NORTH DAKOTA LEGISLATIVE MANAGEMENT

Minutes of the

INFORMATION TECHNOLOGY COMMITTEE

Tuesday, June 21, 2016
Harvest Room, State Capitol
Bismarck, North Dakota

Representative Mark S. Owens, Chairman, called the meeting to order at 10:00 a.m.

Members present: Representatives Mark S. Owens, Ben Koppelman, Christopher D. Olson, Blair Thoreson, Nathan Toman; Senators Richard Marcellais, Larry J. Robinson, David S. Rust, Donald Schaible; Citizen Member Mike Ressler

Members absent: Representative Robin Weisz; Senator Kyle R. Davison

Others present: See Appendix A

It was moved by Senator Robinson, seconded by Representative Thoreson, and carried on a voice vote that the minutes of the March 10, 2016, meeting be approved as distributed.

REPORT FROM THE CHIEF INFORMATION OFFICER

Mr. Mike Ressler, Chief Information Officer, Information Technology Department, presented information (Appendix B) regarding desktop support services and billing rates for the 2017-19 biennium. He said desktop support services have been implemented at 18 of the 19 agencies required to receive desktop support services. He said implementation of desktop support services for the Department of Career and Technical Education has been delayed due to budget allotments ordered by the Governor. He said the Information Technology Department (ITD) does not anticipate the other state agencies will decrease their use of desktop support services due to the budget allotments. He said users of desktop support services are very satisfied with the quality of service provided by ITD based on a customer satisfaction survey.

Mr. Ressler said ITD identified $1.8 million of cost savings for the 2015-17 biennium resulting in rate reductions for the 2015-17 biennium. He said billing rates for the 2017-19 biennium are anticipated to result in an overall cost increase of $900,000, or .75 percent, based on the assumption that agencies will procure the same quantity of services as the current biennium. He said the Department of Transportation and the Department of Human Services (DHS) are anticipated to have the largest cost increases in the 2017-19 biennium related to mainframe costs. He said ITD is in the process of developing a plan to migrate the remaining agencies from the mainframe system to other servers.

Mr. Robert Timian, Chief Game Warden, Game and Fish Department, provided comments (Appendix C) regarding the statewide radio interoperability network. He said his agency has experienced radio issues including the inability of wardens to communicate with each other and lack of portable radio coverage. He said a new system should be simple to operate, reliable, and affordable.

Mr. Gary Sanders, Sheriff, Emmons County, provided comments (Appendix C) regarding the statewide radio interoperability network. He said the technology under the current system is limited because of a reliance on a single radio frequency. He said during some incidents emergency personnel have used their cell phones to communicate because of the current system's limitations. He said a critical requirement for the new system is the ability to communicate with other jurisdictions including with emergency personnel in Canada and surrounding states.

In response to a question from Representative Thoreson, Mr. Ressler said the study of the statewide radio interoperability network accounts for the need to communicate across the state's borders. He said the study will be presented at the next Information Technology Committee meeting. He said the study will provide information on the estimated cost of a new system.

In response to a question from Representative Koppelman, Mr. Ressler said transitioning to a new system could be phased in over a multiyear period to spread the cost over multiple bienniums. He said some equipment needs to

be replaced by 2018 due to regulatory compliance, but other equipment could be maintained until it is scheduled to be replaced under a transition plan.

HEALTH INFORMATION TECHNOLOGY

Mr. Sheldon Wolf, Health Information Technology Director, Information Technology Department, presented information (Appendix D) regarding health information technology updates, including the status of a health data study pursuant to Section 3 of 2015 House Bill No. 1021. He said ITD was unable to obtain funding to complete the study. He said the University of North Dakota is in the process of gathering similar information. He said the Health Information Technology Office continues to work on the development of a health information hub. He said the office is researching developments in other states and seeking input from health care providers, North Dakota residents, and governmental entities. He said a data hub developed for Rhode Island serves as a model for North Dakota's data hub.

In response to a question from Senator Robinson, Mr. Wolf said many health care providers are using the health information network that was implemented in March 2014. He said some providers are waiting to use the network until the Health Information Technology Office completes the development of a single signon feature. He said current users may need to use different credentials to access different portions of the network.

EDUCATION-RELATED INFORMATION TECHNOLOGY UPDATES
Higher Education

Dr. Lisa Feldner, Vice Chancellor for Information Technology and Institutional Research and Interim Chief of Staff, North Dakota University System, presented information (Appendix E) regarding potential higher education large information technology projects for the 2017-19 biennium. She said budget shortfalls within the University System are expediting information technology consolidations as campuses seek ways to reduce expenditures. She said a predictive analytics reporting project is anticipated to be completed in January 2017. She said potential large projects for the University System in the 2017-19 biennium include a systemwide learning management system such as Blackboard Learn and a unified electronic course catalog, both of which will result in cost savings for campuses.

Mr. Darin King, Deputy Chief Information Officer, North Dakota University System, presented information (Appendix F) regarding information technology security for the University System. He said the University System developed a strategic plan based on identifying risks, protecting data, detecting security breaches, responding to incidents, and recovering from losses. He said the University System is in the process of developing security standards related to physical security, desktop security, incident response, and disaster recovery. He said the University System has implemented multi-factor authentication for most of the University System's services and will continue to implement multi-factor authentication at campuses. He said a request for proposal was issued related to endpoint protection services on computers, laptops, servers, and mobile devices. He said the University System will host an annual strategic planning summit for information technology security in July.

Later in the meeting, Mr. King said the University System provided credit monitoring services for 1 year after the server breach security incident in February 2014. He said 1,074 individuals contacted the call center and 50 individuals requested identity theft protection coverage available under an agreement with the University System and AllClear ID.

