TESTIMONY BEFORE BUDGET SECTION
MEDICAID SYSTEMS PROJECT UPDATE
DECEMBER 15, 2009

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 including a summary of the current change orders.

On October 9, 2009, ACS delivered to the Department the detailed project work plan for the revised schedule reflecting the delay in the go-live date to April 2011. The project team has completed the review of the plan and the effect the revised milestones will have on the Department and other third party vendors. Final negotiations are in process. Once this is complete, we will be able to move forward with proposed contract revisions and requesting approval from the Centers for Medicare and Medicaid Services (CMS). At this time, we do not anticipate additional cost to the state for the delay in the schedule.

The project team has executed two change orders that have received CMS approval. One represents the addition of a management and administrative reporting function required for federal reporting and the other was the transfer of responsibility for the data conversion activities from ITD to ACS. All approved change orders have been within the budget for the project.

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

Description	Budget	Expended	Remaining
Total Project	$ 62,529,371	$ 33,982,366	$ 28,547,005
General Funds	3,643,133	2,647,675	995,458
Federal Funds	55,218,418	30,016,239	25,202,179
Other Funds	3,667,820	1,318,452	2,349,368
Total	$ 62,529,371	$ 33,982,366	$ 28,547,005

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