

Technology Services Board Portfolio/Policy Subcommittee Meeting

January 14, 2021

9:00 a.m. – 11:00 a.m.

Current TSB Members

Industry Members

Butch Leonardson – Retired CIO

Paul Moulton – Costco

Legislative Members

Rep. Matt Boehnke – House R

Sen. Joe Nguyen – Senate D

Sen. Ann Rivers – Senate R

Executive Branch (Agency Directors)

Jim Weaver – State CIO & Chair

David Danner – UTC

Tracy Guerin – DRS

Vikki Smith – DOR

Other Government

Viggo Forde – Snohomish County

Members present

Members absent

Agenda

TOPIC	LEAD	PURPOSE	TIME
Welcome and Introductions	Jim Weaver	Introductions	9:00
Approve Minutes from Nov. 12 Subcommittee Meeting	Jim Weaver	Approval	9:04
Program Introduction – Long-Term Services and Supports (LTSS) <ul style="list-style-type: none">• Suzi LeVine, Commissioner, Employment Security Dept.• Bea Rector, Director, Home & Community Svcs., Dept. of Social & Health Svcs.• Ben Veghte, Ph.D., LTSS Trust Director, Dept. of Social & Health Services• Lisa Kissler, Paid Family & Medical Leave and LTSS Director, Employment Security Dept.	Sue Langen Scott Broten	Introduction to new program and the IT projects that support it	9:05
Washington State Cloud Readiness Report	Sue Langen Dan Mercer	Information	10:00
Decision Package Prioritization	Sue Langen	Information	10:30
Public Comment			10:45

Approve 11/12/2020 Minutes

Long-Term Services and Supports Trust Overview

Suzi LeVine, Commissioner, ESD
Bea Rector, HCS Director, DSHS

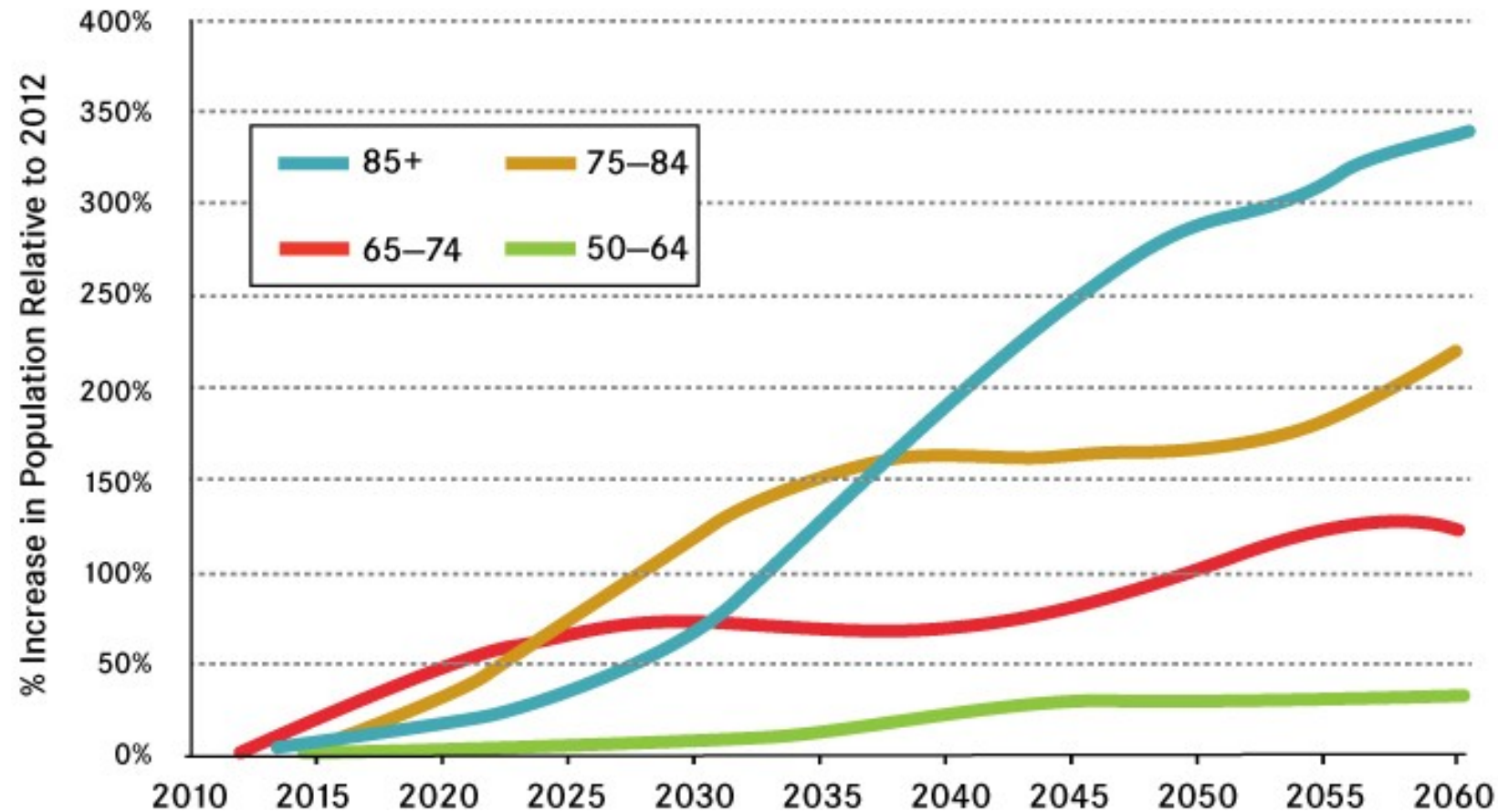
Ben Veghte, Ph.D., LTSS Trust Director, DSHS
Lisa Kissler, Paid Family and Medical Leave & LTSS Director, ESD

- First program of its kind in the nation
- Passed in 2019
- Bipartisan support
- Multi-agency implementation
- Self-funded through worker premiums (not General Fund)
 - General Fund startup loan will be paid back by June 30, 2022

The LTSS Trust is good for Washington

Washington's aging population

LTSS Needs Are Growing as Families Are Becoming Less Able to Meet Them



Source: Washington State Department of Social and Health Services, Research and Data Analysis Division

Why a public insurance mechanism is needed



Long-term care is predictable and expensive

- 70% of those turning 65 today will need long-term care
- Annual cost of care for an individual in WA ranges from **\$66,000-119,173**.

