



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: 8950 - Veterans Affairs, Department of

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

2. Proposal Name and Acronym: Automated Drug Dispensing System Replacement (ADDSR)

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

The California Department of Veterans Affairs (CalVet) proposes to replace the existing Automated Drug Dispensing System (ADDS) machines in the Pharmacies at the Veterans Homes in Chula Vista and Yountville. Additional ADDS equipment in the Skilled Nursing Facility (SNF) Medication Rooms (Med Rooms) will be replaced in the Homes those Pharmacies support in Barstow, Fresno, and Redding

The existing ADDS machines are proprietary are End of Life (EOL) and the current vendor has discontinued the existing machines and will be sunsetting support for the machines.

The existing ADDS machines are prone to errors and require many hours of technical support at the Homes. Not only will the replacement of the machines reduce errors, improve efficiency, time management, and minimize issues such as jamming, but also will be able to better comply with the regulatory requirements.

The proposed replacement devices will be based on the successful results of the implementation of the Technology Modernization Fund (TMF) Automated Drug Dispensing System Replacement (ADDSR) Proof of Concept (POC) project currently being conducted for the West Los Angeles (WLA) Home. The ADDSR hardware will be installed in WLA's Pharmacy and SNF Med Rooms. It will also work as the POC for the ADDSR and EHR as the WLA Home is currently live with the new EHR.

4. Proposed Project Execution Start Date: 8/1/2024

5. S1BA Version Number: Version 2

1.2 Submittal Information

1. Contact Information

Contact Name: [Laura Dunn](#)

Contact Email: Laura.Dunn@calvet.ca.gov

Contact Phone: (916) 653-1930

2. Submission Type: **Updated Submission (Pre-Approval)**

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 of Long Term Care](#)

Name: [Manuel Dumangas](#)

Business Program Area: [CalVet Homes Division](#)

2. Business Owners

Title: [Pharmacist II](#)

Name: [Harriette Bannister](#)

Business Program Area: [CalVet – Chula Vista](#)

Title: [Pharmacy Services Manager](#)

Name: [Shelly Larson](#)

Business Program Area: [CalVet – Yountville](#)

3. Product Owner

Title: [Pharmacist II](#)

Name: [Harriette Bannister](#)

Business Program Area: [CalVet – Chula Vista](#)

Title: [Pharmacy Services Manager](#)

Name: [Shelly Larson](#)

Business Program Area: [CalVet – Yountville](#)

TIP: Copy and paste or click the + button in the lower right corner on any section to add additional Executive Champions, Business Owners, or Product Owners with their related Business Program Areas as needed.

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: [Yes](#)

Other Departments/State Entities: [No](#)

Public: [No](#)

Federal Entities: [No](#)

Governor's Office: [No](#)

Legislature: [No](#)

Media: [No](#)

Local Entities: [No](#)

Special Interest Groups: [No](#)

Other: [No](#)

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

[CalVet is the sole State entity that is interested in the proposal and the outcome of the project. As the sole State entity, CalVet will be directly involved in all parts of the planning process through requirements gathering, meeting with business owners and stakeholders within CalVet, and providing input regarding the business process for medications ordered.](#)

1.5 Business Program

1. **Business Program Name:** CalVet Homes Division
2. **Program Background and Context:** (Provide a brief overview of the entity's business program(s) current operations.)

The State of California Department of Veterans Affairs' (CalVet) mission is to provide the state's aged or disabled veterans with rehabilitative, residential, and medical services in a home-like environment; therefore, CalVet operates Veterans Homes for the benefit of California's aging and disabled veterans. There are eight (8) Veterans Homes (Homes) in operation located in Yountville, Barstow, Chula Vista, Lancaster, Ventura, West Los Angeles, Redding, and Fresno.

The Homes provide four levels of care; skilled nursing care (SNF), intermediate care (ICF), residential care for the elderly (RCFE), and non-licensed residential care (Domiciliary). The Homes range in size from as large as 876 budgeted beds in Yountville to as small as 60 budgeted beds in Lancaster and Ventura.

