



# Stage 1 Business Analysis

California Department of Technology, SIMM 19A.3 (Ver. 3.0.8, 02/01/2022)

## 1.1 General Information

**1. Agency or State entity Name: 5225 - Corrections and Rehabilitation, Department of**

If Agency/State entity is not in the list, enter here with the [organization code](#).

[Click or tap here to enter text.](#)

**2. Proposal Name and Acronym: Medi-Cal Reimbursement System**

**3. Proposal Description: (Provide a brief description of your proposal in 500 characters or less.)**

The Information Technology Services Division (ITSD) of California Correctional Health Care Services (CCHCS) currently maintains the information technology infrastructure and medical grade network that enables our clinical staff to provide continuity of care to justice-involved residents.

Assembly Bill (AB) 133, signed by the Governor on July 27, 2021, requires federal authority to implement California Advancing and Innovating Medi-Cal (CalAIM), a framework that encompasses broad-based delivery systems and payment reform across the statewide Medi-Cal program.

CCHCS proposes to develop a Medi-Cal Reimbursement System (MCRS) that will:

- Interface with various internal systems to collect claims information.
- Interface with CA-MMIS and Medi-Cal Rx to submit the claims.
- Receive disposition of submitted claims and provide for reprocessing of rejected claims.
- Interface with Department of Health Care Services (DHCS) and county social services departments (SSD) to notify of the "Release Date" and Medi-Cal eligibility of justice-involved residents.
- Generate various reports to track claims submitted, processed, rejected, reimbursed, etc.

Additionally, CCHCS's Electronic Health Record System (EHRS) will need changes to accommodate storing data related to claims and Medi-Cal eligibility and interfacing with MCRS.

MCRS is projected to be developed and integrated with multiple state, county, and third-party entities with a 24-month implementation window, by April 1, 2024 or after. With successful

implementation of MCRS, the state is estimated to receive \$10.8 million in federal reimbursements annually.

4. **Proposed Project Execution Start Date:** [Click or tap to enter a date.](#)
5. **S1BA Version Number:** **Version 1**

## 1.2 Submittal Information

### 1. Contact Information

Contact Name: [Tony Stafford / Danielle Billings](#)

Contact Email: [tony.stafford@cdcr.ca.gov](mailto:tony.stafford@cdcr.ca.gov) and [danielle.billings@cdcr.ca.gov](mailto:danielle.billings@cdcr.ca.gov)

Contact Phone: (916) 213-6157 and (916) 691- 9819

### 2. Submission Type: **New Submission**

If Withdraw, select Reason: [Choose an item.](#)

If Other, specify reason here: [Click or tap here to enter text.](#)

**Sections Changed, if this is a Submission Update: (List all sections changed.)**

[Click or tap here to enter text.](#)

**Summary of Changes: (Summarize updates made.)**

[Click or tap here to enter text.](#)

3. **Attach [Project Approval Executive Transmittal](#)** to your email submission.
4. **Attach [Stage 1 Project Reportability Assessment](#)** to your email submission.

## 1.3 Business Sponsorship

### 1. Executive Champion (Sponsor)

Title: [Director, Information Technology Services Division](#)

Name: [Cheryl Larson](#)

Business Program Area: [Information Technology](#)

Title: [Director, Legislation and Special Projects](#)

Name: [Lisa Heintz](#)

Business Program Area: [Legislation, Special Projects, Integrated Substance Use Disorder Treatment \(ISUDT\)](#)

## 2. Business Owner

Title: Information Technology Manager II

Name: Janene DelMundo

Business Program Area: ISUDT

Title: Deputy Director

Name: Renee Kanan

Business Program Area: Medical Services

Title: Deputy Director

Name: Barbara Barney-Knox

Business Program Area: Nursing Services

Title: Statewide Chief

Name: Greg Doe

Business Program Area: Pharmacy Services

Title: Deputy Director

Name: Angela Ponciano

Business Program Area: Healthcare Invoicing Section

Title: Deputy Director

Name: Amar Mehta

Business Program Area: Mental Health Services

Title: Deputy Director

Name: Morton Rosenberg

Business Program Area: Dental Services

Title: Deputy Director

Name: Annette Lambert

Business Program Area: Quality Management

## 3. Product Owner

Title: Information Technology Manager II

Name: Janene DelMundo

Business Program Area: ISUDT

## 1.4 Stakeholder Assessment

The Stakeholder Assessment is designed to give the project team an overview of communication channels that the state entity needs to manage throughout the project. More stakeholders may result in increased complexity to a project.

