



Stage 2 Alternatives Analysis

California Department of Technology, SIMM 19B.2 (Ver. 3.0.7, 02/28/2022)

2.1 General Information

1. **Agency or State Entity Name:** 5225 - California Correctional Health Care Services

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:** Medi-Cal Reimbursement System

3. **Department of Technology Project Number (0000-000):** 5225-184

4. **S2AA Version Number:** Version 1

5. **CDT Billing Case Number:** CS0061508

Don't have a Case Number? [Click here to get one.](#)

2.2 Submittal Information

1. **Contact Information**

Contact Name: Bernadine Schultz

Contact Email: Schultz, Bernadine <Bernadine.Schultz@cdcr.ca.gov>

Contact Phone:

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 an update or resubmission: (List all the sections that 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 [Procurement Assessment Form](#) to your email submission.
5. **Conditions from Stage 1 Approval** (Enter any conditions from the Stage 1 Business Analysis approval letter issued by CDT or your AIO):

N/A

2.3 Baseline Processes and Systems

1. **Current Business Environment (Describe the current business environment of which the effort will be understood and assessed in 500 words)**

Not Available

Not available reason: CCHCS does not have an existing claims management system for billing and notification, and therefore, cannot provide the requested documentation. CCHCS proposes to develop a new claims management system, Medi-Cal Reimbursement System (MCRS) to receive federal reimbursements for Medi-Cal services and medications and to notify Department of Health Care Services (DHCS) and County Social Services Departments (SSDs) justice-involved resident's Medi-Cal eligibility. The MCRS Project 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.

2. **Technical Context (Describe the technical environment of which the effort will be understood and assessed in 500 words)**

Not Available

Not available reason: CCHCS does not have an existing claims management system for billing and notification, and therefore, cannot provide the requested documentation. CCHCS proposes to develop a new claims management system, MCRS to receive federal reimbursements for Medi-Cal services and medications and to notify DHCS and County SSDs justice-involved resident's Medi-Cal eligibility. MCRS Project 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.

3. **Data Management (Enter the information to indicate the data owner and custodian of the current system, if applicable.)**

Data Owner Name: [Dr. Joseph Bick](#)

Data Owner Title: [Director of Health Care Services](#)

Data Owner Business Program area: [Health Care Services](#)

Data Custodian Name: [Cheryl Larson](#)

Data Custodian Title: [Director of Information Technology Services Division](#)

Data Custodian Technical area: [Information Technology Services Division](#)

Security - Data Classification and Categorization [Yes](#)

Security - Privacy Threshold & Impact Assessment. [Yes](#)

4. Existing Data Governance and Data

a) Do you have existing data that must be migrated to your new solution?

Answer (Unknown, Yes, No): [No](#)

If data migration is required, please rate the quality of the data.

Select data quality rating: [Not Applicable](#)

b) Does the Agency/state entity have an established data governance body with well-defined roles and responsibilities to support data governance activities?

Answer (Unknown, Yes, No): [Yes](#)

If Yes, include the data governance organization chart as an attachment to your email submission.

Refer to the [HCDOM](#)

c) Does the Agency/state entity have data governance policies (data policies, data standards, etc.) formally defined, documented, and implemented?

Answer (Unknown, Yes, No): [Yes](#)

If Yes, include the data governance policies as an attachment to your email submission.

d) Does the Agency/state entity have data security policies, standards, controls, and procedures formally defined, documented, and implemented?

Answer (Unknown, Yes, No): [Yes](#)

If Yes, attach the existing documented security policies, standards, and controls used to your email submission.

e) Does the Agency/state entity have user accessibility policies, standards, controls, and procedures formally defined, documented, and implemented?

Answer (Unknown, Yes, No): [Yes](#)

If Yes, attach the existing documented policies, accessibility governance plan, and standards used to the email submission.

5. Security Categorization Impact Table

Consult the [SIMM 5305-A Information Security Program Management Standard - Security Categorization Impact Table](#).

6. Security Categorization Impact Table Summary

Consult the [SIMM 5305-A Information Security Program Management Standard - Security Categorization Impact Table](#) to provide potential impact levels of the following areas:

Confidentiality: Medium

Integrity: Medium

Availability: Medium

7. Technical Complexity Score: 2.1

(Attach a [SIMM Section 45 Appendix C](#) with Business and Technical Complexity sections completed to the email submission.)

