



2019-21 Biennium Budget Decision Package

Agency: 303 - Department of Health
Decision Package Code-Title: 2E - Upgrade Profession Licensing System
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Agency Recommendation Summary

Licensing and regulating healthcare providers, facilities, and educational and training programs are statutory responsibilities of the department that promote patient safety and access to care. Those activities are currently supported by an outdated and aging Integrated Licensing and Regulatory system (ILRS). The Washington State Department of Health is pursuing a new Healthcare Enforcement and Licensing Modernization Solution (HELMS) to transform licensing and enforcement processes, and its interactions with participants and stakeholders. HELMS will improve data security, support electronic records management, and improve access to information.

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 02G - 1	\$1,098	\$6,845	\$6,785	\$4,962
Total Expenditures	\$1,098	\$6,845	\$6,785	\$4,962
Biennial Totals		\$7,943		\$11,747
Staffing	FY 2020	FY 2021	FY 2022	FY 2023
FTEs	7.8	29.7	29.5	22.7
Average Annual		18.8		26.1
Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. A	\$611	\$2,191	\$2,183	\$1,660
Obj. B	\$214	\$767	\$764	\$580
Obj. C	\$95	\$3,000	\$3,000	\$1,950
Obj. E	\$136	\$673	\$671	\$642

Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. J	\$0	\$47	\$0	\$0
Obj. T	\$42	\$167	\$167	\$130
Revenue	FY 2020	FY 2021	FY 2022	FY 2023
02G - 0299	\$5,093	\$5,267	\$5,467	\$5,633
Total	\$5,093	\$5,267	\$5,467	\$5,633
Biennial Totals		\$10,360		\$11,100

Package Description

Problem we are addressing: The Washington State Department of Health is pursuing a new Health Care Enforcement and Licensing Modernization Solution (HELMS) that will transform licensing and enforcement processes, and the department's interactions with participants and stakeholders in those licensing and enforcement activities. HELMS will also improve data security, support electronic records management, and improve access to information.

Licensing and regulating healthcare providers, facilities, and educational and training programs are statutory obligations of the department that promote patient safety and access to care. These mission-critical activities are currently supported by the Integrated Licensing and Regulatory system (ILRS). HELMS will replace this outdated and aging system with a solution that meets the needs of the department's customers and staff.

HELMS will support the healthcare licensing and regulation needs of 470,000 healthcare practitioners, 2,500 educational and training programs, and 12,000 facilities. Modernizing the current system will provide a number of benefits that will improve use and access, as well as controlling cost. As examples, HELMS will:

- Expand the provider credential search to include more information for healthcare consumers about providers, such as specializations and practice locations.
- Enable patients and others who have filed complaints against practitioners and facilities to check complaint status online.
- Streamline license renewals for employers of multiple providers by allowing bulk license renewals.
- Allow for electronic notification to health care providers of license expirations, application status changes, continuing education deadlines, and disciplinary actions.
- De-identify sensitive and confidential data to enable broader data access for research and public disclosure.
- Allow providers to delegate to others to manage licensing transactions with the department.
- Enhance data around health care providers and practice locations, helping to identify health care needs and trends in communities.
- More efficient records sharing for regulatory boards, commissions, and committees, such as non-routine applications and disciplinary case files.

The current system, the Integrated Licensing and Regulatory System (ILRS), is based on older technology and the department is unable to increase its capabilities to match growing requirements and the expectations of customers for more online interactions. The vendor has decreased support for the ILRS product line and is recommending customers invest in a new product line. This places the department at risk of not meeting statutory requirements if the vendor withdraws support.

The department previously proposed HELMS as a 2017-19 supplemental budget request. The request was not included in the Governor's proposed budget. The department received feedback as part of this process from OFM staff and from stakeholders that has been integrated into this proposal.

