

**TESTIMONY BEFORE
HEALTH AND HUMAN SERVICES COMMITTEE
MEDICAID SYSTEMS PROJECT UPDATE
NOVEMBER 17, 2009**

Chairman Weisz, members of the Health and Human Services Committee, I am Jenny Witham, Director of the Information Technology Services Division for the Department of Human Services (DHS). I appear before you to provide information on the status of the Medicaid Systems Project.

On August 18, 2009, ACS formally proposed a change to the project schedule requesting to extend the go-live date to April 1, 2011 due to product development issues. On September 15, 2009, ACS representatives testified before the Budget Section in order to further explain the cause of the delay. I have attached their testimony as well as a document created by the Department of Human Services outlining the impact this delay will have on our services which was provided to the Budget Section.

On October 9, 2009, ACS delivered to the Department the detailed project work plan for the revised schedule. We are in the process of assessing this work plan and the effect the revised milestones will have on the Department and other third party vendors. Once this is complete, we will be able to move forward with proposed contract revisions and soliciting support from the Centers for Medicare and Medicaid Services. At this time, we do not anticipate additional cost to the state for the delay in the schedule.

The table below outlines the expenditures through the month of September 2009.

Description	Budget	Expended	Remaining
Total Project	\$62,529,371	\$33,178,208	\$29,351,163
General Funds	\$3,643,133	\$2,647,533	\$995,600
Federal Funds	\$55,218,418	\$29,340,111	\$25,878,307
Other Funds	\$3,667,820	\$1,190,564	\$2,477,256

If you have any questions, I would be happy to address them at this time.