

**2015 SENATE APPROPRIATIONS**

**SB 2177**

# 2015 SENATE STANDING COMMITTEE MINUTES

**Appropriations Committee**  
Harvest Room, State Capitol

SB 2177  
1/21/2015  
Job # 22324

- Subcommittee  
 Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide for an appropriation to defray the expenses of the Department of Human Services (DHS) for the modification of the department's eligibility systems, to provide an exemption; and to declare an emergency.

## Minutes:

Testimony 1 - 3

**Chairman Holmberg** called the committee to order on Wednesday, January 21, 2015 at 2:30 pm in regards to SB 2177. All committee members were present. . Michael Johnson, Legislative Council and Lori Laschkewitsch, OMB were also present.

**Maggie Anderson, Director of DHS** testified in favor of SB 2177 and provided written Testimony Attached # 1, Eligibility Systems Modernization Project-Timeline. She explained what the bill does, she talked about the dates that were important for the implementation of the eligibility system, and the decision the Department made regarding the work with this system. What we are seeking is legislative approval to move forward with the projects so that at the time when all of those contract negotiations are finished, we expect that to be in February, that we can move forward with a contract so the vendors can get to work, and if they can get to work the first part of March, then they will be finished with the Medicaid and Children's Health Insurance Program (CHIPS), what would have been phase 1 of our original project by November of this fall. (16.00) That would move our reliance on MAGI in the Cloud and MINI Map. Our intent is that ITD still maintain and operate this system, the fall of 2017 is what we are looking at to have all those systems in production I want to touch on the 90/10 funding. It was to expire in December, 2015, but they are looking to extending that permanently. It's all contingent on federal funding. Their intent for that 90/10 to not sunset in December of 2015. There's also an urgency with the common parts of the system where all the programs may need different components to determine their eligibility but there are core functions of the system that are the same regardless of the program. (19.09) She submitted Testimony Attached # 2- Eligibility Systems Modernization Project - Cost Information.

**Chairman Holmberg:** A question may come from legislators. This is very different on the directions you are going now, than in the original MMIS. As I recall MMIS, you were starting from scratch, whereas in this case you will be purchasing from a vendor a system

that is already being used. There's a lot more definition of what we are doing here than when you started with MMIS.

**Ms. Anderson** continued with her testimony regarding MMIS and eligibility and how they are similar and not. (24.51)

**Senator Sorvaag:** It's very obvious throughout the county IT and governments have not gone together real well. Nobody's getting what the bid said, or the project that was promised. What assurance that this is going to be the money and you are going to get the project done for that money? Is the contract going to be designed that somebody is held accountable, so in another 2 years it's \$50M more and you only got half of what you wanted?

**Ms. Anderson:** Yes, the contract will have damages in it. The lawyers are involved. There are no guarantees but what we have is the comfort that this vendor has systems operating in 13 states, we have sent staff to some of those states. I know Alaska is what they are calling their next gem, we have not sent staff to Alaska, I'll put that on the record, but we try to do diligence in going to look at the project, taking the right people to see if we can operate this system. (27.58)

**Senator Carlisle:** asked about performance bond? Are these money damages?

**Ms. Anderson:** Yes they are money damages. She continued to explain how they can recoup their damages because of delays. (30.18)

**Senator Carlisle:** Whoever carries this bill will probably get asked that. He also asked about the money.

**Ms. Anderson:** My assumption is if 2177 goes through now, then that money could be amended out of 2012 because the appropriation would be in 2177.

**Senator Mathern:** had questions regarding the vendor and how many are there.

**Ms. Anderson:** There are multiple vendors. We are in the process with one. She was asked about the vendor, she said she wanted quality. She was also asked if there is hardware in this. There is hardware. It is included in the costs. (33.35)

**Senator Heckaman;** When this gets up and operational what does this mean to the counties regarding costs? Will they have to update all their hardware, costs for training? Is any of that money included in here?