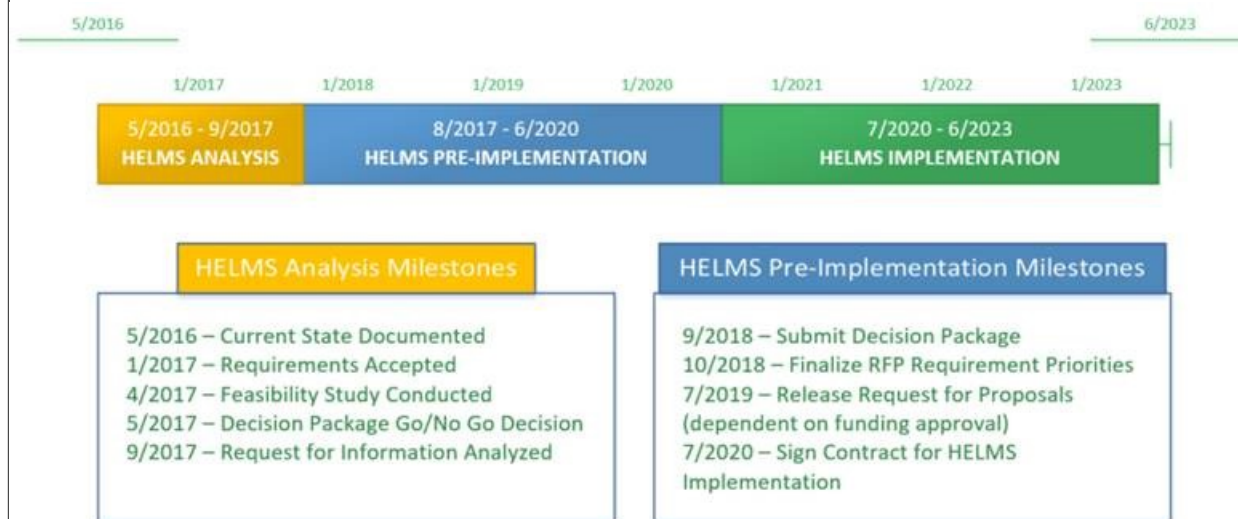
Proposed Solution/What Are We Purchasing: The department is proposing a decision package to implement a new information technology (IT) solution to healthcare enforcement and licensing. This solution may require multiple software data systems to work together because currently there is no single IT system which meets the department’s needs. HELMS will improve public access to healthcare provider information, improve efficiency for healthcare providers, improve data security, and allow the department to utilize and disseminate information more efficiently in response to public records requests. Based on research, the department projects that this implementation will be completed by end of FY2023. More detailed implementation plans will be available when the department has selected a vendor.

The funding will allow the department to procure a new software solution for healthcare enforcement and licensing, as well as vendor services to implement the solution in alignment with the department’s requirements. The funding will also support department technical and business staff members who will engage in the implementation effort and migration from existing department systems.

The software solution is expected to be a Platform as a Service (PaaS)/Software as a Service (SaaS) product that can be configured to meet the department’s needs. This was determined in a feasibility study conducted in April, 2017 to be the best approach to meeting the department’s needs while minimizing short- and long-term risks.

Part of the department’s procurement approach will be to evaluate re-use of the Washington State Department of Licensing’s current “Enterprise Business and Professional Licensing and Regulatory system” procurement, projected to be executed in January 2019. This will be a convenience contract that may be leveraged by the department. The department may be able to save significant time and expense by reusing the Department of Licensing’s procurement investment, if the solution sufficiently meets HELMS requirements.

The graphic below illustrates the timeline for HELMS activities from initiation to completion.



The requirements for this solution will enable the department to achieve the outcomes described in the Strategic and Performance Outcomes section of this proposal.

Consequences of not Funding: In the short term, the department would continue to use its current system even though the vendor has decreased support and is recommending migration to a new platform.

If the vendor withdraws support because the department is using an outdated version and hasn't migrated to a new platform, then the department's mission-critical processes are at risk if the system fails. If the system were to fail, the department would be forced back to using paper to perform licensing and enforcement activities. Reverting to paper would increase response and licensing issuance times dramatically, negatively impacting patient safety and access to care.

