Stage 1 Business Analysis

California Department of Technology, SIMM 19A.3 (Ver. 3.0.9, 02/01/2022)

1.1 General Information

1. **Agency or State entity Name:** 4150 - Managed Health Care, 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:** Customer Relationship Management (CRM) Modernization

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

   The Department of Managed Health Care (DMHC) proposes to implement a modern CRM solution to enhance the efficiencies of program operations to address the increasing workload and ultimately lessen the need for significant staffing increases in the future. The proposed solution would implement business process efficiencies and new requirements by:
   - Reducing complaint processing time, leading to faster resolution of health care consumer complaints related to health care services, financial responsibilities, and health care education,
   - Providing health care consumers, providers, and health plans with real-time case tracking to improve operational efficiencies by reducing contacts from consumers and providers requesting case status information, and
   - Improving Help Center data entry and quality to allow better, real-time trend analysis to identify and address adverse systemic trends impacting health care consumer outcomes.

4. **Proposed Project Execution Start Date:** 7/1/2026

5. **S1BA Version Number:** Version 1

1.2 Submittal Information

1. **Contact Information**

   Contact Name: Ralph Cesena

   Contact Email: Ralph.Cesena@dmhc.ca.gov

   Contact Phone: 916-414-0180

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: Chief Deputy Director

   Name: Dan Southard

   Business Program Area: Director's Office

2. **Business Owner**

   Title: Deputy Director

   Name: Rachel Long

   Business Program Area: Help Center

3. **Product Owners**

   Title: Assistant Deputy Director

   Name: Michael Dutra

   Business Program Area: Help Center

   Title: Chief, Data Analytics Section

   Name: Patrick Weed

   Business Program Area: Help Center

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: Yes

   Public: Yes

   Federal Entities: No

   Governor's Office: No

   Legislature: Yes

   Media: No

   Local Entities: No

   Special Interest Groups: Yes

   Other: Yes

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

   State Entity: Various offices of the DMHC including the following:

   Director's Office: Will act as the Executive Sponsor of the project responsible for providing strategic direction and expectations for the project.

   Help Center (HC): Will act as the Process Owner of the consumer and provider complaints processes and will contribute staff who will have the following responsibilities: provide and prioritize the functional and non-functional requirements, participate in design sessions, conduct user acceptance testing, validate in production and sign off on the system prior to implementation.

   Office of Enforcement (OE): Will contribute staff who will have the following responsibilities: Provide and prioritize the functional and non-functional requirements for integration between the complaints systems and the Enterprise Corrective Action Plan (CAP) solution, participate in design sessions and provide feedback, conduct user acceptance testing, validate in production and sign off on the integration between the new solution implemented by this project.

   Office of Technology and Innovation (OTI): Will contribute staff who will have the following responsibilities: Project Management, Business Requirements Documentation and Analysis, Configuration of software to meet documented requirements, Quality Assurance of configured software, Deployment of the new solution and managing post-implementation updates to the solution.

Other Departments or State Entities

California Health and Human Services (CalHHS): Will provide project support and guidance to the project team regarding Agency policies and processes for IT project approval. Will provide requirements for submission of data sets to the CHHS Open Data Portal and / or CalHHS Data Hub.

California Department of Technology (CDT): Will provide oversight over the project and guidance through the Project Approval Lifecycle (PAL).

Public

State of California Consumers of Health Care Services: Will participate as users of the system.

Legislation

Assembly Bill 2674 (2016): Dictates that the DMHC shall review all provider complaints submitted. The DMHC's legacy provider complaint system was never architected to handle such a case load and was not originally architected to be a mission-critical application. AB 2674 is a driver for this proposal due to the increased volume and requirements to meet this mandate.

Assembly Bill 290 (2019): Dictates that the DMHC shall establish an independent dispute resolution process for provider complaints. The DMHC's legacy provider complaint system was never architected to handle such a process and was not originally architected to be a mission-critical application. AB 290 is a driver for this proposal due to this new legally mandated process.

The Knox-Keene Health Care Service Plan Act of 1975 (KKA): Lists some of the requirements that the Department must follow for its processing of complaints.

Special Interest Groups

Health Consumer Advocates: Will participate as users of the system.

Other

Licensed Health Plans: Will participate in validation testing and as users of the system.

Health Care Providers and/or their Billing Organizations: Will participate in validation testing and as users of the system.

Third Party Review Organizations: Will participate in validation testing and as users of the system.

