ADMINISTRATIVE SYSTEMS

American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Fund (SLFRF)

VDH VIRGINIA DEPARTMENT OF HEALTH

12/29/2021

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Report Mandate

Chapter 1 Enactment Clause 1, paragraph B.2.P.7., of the amended 2021 Acts of Assembly states, "The department shall communicate a detailed plan and implementation schedule to the Governor, the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, and the Director of the Department of Planning and Budget by September 30, 2021. Additionally, the department shall report quarterly to the Governor, the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, and the Director of the Department of Planning and Budget on progress made, with the first progress report to be delivered not later than December 31, 2021."

Context for ARPA Initiatives

The Virginia Department of Health (VDH) is excited about the opportunity presented by the appropriation of ARPA State Fiscal Funds in the August 2021 Special Session II of the General Assembly to improve public health in Virginia. VDH views this investment as a once in a generation opportunity and will work diligently to maximize use of funds to create and sustain these initiatives. Simultaneously, VDH remains fully engaged in responding to COVID-19 and protecting the health of Virginians. Currently, VDH is creating project plans to minimize the impacts of the public health emergency on local health departments in the first year and will maintain flexibility as a priority for the duration of the public health emergency. Modifications to VDH's plans will be reflected in future quarterly reports.

Executive Summary

VDH is transforming and modernizing the Department's core administrative systems and processes to increase efficiencies and overall effectiveness. The COVID-19 pandemic placed significant pressure on the Department's outdated legacy administrative processes and systems. These antiquated processes and systems rely on manual workarounds and have created significant operational and administrative challenges to effectively and efficiently respond to the current pandemic while continuing to perform essential core functions.

VDH plans to implement changes to its business processes and operational systems including a new IT Service Management (ITSM) system, a new product suite for the agency, and Robotics Process Automation to realize operational efficiencies and effectiveness over the next three years. This modernization will increase productivity, decrease manual processes, reduce opportunities for errors, and increase VDH's state of readiness to respond to future outbreaks or public health emergencies.

To begin the journey to upgrading systems, the initiative is starting with the systems outlined in the September reports that would benefit most from new processes and IT enhancements. Specifically, during Q2 FY22, VDH has gathered needs and assessed potential ITSM off-the-shelf solutions to upgrade two administrative service request systems. The current systems are the Shared Business Services (SBS) Tracking, Logging, and Reporting System (STLAR) and Submit a Technology Request Now (SATRN) business service systems, which were implemented as an interim Asset Management solution through Web F&A to track COVID-19 hardware assets.

In addition, as part of VDH's efforts to implementation automation, a Robotic Process Automation (RPA) initiative is underway to identify processes that are good candidates for automation. The first RPA initiative is a Redundant, Obsolete, Trivial (ROT) Bot that reviews of electronic files.

The Administrative Systems Initiative is on track to successfully meet the objectives within the three-year ARPA SLFRF funding window. In the next quarter, the focus will be to finalize the assessment of STLAR/SATRN, identify upgrade options, procure a service request tracking system, and initiate other administrative systems projects.

Objectives

VDH is assessing its business and operational processes and systems to determine opportunities to:

- Modernize back-office administrative systems to improve customer service while increasing operational efficiencies

- Integrate existing systems to streamline workflow processes and reduce duplicative efforts

- Automate processes and replace manual processes

- Implement a Product Suite package to efficiently meet VDH's needs for collaboration, document management, and content sharing

- Implement Robotic Process Automation (RPA) and Artificial Intelligence (AI) to reduce manual activities, strengthen consistency in business processes, and improve customer service

Overview of Quarterly Progress (Oct – Dec 2021)

Since the submission of the September 30, 2021 report, VDH has completed activities to start changing existing processes and systems as well as build out the roadmap for future updates. Key accomplished to date are summarized below:

- STLAR/SATRN

    o Gathered functional needs from administrators and requesters of IT and business service management request systems

    o Documented 26 different request types and segmented into 3 main request categories: Human Resources, Finance & Grants, and General Administration & Procurement

    o Captured the business processes that occur outside of the system of record

    o Developed user stories and business process steps for current request workflows

- o Identified short-term solutions for the current system (e.g., UX adjustments, supplemental intake instructions, etc.) and business process considerations

- VITA Bill Reconciliation

  - o Analyzed the current monthly VITA Bill met with VDH Office of Financial Management, and VITA to identify opportunities for improvements

  - o Identified 21,000+ assets and categorized by function

  - o Identified critical dependencies between asset lifecycle management and inputs required for proper reconciliation of the VITA bill

- Asset Management

  - o Engaged with VDH staff who deployed equipment for the COVID-19 response to understand current processes

  - o Developed Web F&A module for tracking 6,200+ COVID-19-related equipment

  - o Documented ongoing asset tracking processes

  - o Researched and reviewed demos of IT Service Management and Asset Management systems

- Robotic Process Automation (RPA)

  - o Initiated automation project for a Redundant, Obsolete, Trivial (ROT) Bot project

  - o Conducting a feasibility study for future automation projects

Comments on Alignment to plan submitted in Sep 2021

The activities completed since the September 30, 2021 submission of the initial workplan have been important components in capturing the functional needs of the initial four administrative systems prioritized for modernization. As part of the modernization effort, VDH needs to design new business processes before implementing an IT service management system and asset management system. VDH will focus on implementing short-term solutions with an emphasis on user training and adoption while planning for changes to business processes and user roles.

