

Analysis of Problem

Fiscal Year FY 23/24	Business Unit 5180	Department California Department of Social Services	Priority No. Click or tap here to enter text.
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Budget Request Name 5180-149-BCP-2023-A1	Program Multiple	Subprogram Multiple
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Budget Request Description

Statewide Verification Hub Staff and Technical Resources

Budget Request Summary

This proposal requests technical consulting resources to continue the planning of the Statewide Verification Hub.

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed Click or tap here to enter text.
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Does this BCP contain information technology (IT) components? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>If yes, the departmental Chief Information Officer must sign.</i>	Department CIO Chad Crowe	Date Click or tap to enter a date.
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For IT requests, specify the project number, the most recent project approval document (FSR, SPR, S1BA, S2AA, S3SD, S4PRA), and the approval date.

Project No. 5180-219 Statewide Verification Hub (State Hub) **Project Approval Document:** S1BA

Approval Date: 4/4/2019

If proposal affects another department, does other department concur with proposal? Yes No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By Jeremy Rabideau	Date 1/12/2023	Reviewed By Chad Crowe, CIO	Date Click or tap to enter a date.
Department Director Kim Johnson	Date Click or tap to enter a date.	Agency Secretary Mark Ghaly	Date Click or tap to enter a date.

Department of Finance Use Only

Additional Review: Capital Outlay ITCU FSCU OSAE Dept. of Technology

PPBA Justin Freitas	Date submitted to the Legislature 4/1/2023
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A. Budget Request Summary

This proposal requests \$1.9 million (\$1.6 million General Fund) to support the continued planning, design, development, and implementation of the Statewide Verification Hub project. Of the requested resources, \$1,987,000 (\$1,588,000 General Fund) is requested one-time available over two fiscal years for vendor contracts related to Stages 3 and 4 of the California Department of Technology's (CDT) Project Approval Lifecycle (PAL) process and \$12,000 (\$11,000 General Fund) ongoing is necessary for the reclassification of an existing permanent, full-time, IT Specialist II to an Information Technology Manager I.

The California Department of Social Services (CDSS) and DHCS, in conjunction with the California Health and Human Services (CHHS) Agency, seek to streamline and modernize the processes of obtaining required eligibility verifications for means-tested human services programs, improve accuracy of benefit calculation, improve client experience, enhance reporting capabilities and simplify the verification process across departments and programs as part of its ongoing commitment to continuously improve access to benefits for Californians in need of assistance.

B. Background/History

Current eligibility determinations for CalFresh, California Work Opportunity and Responsibility to Kids (CalWORKs), Child Care, and Medi-Cal are made by County Welfare Departments (CWDs) or contracted entities at initial application, periodic reporting, and annual recertification/redetermination. Eligibility may also be re-assessed during the certification period based on either client self-report or other information received by the CWD or its designee, if a change in client circumstance is indicated. At initial application and re-certification/re-determination, an eligibility determination for CalFresh, CalWORKs and Child Care requires three key steps: application, interview, and verification. At initial application for Medi-Cal, an eligibility determination consists of application and verification. At the annual renewal for Medi-Cal, an attempt to reaffirm eligibility must first be performed, either electronically for Modified Adjusted Gross Income (MAGI) Medi-Cal and/or through the ex-parte process for both MAGI and non-MAGI Medi-Cal. If Medi-Cal eligibility cannot be redetermined through electronic or ex-parte means, then a Medi-Cal renewal packet is sent to the beneficiary, requesting the verification needed to renew eligibility. Medi-Cal does not require an interview at application or at the annual renewal. Under federal and state rules, all relevant programmatic eligibility information must be verified. This includes information about household composition, individual identity, residency, immigration and citizenship status, income, expenses, work activities, disability, and other assets.

Current methods for collecting verifications, particularly for CalFresh, CalWORKs and Child Care, are time-consuming and rely on data from multiple sources, some of which are outdated or difficult for the recipient and County to either access or obtain. Verifications may be obtained from disparate sources—including State and county data systems, federal data systems, the client themselves, and various third-party vendors. A single form of verification, such as periodic earned income, might be provided in a variety of potential formats—including a regular file, a paper pay document, or a scan or photo uploaded from a mobile device. This creates challenges both from a data management and storage perspective, as well as from the perspective of the logistics for both obtaining and validating the information.

The California Health and Human Services (CHHS) Agency, along with the CDSS and the DHCS, recognize the challenges with both the electronic and non-electronic (paper) processes currently used to complete the required verifications for CalFresh, CalWORKs, Child Care, and Medi-Cal. In 2018, an analysis performed by Social Interest Solutions, under a contract with CDSS, found that the current environment that supports the verification processes for CalFresh and CalWORKs is a combination of data sources, systems, and access points that has significant variability throughout the state.

