000	\$147,000
Total	\$3,152,000	\$351,000	\$3,503,000

³ Funding requested is for CDPH, DHCS and DDS. The OSI request is Expenditure Authority Only.

⁴ Funding allocation for OSI costs has been assumed to be 50/50 between DDS and DHCS, pending a determination of the cost allocation methodology.

STAFF COMMENT/QUESTIONS

Staff suggests that the Subcommittee request updated, comprehensive total project costs across fiscal years given this new Spring Finance Letter request from the Administration.

Staff Recommendation:

Hold open.

ISSUE 3: GOVERNOR'S SFLS ON MEDI-CAL ELIGIBILITY DATA SYSTEM MODERNIZATION PROJECT MULTI-DEPARTMENTAL TEAM**PANEL**

- Cynthia Tocher, Deputy Director, Office of Systems Integration
- Rene Mollow, Department of Health Care Services
- Pete Cervinka, Chief Deputy Director, Department of Social Services
- Laura Ayala, Department of Finance
- Brian Metzker, Legislative Analyst's Office
- Public Comment

"MEDS MOD" BACKGROUND

The Department of Health Care Services (DHCS), within the California Health and Human Services Agency (CHHSA), is the single state agency responsible for the administration of California's Medicaid program known as Medi-Cal, which provides health care services to approximately 13.2 million beneficiaries. Since 1983, DHCS has maintained the current MEDS to support key programmatic functions both internally and externally for its critical partners. Today, the system is used for a variety of eligibility and reporting functions specific to Californians receiving Medi-Cal and other social services programs benefits. MEDS and its related subsystems have been designed over many years to capture client information from a variety of different sources. Key stakeholders that manage the beneficiary eligibility data include the three county Statewide Automated Welfare System (SAWS) consortia (LEADER Replacement System, Consortium IV, and CalWIN) representing all 58 counties, and Covered California.

MEDS also serves as the statewide "system of record" and houses eligibility information for numerous other publicly subsidized health and human services programs. Programs managed within DHCS that leverage MEDS include Every Woman Counts; Child Health and Disability Prevention; Breast and Cervical Cancer Treatment; Women, Infants, and Children; and, Family Planning Access Care and Treatment. Programs managed within the California Department of Social Services (CDSS) that leverage MEDS include CalWORKS, CalFresh, Cash Aid Program for Immigrants, In-Home Supportive Services, and Refugee Cash Assistance. In addition to the state managed programs, multiple programs at the local level also leverage the system such as the County Medical Services Program, and Tribal Temporary Assistance for Needy Families (TANF). MEDS data is also used for administrative purposes such as accounting, reporting, legislation, research, and budget development. Access to MEDS is currently provided to over 44,000 distinct end users for the administration of the state's health and human services programs. DHCS must ensure this access is provided in accordance with federal and state security and privacy requirements.

Beginning in 2016-17, management of the project was transferred from DHCS to the CHHSA Office of Systems Integration (OSI). This was done in recognition of the agency-wide impact

of the MEDS modernization effort. During this period, project activities were focused on the Stage 2 Alternatives Analysis (S2AA) required by the State's Project Approval Lifecycle (PAL).

During 2017-18, the California Department of Technology (CDT) approved the S2AA for the MEDS Modernization (MEDS Mod) Project on March 21, 2018. Subsequently, activities focused on PAL Stage 3 Solution Development (S3SD) requirements. As part of the 2018-19 budget development process, a change in the project's approach to modernizing MEDS was agreed to by project sponsors, and other key stakeholders and control agencies. The new approach re-arranged the planned work effort from the prior ten module to a four-phased approach, organizing modernization activities around four major areas of the overall MEDS database and application enterprise: Phase 1 – HIS, Phase 2 – SCI, Phase 3 – MEDS core Virtual Storage Access Method (VSAM) data files and MEDS Alerts, Phase 4 – other MEDS VSAM and DB2 databases.

The overall scope of the project was not modified, but the order and timing of work efforts were changed to focus initial development efforts on using modernization of the limited-scope MEDS HIS database to prove the effectiveness of the project's planned modernization methods, prior to engaging in modernization of the other larger and more complex components of the MEDS enterprise. Agreement was also reached with CDT on an approach for completion of PAL Stages 3 and 4. This approach took into consideration and better accommodated the iterative work efforts associated with the project's four-phased work plan. This agreement includes the completion of Phase 1 development activities during 2019-20, securing approval to exit Stage 4 of the PAL and begin Phase 2 activities by February 2020. Limiting activities to the HIS component of MEDS in Phase 1 reduced the risks associated with attempting to begin work on all components of the very large and complex MEDS enterprise at the same time. This approach also supported the opportunity to conduct prototyping efforts and pilot the proposed use of cloud-based infrastructure and development environments, modern Identity Access Management (IdAM), Application Programming Interfaces (APIs), and Master Data Management (MDM) principles and methods, as part of the modernization solution.

2017-18 activities included the following:

- Submission and approval of PAL S2AA documentation
- Submission and approval of a Planning Advance Planning Document Update (PAPDU)
- Completion of PAL S3SD activities and submission of draft S3SD documentation for review
- Submission of a draft Implementation Advance Planning Document (IAPD) for detailed design development and implementation activities to begin in FY 2018-19

2018-19, planned activities include the following:

- Obtaining CDT approval of the PAL Stage 3 documentation
- Obtaining Centers for Medicare and Medicaid Services (CMS) approval of the IAPD
- Procuring vendor development and related services
- Beginning Phase 1 - modernization of the MEDS infrastructure and HIS component

Resource History
(Dollars in thousands)

Program Budget	PY – 4 (FY 2014-15)	PY – 3 (FY 2015-16)	PY – 2 (FY 2016-17)	PY – 1 (FY 2017-18)	PY (FY 2018-19)
Authorized Expenditures	8,396	7,209	6,655	6,653	14,554
Actual Expenditures*	4,385	3,655	5,421	5,524	1,511
Revenues	0	0	0	0	0
Authorized Positions	16	16	19	17	24
Filled Positions	16	16	19	17	22.5
Vacancies	0	0	0	0	1.5

*Note: Actuals are as of October 31, 2018.

GOVERNOR'S SPRING FINANCE LETTER

This proposal requests one-time resources of \$21.2 million total funds (\$2.1 million General Fund) in 2019-20 for contracts, staffing, hardware/software and other general expenses to continue the agency-wide effort to modernize the outdated Medi-Cal Eligibility Data System (MEDS). In addition, this proposal includes four-year, limited-term resources of \$4.6 million total funds (\$462,000 General Fund) for staffing equivalent to 24.0 existing limited-term positions and 3.0 new, limited-term positions. These resources will continue to support the completion of Phase 1 development and implementation activities for the Health Insurance System (HIS), begin Phase 2 development activities related to the MEDS Statewide Client Index (SCI) database and application, and continue detailed planning for subsequent project phases.

MEDS is an aging system that is ineffective and inefficient in meeting the state's current and future health and human services programs' business needs. Project objectives include: modernizing the MEDS database, improving data quality, minimizing impact on interfaces with ancillary systems, and enhancing security. The project's guiding principles include: protecting data security, reinforcing the CHHS information strategy, system stability, sustainability, flexibility, appropriate data access, meeting future business needs, and enterprise data integrity.

This request would continue support for OSI's centralized management of the multi-departmental MEDS Mod Project, which is scheduled to begin and complete development activities for Phase 1 – HIS in FY 2019-20 and begin Phase 2 – SCI in February 2020.

This request supports DHCS' mission to provide Californians with access to affordable, high-quality health care, including medical, dental, mental health, substance abuse treatment services, and long-term care; as well as CDSS' mission to serve, aid, and protect needy and vulnerable children and adults to strengthen and preserve families, encourage personal responsibility, and foster independence. Through a multi-departmental approach to the MEDS Mod project, and by engaging OSI to manage efforts on behalf of all participating departments and stakeholders, this request promotes CHHSA's goal of collaborative delivery of information technology (IT) projects. With enterprise-wide collaboration, CHHSA can leverage assets to

improve utilization of resources, and can influence project and program conceptualization, planning, and design towards shared business service and delivery.

This request also supports the State's overall strategic IT initiatives by employing a "cloud-first" approach to the hardware and software options being included in the modernized solution. In addition, this request includes consideration of options for leveraging existing solution components within the State's IT enterprise and/or making available for leveraging components, methods or processes included in the modernized MEDS solution.

During 2019-20, development activities are scheduled to proceed according to the Project Roadmap timeline. This schedule reflects a continued phased and iterative approach to development of the solution to modernize the MEDS enterprise. The focus of project activities during 2019-20 will include completing Phase 1 – HIS, beginning Phase 2 SCI modernization and continue detailed planning for future phases. Transitioning from modernizing the limited-scope MEDS HIS (Phase 1), and beginning efforts on Phase 2 – SCI, will require a continuation of funding for existing project resources, along with increased resource levels to meet the unique needs for modernizing the much larger and more complex SCI component of the MEDS enterprise.

Lessons learned in modernizing the MEDS HIS will be applied to the subsequent modernization efforts of SCI, VSAM, and Alerts components to complete MEDS modernization in the most effective and efficient manner possible. The project and its two sponsors, DHCS and CDSS, continue to work closely and collaborate on a wide range of business and technical activities for the project.

The following briefly describes the resources included in this request:

1. Project Team State Staffing Total – \$4,019,000 (4-Year LT Funding Equivalent to 27.0 PYs).

The MEDS Mod Project Team is composed of a mix of state staffing and consultant resources. This mix is needed to meet all on-going project planning, administrative, project management, technical, program business, and coordination activities. Existing state limited-term resources, set to expire on June 30, 2019, include 18.0 OSI, 3.0 DHCS, and 3.0 CDSS staff. To meet the increasing project workload needs for planned activities during SFY 2019-20, this request includes continued funding for existing resources and the addition of 1.0 OSI, 1.0 DHCS, and 1.0 CDSS staff.

2. OSI Project Team Staffing - \$2,991,000 (4-Year LT Funding Equivalent to 19.0 PYs).

- New OSI Position – 1.0 PY (\$141,000)
- Existing OSI Positions – 18.0 PYs (\$2,850,000)

3. Program and Stakeholder Representation - \$1,028,000
DHCS Staffing \$501,000 (4-Year LT Funding Equivalent to 4.0 PYs)

- New DHCS Position – 1.0 PY (\$172,000)
- Existing DHCS Positions – 3.0 PYs (\$329,000)

4. DSS Staffing - \$527,000 (4-Year LT Funding Equivalent to 4.0 PYs)

- New CDSS Position – 1.0 PY (\$131,000)
- Existing CDSS Positions – 3.0 PYs (\$396,000)

5. Hardware/Software - \$2,364,000

The modernized MEDS solution will rely on the purchase of cloud-based hardware and software services to limit costs and better accommodate future changes in hardware and software needs. This estimate includes costs for the anticipated hardware cloud fees, in addition to estimated costs for a variety of planned software purchases including architecture modeling, project and system environment management, database, conversion/extraction transformation and load, application development and API management, identity and access management, and security tools.