**Ms. Anderson:** I will speak to the training piece and Jenny will come up and address that. (35.02)

**Jenny Witham, IT Director for DHS:** The way that this system is designed it would be hosted at ITD, so the primary processing of the system will be centralized. The access to the system will be very similar to the way the counties access their systems today which would be from their desktop equipment that they have at the county that has always been a

part of the county budget. That would be sufficient. They won't need to update their equipment. It will be web base with security but they won't need additional equipment.

**Senator Mathern:** Will this software end your implementation permit citizens of ND to apply without people involved? He was told yes. (37.21)

**Sandy Bendewald, Stutsman County Social Services** testified in favor of SB 2177 and provided written Testimony Attached # 3 - stating the passing of SB 2177 for the Eligibility Systems Project is essential.(45.50).

**Chairman Holmberg** asked if she is representing other counties or just Stutsman County.

**Ms. Bendewald:** I am not a lobbyist. The Association believes strongly in this.

**Chairman Holmberg:** This is part of the governor's budget, it is just moving it around. There was further discussion on this bill. He asked Maggie to paint the picture one more time. The money is there, it's in 2012. What is the impact on Stutsman County if we do not pass this and wait? What do we gain by waiting?

**Ms. Anderson:** You mean by waiting, to approve it in 2012 or 2177? We are working through negotiations with the vendor, with the executive steering committee, with the legal counsel for the executive steering committee and legal counsel for the department. We are hoping to finish that negotiation within the next month an sign a contract. This is a significant amount of money and also a deviation from the way that we told you we were going to approach this project in November of 2011. In November of 2011, we told you this was going to be a ITD development. I am standing before you on behalf of the department and based on voting of the executive steering committee saying we want to move to a vendor solution. Until those negotiations are final I can't guarantee that that contract will be signed by March 1<sup>st</sup>, so we can begin March 1<sup>st</sup>, but that is our goal. And we want the approval of the legislature. That we means that we can have the 1<sup>st</sup> phase deployed in November of this year. That's when the open enrollment period begins again for the next year of insurance, so that's when a lot of the marketing happens. It's also because the open enrollment began in October of 2013 for January, 2014 coverage. It's a three month window when a lot of renewals take place, so if we can be in production when those renewals take place again, we have all of that captured in the new system. Its just going through one more window of time when we go through those renewals operating off these contingent solutions. She was asked if everything would be on one system and she said yes and she explained the reason for that.

Further discussion followed.

**Chairman Holmberg:** closed the hearing on SB 2177.

# 2015 SENATE STANDING COMMITTEE MINUTES

**Appropriations Committee**  
Harvest Room, State Capitol

SB 2177  
1/22/2015  
Job # 22349

- Subcommittee  
 Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

A BILL for an ACT to provide for an appropriation to defray the expenses of the DHS for the modification of the department's eligibility systems, to provide an exemption; and to declare an emergency.

## Minutes:

"Click to enter attachment information."

**Chairman Holmberg** called the committee to order on Thursday, January 22, 2015 in regards to SB 2177. Michael Johnson, Legislative Council, Adam Mathiak, Legislative Council, Allen H. Knudson, Legislative Council and Nick Creamer, OMB were also present. I would certainly follow the advice of Senator Mathern when the individual who volunteers to carry this Bill, this is one of the bills that needs a presentation when presented to the Senate. Do we have a motion on SB 2177?

**Senator Robinson Moved Do pass. 2<sup>nd</sup> by Senator Heckaman.**

**Chairman Holmberg:** Discussion? I would suggest if there is anyone in the audience who's a friend of counties that they might want to contact folks in the Senate to tell them the importance of this particular Bill to counties.

**Senator Wanzek;** Just for clarification; this is money that is in SB 2012. He was told that is correct.

**Chairman Holmberg:** Senator Wanzek brought a very important point. Call the roll on a Do Pass. A Roll Call vote was taken. Yea: 13; Nay: 0; Absent: 0.

