



AHCCCS Information Technology

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Presented by

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Workload

- ✦ In FY 2009, we processed:
 - 55 million Health Plan Encounters
 - 4.6 million Provider Claims
 - \$8.76 Billion (TF)
 - 7.5 million images
 - 16 million on-line transactions
 - Seamlessly transitioned over 200,000 members to other health plans on 10/1/08
 - Generated over 1.3 million Notices to members

Annual Operating Budget

DESCRIPTION	ISD FY08 Expenses	ISD FY09 Expenses	ISD FY10 Estimated
	Total	Total	Total
Total Staff, Beginning of FY	185	174	145
Staff + ERE	11,521,275	11,550,871	9,326,453
Telecommunications (AZNet)	2,093,481	1,904,636	1,812,400
Software Licensing	1,106,062	879,631	955,242
Hardware Maintenance	421,483	317,712	330,704
Other Expenses	1,495,881	659,280	495,800
OPERATING SUBTOTAL	\$16,638,182	15,312,130	\$12,920,599
DOA DATA CENTER	8,079,263	\$8,912,130	\$6,239,300 *
TOTAL EXPENDITURES	\$24,717,445	\$24,224,260	\$19,159,899

EXPENSES BY FUND:	FY08	FY09	FY10
General Fund	8,582,954	7,690,986	6,966,882
AHCCCS Fund	16,134,491	16,533,274	12,193,017
HAPA	7,731,836	7,211,137	7,189,245
TOTAL EXPENDITURES	32,449,281	31,435,397	26,349,144

*Appropriated amount - historically, actuals have been much higher.

Projects

- ✦ Enhancements to existing systems via quarterly release updates
 - Example: Electronic claims attachment upgrade
- ✦ Development (State and Federal mandates)
 - HIPAA Transactions (e.g., 4010 to 5010)
 - ICD-10 Diagnosis code upgrade from ICD-9
 - Health Information Technology
 - Budgetary Program Changes (e.g., cost sharing)
- ✦ Follow Software Engineering Institutes' Capability Maturity Model Level Two

Core Functions and Systems

Core Function	Systems utilized
Eligibility and Enrollment	ACE, HEA, Recipient, AHCCCS on-line, Myahcccs.com, Imaging, EDI Gateway
Processing Claims and Health Plan Encounters	Claims/Encounters, EDI Gateway, AHCCCS on-line, Imaging
Health Plan and Provider Payment	Finance, Reporting, ORACLE Financials, EDI Gateway
Provide data to external sources (Health Plans, Providers)	EDI Gateway, Reporting, Data Warehouse
Data Warehouse	Contains all data to support the aforementioned core functions
Employee Support	Security, Desktop administration, IT Customer Support, Network Services, Infonet, Virtual Office support
Hawaii	All systems are replicated to support Hawaii including Enrollment, Processing claims and Health Plan Encounters, external data, and Data Warehouse

Security

- ✦ HIPAA Security and Privacy
- ✦ Identified Security and Privacy Officers
- ✦ Quarterly security certification process for all staff
- ✦ Regular staff outreach for key topic areas
- ✦ Annual review of privacy and security processes (HIPAA audit; Technology Infrastructure and Standards Assessment)
- ✦ Federal audits conducted by Office of the Inspector General and Social Security Administration
- ✦ Quarterly Security Compliance Report to Executive Management
- ✦ Formal procedures governing all system security access

Systems Hardware Structure

- ✦ 1,436 MIPS on ADOA mainframe

- ✦ Servers

- Located at both AHCCCS Central Office and ADOA (for business continuity purposes)
- 43% are less than 4 years old

- ✦ Personal Computer and Thin Clients

- Migrating towards thin clients
- 11% are less than 4 years old

- ✦ 50 TB of network attached storage space

Software (desktop)

- ✦ Operating System: Microsoft Windows XP Professional 2002
- ✦ Productivity Suite: Microsoft Office 2003
- ✦ We do not pay maintenance for the above software (not eligible for upgrades)
- ✦ Other software:
 - McAfee Anti-Virus
 - Microsoft Project
 - Extra (mainframe emulator)

IT Enabled Efficiencies

- ✦ Over 400 staff in Virtual Office
- ✦ Reduced 113,000 square feet of office space resulting in \$2 million in savings
- ✦ Reduced copying and printing (\$600,000 in savings)
- ✦ Wide Area Network redesign (saved \$100,000)
- ✦ Web transactions – 16 million transactions/per year now handled electronically instead of manually via our call centers

Business Continuity/ Disaster Recovery

- ✦ Most servers are operationally redundant
- ✦ Central Office lacks Business Continuity in case of catastrophic failure (e.g., complete power failure)
- ✦ Limited recovery through equipment located at ADOA

Outsourced Services

- ✂ AZNET – telecommunications
- ✂ ADOA – mainframe computing
- ✂ IKON – printers and copiers

AHCCCS as a service provider

- ✦ Hawaii – operate MMIS, all functions
- ✦ ADHS – process claims
- ✦ DOC – process claims
- ✦ DJC – process claims
- ✦ Maricopa County Corrections – process claims

Transparency

- ✦ Publish content and communication via www.azahcccs.gov
 - State Plan
 - Budget reductions
 - Reports to the legislature
 - Health Plan Financials
 - Rates
- ✦ Transactions: on-line access

On-going Challenges

- ✖ Aging Mainframe system
- ✖ Aging Infrastructure
- ✖ Aging workforce (24% eligible for retirement in the next 4 years)
- ✖ Extensive Federal mandates
- ✖ Potential significant impact due to Federal Health Care Reform