

DEPT. COMM. NO. 11

September 28, 2018

VIA EMAIL & HAND DELIVERY (senkouchi@capitol.hawaii.gov)

The Honorable Ronald D. Kouchi
Senate President
415 South Beretania Street
Hawaii State Capitol, Room 409
Honolulu, Hawaii 96813

Re: Follow-Up on Recommendations from Report No. 15-20, Audit of the Department of Human Services' KOLEA System (Report No. 18-12)

Dear President Kouchi:

We are attaching a copy of our "Follow-Up on Recommendations from Report No. 15-20, *Audit of the Department of Human Services' KOLEA System*", Report No. 18-12. The follow-up audit was performed pursuant to Section 23-7.5, Hawaii Revised Statutes, which requires the Office of the Auditor to report to the Legislature annually on each audit recommendation more than one year old that has not been implemented by the audited department or agency.

The report is accessible through our website at:

<http://files.hawaii.gov/auditor/Reports/2018/18-12.pdf>.

If you have questions about the report, please contact me.

Very truly yours,

Leslie H. Kondo
State Auditor

LHK:emo

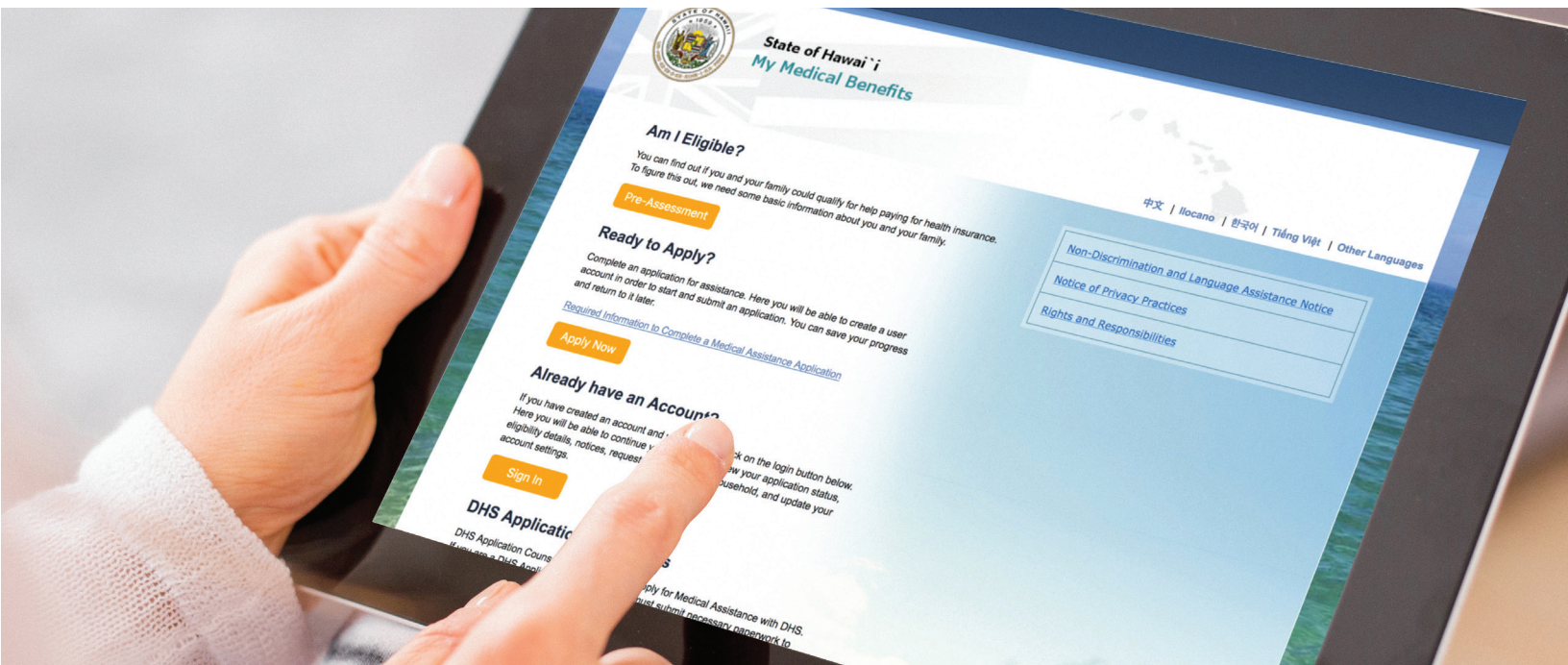
Enclosure

cc/encl: Senate Members (via email only)

