



North Carolina Department of Health and Human Services
Division of Social Services

Pat McCrory
Governor

Richard O. Brajer
Secretary

Wayne E. Black
Division Director

December 7, 2015

Subject: North Carolina County Reimbursement System

Dear County Director of Social Services:

As we have been sharing with Directors over the past year or more, MAXIMUS, Inc. will no longer support the following reimbursement system functions as a result of the Microsoft MS FoxPro 9.0 Service Pack 2 software being determined to be at "end of life":

- Time and Effort Calculation (TEC) System
- Quarterly Information Consolidation (QUIC) system
- Program Expenditure Tracking (PET) system (PET system will not be part of proposed uplift)

Leadership and staff from the Department of Health and Human Services (DHHS), including the Division of Social Services, the Information Technology Division (DHHS IT), the Controller's Office, and others have spent a number of hours coordinating options with MAXIMUS, discussing solutions and evaluating alternatives. We were able to extend support of the Reimbursement System by MAXIMUS, Inc. to December 31, 2015, (originally proposed to end December 31, 2014).

After considering various options, the source code and rights to TEC and QUIC were purchased from MAXIMUS, Inc. The most economical solution, having DHHS IT update and maintain the TEC and QUIC system for continued use, was implemented. Following the issuance of a Dear County Director Letter on November 6, 2014 and the subsequent drafting of funds from counties, the project assessment phase has been completed, including analyzing data from counties, assessing existing source code, determining functional and technical requirements for the uplift/rewrite of the TEC and QUIC systems, business reengineering and other activities.

As a result of this work counties will continue to utilize the existing program which has been renamed the "North Carolina County Reimbursement Ledger Suite", effective January 1, 2016. Business and technical support will be provided by the Division of Social Services Budget Office and DHHS IT. A new general support email group will be established and counties will receive instructions for accessing assistance effective January 1, 2016 in a separate letter. There will be no enhancements to the legacy software. The plan is to maintain system operation while the web-based replacement is being developed.

Budget Office

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The next phase involves the re-write and implementation uplift to a centralized, web-based application with centralized management features. In so much as FoxPro is no longer supported by Microsoft it is imperative that the uplift to a web-based system be completed in order to ensure the effective operation of the TEC and QUIC systems for the future. The estimated timeline for performing the uplift is approximately 22 months, during which time testing, training, and implementation activities will be conducted.

The estimated cost of the uplift for the next 3 state fiscal years (including business and technical support) is estimated to be \$1,665,484. Beginning in State Fiscal Year 2018-19 following the uplift to a web-based system, ongoing county costs will be limited to business and technical support. Please note that costs for these expenditures can be cost allocated for reimbursement.

Attached please find a spreadsheet which delineates the project cost estimation by county annually for the period of January, 2016 through June 2025. County costs are calculated using the formula used in SFY 2014-15 for the assessment phase of the project. The formula using three (3) criteria is detailed on the attached spreadsheet.

The total county dollars to be EFT'd for SFY 2015-16 is \$451,767. The total county EFT for SFY 2014-15 was \$470,880. Effective January 2016, counties will no longer be responsible for annual MAXIMUS, Inc. maintenance contracts. As noted in the attached sheet, once the web-based uplift is completed over the next three (3) state fiscal years, the ongoing costs are projected at approximately \$222,000 annually. In order to fund this effort, counties will be charged for these costs through the Electronic Funds Transfer (EFT) process via the NC DHHS Controller's Office. A letter of intent requiring authorizing county signature will be sent out by the NC DSS Budget Office prior to the EFT. The EFT of \$451,767, reflects the estimated total cost for all counties for the remaining six months of SFY 15-16. It is anticipated that this EFT will occur in December 2015 or early January 2016. Please note that future estimated annual costs will be included in the budget estimates beginning with SFY 16-17.

The continued effective operation of the NC County Reimbursement Ledger Suite is critical as total reimbursement to counties through the system was \$689 million in SFY 2014-15.

Please contact your Local County Business Liaison if you have any questions.

Sincerely,

Wayne E. Black

WEB/ks
Attachment
BG 09-2015