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Technology Services Board – Project Synopsis

Date: 6/24/2024

OCIO Assessment ●

QA Assessment ●

Agency Name: Washington State Department of Labor & Industries

Project Name: Workers' Compensation Systems Modernization Project (WCSM)

Project overview

The Workers' Compensation Systems Modernization (WCSM) project aims to replace L&I's "legacy" workers' compensation computer systems and its cumbersome business processes with a modern technical solution(s). This will help streamline and automate manual processes, which will lead to additional efficiencies and even better return-to-work outcomes.

For TSB discussion

The WCSM project has shifted to an incremental wave-based strategy and wants to provide the TSB with an update. The project would also like to hear from board members about any iterative approaches they've been a part of when integrating new and legacy technology, and what they observed that both contributed to its success or led to challenges.

Issue statement

The state's existing workers' compensation computer "ecosystem" is very large, old and complex. It uses more than 100 sub-systems that encompass multiple generations of technology. Too often, L&I's improvement efforts have run into technological roadblocks that force L&I to continue tolerating inefficient business processes.

Management strategy and readiness plan

The WCSM project shifted its strategy from a comprehensive system replacement to implementing smaller, targeted system upgrades through a series of "waves." This change in direction is a result of a 2021 independent third-party review and focuses on delivering more immediate business transformational value. Using newly developed target state customer journey maps, we've pinpointed the necessary capabilities L&I needs to run the state's workers' compensation system. We'll now look to incrementally procure solutions that meet each of these capabilities, giving us a more agile and responsive modernization process.

Project budget and timeline

Budget – Current technology budget (2023-25 biennium)*	Budgeted Resources	In-Kind	Total
Employee Staffing Costs	$3,146,524	$7,642,621	**$10,789,145**
Quality Assurance	$1,060,900	$0	**$1,060,900**
Business Strategic Advisor	$350,248	$300,752	**$651,000**
Project Director	$900,000	$0	**$900,000**
OCM Lead	$401,500	$474,500	**$876,000**

Budget – Current technology budget (2023-25 biennium)*	Budgeted Resources	In-Kind	Total
SAAG Services	$0	$66,000	**$66,000**
Leadership Coaching	$189,000	$0	**$189,000**
Business Architecture Strategy & Business Target Operating Model	$275,000	$0	**$275,000**
Industry Market Analysis	$0	$270,000	**$270,000**
Requirements Alignment	$175,000	$175,000	**$350,000**
Solution Strategy, Architecture, Decommissioning	$2,630,000	$1,170,000	**$3,800,000**
Procurement Strategy	$0	$150,000	**$150,000**
MIPS/MIPC Requirements / Fit Gap	$0	$300,000	**$300,000**
IDP ECM BPS Paperless Process	$0	$200,000	**$200,000**
RFXX Development/Procurement	$0	$450,000	**$450,000**
Independent Verification Contractor	$0	$528,000	**$528,000**
Other	$296,828	$0	**$296,828**
Total Project Cost (2023-25 biennium)	**$9,425,000**	**$11,726,873**	**$21,151,873**

*WCSM 2023-25 technology budget update currently in progress.

Key Project Milestones	Planned Date
Target State Solution Strategy & Design Approach	3/24
Current State Data Assessment Summary	4/24
Target State Journey Map Crosswalk	4/24
Enterprise Impact Assessment	5/24
WCSM Target Architecture	6/24
Initial Legacy Decommissioning Approach	7/24

Key Events to Date	Date
Completion of Independent Review	6/21
Governance Realignment Work	5/22
New Steering Committee formed	6/22
Steering Committee Charter executed	8/22
Statement of work for Modernization Strategy executed	8/22
Statement of work for Technical Deep Dive executed	8/22
Approved Modernization Strategy	4/23
Current state logical architecture document	5/23
Updated total technical inventory document	5/23
Feasibility study completed	6/23
Discovery Planning Phase complete	6/23