Follow-Up on Recommendations from Report No. 15-20, *Audit of the Department of Human Services' KOLEA System*

A Report to the Governor and the Legislature of the State of Hawai'i

Report No. 18-12
September 2018



OFFICE OF THE AUDITOR
STATE OF HAWAII



OFFICE OF THE AUDITOR STATE OF HAWAII

Constitutional Mandate

Pursuant to Article VII, Section 10 of the Hawai'i State Constitution, the Office of the Auditor shall conduct post-audits of the transactions, accounts, programs and performance of all departments, offices and agencies of the State and its political subdivisions.

The Auditor's position was established to help eliminate waste and inefficiency in government, provide the Legislature with a check against the powers of the executive branch, and ensure that public funds are expended according to legislative intent.

Hawai'i Revised Statutes, Chapter 23, gives the Auditor broad powers to examine all books, records, files, papers and documents, and financial affairs of every agency. The Auditor also has the authority to summon people to produce records and answer questions under oath.

Our Mission

To improve government through independent and objective analyses.

We provide independent, objective, and meaningful answers to questions about government performance. Our aim is to hold agencies accountable for their policy implementation, program management, and expenditure of public funds.

Our Work

We conduct performance audits (also called management or operations audits), which examine the efficiency and effectiveness of government programs or agencies, as well as financial audits, which attest to the fairness of financial statements of the State and its agencies.

Additionally, we perform procurement audits, sunrise analyses and sunset evaluations of proposed regulatory programs, analyses of proposals to mandate health insurance benefits, analyses of proposed special and revolving funds, analyses of existing special, revolving and trust funds, and special studies requested by the Legislature.

We report our findings and make recommendations to the governor and the Legislature to help them make informed decisions.

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<http://auditor.hawaii.gov>



Follow-Up on Recommendations from Report No. 15-20, *Audit of the Department of Human Services' KOLEA System*

Section 23-7.5, Hawai'i Revised Statutes, requires the Auditor to report to the Legislature annually on each audit recommendation more than one year old that has not been implemented by the audited department or agency. This report presents the results of our review of fourteen recommendations made to the Department of Human Services in Report No. 15-20, Audit of the Department of Human Services' KOLEA System: \$155 Million KOLEA Project Does Not Achieve ACA Goals, which was published in December 2015.

Why we did the 2015 Audit

We conducted the audit pursuant to Section 131 of Act 119, Session Laws of Hawai'i 2015, which required the Auditor to perform a management and financial audit of KOLEA (Kauhale On-line Eligibility Assistance), including an evaluation of the procurement of KOLEA and

We found that the department has implemented seven of the recommendations and has made significant progress toward implementation of the remaining seven recommendations.

the proposed addition of other Department of Human Services (DHS) program functions such as the Supplemental Nutrition Assistance Program (SNAP) and the Temporary Assistance For Needy Families (TANF) program. The audit also called for a review of all contract modifications, planning for ongoing maintenance and operations for KOLEA, effectiveness of staff training on and utilization of KOLEA, and an analysis of KOLEA's capabilities.

The Kauhale On-line Eligibility Assistance (KOLEA)

Beginning in 2014, the federal *2010 Patient Protection and Affordable Care Act* (commonly known as the Affordable Care Act or the ACA) expanded the Medicaid program, allowing more Americans to qualify for assistance. In addition, the Affordable Care Act required a coordinated and simplified application process between Medicaid and states' health insurance exchanges to allow consumers to apply for coverage with a single application. One of the primary goals of the Affordable Care Act was to create a simple, real-time eligibility and enrollment process that uses electronic data to ease the paperwork burden on applicants and state agencies while expediting an eligibility determination. For most states, including Hawai'i, this required new or greatly enhanced Medicaid enrollment information technology (IT) systems.