CalVet has on-site inpatient and outpatient pharmacies at the Yountville, Chula Vista, and West Los Angeles Homes. The Yountville pharmacy services the Yountville, Redding and Fresno Homes; the Chula Vista pharmacy services the Chula Vista and Barstow Homes; and the West Los Angeles pharmacy services the West Los Angeles, Lancaster, and Ventura Homes.

In 2011, CalVet purchased Talyst ADDS machines and they were implemented in 2015, in the Yountville, Redding, Fresno, Chula Vista, Barstow, and West Los Angeles Veteran Homes. Presently, we do not use an ADDS for the Ventura and Lancaster Homes. We do not anticipate the future use of an ADDS as those Homes are limited to the RCFE level of care, and it would take a Legislative approval to expand the use to RCFE.

As Pharmacy Services are an integral component of the healthcare services provided by the Homes to their residents. CalVet is seeking to replace the existing ADDS, as the current ADDS in the remaining five Veterans Homes has reached the end-of-life. In replacing the ADDS, CalVet will gain significant benefits, cost avoidance, and provide a higher level of care for residents, while adhering to and complying with the regulatory requirements.

Additionally, CalVet is working on implementing an Electronic Health Record solution (EHR), the replacement ADDS may need to interact with components of the Medication Management System (MMS) and the EHR.

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

In replacing the current ADDS, there is an understanding that this project will positively impact Pharmacy and Nursing Services within the Homes. The ADDS replacement will allow for improved efficiencies, enhanced security, reduction in overall medication errors, in providing Pharmacy Services to California Veterans.

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: [N/A](#)

Name: [N/A](#)

Strategic Plan Last Updated? [1/1/2021](#)

Strategic Business Goal:

[Goal 4: Invest in our workforce and enhance operational effectiveness to maximize service to our veterans.](#)

A. [Implement modern information technology solutions throughout CalVet](#)

Alignment: [By replacing the existing ADDS, CalVet will be able to implement a modern information technology hardware solution that leverages modern methods and technology to enhance the delivery of care to residents, streamline outreach efforts, and provide more efficient service to all veterans and their families.](#)

Mandate(s): [None](#)

Bill Number/Code, if applicable: [Click or tap here to enter text.](#)

Add the Bill language that includes system-relevant requirements:

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

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:

Improvement

Better Services to the People of California: [Yes](#)

Efficiencies to Program Operations: **Yes**

Improved Equity, Diversity, and/or Inclusivity: **No**

Improved Health and/or Human Safety: **Yes**

Improved Information Security: **Yes**

Improved Business Continuity: **Yes**

Improved Technology Recovery: **Yes**

Technology Refresh: **Yes**

Technology End of Life: **Yes**

1.7 Business Outcomes Desired

Executive Summary of the Business Problem or Opportunity:

The Homes Division of Calvet needs a medication dispensing solution to replace the current dispensing solution which is currently outdated and at end of its life. CalVet utilizes an Automated Drug Dispensing System (ADDS) to fulfill medicine orders prescribed by CalVet medical staff. Once the prescription is approved and entered into the medication management application, the medication is then processed and dispensed by the current ADDS.

The project will provide a comprehensive replacement solution for the current ADDS used by CalVet Pharmacies supporting CalVet Homes enterprise-wide.

This automated process is critical for Calvet to continue to offer, support, and deliver Medication Management to the Long-Term Care patients that reside in the following CalVet Homes:

- Barstow
- Chula Vista
- Fresno
- Redding
- Yountville

Problem 1: Due to the age and proprietary hardware, the ADDS is at the end of its lifecycle and can no longer be supported. To fix hardware, ISD staff has needed to salvage parts from non-operational units. (Business Driver: Improvement -Technology End of Life, Technology Refresh)

Objective ID: 1.1

Objective: Replace all legacy ADDS Hardware.

Metric: 100% of legacy units are replaced.

Baseline: All 18 units need to be replaced.

Target Result: Replace all units.

Problem 2: The legacy system does not support the required security controls needed for medication dispensing.