Most seniors can't afford long-term care

- Among Washington seniors:
 - Median household income: \$50,000
 - Half have no 401(k) or pension income

LTSS costs to the state without the LTSS Trust

Washington's spending on LTSS
in the 2019-2021 biennium:

\$5.6 billion

LTSS spending as a
percentage of the state budget:

5.6%

These costs and their impact on the state budget will grow with the dramatic increase in our aging population, unless there is a policy intervention.

How the LTSS Trust supports families

Affordability

- Affordable long-term care insurance is available to all working Washingtonians

Peace of mind

- Accessible care when we need it later in life

Choice

- We choose who provides our care and where we receive it

Washington is a better place to live, work and retire

How the LTSS Trust works

- Every employee contributes **\$0.58 per \$100 of earnings**.
- Employers collect premiums but do not contribute.
- If you are self-employed, you can opt-in to the Trust.
- If you have private long-term care insurance, you can apply for an exemption from 10/1/2021 thru 12/31/2022.



Someone who makes
\$750 per week
will pay **\$4.35**
into the Trust.

How the LTSS Trust works

Vesting and eligibility

- To qualify, you must:
 - Meet work and contribution requirements during course of career
 - Work at least 500 hours per year during those years, then
 - Require assistance with at least three activities of daily living

 Medication management	 Personal Hygiene	 Eating	 Toileting	 Cognitive Impairment
 Transfer Assistance	 Body Care	 Bathing	 Ambulation/ Mobility	 Dressing

How the LTSS Trust works

Earned benefits

- Each person who is eligible gets 365 benefit units valued at \$100* each
- They can access services and supports costing up to **\$36,500**.

The benefit can be used for a range of services and supports, such as:



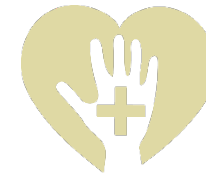
Professional care



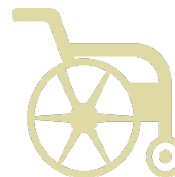
Rides to the doctor



Home-delivered meals



Training family caregivers



Adaptive equipment and technology



Home safety evaluations

LTSS implementation timeline

2013
LTSS
Trust
Coalition
formed

1/1/2021
LTSS Trust
Commission
delivers first
recommendations

1/1/2022
Workers begin contributing (employers
deduct premiums from wages)

Self-employed can opt-in

12/1/2026
LTSS Trust
Commission begins
annual reporting on
solvency

2019
LTSS Trust
Legislation
passed

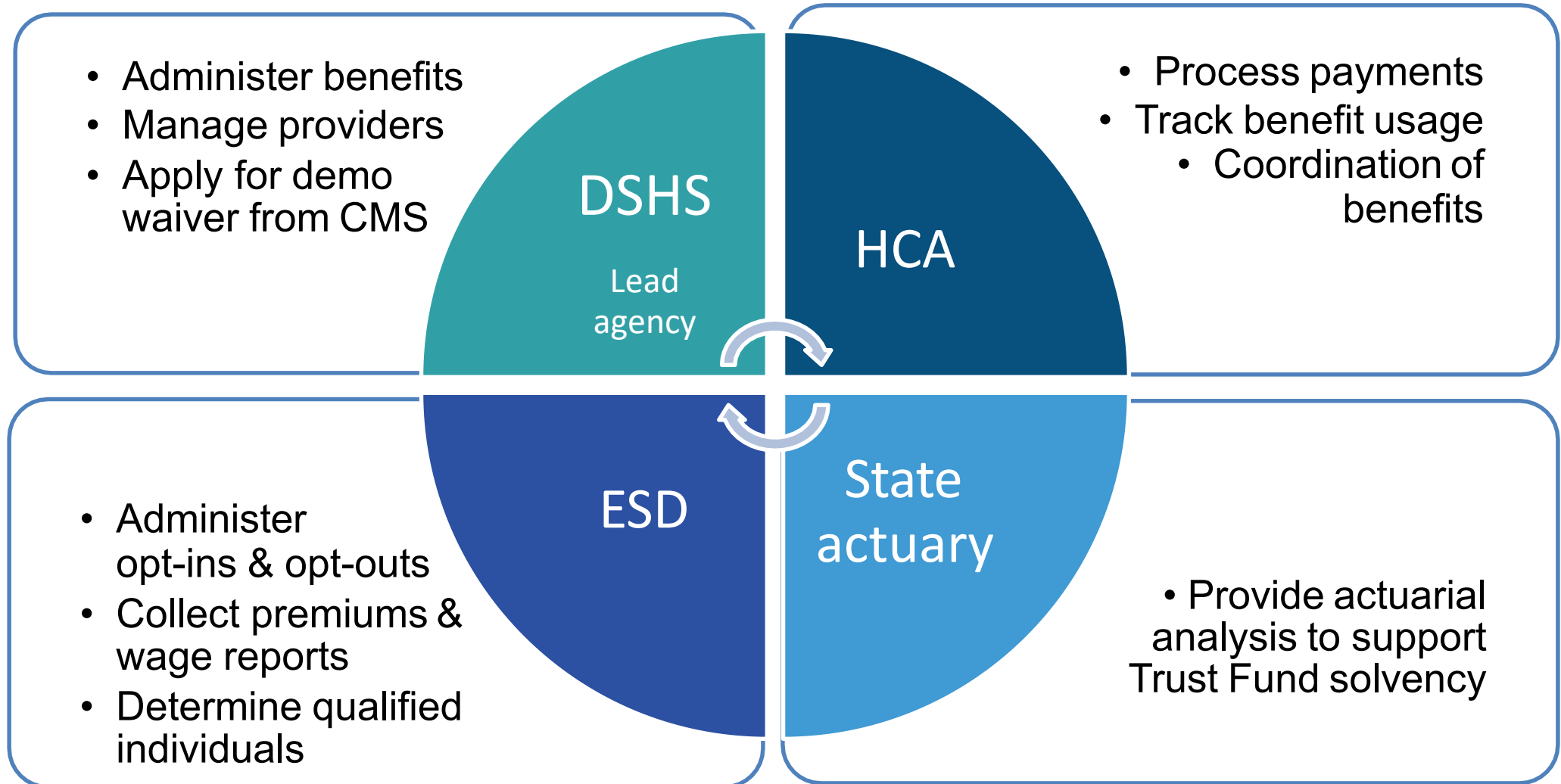
10/1/2021
Private long-term care insurance
holders can permanently opt-out