2.4 Requirements and Outcomes

At this time, the Project Team has gathered mid-level requirements based on the objectives included in the Stage 1 Business Analysis.

See the attached MCRS Project Requirements Traceability Matrix that demonstrates the mid-level requirements identified during the requirements gathering sessions with subject matter experts (SMEs) and the Project Team.

2.5 Assumptions and Constraints

Relevant assumptions and constraints help define boundaries and opportunities to shape the scope and complexity of the project.

Assumption: Project funding will remain available throughout the project lifecycle.

Description/Potential Impact: Changes to project funding will impact the ability to meet the mandated deadlines.

Assumption: Project resources are available and engaged in project activities including user acceptance testing.

Description/Potential Impact: The resources required for this project are available promptly and engaged in project activities for a successful and timely deployment

Assumption: Budget constraints may result in reductions to the project scope.

Description/Potential Impact: If there is a reduction in the budget, then CCHCS will have a revised limited scope.

Assumption: Executive sponsorship will continue through project completion.

Description/Potential Impact: Continued support from executive sponsors will ensure that resources are available throughout the course of the project.

Constraint: Project implementation has a deadline of April 1, 2026, as stated by Assembly Bill (AB) 133.

Description/Potential Impact: Failure to meet the deadline will result in CCHCS being out-of-compliance with AB 133 and subject to legislative disciplinary action.

2.6 Dependencies

Dependency Element: Interface to external systems

Dependency Description: The CCHCS MCRS Project will utilize data from existing CCHCS and external systems to validate the Medi-Cal and CalAIM eligibility and the data necessary for the claim submission for both Medical and Pharmacy thus CCHCS will be dependent on the availability of all the necessary systems for Eligibility determination and Medi-Cal claim submission.

CCHCS will depend on the availability of DHCS systems for processing claims submitted for both Medical and Pharmacy claims.

2.7 Market Research

1. **Project Management Methodology:** Adaptive Approach (Agile)
2. **Procurement approach recommended:** Standard Procurement
3. **Market Research Approach**

The CCHCS and DHCS conducted collaborative discovery meetings to discuss and determine the future state and processes. The future state is entirely new and will require additional functionality and interdepartmental interfaces to pre-existing systems.

It was determined that the future solution requires considerable customization. Research of the marketplace showed that while there are Commercial off-the-Shelf (COTS) solutions available to perform a similar workload for the private industry there is nothing available on the market that will bridge the gap between the needs of private industry and correctional facilities. The difference between private industry standards and project requirements is considerable.

Some COTS products can perform portions of the required functionality; however, those products still require custom build to perform the work as required by the project. Market research indicates

that there are no COTS solutions that could meet the project's requirements complexity. California is at the helm of correctional healthcare billing, and it has been determined that the need for correctional healthcare billing is so new and specialized there are no products available in the marketplace to meet the requirements of the project.

4. Market Research Artifacts

For this project, the CCHCS reached out to Cerner (our Electronic Health Reporting System) to inquire if our current system has the Medi-Cal Reimbursement capabilities and they do not currently. There are no COTS solutions available on the market. CCHCS reached out to DHCS, who has successfully implemented a solution for such, which CCHCS is seeking to implement.

2.8 Viable Alternative Solutions

1. Viable Alternative Solution #1

Name: CCHCS in-House Custom Developed Solution

Description: CCHCS would notify the County SSDs of planned and actual dates when a resident is released from California state prisons. Through custom interfaces and development, CCHCS will evaluate and determine both Medi-Cal and CalAIM Eligibility. Medical services and prescriptions become reimbursable via Medi-Cal, for those residents determined to be eligible, starting 90 days prior to release. CCHCS will complete the custom development of a system for the data collection, processing, and submission of both Medical and Pharmacy claims. The CCHCS custom development will also provide for processing rejected claims for re-submission.

Within this overall solution, CCHCS will establish a CCHCS CalAIM Billing Unit to provide enough coders for the submission of claims, the evaluation and re-submission to address any claim issues, and audits of claims.

Why is this a viable solution? Please explain:

Although there is no existing CCHCS example of a Medi-Cal Billing Solution, each of the technical components is something that CCHCS has implemented within past projects via custom build.

