

I. Project Identification

Project Title:

Agency Name	Agency Business Unit
Department of Veterans' Affairs	DVAM1

Your Name (Submitter)	Phone	Email
Margaret Concannon	860-616-3701	Margaret.concannon@ct.gov

Agency Head	Phone	Email
Dr. Linda Schwartz	860-616-3601	Linda.schwartz@ct.gov

Agency CIO / IT Director	Phone	Email
David Weathers	860-616-3901	david.weathers@ct.gov

Agency CFO	Phone	Email
Michael Clark	860-616-3636	michael.clark@ct.gov

Project Manager (if known)	Phone	Email
David Weathers	860-616-3901	david.weathers@ct.gov

OPM Budget Analyst	Phone	Email
Alison Newman Fisher	860-418-6440	Alison.fisher@ct.gov

II. Project Description

A. Project Dates

Proposed Start Date (MM/DD/YYYY)	Expected Completion Date (MM/DD/YYYY)	Project Duration (in months)
07/2014	TBD	TBD

B. **Project Description** - This information will be used for listings and report to the Governor and General Assembly on capital funded projects.

The Department of Veterans' Affairs (DVA) is in critical need of an enterprise electronic medical records (EMR) solution to replace its current antiquated and unstable Patient Care System, Patient Billing System, and other ancillary modules involving patient care and care management. There is no enterprise solution in place currently; most business processes (70%) at the DVA are manual; there are a few applications that address about 30% of the overall business needs; these apps use older technology and do not integrate well; there is no centralized data repository; since a relational database is not used, custom reports are difficult/not possible and data input is inconsistent.

C. Summary.

Summary - Describe the high level summary of this project in plain English without technical jargon

To implement an Electronic Medical Records (EMR) Patients Management System from the point of admission, patient care plan, patient care records, scheduling, prescription drugs, patient billing, VA per diem and Medicare/Medicaid billing, to include case management and reporting – the enterprise solution will need to meet the federal requirement for billing/reimbursement and to be in compliance with all Federal Regulation and HIPAA compliance requirements. Bottom line, the DVA is in critical need of an integrated healthcare management solution that will ultimately improve operational efficiency Agency wide - By implementing an enterprise software solution, the following improvements can be achieved:

- ◆ Fully integrated software solution (clinical, financial, and administrative)
- ◆ Assured HIPAA compliance in patient information management
- ◆ Provide for all aspects of Electronic Health Record (e-HR)
- ◆ Minimum Data Set (MDS) – required to maintain Federal VA certification
- ◆ Compliance with HITECH Act which requires the establishment of an electronic health record that meets federal VA standards/ meaningful use protocol by 2014.
- ◆ Increased reimbursements through effective third-party billing for services
- ◆ Shared data with approved/validated bi-lateral credentialing of federal VA systems
- ◆ Data capture at point of care
- ◆ Enhanced enterprise-wide reporting (Clinical, and Financial); and
- ◆ Overall decreased cost of doing business at the agency

Purpose – Describe the purpose of the project

DVA's current production Patient Care System was custom designed, developed, and implemented using FoxPro version 2.0 in 1991. We currently utilize the system for Admissions, Pharmacy, Doctors Orders, Transportation, and various reporting. The current system is not HIPAA compliant and given the age of the software – which is no longer vendor supported – the system is difficult to maintain and support. Additionally, the current systems functionality has not kept up with the agency's needs. The Patient Care System also interfaces with the Patient Billing System which is also not HIPAA compliant. DVA's Billing System is used to create invoices, generate financial reports and track Medicare and Medicaid billing.

Therefore, an integrated enterprise system to support the Agency's patient care that includes all the listed functionalities (in the attached business requirements) with the submission of this application form and to incorporate the administration/fiscal/billing functions of patient care.

Importance – Describe why this project is important

The core operation of the Agency is to provide long term care and residential care to our veterans – It is vital to have an integrated enterprise-wide system in the long-term healthcare environment to capture the care of the veterans at the front end of the admission process that will workflow to the back end billing process - while ensuring the compliance of Medicare, Medicaid, VA, and HIPAA regulations. The DVA is unique as a Healthcare Services Agency with the requirement of MDS (minimum data set) reporting. As the HITECH (Health Information Technology for Economic and Clinical Health) Act outlined the requirement of meaningful use of an EMR system: (1) Complete and accurate information, (2) Better access to information, (3) Patient empowerment.