**Senator Kilzer will carry the bill.** The hearing was closed on SB 2177.

Date: 1-22-13  
 Roll Call Vote #: 1

**2015 SENATE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. 2177**

Senate Appropriations Committee

Subcommittee

Amendment LC# or Description: \_\_\_\_\_

- Recommendation:  Adopt Amendment  
 Do Pass     Do Not Pass     Without Committee Recommendation  
 As Amended     Rerefer to Appropriations  
 Place on Consent Calendar  
 Other Actions:  Reconsider     \_\_\_\_\_

Motion Made By Sen Robinson Seconded By Sen Heckaman

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Heckaman	✓	
Senator Bowman	✓		Senator Mathern	✓	
Senator Krebsbach	✓		Senator O'Connell	✓	
Senator Kilzer	✓		Senator Robinson	✓	
Senator Erbele	✓				
Senator Wanzek	✓				
Senator Carlisle	✓				
Senator G. Lee	✓				
Senator Sorvaag	✓				

Total (Yes) 13 No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment R Kilzer

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE**

**SB 2177: Appropriations Committee (Sen. Holmberg, Chairman) recommends DO PASS**  
(13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2177 was placed on the  
Eleventh order on the calendar.

**2015 HOUSE APPROPRIATIONS**

**SB 2177**



# 2015 HOUSE STANDING COMMITTEE MINUTES

**Appropriations Committee**  
Brynhild Haugland Room, State Capitol

SB 2177  
2/11/2015  
23666

- Subcommittee  
 Conference Committee

*Mary Buckner*

## **Explanation or reason for introduction of bill/resolution:**

Related to the department of human services for the modification of the department's eligibility systems; to provide an exemption; and to declare an emergency.

## **Minutes:**

Attachment #1, 2

SB 2177 hearing started **with Representative Pollert** offering explanation as a sponsor of the bill. This bill provides the funding needed to complete the department's eligibility systems modernization project. Once done the system will provide the county's social service eligibility workers with one system instead of the seven systems they currently use now to complete their work. This bill is not for MMIS which is the claims processing system used to process payments to the Medicaid providers. This system is used by the county's social service eligibility workers to determine if an individual is eligible for one or more of the programs it administered by the department.

**Maggie Anderson, Department of Human Services** with one of the members of the Executive Steering Committee, spoke regarding the bill.

Handout #1: Department of Human Services Eligibility Systems Modernization Project Timeline. This bill is to move forward and complete the Eligibility Systems Modernization Project. The money that is in this bill is in the executive budget request. The funding is still in SB 2012 and we are working with Senator Kilzer in the subcommittee to align that as we move forward but then that funding would also be in this bill. The first side of the sheet is called Timeline and this will give you some perspective on why we're here and how we got here. In November 2011 we were here regarding the eligibility system for the Department of Human Services and this was tied to the Affordable Care Act and tied to our need to update that system. For those of you who were involved in the Medicaid expansion conversations last year that had no implication on our need for us replacing our system. We needed to move forward and replace the system regardless of the decision the state made about Medicaid expansion because the Affordable Care Act had made significant changes to how states across the county did eligibility determinations for Medicaid and the Children's Health Insurance Program. During the special session in November 2011 the legislative body appropriated \$42.87 million for the project. We began work on the project and at that time we indicated to you that it would be an ITD developed project. In October 2013 is when the first open enrollment program began and that's when we should have had our system up and running. As people were applying for coverage, whether for Medicaid or