Opt-out ends December 2022

1/1/2025
Eligible beneficiaries begin claiming
benefits

Governance/implementation

Multi-agency partnership



Oversight

OCIO oversight and Gated Funding

**D
S
E** OCIO Oversight
External Quality
Assurance
Gated Funding

**S
H
S
D** OCIO Oversight
External Quality
Assurance
Expect Gated
Funding
Independent
Verification &
Validation

Technology implementation timeline

ESD



2020

Project initiation and planning

Definition for Opt-out

2021

Migrate Technology platform to cloud hosting

Implement opt-outs (exemptions)

Implement opt-Ins (elective coverage)

2022

Implement wage filing and premium collection

Premium collection and exemptions project closeout

Initiate project for qualified individual determination

2023

Implement determination of qualified individuals

Operate premium and wage reporting

2024

Complete interface development to support benefits implementation

2025

Respond to key learnings from benefits implementation

ESD project approach

- Continue to build on People, Process, and Technology established during the Paid Leave implementation
- Use best practices and lessons learned from Paid Family and Medical Leave to assure success for Long-Term Services and Supports
- Leverage more mature portfolio management to ensure support for both programs

Lessons from Paid Family & Medical Leave

Continue

Focus on people and culture

Ruthless prioritization and MVP first focus

Invest in dedicated Organizational Change Management support

Modern development and delivery practices

Transparent communication and status reporting

Customer insight, involvement, and support

Technology and program implementation fully integrated

Strong communication and outreach support

Improvements

Plan and execute work through a collection of smaller, more manageable sub-projects

Define the desired customer journey early in the process and test with customers

Complete Minimally Viable Product (MVP) early and iterate

Continuous predictive release planning

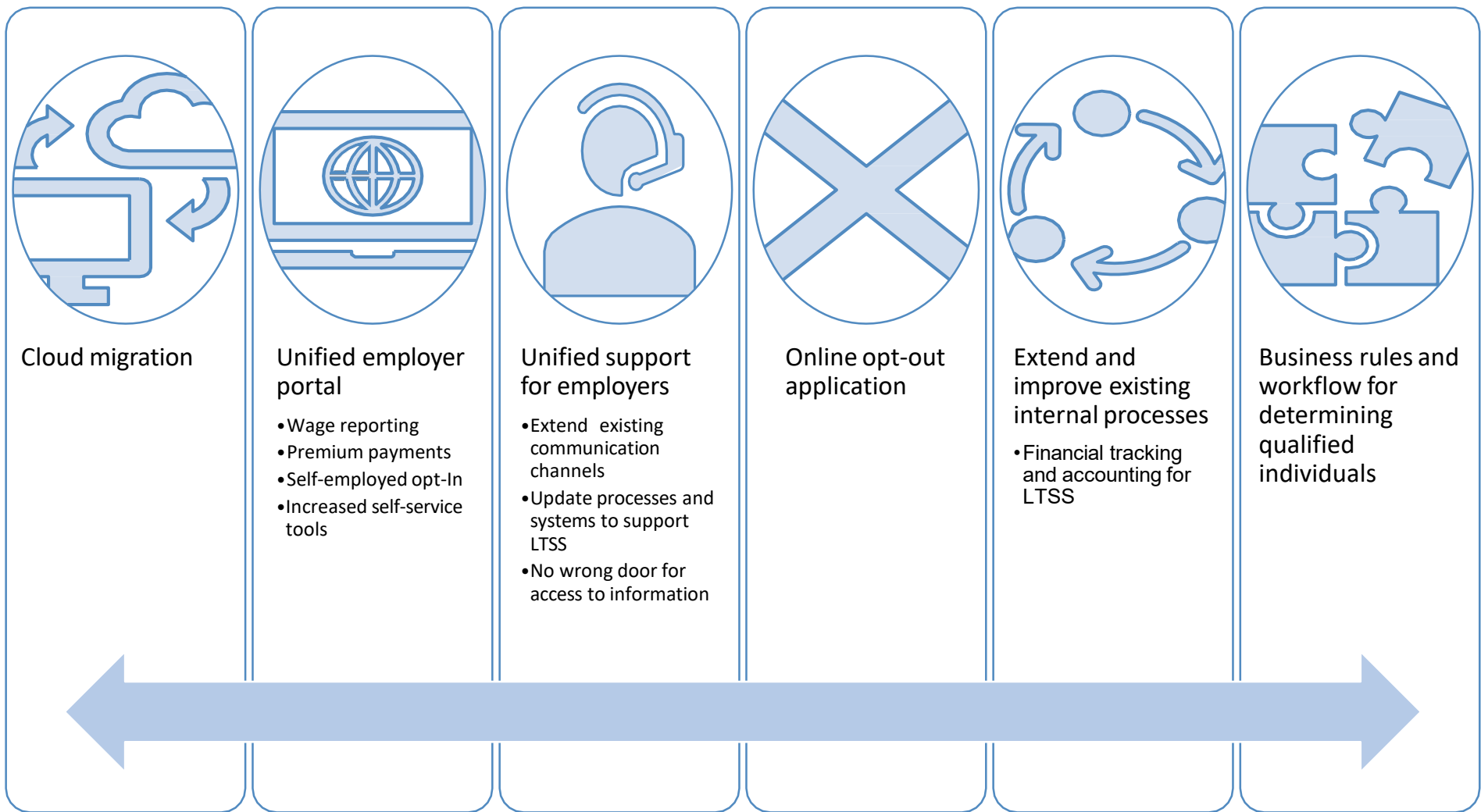
Plan staffing levels for large volumes of work