6. Other Office Equipment and Expenses (OE&E) - \$2,069,000

Includes costs for general expenses, printing, communications, travel, training, and office equipment.

7. Facilities - \$597,000

The project costs to provide facilities for the requested state and consultant staff.

8. Contract Services - \$12,211,000

To support the increasing and specialized workload associated with the scheduled Phase 1 (HIS) and Phase 2 (SCI) activities during FY 2019-20; funding for a variety of contract services is being requested. These resources will assist the project's state staffing with ongoing project management, planning, technical analysis, detailed requirements development, system and application development, system integration support, data conversion/clean-up, testing, and oversight activities. This approach to meeting project staffing needs in FY 2019-20 ensures resource capabilities not available in state service or only needed for limited duration are available when needed. The following is a brief description of the services provided within each of the contract services categories:

- **Project Management Support Services** – Will help with overall project planning, project management, scheduling, transition planning and strategies and support of the project's modular and iterative procurement approach. These services also include agile coaching, stakeholder liaison and organizational change management.

- **Technical Services** – This includes a wide range of technical consulting services:
 - Infrastructure and Application Development
 - Data Conversion
 - Technical Support
 - System Integration Support
 - Business Analysis
 - Testing
 - Security Technology Support
 - Penetration Testing
- **Project Oversight** – Includes independent project oversight functions by CDT, along with Independent Verification & Validation consultants responsible for verifying and validating that project and contractor products adhere to industry standards, and that all delivered products meet defined requirements and/or specifications. Given the critical nature of the data contained in the MEDS, these services will provide specific focus on ensuring all applicable security requirements are met.

The following table provides a breakdown of contract services costs by category for this request:

Contract Services	Estimated Cost
Project Management Support Services	\$1,725,000
Technical Support Services	\$10,184,000*
Project Oversight Services	\$302,000
Total	\$12,211,000

*Includes \$1,400,000 for DHCS technical consultant costs.

The following outcomes are expected for this proposal:

- Completion of Phase 1 HIS and start of Phase 2 development for SCI.
- Modernization progress will continue to position the modernization effort future phases.

Upon approval of this BCP, the project will work with the internal acquisition teams and the State Technology Procurement Division to procure needed contract resources. The project will develop recruitment packages to recruit and hire new state staff. The project will work with project sponsors to coordinate continued project progress. The project will also develop and submit the required planning documents to the CMS to ensure continued federal financial participation (FFP) support.

The budget overview and project roadmap displays are included on the following pages:

BUDGET	FY 2018-19 Budget¹	Proposed FY 2019-20 BCP Request
<u>OSI Costs</u>		
Personnel Services	2,332,000	2,991,000
OE&E	1,685,000	1,884,000
Consultant Services	7,092,000	10,811,000
Facilities	597,000	597,000
Hardware Software	1,166,000	2,364,000
<i>OSI MEDS Project Total</i>	12,872,000	18,647,000
<u>CDSS Costs²</u>		
Personnel Services	371,000	527,000
OE&E	102,000	88,000
<i>CDSS MEDS Project Total</i>	473,000	615,000
<u>DHCS Costs</u>		
Personnel Services	321,000	501,000
OE&E	65,000	97,000
Consultant Services	824,000	1,400,000
To CDSS ³	[426,000]	[555,000]
To OSI ³	[12,872,000]	[18,647,000]
<i>DHCS MEDS Project Total</i>	1,210,000	1,998,000
Total Project Budget	14,555,000	21,260,000
Total DHCS Request		21,200,000⁴

Funding⁵	Federal Fund (FF), 90%	General Fund (GF), 10%	Total
DHCS	18,579,000	2,066,000	20,645,000
CDSS	555,000	60,000	615,000

¹ All approved resources expire at the end of FY 2018-19

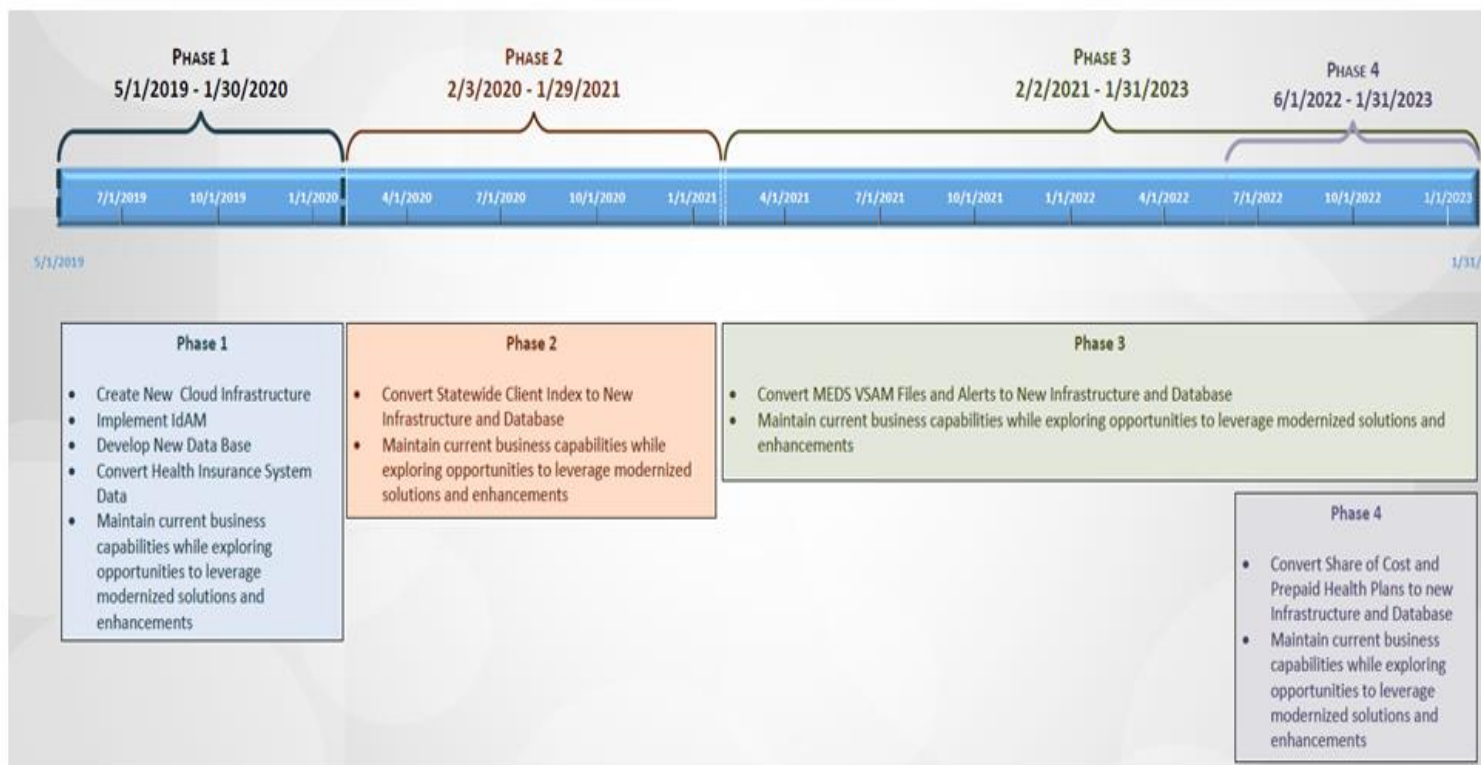
² The BCP amount requested for CDSS (10% GF and 90% Reimbursement from DHCS)

³ Reimbursements to other departments shown for display purposes only.

⁴ The DHCS request is for the total project funds needed, not including the CDSS GF Request.

⁵ Funding requested is for DHCS and CDSS. The OSI request is Expenditure Authority only.

Proposed MEDS Modernization Project Roadmap



STAFF COMMENT/QUESTIONS

Staff suggests that the Subcommittee request updated, comprehensive total project costs across fiscal years given this new Spring Finance Letter request from the Administration and how it alters the overall MEDS Mod project.

Staff Recommendation:

Hold open.

ISSUE 4: GOVERNOR'S SFL ON CALIFORNIA HEALTHCARE ELIGIBILITY AND RETENTION SYSTEM (CALHEERS) INTEGRATOR CONTRACT TRANSITION ACTIVITIES**PANEL**

- James Duckens, CalHEERS Deputy Director, Office of Systems Integration
- Alek Klimek, Department of Finance
- Brian Metzker, Legislative Analyst's Office
- Public Comment

BACKGROUND

The federal Patient Protection and Affordable Care Act (PPACA or ACA), signed into law on March 23, 2010, provided the opportunity for the development of state-based exchanges as a mechanism for organizing the health insurance marketplace to help consumers and small businesses shop for coverage in a way that permits easy comparison of available plan options based on price, benefits, services, and quality.

In May 2012, the project sponsors, Covered California and the Department of Health Care Services (DHCS), completed the planning and establishment phase for the health benefit exchange and formally initiated the California Healthcare Eligibility, Enrollment and Retention System (CalHEERS) Project to create the IT solution. In June 2012, the project sponsors received federal approval for, and signed, the contract with the incumbent SI - Accenture, LLP, to develop, implement, maintain, and operate CalHEERS. The development effort was formally launched at the end of June 2012 and CalHEERS went live to the public 15 months later on October 1, 2013.

The CalHEERS is a web-based system that supports insurance affordability programs for California. The CalHEERS is an integrated and automated system that supports the eligibility, enrollment, and retention of consumers the resources from which families and individuals are able to research, compare, select and maintain healthcare. CalHEERS is also a complex system that interfaces with a variety of sources including the Federal Data Services Hub (FDSH), insurance carriers, and state companion systems such as DHCS' Medi-Cal Eligibility Data System (MEDS) and the Statewide Automated Welfare System (SAWS) consortia to support shared case management among the programs and organizations.

OSI Resource History
(Dollars in thousands)

Program Budget	FY 16-17	FY 17-18	FY 18-19
Authorized Expenditures	\$164,404	\$164,741	\$164,756
Actual Expenditures	\$130,176	\$126,245	TBD*
Revenues	0	0	0
Authorized Positions	58.0	58.0	58.0
Filled Positions	47.0	50.0	58.0
Vacancies	11.0	8.0	0.0

*Actual expenditures for FY 2018-19 are not yet available

The CalHEERS Project is governed by Covered California and DHCS and in 2016-17 management oversight and responsibility for the project was transferred to the OSI within the California Health and Human Services Agency (CHHSA) in recognition of the statewide impact of this project.