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The creation of a centralized hub provides a solution that can be leveraged by multiple means-tested human services programs administered by CHHS. The overarching vision of the SVH is as an agency-wide IT solution that will improve California families' access to services by streamlining and modernizing the process for providing required verifications for many CHHS means-tested programs, providing near real-time information on application progress through the BenefitsCal.com portal, safeguarding State resources, and improving program administration outcomes, all while preserving Californians' privacy and security. Early efforts will focus on CalFresh, CalWORKs, Child Care, and Medi-Cal verification processes. The multi-departmental effort will see the design, development, and implementation of a service hub, able to be securely called by eligibility systems, providing near real-time verification data, using modern technology to resolve client and case identity to facilitate better data matches. The goal of this effort is to develop a human-centered solution, prioritizing client experience enhancement via a solution that is architected in a way that can be leveraged by across means-tested health and human services programs.

In FY 2022-23 the project continued its efforts in project planning while receiving Federal Financial Participation (FFP) through a Planning Advanced Planning Document (PAPD). This PAPD was submitted to the Centers for Medicare and Medicaid Services (CMS) and approval was granted on November 16, 2021.

This FFP approval was for a 90/10 federal funding split, with the Centers for Medicare and Medicaid Services (CMS) proving 90 percent of planning dollars which are disbursed via an Inter-Agency Agreement (IAA) with DHCS.

Resource History

(Dollars in thousands)

Program Budget	PY-1 FY 20/21	PY FY 21/22
Authorized Expenditures	\$1,153,000	\$6,299,000
Actual Expenditures	\$1,289,636	\$719,655 (Through Q2 21/22)
Authorized Positions	8.0	14.5
Filled Positions	6.0	14.5
Vacancies	2.0	0.0

C. State Level Consideration

The SVH directly supports the mission of the CHHS in more effectively delivering and administering means-tested human services programs impacting all Californians. This proposal underscores a human-centered approach by focusing on the broader verification process and the disparate data sources used to support it, rather than on an individual department or program, and by prioritizing tangible improvements to client experience, seeing the whole person and where programs and services address the social, cultural and linguistic needs of the individuals they serve.

Improving the process and handling of verification data will support the ability to evaluate program eligibility and determine appropriate benefit level more effectively and accurately. There are also privacy and security impacts with certain types of data, including Personally Identifiable Information (PII), Protected Health Information (PHI), and Federal Tax Information

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(FTI), so it is necessary to engage with Federal data providers, including the Internal Revenue Service (IRS), Social Security Administration (SSA), and Centers for Medicare and Medicaid Services (CMS). Engagement with the County Welfare Directors Association (CWDA), the State Legislature, and stakeholder groups is critical to ensure the delivery of maximum value while ensuring provision of timely verification information to the CalSAWS solution.

The SVH will be an IT service platform solution facilitating accurate and efficient identity and eligibility verification processes for clients and program staff across a host of CHHS means-tested human services programs. Additionally, it will substantially enhance reporting capacities at the program level to State and Federal control agencies. While initial development efforts focus on CalFresh, CalWORKs, Child Care, and Medi-Cal, the goal is a service platform able to be utilized by any means-tested human services programs to conduct required eligibility and identity verifications.

D. Justification

To date, the project has primarily leveraged positions, including the CDSS Project Director, Project Management Lead, Solution Architect, Data Scientist, Technical Analyst and Business Analyst, that were received and made permanent in prior year BCPs, and resources for initial planning activities. The project is partway through extensive county engagement discovery of business processes to understand how verification is currently conducted to identify business requirements and inform technology design for SVH. A county survey is underway to capture feedback from remaining counties to ensure any business process differences are accounted for in the development of SVH.

Additional staffing enhancement technical services resources are necessary to move the project forward in the next phase. Critical activities requiring support include comprehensive documentation of the as-is and to-be business and technical processes and architectures, mapping technical, functional, and behavioral requirements, and defining and documenting privacy and security standards, continued county engagement and human-centered design, all of which are necessary to be able to move into alternatives analysis, and eventual solution design. The project is requesting resources to support progressing through the California Department of Technology (CDT) Project Approval Lifecycle (PAL) process stages, specifically Stage 2 Alternatives Analysis (S2AA), proactively engaging stakeholders, including county workers and clients, in a meaningful way, completing CMS planning and funding request documents, including IAPDs, defining meaningful evaluation metrics for a vendor proof of concept, and executing a comprehensive alternatives analysis.