Approach

Increase staff – new or existing capabilities: **Yes**

Modify the existing business process or create a new business process: **Yes**

Reduce the services or level of services provided: **No**

Utilize new or increased contracted services: **No**

Enhance the existing IT system: **No**

Modify Statute/Policy/Regulations: **No**

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

Create a new IT system: **Yes**

Other: [No](#) Specify: [N/A](#)

Architecture Information

Business Function(s)/Process(es): [Click or tap here to enter text.](#)

Conceptual Architecture

Attach a copy of the conceptual architecture to your email submission.

COTS/SaaS/Cloud Technology or Custom: [Custom](#)

Name/Primary Technology: [N/A](#)

Explain Existing System Interfaces: [N/A](#)

Explain New System Interfaces: [TBD](#)

Data Center Location of the To-be Solution: [State data center operated by CDT](#)

If Other, specify: [N/A](#)

Security

Access

Public: [No](#)

Internal State Staff: [Yes](#)

External State Staff: [No](#)

Other: [No](#) Specify: [N/A](#)

Type of Information (Select Yes or No for each to identify the type of information that requires protection. See the SAM Section 5305.5 for more information.)

Personal: [Yes](#)

Health: [Yes](#)

Tax: [No](#)

Financial: [No](#)

Legal: [No](#)

Confidential: [No](#)

Other: [No](#) Specify: [N/A](#)

Protective Measures (Select Yes or No to identify the protective measures used to protect information.)

Technical Security: [Yes](#)

Physical Security: [Yes](#)

Backup and Recovery: [Yes](#)

Identity Authorization and Authentication: [Yes](#)

Other, specify: [N/A](#)

Total Viable Alternative #1 Solution Cost (copy from FAW – Executive Cost Summary tab, cells E7 through E11):

Planning Costs: [\\$2,480,250](#)

One-Time (Project) Costs: [\\$10,322,784](#)

Total Future Ops. IT Staff OE&E Costs: [\\$0](#)

Total Proposed Cost: [\\$12,803,034](#)

Annual Future Ops. Costs (M&O): [\\$0](#)

2. Viable Alternative Solution #2

Name:

Description:

Why is this a viable solution? Please explain:

Approach

Increase staff – new or existing capabilities: [Choose Yes or No.](#)

Modify the existing business process or create a new business process: [Choose Yes or No.](#)

Reduce the services or level of services provided: [Choose Yes or No.](#)

Utilize new or increased contracted services: [Choose Yes or No.](#)

Enhance the existing IT system: [Choose Yes or No.](#)

Modify Statute/Policy/Regulations: [Choose Yes or No.](#)

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

Create a new IT system: [Choose Yes or No.](#)

Other: [Choose Yes or No.](#) Specify:

Architecture Information

Business Function(s)/Process(es): [Click or tap here to enter text.](#)

Conceptual Architecture

Attach a copy of the conceptual architecture to your email submission.

COTS/SaaS/Cloud Technology or Custom: [Choose an item.](#)

Name/Primary Technology: N/A

Explain Existing System Interfaces:

Explain New System Interfaces:

Data Center Location of the To-be Solution: Choose an item.

If Other, specify:

Security

Access:

Public: Choose Yes or No.

Internal State Staff: Choose Yes or No.

External State Staff: Choose Yes or No.

Other: Choose Yes or No. Specify:

Type of Information (Select Yes or No for each to identify the type of information that requires protection. See the SAM Section 5305.5 for more information.)

Personal: Choose Yes or No.

Health: Choose Yes or No.

Tax: Choose Yes or No.

Financial: Choose Yes or No.

Legal: Choose Yes or No.

Confidential: Choose Yes or No.

Other: Choose Yes or No. Specify:

Protective Measures (Select Yes or No to identify the protective measures used to protect information.)

Technical Security: Choose Yes or No.

Physical Security: Choose Yes or No.

Backup and Recovery: Choose Yes or No.

Identity Authorization and Authentication: Choose Yes or No.