GOVERNOR'S SPRING FINANCE LETTER

The Office of Systems Integration (OSI) requests a one-time increase in budget authority of \$17,627,000 total funds (\$3,743,000 General Fund) for 2019-20 for anticipated costs related to transition activities for a new system integrator (SI) contract for the California Healthcare Eligibility, Enrollment and Retention System (CalHEERS) Project, contingent upon the finalization of vendor selection.

The project anticipates a need for additional budget authority in 2019-20 for transition activities associated with the contract award of the Request for Proposal (RFP) for System Development, Maintenance & Operations (SDMO) services. The additional budget authority is being requested to ensure that CalHEERS is able to potentially support two SI contracts (incumbent and successor) during the planned 12-month transition period, in the instance where a successor vendor is chosen for the SDMO services.

This request supports the state's mission to provide Californians with access to affordable, high-quality health care, including medical, dental, mental health, substance abuse treatment services, and long-term care; as well as Covered California's mission to increase the number of insured Californians, improve health care quality, lower costs, and reduce health disparities through an innovative, competitive marketplace that empowers consumers to choose the health plan and providers that give them the best value.

In addition, this request supports the OSI's centralized fiscal management of the multi-funded CalHEERS Project on behalf of its sponsors and promotes the CHHSA's goals of collaborative delivery of IT projects.

The project has had the same SI vendor since its inception in 2012 and is currently in the second of three option years following the 5-year core contract term that ended in June 2017. The RFP is the project's first effort to procure a new SI contract. The incumbent SI contract for

CalHEERS expires June 21, 2020 and the existing SDMO activities will be performed by the SI vendor awarded the new contract. The requested additional budget authority is necessary for the increase in costs associated with having overlapping SI vendor contracts while critical transition activities are performed and knowledge transfer is conducted. The contract transition period is expected to last 12 months, beginning in July 2019, and run through the end of the existing SI contract term in June 2020. At that time, the successor SI vendor will be fully responsible for all SDMO activities.

The SDMO solution is defined as services, products, or a combination of products and services provided by the SI vendor in support of the obligations and responsibilities required by their contract. Key services include system development, ongoing maintenance, operation, and enhancement of the CalHEERS system, reporting, and customer service. Transition is the handover of SDMO services to the selected SI vendor and the contractual closeout with the incumbent SI. The project state team must work closely with both SI vendors during this process and must approve all updates to the successor vendor's transition approach and plans. Transition involves identifying and implementing all the activities required to allow the successor SI vendor to transition in and take over all services, functions, and responsibilities for operating and maintaining the CalHEERS system. It is comprised of four transition areas:

- Project Management
- Maintenance (via Change Request)
- Maintenance (via Program Support)
- Operations

Within each transition area there are multiple services or functions to transition as Transition Components (e.g., Schedule Management, Release Management, Customer Service/Service Desk, and System Operations). The successor SI has the overall responsibility for providing an orderly transition that is transparent and minimizes disruption of service to all users of the system. Successful transition is defined as the successor SI executing all activities in the State-approved transition plans and establishing a post transition operational baseline. The post transition operational baseline is met when the successor SI assumes full responsibility for providing system development and maintenance and operations support (i.e. services and functions) without service disruption and meeting or exceeding each Service Level Agreements identified in the contract. The RFP included requirements for bidders to submit transition plans and associated costs as part of their bid.

The project's currently authorized budget authority is \$165,316,377. Based on current projections for 2019-20, total expenditures are estimated to be \$157,866,390 providing approximately \$7.4 million in available budget authority as depicted in the table below:

Additional Budget Authority Requested

Description	FY 2019-20 Estimated Amount
Estimated Transition Costs	\$ 25,076,636
Estimated Available Budget Authority	\$ 7,449,987
Estimated Additional Authority Needed	\$ 17,626,649

As a contract has not yet been awarded, this request includes provisional budget bill language, included below, restricting the use of General Funds and Federal Funds until such time, and up to such amount, that the contract is finalized.

Based on the project's current cost allocation plan, the funding breakdown for the additional authority would be as follows:

Funding Breakdown	
Federal Funds	\$ 11,702,000
General Funds	\$ 3,743,000
Covered California	\$ 2,182,000
Total Request	\$ 17,627,000

The increased budget authority will allow the state to implement and successfully execute a comprehensive transition plan and ensure there is a smooth transition from the incumbent SI to the successor SI that is seamless to its current end-users and that does not have an adverse impact to the CalHEERS system that could obstruct others from gaining health care coverage.

The following outcomes are expected for this proposal:

- Approval of an As-Needed Advance Planning Document (APD) for federal financial participation of transition activities.
- Organizational and operational readiness assessments as defined in the State-approved transition plans for a complete transition, including gap assessment and associated mitigation plan.
- Implementation of comprehensive transition plans submitted by both the incumbent SI and the successor SI vendor.

A successful transition that is transparent and does not negatively impact:

- Project sponsors
- Program partners
- Interface partners
- System stakeholders
- End users
- Consumers/customers

This request for additional budget authority would be effective for only the 2019-20 state fiscal year. Upon approval of this request, an As-Needed APD will be submitted to the CMS requesting approval of additional federal funds to align with this request. CMS requires state approval before they will consider approval of additional federal funds.

Proposed provisional budget bill language includes the following:

Add the following provision to Item 4260-001-0001:

8. *Of the amount appropriated in this item, up to \$3,743,000 shall be available to the Department of Health Care Services to reimburse the Office of Systems Integration Item 0530-001-9745 for the California Healthcare Eligibility, Enrollment and Retention System (CalHEERS) Project system integrator contract transition activities upon determination of the Department of Finance that the Office of Systems Integration has finalized the vendor selection.*

Add the following provision to Item 4260-001-0890:

3. *Of the amount appropriated in this item, up to \$11,702,000 shall be available to the Department of Health Care Services to reimburse the Office of Systems Integration Item 0530-001-9745 for the California Healthcare Eligibility, Enrollment and Retention System (CalHEERS) Project system integrator contract transition activities upon determination of the Department of Finance that the Office of Systems Integration has finalized the vendor selection.*

STAFF COMMENT/QUESTIONS

None at this time.

Staff Recommendation:

Hold open.

ISSUE 5: GOVERNOR'S SFLS ON STATEWIDE AUTOMATED WELFARE SYSTEM (SAWS) CONSOLIDATION**PANEL**

- Kristine Dudley, Deputy Director, Office of Systems Integration
- Tyler Woods, Department of Finance
- Brian Metzker, Legislative Analyst's Office
- Public Comment

BACKGROUND

The budget includes \$43.7 million (\$8.6 million General Fund) in 2018-19 and \$155.5 million (\$31.2 million General Fund) in 2019-20 for Statewide Automated Welfare System (SAWS) automation costs.

The SAWS Consortia is made up of multiple systems, which support such functions as eligibility and benefit determination, enrollment, and case maintenance at the county level for some of the state's major health and human services programs, including CalWORKs and CalFresh. The Consortia includes the LEADER Replacement System (LRS), the Welfare Client Data System (CalWIN), and Consortium IV (C-IV), which are managed by the Office of Systems Integration (OSI). Per federal requirements by the Centers for Medicare and Medicaid Services (CMS) and Food and Nutrition Services (FNS) in December 2016, California is required to implement a single SAWS by 2023, to ensure continuing receipt of federal financial participation (FFP) for SAWS development, implementation, and ongoing maintenance and operations. Going forward, the state will work to implement this single system, to be known as CalSAWS.

Currently, there are three separate SAWS, each managed by two discrete consortia of California counties:

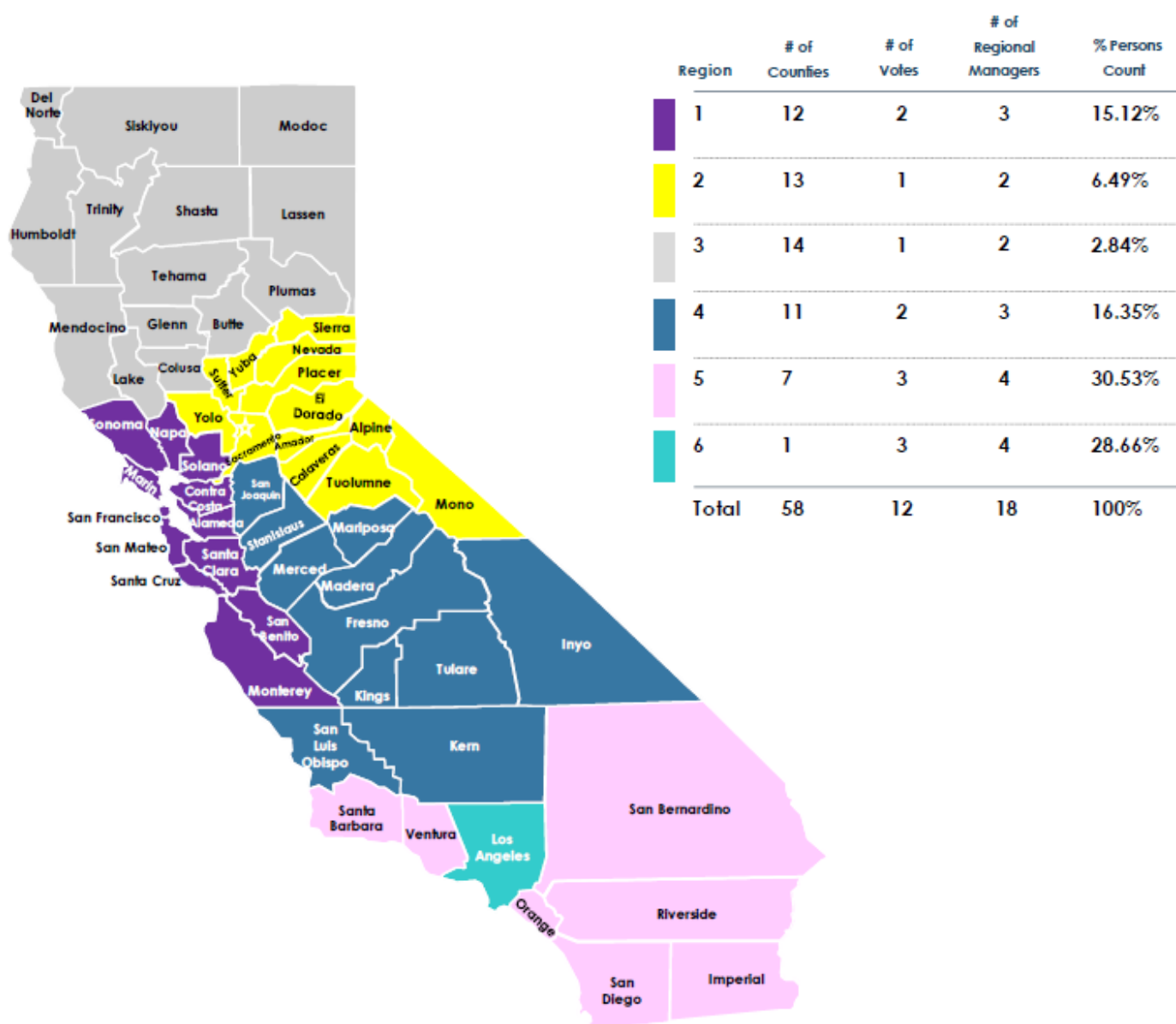
- The Welfare Client Data System (WCDS) Consortium maintains and operates the CalWORKs Information Network (CalWIN) system supporting 18 counties.
- The California Automated Consortium Eligibility System (CalACES) Consortium is a Joint Powers Authority (JPA), established September 22, 2017. CalACES maintains and operates the LEADER Replacement System (LRS), supporting Los Angeles County, and the Consortium IV (C-IV) system supporting 39 counties.

