

Maintenance Level

M2-AK ProviderOne DSHS Provider OT Project

Agency Recommendation Summary Text

The Health Care Authority (HCA) requests \$1,271,000 (\$127,000 GF-State) in the 2017-2019 biennium to enhance ProviderOne (P1) to update the existing data from Individual ProviderOne (IPOne) to support federal Fair Labor Standards Act (FLSA) requirements for payment of overtime for Medicaid personal care hours in excess of 40 hours each workweek.

Fiscal Summary

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 001-1 GF-State	\$127,000	\$0	\$0	\$0
Fund 001-C GF-Medicaid	\$1,144,000	\$0	\$0	\$0
Total Cost	\$1,271,000	\$0	\$0	\$0
Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	0.0	0.0	0.0	0.0
Revenue	FY 2018	FY 2019	FY 2020	FY 2021
Fund 001-C GF-Medicaid	\$1,144,000	\$0	\$0	\$0
Total Revenue	\$1,144,000	\$0	\$0	\$0
Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. E – Goods & Services	\$1,271,000	\$0	\$0	\$0

Package Description

On March 1, 2016, Washington implemented Individual ProviderOne (IPOne), a payroll-like front end sub-system that integrates with ProviderOne (P1), the state's Medicaid Management Information System (MMIS). This request provides funding to address enhancements to P1 required by recent changes in the Fair Labor Standards Act (FLSA). Required changes for overtime payment compliance will be implemented in IPOne, with required interface changes to P1. This request is for the P1 interface enhancements and does not include IPOne changes.

Dollars for this enhancement were initially requested in a 2015-2017 biennium decision package submitted by the Department of Social and Health Services (DSHS). During the 2016 legislative session, the dates for the FLSA/Overtime Project changed and a portion of the decision package request was deferred to fiscal year 2018. A total of \$1,410,000 approved funds for fiscal year 2017 are available in the Information Technology (IT) Investment Pool. This request is for the fiscal year 2018 dollars necessary to complete the P1 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?

Implementation of this enhancement will add functionality that ensures the state's ability to pay and manage payment of overtime to individual providers, which will bring the state into full compliance with FLSA rules for overtime cost allocation and improve program cost management.

Correct payment of overtime hours for personal care workers ensures that seniors and clients with a disability who are in need of long-term services and supports are supported in their communities. Implementing these specific overtime requirements will improve consistency in client care levels throughout the month of care. This allows DSHS to continue to provide access to approximately 60,000 low-income individuals in the State of Washington who receive high-quality, affordable health care from our Independent Providers.

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

The HCA has only looked at implementing the DSHS Provider Overtime rule in IPOne with interfaces to P1. Other alternatives to the DSHS Provider Overtime would not be considered fully compliant with the U.S. Department of Labor and would likely result in litigation and there is a risk of an adverse finding, as the state would not be in compliance with federal rules and mitigate the risk of sanctions associated with failing to meet requirements.

In addition, in order for the DSHS to implement the solution they have planned for the DSHS Provider Overtime within IPOne, corresponding enhancements are required for P1. Without the enhancements being incorporated in both systems, the overall DSHS Provider Overtime solution would not work.

What are the consequences of not funding this request?

The state is required to pay Individual Providers overtime in order to be compliant with the U.S. Department of Labor. If this DSHS Provider Overtime request is not funded, the state would not be considered fully compliant with the U.S. Department of Labor.

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

No, the agency cannot address this need in our current appropriation level.

Provide references to any supporting literature or materials:

None

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.

A total of \$1,410,000 approved funds for fiscal year 2017 are available in the Information Technology (IT) Investment Pool. This funding is not included in the carry forward level allotment for the 2017-2019 biennium. This request is for the fiscal year 2018 funding of \$1,271,000 necessary to complete the P1 enhancement.

Expenditure, FTE and Revenue Assumptions, Calculations and Details:

- Revenue assumes that this enhancement will qualify for 90 percent federal match for Design, Development and Implementation (DDI);
- The HCA plans to use existing staff resources to implement this project;
- An amendment to the contract with Client Network Services Incorporated (CNSI) will be executed to implement this enhancement within P1.

Impacts to Communities and Other Agencies

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

Implementation of the FLSA requirements within P1 will ensure compliance with federal rules and mitigate the risk of sanctions associated with failing to meet requirements. Correct payment of overtime hours for personal care workers ensures that seniors and clients with a disability who are in need of long-term services and supports are supported in their communities. Specific overtime requirements will also improve consistency in client care levels throughout the month of care.

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"/>
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 type="checkbox"/>	No <input checked="" 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 checked="" type="checkbox"/>	No <input 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 HCA will be working in collaboration with DSHS to implement this ProviderOne enhancement.

The HCA plans to use existing staff resources to implement this project. An amendment to the contract with Client Network Services Incorporated (CNSI) will be executed to implement this enhancement within P1.

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.)

2017-2019 Biennium 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”).

All costs are for contracted services provided by the ProviderOne vendor CNSI.

Information Technology Items in this DP	FY 2018	FY 2019	FY 2020	FY 2021
Vendor Costs	\$1,271,000	\$0	\$0	\$0
Total Cost	\$1,271,000	\$0	\$0	\$0

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 checked="" type="checkbox"/>	No <input 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.