In April 2011, the Centers for Medicare and Medicaid Services, an agency within the U.S. Department of Health & Human Services, began providing increased federal financial support for states that needed to overhaul their IT systems to accommodate changes that the Affordable Care Act required to be implemented by October 1, 2013. DHS applied for the enhanced federal funding to replace its aging Hawai'i Automated Welfare Information (HAWI) System which could not support the mandatory provisions of the Affordable Care Act. After a procurement process, KPMG, LLP was selected by DHS to replace HAWI with a new system capable of meeting the Affordable Care Act requirements.

In January 2013, the Centers for Medicare and Medicaid Services approved DHS' contract with KPMG, allowing KPMG to begin work on the KOLEA system. On October 1, 2013, DHS' Med-QUEST Division launched the KOLEA system in accordance with the Affordable Care Act. As of December 2014, the total amount paid to KPMG and three other vendors for developing and supporting KOLEA was \$154.7 million.

What we found in 2015

Our 2015 audit found that, although DHS was able to launch KOLEA on the federally-mandated deadline of October 1, 2013, the new IT application fell short of meeting Affordable Care Act goals. More specifically:

- Poor planning and lack of effective leadership at the Med-QUEST Division exacerbated already tight time constraints for developing the system and forced the KOLEA Project Team to take on the additional task of developing the eligibility and enrollment process while designing KOLEA.
- The \$155 million IT eligibility and enrollment system failed to achieve the Affordable Care Act's goals of creating a simple, real-time eligibility and enrollment process that uses electronic data to ease the paperwork burden on applicants and state agencies while expediting an eligibility determination.
- KOLEA was unable to perform electronic data matching to verify an applicant's income, and staff reported that KOLEA was difficult to use and error-prone.
- The Med-QUEST Division's Eligibility Branch workers were not appropriately trained on either the new Affordable Care Act eligibility rules, policies, and procedures or on how to navigate KOLEA and its subsequent system updates.
- With respect to the proposed addition of other DHS program functions such as SNAP and TANF programs, we found that, because of the time constraints, the department prioritized Medicaid in the initial IT upgrade phase, but had already begun working on a new enterprise-wide system to allow integration of other human services programs.

What we found this year

Two and half years after our audit, we found that the Med-QUEST Division has embarked upon an organizational transformation to implement redesigned business processes and leverage the KOLEA system. Our follow-up on the implementation of recommendations made in Report No. 15-20, conducted between February and May 2018, included interviews of selected personnel, examination of relevant documents and records, and evaluating whether DHS and the Med-QUEST Division's actions appeared to fulfill our recommendations. We found that the department has implemented 7 of the recommendations and has made significant progress toward implementation of the remaining 7 recommendations.

Definition of Terms

WE DEEM recommendations:

Implemented

where the department or agency provided sufficient and appropriate evidence to support all elements of the recommendation;

Partially Implemented

where some evidence was provided, however either elements of the recommendation were not addressed, or the department has begun to implement the recommendations and has not yet completed the implementation;

Not Implemented

where evidence did not support meaningful movement towards implementation, and/or where no evidence was provided;

Not Implemented - N/A

where circumstances changed to make a recommendation not applicable; and

Not Implemented - Disagree

where the department or agency disagreed with the recommendation, did not intend to implement, and no further action will be reported.

Exhibit 1 Audit Recommendations by Status



Source: Office of the Auditor

Recommendations and their status

Our follow-up efforts were limited to reviewing and reporting on the implementation of our audit recommendations. We did not explore new issues or revisit old ones that did not relate to the original recommendations. The following details the audit recommendations made and the current status of each recommendation based on our review of information and documents provided by DHS.

Recommendation 1

The Director of the Department of Human Services should lead future departmental IT changes by ensuring rigorous project process standards are defined to guide the project, there is a clear structure for decision-making, individuals in lead roles have the right skills for the project, and those individuals appropriately execute their responsibilities.

Implemented

Comments

Because of a short timeline to implement KOLEA before October 1, 2013, and remain in compliance with the Affordable Care Act, the Med-QUEST Division did not have sufficient time to fully redesign its processes to align with the new system. Following the 2015 audit, the DHS Director recommended that the Med-QUEST Division engage the services of a consultant to assist the agency in a business process redesign and secure state funding (to match the 50% federal share) for the project.