The LRS system is the base system that will be modified to create CalSAWS. C-IV counties (39 counties) have begun migrating over to the LRS system. Once migration is complete, the LRS and C-IV systems will be known as CalACES. Currently, work is being done to migrate the LRS system into the cloud, which should be complete by November 2019. The deployment of CalSAWS changes into LRS is expected to be complete by January 2021, and CalSAWS will be live in all 39 C-IV counties by September 2021. There is a need for additional support in order to merge the CalWIN system with CalACES. Thus, the migration of

CalWIN counties to CalSAWS will take longer to complete, and is not expected to finish until January 2023.

The state must take several steps before consolidating the consortia into one system. A county-based governance structure for CalSAWS has been developed during the planning process. Plans for the structure have been submitted to the 58 counties, and it is expected that it will be adopted by all 58 counties by June 2019. The Administration has provided the display, included below, that indicates how governance would be represented among the counties:

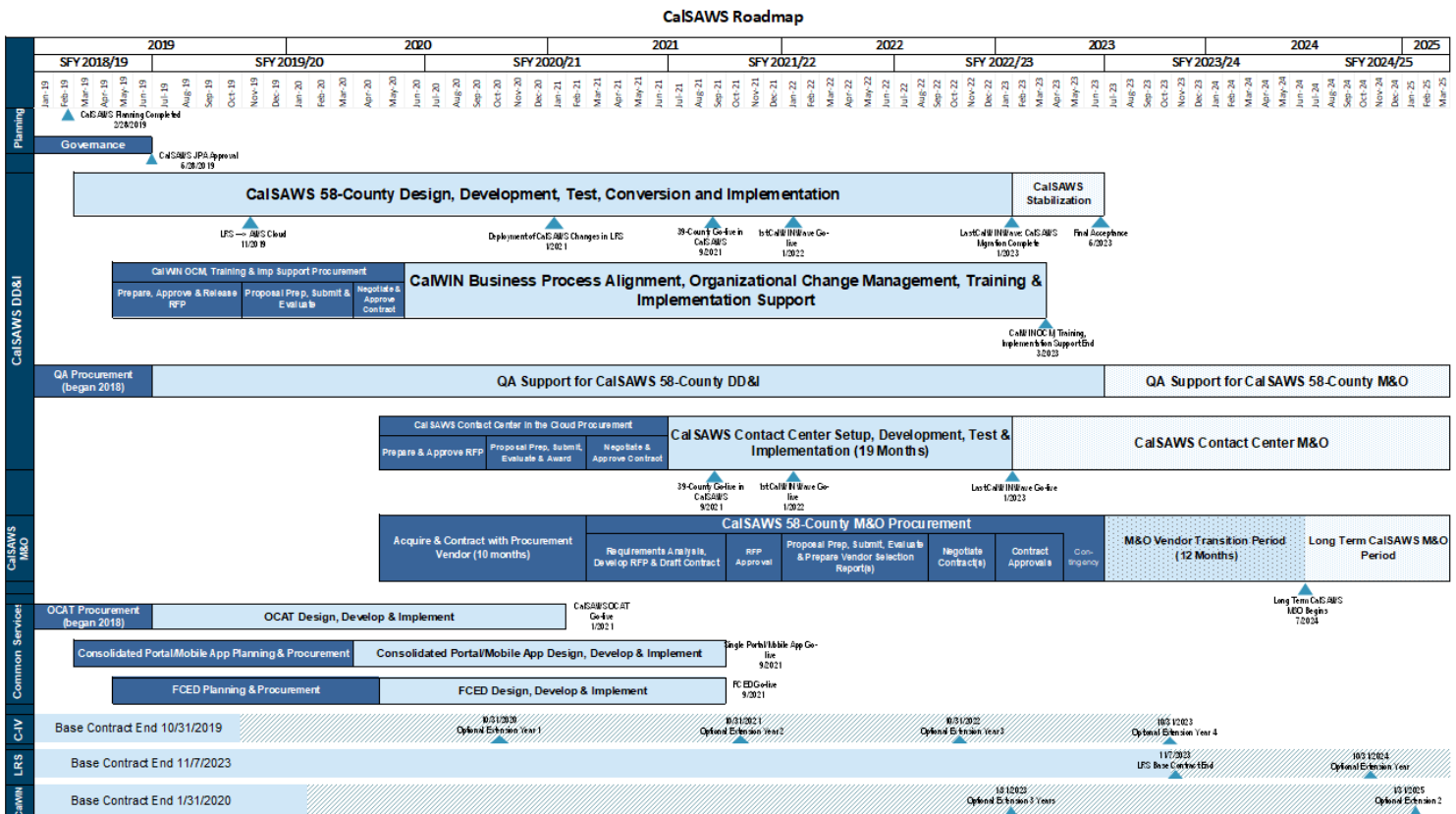
CalSAWS Regional Governance Structure - Draft



Under the direction of the California Health and Human Services (CHHS) Agency, the OSI is responsible for state-level project management and oversight of the California Statewide Automated Welfare System (CalSAWS) project. The project sponsors, the DHCS and the CDSS, partner with OSI to verify project activities are conducted in accordance with contracted standards and adhere to accepted information technology best practices. A primary goal of the program sponsors and OSI leadership is ensuring the consistent application of policy within the CalSAWS system and a consistent client/customer experience throughout the state. The objective of the CalSAWS project is to migrate all 58 California Counties to CalSAWS to align with state of California legislation and the federal mandate for a single SAWS consortium.

By engaging OSI to manage planning efforts on behalf of all participating departments and stakeholders, this approach will promote the CHHS Agency's goal of collaborative delivery of information technology (IT) projects. With enterprise-wide collaboration, CHHS Agency can leverage assets to improve utilization of resources, and can influence project and program conceptualization, planning, and design towards shared business service and delivery.

The project roadmap for CalSAWS is included below:



GOVERNOR'S SPRING FINANCE LETTER

This set of three Spring Finance Letters – from OSI, DSS, and DHCS – request \$1.3 million total funds (\$393,000 General Fund) on a four-year, limited term basis for staff resources equivalent to 8.0 positions (3.0 Department of Health Care Services, 4.0 California Department of Social Services, and 1.0 Office of Systems Integration) to support the consolidation and implementation of a single Statewide Automated Welfare System. This approved request would continue support for OSI's centralized management of the multi-departmental CalSAWS effort, which is scheduled to complete implementation by the federally mandated date of 2023.

As stated before, per federal requirements by CMS and FNS, California is required to implement a single SAWS by 2023 to ensure continued receipt of FFP for SAWS development, implementation, and ongoing maintenance and operations. In response to the federal directive to reduce California's SAWS to a single system, the state of California stakeholder agencies will commit resources throughout the CalSAWS project life cycle. The state will be involved on a day-to-day basis to monitor progress and communicate with stakeholders.

The following request for resources reflects the needs of DHCS, CDSS and OSI based on an Agency-wide planning effort. Due to increased workload related to the volume and complexity of migrating, implementing and maintaining a single SAWS, additional resources are needed to ensure the success of the project.

DSS

- CDSS is requesting limited-term funding for 4.0 position equivalents for the Family Engagement and Empowerment Division (FEED) to direct, govern, and oversee the planning and implementation of the SAWS. These four positions will create the CalSAWS Unit (CSU) within the Program Automation Bureau (PAB). Funding for these positions is requested through 2022-23.
- The CDSS resources will represent the agency in planning and implementation duties in the CalSAWS migration. At this time there is no dedicated staff to fully represent CDSS on the CalSAWS project. The path to a single system is laborious, and involves dedicated, full time resources to oversee the planning and implementation of the SAWS. The CDSS resources will represent the department, provide support, review and monitor all activities on behalf of the agency. Resources will be responsible for providing technical planning, preparation, review, documentation and support on the project as the project relates to various CDSS applications. These resources will also support the oversight and coordination of information sharing, development, testing and releases for other state systems and shared services efforts such as CalHEERS, the Statewide Portal/Mobile App and MEDS.

OSI

- The OSI is requesting limited-term funding for 1.0 position equivalent for the SAWS Consortium Management Unit (CMU). Funding for this position is requested through 2022-

23. The resource will work directly with the SAWS liaisons in the analysis of critical and complex SAWS consortium documents such as consortium processes and governance, project management plans, and contracts. The resource will assist in the identification of technical issues, report status, and impact to stakeholders and work with project staff and vendors to ensure timely resolution. The resource will assist in the development and presentation of regular status reports and detailed briefings for state program sponsors, state control agencies, and federal stakeholders. The resource will also assist in overseeing and executing complex and sensitive procurement activities to acquire consultant services for SAWS Project Management. This includes contributing to the preparation of the statement of work and evaluation of bidder proposals, definition of vendor deliverables, development of deliverable review processes and timelines, and identification and assurance of consistency based upon best practices, development standards, design standards, coding standards, testing standards, performance measurements and service levels.

DHCS

- The DHCS is requesting limited-term funding for 2.0 position equivalents for the Medi-Cal Eligibility Division (MCED) and 1.0 position equivalent for the Enterprise Innovation Technology Services Division (EITS). Funding for these positions is requested through 2022-23.
- The DHCS resources are key representatives in planning and design activities of CalSAWS migration. Currently, there are no dedicated staff to fully represent DHCS on CalSAWS. The migration path for CalSAWS is rigorous, and requires committed resources to oversee all aspects of system governance, design, architecture, implementation, and operations. Specifically, 2.0 of those resources will report directly to the MCED Division Office, which allows for direct governance and oversight of the single-SAWS strategy as the migration commences. The direct involvement of the MCED (program) resources will ensure business continuity from the Medi-Cal program administration perspective and will help to minimize integration challenges and ensure the most cost-effective migration path for the full migration. The direct involvement of 1.0 EITS resource will ensure SAWS' seamless access and interfaces to MEDS throughout this transition and provide proactive and dedicated support for testing and connectivity. These resources will support the project and operations through all phases, including the oversight and coordination of information sharing, development, testing and releases for other state systems and shared services efforts such as California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS), the Statewide Portal/Mobile App and the Medi-Cal Eligibility Data System (MEDS).