The SVH is being built as an enterprise solution, initially incorporating four major CalHHS Agency programs and providing services to diverse client populations and stakeholders. Experienced, dedicated resources to guide the planning, design, and development effort are crucial for ensuring the project can achieve critical milestones in a timely manner. The following request for positions and resources reflects the resources necessary to meet the needs and requirements for SVH planning and design.

CDSS:

CDSS requests one-time funding of \$1.987 million over two fiscal years with the following breakdown:

- CDSS requests approval of funding in the amount of \$1,400,000 (one million, four hundred thousand), to be encumbered and expended in FY 2023-24, for procurement of a vendor for technical services to facilitate the project's progress through stages 2 and 3 of the CDT PAL.
- CDSS requests approval of funding in the amount of \$587,000 (five hundred, eighty-seven thousand) to be encumbered in FY 2023-24 and expended in FY 2024-25, for procurement of a

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vendor for technical services to facilitate the project's progress through stages 2 and 3 of the CDT PAL.

CDSS requests the re-classification of the permanent Project Manager position, originally created as a two-year limited-term position at Office of Systems Integration (OSI) in the FY 2019-20 BCP, transferred to CDSS in the FY 2020-21 BCP, and approved as permanent in the FY 2021-22 BCP, from an Information Technology Specialist II (IT Spec II) to an Information Technology Manager I (ITM I) due to the large size, complexity, impact, visibility and risks associated with the SVH project.

E. Outcomes and Accountability

During planning, design, development, and implementation, these resources will function as the product and business teams for the CHHS Agency, CDSS and DHCS programs and external partners, responsible to ensure the SVH departmental and stakeholder business needs are fully documented, understood and met. The approval of this BCP will ensure CDSS has the funding needed to procure vendor technical services necessary and other activities for the completion of deliverables for the CDT PAL S2AA and Stage 3 Solution Design (S3SD). Concrete baseline metrics will be defined and disseminated to allow for evaluation of success.

F. Analysis of All Feasible Alternatives

Alternative 1: Approve this Request.

Pro:

- Ensures the required technical services support for planning and design of the SVH solution.
- Provides a streamlined verification process to reduce the workload on eligibility workers to provide accurate and timely aid.
- Supports centralized provision of eligibility verification information for needs-based human services programs, accessible to consumers and county workers.

Con:

Increase to state General Fund costs.

Alternative 2: Approve first year cost only.

Pro:

- Provides the resources needed to support the SVH solution in FY 2023-24.
- Only a partial increase to state General Fund costs.
- Provides time to plan for upcoming year needs.

Con:

- Requires another BCP narrative.
- Does not allow for procuring the necessary technical services resources to continue and support progressing through S2AA and S3SD.

Increase to state General Fund costs.

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Alternative 3: Do not approve this request.

Pro:

No increase to state General Fund costs.

Con:

- Continues laborious, manual processes that restrict county workforce efficiencies and ultimately impact the lives of millions of Californians.
- Does not provide the resources needed to support the planning needs of the SVH solution in FY 2023-24 or going forward.
- Causes direct impact on the program users by perpetuating outmoded verification and eligibility processes for aid programs.
- Causes delays in conducting day to day activities due to non-resolution of issues.
- Creates negative program impacts by perpetuating business processes rife with manual workarounds and prone to introduction of human error.
- Continues forced reliance on patchwork and manual processes.
- The project will not have the resources to support stakeholder engagement and effective collaboration.

G. Implementation Plan

Upon approval of the BCP, CDSS project and program areas will the Request for Offer (RFO) package to commence the procurement process to solicit and award the vendor technical services contract. CDSS will commence the process to hire the project manager position as an ITM I.

H. Supplemental Information *(Describe special resources and provide details to support costs including appropriate back up.)*

Organizational charts

I. Recommendation

Approve this request.

CDSS recommends the approval of this proposal to provide the resources needed to support the planning and design of the CDSS and CalHHS enterprise SVH solution to better serve its constituents, and vulnerable families that rely on these services.

