

Children’s Passport Planning Project: Justification of the Selected Alternative

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1 Overview

As part of its approved State Systems Interoperability and Integration Grant application, the New York State Office of Children and Family Services (OCFS) proposed the completion of six (6) major tasks designed to encompass a planning project to support the future design, development and implementation (DDI) of a New York State Children's Passport (CP), an electronic record information technology (IT) system that will store multi-agency (State and Federal) data associated with youth in OCFS custody. The initial phase of this initiative will focus on creation of an interoperable electronic record aggregating health information for New York State's foster care (FC) population. To gather this data, OCFS will work with the NY Department of Health (DOH) to establish a bi-directional information sharing capability focused on the timely aggregation of Medicaid claims and encounter information as children enter foster care settings.

These tasks and associated deliverables include:

1. As-Is Assessment of the Business Processes, Data Sources and Technical Architecture Supporting the Foster Child (FC) Health Information Environment
2. Alternatives Analysis
3. Cost Benefit Analysis
4. Finalization and Justification of the Selected Alternative
5. Definition of Benefits to Other States
6. Monthly Progress and Final Project Reporting

This document presents deliverable 4, the *Finalization and Justification of the Selected Alternative: Alternative 3: Enhancement and Integration of Existing Business Processes and Information Technology (IT) Systems (Full Multi-Agency Integration)*. This deliverable summarizes the selected alternative's major features and projected qualitative and quantitative benefits; presents estimated DDI costs; and describes the justification for its selection as the preferred approach to the DDI of the Children's Passport system to support New York's foster care population.

Detailed discussions of the features of Alternative 3, along with its estimated DDI costs and projected benefits can be reviewed in deliverable 2 *Alternatives Analysis* and deliverable 3 *Cost Benefit Analysis*. For ease of review, these deliverables are included as appendices.

NEW YORK STATE OFFICE OF CHILDREN AND FAMILY SERVICES (OCFS)
 STATE SYSTEMS INTEROPERABILITY AND INTEGRATION PROJECT GRANT # 90FQ0005
 CHILDREN'S PASSPORT PLANNING PROJECT
 TASK 4: JUSTIFICATION OF THE SELECTED ALTERNATIVE

2 Description of the Selected Alternative: Alternative 3: Enhancement and Integration of Existing Business Processes and IT Systems (Full Multi-Agency Integration)

Under this alternative existing child welfare and health business processes and supporting IT systems will be enhanced to capture the most current foster care children's health information and will be fully integrated across all impacted agencies. It will leverage the work completed implementing the Children's Passport for the Juvenile Justice population as well as work completed as part of the State's Enterprise Architecture Program, Master Person Services Index (MPI) initiative.¹

2.1 Alternative 3 Estimated DDI Costs

Exhibit 2-1
Summary of Alternative 3 Estimated DDI Costs²

SUMMARY OF ESTIMATED DDI COSTS Alternative 3	Year 1 FFY 2014	Year 2 FFY 2015	Year 3 FFY 2015	Year 4 FFY 2016	Year 5 FFY 2017	TOTAL PROJECT
CONNECTIONS Enhancements	\$ 14,000,000	\$ 14,000,000	\$ -	\$ -	\$ -	\$ 28,000,000

¹ For a complete description of Alternative 3 please refer to Appendix A: Alternatives Analysis, section 4.

² For a complete description of Alternative 3 estimated DDI costs please refer to Appendix B: Cost Benefit Analysis, section 3.

2.2 Projected Benefits

Alternative 3 proposes the DDI of a Children’s Passport system that will support a vastly improved foster care children’s health care coordination capability. This capability will support the following qualitative and quantitative benefits.³

Exhibit 2-2 Alternative 3 Projected Benefits

Benefit Type	Benefit
Qualitative	<p><i>Program and Policy</i></p> <ul style="list-style-type: none"> • Facilitates overall improvement of the quality of health care services provided to children in foster care • Supports New York State’s Medicaid Redesign Team (MRT) initiatives to transition foster care children covered by Medicaid to a Managed Care Model and leverages the care coordination capabilities facilitated by the Children’s Passport. • Supports State and Voluntary Agency (VA) oversight of service delivery and program administration for the foster care population and reduces the administrative burden • Supports prevention of dangerous drug interactions • Facilitates coordination of services and provides management data to evaluate usage patterns and clinical outcomes • Supports improvements in prescribing, monitoring, and oversight of psychotropic medication use in the high-risk, high-cost population of children in foster care • Supports improved insight into and monitoring of the use of psychotropic medications and polypharmacy • Supports the promotion of the meaningful use of electronic health records by New York State’s Medicaid providers and the Federal Electronic Health Record Incentive Program <p><i>Information Technology</i></p> <ul style="list-style-type: none"> • Provides the latest technical innovations available, supporting a path to the eventual upgrade of the overall technical architecture • Provides the opportunity to leverage existing applicable functionality of the Children’s Passport for the Juvenile Justice population and the Master Person Index initiative

