

HOUSE BILL NO. 10

INTRODUCED BY K. MCCARTHY

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

1
2
3
4
5 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING LAWS RELATED TO INFORMATION TECHNOLOGY
6 CAPITAL PROJECTS; APPROPRIATING MONEY FOR INFORMATION TECHNOLOGY CAPITAL PROJECTS
7 FOR THE BIENNIUM ENDING JUNE 30, 2017; PROVIDING FOR MATTERS RELATING TO THE
8 APPROPRIATIONS; PROVIDING FOR A TRANSFER OF FUNDS FROM THE GENERAL FUND TO THE
9 LONG-RANGE INFORMATION TECHNOLOGY PROGRAM ACCOUNT; PROVIDING FOR THE
10 DEVELOPMENT AND ACQUISITION OF NEW INFORMATION TECHNOLOGY SYSTEMS FOR THE
11 DEPARTMENT OF ADMINISTRATION, THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES,
12 ~~THE DEPARTMENT OF CORRECTIONS, THE DEPARTMENT OF JUSTICE,~~ THE DEPARTMENT OF
13 TRANSPORTATION, AND THE JUDICIAL BRANCH; AND PROVIDING ~~AN EFFECTIVE DATE~~ EFFECTIVE
14 DATES."

15
16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

17
18 NEW SECTION. Section 1. Definitions. For the purposes of [this act], the following definitions apply:

- 19 (1) "Chief information officer" has the meaning provided in 2-17-506.
- 20 (2) "Information technology" has the meaning provided in 2-17-506.
- 21 (3) "Information technology capital project" means a group of interrelated information technology
22 activities that are planned and executed in a structured sequence to create a unique product or service.
- 23 (4) "LRITP" means the long-range information technology program account in the capital projects fund
24 type.

25
26 NEW SECTION. Section 2. Appropriations and authorizations. (1) All business application systems
27 funded under this section must have a plan approved by the chief information officer for the design, definition,
28 creation, storage, and security of the data associated with the application system. The security aspects of the plan
29 must address but are not limited to authentication and granting of system privileges, safeguards against
30 unauthorized access to or disclosure of sensitive information, and, consistent with state records retention policies,

1 plans for the removal of sensitive data from the system when it is no longer needed. It is the intent of this
 2 subsection that specific consideration be given to the potential sharing of data with other state agencies in the
 3 design, definition, creation, storage, and security of the data.

4 (2) Funds may not be released for a project until the chief information officer and the budget director
 5 approve the plans described in subsection (1).

6 (3) The following money is appropriated to the department of administration to be used only for the
 7 indicated information technology capital projects:

8 Agency/ 9 Project	LRITP	State Special Revenue	Federal Special Revenue	Proprietary	Total
11 DEPARTMENT OF ADMINISTRATION					
12 Network and Security Upgrades					
	5,589,000				5,589,000
14 Data Protection Initiative					
	1,887,000				1,887,000
16 Statewide Public Safety Communication System					
	2,000,000				2,000,000
18 DEPARTMENT OF CORRECTIONS					
19 Security System Replacement/Assessments					
	1,200,000				1,200,000
21 DEPARTMENT OF JUSTICE					
22 Court Technology Improvement Program					
	490,000				490,000
24 <u>STATEWIDE INFORMATION TECHNOLOGY PROJECTS</u>					
	<u>6,466,000</u>				<u>6,466,000</u>

26 THE DEPARTMENT OF ADMINISTRATION MAY PRIORITIZE THE EXPENDITURE OF THE STATEWIDE INFORMATION
 27 TECHNOLOGY PROJECTS APPROPRIATION AMONG THE NETWORK AND SECURITY UPGRADES, DATA PROTECTION INITIATIVE,
 28 STATEWIDE PUBLIC SAFETY COMMUNICATION SYSTEM, SECURITY SYSTEM REPLACEMENT/ASSESSMENTS, AND COURT
 29 TECHNOLOGY IMPROVEMENT PROGRAM PROJECTS. THE DEPARTMENT WILL REPORT THE USE OF THE FUNDS TO THE
 30 LEGISLATIVE FINANCE COMMITTEE.

1	<u>ENTERPRISE ELECTRONIC CONTENT MANAGEMENT</u>		
2		<u>1,500,000</u>	<u>1,500,000</u>
3	<u>DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES</u>		
4	<u>ENHANCED FEDERAL FINANCIAL PARTICIPATION AND A-87 COST ALLOCATION WAIVER</u>		
5		<u>3,000,000</u>	<u>27,000,000</u>
6	DEPARTMENT OF TRANSPORTATION		
7	PPMS, Risk-Based Management, Linear Referencing System		
8		650,000	4,350,000
9	Financial Management Suite		
10		<u>3,000,000</u>	3,000,000

11

12 **NEW SECTION. Section 3. Fund transfer.** The amount of ~~\$12.7~~ \$11.8 million is transferred from
 13 the general fund to the LRITP on July 1, 2015.