Investing in HELMS is more than a requirement to upgrade the system, it is an opportunity to better align with state strategic goals and improve service to healthcare providers and the public at a time when the system needs to be replaced anyway.

Alternatives/Pros and Cons:

The department considered a number of alternatives to this proposal. There are no statutory or regulatory changes that would address these needs. There is also no way to redeploy existing resources within the Health Professions and Health Facilities Accounts to meet these needs.

The major alternatives are listed below.

Alternative 1: Do nothing – The current licensing and enforcement software no longer receives feature upgrades. The system can't be enhanced to meet growing department needs, such as new legislative requirements and improved online services for stakeholders. If the vendor withdraws support because the department is using an outdated version and hasn't migrated to a new platform, then the department's processes are at risk if the system fails. At that point if the system were to fail, the department would be forced back to using paper to perform licensing and enforcement activities. This will significantly increase the time to perform licensing and enforcement, which will increase risk to patient safety and reduce access to care.

Alternative 2: Contract with the current vendor to migrate to ILRS replacement platform – This would require the department to undergo a migration to the new platform. The effort overall is similar to bringing on a new system and does not allow the department to consider other technologies in the marketplace that might better meet identified needs. It is uncertain that this upgrade would be allowed within the current contract and might involve competitive procurement. The current vendor contract is for a department-hosted solution, which does not align with the state technology strategy. It also does not align with the feasibility study's recommendation to change the vendor contract model for improved support and service level agreements. The current vendor would have the opportunity to submit a bid for the new system.

Alternative 3: Custom build new system – While this option would tailor the software to department needs, it has both the highest risk and the highest cost for original implementation and maintenance. This approach does not align with the state technology strategy of buying rather than building systems.

Assumptions and Calculations

Expansion or alteration of a current program or service:

This proposal alters the underlying technology services that support the department's licensing and enforcement processes. Below are the expenditures on these services in the prior two biennia.

Fund 02G Health Professions Account

	FY2016	FY2017	FY2018	FY2019
Salaries	\$1,046,525	\$1,229,473	\$1,060,956	\$1,456,967
Benefits	\$354,334	\$419,592	\$362,724	\$501,070
Contracts	\$238,178	\$1,003,533	\$886,234	\$603,805
Other	\$553,079	\$814,500	\$691,872	\$857,850
	\$2,192,116	\$3,467,098	\$3,001,786	\$3,419,692

	FY2020	FY2021	FY2022	FY2023
Salaries	\$1,460,561	\$2,807,081	\$2,807,081	\$1,850,456
Benefits	\$502,328	\$973,609	\$973,609	\$643,225
Contracts	\$648,805	\$4,098,305	\$4,098,305	\$2,771,403
Other	\$928,797	\$1,601,676	\$1,542,714	\$1,014,645
	\$3,540,491	\$9,480,671	\$9,421,709	\$6,279,730

Detailed assumptions and calculations:

Calculations: The following estimates are derived from three sources. First, the department commissioned a feasibility study conducted with a vendor experienced with such assessments. Second, the department issued a Request for Information (RFI) asking the vendors to review the HELMS requirements, to describe their solution, to describe their approach to such a project, and to estimate dollars and timeline entailed. Third, the department assembled teams to review the recommendations and provide their own HELMS staffing insight.

The final estimates will be available when a vendor is selected, expected to be by July 2020.

- The **feasibility study's** main recommendation was "Software as a Service (SaaS) that is modular, configurable and provides best of breed shared services for reporting, security, interface and data exchanges, document management, rules engine, and work flow management." The recommendation included estimates for the implementation and Maintenance and Operations (M&O).
- The department issued a **RFI** that included HELMS business requirements, technical requirements, and security requirements. The vendor responses provided feedback on the staffing required to implement a new solution.
- The department assigned **expert internal staff** from all the HTS support teams. They reviewed the proposed internal staffing levels necessary for the implementation and M&O phases and incorporated their recommendations based on expert judgment.
- **Revenue:** The project funding is based on license fees collected and deposited into the Health Professions and Health Facilities Accounts, and does not rely on general state funds. The sections below describe the approach for funding early phases of the project out of the fees and future funding.