The DSS, OSI, and DHCS require staff resources to effectively participate in the design and development process with the counties for the system to meet the needs of the state, counties, and over 13 million clients. The requested staff resources will focus on project activities that will ensure appropriate and effective state resource allocation, direct state staff to resolve issues, mitigate risks, clarify policy, provide guidance, make decisions and support design, development and test work efforts. Without the requested staff resources and expertise to

ensure a successful enterprise-level portfolio management effort, state sponsors and oversight departments will risk loss of enhanced FFP for non-compliance with federal guidance.

The following tables outline the budget and funding request for FY 2019-20:

Table 1 - BCP Resource Request

	Departments			Line Item Total
	DHCS	CDSS	OSI	
Positions	3.0	4.0	1.0	8.0
Personal Services	\$ 381,000	\$ 512,000	\$ 102,000	\$ 995,000
Other OE&E	\$ 93,000	\$ 145,000	\$ 34,000	\$ 272,000
Total	\$ 474,000	\$ 657,000	\$ 136,000	\$ 1,267,000

Table 2 - BCP Funding Request

Funding ¹	Federal Fund	General Fund	Reimbursement	Total
DHCS	\$ 426,000	\$ 48,000	\$ 0	\$ 474,000
CDSS	\$ 401,000	\$ 345,000	\$ 47,000	\$ 793,000
Total	\$ 827,000	\$ 393,000	\$ 47,000	\$ 1,267,000

¹ The funding requested for CDSS includes funds for reimbursement of 9745-California Health and Human Services Fund. The \$136,000 (\$66,000 General Fund) will be included in the CDSS Local Assistance Estimate. The OSI request is Expenditure Authority Only.

Advance Planning Documents (APDs) will be submitted on an annual basis to ensure continued FFP funding for Medicaid eligibility determination and enrollment activities.

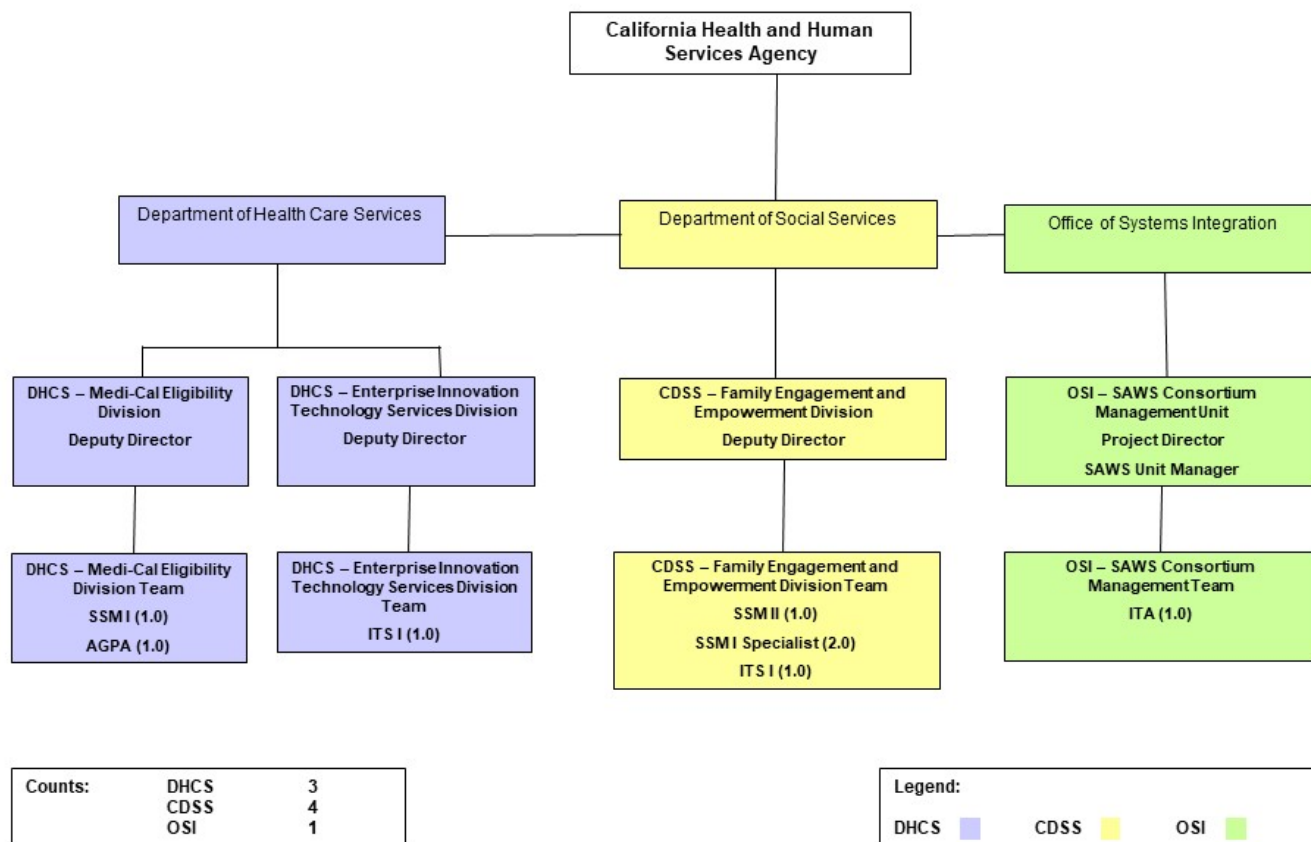
The projected budget across future fiscal years is included below:

CalSAWS IAPD									
BUDGET CATEGORY	SFY 2018/19	SFY 2019/20	SFY 2020/21	SFY 2021/22	SFY 2022/23	SFY 2023/24	SFY 2024/25	SFY 2025/26	TOTAL
DD&I	\$30,338,749	\$154,372,147	\$156,702,144	\$80,082,488	\$31,949,674	\$0	\$0	\$0	\$453,445,202
Maintenance & Operations	\$0	\$0	\$75,317,719	\$207,342,559	\$221,867,628	\$221,867,628	\$221,867,628	\$221,867,628	\$1,170,130,790
Procurement	\$559,440	\$1,118,880	\$2,271,431	\$3,627,880	\$578,990	\$0	\$0	\$0	\$8,156,621
TOTAL	\$30,898,189	\$155,491,027	\$234,291,294	\$291,052,927	\$254,396,292	\$221,867,628	\$221,867,628	\$221,867,628	\$1,631,732,613

The CalSAWS organizational chart reflecting different roles is included on the next page:

Department of Social Services (CDSS)
 Department of Health Care Services (DHCS)
 Office of Systems Integration (OSI)

Organizational Chart



STAFF COMMENT/QUESTIONS

Chapter 35, Statutes of 2018 (AB 1811), passed as part of the 2018 Budget, requires DSS, OSI, and DHCS to increase their focus on engaging health and human services advocates, stakeholders, and clients in the development of the framework of the CalSAWS governance to ensure active stakeholder participation in the CalSAWS development and implementation efforts.

Staff suggests that the Subcommittee consider asking the following questions:

- Please provide an update on how stakeholder input has been included and what measures have been taken to ensure continued meaningful engagement as CalSAWS development proceeds?
- Please explain how the findings and recommendations of the State Application Hub are influencing the design and development of CalSAWS?

Staff Recommendation:

Hold open.

ISSUE 6: ADVOCACY PROPOSAL TO FUND CALWORKS 2.0 AUTOMATION IN SAWS**PANEL**

- Frank Mecca, Executive Director, County Welfare Directors Association of California
- Kristine Dudley, Deputy Director, Office of Systems Integration
- Tyler Woods, Department of Finance
- Brian Metzker, Legislative Analyst's Office
- Public Comment

ADVOCACY PROPOSAL

The County Welfare Directors Association of California (CWDA) requests funding of \$5.07 million General Fund to automate the CalWORKs 2.0 tools in the SAWS and make them available to CalWORKs participants via the SAWS online web portals. Currently, the CalWORKs 2.0 tools are primarily paper based, and there is no way to store much of the information they capture in the SAWS, which is the system of record for the CalWORKs program. This lack of automation impedes outcome tracking. The following information was provided by CWDA.

“The CalWORKs program has changed significantly over the last 25 years in response to economic, budgetary, and political forces. Some of these changes have expanded the options available for helping customers, but there is still room for improvement. Recognizing this, counties have been working to identify enhancements to the program that incorporate emerging research evidence on brain science, behavioral science, and how adults learn and build critical skills. Collectively, we have been calling this new approach “CalWORKs 2.0,” and we have engaged the state and legislative staff, as well as advocates who work with CalWORKs parents, to share our learning and incorporate their feedback. Overall, this effort offers county staff a new way to engage with their customers that focuses on helping them set and achieve their goals.

CalWORKs 2.0's success depends on a culture shift—away from compliance-oriented, directive case management and toward supportive and responsive interactions between the case manager and the customer. These interactions are focused on identifying, planning for, achieving, and revising goals. This culture shift may already be happening in many counties to some degree; CalWORKs 2.0 gives them specific tools and resources that can be used to solidify and operationalize the concepts.

Automation of the CalWORKs 2.0 tools in SAWS will make it easier for both CalWORKs participants and their county workers to use them, and thus encourage greater adoption of the tools. It will also allow the data they gather to be recorded in SAWS, where it can be used for future analysis and reporting. Specifically, SAWS automation will include the following:

- Creating a web version of the five CalWORKs 2.0 tools, making them available on the SAWS portals for CalWORKs participants to complete, submit, and update (displaying the last version's information for update), in English and Spanish.
- Adding the necessary fields to SAWS databases so that workers can store and/or update information from these tools in SAWS.
- Providing the ability for counties to export/download this data.

As these tools are relatively new, and will be newly automated, report programming is not included in this request, as counties need additional time to determine what types of ongoing reports will add the most value. CWDA anticipates that such reports will be developed in the future, after all counties have migrated to CalSAWS.

Based on estimates gathered from the SAWS, CWDA anticipates it will cost \$5.07 million in total costs for automation, which is anticipated to take 9 to 12 months from the time that funding is available and the changes are approved for implementation.”

CWDA has provided the following breakdown of the \$5.07 million General Fund request:

<u>Automation System</u>	<u>Estimated Cost</u>
CalWIN	\$1,750,000
CalACES North	\$1,738,820
CalACES South	\$1,582,290

STAFF COMMENT/QUESTIONS

Staff suggests that the Subcommittee ask for the Administration's feedback on this proposal.

Staff Recommendation:

Hold open.

ISSUE 7: ADVOCACY PROPOSAL FOR FUND CALFRESH DISASTER FUNCTIONALITY AUTOMATION IN SAWS**PANEL**

- Frank Mecca, Executive Director, County Welfare Directors Association of California
- Pete Cervinka, Chief Deputy Director, Department of Social Services
- Kristine Dudley, Deputy Director, Office of Systems Integration
- Tyler Woods, Department of Finance
- Brian Metzker, Legislative Analyst's Office
- Public Comment

ADVOCACY PROPOSAL

The County Welfare Directors Association of California (CWDA) requests funding of \$900,000 General Fund (\$1.8 million total funds) to automate Disaster CalFresh eligibility determinations and add related forms and notices and required state reports in the CalACES systems, which will ultimately become the CalSAWS system that will be used by all counties.

