A report of the
Department of Social Services
Commonwealth of Virginia

Progress Report: Implementation Plan for Web-based Eligibility System

to the Governor and the
General Assembly of Virginia

October 2009

COMMONWEALTH OF VIRGINIA
DEPARTMENT OF SOCIAL SERVICES
Office of the Commissioner

Anthony Conyers, Jr.
COMMISSIONER

October 15, 2009

<u>MEMORANDUM</u>

TO: The Honorable Timothy M. Kaine
Governor of Virginia

The Honorable Richard D. Brown
Secretary of Finance

The Honorable Charles J. Colgan, Chairman
Senate Finance Committee

The Honorable Lacey E. Putnam, Chairman
House Appropriations Committee

FROM: Anthony Conyers, Jr.

SUBJECT: Implementation Plan for a Web-based Eligibility System

     I am pleased to submit the Department of Social Services' initial progress report on the development of an implementation plan for a web-based eligibility system. If you have questions or need additional information concerning this report, please contact me.

AC/lrm

Preface

This report is submitted pursuant to Item 346 H of the 2009 Appropriation Act (Act), which requires the Department of Social Services (DSS) to "develop an implementation plan to centralize, web-enable and streamline eligibility determination for benefit programs."

The Act requires DSS to cooperate with state and local partners in the development of the plan and provide an initial report on the cost, feasibility, potential for economy of scale, and impact by October 15, 2009. An annual progress report is due by October 15 of each subsequent year.

This is the initial progress report.

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Executive Summary

DSS oversees the operation of benefits and services programs that are administered by 120 local departments of social services (LDSS) across the Commonwealth. Many of the Commonwealth's most critical services are included in these programs, including administering social safety net programs, protecting children and adults from abuse and neglect, providing subsidized child care that allows parents to work, collecting child support to improve the lives of children, licensing adult and child care facilities to ensure safety, and encouraging work through workforce development services.

Social and economic factors impact the efficiency and effectiveness of the current service delivery model. Economic conditions that created higher unemployment rates across the Commonwealth have caused increases in the state's Supplemental Nutrition Assistance Program (SNAP) caseload, formerly called Food Stamps, as well as increased the need for other forms of assistance. Between State Fiscal Year (SFY) 00 and 08, caseloads have grown significantly in programs for low-income individuals: SNAP (+59%), low-income Medicaid (+44.7%), and energy assistance (+61%). While caseloads have grown, funding for staff has not increased.

The current automated eligibility system for the benefit programs of SNAP, Temporary Assistance for Needy Families (TANF), and Medicaid, called the Application Benefit Delivery Automation Project (ADAPT), is built in an aging technology called Maintaining and Preparing/Producing Executive Reports (MAPPER). It contains over 10,000 automated rules. Although program changes mandated by either federal or state legislation require adjustments to ADAPT, the MAPPER technology is difficult to program. Thus, the current delivery model of benefits and services is highly dependent upon paper and manual processes, limited data sharing, and aging technology.

Established planning processes for new technology require documentation to be submitted for approval by federal partner agencies and the Virginia Information Technologies Agency (VITA). Because a major information technology project requires approximately a year of planning and documentation, DSS believes that a new web-based system for determination of eligibility to replace ADAPT could not be fully implemented for three or more years. The scope of such a project would not allow the Commonwealth to realize any real cost savings until full implementation. DSS has received federal approval for a Planning Advance Planning Document (PAPD) that will document pre-planning efforts to evaluate potential technology enhancements, coupled with business process changes to improve the delivery of benefits and services.

DSS recommends an incremental approach be used as the plan to centralize, web-enable, and streamline eligibility determination. Evaluation of incremental technical enhancements, knowledge gained through the current PAPD activities, and evaluation of streamlined business processes and alternatives will help guide development of an implementation plan.

Implementation Plan for Web-based Eligibility System

Background

DSS oversees the operation of social services programs in accordance with Title 63.2 of the Code of Virginia, which pertains to welfare and social services. LDSS implement programs and provide direct benefits and services to citizens and residents in their communities. Each year, DSS' programs directly assist one in seven Virginians. DSS and its key partners – LDSS and the community action agencies – provide many of the Commonwealth's most critical services, including administering social safety net programs, protecting children and adults from abuse and neglect, providing subsidized child care that allows parents to work, collecting child support to improve the lives of children, licensing adult and child care facilities to ensure safety, and encouraging work through workforce development services.