Anticipated Next Quarter Activities (Jan – March 2022)

The following outlines the activities and tasks planned from January through March 2022:

- Finalize assessment of STLAR and SATRN requests, short-term system solutions, and opportunities for business process improvements that align functional areas (e.g., HR, Finance, Procurement) with a new administrative request system

- Initiate the procurement process for new Asset Management and IT Service Management systems

- Conduct cybersecurity reviews of new systems to verify VDH and VITA requirements are met

- Continue Cardinal HCM integration and communication

- Design the administrative system solutions to integrate with Cardinal HCM and VDH's existing Web F&A application

Risks and Risk Management

Risk 1: Broadband upgrades that provide sufficient bandwidth are required for the successful operation of the new administration systems

- o **Mitigation Strategy:** Develop updated project schedules and identify critical dates to align with the administrative systems implementations. Collaborate with VITA to align on the implementation schedule of Verizon technology tools to verify proper security and operation of VDH administrative systems.

Risk 2: Resource constraints on the department's technical staff from the ongoing Cardinal HCM integration with Web F&A Time & Effort reporting may impact the timing of the administrative systems initiative

- o **Mitigation Strategy:** Proactively coordinate resource needs and expected delivery timelines for proposed solutions requiring VDH technical staff resources.

Risk 3: The day-to-day administrative tasks, such as time reporting and document storage, may be interrupted by the implementation of the updated systems

- o **Mitigation Strategy:** Test systems changes and plan the deployment to be the least disruptive to operations.

Risk 4: Hardware infrastructure (cloud storage, processing power) may not meet the needs of the proposed software upgrades and additions

- o **Mitigation Strategy:** Review a variety of hardware infrastructure options and analyze software upgrade options with technical requirements - API connections, browser compatibility, storage, etc. The VDH technical team will be actively engaged in the evaluation process for any potential software upgrades.

Risk 5: Staff may be slow to adopt the new systems and processes for many of their day-to-day tasks

- o **Mitigation Strategy:** A change management communication plan will be created for each Administrative System. The plan will incorporate anticipated training, education, and communication materials to ease transition into new business processes and digital systems.

Risk 6: VITA's approval for infrastructure (such as ECOS approval) is needed to support the implementation timeline

- o **Mitigation Strategy:** VITA approval will be a critical component of software development/integration timelines. Cybersecurity requirements will be included in solicitation language for potential procurements and the approval process will be initiated as soon as procurements have closed, and responses opened.

Risk 7: Project risks, actions, issues, and decisions (RAID) will be documented, assessed, and assigned on a bi-weekly basis

- o **Mitigation Strategy:** Governance meetings will be conducted to review: strategic decisions, initiative progress, issues, and risks. RAID are escalated to stakeholders and product owners on a regular basis.

Change Management Considerations

VDH understands that transformation initiatives are successful not only with the right technology, processes, and resources, but also with people who are properly equipped for the changes. Successfully navigating transformation in a highly complex environment requires effective management of business process changes, communications, and stakeholder management to create buy-in at early stages.

The Administrative Systems Initiative may present upgrades/actions that impact VDH employees' day-to-day activities. An effective change management and communications strategy will include communicating goals, preparing and aligning goals to targeted stakeholders, and building confidence in the benefits of the changes.

As the change management and communications strategy is developed, a wide range of communication tools will be planned for (e.g., meetings, trainings, memorandums, resource documents, email). Development of training and resources for staff will be a critical component of executing future technology changes. By providing information to VDH staff through a variety of methods and aligning changes with "Change Champions" who can lead at the office-level, all employees will feel the significance of the changes but understand what resources are available to them. These resources will include learning, upskilling, and reskilling, and will inform staff of what support mechanisms are available throughout the entirety of the process, including well into the future.

Project Budget

The following budget is broken down by the project categories defined in the work plans submitted on 9/30/2021. Please refer to this documentation for further clarification.

Total Budget: $50,000,000

Cumulative Expenditures, Obligations, and Budget, through December 31, 2021

Project Group	Current Expenditures	Current Obligations	Projected FY22 Budget	Total Budget
Business Systems	$0	$524,515	$435,000	$28,415,000
Web F&A Modernization	$0	$144,057	$6,775,000	$7,775,000
Product Suite	$0	$128,358	$745,000	$6,965,000
Other Initiatives	$110,120	$183,072	$1,675,000	$3,950,000
IT Service Management	$0	$53,560	$370,000	$2,895,000
Total	**$110,120**	**$1,033,562**	**$10,000,000**	**$50,000,000**

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