going through the federal market place, those systems could talk to each other and we would have a seamless eligibility system. In October 2013 the Executive Steering Committee that oversees all large Information Technology projects first talked about Magi in a Cloud and Mini-App. When the Affordable Care Act came and every state needed to modify its eligibility systems to meet the requirements the federal government recognized that there were probably going to be some timeline crunches and some states may not be ready. They went to vendors and had this Magi in a Cloud developed which is a bare bones, not a lot of detail, and very manual system that does eligibility determination or helps facilitate that. The Mini-App became the system that the department along with Information Technology Department moved forward to develop as our contingency solution. Those conversations all started in October of 2013 when we recognized that we didn't have a system to go live then. When we hit November of 2013 people had started applying whether that was through paper or the federal marketplace and we were getting a lot of pressure to address those applications. We have federal timelines under which we need to make application determinations and we needed to be able to meet those. In November 2013 we invoked our contingency which means we fell back on this Magi in a Cloud and moving forward with developing the Mini-App. Those two together helped the counties do eligibility determination and store the information but I don't want to paint any rosy pictures about what that involved because anything that went into Magi in a Cloud has to be re-entered into the Mini-App. The counties went from using five eligibility systems to do their work to using seven different systems. In January 1, 2014 the Affordable Care Act and Medicaid Expansion took effect. We had people covered; we used the contingency, worked with our counties, hired an outside vendor to assist with application processing and we had people eligible and receiving coverage. We are very proud of this accomplishment but it wasn't easy. It was also in January that we thought there would be a three month delay in the implementation. We knew we needed to re-baseline the project. We received that baseline in March at which time the estimated completion date for phase 1, the Medicaid pieces that would have been done in October 2013, was to be done in May 2015. That's a single path; we still had the contingency solution we were working but it was not meeting our business needs. In April 2014 the Centers for Medicare and Medicaid Services, our funding stream for 90% of the money coming in for the Medicaid and common pieces of the system, came out to do a site visit. They recommended we look at alternative options; look at transferring an existing system from another state and consider changing from an assessment state where the Federal Exchange made an assessment only to going to a determination state where the Federal Exchange would make that determination and that would reduce the number of times those applications had to be touched. They were very concerned with the workload and any back logs of eligibility. In July 2014 the Executive Steering Committee voted to issue a request for proposal to transfer in an existing system. In August 2014 the Executive Steering Committee voted to halt all work on phase 1 of the project. The reasons for this was because we had a Request For Proposal out and it was looking more viable to transfer in an existing system that was in production and operating in another state and because we had this contingency solution we were running; the combination of the Mini-App and Magi in a Cloud. We still have a number of work requests and change orders that need to happen to that system in order for it to meet our needs. We were trying to divert resources to do that and to help the counties and take those same resources to design the new system we were building with Information Technology Department. We voted to halt all work on the project because the resource allocation didn't work and it couldn't do justice to all of those items. In October

2014 the proposals were due to the department. In November and December 2014 the Executive Steering Committee, Collaboration Committee, and the Analysis Committee continued the procurement work; reviewing the analysis, asking questions of the vendors, getting information back, and doing all that back and forth. In January 2015 the department and the Executive Steering Committee is exploring that option and considering contracting with a vendor which is why we are here today. We are continuing that procurement work and hoping to have all those negotiations completed by the end of this month where we would be in a position to sign a contract with a vendor to transfer their system in. They have indicated that if we can begin that work the first of March we would be able to have the deployed piece for Medicaid and Children's Health Insurance Program by November when the next re-enrollment period begins. For our county partners who have been burdened with a lot of the impact of having to use the contingency it is very important for us to move this forward and have that system in place in November. When you flip the page you will see the costs. (She read the numbers to the committee that is on the attachment) It's important to note that this Eligibility Systems Project includes Medicaid, Children's Health Insurance Program (CHIP), Supplemental Nutrition Assistance Program (SNAP), Low Income Home Energy Assistance Program (LIHEAP), Child Care Assistance, Basic Care Assistance, and Temporary Assistance for Needy Families Systems (TANF). When we came to you in November 2011 the Centers for Medicare and Medicaid Services as a part of the Affordable Care Act had authorized 9010 money for the Medicaid pieces of an eligibility system and facilitated an A-87 exception to the cost allocation rules. Currently it expires December 2015 however the Centers for Medicare and Medicaid Services have extended that to December 2018. That means that any work we do in this common area that can benefit Medicaid as well as those other programs they are allowing us to use the 9010 match for otherwise those would be matched at those other program rates. The Medicaid 9010 money is set to expire December 2015 however we have received notice from Center for Medicaid and Medicare Services that they are in the process of promulgating federal rules to permanently authorize 9010 funding for Medicaid Eligibility and Enrollment Systems. While we expect the 9010 funding to be there for the Medicaid and CHIP pieces the A-87 exception for that common piece will be in place until December 2018.