Social and economic factors impact the efficiency and effectiveness of the current service delivery model. Economic conditions that have created higher unemployment rates across the Commonwealth have caused increases in the state's SNAP caseload, as well as increased the need for other forms of assistance. Between SFY 00 and 08, DSS automated systems report that caseloads have grown significantly in programs for low-income individuals: SNAP (+59%), low-income Medicaid (+44.7%), and energy assistance (+61%). While caseloads have grown, funding for staff has not increased.

Information Technology (IT) to Support Eligibility Programs

The current automated eligibility determination system for the benefit programs of SNAP, TANF, and portions of Medicaid is called ADAPT. ADAPT is built in an aging technology called MAPPER, and contains over 10,000 automated rules. Although program changes mandated by either federal or state legislation require adjustments to be made to ADAPT, the MAPPER technology is difficult to program. Thus, the current business model of delivery of benefits and services is highly dependent upon paper and manual processes, limited data sharing, and aging technology.

Labor-intensive manual processes, minimal customer self-service capabilities, and limitations on information sharing are just a few of the issues that could be addressed through more advanced technology. Established planning processes require documentation to be submitted for approval by federal partner agencies and VITA prior to investment in technology.

Because a major information technology project requires approximately a year of planning and documentation, DSS believes that a web-based system for determination of eligibility cannot be implemented for at least three years. In addition, a "big bang" or turnkey approach to system replacement is considered high risk due to the complexity and size of the project. The Commonwealth would not realize any real cost savings until full implementation of the replacement system. A projected estimate for full replacement of the ADAPT system is not complete, but replacement will require a major financial investment at a time when funding is constrained.

IT Vision

DSS believes it is possible to implement an online eligibility determination system in Virginia. Other states have proven that the technology is available to incorporate most benefit program applications online. The current eligibility automated system is built in old technology, and while there is a need to incorporate newer technology, the eligibility "rules" (income, assets, resources, household composition) for multiple eligibility programs are complex. Because of these factors, DSS believes an incremental approach should be used in the development of the new system.

DSS and its local partners envision a self-service benefits and services model that is efficient, effective, and provides a customer friendly experience. Within this vision, clients will be able to file applications for benefits or services through an online application process, report changes, and manage benefit "accounts" online. Most required materials and verification documents will be scanned and stored electronically within the application. Whenever possible, verification of required information will be captured electronically through a web-based service. Workers and/or automated processes will review applications, ask additional questions, and request additional documentation electronically or in print to communicate with customers. As a result, workers will be able to spend more time providing quality service, case management, and accurate determination of eligibility.

Planning Advance Planning Document (PAPD)

In June 2008, DSS' internal IT oversight group endorsed an investment approach to IT that is enterprise-focused, incrementally developed, and utilizes service-oriented architecture. To support this vision, DSS staff met with federal representatives in October of 2008 and discussed planning for the implementation of technology that addresses multiple programmatic issues, uses technology that can be re-used and expanded for multiple programs, and can serve as a standard for future development. In December of 2008, DSS submitted an initial planning document called a PAPD (see http://www.dss.virginia.gov/division/smr/ecmo/papd.pdf) to the federal partners, requesting approval to engage in pre-planning activities that cross programs and documents potential automation options.

The PAPD project, called the Enterprise Delivery System Project, will assess opportunities to improve business processes, information sharing, and worker efficiency and effectiveness. The deliverable outputs of the PAPD consist of documentation of alternatives, technical feasibility studies, and cost benefit analyses. Federal approval to engage in PAPD activities was received in February of 2009 and the PAPD is scheduled to end in January of 2010. The PAPD feasibility studies, cost benefit and alternative analyses focus on five key areas that, if addressed, will benefit the enterprise or cross-programmatic operation. In addition, the PAPD focuses on defining common business processes and functions across programs. The following are the areas of focus for the PAPD:

Customer Facing Portal

Currently, DSS has online application capabilities for SNAP and Adult Medicaid programs. However, the online applications received do not "feed" into ADAPT, which means that a LDSS worker must download and print the application, then enter it manually into ADAPT. While these applications are seen as a step in developing online capabilities, this gap in automation negates any technology efficiencies for LDSS.