In July 2017, DHS executed a contract with Berry, Dunn, McNeil & Parker, LLC (BerryDunn) to provide professional consulting and implementation services to review and assess the policies and procedures for the Med-QUEST Division's Eligibility, Customer Services, and Health Care Outreach Branches, and to a lesser extent, the Training Office, Systems Office, and Policy and Program

Development Office. BerryDunn recommended the implementation of a business process redesign to improve the effectiveness and efficiency of the delivery of services, in a way that best leverages the capabilities of the existing KOLEA system.

Following this recommendation, the Med-QUEST Division and BerryDunn embarked upon the “KALO” (Kokua, Aloha, Lokahi, ‘Ohana) Project. The primary project goal is to cultivate effective and efficient processes to deliver optimal client service. The project is expected to run through summer of 2020 in order to accomplish three strategic initiatives:

1. Transform to a service-based team structure using a task-based delivery model;
2. Implement a Service Center Design; and
3. Establish a Training and Development Team and Redesign Processes.

The Med-QUEST Division has formed a Steering Committee, which is comprised of a project sponsor, training lead, outreach lead, customer



KALO

Kalo gives life to the community.

Kalo builds strong roots to grow.

100% of Kalo nourishes and is valuable.

KALO represents Med-QUEST’s journey to improve client service and build a positive work environment. This comprehensive analysis and design process engages all staff to examine customer processes to transform Med-QUEST for the future.

Source: Med-QUEST Division and BerryDunn

service lead, eligibility lead, and technical lead. The Steering Committee provides high-level oversight and leadership, and employs a collaborative approach to making key decisions, with the goal of garnering consensus whenever possible.

The Med-QUEST Division also established a Branch Leadership Team made up of supervisors, leads, and coordinators within the Customer Services, Eligibility, and Health Care Outreach Branches to provide feedback to the Steering Committee, as well as to communicate project information to staff and build their awareness and buy-in.

A series of Leadership Development Retreats were conducted to provide skills development and promote role effectiveness in working through issues and decisions, team behavior, and branch performance.

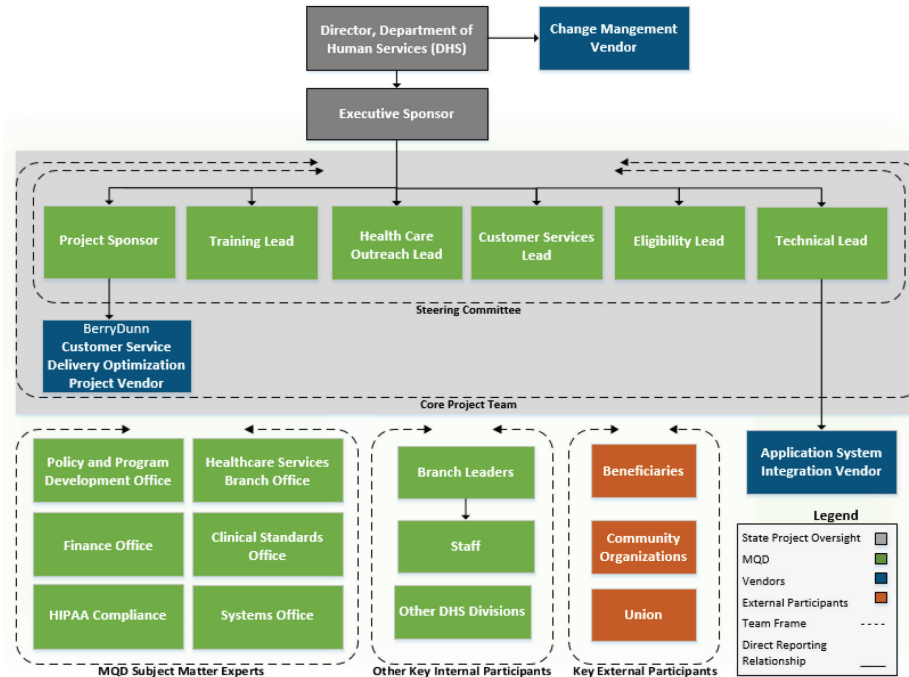


Source: Med-QUEST Division and BerryDunn

The DHS Director is regularly updated on the status of the KALO project by the Med-QUEST Division Deputy Administrator and BerryDunn representatives. The director's push for the Med-QUEST Division to engage a consultant to assist in a business process redesign demonstrates his commitment to ensure that division leaders are developed and capable of facilitating change management successfully.

Exhibit 2

The following chart depicts the organizational structure for the KALO Project.



