Maintenance Level

Agency:
107 Health Care Authority on Behalf of the Health Benefit Exchange

Decision Package Code/Title:

M2-H1 HBE CLOUD PLATFORM COSTS

Agency RecSum:
In SFY 2019, the Healthplanfinder (HPF) is transitioning from a server environment to a cloud platform. Participation in a cloud environment requires that software products are kept current. Funding for the actual software replacement is included in the Health Benefit Exchange (Exchange) base budget. Funding authority is provided for the additional ongoing costs associated with modifying HPF and other significant the Exchange applications.

Fiscal detail:

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
001-1 GF-State	$0	$0	$0	$0
17T-1 HBEA	$213,000	$213,000	$213,000	$213,000
001-C GF-Federal	$437,000	$437,000	$437,000	$437,000
Total Expenditures	**$650,000**	**$650,000**	**$650,000**	**$650,000**
Biennial Totals	**$1,300,000**		**$1,300,000**	
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	$650,000	$650,000	$650,000	$650,000
Revenue	FY 2020	FY 2021	FY 2022	FY 2023
17T-1 HBEA	$213,000	$213,000	$213,000	$213,000
001-C GF-Federal	$437,000	$437,000	$437,000	$437,000
Total Revenue	**$650,000**	**$650,000**	**$650,000**	**$650,000**
Biennial Totals	**$1,300,000**		**$1,300,000**	

Package Description

What is the problem, opportunity or priority you are addressing with the request?
The Washington Health Benefit Exchange is dependent on multiple software products that range from operating system software to application software that supports document management. These software products are required to be upgraded to take advantage of security improvements, new enhanced functionality, and to remain on a vendor supported version. Software upgrades can result in the need to purchase a new version, entail significant efforts to upgrade, and drive substantial changes in business processes. In 2018, the Legislature provided approximately $1.1 million for HPF changes needed to upgrade some of the Oracle software products for security purposes.

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Examples of major software products that will require upgrades over the next few years include: Oracle products such as WebLogic, Policy Automation, API Gateway, SOA Suite, and Identity Management used to run and protect Healthplanfinder, Hyland image software used to store and retrieve document images, Microsoft products (Office, SCCM, SQL, etc.) used across business areas and software development, Adobe products used to generate correspondences, and many other security and infrastructure related software products that must be kept current to ensure the viability and security of the Exchange's most important systems.

Moving to the cloud requires that core systems are updated by cloud providers with no exceptions allowed. This makes being on current software even more critical to minimize system interruptions and potential inoperability issues with the host platform.

Outdated software and systems are one of the top ten ways companies get hacked according to CNBC. Even with updates and security patches being applied, the longer a system is in the technology ecosystem the more eyes are on it.

What is your proposed solution?
Annually, the Exchange will upgrade a set number of products. Funding authority is requested to continue to upgrade the software and make any necessary changes to HPF to ensure Cloud requirements are met, services are continued without interruption, and potential security threats are minimized. If not funded, other security enhancements may be delayed, increasing security vulnerability.

Maintaining software products and ensuring the advantages of being on a supported and up to date version are critical for applications such as HPF. The importance to over 1.8 million users to have a secure, reliable, and responsive experience when selecting healthcare insurance is enabled through maintaining the software products used with the Exchange's systems.

What are you purchasing and how does it solve the problem?
The funding requested in this package will allow the Exchange to ensure its software products are up to date and on a supported version. The funding would be used to pay for additional contractor or System Integrator hours to update application code and other configurations, purchase new or upgrade software when funding exceeds the base software budget. Upgrading most of the products used by the Exchange will require implementation support from our System Integrator.

What alternatives did you explore and why was this option chosen?
Software products are required to be upgraded, and in many cases are costly to upgrade, requiring additional programming activities. Not upgrading critical software products is not a viable option and the status quo is not feasible.

Assumptions and Calculations
Expansion or alteration of a current program or service
This proposal does not expand or alter a current program or service but is due to the requirement that software remain current on the cloud.

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Detailed assumptions and calculations
The recent upgrade of the Oracle security suite cost $1.4 million dollars, $300,000 more than the $1,100,000 previously funded in the 2017-19 Biennial budget. Similar efforts are expected for products needing to be upgraded over the next several years. Examples of products that are reaching the end of their supported life and may require HPF changes, include Oracle's Policy Automation (OPA) used for the HPF business rules engine, Oracle API Gateway (OAG) used for a first line of defense in service-oriented architectures, and Hyland's software imaging system used for storage management and access to HPF-related customer document images. The estimate provided reflect the costs associated with implementing the new product version.

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.
- All costs associated with this decision package are eligible for 75% FFP

Workforce assumptions
No funding for additional internal Exchange FTE's are included in this DP.

Strategic and Performance Outcomes
Strategic framework
This decision package supports the Governor's goal of healthy and safe communities by benefiting over 1 in 4 Washington residents served through the Exchange, including over 1.6 million Medicaid enrollees and around 200,000 Qualified Health Plan enrollees.

Performance outcomes
The funding of this package ensures the software products utilized by the Exchange are current, up to data with security improvements, and on a version currently supported by the software product vendor. We expect to stay within 3 revisions and one major version release with this money for all software and system products.

Other supporting materials
None.

Other Collateral Connections
Intergovernmental
None.

Legal or administrative mandates
None.

Changes from current law
None.

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State workforce impacts
None.

State facilities impacts
None.

Puget Sound recovery
None.

Other supporting materials
None.

Stakeholder response
None.

Information technology (IT)
None.

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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