



STATE OF ARKANSAS
ASA HUTCHINSON
GOVERNOR

December 1, 2015

Dear Speaker Gillam and President Dismang:

I previously directed that a review of the Arkansas Department of Human Services Enrollment and Eligibility Framework (EEF) be conducted, and Gartner was selected as the consulting partner in leading this review. The Gartner contract was approved by the legislature, and the Gartner review was conducted over a period of five (5) months.

The purpose of this letter is to advise you as to corrective action I am taking as a result of this report. Legislative support for implementing the Gartner recommendations will be essential to making the improvements that are necessary.

As you know, the EEF project at the Arkansas Department of Human Services began in 2013 and was originally budgeted at \$108 million dollars. Because of mismanagement and federally mandated changes, the original estimate has ballooned to be \$220 million before its completion in 2017.

Gartner has worked for the past five months to review the work that has been done and to provide an unbiased view of additional steps DHS, and my administration, need to take to deliver a working eligibility and benefits system for the citizens of Arkansas. The report lays out broad recommendations, along with specific steps, my administration can take, including the time necessary, the human resources necessary, and distinct checkpoints along the path to achieving each recommendation. While DHS will continue to be the responsible agency, they will rely upon the legislature, the Department of Finance and Administration, the Department of Information Services, the Office of Medicaid Inspector General, and my own Office to play key roles in assuring my directives are implemented.

While the successful implementation of the Gartner recommendations will be a long-term project, there are four items that I will take action on immediately.

First, I am directing DHS to pause development of additional features of the EEF system. There are certain changes that DHS must complete to comply with federal mandates, and those will continue. However, this pause is necessary to make

sure the system we develop matches the policy decisions that will be made on our Medicaid reform efforts in Arkansas. This pause will also help conserve state and federal resources.

Second, under my direction DHS will put the remainder of the EEF contract out to bid. Vendors will be asked to support and build on the current Curam system, or to propose a new eligibility and benefits management platform. Any new proposals must account for Arkansas's total cost of ownership, along with the timeliness of implementation. To expedite this process I intend to request the legislature approve a contract for Gartner to develop and manage this Request for Proposal (RFP) for DHS.

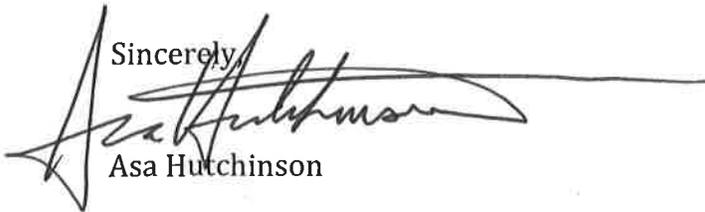
Third, as part of the EEF RFP, I will direct DHS to bring in a systems integrator on a fixed-price contract to oversee the future development of the EEF system. This team will be responsible for overseeing the future technical development and ensuring time frames and budgets are met.

Fourth, any EEF technology product must align with the overall policy goals that are set by the legislature and my administration. To accomplish this goal, I will establish a policy committee. This committee will oversee the eligibility and benefits management system to assure it is developed in accordance with established policy that best fit our state. This policy oversight committee will propose a set of guidelines to focus DHS' efforts, and will require its members to focus on not just our needs today, but also in the future.

Finally, similar challenges must not happen again. Gartner has recommended any future large information technology projects be overseen by a statewide governance structure. I have identified specific agency directors to serve on an oversight committee for all future state IT contracts (RFPs) over \$50 million. This oversight committee is in addition to the need for DHS to hire and develop key staff to support these efforts internally.

I appreciate the diligent oversight of EEF by members of the legislature to date. Please let me know if you wish to discuss this matter in more detail. Of course, your support is important for this continued effort at IT reform and program management in Arkansas state government.

Sincerely,

A handwritten signature in black ink, appearing to read "Asa Hutchinson", written over a horizontal line.

Asa Hutchinson

cc: Members of the Arkansas House of Representatives
Members of the Arkansas Senate