

Policy Level

Agency:

107 Health Care Authority on Behalf of the Health Benefit Exchange

Decision Package Code/Title:

PL-H4 HBE SYSTEM INTEGRATOR REPROCUREMENT

Agency RecSum:

Funding in state fiscal year 2020 and 2021 is needed to cover projected costs associated with procuring and implementing a System Integrator vendor to support the Healthplanfinder (HPF) maintenance and operations activities and enhancement services.

Fiscal detail:

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
001-1 GF-State	\$0	\$0	\$0	\$0
17T-1 HBEA	\$554,000	\$414,000	\$0	\$0
001-C GF-Federal	\$1,132,000	\$846,000	\$0	\$0
Total Expenditures	\$1,686,000	\$1,260,000	\$0	\$0
Biennial Totals	\$2,946,000		\$0	
Staffing	FY 2020	FY 2021	FY 2022	FY 2023
FTEs	0	0	0	0
Average Annual	0		0	
Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. C	\$1,686,000	\$1,260,000	\$0	\$0
Revenue	FY 2020	FY 2021	FY 2022	FY 2023
17T-1 HBEA	\$554,000	\$414,000	\$0	\$0
001-C GF-Federal	\$1,132,000	\$846,000	\$0	\$0
Total Revenue	\$1,686,000	\$1,260,000	\$0	\$0
Biennial Totals	\$2,946,000		\$0	

Package Description

What is the problem, opportunity or priority you are addressing with the request?

The Washington Health Benefit Exchange (Exchange) is required by federal procurement rules to re-procure its Systems Integrator (SI) contract by June 30th, 2020. The SI contract includes Maintenance and Operations (M&O) services as well as enhancement services for its HPF website. As such the Exchange is looking to fund transition activities for the apparently successful vendor.

Through these services the Exchange will be able to oversee and manage the critical website support activities from one vendor to the next. Such oversight will be critical to prevent any adverse impact to Exchange customers. If the current vendor is selected, the Exchange proposes that the one-time funding be used to ensure the most cost-effective software products are used.

For additional information contact:

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What is your proposed solution?

The Exchange will publish a Request for Proposal (RFP) to select a vendor which can successfully support its HPF website starting July 1st, 2020. To ensure that the Exchange does not incur significant risks during this transition, specific transition services are needed. Such services include project management, QA, SI vendor overlap, shadowing and formal milestones to validate activity by activity hand offs.

What are you purchasing and how does it solve the problem?

This decision package provides one-time expenditure authority to cover the additional costs of transitioning to a new system integrator vendor. If the current vendor is selected as the apparently successful vendor, additional one-time funding may be needed for improved technology.

What alternatives did you explore and why was this option chosen?

No alternatives could be explored given the Exchange is required to competitively solicit its vendors periodically per Federal Uniform Guidance requirements.

Assumptions and Calculations

Expansion or alteration of a current program or service

This decision package will fund the transition of M&O and system enhancement services, including the potential upgrade of our software platform.

Detailed assumptions and calculations

The Exchange assumes a startup timeline with overlapping vendor costs of approximately two months after system handoff go-live. A ramp-up period for the apparently successful vendor (ASV) beginning in April 2020 is expected to last three months. Activities associated with vendor ramp-up include setting up technology, transitioning existing records from the current vendor, and hiring essential staff with a new vendor fully operational by July 2020. Funding is also requested to hire a project consultant to manage the transition beginning January 2020.