Currently, the Disaster CalFresh process is largely not automated, and counties must manually track applications and outcomes. Automation would eliminate this unfunded workload and also support faster issuance of mass replacement benefits and provide support for cross-county access to enable other counties to more readily assist those impacted by a disaster. As California has faced numerous recent disasters and, unfortunately, more are anticipated in the future, the need for automation improvements has become critical, as manual processes delay and divert county staff who could otherwise be providing direct services to disaster victims.

Based on estimates gathered from CalACES, CWDA anticipates it will cost \$1.8 million total (\$900,000 General Fund) for automation, which is anticipated to take 9 to 12 months from the time that funding is available and the changes are approved for implementation. As the CalWIN counties convert to CalSAWS, this functionality will ultimately be available statewide. CWDA states that this funding will enable counties to provide faster benefits to disaster victims, reduce manual reporting and tracking, and enable counties to support each other during disasters.

STAFF COMMENT/QUESTIONS

Staff suggests that the Subcommittee ask for the Administration's feedback on this proposal.

Staff Recommendation:

Hold open.

ISSUE 8: ADVOCACY PROPOSAL FOR REPORTING LANGUAGE RELATED TO QUALITY APPLICANT AND CLIENT EXPERIENCE**PANEL**

- Tracey Patterson, Alliance to Transform CalFresh
- Pete Cervinka, Chief Deputy Director, Department of Social Services
- Kristine Dudley, Deputy Director, Office of Systems Integration
- Tyler Woods, Department of Finance
- Brian Metzker, Legislative Analyst's Office
- Public Comment

ADVOCACY PROPOSAL

The Alliance to Transform CalFresh has been advocating and working alongside state and county agencies to promote transparency and consumer protections as the county welfare eligibility systems merge. The following information is from their advocacy request on this subject:

Following the addition of Welfare & Institutions Code section 10823.1 through AB 1811 in 2018, organizations and individuals within coalition have been advocating to agency partners and administrators to review, test, and provide feedback on new or evolving benefits administration technologies and have been sharing lessons learned from prior migrations into the CalACES and CalSAWS development and rollout.

CDSS recently published the State Hub Roadmap, which emphasizes streamlining and modernizing the process, and making getting assistance easier for clients. The executive summary of the Roadmap notes the current environment “presents multiple challenges for clients and program staff” and identifies in accurate detail the “complexity and variability in policy, operations, and technology.” This is the same environment in which CalSAWS and the ancillary systems are being developed, and the Roadmap includes specific recommendations regarding engaging clients in the process.

New efforts may include tools that make it easier for clients, including specified populations that face particular verification challenges, to understand what verifications are needed, upload appropriate documents correctly, and get updates on verification status. The Roadmap includes non-technical recommendations for “strategies that could help address gaps in the current environment regardless of technical solutions...” For example, “Clearly articulate a statewide, client-centered vision of the desired [benefit program] eligibility experience and outcomes. Use this vision to create context for and guide decision-making about the governance, policy, operations, and technology...”

These recommendations are in alignment with the ways that leadership ought to be engaging with consumer and advocate stakeholders, and centering clients within the vision for CalSAWS and the ancillary systems intended to serve them. As CDSS, OSI, and counties continue to

engage stakeholders in the development and implementation of CalSAWS, we suggest they maximize their existing engagement by aligning with relevant department priorities noted in the Roadmap recommendations.

Given the scale of the State and county investment in CalSAWS, the core requirements and procurement structure for the SAWS and ancillary systems must prioritize the capacity for continuous improvement. The current SAWS systems do not do this anywhere near well enough, on many fronts, to the detriment of the effectiveness of statewide, federal safety net programs for low-income Californians.

Coalition members have been engaging in the CalSAWS Stakeholder Group over the past nine months and request to explore the ways that continuous improvement is being integrated into the CalSAWS System:

Engaging clients throughout system development and implementation:

- Are we investing in a CalSAWS system and business process development that leverage ongoing input from clients and their representatives, and users, such as union members, to improve usability over time?
- How will consumer feedback be solicited and incorporated in a timely way to improve procurements and the development of ancillary systems, SAWS modifications, maintenance, and business process design?
- In what ways are counties being encouraged or required to engage clients to get feedback on their needs, and prepare them for any potential changes, as they plan and develop business processes for the SAWS migration?

System design to support ongoing continuous improvement:

- Given the evolving nature of technology, how will the CalSAWS governance model allow for important technology improvements, and in what ways can the governance model allow for the ability to respond to technology needs, changes, evolutions in a timely way? Will the program beneficiaries and their representatives have any meaningful voice in the process?
- Given the scale of the investment and the volume of data collected in SAWS, how will the infrastructure support and prioritize program evaluation analysis? This could include strong data consistency, ease of data extraction, ease of experimentation, ease of connections to evaluation resources. What steps are being taken to avoid the data and analysis pitfalls of the current consortia systems? Will the program beneficiaries and their representatives have any meaningful voice in the process?
- Given that LRS is the base model for CalSAWS and the migration to a unified system will be more or less the same LRS base system in all counties, to what extent is CalSAWS planning and implementation intending to improve systems to enhance or promote the

quality of the data collected and reported? Will the program beneficiaries and their representatives have any meaningful voice in the process?

- How will the technology procurements and contracts developed and awarded by the State and counties include the need for ongoing feedback from , clients, and eligibility workers, and maintain enough flexibility to respond to barriers that clients and eligibility workers face while interfacing with the CalSAWS system? Will the program beneficiaries and their representatives have any meaningful voice in the process?
- What steps are being taken to ensure that the data management in the CalSAWS and ancillary systems will inform data-driven program improvements, statewide and locally?

Recommended Trailer Bill Language to strengthen CalSAWS consumer experience:

- To improve consumer access to CalSAWS safety net programs, the Alliance requests that the Legislature adopt trailer bill language to amend WIC Section 10823.1 to include:

Section 10823.1 of Welfare and Institutions Code is amended to read:

10823.1.

(a) It is the intent of the Legislature that representatives from the State Department of Social Services, the State Department of Health Care Services, the Office of Systems Integration, the SAWS consortia, and the counties meet with advocates, clients, and other stakeholders no less than quarterly to review the development status of the California Automated Consortium Eligibility System (CalACES) and the California Statewide Automated Welfare System (CalSAWS) projects.

(b) Meeting agendas shall be established based on input from all parties, who may indicate their priorities for discussion.

(c) The State Department of Social Services, the State Department of Health Care Services, the Office of Systems Integration, and the SAWS consortia shall engage with stakeholders to discuss current and planned functionality changes, system demonstrations of public portals and mobile applications, and advocates' identification of areas of concern, especially with the design of public-facing elements and other areas that directly impact clients.

(d) These meetings shall commence in the summer of 2018 and shall continue at least quarterly through development, implementation, and maintenance.

(e) The development of the CalSAWS enrollment and eligibility functionality, case management systems, ancillary services, public portals and mobile applications shall (1) minimize the burden of the overall eligibility process for enrollment and retention of benefits for low-income Californians and streamline interactions for both clients and eligibility workers, and (2) facilitate an ongoing process for applicants and clients to submit feedback in the online and mobile application portals. The state departments and counties under subdivision (a) shall report twice per year to the Legislature as to how the CalSAWS development, implementation, and maintenance minimizes applicant and recipient burden in order to improve access to safety net

programs, and incorporates ongoing applicant and client feedback towards continuous improvement.

The Alliance to Transform CalFresh includes the following organizations:

- California Association of Food Banks
- California Family Resource Association
- California Food Policy Advocates
- Catholic Charities of California
- SF-Marin Food Bank
- Los Angeles Regional Food Bank
- Western Center on Law and Poverty

STAFF COMMENT/QUESTIONS

Staff suggests that the Subcommittee ask for the Administration's feedback on this proposal.

Staff Recommendation:

Hold open.

ISSUE 9: GOVERNOR'S TRAILER BILL PROPOSAL ON STATEWIDE FINGERPRINT IMAGING SYSTEM (SFIS)**PANEL**

- Pete Cervinka, Chief Deputy Director, Department of Social Services
- Tyler Woods, Department of Finance
- Brian Metzker, Legislative Analyst's Office
- Public Comment

BACKGROUND

The Governor's budget includes trailer bill language (TBL) to remove obsolete references to a now decommissioned fingerprint imaging system, and instead reference identity verification requirements.

The SFIS was developed by OSI in conjunction with the California Department of Social Services (CDSS). The system applied fingerprint-imaging technology as an identity verification method for the state's CalWORKs program. Senate Bill 89 (Committee on Budget and Fiscal Review), Chapter 24, Statutes of 2017, repealed SFIS and required the department to implement a non-biometric identity verification method for the program. The proposed language would remove references to the repealed system.

All SFIS office equipment removal and network decommissioning was completed by March 26, 2019. The shredding of hard drives was completed April 2, 2019 and all surplus equipment was delivered to the Department of General Services as of that same date. Invoice payment and processing remain as the only potential last SFIS closeout activities.

STAFF COMMENT/QUESTIONS

No issues have been raised thus far with this proposal.

Staff Recommendation:

Hold open.

ISSUE 10: CHILD WELFARE SERVICES – CALIFORNIA AUTOMATED RESPONSE AND ENGAGEMENT SYSTEM (CWS-CARES) UPDATE**PANEL**

- Rebecca Stilling, Deputy Director, Office of Systems Integration
- Kevin Gaines, Project Manager, Department of Social Services
- Justin Freitas, Department of Finance
- Rob Trojan, Department of Finance
- Brian Metzker, Legislative Analyst's Office
- Public Comment

BACKGROUND

The Child Welfare Services-California Automated Response and Engagement System (CWS-CARES) project provides an automated child welfare system with capabilities that include mobile and web-based technology to support the current and future business needs of the counties and the state. The new system will support child welfare programs, business processes and legislated improvements focused on protecting the safety of children and families. DSS, working collaboratively with OSI and the County Welfare Directors Association (CWDA), developed the CWS-CARES Project to replace the current Child Welfare Services/Case Management System (CWS/CMS). The CWS-CARES Project will use an Agile procurement and design/development approach, where a Request for Proposal (RFP) is broken into a set of smaller modules that can be delivered in a short period of time, and a separate vendor is selected for each module.