A web-based customer service portal can provide customers with self-service capabilities. The PAPD planning effort provides the opportunity to consider providing online application services consistently for customers of major benefits programs. DSS has conducted preliminary research of other states' experiences and innovations in this type of automation. Eligibility program applications, such as SNAP, TANF, Medicaid, and Child Care can be submitted online through kiosk machines located at LDSS, libraries, community actions agencies, or from the comfort of home. A change in technology will also create changes in business processes in LDSS.

Worker Support Portal

A web-based worker support portal will allow state and LDSS employees to have a single sign-on that allows access to individual DSS systems. The current process can require an eligibility worker to sign-on to as many as seven separate systems in the course of a day's work Security requirements that cause systems to time out make the current sign-on process a much-repeated task throughout the day. DSS anticipates using a single authentication tool that will allow users to sign-on a DSS portal once, and navigate between DSS systems behind the scene.

Master Customer Identifier (MCID)

DSS has a web-based inquiry system that benefits its users by effectively facilitating communication between applications (systems). Eligibility workers, employment service workers, child care workers, social workers, child support staff, administration staff, and other state staff use this system to perform their job functions. The inquiry system has the ability to match customers across systems/programs and display detailed data about the individual, the cases they are attached to, the other case members, program status, and other information.

Unfortunately, customers are assigned a different client identifier (ID) for each system in which they exist. The assignment of a master customer ID, based on preliminary research of other states' systems, is possible in Virginia. This would allow a customer's demographic information to be entered one time, by the first worker in the first program accessed by the customer, making repeated re-entry of the same information by various other workers unnecessary.

Document Management Imaging System

DSS recently completed a business project regarding document management. A business workgroup, comprised of local and state representatives, made several recommendations. One recommendation is to establish a statewide document management imaging process that utilizes the document management indexing standard produced by the workgroup. Such a statewide

process will allow search, retrieval, and sharing of electronic records between LDSS and other partners. This would be a time and work saver for both workers and customers.

Service Oriented Architecture (SOA)

Service oriented architecture (SOA) is technological architecture in which some or all functions are defined as independent services. Reflecting the state supervised locally administered business model, service oriented architecture also allows for local innovation, cooperative development of functionality among the state and localities and application of local resources to technology improvements in a regulated environment. These services use standard protocols and conventional interfaces to facilitate access to information. Services such as referrals, eligibility determination, and security can be implemented using the SOA structure. DSS has web services for some critical capabilities within our technical environment. Approval of the PAPD provides the opportunity to continue to research SOA as a framework for orchestrating multiple services to deliver business capabilities in a seamless fashion.

Business Process and Core Functions

As part of the PAPD, DSS has partnered with LDSS staff to participate in conducting research of other states' systems and approaches, and documenting common functions across programmatic areas. DSS is currently working within several business program areas to create action plans for streamlining program directives and business processes. In addition, DSS is assessing existing "back end" processes or technology support solutions for intake, eligibility determination, case management, and financial management for similarities across program areas. Information from the research will assist both DSS and LDSS in evaluating changes to promote better business processes and efficient work flows.

Current PAPD Activities

Following approval from the federal partners to engage in the PAPD activities, DSS focused on the customer facing portal as a priority. The PAPD team for a customer facing portal feature narrowed its research to four states (Florida, Pennsylvania, West Virginia, and Wisconsin) and one city (New York City) that have customer facing portals in operation. These states were chosen for several reasons. Some of the states are city or county administered like Virginia; some are state-administered. Some states were recommended by federal partners as potential resources for particular features that Virginia needs, and some states were suggested by LDSS partners.

The research team looked for customer facing portal features such as being web-based, accommodating electronic signatures, and using "plug and play" components to enable expansion of programs. The ability to save partial applications and conduct electronic searches were also important features. The team focused on the user experience - whether the application was easy to navigate, used understandable icons, was written in appropriate levels of language, and had clearly marked mandatory elements. All of the researched states (and New York City) have a customer portal that incorporates the major benefits programs, and some of them also offer access to community and health programs.