ESD LTSS project readiness



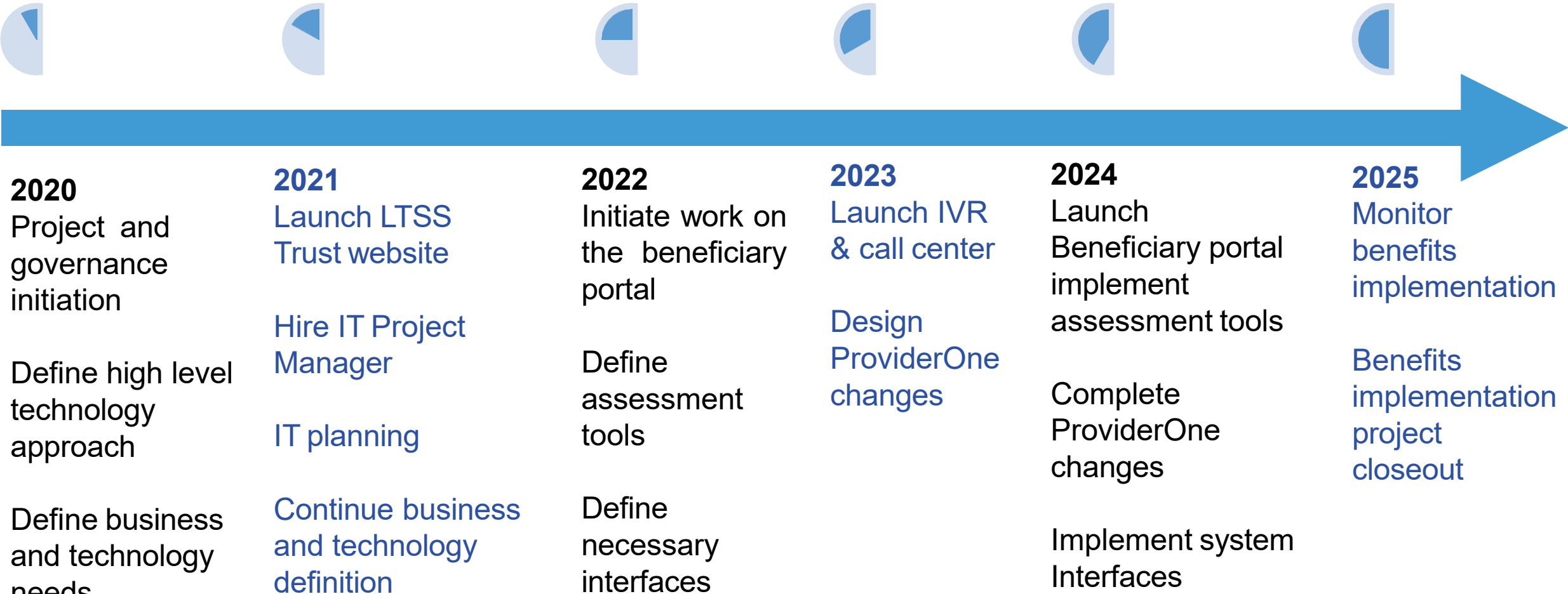
ISG assessed the project ready in all areas and recommended approval of the Investment Plan

ESD technology investment



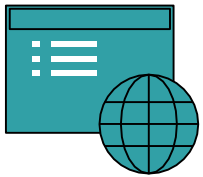
Technology implementation timeline

DSHS



DSHS IT components

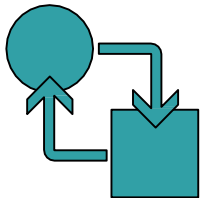
The DSHS IT investment will buy:



One-stop shop LTSS Trust website



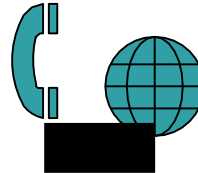
CARE assessment tool to determine functional eligibility



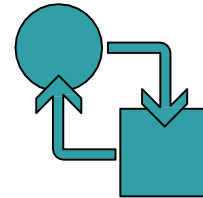
Interfaces with ESD to exchange vesting information



LTSS Trust portal for applicants and beneficiaries



Customer Service Call Center and IVR



Changes to ProviderOne and interfaces to exchange beneficiary and provider information

Questions?



LTSS Trust information contacts

Ben Veghte, Ph.D.

- LTSS Trust Director, DSHS
- Phone: (360) 388-5736
- Benjamin.Veghte@dshs.wa.gov

Lisa Kissler

- Division Director, Paid Leave & LTSS, ESD
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- Lisa.Kissler@esd.wa.gov

www.dshs.wa.gov/altsa/stakeholders/long-term-services-and-supports-ltss

Thank You

Washington State Cloud Readiness Report

Key Findings and Recommendations

January 2021

Background

- 2019 Legislature directed the OCIO to conduct a statewide cloud readiness assessment to to:
 - Prepare for migration of core services to the cloud
 - Identify ways the state can reduce costs, with targets
 - Evaluate impacts to agencies and the state's IT workforce
- Unisys was contracted to conduct the study
 - IT asset inventory and contracts analysis
 - IT staff and organizational impacts analysis
 - WaTech resources needed to support statewide migration
 - Cost/benefit analysis and migration strategies
- 79 exec branch agencies in scope (higher ed. excluded)
 - 16 small agencies had no server-based apps or all in the cloud
 - Agencies' data assessed against industry benchmarks (Gartner and others)
 - CIOs reviewed findings and recommendations, and provided input during CIO Workshop June 2020
- Unisys documented results and recommendations in a 377-page report available on the OCIO website
- The OCIO accepted Unisys' recommendations -- forms the foundation for the OCIO's Washington State Cloud Readiness Report and associated cloud migration plan



Key Findings and Recommendations

- Most applications are cloud ready but not necessarily cloud optimized
 - 80% of IT assets (9000 servers, 3300 applications) are good candidates
 - Potential for significant savings with the right migration approach, but savings not always realized with “lift and shift” (a.k.a. paving the cow path)
 - Coordinated, enterprise migration approach reduces risk and improves ROI
 - Start with a central ‘Cloud Services Brokerage’ program to create technical foundation for security, network, and cloud management; organize and coordinate migration planning; assist agencies with migrations and efficient operations
- Agencies are generally not ready for large-scale migrations
 - Organizational and operational change management – new cloud positions
 - Statewide targeted programs needed to train workforce in cloud technologies, security, operations, and cost containment
 - Fewer IT FTEs may be needed postmigration – normal attrition should balance workforce needs
- The state should formally adopt a “Cloud only” strategy
 - Not just savings - Cloud is the foundational platform for future innovation and digital government transformation
 - All new applications should be developed as native cloud solutions
 - Existing *cloud-ready* systems should be moved to cloud solutions sooner than later