(Business Driver:

- Improvement – Improved Information Security
- Regulations – State: [BPC 4017.3](#) and [H&S 1261.6](#)
Federal: [42 CFR 422.504\(d\)](#) and [\(e\)](#)

Objective ID: 2.1

Objective: Obtain a system that adheres to appropriate standards, such as [BPC 4017.3](#) and [H&S 1261.6](#), [42 CFR 422.504\(d\)](#) and [\(e\)](#), [NIST SP 800-63](#), and [SAM 5300](#).

Metric: 100% user authentication is completed in alignment with appropriate standards.

Baseline: Currently the system is not in alignment with appropriate standards.

Target Result: Verified system compliance with appropriate standards.

Problem 3: The current ADDS does not provide end-to-end accountability for all transactions. It relies on the users to ensure accuracy and responsibility.

Objective ID: 3.1

Objective: Collect, control, and maintain all transaction information to accurately track users accessing the ADDS and the movement of drugs into and out of the system for security, accuracy, and accountability. This data must be retained for review and inspection for a minimum of ten years.

Metric: 100% of transactions are recorded and retained in a centralized location.

Baseline: Some information is retained but key fields are missing and it does not map back to a user.

Target Result: Authentication, Authorization, Accounting, and Auditing for all transactions.

Problem 4: Current system does not have the availability and reliability to support CalVet's Pharmacy Services. The system jams frequently. The current system has its own independent database for each ADDS. Users can have multiple log-in information for each ADDS unit. The data within is not shared with other units. This is a difficulty as when one ADDS breaks down, there are valuable resources taken to get the data from one unit to another.

(Business Driver: Financial Benefit –Cost Avoidance, Cost Recovery

Business Alignment:

- Improvement – Efficiencies to Program Operations, Improved Health/Human Safety.
- Security – Improved Information Security, Improved Business Continuity, Improved Technology Recovery.)

Objective ID: 4.1

Objective: Obtain a more reliable system.

Metric: 99.9% availability of the system.

Baseline: Currently ISD averages about 40 incidences per month related to the ADDS units

Target Result: Increase the availability and reliability of the system

Objective ID: 4.2

Objective: Obtain a system with a more sustainable support model that allows the pharmacy direct troubleshooting and resolution with the vendor.

Metric: Decrease the mean time to resolution.

Baseline: Current mean time to resolution is 31 hours.

Target Result: Mean time to resolution is 8 hours.

Objective ID: 4.3

Objective: Obtain a system that has enterprise-wide redundancy and resiliency.

Metric: In the event, that one unit fails, another unit will be able to take its place

Baseline: At this time, it takes 16 hours to redirect medication dispensing.

Target Result: Mean time to resolution is 2 hours.

1.8 Project Management

1. Project Management Risk Score: 1.1

(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: Yes

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: 2.6

(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: Yes

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: Five of the eight CalVet Homes

Estimated Number of Transactions/Business Events (per cycle):

[The following is the estimated average number of transactions:](#)

Pharmacy	Year Total	Monthly Avg	Weekly Avg	Daily Avg
Chula Vista	609,771	50,814	11,726	1,671
Yountville	437,283	36,440	8,409	1,198

Approximate number of internal end-users: 600

Approximate number of external end-users: N/A.

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? [No](#)

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

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

[CalVet will be using existing funding sources \(General Fund\) Yes for Chula Vista.](#)

[CalVet will be utilizing building funds for the new Skilled Nursing Facility currently being built in Yountville. Both sources of funds will be available as the effort goes underway.](#)

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:

[CalVet will complete a comprehensive market research effort to gather project cost information; a Request for Information \(RFI\) is presently being developed. CalVet assumes that existing technology refresh funding can be leveraged to purchase newer ADDS machines; however, expects to have better information after completion of the market research effort.](#)

Will a budget action be submitted to your Agency/DOF? [No](#)

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

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.

Department of Technology Use Only

Original "New Submission" Date: [1/26/2024](#)

Form Received Date: [1/26/2024](#)

Form Accepted Date: [1/26/2024](#)

Form Status: [Completed](#)

Form Status Date: [1/26/2024](#)

Form Disposition: [Approved](#)

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

Form Disposition Date: [1/26/2024](#)

Department of Technology Project Number (0000-000): [8950-061](#)