

Maintenance Level

M2-EG ProviderOne Changes-One Washington

Agency Recommendation Summary Text

The Health Care Authority (HCA) requests an increase of \$950,000 (\$95,000 GF-State) in the 2018 Supplemental to implement a ProviderOne crosswalk, which is in support of the Office of Financial Management's One Washington project.

Fiscal Summary

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 001-1 GF-State	\$95,000	\$0	\$0	\$0
Fund 001-C GF-Medicaid	\$855,000	\$0	\$0	\$0
Total Cost	\$950,000	\$0	\$0	\$0
Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs				
Revenue	FY 2018	FY 2019	FY 2020	FY 2021
Fund 001-C GF-Medicaid	\$855,000	\$0	\$0	\$0
Total Revenue	\$855,000	\$0	\$0	\$0
Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. E – Goods & Services	\$950,000	\$0	\$0	\$0

Package Description

ProviderOne is the state's Medicaid Management Information System (MMIS). It is a mission critical state system, paying healthcare providers and managed care organizations over \$10 billion per year. It is important that ProviderOne payments align with the changes in the statewide chart of accounts. Effective July 1, 2017, in support of One Washington project, some fields of account coding are no longer be available for use, so an update to ProviderOne is required. Currently when changes are made to elements of the Agency Financial Reporting System, (AFRS) chart of accounts, there is no vehicle to acknowledge or implement this change in Provider One. Changes in account coding can impact ProviderOne in many different ways. It can impact only future expenditures, or in the case of the Statewide Chart of Accounts Workgroup sponsored by the Office of Financial Management, (OFM), any expenditure, including credit transactions from previous expenditures. By creating a ProviderOne account code crosswalk, HCA will be able to account for any changes in account coding and implement the changes wherever applicable. Where the original account coding is no longer valid, a crosswalk needs to be implemented so that statewide account coding can be assigned to adjustment/credit transactions. This request includes creating new

screens to use for the crosswalk, moving the Oracle Financial tables used to convert data for AFRS interface purposes. This would assist with the account code assignment process, updating the account code string as needed for credit transactions, and implementing upload functionality for quick addition of new account coding rules.

A specific example of the need for this type of crosswalk is the changes to the sub-sub object codes initiated by the OFM workgroup effective July 1, 2017. The sub-sub object account code element had several codes inactivated and are no longer available for use in ProviderOne. Where the original account coding is no longer valid, a ProviderOne crosswalk would ensure that statewide account coding can be assigned to all credit transactions. This will allow HCA to align with the statewide chart of accounts project and the new sub-sub object (SSO) table.

An enhanced match rate of 90 percent federal financial participation (FFP) is anticipated for this enhancement.

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Decision Package Justification and Impacts

Performance Measure Detail:

Activity Inventory

H003 HCA Information Technology

What specific performance outcomes does the agency expect?

Ensuring ProviderOne's payment coding aligns with the statewide chart of accounts project fosters both resource stewardship and transparency and accountability and ultimately allows OFM's One Washington project to succeed in standardizing the statewide chart of accounts and all taxonomies and elements within it in order to prepare the state for eventual deployment of a modern Enterprise Resource Planning (ERP) system. These changes to ProviderOne will:

- Provide conformity and a uniform means for comparing and analyzing assets, liabilities, fund equity, revenues, and expenses between HCA and other state agencies.
- Provide for a common and uniform understanding of the mandatory codes, their concept, and structure.
- Enable preparation of the state's combined annual financial statements and schedules.
- Provide HCA the means for internal comparison and analysis of activity at a detail level.
- Allow HCA to develop an internal, common coding system to report on agency activity.

What alternatives were explored by the agency and why was this option chosen?

The alternative to developing this functionality within ProviderOne would be to submit a change request to CNSI each and every time there is a significant change to the chart of accounts that impacts transactions generated from ProviderOne. This process is a more costly option, as each change request would require additional funding. In addition, implementation of the change request would be dependent on CNSI's staffing capacity and may not align with the effective date of coding changes deemed by OFM.

What are the consequences of not funding this request?

The consequences of not funding this request would result in the account coding assigned to transactions by ProviderOne would not be consistent with the conventions and coding structure developed and used by statewide accounting practice. HCA would be forced to either continually submit costly change requests to CNSI or develop manual processes to keep the accounting transactions in synch with current statewide accounting structures.

How has or can the agency address the issue or need in its current appropriation level?

HCA cannot absorb the cost for this need in the current appropriation level.

Provide references to any supporting literature or materials:

The Chart of Accounts (COA) project, sponsored jointly by the OFM One Washington and Statewide Accounting divisions within OFM, documentation can be found at the OFM website:

http://www.ofm.wa.gov/resources/chart_of_accounts.asp.

Base Budget

If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service.

This request is not an expansion of a current program or service.

Expenditure, FTE and Revenue Assumptions, Calculations and Details:

It is assumed that services for this request will qualify for enhanced federal funding at 90 percent FFP. The P1 vendor, Client Network Services Incorporated (CNSI), has provided a high level estimate for the system costs for this enhancement.

Impacts to Communities and Other Agencies

Fully describe and quantify expected impacts on state residents and specific populations served.

This proposal funds the ongoing cost to operate and maintain the current P1 Medicaid payment system that provides the foundation for payment of health care for Apple Health clients statewide. The system also supports Medicaid programs administered by the Department of Social and Health Services and medical payments by the Department of Corrections. Daily operations of the P1 system impacts over 1.8 million Apple Health clients and over 94,000 providers statewide.

What are other important connections or impacts related to this proposal?

Does this request have:

Regional/county impacts?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
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Other local government impacts?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Tribal government impacts?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Other state agency impacts?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

Does this request:

Have any connection to Puget Sound recovery?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Respond to specific task force, report, mandate or executive order?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Contain a compensation change?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Require a change to a collective bargaining agreement?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Create facility/workplace needs or impacts?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Contain capital budget impacts?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Require changes to existing statutes, rules or contracts?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Have any relationship to or result from litigation?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

If “Yes” to any of the above, please provide a detailed discussion of connections/impacts.

The changes requested allow HCA to meet the needs of the Chart of Accounts (COA) project, sponsored jointly by the OFM One Washington and Statewide Accounting divisions within OFM.

Information Technology (IT)

Does this request include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

No



Yes

Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)

2018 Supplemental Information Technology Addendum

Part 1: Itemized IT Costs

Please itemize any IT-related costs, including hardware, software, services (including cloud-based services), contracts (including professional services, quality assurance, and independent verification and validation), or IT staff. Be as specific as you can (See chapter 12.1 of the operating budget instructions for guidance on what counts as “IT-related costs”).

Information Technology Items in this DP <i>(insert rows as required)</i>	FY 2018	FY 2019	FY 2020	FY 2021
Vendor Costs - CNSI	\$950,000			
Total Cost	\$950,000			

Part 2: Identifying IT Projects

If the investment proposed in the decision package is the development or acquisition of an IT project/system, or is an enhancement to or modification of an existing IT project/system, it will also be reviewed and ranked by the OCIO as required by RCW 43.88.092. The answers to the three questions below will help OFM and the OCIO determine whether this decision package is, or enhances/modifies, an IT project:

Does this decision package fund the development or acquisition of a new or enhanced software or hardware system or service?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Does this decision package fund the acquisition or enhancements of any agency data centers? (See OCIO Policy 184 for definition.)	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See OCIO Policy 121 .)	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

If “Yes” to any of these questions, complete a concept review with the OCIO before submitting this budget request. Refer to chapter 12.2 of the operating budget instructions for more information.