Key Findings and Recommendations



- Coordinated, strategic *enterprise* migration approach
 - Initial preparatory phase then coordinated agency migrations
 - Preparation focuses on technical/security infrastructure, workforce development, org change management, application validation
 - Key enabler - central Cloud Services Brokerage establishes technical foundation and facilitates planning and migration projects
 - Caution: A decentralized approach, i.e., each agency acts independently, could increase migration time and cost up to 30%
- Cloud migration yields \$60M net benefit (47% ROI), assuming a 5-year *enterprise* approach
 - Estimates based on 9000 servers and 3,300 applications
 - \$127M investment required – \$1.37M in FY21 and \$22.5M in FY22
 - Up to \$62M annual spend on servers is redirected to offset cloud investments – made available by moving existing cloud-ready systems

State Cloud Migration Plan

- Start with “Cloud only” policies *
 - After June 30, 2022, all new IT initiatives must use approved cloud solutions – no new hardware purchases approved
 - By June 30, 2022, agencies will report a list of applications and target migration dates, and report progress annually
 - By June 30, 2026, all *cloud-ready* systems on-premises must be retired, and assets moved to cloud solutions.
 - Those not cloud-ready must go to the SDC per [RCW 43.105.375](#)

* All policies subject to explicit waiver criteria



State Cloud Migration Plan

- Eight Planning and Preparatory Projects
 - Central Cloud Services Brokerage
 - Cloud management tools
 - Cybersecurity
 - Network
 - Identity management
 - Cloud-ready operations
 - Organizational change management
 - Guidance on cloud-specific team requirements, change management
 - State IT Workforce
 - Statewide skills development programs to prepare IT workforce to design, develop, secure, and operate cloud systems



State Cloud Migration Plan



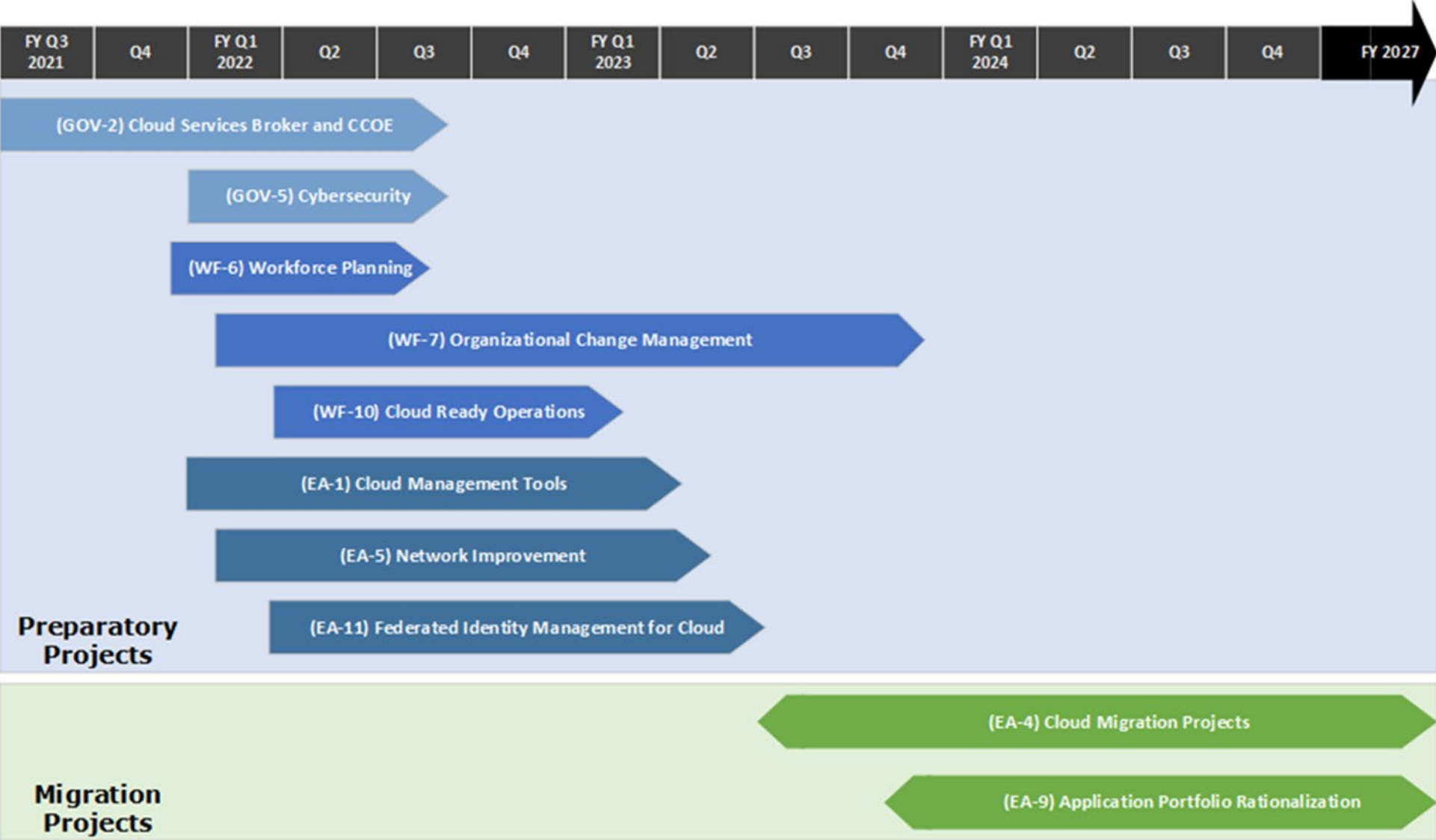
- Cloud Migration and Optimization Projects
 - Enterprise migration program facilitated by central Cloud Services Brokerage using expert cloud migration contractors
 - Coordinated agency projects to ensure secure and optimal migrations
 - Optional (cost not factored into ROI): Portfolio Rationalization projects to mitigate non-cloud ready systems; further optimize cloud environments

Strategic Goals and Measures

- **100%** of budget requests for *new* IT systems target cloud solutions after June 30, 2022.
- An average of **20%**, or about 650, cloud-ready applications are migrated from existing on-premises servers to cloud solutions each year from FY23 through FY27.
- **80%** of individual cloud migration projects achieve positive ROI within three years following project close.
- **20%** of staff positions identified for cloud support roles achieve necessary certifications each year beginning in FY22.
- **10%** reduction in SDC annual operations costs achieved by FY26.