**1. Indicate which of the following are interested in this proposal and/or the outcome of the project. (Select 'Yes' or 'No' for each.)**

State Entity Only: **No**

Other Departments/State Entities: **Yes**

Public: **No**

Federal Entities: **Yes**

Governor's Office: **Yes**

Legislature: **Yes**

Media: **No**

Local Entities: **Yes**

Special Interest Groups: **No**

Other: **No**

**2. Describe how each group marked 'Yes' will be involved in the planning process.**

The California Legislature passed AB 133 and the Governor signed the bill into law on July 27, 2021. AB 133 requires federal authority to implement CalAIM, a framework that encompasses broad-based delivery systems and payment reform across the statewide Medi-Cal program.

The Medi-Cal program is administered by DHCS, which in part is governed and funded by the federal Medicaid program. The CalAIM pre-release service requirements are mandated by the DHCS's California Welfare and Institutions Code §14184.800.

CalAIM will expand California's whole-person care approach to a statewide level, with a clear focus on improving health and reducing health disparities and inequities both statewide and at the local county level. Once fully implemented, CalAIM will enable California to provide benefits to certain high needs, hard-to-reach populations, with the objective of improving health outcomes for Medi-Cal beneficiaries and other low-income persons within the state.

## 1.5 Business Program

**1. Business Program Name:** California Correctional Health Care Services

**2. Program Background and Context:** (Provide a brief overview of the entity’s business program(s) current operations.)

The ITSD, within CCHCS, currently maintains the information technology infrastructure and medical grade network that enables our clinical staff to provide continuity of care to the residents.

To be compliant with AB 133, CCHCS proposes to develop the new MCRS and integrate with multiple state, county, and third-party entities with a 24-month implementation window, by April 1, 2024 or after. With successful implementation of MCRS, the state is estimated to receive \$10.8 million in federal reimbursements annually.

**3. How will this proposed project impact the product or services supported by the state entity?**

CCHCS/ITSD proposes to develop a new MCRS that enables the department to:

- Interface with various internal systems to collect claims information.
- Interface with CA-MMIS and Medi-Cal Rx to submit the claims.
- Receive disposition of submitted claims and provide for reprocessing of rejected claims.
- Interface with Department of Health Care Services (DHCS) and county social services departments (SSD) to notify of the “Release Date” and Medi-Cal eligibility of justice-involved residents.
- Generate various reports to track claims submitted, processed, rejected, reimbursed, etc.

*TIP: Copy and paste or click the + button in the lower right corner to add Business Programs, with background and context and impact descriptions as needed.*

## 1.6 Project Justification

### 1. Strategic Business Alignment

#### Enterprise Architect

Title: Information Technology Specialist II

Name: Robert Ross

Strategic Plan Last Updated? 3/1/2022

Strategic Business Goal: Leverage Emerging Technology to Innovate

Alignment: Transform business operations and IT services through digital innovation and investments in modern technologies.

**Mandate(s):** State

Bill Number/Code, if applicable: Assembly Bill 133

Add the Bill language that includes system-relevant requirements:

AB 133 requires federal authority to implement CalAIM, a framework that encompasses broad-based delivery systems and payment reform across the statewide Medi-Cal program. CalAIM will expand California's whole-person care approach to a statewide level, with a clear focus on improving health and reducing health disparities and inequities. Once fully implemented, CalAIM will enable California to provide benefits to certain high needs, hard-to-reach populations, with the objective of improving health outcomes for Medi-Cal beneficiaries and other low-income persons within the state.

## 2. Business Driver(s)

**Financial Benefit:** Yes

Increased Revenue: No

Cost Savings: No

Cost Avoidance: Yes

Cost Recovery: Yes

Will the state incur a financial penalty or sanction if this proposal is not implemented? No

If the answer to the above question is "Yes," please explain:

[Click or tap here to enter text.](#)

### Improvement

Better Services to the People of California: Yes

Efficiencies to Program Operations: Yes

Improved Equity, Diversity, and/or Inclusivity: Yes

Improved Health and/or Human Safety: Yes

Improved Information Security: No

Improved Business Continuity: Yes

Improved Technology Recovery: No

Technology Refresh: No

Technology End of Life: No

## 1.7 Business Outcomes Desired

### Executive Summary of the Business Problem or Opportunity:

Governor Newsom signed AB 133 into law on July 27, 2021, which requires federal authority to implement CalAIM, a framework that encompasses broad-based delivery systems and payment reform across the statewide Medi-Cal program. To be compliant with AB 133, CCHCS proposes to

develop the new MCRS and integrate with multiple state, county, and third-party entities with a 24-month implementation window, by April 1, 2024 or after.

Once fully implemented, MCRS will enable the state to be reimbursed for Medi-Cal services provided to eligible residents and to notify DHCS and county SSDs of residents' Medi-Cal eligibility.

Residents departing correctional facilities are at extremely high risk of poor health outcomes due to high rates of mental illness, substance use disorders, complex medical conditions, and unmet social needs such as housing insecurity, unemployment, and inadequate social connections. The proposed MCRS will improve outcomes for this population by meeting pre-release application processing, facilitating referrals to Medi-Cal services, and providing "In Reach" services for justice-involved populations, such as a 30-day supply of medication upon departure.