Source: Med-QUEST Division and BerryDunn

Recommendation 2

The Director of the Department of Human Services should address Medicaid income verification issues and increase the likelihood that Hawai'i's neediest people are receiving all the benefits for which they qualify by finalizing the Memorandum of Agreement with the Department of Labor and Industrial Relations so that the Med-QUEST Division can perform data matching with state wage information and perform real-time income verifications.

Implemented

Comments

DHS and the Department of Labor and Industrial Relations (DLIR) executed a Match Agreement on August 12, 2016. The agreement was amended on August 17, 2017.

The real-time income verification process, deployed in March 2018, involves cross-matching an applicant's stated income with wage information from DLIR's State Wage Information Collection

Agency, as well as any unemployment insurance benefit that the client is receiving. KOLEA interfaces with the DLIR system which searches for and returns income information for the clients to KOLEA. KOLEA automatically totals the monthly income including wages and determines whether the individual is eligible for services. If ineligible, KOLEA will generate a notice to the applicant or beneficiary to provide documentation of current wages.

If a match is not determined and no data is returned from DLIR, the verification status will be set to “pending” and KOLEA will send a notification to the applicant or beneficiary requesting proof of current wages.

Recommendation 3

The Director of the Department of Human Services should ensure the Med-QUEST Division establishes an interface with the Internal Revenue Service to check unearned income or ensure the Hawai‘i Administrative Rules are revised to remove this requirement.

Partially Implemented

Comments

The Med-QUEST Division decided not to pursue establishing an interface with the Internal Revenue Service (IRS) after determining that the data to be made available would not be useful for verifying financial eligibility. Accordingly, on December 30, 2015, the Med-QUEST Division’s Policy and Program Development Office issued Policy and Program Directive No. 15-019, which deleted the IRS as an electronic source of income verification using the Income Eligibility Verification System.

The Policy and Program Development Office has also drafted Hawai‘i Administrative Rules revisions which, in effect, retain the IRS and other state and federal sources as options, but only if the department determines that the information provided is useful.

Target Date

The Med-QUEST Division anticipates the revised administrative rules to become final in December 2018 or early 2019.

Recommendation 4

The Med-QUEST Division Administrator should ensure that KOLEA project responsibilities are clearly defined between functional areas and actively manage those responsibilities to avoid gaps in, and enforce, responsibilities as necessary.

Implemented

Comments

The Med-QUEST Division engaged BerryDunn to review the policies, procedures, and processes performed by its Eligibility, Customer Services, and Healthcare Outreach Branches, as well as its Training Office, Systems Office, and Policy and Program Development Office. The assessment and recommendations that followed focused on improving the effectiveness and efficiency in the delivery of services in a way that best leverages the capabilities of KOLEA.

The Med-QUEST Division has formed a Steering Committee, which is comprised of division's Assistant Administrator, Eligibility Branch Administrator, Customer Services Branch Administrator, Healthcare Outreach Branch Administrator, Training Officer, and Eligibility System Project Manager. The Steering Committee provides high-level oversight and leadership, and employs a collaborative approach to making key decisions, with the goal of garnering consensus whenever possible.

In accordance with BerryDunn's recommendation to further ensure that KOLEA is leveraged fully, used consistently, and meets the needs of clients and the Med-QUEST Division, the Steering Committee will now review, authorize, and prioritize KOLEA design changes.

In addition, a task force comprised of leaders from various branches, sections, and locations, as well as representatives from the KOLEA application vendor and the KOLEA Project Team, has been created to address the backlog of system defects in KOLEA.

DHS has also selected a vendor to build the Benefit, Employment and Support Services Division function on the DHS Enterprise Platform and also provide maintenance and operational support for KOLEA. This is intended to be a solution that will be shared across the Med-QUEST Division, the Benefit, Employment and Support Services Division, and the Social Services Division.

Recommendation 5

The Med-QUEST Division Administrator should facilitate efforts to improve the division's eligibility and enrollment processes and address KOLEA's functionality and usability issues by establishing goals, objectives, performance targets, and performance measures for the Medicaid eligibility and enrollment processes that align with the department's overall mission, goals, and objectives and are useful for decision-making. The administrator should include managers at different organizational levels in the development of these performance goals.