The current system is very outdated/ unstable and has very limited ability to keep updated with new VA billing rules. The Agency generates on average \$8 million in VA per diem, \$14 million in Medicaid claims, \$6.5 million in DSH claims, and \$2.5 million in patient payments. The revenue is tied to the proper capturing of care levels and records management. With the implement of the enterprise-wide EMR, the Agency will be able to ensure all possible revenue will be billed correctly and timely - ultimately maintaining compliance with all federal billing requirements that was recently updated to incorporate electronic billing as a standard with an effective date of 2/2/2013.

Outcomes – What are the expected outcomes of this project

Implement an integrated enterprise Electronic Medical Records (EMR) that meets the Agency's operational needs, improve the efficiency of delivering patient care, increase the efficiency/streamline patient care records management/ operations, and to comply with the requirement of various credentialing agencies, i.e. Medicare, Medicaid, VA and to be in HIPPA compliance.

After implementing the healthcare management solution at the DVA, our facility will be in compliance with the HITECH Act which requires the establishment of an electronic health record that meets the meaningful use protocol by 2014.

Approach and Success Evaluation – Provide details of how the success of the project will be evaluated

The Agency has worked on this project since 2004. From the Admission, patient information, patient care records, clinical care, doctor's notes, MDS care plan, lab report, drugs info, appointment, etc. to the Medicare/Medicaid days, VA billing, and patient billing, the Agency has identified each business area's requirement and the workflow and has come up with business/system requirement as attached with this application. See enclosed RFI that dates back to 2007.

The success of the project will be measured and evaluated by the system outcome of meeting the Agency's business requirement and the improved efficiency meeting all regulatory standards.

- D. **Business Goals.** List up to 10 key business goals you have for this project, when (FY) the goal is expected to be achieved, and how you will measure achievement, Must have at least one. Please use action phrases beginning with a verb to state each goal. Example: "Reduce the Permitting process by 50%". In the Expected Result column, please explain what data you will use to demonstrate the goal is being achieved and any current metrics.

Business Goal (Action Phase)	Target FY for Goal	Current Condition	Expected Result
Selecting a vendor/software that has the capability to meet the EMR business requirement as specified	07/2014	Paper Medical Records 2 consultants used to submit RFI in 2007 after completing business case, cost benefit analysis, and Business Requirements.	Purchase of a "turnkey off the shelf" software HIPPA compliant integrated solution for under 1 million dollars that will meet all clinical and financial requirements and include training and implementation
Implementing the new system -	07/2014	Significant investment in state of the art technology for IT infrastructure to support the new system	Establish a fully HIPPA compliant integrated solution securely operational at the DVA
Ensure valid data to be migrated and staff trained	07/2014	Current data cannot be verified for integrity. No referential integrity exists for the current software, resulting in missing / inaccurate data.	IT migration team and System user training
Ensure system integrity and smooth workflow	07/2014	Current data cannot be verified for integrity. Disparate systems with no / minimal integration using manual processes or middleware to exchange	HIPPA compliant integrated solution without manual transfer / exchange of data

		data.	
Reduce paper – paper-less environment	07/2014	Full reliance on the paper record, using the current clinical systems to produce paper to go in the paper medical record, but unable to rely on electronic storage / verification.	Transfer information from paper to electronic records, patient charts, doctor’s notes and order, MDS care plan, etc. Use of EMR chart, HIPPA compliant without paper
Records management/ accuracy and improve billing turnaround to real time		Fully manual filing system in Health Information Management Department. Searches for specific clinical information in the record is extremely labor intensive and not time efficient. Errors in transcribing billing / clinical information resulting in increased cost and decreased efficiency	Reduce operator error and miss filing of records and to have all related patient records in one system for quick and easy access. Currently the billing is done one month in arrears and the payment/balance information is not updated real time. With the integrated enterprise-wide system, all information will be managed real time.

E. **Technology Goals.** From a technical perspective, following the above example, list up to 10 key technology goals you have for this project and in which Fiscal Year (FY) the goal is expected to be achieved. Please use action phrases beginning with a verb to state each goal. Example: “Improve transaction response time by 10%”.

Technology Goal	Target FY for Goal
Fully integrated software solution (clinical, financial, and administrative)	FY2014
Assured HIPAA compliance in patient information managemen	FY2014
Compliance with HITECH Act which requires the establishment of an electronic health record that meets federal VA standards/ meaningful use protocol by 2014	FY2014

F. **Priority Alignment.** The criteria in this table, in concert with other factors, will be used to determine project priorities in the capital funding approval process. Briefly describe how the proposed projects will align with each criterion.