Elementary and Secondary Education

Ms. Jody French, Director, Educational Technology Council, Information Technology Department, presented information (Appendix G) regarding elementary and secondary education information technology activities. She said EduTech continues to provide training for the PowerSchool application and Microsoft Office 365 applications along with other technology-related professional development for educators. She said enrollments in distance education continue to increase primarily because of teacher shortages and because of accessibility to additional courses not offered locally.

In response to a question from Chairman Owens, Ms. French said the number of out-of-state students using North Dakota's distance education courses has decreased because other states have now developed their own forms of distance education.

LARGE INFORMATION TECHNOLOGY PROJECT REPORTING
Information Technology Department

Mr. Justin Data, Program Manager, Enterprise Services Division, Information Technology Department, presented information (Appendix H) regarding the most recent quarterly summary status report on large information technology projects. He said all five information technology projects with budgets over $5 million remained within

the budget and schedule variances during the first quarter of 2016. He said of the four information technology projects with budgets less than $5 million that were in the execution phase, three were within the budget and schedule variances and one was within budget, but behind schedule.

Mr. Data presented information (Appendix I) regarding the closeout reports for the Veterans' Home electronic medical records project, the State Department of Health management information system upgrade project, and the DHS Medicaid management information system project. He said the electronic medical records project was completed with an actual cost of $330,295, or 8.9 percent under budget, and was completed approximately 2 years behind schedule due to vendor delays in completing reporting features. He said the State Department of Health management information system upgrade project was completed within the budget and schedule variances. He said the report for the Medicaid management information system project was presented at the previous meeting, but was also included for this meeting. He said the project was completed in October 2015 with an actual cost of $102.3 million. He said the project started in June 2006 with an original budget of $60.2 million and an estimated completion date of April 2008.

Workforce Safety and Insurance

Mr. Timothy Schenfisch, Information Technology Director, Workforce Safety and Insurance, presented information (Appendix J) regarding an iterative report related to the claims and policy system replacement project. He said the entire replacement project consists of four phases and 20 individual projects. He said the first project of the second phase was completed in April 2016 at a cost of $1.3 million. He said the project was completed 6 weeks ahead of schedule and 21 percent under budget. He said Workforce Safety and Insurance is in the process of completing the second project of the second phase. He said the second project is estimated to be completed in September 2016 at a cost of $1.64 million.

Department of Human Services

Ms. Jennifer Witham, Director, Information Technology Services, Department of Human Services, presented information (Appendix K) regarding the status of the eligibility systems modernization project and an overview of the functionality of the Medicaid management information system. She said the first phase of the eligibility systems modernization project was completed and implemented in February 2016. She said the first phase provides a self-service portal to assist individuals with determining their eligibility under the federal Affordable Care Act requirements. She said DHS is in the process of planning the second phase of the project. She said the second phase is anticipated to be complete in the fall of 2017 and will determine eligibility for various programs including the supplemental nutrition assistance program, temporary assistance for needy families, and the child care assistance program.

In response to a question from Representative Olson, Ms. Witham said the first phase had more system defects than anticipated resulting in issues during implementation. She said the initial implementation of the second phase of the eligibility systems modernization project will be limited to a small region so that DHS can test the system and resolve issues before full implementation.

Ms. Witham said the Medicaid management information system has been operational for 9 months. She said over 3.2 million claims have been processed through the new system. She said the new system provides enhanced reporting capabilities including real-time workload monitoring. She said providers have the ability to submit claims electronically and view the status of their claims online, which has increased claims processing efficiencies compared to the paper submission process under the previous system. She said DHS continues to work with Xerox to resolve system deficiencies. She said known deficiencies relate to primary care provider referrals, recipient liability, member eligibility, and mass adjustments.

In response to a question from Senator Robinson, Ms. Witham said DHS's claims processing goals include processing 90 percent of claims within 30 days and 99 percent of claims within 90 days. She said DHS is currently processing 91 percent of claims within 30 days and approximately 97 or 98 percent within 90 days. She said some of the claims are taking longer to process than under the prior system due to known defects in the new system. She said DHS's performance during the first 9 months of operations has been better than the performance in other states during their first year of operating a new Medicaid management information system.

In response to a question from Representative Olson, Ms. Witham said 45,000 patient records had incorrect primary care provider assignments which caused their claims to be placed in suspense. She said DHS has corrected the patient records so providers can receive payments for the claims.

In response to a question from Representative Olson, Ms. Witham said some of the claims payments to long-term care providers are being overpaid by DHS due to errors related to the system's calculation of recipient liability. She said changes to recipient liability require a mass adjustment in the system which resulted in widespread errors.

She said long-term care providers are aware of the overpayment and are concerned about the additional workload required to track and reconcile the overpayment. She said the overpayment will be corrected. She said DHS, in cooperation with Xerox, has identified the source of the error and is in the process of resolving the error.

In response to a question from Representative Olson, Ms. Witham said DHS has not issued new Medicaid cards since implementation due to system defects. She said DHS anticipates issuing new cards beginning July 14, 2016, after resolving the defects.

In response to a question from Chairman Owens, Ms. Witham said DHS is in the process of evaluating the call center services provided by Xerox. She said DHS contracted for the services for 1 year, but can terminate the contract with 90-days notice. She said DHS may provide its own call center services to better serve providers.

Chairman Owens requested DHS provide periodic email updates to the committee regarding the status of the eligibility systems modernization project and the Medicaid management information system, including the progress made to resolve system defects.

Chairman Owens said the next committee meeting is tentatively scheduled for Wednesday, August 31, 2016, in Bismarck. He said the meeting in August is anticipated to be the last meeting of the interim.

No further business appearing, Chairman Owens adjourned the meeting at 2:00 p.m.

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Adam Mathiak
Fiscal Analyst

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