Assumptions:

- Funding Period – Four years, FY20 to FY23
- Licensee transactions will be charged a fee once a year for four years. Assuming the growth rate we have been experiencing continues, the amount of transactions (providers and facilities) will be as follows: 2020 – 509,284; 2021 – 526,684; 2022 – 544,679; 2023 – 563,290
- Annual charge - \$10
- Available Funding - \$21.4 million

Expenditures:

- **Expenditures with vendors** will include hardware, software and personal services contracts. These expenditures are estimated at \$8.8 million.
 - Hardware/Software and Hosting Services
 - Implementation Services
 - Organizational Change Management
 - Independent Quality Assurance Consulting
 - Special Assistant Attorney General Consulting

- **Expenditures will also include Department staff** during development and implementation. These expenditures are estimated at \$9.8 million.

Based on previous experience with system development and implementation, the department will use subject matter experts from different functional areas (e.g. legal, investigations, licensing, and regulatory programs). These project staff will help ensure that HELMS system is supportive of organizational processes and their existing positions will be back-filled to limit organizational impact during the project. These staff will also support training and provide organizational support during implementation. In FY2020, HELMS will require 5 FTE. In FY2021 and 2022, the FTE will increase to 20. In FY2023, HELMS will need 15.5 FTE. These staff will perform the following development functions in FY2020 through 2023:

- Project Director
- Technology Project Manager
- Business Project Manager
- Info. Tech. Business Requirements Manager
- Data Conversion Manager
- Interface Manager
- Configuration Manager
- Testing Lead
- Technical Analyst (2)
- Business Analysts (3)
- Business Subject Matter Experts (7) – includes a Lean Manager

The maintenance and operations costs for HELMS are expected to be cost-neutral because the departments anticipates that these costs will be roughly equivalent to the current ILRS costs (approximately \$3.5 million per year). Once ILRS is retired at the end of the project, that funding can be shifted to support HELMS.

Workforce Assumptions:

See attached fiscal note calculator (FNCaI)

Strategic and Performance Outcomes

Strategic framework:

Results Washington outlines the Governor’s priorities. HELMS moves the state and the Department of Health closer to these goals:

- Results Washington Goal 4: Healthy & safe communities – HELMS will expand the existing provider credential search to include information such as specializations and practice locations. This will improve the public’s ability to choose a provider to meet their immediate need. For patients who file complaints, HELMS will allow patients to check their complaint status online.
- Results Washington Goal 5: Efficient, effective & accountable government - HELMS will improve efficiency for health care providers by enabling employers of multiple providers to pay for their employee’s credentials in a bulk renewal instead of individually. HELMS will allow the delivery of renewal notices through electronic communications, rather than through postal mail. Processing time for complicated renewals will be reduced by enabling electronic correspondence (currently renewal correspondence is through regular mail).

The **Statewide Technology Strategies** are also well-supported by HELMS.

- Create constituent-focused portals – The department will deploy a portal for healthcare professionals and their employees, and healthcare facility operators to apply, renew or update their licenses. The department will also deploy portals for the public to file complaints against providers or facilities and to track the status of those complaints.
- Implement mobile-friendly work practices and enhance mobile device management – HELMS will require a solution that supports mobile access by some employee functions, better enabling employee mobility. This will benefit employees who work in remote locations, such as field-based investigators and inspectors.
- Provide agencies with tools to improve privacy practices - Robust data security and data exchange features will allow the department to share confidential and restricted data securely with healthcare providers and appointed board/commission members.

The **Department of Health has its own Strategic Plan**. HELMS supports the department’s strategic plan in the areas of Transparency and Keep Getting Better. Specifically, HELMS will:

- Ensure all programs use performance management systems to measure progress toward agency and program goals - Tools provided will enable the department to analyze and mine data, find insights and patterns, and predict outcomes to improve healthcare analytics and support decision making. Data analytics will replace many ad hoc reporting needs. It will also help managers measure service timeliness and may help with other measurements not yet anticipated.
- Modernize IT services, processes, and capabilities that support business solutions aligned with public health – HELMS will also transform our interactions with participants and stakeholders in these activities by integrating all online transactions into a single system. The department will modernize and consolidate the underlying systems that support healthcare enforcement and licensing.

