Testimony
Department of Human Services
Information Technology Committee
Representative Robin Weisz, Chairman
October 9, 2012

Chairman Weisz, members of the Information Technology Committee, I am Jenny Witham, Chief Information Officer for the Department of Human Services (DHS). I appear before you to provide a status of the Medicaid Systems Project.

The components of the Medicaid Systems Project include:

- The Medicaid Management Information System (MMIS):
    - Provider Management
    - Member Management
    - Claims Processing and Payment
        - Pharmacy Point of Sale
        - Prior Authorization
        - Utilization Review
        - Third Party Liability
        - Recoupment
        - Estate Recovery
        - Drug Rebate
    - Program Management
        - Benefit Administration/Care Management
        - Program Integrity
        - Financial and Program Analysis/Reporting
    - Budget: $ 53,728,257
    - Cost through August 2012: $27,045,111 total funds, $3,042,420 state funds

- The Data Warehouse System:
  - Longitudinal Financial Analysis Reporting
  - Clinical Outcome/Disease Management Analysis
  - Ad Hoc Reporting
  - Budget: $5,252,000
  - Cost through August 2012: $3,175,000 total funds, $365,047 state funds
- Independent Verification and Validation services:
  - Overall Quality Assurance Monitoring
    - System Requirements and Analysis
    - Code Development
    - Data Conversion
    - System Testing
  - Verification of appropriate development methodologies and processes
  - Validation of the completeness and accuracy in all project reporting and deliverables
  - Budget: $6,915,521
  - Cost through August 2012: $5,492,634 total funds, $630,452 state funds
- Information Technology Department services:
  - Project Management Services
  - Software Development
  - System Administration
  - Budget: $11,816,392
  - Cost through August 2012: $9,821,291 total funds, $1,360,974 state funds
- Other:
  - Subject Matter Experts

- o Facilities
- o Contingency
- o Budget: $4,206,566
- o Cost through August 2012: $1,682,585 total funds, $261,019 state funds

The table below summarizes the expenditures through August 2012.

Expenditures through August 2012

Description	Budget	Total Expended	Remaining
Total Medicaid System Project	$81,918,736	$47,216,621	$34,702,115
General Fund	$7,533,297	$3,466,386	$4,066,911
Federal Funds	$72,191,913	$41,556,709	$30,635,204
Other Funds	$2,193,526	$2,193,526	$0

Xerox is finalizing the construction of the North Dakota Health Enterprise MMIS and Pharmacy Point of Sale (POS). Ninety-seven percent of the system is complete. Concurrent with construction, Xerox is executing system integration testing. System integration "end-to-end" testing is scheduled to complete on December 28, 2012. Completion of the end-to-end testing is a major project milestone. There are several measurements that DHS is using to monitor the Xerox's progress. There are 17,301 test scripts that must be successfully executed. If a defect is identified during the execution of a test script, the defect must be resolved and the test script must be re-executed. To date, 94 percent of the 17,301 test scripts have been executed and have generated 3,930 defects. Of those 3,930 defects, 3,232 have been closed and 685 are still

open. We are seeing a high level of defects being created on first-time execution of the test scripts. On November 2, 2012, all test cases must be executed and all high severity defects must be closed. Aggressive defect resolution will be necessary in order to meet this date. The ability of Xerox to accomplish this will be a good indicator of whether or not we can expect to complete end-to-end testing by the end of December.

Another major project milestone is the start of MMIS and POS User Acceptance Testing. This activity is scheduled to begin on January 21, 2013.

DHS is currently executing User Acceptance Testing of the Provider Enrollment functionality. This component of the system will go live six months prior to the MMIS and POS go-live date in order to give providers adequate time to re-enroll in the new system.   The go-live date for the Provider Enrollment is scheduled for April 1, 2013.