

Testimony
Department of Human Services
Budget Section
Representative Chet Pollert, Chairman
June 25, 2014

Chairman Pollert, members of the Budget Section, I am Jenny Witham, Director of Information Technology Services for the Department of Human Services (DHS). I appear before you to provide an update on the status of the Medicaid Systems Project.

The primary system vendor, Xerox Corporation, completed System Integration Testing (SIT) by resolving all critical and high severity defects. DHS staff is continuing to execute User Acceptance Testing (UAT). For UAT, all the functional area test cases must be executed with a 90 percent pass rate; failed test cases cannot have open defects with a severity of critical or high; and failed test cases cannot have more than 10 percent with a defect severity of moderate.

The following table outlines our UAT results to as of June 18, 2014.

Package #	Test Cases Executed	Critical or High Severity Defects	Exit Criteria Met	% of Test Cases Passed
1	482	1	No	99.7%
2	673	10	No	99.4%
3	1070	20	No	93.8%
4	328	7	No	89.8%
Totals	2,553	59	No	96.1%

In addition to SIT and UAT, multiple testing activities are underway and planned for the remainder of the pre-implementation period. These

include data conversion testing, end-to-end testing, performance testing, 508 ADA Compliance testing, interface testing, trading partner/Electronic Data Exchange testing, operational readiness testing, and parallel testing. At this time, we are targeting a September 2014 implementation.

Parallel testing, where we are testing the new system claims payment results to the legacy system claims payment results, is progressing at a slower rate than originally planned. We were scheduled to complete this work in early July, and this is now anticipated to be completed in late July.

The Department and the Executive Steering Committee continue to work with Xerox executives to ensure we clearly communicate performance and operational expectations. All parties agree that we are close to implementation; however, there are system defects that must be remediated before we would be comfortable in making the "final" implementation decision.

The Department and the Executive Steering Committee have also held meetings with our colleagues from Alaska and we are trying to learn as much as possible from the struggles Alaska has faced since implementing the system last October.

We are committed to implementing with minimal impacts to Medicaid providers and others who use the system.

The following table outlines the project expenditures through April 2014.

	Budget	Expenditures through 4/30/2014	Amount Remaining
Total	\$88,545,007	\$58,239,489	\$30,305,518
General Fund	\$7,533,297	\$4,922,075	\$2,611,222
Federal Funds	\$78,043,573	\$51,123,888	\$26,919,685
Other Funds	\$2,968,137	\$2,193,526	\$774,611

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