1.5 Business Program

1. **Business Program Name:** DMHC Help Center

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

The Department of Managed Health Care's (DMHC) Help Center (HC) educates consumers about their health care rights, resolves consumer and provider complaints against health plans, helps consumers understand their coverage and assists consumers in getting timely access to appropriate health care services. To perform these services, the HC resolves three different types of cases:

- Consumer Complaints: These include complaints from consumers against health plans concerning access to care, benefits/coverage, claims/financial, enrollment, coordination of benefits, health plan customer service, and provider customer service.
- Independent Medical Reviews: These include cases where a health plan denies, modifies, or delays a consumer's request for services as not medically necessary or as experimental or investigational.
- Provider Complaints: These include one or more claims payment disputes from providers against health plans.

Consumers or providers may submit their complaint electronically or on paper through various methods (online complaint portal, email, mail, and fax). The complaints are then manually entered into the HC's complaint systems, triaged to the appropriate program areas, and analyzed by case analysts. The analysis may require communication with consumers, providers, or health plans for additional information.

In addition, the HC receives correspondences (which may include complaint/IMR form submissions from consumers and providers), status calls (for consumers and providers to check on the status of their case), and Helpline inquiries (emails to submit additional information and attachments to existing cases) related to all three case types.

The HC has been experiencing significant increases in workload related to these activities as shown in Table 1 below.

Table 1: Workload History

Statistic	Calendar Year 2021	Calendar Year 2023	Percentage Increase
Consumer Complaints Resolved	8,282	10,174	23%
Independent Medical Reviews Resolved	2,570	2,838	10%
Provider Complaints Submitted	3,179	5,322	67%
Provider Claims Submitted	6,350	9,564	51%
Correspondences Received	32,444	48,204	49%

Status Calls Received	7,164	8,810	23%
Helpline Inquiries Received	3,136	4,967	58%

The DMHC currently operates two disparate complaint systems: the Provider Complaint System to manage provider complaints, and the Spotlight system to manage consumer complaints and IMRs. Both applications are built on archaic, legacy technology frameworks that require significant and continuous effort to enhance and maintain these applications and their underlying infrastructure. Further, the DMHC's legacy provider complaint system was never architected to handle such a case load and was not originally architected to be a mission-critical application, and the DMHC's legacy consumer complaint system's underlying technology is over 23 years old. These systems do not allow for timely implementation of system efficiencies to address the increasing workload. As a result, the HC has had to request significant staffing increases to keep up with the increased workload.

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

Implementing the proposed solution within a configurable, modern application cloud framework would allow DMHC to dynamically scale the application infrastructure to meet increased demand, functionally configure the application to meet future business needs (without the expense of costly custom software development lifecycles), and provide a consolidated case management framework for both Consumer and Provider complaints management. Such a system will help to address the increasing workload by targeting key pain points of the complaint process described below and will ultimately lessen the need for significant staffing increases in the future. Such a system would also address the technology end of life of both current legacy systems.

Intake: The proposed project would reduce complaint processing time, especially during intake, leading to faster resolution of health care consumer complaints related to health care services, financial responsibilities, and health care education. This would help to address the increase in correspondence received.

Follow-Up Correspondences: The proposed project would provide health care consumers, providers, and health plans with enhanced case tracking to improve operational efficiencies by reducing contacts from consumers and providers requesting case status information. This would help to address the increase in status calls and Helpline inquiries. This would also lead to better services to California health care consumers and providers, as the HC would be able to be more transparent with the complaint process and allow consumers to interact with the system as opposed to requesting the information.

Data Analytics and Reporting: The proposed project would improve Help Center data entry and quality. This would allow the DMHC to perform better, real-time trend analysis to identify and address systemic trends and unfair payment patterns identified in the data with health plans sooner, leading to a reduction in consumer and provider complaints and IMRs coming to the Help Center.

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.

1.7 Project Justification

1. **Strategic Business Alignment**

Enterprise Architect

Title: Enterprise Architect

Name: Vijay Mopuru

Strategic Plan Last Updated? 10/16/2018 (The DMHC has initiated a new 5-year strategic plan)

Strategic Business Goal: Protect consumer health care rights and ensure a stable health care delivery system.

Alignment: The DMHC protects consumer health care rights by ensuring that consumers receive the services to which they're entitled through the consumer complaint and IMR process. Also, the DMHC ensures a stable health care delivery system by ensuring that providers are paid timely and accurately. The proposed project helps to achieve the DMHC's mission by implementing system efficiencies to ensure that the Help Center is able to timely and fully process consumer complaints, IMRs, and provider complaints. The current legacy complaint systems require significant and continuous effort to enhance and maintain; as a result, the current systems are not amenable to timely implementation of efficiencies.

Strategic Business Goal: Improve data quality by standardizing the quality assurance process and provide regular feedback to team members on data quality.

Alignment: The proposed project seeks to improve Help Center data quality by automating much of the data entry process. The automated data entry process would help to ensure consistency in the data and decrease data errors due to manual entry.

Strategic Business Goal: Improve consumer access to quality health care services by using Help Center data to identify adverse data trends in health plan service delivery.