Funding: A015 Patient and Consumer Safety

	FY20	FY21	FY22	FY23	FY24	FY25
02G	\$1,098,000	\$6,845,000	\$6,785,000	\$4,962,000	\$3,465,000	\$3,465,000

Performance outcomes:

HELMS Lean initiatives will be guided by agency staff that are certified as Lean Six Sigma black belts and green belts. As the department implements the new solution, we'll be looking for opportunities to streamline our processes according to Lean principles. HELMS will coordinate with agency Lean practitioners to ensure that project initiatives align with department initiatives.

Performance Outcomes: The department identified specific performance outcomes.

- Implement the Healthcare Enforcement & Licensing Modernization Solution within scope, schedule, and budget.
- Implement web-based access for healthcare providers to review and manage relevant information (such as credential application status, address updates, compliance and discipline-related information, etc.). This capability is anticipated to be phased in by profession; by end of project, all provider types will be able to use this feature. **Goal:** 100% of providers able to review and manage relevant credential and enforcement information by FY2023.
- Expand web-based information available to healthcare consumers. **Goal:** Expand available data by 33% by FY2023.
- Automate the Health Professions Shortage Area (HPSA) survey process. This will increase access to this data for healthcare system and workforce development planning. **Goal:** 100% of designated provider types are able to be surveyed to support the department's Health Professions Shortage Area assessment by FY2023.
- Associate health care providers with their practice locations where state law or rule requires reporting of practice location. **Goal:** Implement for 100% of Medicaid providers by FY2023.
- Provide access to electronic investigation records for healthcare regulatory boards, commissions, and committees. **Goal:** Implement electronic access to investigation records for 100% of disciplinary authorities by FY2023.

Other Collateral Connections

Intergovernmental:

HELMS will not have any intergovernmental impacts. Existing data exchanges with other state agencies or other organizations will be maintained in their current format and delivery method. Tribal governments that are healthcare employers or facility operators will receive the following benefits consistent with other employers and operators and be charged the same fee:

- Streamline license renewals for employers of multiple providers by allowing bulk license renewals.
- Allow for electronic notification to health care facilities of license expirations, application status changes, and regulatory actions.
- Allow providers to delegate to others to manage licensing transactions with the department.

Enhance data around health care providers and practice locations, helping to identify health care needs and trends in communities.

Stakeholder response:

This proposal impacts healthcare consumers (the public), healthcare providers and their employers, healthcare education and training programs, and regulated healthcare facility operators. This includes

professional associations that represent providers, employers, and facility operators.

The department anticipates that they will be supportive of the benefits they will receive from this proposal, but less supportive of the fee increase necessary to fund this effort.

The department is working on a stakeholder engagement initiative to communicate the benefits they will receive to increase support. This includes engaging with regulatory boards and commissions, professional associations, and other key stakeholders.

Legal or administrative mandates:

Not applicable

Changes from current law:

Once this proposal is approved, then the department will pursue rulemaking to amend WAC 246-12 (General WAC for professions) and consult with Chiropractic, Nursing, Physician Assistants Program, and Medical Commission to determine if they will need to change their rules to require providers to supply their practice location(s) as part of credential application and renewal.

State workforce impacts:

Not applicable

State facilities impacts:

Not applicable

Puget Sound recovery:

Not applicable

Agency Questions

Did you include cost models and backup assumptions?

Yes

Reference Documents

- 2E-HELMS Decision Package IT Addendum-FINAL.docx
- 2E-HELMS Implementation FNCal 20.1 19-21 FINAL.xlsm
- 2E-Helms Issue Brief 7-19-18.pdf
- 2E-HELMS Stakeholder Comm Matrix Final.xlsx

IT Addendum

Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?

Yes

2E-HELMS Decision Package IT Addendum-FINAL.docx