Sequence of Planning & Migration Projects



Next Steps



- Establish Cloud Services Broker program in WaTech
- Organize a statewide cloud migration community of practice (Cloud Community of Excellence - CCoE)
- Initiate workforce planning via ITPS governance committee
- Develop RFX for expert cloud planning and migration contractor
- Begin planning projects for
 - Enterprise configuration management database (CMDB);
 - Cloud management platform;
 - Network and cybersecurity improvements;
 - Cloud-enhanced identity management

Conclusion

Can the cloud save money? Yes, if properly implemented

- Business benefits eclipse potential cost savings -- Cloud is the foundation for future innovation
 - Transforming traditional government to digital government
 - Exceeding constituents' expectations for service excellence
 - Improved security and resilience to disasters
 - Cost efficiency – pay only for what you use
 - Easily scale compute resources to meet cyclical demand
 - Rapidly access new technologies to solve business problems

Moving to the cloud is clearly in the state's best interest. It is imperative we make smart, strategic investments to improve the state's financial picture, enhance our security posture, modernize the IT infrastructure, and lay the foundation to digitally transform the way government does business.



Thank You

The full report is available at:
<https://ocio.wa.gov/reports>

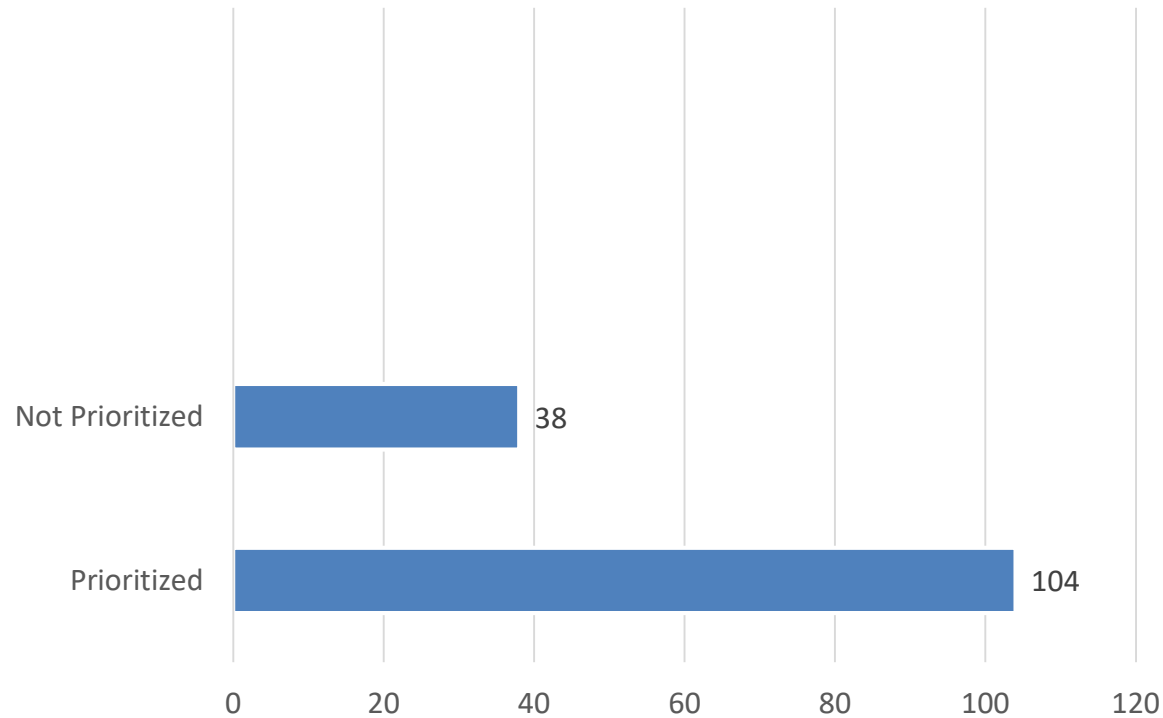
For more information contact:
Daniel Mercer, dan.mercer@ocio.wa.gov

Decision Package Prioritization

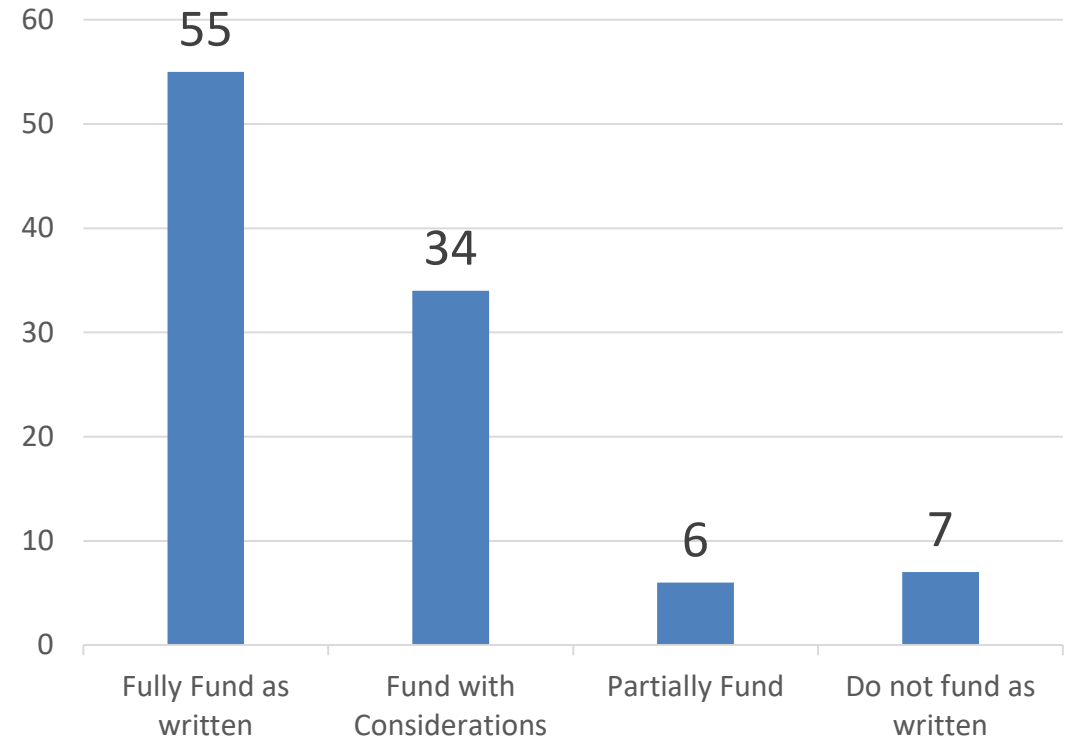
Agency Requests Compared to Governor's Budget Request