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Exhibit A – Current Organization Chart

Statewide Verification Hub
Budget Change Proposal

Exhibit A

Current Organization Chart

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Statewide Verification Hub (SVH) Project Organization Chart

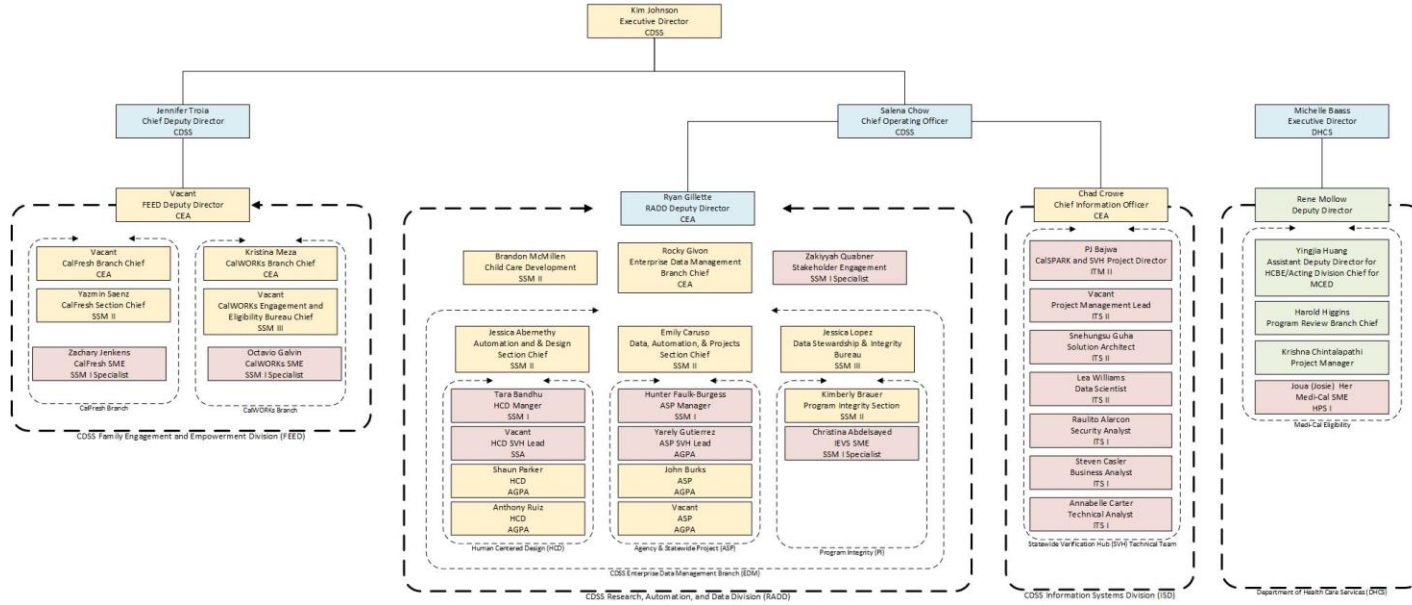
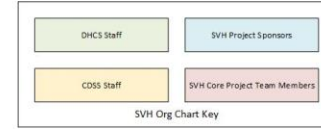


Exhibit B – Proposed Organization Chart

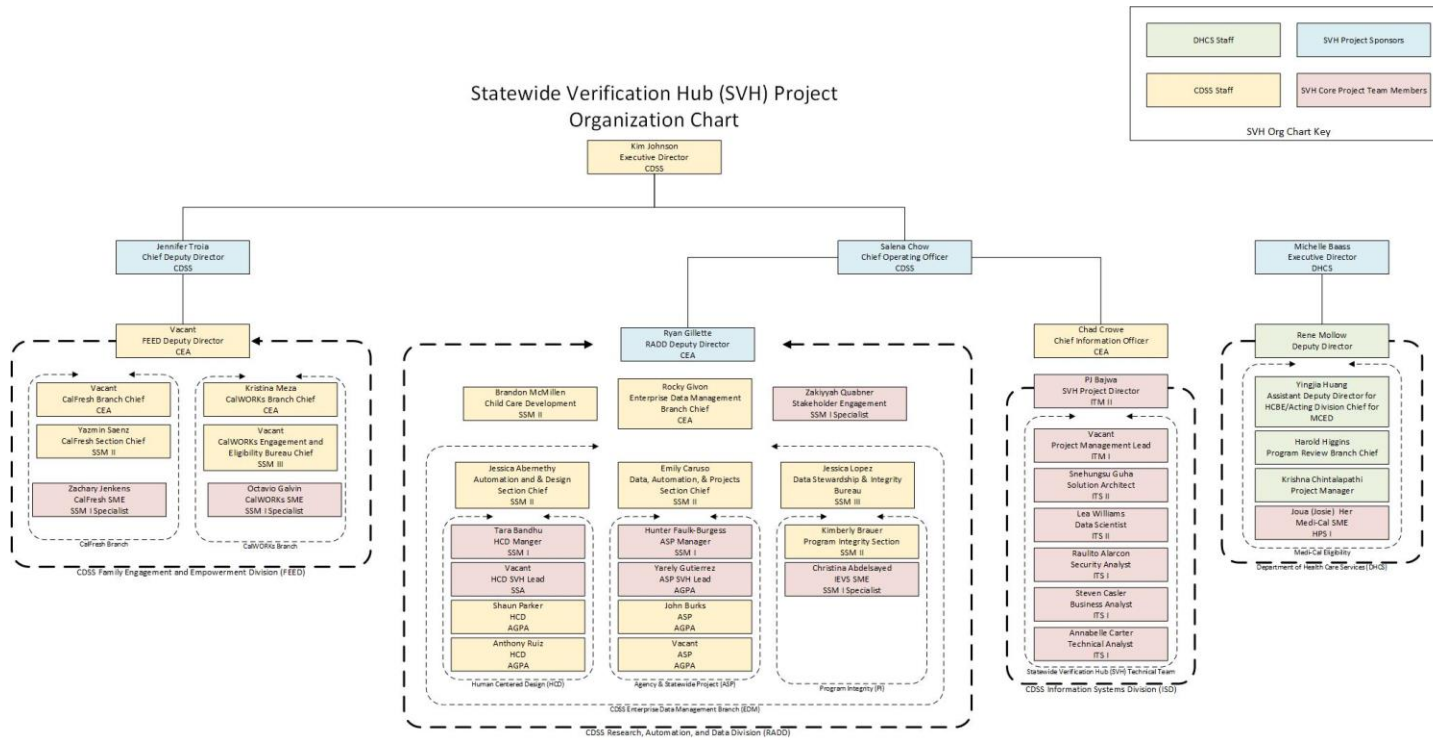
Statewide Verification Hub
Budget Change Proposal

