

**TESTIMONY BEFORE BUDGET SECTION
MEDICAID SYSTEMS PROJECT UPDATE
MARCH 11, 2010**

Chairman Holmberg, members of the Budget Section, 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 and Medicaid claims processing.

As Mr. Boxer indicated, ACS is making progress with the core system. However, as he shared, the testing of the base Enterprise product is running approximately 45 days behind schedule. When the Department raised concerns regarding the impact on the North Dakota project, the ACS team assured Carol Olson that their objective is to meet the April 1, 2011 go-live date. We believe there is risk. We trust, however, the commitment ACS has made to the State of North Dakota to find a path to absorb the compression resulting from this delay without impacting project activities, staff, or resources.

The initial system components that incorporate our customizations are scheduled to be delivered in June. At this time, the project team continues to focus on preparation for training and user acceptance test activities.

The table below outlines the expenditures through the month of January 2010.

Description	Budget	Expended	Remaining
Total Project	\$62,529,371	\$35,722,157	\$26,807,214
General Funds	3,643,133	2,647,829	995,304
Federal Funds	55,218,418	31,519,216	23,699,202
Other Funds	3,667,820	1,555,112	2,112,708
Total	\$62,529,371	\$35,722,157	\$26,807,214

The number of claims in suspense has decreased over the past 10 weeks on average of 6% each week. As of Tuesday, March 9th, there were 32,700 suspended claims.

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