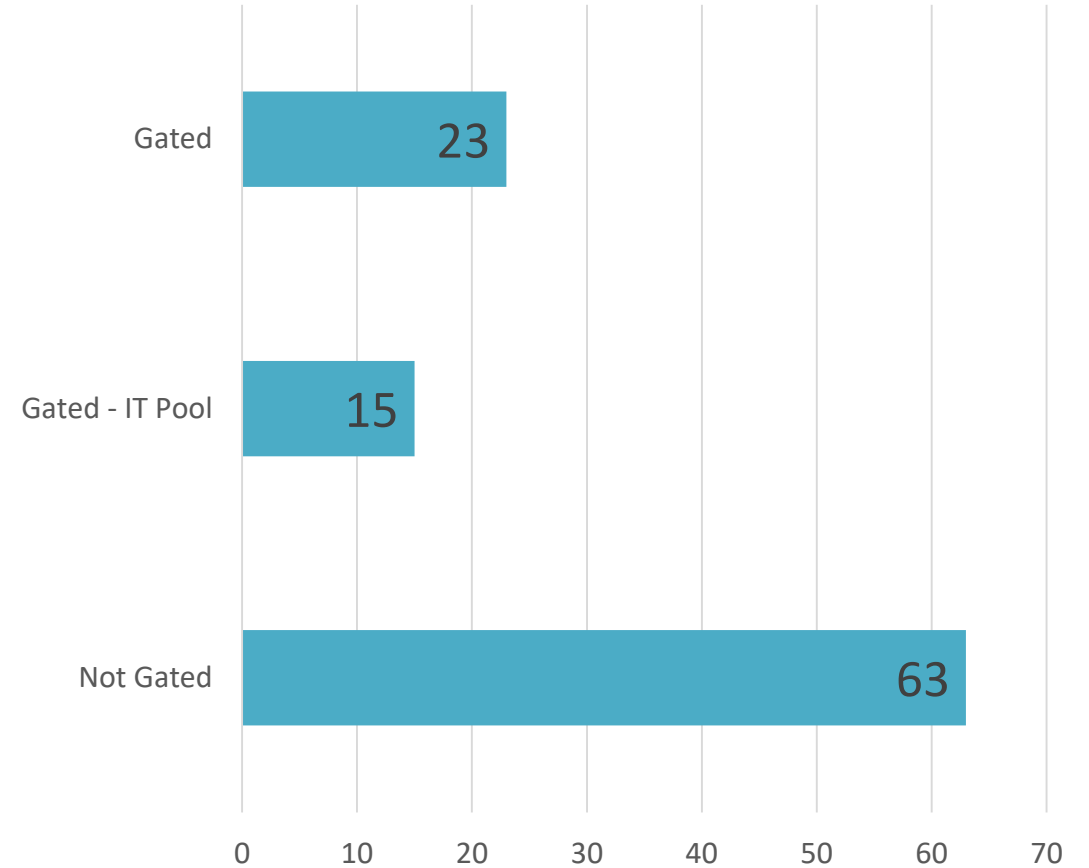
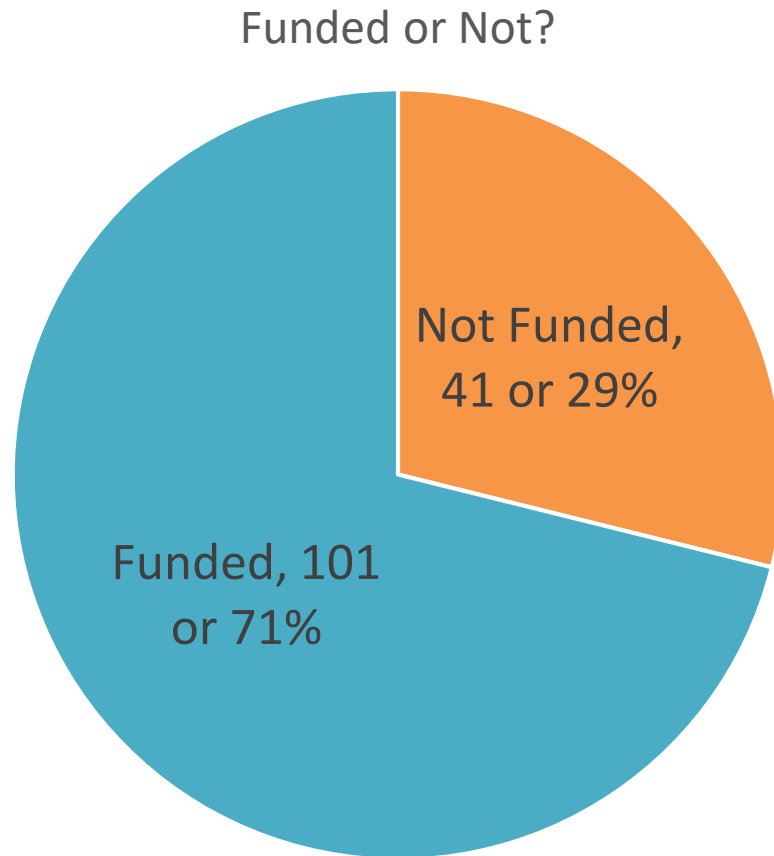
IT Decision Packages Submitted