Alignment: The proposed project seeks to improve Help Center data quality by automating much of the data entry process to identify adverse data trends in health plan service delivery, addressing systemic trends and reducing complaints coming to the Help Center. In particular, the proposed project would allow the DMHC to more timely and accurately identify systemic trends in health care service delivery and unfair payment patterns and address those trends with health plans, leading to not only improved consumer access to quality health care services, but also more timely and accurate payments to providers.

TIP: Copy and paste or click the + button in the lower right corner to add Strategic Business Goals and Alignments as needed.

Mandate(s): State

Bill Number/Code, if applicable: Health and Safety Code, sections 1367.016 (AB 290), 1368, 1371.30, 1371.39 (AB 2674), and 1374.30

Add the Bill language that includes system-relevant requirements:

1367.016(f)(1): By October 1, 2021, the department shall establish an independent dispute resolution process for the purpose of determining if the amount required to be reimbursed by subdivision (e) is appropriate.

1368(b)(1)(A): After either completing the grievance process described in subdivision (a), or participating in the process for at least 30 days, a subscriber or enrollee may submit the grievance to the department for review.

1368(b)(8): The director shall establish and maintain a system of aging of grievances that are pending and unresolved for 30 days or more that shall include a brief explanation of the reasons each grievance is pending and unresolved for 30 days or more.

1371.30(a)(1) By September 1, 2017, the department shall establish an independent dispute resolution process for the purpose of processing and resolving a claim dispute between a health care service plan and a noncontracting individual health professional for services subject to subdivision (a) of Section 1371.9.

1371.39(a) Providers may report to the department through the toll-free provider line, email address, or another method designated by the department, instances in which the provider believes a plan is engaging in an unfair payment pattern.

1371.39(d) On or before July 1, 2019, and at least annually thereafter, the department shall review complaints filed pursuant to subdivision (a).

1374.30(a): Commencing January 1, 2001, there is hereby established in the department the Independent Medical Review System.

Although these KKA sections do not have system requirements, it does require the Department to have a mechanism to administer the IMR program and track and trend consumer and provider complaints.

TIP: Copy and paste or click the + button in the lower right corner to add Bill Numbers/Codes and relevant language as needed.

2. Business Driver(s)

Financial Benefit

Increased Revenue: No

Cost Savings: No

Cost Avoidance: No

Cost Recovery: No

Will the state incur a financial penalty or sanction if this proposal is not implemented? Yes

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

As established in the KKA, the DMHC must meet consumer complaint resolution timeframes. Failure to meet complaint timeframes could result in litigation leading to financial penalties.

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: No

Improved Business Continuity: No

Improved Technology Recovery: No

Technology Refresh: No

Technology End of Life: Yes

1.7 Business Outcomes Desired

Executive Summary of the Business Problem or Opportunity:

The Department of Managed Health Care (DMHC) Help Center (HC) educates consumers about their health care rights, resolves consumer and provider complaints against health plans, helps consumers understand their coverage and assists consumers in getting timely access to appropriate health care services. The HC is experiencing significant increases in consumer and provider complaints and associated workload as shown in Table 2 below.

Table 2: Workload History

Statistic	Calendar Year 2021	Calendar Year 2023	Percentage Increase
Consumer Complaints Resolved	8,282	10,174	23%

Independent Medical Reviews Resolved	2,570	2,838	10%
Provider Complaints Submitted	3,179	5,322	67%
Provider Claims Submitted	6,350	9,564	51%
Correspondences Received	32,444	48,204	49%
Status Calls Received	7,164	8,810	23%
Helpline Inquiries Received	3,136	4,967	58%

One of the drivers behind the increase is due to AB 2674, which required the HC to review all provider complaints submitted against health plans to the HC. In addition, recent legislative changes have expanded consumer's health care rights, such as mental health parity and utilization and have resulted in an increase in the number of consumer complaints received at the DMHC. As the table above shows, there are generally 40%-50% increases in workload between 2021 and 2023.

The DMHC currently operates two disparate complaint systems to manage the consumer complaint, independent medical review (IMR), and provider complaint processes. Both applications are built on archaic, legacy technology frameworks that require significant and continuous effort to enhance and maintain these applications and their underlying infrastructure. Further, the DMHC's legacy provider complaint system was never architected to handle such a case load and was not originally architected to be a mission-critical application, and the DMHC's legacy consumer complaint system's underlying technology is over 23 years old. These systems do not allow for timely implementation of system efficiencies to address the increasing workload. As a result, the HC has had to request significant staffing increases to keep up with the increased workload.