Other, specify:

Total Viable Alternative #2 Solution Cost (copy from FAW – Summary tab, cell AL33):

Total Proposed Cost:

3. Viable Alternative Solution #3

Name:

Description:

Why is this a viable solution? Please explain:

Approach

Increase staff – new or existing capabilities: [Choose Yes or No.](#)

Modify the existing business process or create a new business process: [Choose Yes or No.](#)

Reduce the services or level of services provided: [Choose Yes or No.](#)

Utilize new or increased contracted services: [Choose Yes or No.](#)

Enhance the existing IT system: [Choose Yes or No.](#)

Modify Statute/Policy/Regulations: [Choose Yes or No.](#)

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

Create a new IT system: [Choose Yes or No.](#)

Other: [Choose Yes or No.](#) Specify:

Architecture Information

Business Function(s)/Process(es): [Click or tap here to enter text.](#)

Conceptual Architecture

Attach a copy of the conceptual architecture to your email submission.

COTS/SaaS/Cloud Technology or Custom: [Choose an item.](#)

Name/Primary Technology:

Explain Existing System Interfaces:

Explain New System Interfaces:

Data Center Location of the To-be Solution: [Choose an item.](#)

If Other, specify:

Security

Access:

Public: [Choose Yes or No.](#)

Internal State Staff: [Choose Yes or No.](#)

External State Staff: [Choose Yes or No.](#)

Other: [Choose Yes or No.](#) Specify:

Type of Information (Select Yes or No for each to identify the type of information that requires protection. See the SAM Section 5305.5 for more information.)

Personal: Choose Yes or No.

Health: Choose Yes or No.

Tax: Choose Yes or No.

Financial: Choose Yes or No.

Legal: Choose Yes or No.

Confidential: Choose Yes or No.

Other: Choose Yes or No. Specify:

Protective Measures (Select Yes or No to identify the protective measures used to protect information.)

Technical Security: Choose Yes or No.

Physical Security: Choose Yes or No.

Backup and Recovery: Choose Yes or No.

Identity Authorization and Authentication: Choose Yes or No.

Other, specify:

Total Viable Alternative #3 Solution Cost (copy from FAW – Summary tab, cell AL50):

Total Proposed Cost:

2.9 Project Organization

1. Project Organization Chart:

Attach the Project Organization Chart to your email submission.

2. Is the department running this project as a matrixed or projectized organization?

Matrixed

1. Administrative

The MCRS Project has identified the need for a full-time, limited term (24 months), Assistant Project Manager (PM) to assist with all project administrative activities. The Assistant PM will utilize the project management plans to monitor, control, and report on project status. In the Fiscal Year (FY) 23/24 Spring Finance Letter (SFL), CCHCS requested additional resources to fill this position.

Budget

The MCRS Project will have budget support through the CCHCS Fiscal Management Services (FMS) and the Project Management Acquisitions and Administrative Services (PMAAS) IT Budget Analyst. The IT Budget Analyst will track and provide all costing and budget information to the Assistant PM. The Assistant PM will work in conjunction with the CCHCS FMS and the IT Budget Analyst to monitor, control, and analyze spending utilizing the financial analysis workbook as a baseline. The Assistant PM will follow processes and procedures as laid out in the Cost Management Plan.

Contracts

The MCRS Project will have contract and procurement management support through the staff within PMAAS. Any MCRS Project contracts or procurement activities will be monitored and managed by the Contract Manager identified within the Project Team. The Assistant PM will work with the Contract Manager and the IT Contract Analyst to monitor and control contracts and/or procurement utilizing the Contract Management Plan.

2. Business Program

The MCRS Project has identified the need for five (5) program area SMEs, personnel years (PYs) for FY 23/24, five (5) SME PYs for FY 24/25, and five (5) SME PYs for FY 25/26. The CCHCS will redirect experienced SMEs to resource the MCRS Project. CCHCS has requested, through the FY 23/24 SFL to backfill these SME positions.

3. Information Technology

The functionality proposed is new to CCHCS, and therefore, there is no existing system to support. The MCRS Project has identified the need for seven (7) additional Information Technology PYs to conduct planning, design, and development activities for FY 23/24, fourteen (14) Information Technology PYs to conduct development and implementation activities for FY 24/25 through FY 25/26, and seven (7) Information Technology PYs for go-live and close-out activities. CCHCS will redirect experienced resources to the MCRS Project. CCHCS has requested funding through the SFL FY 23/24, to backfill these IT positions.

4. Testing

Testing is anticipated to begin in FY 24/25. The MCRS Project has identified the need for one (1) tester for FY 24/25. CCHCS will redirect an experienced IT resource to the MCRS Project. CCHCS has requested, through the SFL FY 23/24, to backfill this IT position. The MCRS Project will utilize the Agile methodology, which will require this incumbent to have knowledge of Agile testing methods and reporting. This position requires experience with creating and providing feedback on test status, progress, and product quality.