**Chairman Jeff Delzer:** You've spent \$14.3; how much of that is general fund?

**Maggie Anderson:** About \$3 million of that is general fund.

**Chairman Jeff Delzer:** Out of that \$14.3 how much of it will transfer over to the new program?

**Maggie Anderson:** We estimated that of that \$14.3 million we spent \$13.1 on the development of the eventual system and of that \$13.1million \$5.8 million is what we'll be able to use on the eventual system. The other \$1.1 million is for our contingency efforts and we are using that right now to try and use the knowledge for the new system as well.

**Chairman Jeff Delzer:** As of right now the money is in the budget?

**Maggie Anderson:** The money is in the budget.

**Representative Hogan:** Of the other five programs how old are those computer systems and did you have plans to update those as well?

**Maggie Anderson:** Some are older than Medicaid Management Information System and we launched that in 1978. Those programs were always part of the Modernization Project that the legislature approved in 2011. We had planned to replace all of them as part of this project but we knew we had to focus on Medicaid and CHIP first because of the Affordable Care Act.

**Vice Chairman Keith Kempenich:** It shows you're spending a total of \$60.8 million. Is that what it will cost?

**Maggie Anderson:** \$60.87 million is what we are requesting in the 2015-17 executive recommendation. When you add that to the amount you originally appropriated to us in the special session, the total project is the \$1.374 million.

**Chairman Jeff Delzer:** You've had carryover on that and you have a section that gives you carryover again in the bill?

**Maggie Anderson:** That is correct.

**Representative Bellew:** If the state takes over all social services is this project necessary?

**Maggie Anderson:** If the state would assume the counties' share of cost for operating social services we still need to do eligibility determination. The first proposal is in Senate Bill 2206 where we would take over the grant costs. There are no people that are shifting from county employment to state employment so those county employees would still be county employees and they would still be doing eligibility determination; we still have to do eligibility determination. So yes, we still need that.

**Sandy Bendewald, Director of Stutsman County Social Service and present chair of North Dakota County Director's Association spoke in support of SB 2177.** See attachment #2 for written testimony.

**Chairman Jeff Delzer:** I think most of us understand the situation.

**Terry Traynor, Association of Counties spoke in favor of SB 2177.** The county commissioners stand behind their social service directors. In 1977 they first passed a resolution saying we need to do something to simplify eligibility and at that time there were three systems, now we have seven. The time has come and we hope this committee can support this bill.

**Vice Chairman Keith Kempenich:** In your travels, how do other states approach this issue?

**Terry Traynor:** Other states are struggling with this but they have started to adopt unified systems. Some states have had success with these software systems and that's where the hope comes in. We are hopeful this is a good solution.

**Chairman Delzer:** Is there any further testimony in support of SB 2177? Is there any opposition to 2177? Is there any neutral testimony? Seeing none we will close the hearing on SB 2177.

# 2015 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee  
Roughrider Room, State Capitol

SB 2177  
2/18/2015  
24079

- Subcommittee  
 Conference Committee

Committee Clerk Signature

*May Brucher*

## Explanation or reason for introduction of bill/resolution:

A bill to provide an appropriation to defray the expenses of the department of human services for the modification of the department's eligibility systems and to provide an exemption.

## Minutes:

No attachments

**Chairman Jeff Delzer:** This bill deals with the county eligibility program. Total cost on it is something like \$103 million with federal at \$67 and our cost would add \$14.3 million to the budget. The money for this budget is in the human service budget from my understanding. This is a case where they would appreciate us fast tracking this so they can do the bid the first part of March because that would allow it to get done by October 1, 2015 when the changes come in. The counties are also in favor of it.

**Representative Pollert:** I don't think the whole project would be completed October 2015, just the part of the county eligibility so that instead of using seven systems hopefully they will be down to one.