Partially Implemented

Comments

BerryDunn recommended that the Med-QUEST Division establish standards and performance metrics for steps within each process, as well as the end-to-end processes. These include timeliness and accuracy of processing new applications, change of circumstances, and eligibility renewals and client satisfaction with the processes. BerryDunn further noted that performance metrics should be monitored on an ongoing basis using KOLEA Analytics Reports.

The Med-QUEST Division has also established a Training and Development Team, a cross-functional team of staff and leaders who, along with assistance from BerryDunn, will redesign business processes; design effective, efficient, and consistent policies and procedures; establish standards and performance metrics; guide the development of the Med-QUEST Division training system; and act as a resource and change agent for the organization.

The establishment of goals, objectives, and performance targets and measures are included in the business process redesign work that is currently underway.

Target Date

The Med-QUEST Division anticipates completing the business process redesign work by August 2020.

Recommendation 6

The Med-QUEST Division Administrator should facilitate efforts to improve the division’s eligibility and enrollment processes and address KOLEA’s functionality and usability issues by ensuring KOLEA is modified so that it can generate reports on relevant performance measures.

Implemented

Comments

According to the Med-QUEST Division, although they are still working on establishing performance metrics, this recommendation should be deemed “*Implemented*” since KOLEA is already capable of generating these reports. When the Med-QUEST Division finalizes new performance metrics, KOLEA will modify these reports to capture this information.

The Med-QUEST Division furnished copies of the BI Reports/ Monthly Stats/Application Stats Report dated September 26, 2017 and the CMS Performance Metrics Report FY17 dated October 27, 2017 which were created and generated with KOLEA data. These reports include application and enrollment totals, processing time, duplicate applications, and case status.

Recommendation 7

The Med-QUEST Division Administrator should facilitate efforts to improve the division’s eligibility and enrollment processes and address KOLEA’s functionality and usability issues by periodically reviewing and discussing with relevant stakeholders the progress made toward improving the division’s eligibility and enrollment processes and KOLEA’s functionality and usability issues.

Partially Implemented

Comments

KPMG and the Med-QUEST Division’s Eligibility Systems Project Team have continued to address KOLEA issues. The Med-QUEST Division provided copies of the release notes (i.e., documents detailing corrections, changes, or enhancements) from 2015 to 2018. The

numbers of corrections, changes, and enhancements to KOLEA are as follows:

2015 - 17
2016 - 15
2017 - 9
2018 - 1

According to the Med-QUEST Division Eligibility Systems Project Manager, releases have decreased considerably as the functionality and usability of KOLEA improved.

The Eligibility Branch Administrator stated that KOLEA has been deployed for nearly 5 years and the Eligibility Branch staff have become more familiar with the system. Problems or issues with KOLEA are being properly addressed by the KOLEA project team, and releases are communicated to the Eligibility Branch in a more timely manner.

In September 2017, BerryDunn conducted 14 three- to four-hour “Talk Story with BerryDunn” sessions with more than 120 staff on O‘ahu, Kaua‘i, Maui, and Hawai‘i to solicit their description of and improvement ideas for client service, teamwork, branch dynamics, and work processes. Following the Talk Story sessions, a web survey was conducted to solicit additional feedback from stakeholders (e.g., clients, community organizations, and providers).

Based on the first round of Talk Story sessions and the web survey, findings included the need for training and development; improvement in IT fixes, slowness, training, and timely/appropriate access; and documentation of work processes, procedures, and policies (including updates).

A second round of Talk Story sessions was conducted on all the islands in May 2018. Feedback from Med-QUEST Division staff reported a remarkable turnaround since the first round of Talk Story sessions held the year before. Negative comments regarding KOLEA had decreased significantly.

BerryDunn’s consulting work includes connecting with staff and stakeholders to improve the functionality and usability of the KOLEA system, and is part of the business process redesign work that is currently underway.

Target Date

The Med-QUEST Division anticipates completing the business process redesign work by August 2020.

Recommendation 8

The Med-QUEST Division Administrator should ensure the division's Policy and Program Development Office evaluates and updates the department's administrative rules, policies, and procedures regarding Medicaid enrollment and eligibility pursuant to requirements in the Affordable Care Act. The Office should ensure administrative rules adhere to all applicable provisions of the Affordable Care Act including income verification requirements, conform with the Notice of Proposed Rulemaking, align with the department's Verification Plan, and include business processes that optimize KOLEA's efficiency.