The DMHC proposes to implement a modern CRM solution to enhance the efficiencies of program operations to address the increasing workload and ultimately lessen the need for significant staffing increases in the future. The proposed solution would implement business process efficiencies and new requirements at key pain points of the complaint and IMR process amenable to automation by:

- Reducing complaint processing time, leading to faster resolution of health care consumer complaints related to health care services, financial responsibilities, and health care education,
- Providing health care consumers, providers, and health plans with real-time case tracking to improve operational efficiencies by reducing contacts from consumers and providers requesting case status information, and
- Improving Help Center data entry and quality to allow better, real-time trend analysis to identify and address adverse systemic trends impacting health care consumer outcomes.

In addition to implementing necessary program operation efficiencies, the proposed solution would provide better services to health care consumers and providers by increasing the transparency behind the complaint and IMR processes and allowing for more interactions with their complaints.

The proposed solution would also address the technology end of life of both legacy systems by implementing a new low-code configurable Case Management framework that permits the Department to more efficiently meet program requirements at the "speed of need", enable business

agility through configuration verses custom coding, and consolidate both complaint applications into a single application solution.

Currently, the legacy complaint systems lack:

- Flexibility to keep pace with the changing health care requirements and implementing necessary program efficiencies,
- Interactive features to provide enhanced customer service,
- Ability to integrate functionality with the HC's phone and email systems, and
- Automated data entry and quality assurance capabilities to ensure timely validated data.

Overall, the business benefits and operational efficiencies to implementing a modern CRM include:

- Enhancing the DMHC's ability to meet its legal mandate of resolving consumer complaints, IMRs, and provider complaints timely (for example, 7 days for urgent IMRs),
- Reducing incoming status calls and Helpline inquiries, allowing case analysts and attorneys to focus on case analysis and resolution,
- Analyzing and trending complaint data using more timely and validated data to address systemic health plan issues and unfair payment patterns,
- Implementing system upgrades and configurations for further program efficiencies and data capturing more timely, and
- Enhancing CRM and personal health information security to meet modern application security standards.

Objective ID: 1

Objective: Reduce complaint processing time, leading to faster resolution of health care consumer complaints related to health care services, financial responsibilities, and health care education.

Metric: Manual processing time for complaints (including time required to scan a correspondence, create a case in the system for that correspondence, auto-populate the data, and be prepared for complaint processing).

Baseline: Average 2-5 business days from receipt of complaint form submission to case creation.

Target Result: Average 1 business day from complaint submission to case creation within 12 months of system implementation. This would be measured by an automated dashboard that would be monitored by the Help Center.

Objective ID: 2

Objective: Provide health care consumers, providers, and health plans with enhanced case tracking to improve operational efficiencies by reducing contacts from consumers and providers requesting case status information.

Metric: The number of Helpline inquiries and status calls to case analysts and attorneys.

Baseline: Average roughly 10,000-13,000 status calls and Helpline inquiries per year.

Target Result: Average reduction of 25% for case status calls and Helpline inquiries within 12 months of system implementation. This would be measured by an automated dashboard that would be monitored by the Help Center.

Objective ID: 3

Objective: Improve Help Center data entry and quality to allow better, real-time trend analysis to identify and address adverse systemic trends impacting health care consumer outcomes.

Metric: Time to validate the data.

Baseline: Annual data validated 5 months after the calendar year.

Target Result: Quarterly data validated no more than one month after the end of the measurement quarter within 12 months of system implementation. This would be measured by an automated dashboard that would be monitored by the Help Center.

TIP: Copy and paste or click the + button in the lower right corner to add Objectives as needed. Please number for reference.

TIP: Objectives should identify WHAT needs to be achieved or solved. Each objective should identify HOW the problem statement can be solved and must have a target result that is specific, measurable, attainable, realistic, and time-bound. Objective must cover the specific. Metric and Baseline must detail how the objective is measurable. Target Result needs to support the attainable, realistic, and time-bound requirements.

1.8 Project Management

1. **Project Management Risk Score:** 1.1

   (Please review SIMM 45 Appendix A NIMBUS CRM Modernization Project.)

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:** 1.9

   (Please review SIMM 45 Appendix C NIMBUS CRM Modernization)

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:

Not Applicable

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: State of California

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

   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? Yes

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

   9/3/2024

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

   Managed Health Care Fund – July 01, 2025 – The BCP, to be submitted in Fall 2024, will include only planning dollars.

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:

   Managed Health Care Fund – July 01, 2026

Will a budget action be submitted to your Agency/DOF? Yes

If "Yes" is selected, specify when this BCP will be submitted: Fall 2025 – The BCP, to be submitted in Fall 2025, will include funding for project dollars.

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: **9/17/2024**

Form Received Date: **9/17/2024**

Form Accepted Date: **9/17/2024**

Form Status: **Completed**

Form Status Date: **9/17/2024**

Form Disposition: **Approved**

If Other, specify: Click or tap here to enter text.

Form Disposition Date: 09/17/2024

Department of Technology Project Number (0000-000): **4150-035**