5. Data Conversion/Migration

Not Applicable

6. Training and Organizational Change Management

CCHCS is committed to supporting the implementation of the MCRS Project. CCHCS projects are made up of different program SMEs to assist with project needs such as training and Organizational Change Management (OCM). OCM will drive what and how much training is required for each program area. The MCRS Project team will work with Medical, Mental Health, Nursing, and Pharmacy program leads to identify SMEs within each program area to assist with OCM and training specific to each program area along with developing any required supporting documentation. The MCRS Project will utilize an OCM methodology to assist each program area in the identification and mitigation of any business process changes and customer impacts.

7. Resource Capacity/Skills/Knowledge for Stage 3 Solution Development

Per CDT on 3/9/23 - "no" procurement items will be needed for this S2AA.

2.10 Project Planning

1. Project Management Risk Assessment

Updated Project Management Risk Score: 9.0

Attach Updated PM Risk Assessment to your email submission. [SIMM Section 45A](#)

2. Project Charter

[Project Charter \(Approved\)](#): No

Status: Per CDT – Will be delivered in Stages 3 and 4.

Attach a copy of the Project Charter to your email submission.

3. Project Plans

[Scope Management Plan \(Approved\)](#): No

Status: Per CDT – Will be delivered in Stages 3 and 4.

[Communication Management Plan \(Approved\)](#): No

Status: Per CDT – Will be delivered in Stages 3 and 4.

[Schedule Management Plan \(Approved\)](#) : No

Status: Per CDT - Will be delivered in Stages 3 and 4

[Procurement Management Plan \(Approved\)](#): Not Applicable

Status: Per CDT, the Procurement Management Plan is not needed for the MCRS Project.

[Requirements Management Plan \(Approved\)](#): No

Status: Per CDT – Will be delivered in Stages 3 and 4.

[Stakeholder Management Plan \(Draft\): Yes](#)

Status: Draft

[Governance Plan \(Draft\): Yes](#)

Status: Draft

[Contract Management Plan \(Draft\): Yes](#)

Status: Draft

[Resource Management Plan \(Draft\): Yes](#)

Status: Draft

[Change Control Management Plan \(Draft\): Yes](#)

Status: Draft

[Risk Management Plan \(Draft + Risk Log\): Yes](#)

Status: Draft

[Issue and Action Item Management Plan \(Draft + Issue Log\): Yes](#)

Status: Draft

[Cost Management Plan \(Approved if planning BCP approved\): Yes](#)

Status: Draft

4. Project Roadmap (High-Level)

Attach a high-level Project Roadmap showing remainder of planning phase and transition into execution phase to the email submission.

- a) Planning Start Date: [Spring 2023](#)
- b) Estimated Planning End Date: [3/29/2024](#)
- c) Estimated Project Start Date: [4/1/2024](#)
- d) Estimated Project End Date: [4/1/2026](#)

2.11 Data Cleansing, Conversion, and Migration

If in Section 2.3 (above) the answer to the question “Do you have existing data that must be migrated to your new solution?” was marked “Yes,” please complete this section.

1. Current Environment Analysis: [Not Applicable](#)

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

2. Data Migration Plan: Not Applicable

Click or tap here to enter text.

3. Data Profiling: Not Applicable

Click or tap here to enter text.

4. Data Cleansing and Correction: Not Applicable

Click or tap here to enter text.

5. Data Quality Assessment: Not Applicable

Click or tap here to enter text.

6. Data Quality Business Rules: Not Applicable

Click or tap here to enter text.

7. Data Dictionaries: Not Applicable

Click or tap here to enter text.

8. Data Conversion/Migration Requirements: Not Applicable

Click or tap here to enter text.

2.12 Financial Analysis Worksheets

Attach [F.2 Financial Analysis Worksheet\(s\)](#) to the email submission.

Department of Technology Use Only

Original "New Submission" Date: 5/2/2023

Form Received Date: 5/2/2023

Form Accepted Date: 5/2/2023

Form Status: Completed

Form Status Date: 5/12/2023

Form Disposition: Approved

Form Disposition Date: 5/12/2023