Implemented

Comments

The Policy and Program Development Office continues to monitor changes in laws and regulations, and update administrative rules and policy directives. The Office ensures that administrative rules adhere to all applicable provisions of the Affordable Care Act and the department's verification plan. Policy & Program Directives are distributed to all Med-QUEST Division branches, staff offices, and the KOLEA project team. The Policy and Program Development Office is sometimes asked to assist in explaining or clarifying the changes.

We reviewed a sampling of directives issued between 2015 and 2017, which reflect the Policy and Program Development Office's efforts to keep abreast of the Affordable Care Act changes.

The Policy and Program Development Office is also represented on the Steering Committee in moving forward with the business process redesign to leverage KOLEA's functionality.

Recommendation 9

The Med-QUEST Division Administrator should ensure the division's Policy and Program Development Office works with the Eligibility Branch to, along with other stakeholders and experts, examine the state's Medicaid application and eligibility determination process and establish a new one that complies with the department's administrative rules.

Implemented

Comments

See Recommendation 3 above. Our 2015 audit found that, although the current administrative rules required verification of financial information from sources that included the IRS, the Med-QUEST Division decided not to pursue establishing an interface with the IRS after determining that the data to be made available would not be useful for verifying financial eligibility. Accordingly, on December 30, 2015, the Med-QUEST Division's Policy and Program Development Office issued Policy and Program Directive No. 15-019 which deleted the IRS as an electronic source of income verification using the Income Eligibility Verification System.

The Policy and Program Development Office has also drafted administrative rules revisions which, in effect, retain the IRS and other state and federal sources as options, but only if the department later determines that the information provided is useful. Once the amended rules are adopted, the rules and income eligibility verification procedures will be in alignment.

In line with the business process redesign, new policies are first addressed by the Steering Committee. Once a decision is made, a communication plan is approved to assist with the development and delivery of the changes.

To further improve the collaboration between the Policy and Program Development Office and the Eligibility Branch, the KALO Project will include developing a process for consistent and effective policy communication for implementation of new policies from the Policy and Program Development Office.

The Policy and Program Development Office Administrator stated that she has never seen such a positive transformation at Med-QUEST Division in her 30 years of employment. She added that, in addition to working well with her Eligibility Branch counterpart, the entire Med-QUEST Division has embraced the "Ohana Nui" concept where all divisions are collaboratively working toward the goal of serving the needy.

Recommendation 10

The Med-QUEST Division Administrator should ensure the division's Policy and Program Development Office works with the Eligibility Branch to reassess Eligibility Branch staff's responsibilities in light of the new statutory framework pursuant to the Affordable Care Act and KOLEA-automated processes.

Partially Implemented

Comments

BerryDunn's contract includes an assessment of the overall operations, including the use of KOLEA, and comparing program policy with federal and state rules and regulations and identifying unnecessary or inadequate procedures.

The Med-QUEST Division is in the process of implementing redesigned eligibility and beneficiary-focused processes leveraging KOLEA. This will include the implementation of new or enhanced communication mechanisms related to policy and KOLEA updates.

The Med-QUEST Division's transition to a service-based team structure will include revised staff positions and position descriptions, and an alignment of compensation with new job duties and responsibilities. The Eligibility and Customer Services branches will no longer be separate and distinct, as staff will become part of a single entity.

To lead this effort, a Training and Development Team was established to facilitate the redesign processes and change management.

Target Date

The Med-QUEST Division anticipates completing the business process redesign work by August 2020.

Recommendation 11

The Med-QUEST Division Administrator should ensure the division's Policy and Program Development Office works with the Eligibility Branch to develop an appropriate training program for Eligibility Branch workers. The program should include changes to the ACA, the division's new policies and procedures, and how to navigate KOLEA.

Partially Implemented

Comments

The feedback from staff in the Talk Story sessions identified training as the number one priority issue impacting the Med-QUEST Division, client service, and employee morale.

BerryDunn also found that although the Med-QUEST Division had a newly established training office of three employees, the current structure did not leverage the subject matter expertise of staff, resulting in an ineffective use of subject matter experts for training and mentoring.

The Med-QUEST Division established a Process Improvement Team, a cross-functional organizational team of leaders, trainers, and subject matter experts who will create and deliver training for the Med-QUEST Division beginning in 2019 and act as a resource and change agent for the organization.