14

15 **NEW SECTION. Section 4. Judicial branch information technology capital projects appropriation.**

16 (1) There is appropriated to the supreme court \$834,000 from the LRITP for courtroom technology improvements
 17 in the judicial branch.

18 (2) Before encumbering any funds appropriated in subsection (1), the office of court administrator shall
 19 submit a project and security plan, as described in [section 2(1)], to the chief information officer. The chief
 20 information officer shall promptly review the plan and, if necessary, make timely recommendations to the office
 21 of court administrator regarding implementation of the plan.

22 (3) As part of the annual report to the law and justice interim committee and the house appropriations
 23 subcommittee required under 3-1-702, the office of court administrator shall include an update on the
 24 implementation of projects funded under this section.

25

26 **NEW SECTION. SECTION 5. DIRECTION TO DEPARTMENT OF ADMINISTRATION -- STATE DATA CENTER. THE**
 27 **DEPARTMENT OF ADMINISTRATION IS DIRECTED TO:**

28 **(1) ENCOURAGE ALL STATE AGENCIES TO TRANSITION TO THE STATE DATA CENTER UNLESS THERE IS A**
 29 **DOCUMENTED FINANCIAL OR SECURITY REASON THAT JUSTIFIES WHY THE AGENCY SHOULD NOT USE THE STATE DATA**
 30 **CENTER;**

1 (2) LEVERAGE THE STATE DATA CENTER FOR LOCAL GOVERNMENTS, SCHOOL DISTRICTS, AND THE UNIVERSITY
2 SYSTEM TO USE; AND

3 (3) MARKET THE USE OF THE STATE DATA CENTER TO OTHER STATES OR THIRD PARTIES IF EXCESS CAPACITY
4 EXISTS.

5
6 NEW SECTION. SECTION 6. STATEWIDE NETWORKS EFFICIENCIES. THE DEPARTMENT OF ADMINISTRATION
7 IS DIRECTED TO LEVERAGE FEDERAL FUNDS AND OTHER RESOURCES TO THE MAXIMUM EXTENT POSSIBLE TO ASSIST WITH
8 INFRASTRUCTURE OBLIGATIONS ASSOCIATED WITH FEDERAL AND OTHER PROGRAMS.

9
10 NEW SECTION. SECTION 7. APPROPRIATION -- THIRD-PARTY AUDIT REQUIREMENT FOR MEDICAID
11 MANAGEMENT INFORMATION SYSTEMS REPLACEMENT. (1) THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES
12 IS APPROPRIATED \$7,500 IN GENERAL FUND AND \$67,500 IN FEDERAL FUNDS FOR THE PURPOSE OF SECURING AN
13 INDEPENDENT AUDIT AS SET FORTH IN SUBSECTION (2).

14 (2) THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES SHALL RETAIN ITS CURRENT INDEPENDENT
15 VERIFICATION AND VALIDATION VENDOR TO AUDIT, REVIEW, AND ISSUE A REPORT REGARDING THE MEDICAID MANAGEMENT
16 INFORMATION SYSTEMS REPLACEMENT CONTRACT VENDOR'S ACTIVITIES RELATED TO CONTRACT 12-12-1-01-001-1. AT
17 A MINIMUM, THE AUDIT AND REPORT BY THE CURRENT INDEPENDENT VERIFICATION AND VALIDATION VENDOR MUST:

18 (A) ANALYZE THE ABILITY OF THE REPLACEMENT CONTRACT VENDOR TO COMPLETE AND COMPLY WITH ALL
19 CONTRACTUAL REQUIREMENTS, TERMS, AND CONDITIONS, IN PARTICULAR, BY THE MAY 2017 IMPLEMENTATION DATE
20 PURSUANT TO AMENDMENT NUMBER 5 TO THE CONTRACT; AND

21 (B) REVIEW PROJECTS IN OTHER STATES WHERE THE REPLACEMENT CONTRACT VENDOR HAS IMPLEMENTED OR
22 IS IN THE PROCESS OF IMPLEMENTING A MEDICAID MANAGEMENT INFORMATION SYSTEM TO UNDERSTAND AND
23 EXTRAPOLATE THE EXPERIENCES, IMPACTS, COSTS, AND DELAYS OF THOSE STATES AND ANALYZE THE POTENTIAL FOR
24 THE SAME ISSUES OCCURRING WITH THE MONTANA SYSTEMS REPLACEMENT IN THE FUTURE.