Priority Criterion	Y/N	Explanation
Is this project aligned with the Governor’s Key Priorities?	Yes	This is in support of health care reform and managing costs and improving outcome measures. Also, to ensure the appropriate confidentiality, integrity of the data.
Is this project aligned with business and IT goals of your agency?	Yes	This is crucial to the continuation of providing quality patient care to our veterans and to achieve HIPPA compliance.
Does this project reduce or prevent	Yes	In 2004-2005, the Agency experienced

future increases to the agency's operating budget?		the system shutdown of Patient Billing System. It cost the Agency \$200K to hire a consultant just to restore some functionality to the system. This project will help achieving a stable system/ platform and prevent any unexpected system crash and permanent loss of data in the future.
Will this project result in shared capabilities?	Yes	Health Level 7 compliant 'turnkey' solution will ensure seamless transfer of data from DVA system to any health exchange / other Clinical EMR and vice versa. Health Level Seven International (HL7) is the global authority on standards for interoperability of health information technology with members in over 55 countries.
Is this project being Co-developed through participation of multiple agencies?		The needs of this agency including the MDS requirements for patients is unique to our facility
Has the agency demonstrated readiness to manage project of this size and scope?	Yes	Since the inception of this EMR initiative in 2004, this agency has utilized dedicated project teams, consultants, and it's own staff in repeated attempts to procure a solution. Business requirements, Business case, cost benefit analysis, RFI's have all been completed.
Is the agency ready to deliver the business value proposed?	Yes	Since the inception of this EMR initiative in 2004, this agency has utilized dedicated project teams, consultants, and it's own staff in repeated attempts to procure a solution. Business requirements, Business case, cost benefit analysis, RFI's have all been completed.

G. **Organizational Preparedness.** Is your agency prepared to undertake this project? Is senior management committed, willing to participate, and willing to allocate the necessary time, energy and staffing resources? How will the project be managed and/or governed and who will make the key project decisions?

Yes. The Agency has completed the business requirement for each business function/area with weighted priority through the collaboration of subject matter experts in the business areas. Our IT Manager is the Project Manager and has been working with senior managers (stakeholders) to make key decisions for the success of this project.

- H. **Project Ramp Up.** If capital funds are awarded for this project, how long will it take to ramp up? What are the key ramp-up requirements and have any of these already been started? For example, has a project manager been identified? Has an RFI been issued? Is a major procurement required such as an RFP?

From October of 2006 through February of 2007, The Department of Veterans' Affairs (DVA) engaged a consultant to collect and document enterprise business processes and to help form a technical recommendation to procure and/or build an enterprise system. This final report (see attached RFI) as well as the other documents referenced (see business requirements attached) are the result of that effort. An RFI was completed in 2007 and a pending RFP/ITB will be determined and sourced via this IT fund application process.

- I. **Organizational Skills.** Do you have the experienced staff with the proper training to sustain this initiative once it's a production system? Do you anticipate having to hire additional staff to sustain this? What training efforts are expected to be needed to maintain this system?

All training is expected to be done at the system implementation phase, followed by "train the trainer" model. Currently, the Agency is in the strategic planning phase of migrating all IT support/services and staff to BEST and is expecting BEST to provide the support necessary to maintain the system.

- J. **Financial Estimates.** From IT Capital Investment Fund Financial Spreadsheet

Estimated Total Development Cost	Estimated total Capital Funding Request	Estimated Annual Operating Cost	One Time Financial Benefit	Recurring Annual Financial Benefit
396,749	396,749	38,400	650.00	400,635
Explanation of Estimates				
The above numbers were derived from an ITB process and vendor in May, 2012 and does not reflect competitive bidding price – the vendor in question was identified as a "sole source" using a GSA federal contract – the fiscal assumptions were made that the EMR software application was already in use at sixteen (16) Veteran State Homes throughout the USA.				
The recurring benefits listed above are savings that will be reallocated to provide better patient care services.				

III. Expanded Business Case

- A. **Project Impact.** Beyond the top business goals identified in Section II, 1) What impacts will this project have, if any, in the targeted areas below 2) What would be the impact of not doing this project 3) How will the project demonstrate benefits are achieved.

(1) Impact Area (Vision)	Description of Project Impact
Will this project provide efficient and easily accessible services for all constituents?	The system will improve the efficiency of operations and reduce errors.
Will this project promote open and transparent government with the citizens of the state?	Improve seamless continuity of care; it will be HL Compliant and we will be able to exchange data and other healthcare related information with other facilities/hospitals/insurance companies.