The business process redesign work involves connecting with staff and stakeholders to assess the functionality and usability of KOLEA.

Target Date

The Med-QUEST Division anticipates completing the business process redesign work, including development of a training program, by August 2020.

Recommendation 12

The Med-QUEST Division Administrator should address KOLEA functionality and usability issues by seeking input from the policy office, Eligibility Branch, and other stakeholders and experts to identify weaknesses in the division's eligibility and enrollment processes and KOLEA and their causes, and develop a strategy for, and allocate resources to, support improvement.

Partially Implemented

Comments

Feedback from staff in the Talk Story sessions indicated challenges with KOLEA; lack of documented work processes, procedures, and policies; and inconsistencies in leadership approach, work practices, quality and service standards, and job functions. Generally, BerryDunn recommended an organization redesign based on service-based teams; the development of leaders; documented policies, processes, and procedures; and staff development and training.

In accordance with BerryDunn's recommendations, the Steering Committee will review, authorize, and prioritize KOLEA design changes. A task force comprised of leaders from various branches, sections, and locations; representatives from the KOLEA application vendor; and the KOLEA Project Team will be created to address the backlog of system defects in KOLEA.

The business process redesign work involves connecting with staff and stakeholders to assess the functionality and usability of KOLEA.

Target Date

The Med-QUEST Division anticipates completing the business process redesign work by August 2020.

Recommendation 13

The Med-QUEST Division Administrator should address KOLEA functionality and usability issues by continuing to work with KPMG, LLP to address functionality and usability issues so eligibility workers can use KOLEA more efficiently and effectively.

Implemented

Comments

The KOLEA Project team continues to work with KPMG in making modifications to KOLEA. The Med-QUEST Division provided copies of the release notes from 2015 to 2018. The number of releases are as follows:

2015 - 17
2016 - 15
2017 - 9
2018 - 1

According to the Med-QUEST Division Eligibility Systems Project Manager, releases have decreased considerably as the functionality and usability of KOLEA has continuously improved.

The Eligibility Branch Administrator stated that, because KOLEA has been deployed for nearly 5 years, staff have become more familiar with the system. Problems or issues with KOLEA are being addressed by the KOLEA project team and releases are communicated to the Eligibility Branch in a more timely manner.

In accordance with BerryDunn's recommendation to improve KOLEA functionality and usability, the Steering Committee has been tasked to review, authorize, and prioritize KOLEA design changes. In addition, a task force will be created to address the backlog of addressing system defects. The task force will be comprised of leaders from various branches, sections, and locations; representatives from the KOLEA application vendor; and the KOLEA Project Team.

KPMG's contract with DHS will be expiring this fall. The new contractor, Unisys, was awarded the bid to build the new Benefit, Employment and Support Services Division system and provide ongoing maintenance for KOLEA. The two contracts overlap by 6 months to ensure a smooth changeover.

Recommendation 14

The Med-QUEST Division Administrator should ensure the division's Training Office works with the policy office and KOLEA Project Team as necessary to develop and provide appropriate training to Eligibility Branch staff on new eligibility and enrollment processes and requirements, and navigating KOLEA. Training should be provided periodically as rules, policies, procedures, and KOLEA are modified.

Partially Implemented

Comments

Prior to BerryDunn coming on board, the Med-QUEST Division established a Training Office in 2017, staffed with one training officer and two training specialists. To date, training topics have included KOLEA access, administrative rules for long-term care eligibility, and Medicaid eligibility for trusts. We reviewed the training materials for these sessions which were all held in 2017.

Feedback shared by staff during the Talk Story sessions cited the lack of training and development across multiple topics such as eligibility policies, use of KOLEA, and client service standards. BerryDunn also found that the current structure of training does not leverage the subject matter expertise of staff and results in an ineffective use of subject matter experts for training and mentoring.

Following the recommendation of BerryDunn, the Med-QUEST Division established a Process Improvement Team to create, deliver, coordinate and sustain job training. A team of Med-QUEST Division leaders, trainers, and subject matter experts will receive extensive training and will work with BerryDunn to document processes, create training materials, design the training system, and deliver training.

Target Date

The Med-QUEST Division anticipates completing the business process redesign work by August 2020.