25 (3) THE OUTCOMES AND RECOMMENDATIONS FROM THE CURRENT INDEPENDENT VERIFICATION AND VALIDATION
26 VENDOR MUST BE REPORTED TO THE LEGISLATIVE FINANCE COMMITTEE NO LATER THAN JULY 1, 2015.

27
28 NEW SECTION. SECTION 8. FISCAL AGENT SERVICES FOR CURRENT LEGACY MEDICAID MANAGEMENT
29 INFORMATION SYSTEMS. IN THE EVENT OF NONPERFORMANCE OR BREACH OF CONTRACT 12-12-1-01-001-1 BY THE
30 MEDICAID MANAGEMENT INFORMATION SYSTEMS REPLACEMENT CONTRACT VENDOR OR OF ADVERSE AUDIT

1 RECOMMENDATIONS BY THE INDEPENDENT VERIFICATION AND VALIDATION VENDOR REGARDING THE INABILITY OF THE
 2 REPLACEMENT CONTRACT VENDOR TO FULFILL ALL CONTRACTUAL REQUIREMENTS, TERMS, AND CONDITIONS OF THE
 3 CONTRACT BY THE MAY 2017 IMPLEMENTATION DATE, THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES IS
 4 AUTHORIZED TO REQUEST A BID FOR A NEW FISCAL AGENT FOR THE CURRENT LEGACY MEDICAID MANAGEMENT
 5 INFORMATION SYSTEM. THE DEPARTMENT MAY NOT ACCEPT ANY BIDS FROM THE MEDICAID MANAGEMENT INFORMATION
 6 SYSTEMS REPLACEMENT CONTRACT VENDOR UNLESS AND UNTIL THE DEPARTMENT HAS REACHED AN AGREEMENT WITH
 7 THE CONTRACT VENDOR ON ANY PENDING OR THREATENED LEGAL ACTION.

8
 9 **NEW SECTION. SECTION 9. AUTHORIZATION FOR DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES**
 10 **TO TERMINATE MEDICAID MANAGEMENT INFORMATION SYSTEMS REPLACEMENT CONTRACT. (1) IN THE EVENT OF**
 11 **NONPERFORMANCE OR BREACH OF CONTRACT 12-12-1-01-001-1 BY THE MEDICAID MANAGEMENT INFORMATION SYSTEMS**
 12 **REPLACEMENT CONTRACT VENDOR OR OF ADVERSE AUDIT RECOMMENDATIONS BY THE INDEPENDENT VERIFICATION AND**
 13 **VALIDATION VENDOR REGARDING THE INABILITY OF THE REPLACEMENT CONTRACT VENDOR TO FULFILL ALL CONTRACTUAL**
 14 **REQUIREMENTS, TERMS, AND CONDITIONS OF THE CONTRACT BY THE MAY 2017 IMPLEMENTATION DATE, THE DEPARTMENT**
 15 **OF PUBLIC HEALTH AND HUMAN SERVICES IS AUTHORIZED TO TERMINATE CONTRACT 12-12-1-01-001-1 AND TO PROCURE**
 16 **MEDICAID MANAGEMENT INFORMATION SYSTEM SERVICES CONSISTENT WITH THE DIRECTION AND APPROVAL OF THE**
 17 **CENTERS FOR MEDICARE AND MEDICAID SERVICES.**

18 **(2) IF THE DEPARTMENT ELECTS TO TERMINATE THE CONTRACT, IT IS DIRECTED TO TAKE ALL LEGAL ACTION**
 19 **NECESSARY TO RECOVER PREVIOUSLY APPROPRIATED FUNDS AND ANY OTHER DAMAGES CAUSED BY OR RELATED TO THE**
 20 **REPLACEMENT CONTRACT VENDOR'S INABILITY TO TIMELY COMPLY WITH ITS CONTRACTUAL OBLIGATIONS.**

21
 22 **NEW SECTION. SECTION 10. Severability.** If a part of [this act] is invalid, all valid parts that are
 23 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications,
 24 the part remains in effect in all valid applications that are severable from the invalid applications.

25
 26 **NEW SECTION. SECTION 11. Effective date.** ~~This (1) EXCEPT AS PROVIDED IN SUBSECTION (2), [THIS act]~~
 27 is effective July 1, 2015.

28 **(2) [SECTION 7] AND THIS SECTION ARE EFFECTIVE ON PASSAGE AND APPROVAL.**

29 - END -