Will this project establish efficient and modern business processes?	The system will improve the efficiency of the operation.
Will this project increase accuracy and timeliness of data for policy making, service delivery and results evaluation?	Yes – This system will provide centralized, readily searchable and reportable data, both clinical and financial. It will enable decisions to be made more expediently and based on clinical evidence and accurate data.

2) What is the expected impact of NOT doing this project?

The current system will crash and potentially lose all patient information (This has happened a few times and the Agency experienced loss of data). Fiscal impact - not able to submit billable claims to Medicare, Medicaid, VA Per Diem, and patient billing which is a potential \$31M in revenue loss. Patient care will be compromised and HIPPA regulation violated. Without an integrated enterprise-wide system, the Agency will need more staff to do paperwork in order to comply with the various federal requirements. For example, not able to capture Medicare/Medicaid days, not able to do daily census for VA billing.

Additionally for those who do not meet the electronic medical records deadline for implementation, the government has laid out a series of penalties. All entities who have not adopted certified EMR systems or cannot demonstrate “meaningful use” by the EMR deadline in 2015, will see Medicare reimbursements reduced by 1%. The deduction rate increases in subsequent years by 2% in 2016, 3% in 2017, 4% in 2018, and up to 95% depending on future adjustments. Most of the penalties will be levied in the form of reduced Medicare and Medicaid reimbursements. The goal and campaign to promote EMR is based on the principle that electronic records provide the combined benefit of securing patient information and cutting down healthcare costs—two irrefutable advantages and cost savings.

Meaningful Use criteria give healthcare providers financial incentives to improve patient care, reduce costs and create the infrastructure and processes to realize the full value of integrated health records. Meaningful use sets goals that are about healthcare, not about information technology. The overall goals of meaningful use are to use EMR technology to:

1. Improve quality, safety, and efficiency of patient care
2. Engage patients and families
3. Improve care coordination
4. Ensure adequate privacy and security for personal health information
5. Improve population and public health

A qualified EMR is an electronic record of health-related information on an individual that includes patient demographic and clinical health information – such as medical history and problem lists. It must have the capacity to provide clinical decision support, enable physician order entry, capture and query information relevant to healthcare quality, and exchange and integrate electronic health information from other sources.

(3) How will you demonstrate achievement of benefits?

An efficient workflow that covers the whole cycle of patient care and patient billing, a system that's reliable, user friendly, paper-less environment, and meets all regulatory requirement of credentialing agencies. Also, the system will be able to generate useful, important, critical reports for management.

We will also be able to free up 2 FTE postions that will be able to provide more efficant care for our veterains such as:

- Phamasist will save time and be able to allow more time do monthly resdidant medication reviews.
- Staff will be able to complete medpass more effcantly wich will allow them to prvide more time and care to residants.

B. Statutory/Regulatory Mandates. 1) Cite and describe federal and state mandates that this project in intended to address. 2) What would be the impact of non-compliance?

(1) Statutory / Regulatory Mandates:

A. Starting in early January 2015, the HITECH (Health Information Technology for Economic and Clinical Health) act has provided penalties that could be considered serious consequence to facilities/ states not adopting an EMR. health practitioners must understand and prove meaningful use of patient medical records and from the use of certified EHR technologies. This means that the EMR vendor selected by medical practitioners must comply strictly with the rules set forth.

B. Title XVIII (Medicare), Title XIX (Medicaid), and 38 USC Sec 5 (VA regulations) that needs to be complied with.

(2) Impact of non-compliance:

A. Medical practitioners who do not pass meaningful healthcare use, their Medicare payments will be reduced by 1%, reduction increases to 2% if in 2016 they still are not able to demonstrate their meaningful use. And increased to 3% in subsequent years. If the HHS (Health and Human Service) Department finds that by the end of 2017 meaningful user is still less than 75% - proportion of the payment reduction will resume again at 1% per year.

B. Losing accreditation from Center of Medicare & Medicaid Services (CMS) and Federal VA-- an losing revenue if non-compliance.

C. Primary Beneficiaries. Who will benefit from this project (citizens businesses, municipalities, other state agencies, staff in your agency, other stakeholders) and in what way?

A. State of Connecticut – as the revenue generated from VA Per Diem, Medicare, and Medicaid all go to State General Fund.

B. CT Veterans under the care of the Agency – the project will improve the efficiency and the quality of patient care.

C. State Agency – improve the workflow and efficiency to reduce the operating cost and the personnel cost in the long term.