Exhibit B

Proposed Organization Chart

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Statewide Verification Hub (SVH) Project Organization Chart



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BCP Fiscal Detail Sheet

BCP Title: Statewide Verification Hub Staff and Technical Resources

BR Name: 5180-149-BCP-2023-A1

Budget Request Summary

Personal Services

Personal Services	FY23 Current Year	FY23 Budget Year	FY23 BY+1	FY23 BY+2	FY23 BY+3	FY23 BY+4
Salaries and Wages Earnings - Permanent	0	12	12	12	12	12
Total Salaries and Wages	\$0	\$12	\$12	\$12	\$12	\$12
Total Personal Services	\$0	\$12	\$12	\$12	\$12	\$12

Operating Expenses and Equipment

Operating Expenses and Equipment	FY23 Current Year	FY23 Budget Year	FY23 BY+1	FY23 BY+2	FY23 BY+3	FY23 BY+4
5340 - Consulting and Professional Services - External	0	1,400	587	0	0	0
Total Operating Expenses and Equipment	\$0	\$1,400	\$587	\$0	\$0	\$0

Total Budget Request

Total Budget Request	FY23 Current Year	FY23 Budget Year	FY23 BY+1	FY23 BY+2	FY23 BY+3	FY23 BY+4
Total Budget Request	\$0	\$1,412	\$599	\$12	\$12	\$12

Fund Summary

Fund Source

Fund Source	FY23	FY23	FY23 BY+1	FY23 BY+2	FY23 BY+3	FY23 BY+4

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	Current Year	Budget Year				
State Operations - 0001 - General Fund	0	1,071	539	11	11	11
State Operations - 0890 - Federal Trust Fund	0	341	60	1	1	1
Total State Operations Expenditures	\$0	\$1,412	\$599	\$12	\$12	\$12
Total All Funds	\$0	\$1,412	\$599	\$12	\$12	\$12

Program Summary

Program Funding

Program Funding	FY23 Current Year	FY23 Budget Year	FY23 BY+1	FY23 BY+2	FY23 BY+3	FY23 BY+4
4270010 - CalWORKs	0	1,071	539	11	11	11
4270019 - Other Assistance Payments	0	341	60	1	1	1
Total All Programs	\$0	\$1,412	\$599	\$12	\$12	\$12

Personal Services Details

Salaries and Wages

Salaries and Wages	FY23 Current Year	FY23 Budget Year	FY23 BY+1	FY23 BY+2	FY23 BY+3	FY23 BY+4
-	0	12	12	12	12	12
Total Salaries and Wages	\$0	\$12	\$12	\$12	\$12	\$12

Total Personal Services

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Total Personal Services	FY23 Current Year	FY23 Budget Year	FY23 BY+1	FY23 BY+2	FY23 BY+3	FY23 BY+4
Total Personal Services	\$0	\$12	\$12	\$12	\$12	\$12

Parameters	Selected Values
Year	FY23
Department	5180
House	AR Exchange
BR Name	5180-149-BCP-2023-A1
Run Time	03/15/2023 08:00:11 AM
Last Data Refresh	03/15/2023, 02:45 AM