**Chairman Jeff Delzer:** We compared this to Medicaid Management Information System (MMIS) and they said it's not MMIS. We have the bill before us.

**Representative Pollert: Motioned for Do Pass**

**Representative Hogan: Seconded**

**Chairman Delzer:** The bill has an appropriation of \$14.012 million out of special funds from Federal and income and \$46 million are an exemption for the timeline on it and changing federal funding and an emergency clause on it. Sponsors are Senator Holmberg and Representative Pollert.

**Roll call vote: 22 Yes 1 No 0 Absent**  
**Motion carries for a do pass**

**Representative Hogan will carry this bill.**

Date: 2/18/15  
 Roll Call Vote #: 1

2015 HOUSE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. SB 2177

House Appropriations Committee

Subcommittee

Amendment LC# or Description: \_\_\_\_\_

Recommendation:  Adopt Amendment  
 Do Pass  Do Not Pass  Without Committee Recommendation  
 As Amended  Rerefer to Appropriations  
 Place on Consent Calendar  
 Other Actions:  Reconsider  \_\_\_\_\_

Motion Made By: Pollert Seconded By: Hogan

Representatives	Yes	No	Absent	Representatives	Yes	No	Absent	Representatives	Yes	No	Absent
Chairman Jeff Delzer	✓			Representative Nelson	✓			Representative Boe	✓		
Vice Chairman Keith Kempenich	✓			Representative Pollert	✓			Representative Glassheim	✓		
Representative Bellew		✓		Representative Sanford	✓			Representative Guggisberg	✓		
Representative Brandenburg	✓			Representative Schmidt	✓			Representative Hogan	✓		
Representative Boehning	✓			Representative Silbernagel	✓			Representative Holman	✓		
Representative Dosch	✓			Representative Skarphol	✓						
Representative Kreidt	✓			Representative Streyle	✓						
Representative Martinson	✓			Representative Thoreson	✓						
Representative Monson	✓			Representative Vigesaa	✓						

Totals

Yes)	<u>22</u>
No	<u>1</u>
Absent	<u>0</u>
Grand Total	<u>23</u>

Floor Assignment: Hogan

If the vote is on an amendment, briefly indicate intent: \_\_\_\_\_

**REPORT OF STANDING COMMITTEE**

**SB 2177: Appropriations Committee (Rep. Delzer, Chairman) recommends DO PASS**  
(22 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). SB 2177 was placed on the  
Fourteenth order on the calendar.



**2015 TESTIMONY**

**SB 2177**

**Senate Bill 2177 (January 21, 2015)**  
**Department of Human Services**  
**Eligibility Systems Modernization Project - Timeline**

<b>Timeline</b>	<b>Activity</b>
November 2011 Special Session	\$42.87 million appropriated for project
October 2013	Enrollment begins for ACA and Medicaid Expansion
November 2013	System not ready; contingency invoked
January 2014	Learn system will be delayed longer than expected
April 2014	Centers for Medicare and Medicaid Services visit to ND
July 2014	ESC votes to issue a Request for Proposal to transfer an existing system
August 2014	Executive Steering Committee voted to halt project
October 2014	Proposals due to DHS
November - December 2014	ESC, Collaboration Committee and Analysis Committee continue procurement work
January 2015	DHS and ESC explore options and considerations for contracting with vendor

**Senate Bill 2177 (January 21, 2015)**  
**Department of Human Services**  
**Eligibility Systems Modernization Project - Cost Information**

Original Project Authority	\$42.87 million	Of this, \$8.76 million was general fund
Spent through 12-26-2014	\$14.30 million	
Included in 15-17 Exec Recommendation	\$60.87 million	Of this, \$14.01 million is general fund
Total Estimated cost of Project	\$103.74 million	

Eligibility Replacement Project includes: Medicaid, CHIP, SNAP, LIHEAP, Child Care, Basic Care and TANF Systems.

System was not ready for January 1, 2014 deployment and the State has been relying on a contingency solution.