³ For a complete description of Alternative 3 projected benefits please refer to Appendix B: Cost Benefit Analysis, section 3.

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Benefit Type	Benefit
	<ul style="list-style-type: none"> • Provides Service Oriented Architecture (SOA) and Enterprise Service Bus (ESB) features easily leveraged to support related initiatives • Provides the opportunity to standardize data sources (i.e., X12 standards) • Harmonizes with national and international data standards • Provides the opportunity to integrate data silos, with an initial integration of child welfare and Medicaid claims/health data • Supports the Centers for Medicare and Medicaid Services (CMS) seven standards and conditions that must be met for Medicaid technology investments to be eligible for Federal funding at the enhanced match level. These conditions and standards include adherence to Medicaid Information Technology Architecture (MITA) standards designed to support progressive improvements in maturity across business, architecture and data domains. • Supports OCFS efforts to employ the National Information Exchange Model (NIEM) in support of efforts to implement enterprise-wide information exchange standards and processes.
Quantitative	<ul style="list-style-type: none"> • Shorter time to market saves DDI costs • Shorter time to market also brings quantitative benefits to fruition 4 years earlier thereby dramatically improving the cost benefit ratio • Reduction in placements in environments more restrictive than may be required • Reduction in the use of psychotropic medications

3 Justification for the Selection of Alternative 3: Enhancement and Integration of Existing Business Processes and IT Systems (Full Multi-Agency Integration)

Alternative 3 meets and in some cases exceeds the minimum requirements of Children's Passport system objectives and the project's targeted outcomes. It is technically feasible and promotes the implementation of enhancements to legacy systems that will be fully integrated across OCFS, the Office of Temporary and Disability Assistance (OTDA) and DOH, meeting envisioned user requirements and system objectives. It is operationally feasible and will present minimal impacts to the operational pattern and resources of OCFS, OTDA and DOH. It is financially feasible, promoting an incremental investment in new technologies while not impacting ongoing legacy operations.

Alternative 2 proposed a large scale, complex series of concurrent initiatives to replace multiple human services information systems. This alternative was very costly, significantly extended the time to market and introduced high levels of risk to the project. In contrast, Alternative 3 provides a cost effective solution with a shorter time to market, bringing value to the program in the shortest period of time with a greatly reduced level of risk. It also provides the latest technical innovations available, including a flexible technical architecture that provides a path to ongoing technological evolution and changing program and policy demands.

Alternative 3 also offers the opportunity to leverage existing applicable functionality (e.g., Children's Passport for the JJ population and the MPI initiatives), an opportunity to enhance technical architecture (e.g., Service Oriented architecture (SOA) and Enterprise Service Bus (ESB)), an opportunity to standardize data sources (i.e., X12 standards), and an opportunity to integrate data silos (e.g., initial integration: child welfare and Medicaid/health data). While part of the proposed technology solution will remain in the legacy technical architecture and staff with skills in new technologies may be required, this alternative remains viable.

Using present value figures Alternative 3 estimated DDI costs total \$27,533,800 whereas benefits total \$621,010,999. The breakeven point for this alternative occurs in the first quarter of year 3, FFY 2016. Based upon this analysis, the benefits-to-costs ratio for Alternative 3 is 22.55.⁴ Every dollar invested in Alternative 3 will generate \$22.55 in benefits. From a cost benefit standpoint this ratio represents a positive outcome, thereby justifying its selection as the preferred alternative that will be a prudent investment on the part of New York State and our Federal partners.

⁴ For a complete description of Alternative 3 breakeven analysis please refer to Appendix B: Cost Benefit Analysis, section 4.

Appendix A: Alternatives Analysis

Appendix B: Cost Benefit Analysis