



COMMONWEALTH of VIRGINIA

DEPARTMENT OF SOCIAL SERVICES

Office of the Commissioner

Margaret Ross Schultze
COMMISSIONER

December 29, 2017

MEMORANDUM


TO: The Honorable Terence R. McAuliffe
Governor of Virginia

The Honorable Thomas K. Norment, Jr., Co-Chairman
Senate Finance Committee

The Honorable Emmett W. Hanger, Jr., Co-Chairman
Senate Finance Committee

The Honorable S. Chris Jones, Chairman
House Appropriations Committee

Daniel S. Timberlake, Director
Department of Planning and Budget

FROM: Margaret Ross Schultze 

SUBJECT: Semi-Annual Progress Report on Eligibility Systems Modernization

Item 350. D.1. of the 2017 Appropriation Act (Act) provides funding to the Department of Social Services to modernize its eligibility information systems. Item 350.D.2.of the Act directs the Department to provide a copy of the eligibility modernization contract to be provided within 30 days of contract award. The contract copy was provided under separate cover.

Item 350.D.3. requires a semi-annual progress report on our efforts. I am pleased to submit the Department of Social Services' semi-annual report describing the progress made by the Department to modernize its eligibility systems. This report includes a general summary of the projects, implementation status, expenditures and contract modifications. If you have questions or need additional information concerning this report, please contact me.

MRS:ksc

Attachment

A report of the
Department of Social Services
Commonwealth of Virginia

**Semi-Annual Report on Eligibility
Systems Modernization**

January 2018

Executive Summary

In December 2012, the Department of Social Services (DSS) entered into a contract with Deloitte Consulting, LLP to modernize the existing automated eligibility systems for Public Assistance Programs, beginning with the Medicaid program. DSS partnered with the Department of Medical Assistance Services (DMAS) to accommodate changes in technology to support implementation of new Medicaid requirements and eligibility determination.

DSS successfully designed, tested, and implemented automation changes in its enterprise system, Virginia Case Management System (VaCMS), to meet the Medicaid requirements for the federal Affordable Care Act (ACA). Virginia was one of only 13 states to meet the original October 1, 2013 deadline established by the Centers for Medicare and Medicaid Services (CMS). This resulted in DSS increasing the federal Medicaid operating cost recovery rate from 50% to 75%. DSS was also able to continue utilizing the 90% federal match to customize and optimize VaCMS through its completion in March 2017. For the first time, all Public Assistance Programs reside in a single automated system.

The majority of the contract costs to date were eligible for enhanced Medicaid 90% federal funding. Total expenditures for the project through acceptance of the system included payments to Deloitte Consulting, LLP, salaries for the DSS staff, and procurement of hardware/software tools. Total expenditures for the three projects were \$156,148,795 (\$126,948,970 NGF and \$29,199,825 GF).

DSS appreciates the support of the General Assembly and the Governor's Office and the collaboration with Virginia Information Technology Agency, Department of Medical Assistance Services, Virginia Employment Commission, Department of General Services, and local departments of social services. The eligibility modernization efforts would not have been successful without the engagement of all organizations. All of this project's approved eligibility modernization efforts are complete, and local departments of social services are using VaCMS for eligibility determination and management of all Public Assistance Programs.

Semi-Annual Progress Report on Eligibility Systems Modernization

January 2018

Report Mandate

Item 350 (E) of the 2017 Appropriation Act

E.1. Out of this appropriation, \$3,452,065 the first year from the general fund and \$961,620 the first year from nongeneral funds shall be provided to complete the base contract to modernize the eligibility determination systems in the Department of Social Services. If any additional funding is needed, the department shall complete modernization efforts within existing resources.

2. Within 30 days of awarding a contract related to the eligibility project, the Department of Social Services shall provide the Chairmen of House Appropriations and Senate Finance Committees, and Director, Department of Planning and Budget with a copy of the contract including costs.

3. Beginning July 1, 2012, the Department of Social Services shall also provide semi-annual progress reports that must include a current project summary, implementation status, accounting of project expenditures and future milestones. All reports shall be submitted to the Chairmen of House Appropriations and Senate Finance Committees, and Director, Department of Planning and Budget.

Eligibility Modernization

The MAGI project, Conversion project, and the Program Migration project were all implemented, and DSS accepted the eligibility determination and case management system, VaCMS, from Deloitte Consulting, LLC effective March 31, 2017. DSS was able to retire the ADAPT and LIHEAP legacy systems, and include all Medicaid categories and other benefit programs in VaCMS. For the first time, all Public Assistance Programs reside in a single automated system.

Expenditures

Total expenditures for the project through acceptance of the system included payments to Deloitte Consulting, LLP, salaries for the DSS staff, and procurement of hardware/software tools. Total expenditures for the three projects were \$156,148,795 (\$126,948,970 NGF and \$29,199,825 GF). Payments of \$110,137,916 were made to Deloitte Consulting, LLP to gather system requirements, design and develop system functionality, deployment functionality and train local departments of social services' workers. Approximately \$19.3 million was spent on hardware and software products, with the balance of expenditures being for costs such as DSS staff, training and travel for local department of social services employees who participate on the project teams

Conclusion

There were three projects associated with the eligibility modernization efforts and all three projects are complete. The MAGI project was implemented on October 1, 2013, with a closeout date of June 30, 2014. The Conversion project began implementation in March 2014, and was closed out as of October 31, 2014. DSS formally accepted the system, VaCMS, from Deloitte effective March 31, 2017. While DSS continues to identify system enhancements and changes necessary to meet program requirements, all initial scoped project work is complete.

Significant funding has been committed for modernization of the current eligibility and enrollment systems. Total expenditures include payments to Deloitte Consulting, LLP, salaries for the DSS staff, and procurement of hardware/software tools for the projects. Total expenditures for the three projects total \$156,148,795 (\$126,948,970 NGF and \$29,199,825 GF).

DSS appreciates the support of the General Assembly and the Governor's Office and the collaboration with Virginia Information Technology Agency, Department of Medical Assistance Services, Virginia Employment Commission, Department of General Services, and local departments of social services. The eligibility modernization efforts would not have been successful without the engagement of all organizations.