The Governor's budget includes \$99.8 million (\$49.9 million General Fund) for the CWS-CARES Project in the current year and \$26 million (\$13 million General Fund) in the budget year. The table on the next page breaks down the 2018-19 budget and expenditures:

2018-19 CWS-CARES Budget/Expenditure Report Summary

OSI Spending Authority Budget Item	2018-19 Budget	Actual Expenditures	Projected Expenditures	Total Actuals/ Projections
Personnel Services*	9,935,256	1,436,178	6,546,115	7,982,293
Other OE&E**	5,717,563	1,071,752	4,033,669	5,105,421
Data Center Services**	2,660,542	1,623,152	1,037,390	2,660,542
Contract Services**	55,892,379	16,779,430	23,051,487	39,830,917
Enterprise Services*	5,420,394	550,227	836,174	1,386,401
OSI Spending Authority Total	79,626,134	21,460,739	35,504,835	56,965,574
CDSS Local Assistance Budget Item	2018-19 Budget	Actual Expenditures	Projected Expenditures	Total Actuals/ Projections
Contract Services***	1,074,180	268,916	635,040	903,956
Other OE&E***	3,400,732	-	3,400,732	3,400,732
County Participation Costs***	19,157,746	335,418	18,822,328	19,157,746
CDSS Local Assistance Total	23,632,658	604,334	22,858,100	23,462,434
CDSS State Operations Budget Item	2018-19 Budget	Actual Expenditures	Projected Expenditures	Total Actuals/ Projections
Personnel Services****	1,930,359	1,103,236	827,123	1,930,359
Facilities****	568,000	600	567,400	568,000
Other OE&E****	224,497	9,623	214,874	224,497
CDSS State Operations Total	2,722,856	1,113,459	1,609,397	2,722,856
CWS-CARES Project Total	105,981,648	23,178,532	59,972,332	83,150,864

* Actuals through November 2018 per Fi\$Cal Report

** Actuals from November 2018 Fi\$CAL Reports, in addition to processed invoices through February 27, 2019

*** Actuals from CDSS as of December 2018

Child Welfare Services/Case Management System (CWS/CMS) was fully implemented and transitioned to its operational phase in 1998. DSS has overall responsibility for the system, including providing project and program direction to OSI. OSI provides information technology expertise and is responsible for implementation and day-to-day operations of the system.

The CWS-CARES Project (formerly the CWS-NS Project) will replace the aging CWS/CMS with a new solution that meets current CWS business practices, as well as requirements necessary to retain federal funding. The CWS-CARES Project is intended to bring the system into compliance with state and federal laws and regulations, make the system easier to use for CWS workers, result in enhanced data reliability and availability, allow user mobility, and automate system interfaces with other state partners to enable data sharing. The CWS-CARES Project will use an Agile procurement and design/development approach, instead of

building a monolithic, one-time solution, where the implementation of the IT system does not begin until all phases of the project are complete. Under the Agile approach, an RFP is broken into a set of smaller modules that can be delivered in short periods of time. Analysis, design, coding, and testing continue for each module until the entire IT system is complete. Instead of contracting with a single vendor, a separate vendor is selected for each module. The new digital services are also being designed around the principles of human/user centered design and free/open source software (FOSS).

Implementation Update. In August 2018, the federal Administration on Children, Youth, and Families (ACYF) visited California to check-in on the development of CWS-CARES. After that visit, ACYF recommended that development focus on one product set at a time, instead of developing multiple features simultaneously. The state heeded that advice and is now only developing one product feature set at a time. DSS and OSI are required to provide monthly project updates to the Legislature and stakeholders. DSS and OSI have fulfilled this reporting requirement through a combination of written reports and in-person briefings.

A summary of the contents in the released updates to CARES, from October 2018, is shown below:

CARES 1.0	CARES 2.0	CARES 2.1	CARES 2.2
Snapshot <ul style="list-style-type: none"> Search for CWS/CMS clients and view their relationships, demographic information, and child welfare history Copy & paste history into other documents 	Snapshot (update) <ul style="list-style-type: none"> Remove fuzzy search (commonly misspelled words) Add CSEC and probation youth information from CWS/CMS 		
Facility Search <ul style="list-style-type: none"> Search for and view pending and approved facilities or homes from CWS/CMS, LIS, and FAS View number of beds, complaint history and children associated to the home or facility 	Identity Mgmt (update) <ul style="list-style-type: none"> Add ability to filter user list by Office Add ability to resend user registration e-mail Add last login date to user list 	Identity Mgmt (update) <ul style="list-style-type: none"> Add State and Office Admin roles Indicate when user meets each password requirement when setting a new password Allow three attempts to enter MFA code 	CANS (update) <ul style="list-style-type: none"> Search for and use child information from CWS/CMS Provide usability improvements for entering and viewing assessment data Provide change log of changes made to CANS assessments Provide role-based user dashboards for supervisors, case carrying users, and users without case assignments Redact confidential or discretion needed information when printed
Identity Mgmt <ul style="list-style-type: none"> Provide secure login with e-mail address as username and multi-factor authentication (MFA) County Admins access Manage Users portal to manage user access and permissions in CARES 	CANS <ul style="list-style-type: none"> Add and edit child information in CANS Add, edit, and print CANS assessment View historical list of CANS assessments for child 		
Status <ul style="list-style-type: none"> Released 9/19/18 Adopted by Intake & CALS Core Constituents (CC) 	Status <ul style="list-style-type: none"> Released 10/31/18 Available to Intake, CALS & CANS Core Constituents (CC) Only CANS CC Reps access CANS feature on 10/31/18 Statewide Go-Live rollout in 6 waves (12/3/18 to 1/22/19) 	Status <ul style="list-style-type: none"> Release planned Dec. 2018 Available to current production users on release date Available to other counties based on scheduled rollout Go-Live date 	Status <ul style="list-style-type: none"> Release planned early 2019 Available to current production users on release date Available to other counties based on scheduled rollout Go-Live date

CARES 2.1 was released statewide on January 22, 2019, and CARES 2.2 was released statewide on February 25, 2019. CARES 2.3, scheduled for an April 2019 release, will contain new identity management and facility search features.

STAFF COMMENT/QUESTIONS

This is an oversight issue for the Subcommittee.

Staff Recommendation:

Hold open.

5180 DEPARTMENT OF SOCIAL SERVICES**ISSUE 11: APPLICATION HUB UPDATE****PANEL**

- Pete Cervinka, Chief Deputy Director, Department of Social Services
- Tyler Woods, Department of Finance
- Brian Metzker, Legislative Analyst's Office
- Public Comment

BACKGROUND

This is an oversight issue for the Subcommittee, as it references many of the themes of program simplification, modernization, and access assurance for California's health and human services.

The following information is excerpted from a document, titled *The State Hub Roadmap: CDSS CalFresh and CalWORKs Streamlining Verifications*, which was created via a contract between CDSS and Social Interest Solutions, and is the result of over a year of stakeholder and intergovernmental discussions. It was released November 2018.

As part of its ongoing commitment to continuously streamline access to benefits by Californians in need of assistance, CDSS is exploring electronic options to help streamline and modernize the processes for obtaining required verifications for CalFresh and CalWORKs eligibility. These efforts could also benefit clients and staff of other programs in California, such as Medi-Cal and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), that serve similar populations and have verification requirements similar to those of CalFresh and CalWORKs. To assist in this effort, CDSS engaged Social Interest Solutions (SIS) to carry out an intensive research and analysis project to develop this State Hub Roadmap (Roadmap) for CDSS's consideration.

This project included:

1. An analysis of the current environment of eligibility verifications.
2. An alternatives analysis of electronic verification systems being used in California and other states.
3. Extensive stakeholder engagement activities, including interviews, site visits, focus groups, and working sessions.
4. Recommendations for consideration in the short, medium, and long term.

Rather than a single solution, this Roadmap provides a complementary set of options for CDSS and its partners to consider for implementation that would, over time, foster improvements for clients and program staff through policy, operational, and technology advances.

Key Findings

The research, analysis, and stakeholder engagement activities informed a comprehensive assessment of the current environment that supports CalFresh and CalWORKs verifications. The current environment presents multiple challenges for clients and program staff:

Complexity and variability in policy, operations, and technology:

- Not only are the federal and state policy requirements for CalFresh and CalWORKs verifications complex, but they also vary between the two programs.
- Because the programs are operated locally by county welfare departments in each of California's 58 counties, business practices differ across counties.
- Eligibility workers in each county generally have access to well over a dozen electronic data-verification sources, many of which must be accessed through a variety of separate websites and other tools.
- Multiple systems support eligibility verifications. Some systems are consistently used statewide, such as the Applicant and Recipient Income and Eligibility Verification Systems (IEVS). Others are available statewide, but not consistently utilized in each county. Counties may also have access to local data sources and have adopted local solutions for functions such as document imaging and management.
- Certain eligible client populations, including individuals who are college students, non-citizens, and/or homeless, often face particular verification challenges.

Lack of timely electronic data:

- Available data is not always useful or easily accessible for a timely eligibility determination, often leading to the need for paper documentation from clients.

Burdensome, repetitive manual processes:

- The current environment for CalFresh and CalWORKs verifications is inefficient and slow, imposing a barrier to expedited processing. Limitations include unfiltered and duplicate data, multiple user logins, and lack of automation.

Burdensome, inefficient paper document processes:

- Paper documentation remains a common means of verification. Processing these documents is challenging due to document-imaging delays, the lack of a statewide document repository, and the underutilization of document-management tools and

techniques.

In sum, the current environment that supports the verification processes for CalFresh and CalWORKs is a tangled web of data sources, systems, and access points that have significant variability throughout the state, making the process overly complicated and resulting in significant challenges for clients and program staff. Because other health and social services programs in California, such as Medi-Cal and WIC, have similar verification requirements, these challenges are exacerbated for individuals and families eligible for multiple programs.

Key Objectives

In order to define the best environment to support fast, accurate, and efficient verifications, SIS identified the following key objectives:

For clients:

- Clarity about verification requirements and how to comply with them;
- Transparency regarding the status of their verifications and the basis for verification results;
- Reduced need for paper documentation, including repetitive requests for documents that have already been provided and remain valid; and,
- Multiple means of easily submitting verification documents when they are needed, including online submission, submission via mobile devices, and self-service scanning options in county offices and community locations.

For program staff:

- Clarity about verification requirements and how to exercise their discretion in satisfying them quickly, accurately, and efficiently given the client's circumstances;
- Access to only the electronic information that is relevant to a client's eligibility and only at the time it is needed for expedient processing;
- Sufficient transparency regarding verification results from electronic data matches to help resolve potential verification discrepancies; and
- Efficient access to and processing of documents provided by clients.

Achieving these objectives will require a clear vision and coordinated technical and non-technical changes, including changes in governance, policy, and operations. CDSS coordination with its partners and stakeholders, including other state agencies, counties, and consumer advocates, will be essential to achieving advancements for CalFresh and CalWORKs that can also be leveraged across other California health and social services programs.

Technical Recommendations. Technical recommendations include enhancements to existing systems that would streamline the verification experience for clients and program staff, offer better access to available data sources, and create a new centralized and secure means of facilitating appropriate data sharing efficiently.

