

# County Reimbursement System

(Transition)



## Engaged Discussions w/ MAXIMUS:

- Division of Information & Resource Management (Karen Tomczak, DIRM Director)
- DHHS Controllers Office
- Division of Social Services

**Issue:** “**End of Life**” impact of MS Visual Fox Pro 9.0 Service Pack 2 software on statewide reimbursement system:

- Quarterly Information Consolidation System (QUIC)
- Time & Effort Calculation System (TEC)
- Program Expenditure Tracking System (PET)

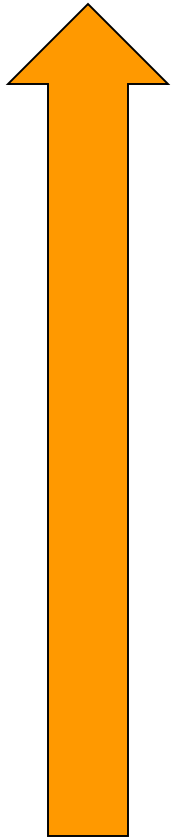


# Objectives

- Explore / Implement cost effective options for a web-enabled application solution that could be used by all counties
- Avoid disruption in State/County fiscal operations

## Initial Focus:

- ✓ Consider upgrade solutions from MAXIMUS
  - Extensive negotiations (*time consuming*)
  - Proposed Maximus Uplift: \$1.7M then 2.7M ... **then upward \$3M to \$4M range...**
- ✓ NC considered additional solution options (cost effective)





# Back to the drawing board - a new plan:

- Agreed to purchase Source Code for **\$50K** from MAXIMUS
- Functions:
  - Quarterly Information Consolidation System (QUIC)
  - Time & Effort Calculation System (TEC)
  - Decouple Program Expenditure Tracking System (PET)
- DIRM will update Source Code with new technology (web-based)
  - Assessment Phase
  - Development, Testing, and Implementation Phase



# Phase I: Assessment



- ❑ Estimate 3 to 6 months
- ❑ Analyze data from counties and assess the **existing Maximus code to develop functional and technical requirements** for the uplift / rewrite TEC & QUIC
- ❑ Joint Application Development (JAD sessions)
- ❑ Business and Workflow process modelling and business reengineering
- ❑ Hardware and software requirements
- ❑ Develop project plan, checklists, project timeframes (including budget and staffing estimates)



## Phase II:

### Development, Testing, and Implementation

- ❑ Estimated start 5/15
- ❑ Design, Development, and Deliverables (industry recognized standards)
- ❑ Software Coding & Technical Specifications
- ❑ Testing (*Unit /System & User Acceptance test*) – *Quality Control*
- ❑ Project Management: Implementation, Monitoring and Reporting Results
- ❑ Documentation / Data Archiving
- ❑ Post Implementation Support



# Project Cost Estimates

| Project Estimated Costs |                      |  |  |
|-------------------------|----------------------|--|--|
|                         | \$ 166,400.00        | Senior Analysts (2/\$80 per hr/1040 hrs)               |  |
|                         | \$ 72,000.00         | Maximus Support (\$150 per hr/480 hrs)                 |  |
| Assessment              | \$ 28,800.00         | DIRM Support (2/\$60 per hr/240 hrs)                   |  |
| Phase                   | \$ 50,000.00         | Source Code  |  |
|                         | \$ 10,000.00         | Laptops & Software (Visual FoxPro & Microsoft Project) |  |
|                         | <b>\$ 327,200.00</b> |  |  |
|                         |                      |  |  |
|                         | \$ 110,080.00        | Senior Analysts (4/\$80 per hr/344 hrs)                |  |
| Development             | \$ 24,000.00         | Maximus Support (\$150 per hr/160 hrs)                 |  |
| Phase                   | \$ 9,600.00          | DIRM Support (2/\$60 per hr/80 hrs)                    |  |
|                         | <b>\$ 143,680.00</b> |  |  |
|                         |                      |  |  |
| Total                   | <b>\$ 470,880.00</b> |  |  |



# Cost Allocation Plan Considerations

- **Challenges:**

- Reality Check: DHS anticipates another budget reduction around 2% in SFY 15-16
- Develop a fair way to share costs across 100 Counties

- Reviewed day sheet data for allocation of TEC costs

- Data considered:

- 2014 County Tier
- Sum of all day sheet minutes and count of all day sheet entries
- Sum of all minutes not coded as General Administration (990-G) and count of all day sheet entries other than GA
- An unduplicated count of Workers (ID's) that coded time to day sheets and an unduplicated count of SIS Client IDs



# Cost Allocation Plan

Formula:

- **33.33%** Base Cost (equal for all counties)
- **33.33%** of County % of “No GA” Minutes (Non General Administration minutes)
- **33.33%** of County % of statewide “UDC Workers”



| County  | 2014_Tier | All Minutes | All Entries | No GA Minutes | No GA Entries | SIS IDs | UDC Workers | Assessment Phase Costs |                             |                                |                      | Development Phase Costs |                             |                                |                       | Total Cost   |
|---------|-----------|-------------|-------------|---------------|---------------|---------|-------------|------------------------|-----------------------------|--------------------------------|----------------------|-------------------------|-----------------------------|--------------------------------|-----------------------|--------------|
|         |           |             |             |               |               |         |             | Base Cost (1/3)        | Input Volume 1 (Mins) (1/3) | Input Volume 2 (Workers) (1/3) | Subtotal: Assessment | Base Cost (1/3)         | Input Volume 1 (Mins) (1/3) | Input Volume 2 (Workers) (1/3) | Subtotal: Development |              |
| Bxxxxxx | 3         | 34,320,402  | 268,549     | 27,313,620    | 232,062       | 7,122   | 353         | \$ 1,090.67            | \$ 3,485.38                 | \$ 2,988.71                    | \$ 7,564.75          | \$ 478.93               | \$ 1,530.50                 | \$ 1,312.40                    | \$ 3,321.83           | \$ 10,886.58 |
| Cxxxxxx | 2         | 24,307,578  | 183,421     | 16,269,385    | 144,355       | 4,155   | 298         | \$ 1,090.67            | \$ 2,076.07                 | \$ 2,523.05                    | \$ 5,689.78          | \$ 478.93               | \$ 911.64                   | \$ 1,107.92                    | \$ 2,498.50           | \$ 8,188.28  |
| Cxxxxxx | 1         | 2,198,598   | 30,819      | 1,347,044     | 26,362        | 329     | 21          | \$ 1,090.67            | \$ 171.89                   | \$ 177.80                      | \$ 1,440.36          | \$ 478.93               | \$ 75.48                    | \$ 78.07                       | \$ 632.49             | \$ 2,072.84  |



# What's coming next?

- **Letter of Intent** (via Dear County Director Letter)
  - Individualized county break-out of **estimated** cost to be paid by county (Phase I Assessment and Phase II Development)
  - The state will specify the **estimated** amount of funds that the county will pay for **Phase I Assessment** via **electronic fund transfer (EFT)** in SFY 14-15
  - Letter will need to be signed and returned
  - At the conclusion of Phase I, DSS will reconcile difference between estimate & actual costs with counties
  - DSS planning to set up a Special Fund account to hold / safeguard these dollars



*continue...* What's coming next?

- ❑ Need to address full backup of system files to all licensed counties
- ❑ Counties will be able to charge expenses for reimbursement
- ❑ Annual maintenance contract with MAXIMUS will be extended for the period of January 1, 2015 - December 31, 2015
- ❑ **Project Manager:** Sreenadha Vaka, IT Manager  
Financial Applications Management Unit, Division  
of Information Resource Management