142 Total IT DPs

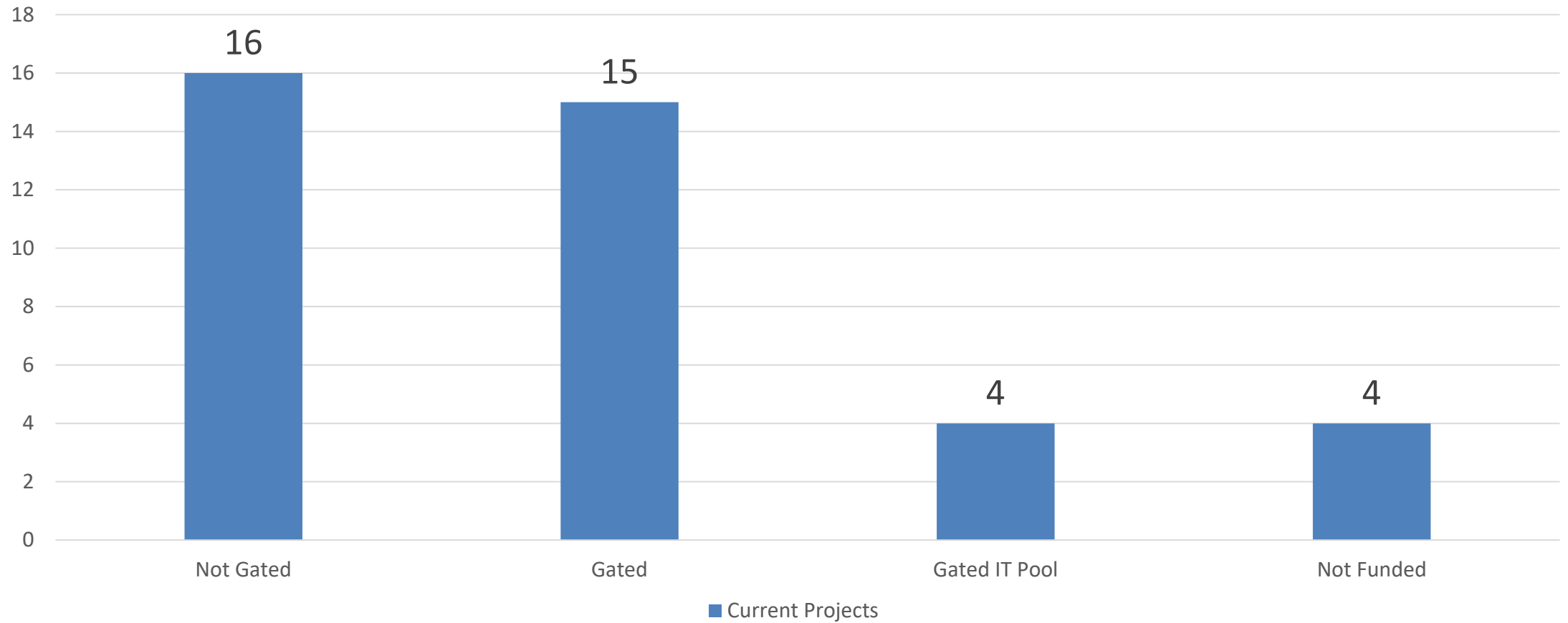


Recommendations on Prioritized DPs

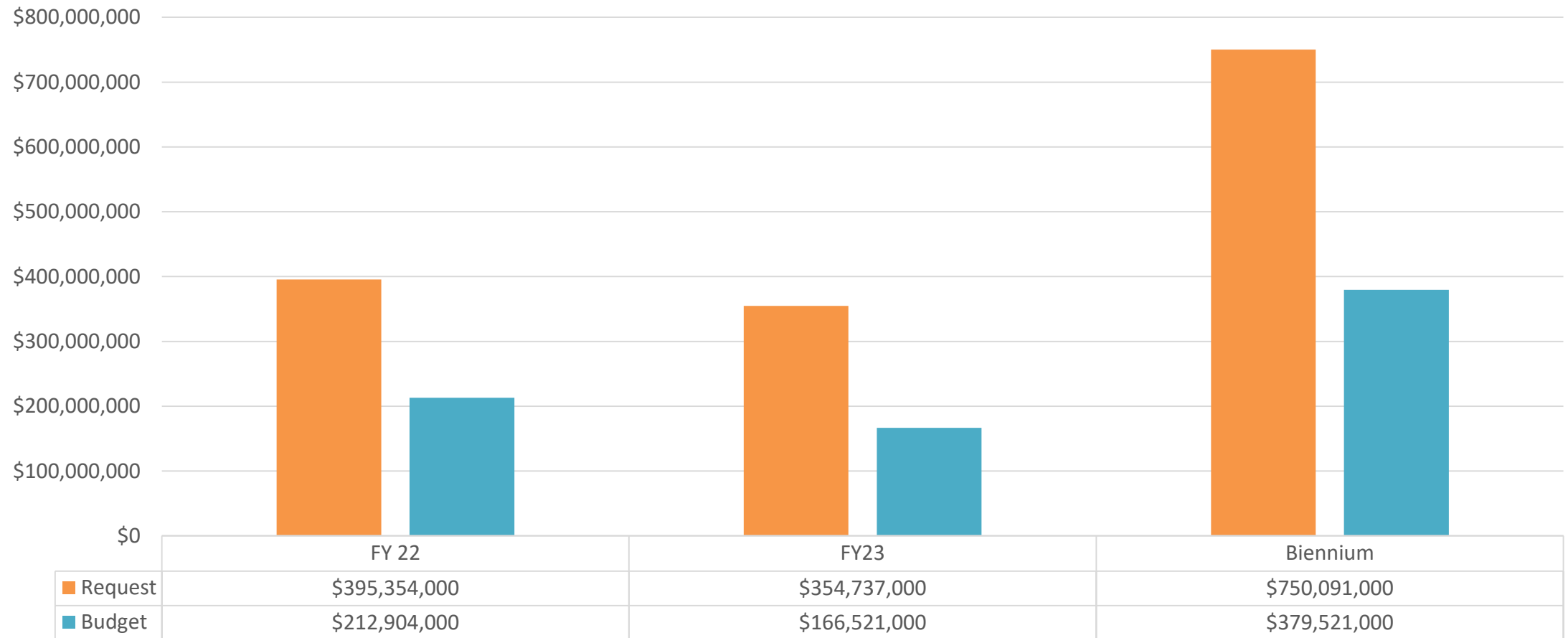




Projects Currently Under Oversight



Amounts Requested/Amounts Budgeted*



Public Comment