The Project ESC voted in August 2014 to halt work on the new system, due to the amount of work needed on the contingency solution and to allow the ESC time to make a decision about the future direction of the project.

Proposed approach is to contract with vendor with existing system in production.

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# 2  
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SB 2177  
# 3  
1-21-17

**Senate Appropriations Committee**  
**January 21, 2015**  
**Testimony Regarding SB 2177**  
**Sandy Bendewald, Director Stutsman County Social Services**

Senator Holmberg and members of the Senate Appropriations Committee, my name is Sandy Bendewald. I am the Stutsman County Social Service Director and a member of the North Dakota County Director's Association. I am here today in support of SB 2177.

The passing of SB 2177 for the Eligibility Systems Project is essential. At this point the eligibility workers across the state are finding it extremely hard to work and provide accurate benefits to clients when they are operating in five old computer systems and two additional make shift systems which were designed for a temporary fix for Medicaid Expansion. Initially that temporary fix was only to be for a few months but now, due to things out of anybody's control, it has turned into a potential year and a half and that is if this bill is passed. If this bill doesn't pass there is no end in sight. In addition to the now 7 computer systems they manually have to track their work with excel charts, word documents, and other tracking mechanisms because the temporary Expansion computer programs don't do that. Imagine doing that five days a week for thousands of cases.

One of the Medicaid Expansion systems is called Magi in the Cloud. In this system if the worker gets three quarters of the way into it and finds that she/he doesn't have all of the information they need to finish it, all of the information is lost and they have to start all over later.

Why do they have to use so many computer programs at one time? Most economic assistance cases in the county are combined program cases which means people are on more than one program. It is rare for a person to be on Medicaid and not on SNAP for instance. What that causes is a staff person having to work in many of these computer systems at the same time. In our office the eligibility workers have three monitors each and they find that it is not enough

because they are constantly flipping back from one system to the next. That is very frustrating and time consuming.

Training has also become extremely difficult. It is overwhelming the amount of policies that eligibility workers need to know and apply for all of the various programs. Listening to them talk is often like listening to someone talk in a foreign language. Hopefully a new computer system will apply some of these policies for them instead of having to think everything through manually.

In the past five years we have seen lots of retirements in eligibility workers and new workers, as in most all areas, are not staying in one job for their whole career. Training timelines have been a challenge. The question has been how you can train a new staff on seven different computer systems in addition to the policies and do it efficiently.

Patience is a good virtue and one that eligibility workers have had a lot of practice in. I started working for the county ten years ago and at that time the legislature was already talking about a new eligibility system. Then there was a time where we gave up hope during the MMIS development years because too many computer development programs at one time doesn't work for a variety of reasons. I understand that it was necessary to wait. Now there is that glimmer of hope again.

It is not rewarding putting money into a new computer system like it is putting money into services. I'm sure you as legislators feel that way and so do we at the county level. It's kind of like buying a furnace for a house instead of buying new furniture. Furniture would be more rewarding but without a furnace our house would not be livable. Without an updated computer system it will become impossible for an eligibility worker to do their work which is providing accurate benefits to clients.

I thank you and the Department for putting the computer system into a separate bill and I would strongly urge you to approve SB 2177 as it is written. Thank you for this opportunity to testify. I would be available for any questions.

**Senate Bill 2177 (February 11, 2015)**  
**Department of Human Services**  
**Eligibility Systems Modernization Project - Timeline**

<b>Timeline</b>	<b>Activity</b>
November 2011 Special Session	\$42.87 million appropriated for project
October 2013	Enrollment begins for ACA and Medicaid Expansion
November 2013	System not ready; contingency invoked
January 2014	Learn system will be delayed longer than expected
April 2014	Centers for Medicare and Medicaid Services visit to ND
July 2014	ESC votes to issue a Request for Proposal to transfer an existing system
August 2014	Executive Steering Committee voted to halt project
October 2014	Proposals due to DHS
November - December 2014	ESC, Collaboration Committee and Analysis Committee continue procurement work
January 2015 to present	DHS and ESC explore options and considerations for contracting with vendor