SIS considered multiple factors in developing technical recommendations, including: complexity and cost to implement and maintain; integration challenges and other risks; potential for reuse or leverage by other programs in California; currency and quality of data delivered; and degree of policy, operational, and cultural change required for successful adoption. We recommend that CDSS work with partners and stakeholders on three sets of technical initiatives, each of which require associated policy and operational changes:

Enhancements to existing systems:

- As the Statewide Automated Welfare System (SAWS) continues to evolve, undertake a user-centered design initiative to streamline the online verification experience for clients and program staff. For example, efforts may include tools that make it easier for clients, including specified populations that face particular verification challenges, to understand what verifications are needed, upload appropriate documents correctly, and get updates on verification status.
- Expand and enhance centralized document-imaging and -management tools that facilitate the processing of paper documents and reduce the need for clients to provide the same or similar documents on multiple occasions.

Better access to available data sources:

- Expand statewide access to, and appropriate use of, data sources that provide more current data on a real-time basis when requested.
- Use filtering techniques to reduce the flow of older, less relevant data that causes unnecessary effort for clients and program staff.

A centralized state verification hub:

- Develop a new state verification hub that centralizes and facilitates appropriate access to electronic data for authorized users.
- Over time, this hub would replace the complex array of technical approaches that currently exist, promoting fast, efficient, and accurate verifications.
- The hub would have the capacity to provide verification services for additional health and social services programs in order to further reduce duplicative verification efforts for individuals and families who are eligible for multiple programs.

Non-Technical Recommendations. Non-technical recommendations include the creation of a statewide, client-centered vision for CalFresh and CalWORKs eligibility, which would promote cross-program alignment and guide decision-making toward a desired future

environment that supports both CalFresh and CalWORKs verifications. For non-technical recommendations, SIS identified strategies that could help address gaps in the current environment regardless of the specific technical solutions adopted by CalFresh and CalWORKs. The recommendations center on a statewide vision that is reinforced through governance, policy, and operations.

Statewide vision:

- Clearly articulate a statewide, client-centered vision of the desired CalFresh and CalWORKs eligibility experience and outcomes. Use this vision to create context for and guide decision-making about the governance, policy, operations, and technology needed to support CalFresh and CalWORKs verifications.

Governance structures:

- Formalize coordination on matters of common value across agencies, departments, programs, systems, and stakeholders, such as data-sharing agreements, business processes, and a shared technology infrastructure.

Policy changes and clarifications:

- Promote alignment and standardization, including policy alignment across programs.

Operational changes:

- Advance performance and evidence-based decision-making, through metrics, tools, and trainings.

A Phased Approach

Understanding the complexities and nuances that are inherent to government agencies, particularly in implementing large-scale technological advancements, we recommend a phased approach that would achieve the desired future environment over time, in the following stages:

Stage 1 – Lay the Foundation (Near-Term Recommendations, Years 0-2):

- CDSS should immediately begin working with the California Health and Human Services (CHHS) Agency Information Office, Office of Systems Integration, key partners, and other stakeholders to test a governance model charged with building a proof of concept, or prototype, for the new state hub within one year. This proof of concept would allow for the testing of new governance structures, technical infrastructure, coordinated data-sharing agreements and access controls, and automated rules. In parallel, SIS recommends CDSS develop and implement foundational policy and operational changes, prioritizing: 1) a clear expression of a statewide, client-centered vision for CalFresh and CalWORKs eligibility, which would guide subsequent decision-making; 2) policy changes and clarifications that can be

implemented in the current environment; and 3) policy changes and clarifications that would constitute requirements for the new state hub. We recommend CDSS use these efforts to inform planning for the new state hub and other changes to the technical environment. SIS additionally recommends CDSS work with counties to: 1) undertake a user-centered design initiative to streamline the SAWS portal verification experience for clients and program staff; and 2) expand and enhance centralized document-imaging and -management tools that facilitate the processing of paper documents and reduce the need for clients to provide the same or similar documents on multiple occasions.

Stage 2 – Learn, Plan, and Implement Direct Access (Medium-Term Recommendations, Years 3-5):

- Using built-in performance metrics from the proof of concept, evaluate findings and create a detailed plan for the continued state hub build and execution of changes in non-technical areas. Design and implement a direct-access approach to the state hub, allowing authorized users to access verification data from multiple sources through a single secure web portal. Roll out a pilot initiative for county workers and other users (e.g., authorized staff of programs such as WIC; consumers) before launching statewide. Gradually migrate existing data matches, such as those currently performed via Applicant IEVS and Recipient IEVS, onto the state hub. Continue to implement policy and operational changes while monitoring performance throughout.

Stage 3 – Integrate with the California Statewide Automated Welfare System (CalSAWS) (Long-Term Recommendations, Years 6-10):

- Continue to build the state hub and internal structures, based on findings from the previous years. Design and implement integration with CalSAWS, California's planned single statewide SAWS system onto which all counties will eventually migrate. This timeline allows CalSAWS migration to be completed prior to integration with the state hub, while also allowing county workers to gain many of the advantages of the state hub through the Direct Access approach. Direct access for county workers can be maintained after CalSAWS integration in order to provide them with flexibility (e.g. continued access to the state hub in the even that CalSAWS is temporarily unavailable).

STAFF COMMENT/QUESTIONS

This is an oversight item that touches on many of the subjects covered in this automation-focused agenda across health and human services programs. The State Hub Roadmap was a major endeavor and time investment, however it is unclear to what degree its principles and recommendations are being incorporated into current design and development projects, namely CalSAWS.

Staff suggests that the Subcommittee consider asking the following questions of the Administration in the course of hearing this issue:

1. How is the Roadmap being utilized?
2. To what degree has the Health and Human Services Agency been involved?
3. What are the natural next steps for 2019-20 for Stage 1 of the Hub recommendations?

The Subcommittee may want to consider reporting language asking automation projects to summarize and communicate how current project development is meeting the technical and non-technical recommendations of the Roadmap, specifying a semi-annual date by which this information will be shared with the Legislature and stakeholders.

Staff Recommendation:

Hold open.

ISSUE 12: GOVERNOR'S BCP ON APPEALS CASE MANAGEMENT SYSTEM (ACMS) PERMANENT MAINTENANCE AND OPERATIONS SUPPORT**PANEL**

- Manuel Romero, Deputy Director, State Hearings Division, Department of Social Services
- Tyler Woods, Department of Finance
- Brian Metzker, Legislative Analyst's Office
- Public Comment

BACKGROUND

California Welfare and Institutions Code Section 10950 and the Federal Patient Protection and Affordable Care Act (ACA) of 2010, provide that dissatisfied applicants or recipients of California's public social services have the right to request a state hearing and the opportunity to present their case directly to the department. This work is processed and managed through CDSS's State Hearings Division (SHD). The division provides hearings to recipients of CalWORKs, CalFresh, IHSS, foster care, adoptions assistance programs, Medi-Cal, and Covered California. In 2017-18, there were 85,503 requests filed.

The recent ACMS project brought a modern solution to an outdated, manual hearing process. The ACMS project is transitioning from the development phase to maintenance and operations and now requires full-time technology resources for continued maintenance and support within CDSS. A team from the Office of Systems Integration and vendors led the ACMS project. The three requested positions will provide permanent project management support, and will work with the SHD to determine program needs and implement them.

The ACMS project is transitioning from the development phase to M&O support after successful Implementation in September 2018. The ACMS project was led by a team from the Office of Systems Integrations (OSI) and a team of vendors. California Welfare and Institutions Code section 10950 et seq. and the Federal Patient Protection and Affordable Care Act (ACA) of 2010 provide that dissatisfied applicants or recipients of California's public social services have the right to request a state hearing and the opportunity to present their case directly to CDSS. This work is processed and managed through CDSS's State Hearings Division (SHD). The recent ACMS project brought a modern solution to an outdated, partially manual process. Its implementation in September 2018 now requires fulltime technology resources for continued production maintenance and support within CDSS.

The ability for CDSS to support the ACMS will result in cost avoidance associated with contracting with vendors for development and M&C support. Providing internal support for ACMS will make for a more efficient administration of the Department's fair hearings related workload; it will allow CDSS to mitigate potential penalty situations, and ultimately benefit California's most vulnerable residents by providing due process in a timely fashion and

expediting the reinstatement or continuance of benefits for those that are determined eligible for services.

GOVERNOR'S PROPOSAL

The Administration requests \$395,000 (\$151,000 General Fund) and three positions to be a part of the state's maintenance and operations and project management support team for the Appeals Case Management System (ACMS).

CDSS requests these three permanent technical resources for required support of ACMS. These resources are necessary for continued technological and project management support of the system. The system is designed to be highly configurable, thus making it possible to support internally with the requested staff. The CDSS SHD workload is continually evolving due to changes in law. The requested positions will give CDSS the ability to adapt to these changes quickly as opposed to procuring costly external vendors for continued maintenance and operations.

The three positions requested will provide permanent M&C and project management support for the ACMS. These positions will allow ACMS to perform the necessary functions and provide updates as needed to support the requirements of the SHD. These positions will be provide customer service and make sure stakeholder requirements are well understood and implemented under appropriate quality measures. The SHD must complete hearings in a timely manner to avoid court-imposed penalties on the State for failure to adjudicate hearing decisions within court-ordered timeframes. These three positions are necessary to make sure the system is operating efficiently and hearings are completed within the imposed timeframe.

These permanent staff will work directly with SHD to determine program needs and interpret those needs to cross-functional ISD technical resources to ensure stakeholder requirements are well understood and implemented. They will also make changes to the system via the many configuration change options available in the ACMS. By providing staff that can make these changes quickly, the Department will reduce its need for an M&C support contract with an external vendor, it will also greatly reduce the potential need for external contracts in the future should enhancements to the system be necessary due to changes in workflows that can be triggered by the passing of laws or regulations that affect the SHD hearing process.

These resources will provide M&O and project management support for more than 2,000 system users, and be responsible for non-complex changes to configurations, workflows, reports, and dashboards. These positions will allow for quick adaptation of the ACMS to the continuously changing business needs of the SHD and its business partners, due to state and federal legislation and/or judicial orders affecting program mandates. The SHD must complete hearings in a timely manner to avoid court-imposed State penalties for the failure to adjudicate hearing decisions within court-ordered timeframes.

Upon approval, these positions will be committed full-time to the ACMS and provide business system level (Tier 1) and technical (Tier 2) support for continued production maintenance and operation.

STAFF COMMENT/QUESTIONS

Staff suggests that the Subcommittee ask for a general update on State Hearings and progress on addressing the backlog and reducing resolution timeframes for consumers appealing a state or county decision.

Staff Recommendation:

Hold open.

This agenda and other publications are available on the Assembly Budget Committee's website at: <https://abgt.assembly.ca.gov/sub1hearingagendas>. You may contact the Committee at (916) 319-2099. This agenda was prepared by Nicole Vazquez.