**Objective ID: 1**

**Objective:** Enables CCHCS to manage claims for Medi-Cal-eligible services to DHCS for federal reimbursements.

**Metric:** MCRS will manage claims for all eligible Medi-Cal services within six months following the month in which services were rendered.

**Baseline:** 90-day pre-release process, as mandated by AB 133.

**Target Result:** Develop a billing system that successfully identifies and submits claims for reimbursement.

**Objective ID: 2**

**Objective:** Notify county SSDs and DHCS of "Release Date" and Medi-Cal eligibility of justice-involved residents.

**Metric:** MCRS will verify resident's Medi-Cal eligibility and submit eligible claims for medical services and prescriptions that are provided to justice-involved residents to DHCS and county SSDs within 90 days of release.

**Baseline:** 210-day pre-release process, as mandated by AB 133.

**Target Result:** Develop a notification protocol that notifies DHCS and county SSDs of eligible residents' release dates and Medi-Cal eligibility.

## 1.8 Project Management

### 1. Project Management Risk Score: 0.2

(Attach a completed [Statewide Information Management Manual \(SIMM\) Section 45 Appendix A Project Management Risk Assessment Template](#) to the email submission.)

## 2. Project Approval Lifecycle Completion and Project Execution Capacity Assessment

Does the proposal development or project execution anticipate sharing resources (state staff, vendors, consultants, or financial) with other priorities within the Agency/state entity (projects, PALs, or programmatic/technology workload)?

**Answer:** No

Does the Agency/state entity anticipate this proposal will result in the creation of new business processes or changes to existing business processes?

**Answer** (No, New, Existing, or Both): Both New and Existing Processes

## 1.9 Initial Complexity Assessment

### 1. Business Complexity Score: 2.1

(Attach a completed [SIMM Section 45 Appendix C](#) to the email submission.)

### 2. Noncompliance Issues: (Indicate if your current operations include noncompliance issues and provide a narrative explaining how the business process is noncompliant.)

Programmatic regulations: No

HIPAA/CIIS/FTI/PII/PCI: No

Security: No

ADA: No

Other: No

Not Applicable: No

Noncompliance Description:

[Click or tap here to enter text.](#)

### 3. Additional Assessment Criteria

If there is an existing Privacy Threshold Assessment/Privacy Information Assessment, include it as an attachment to your email submission.

How many locations and total users is the project anticipated to affect?

Number of locations: [Click or tap here to enter text.](#)

Estimated Number of Transactions/Business Events (per cycle): [Click or tap here to enter text.](#)

Approximate number of internal end-users: [Click or tap here to enter text.](#)

Approximate number of external end-users: [Click or tap here to enter text.](#)



## 1.10 Funding

### Planning

1. Does the Agency/state entity anticipate requesting additional resources through a budget action to **complete planning** through the project approval lifecycle framework? [Choose an item.](#)

If Yes, when will a budget action be submitted to your Agency/DOF for planning dollars?

[2/7/2023](#)

2. Please provide the Funding Source(s) and dates funds for planning will be made available:

CCHCS is requesting funding, contracted services, and IT positions to implement and maintain a new claims processing system (MCRS) and changes needed in the EHRS to support the claims processing and record Medi-Cal eligibility. The costs include infrastructure modifications and interfaces to work with contracted services. Additionally, CCHCS/ITSD requests ongoing funding and positions to maintain the program.

### Project Implementation Funding

1. Has the funding source(s) been identified for **project implementation**? [Yes](#)

If known, please provide the Funding Source(s) and dates funds for implementation will be made available:

[Funding for the project implementation has been identified from the General Fund and through Federal Funding: Providing Access and Transforming Health \(PATH\) for Fiscal Year 2023/24.](#)

Will a budget action be submitted to your Agency/DOF? [Yes](#)

If "Yes" is selected, specify when this BCP will be submitted: January 1, 2023

2. Please provide a rough order of magnitude (ROM) estimate as to the total cost of the project: [Less than \\$10 Million](#)

**End of agency/state entity document.**

**Please ensure ADA compliance before submitting this document to CDT.**

**When ready, submit Stage 1 and all attachments in an email to [ProjectOversight@state.ca.gov](mailto:ProjectOversight@state.ca.gov).**

**Department of Technology Use Only**

Original "New Submission" Date: [1/23/23](#)

Form Received Date: [1/23/23](#)

Form Accepted Date: [1/23/23](#)

Form Status: [Completed](#)

Form Status Date: [2/15/2023](#)

Form Disposition: [Approved](#)

If Other, specify: [Click or tap here to enter text.](#)

Form Disposition Date: [2/15/2023](#)

Department of Technology Project Number (0000-000): [5225-184](#)