SB 2177  
2-11-15  
# 1 p. 1

**Senate Bill 2177 (February 11, 2015)**  
**Department of Human Services**  
**Eligibility Systems Modernization Project - Cost Information**

Original Project Authority	\$42.87 million	Of this, \$8.76 million was general fund
Spent through 12-26-2014	\$14.30 million	
Included in 15-17 Exec Recommendation	\$60.87 million	Of this, \$14.01 million is general fund
Total Estimated cost of Project	\$103.74 million	

Eligibility Replacement Project includes: Medicaid, CHIP, SNAP, LIHEAP, Child Care, Basic Care and TANF Systems.

System was not ready for January 1, 2014 deployment and the State has been relying on a contingency solution.

The Project ESC voted in August 2014 to halt work on the new system, due to the amount of work needed on the contingency solution and to allow the ESC time to make a decision about the future direction of the project.

Proposed approach is to contract with vendor with existing system in production.

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House Appropriations Committee

February 11, 2015

Testimony Regarding SB 2177

Sandy Bendewald, Director Stutsman County Social Services

Chairman Delzer and members of the House Appropriations Committee, my name is Sandy Bendewald. I am the Stutsman County Social Service Director and the present chair of the North Dakota County Director's Association. I am here today in support of SB 2177.

The passing of SB 2177 for the Eligibility Systems Project is essential. At this point the eligibility workers across the state are finding it extremely hard to work and provide accurate benefits to clients when they are operating in not one but five old computer systems and two additional make shift systems which were designed for a temporary fix for the new MAGI rules and Medicaid Expansion. Initially that temporary fix was only to be for a few months but now, due to things out of anybody's control, it has turned into a potential year and a half and that is if this bill is passed. If this bill doesn't pass there is no end in sight. In addition to the now 7 computer systems they manually have to track their work with excel charts, word documents, and other tracking mechanisms because the temporary Expansion computer programs don't do that. Imagine doing that five days a week for thousands of cases.

One of the Medicaid Expansion systems is called Magi in the Cloud. In this system if the worker gets three quarters of the way into it and finds that she/he doesn't have all of the information they need to finish it, all of the information is lost and they have to start all over later.

Why do they have to use so many computer programs at one time? Most economic assistance cases in the county are combined program cases which means people are on more than one program. It is rare for a person to be on Medicaid and not on SNAP for instance. What that causes is a staff person having to work in many of these computer systems at the same time. In our office the



eligibility workers have three monitors each and they find that it is not enough because they are constantly flipping back from one system to the next. That is very frustrating and time consuming.

Training has also become extremely difficult. It is overwhelming the amount of policies that eligibility workers need to know and apply for all of the various programs. Listening to them talk is often like listening to someone talk in a foreign language. Hopefully a new computer system will apply some of these policies for them instead of having to think everything through manually.

In the past five years we have seen lots of retirements in eligibility workers and new workers, as in most all areas, are not staying in one job for their whole career. Training timelines have been a challenge. The question has been how you can train a new staff on seven different computer systems in addition to the policies and do it efficiently.

Patience is a good virtue and one that eligibility workers have had a lot of practice in. I started working for the county ten years ago and at that time the legislature was already talking about a new eligibility system. Then there was a time where we gave up hope during the MMIS development years because too many computer development programs at one time doesn't work for a variety of reasons. I understand that it was necessary to wait. Now there is that glimmer of hope again.

It is not rewarding putting money into a new computer system like it is putting money into services. I'm sure you as legislators feel that way and so do we at the county level. It's kind of like buying a furnace for a house instead of buying new furniture. Furniture would be more rewarding but without a furnace our house would not be livable. Without an updated computer system it will become impossible for an eligibility worker to do their work which is providing accurate benefits to clients.

I thank you and the Department for putting the computer system into a separate bill and I would strongly urge you to approve SB 2177 as it is written. Thank you for this opportunity to testify. I would be available for any questions.