The output from the PAPD research activities is a list of high level features that will be desirable as DSS assesses the potential for implementation of a customer portal. In addition, DSS has contracted with a Virginia-based technology consulting company to conduct a technical feasibility and cost benefit analysis (CBA) for the customer facing portal.

While the feasibility study and CBA for the customer facing portal are not complete, initial information indicates it will cost between $3 and $5 million to implement a customer portal, depending on whether the solution is a transfer from another state, a custom build, or an off-the-shelf solution customized for Virginia. However, full implementation of a customer facing portal must take into account a "feed" into the eligibility determination system. The scope of the feasibility study and CBA does not include costs for the middleware necessary to "feed" online applications directly into ADAPT.

Further analysis is necessary to obtain a true cost of implementing a customer facing portal and estimating time to completion. DSS is not yet able to fully estimate the potential for future cost savings either through use of better technology or workflow efficiencies. Because of the necessity to estimate the cost of middleware, further evaluate business processes, and implement incrementally, DSS does not believe that cost savings will be realized quickly, and viable cost savings will not be realized until a portal is fully implemented.

Conclusion

Currently, the major challenge for the social services system is handling the caseload increases for benefit programs (SNAP, Medicaid and TANF) in the face of resource constraints. Primarily due to the recession, SNAP caseloads are at an all-time high, and other program caseloads have also increased rapidly. While caseloads have grown, funding for staff has not increased. The current eligibility automated system is built in old technology, and while there is a pressing need to invest in newer technology, the eligibility "rules" (income, assets, resources, household composition) for many eligibility programs are complex.

DSS believes it is possible to implement an online eligibility determination system in Virginia. Other states have proven that the technology is available to incorporate most benefit program applications online. Implementation of a portal will allow the front end process to become web-based, but to realize any efficiencies, it must be coupled with investment in middleware to facilitate an automatic "feed" into ADAPT. Further estimates are necessary to determine the full cost of implementing a customer facing portal. Use of a worker portal will help streamline eligibility processes with a single sign-on to multiple systems. However, implementation of new technology is not the sole solution. DSS and LDSS continue to assess and adjust business processes to work more efficiently.

Implementation of a web-based system that meets the legislative directive to streamline business flows and determine eligibility will require an approach that addresses both technology and business processes. DSS recommends that an incremental approach be used as the plan to centralize, web-enable, and streamline eligibility determination. The knowledge gained through the current PAPD activities in the specific areas of focus can help guide incremental changes to both business processes and technology. As DSS assesses current eligibility requirements and incremental improvements, efficiencies can occur. However, cost savings are not foreseen to be

quickly realized, as even incremental investment in technology will require funding. DSS will continue to work with its partners - local, state and federal - to develop a plan for incremental implementation and investment in technology to address enterprise needs and eligibility determination.

Appendix A

Study Mandate

Item 346 H of the 2009 Appropriation Act states:

The Department of Social Services shall develop an implementation plan to centralize, web-enable and streamline eligibility determination for benefit programs. The Department of Social Services, in cooperation with system partners and impacted agencies, shall develop the plan, and seek the necessary federal approvals to redesign existing work flow processes and develop an efficient and effective customer self-service web-based automated system. This plan shall also address efficient utilization of local staff and potential for future savings. The Department of Medical Assistance Services (DMAS) shall participate in the development of the plan and approve any modifications affecting Medicaid or other DMAS-administered programs. In addition, the Department of Social Services shall staff a steering committee including representatives from the Office of the Secretary of Health and Human Resources, the Virginia Information Technologies Agency, Department of Social Services, League of Social Services Executives, Department of Medical Assistance Services, and Department of Planning and Budget. This committee shall be responsible for overseeing the development and implementation of the plan. Prior to submission of the plan for federal approval, the steering committee shall submit the plan to the Joint Legislative Audit and Review Commission and the Auditor of Public Accounts for review and comment. The Commissioner of Social Services shall provide an initial report on the development of the plan to the Governor, Secretary of Finance, and Chairmen of the House Appropriations and Senate Finance Committees on the cost, feasibility, potential for economy of scale at an enterprise level, impact on other state and local agencies, and impact on consumers by October 15, 2009 and an annual progress report on the plan by October 15 of each year thereafter. Implementation of the plan is contingent upon approval of the 2010 General Assembly of the expenditures of state and federal funds for this purpose.