SFY2019 New Call Center Establishment Costs	FFP %	Jan '20	Feb '20	Mar '20	Apr '20	May '20	Jun '20	Jul '20	Aug '20	Total
Current Vendor Monthly Costs		\$413,750	\$413,750	\$413,750	\$413,750	\$413,750	\$413,750	\$413,750	\$413,750	\$2,068,750
Incumbant System Integrator Costs		\$0	\$0	\$0	\$0	\$0	\$0	\$300,000	\$300,000	\$600,000
Two month Q&A support for new vendor	75%							\$300,000	\$300,000	\$600,000
New Vendor Transition Costs		\$30,000	\$30,000	\$30,000	\$532,000	\$532,000	\$532,000	\$330,000	\$330,000	\$2,346,000
M&O/ Transition Costs	75%	\$0	\$0	\$0	\$413,000	\$413,000	\$413,000	\$300,000	\$300,000	\$1,839,000
Consultant/Contracted Services	75%	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$240,000
Additional HBE Support	75%	\$0	\$0	\$0	\$89,000	\$89,000	\$89,000	\$0	\$0	\$267,000
Total		\$30,000	\$30,000	\$30,000	\$532,000	\$532,000	\$532,000	\$630,000	\$630,000	\$2,946,000

Activity	FFP	Jan '20	Feb '20	Mar '20	Apr '20	May '20	Jun '20	Jul '20	Aug '20
Apparent successful vendor announced		X							
Two consultant/contracted resources	75%	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
ASV system integrator transition period					\$ 413,000	\$ 413,000	\$ 413,000	\$ 413,000	\$ 413,000
Healthplanfinder operational handoff								X	
Incumbant two month overlap for Q&A support	75%							\$ 300,000	\$ 300,000
Additional HBE Support	75%				\$ 89,000	\$ 89,000	\$ 89,000		

The additional expenditure authority is also needed if the apparently successful vendor is not the current vendor or if new technology requirements are required for the current vendor.

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The base budget does not include funding for the one-time system integrator startup costs or overlapping transition costs with the existing system integrator vendor. The original funding for the current system integrator startup costs were funded by federal grant funding provided to Washington State to establish the Exchange and Healthplanfinder (HPF).

No changes in FTEs are expected with this decision package.

- No increase in Carrier Assessment is expected to cover this expenditure.
- No new General Fund-State dollars are requested.
- Transition and contracted services costs associated with this decision package are eligible for 75% Federal Financial Participation (FFP).

Workforce assumptions

No changes in FTEs are expected with this decision package.

Strategic and Performance Outcomes

Strategic framework

This required activity aligns with the Exchange's strategic direction as this procurement will enable the Exchange to identify an SI partner willing to modernize and grow the HPF website. A successful transition will enable the Exchange to focus on an improved customer experience, website modernization as well as growth.

As the single point of entry for Washington Apple Health, Qualified Health Plans (QHP) and Qualified Dental Plans (QDP), the Exchange serves more than 1.8 million residents annually. Around 200,000 Washington residents are enrolled in QHPs and around 1.6 million are enrolled in Washington Apple Health.

Performance outcomes

The Exchange seeks to continuously improve how Washingtonians secure health insurance through innovative and practical solutions and an easy-to-use customer experience. These are reflected in our values of integrity, respect, equity, and transparency as they relate to those we work with and those we serve. The Exchange expects to secure a high-performing System Integrator.

A successful transition will be measured using different metrics:

- No visible impact of vendor transition to external stakeholders and to customers
- Increased rate of defect reduction/closure
- Increased mix of enhancement activities compared to M&O activities

Other supporting materials

None.

Other Collateral Connections

Intergovernmental

None.

Legal or administrative mandates

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The Exchange is required to competitively solicit its vendors periodically per Federal Uniform Guidance requirements.

Changes from current law

None.

State workforce impacts

None.

State facilities impacts

None.

Puget Sound recovery

None.

Other supporting materials

None.

Stakeholder response

None.

Information technology (IT)

ABS will pose the question below for *each* DP. If the answer is yes, you will be prompted to attach an IT addendum. (See Chapter 10 of the budget instructions for additional requirements.)

Information Technology

Does this DP include funding for any IT-related costs, including hardware, software (including cloud-based services), contracts or IT staff?

No

Yes

Please download the [IT-addendum](#) and follow the directions on the bottom of the addendum to meet requirements for OCIO review. After completing the IT addendum, please upload the document to continue.

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