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Final Copy of Case Study

Status:
Laureate

Year:
2013

Organization Name:
Employment Development Department (EDD)

Organization URL:
www.edd.ca.gov

Project Name:
State of California Disability Insurance Automation (DIA)

Please select the category in which you are submitting your entry:
Human Services

Please provide an overview of the nominated project. Describe the problem it was intended to solve, the technology or approach used, how it was innovative and any technical or other challenges that had to be overcome for successful implementation and adoption. (In 300 words or less.)

DIA is one of the most complex technology transformations undertaken by the California Employment Development Department (EDD). The new State Disability Insurance Online System (SDI Online) automates the nation's largest State Disability Insurance program and improves the processing of DI and Paid Family Leave (PFL) claims while expanding access for claimants, medical providers, employers and voluntary plan administrators. The DI and PFL program components of SDI pay wage-loss benefits to workers for short-term disabilities and the need to care for seriously ill family members or bond with a new child. SDI Online automates manual claims processing and improves the delivery of benefits to claimants. It also improves the State's ability to detect and prevent

fraud. Industry-leading technologies and web-based interfaces were implemented including: State-of-the-art .Net-based custom-developed web-based solution, Identity Management (Oracle) to provide identity and access management Business Rules Engine (IBM iLog) to automate eligibility determination, and real-time web service to interface with other state agencies (i.e., Department of Motor Vehicles). Challenges included: Integrating a 30-year-old legacy system with a state-of-the-art web-based system that kept some of the enterprise legacy platform intact, while integrating new and old functionality; major changes to the technical platform midway through the project that were incorporated as a parallel effort to keep on schedule; and several competing EDD enterprise projects that limited available resources. Innovative approaches to execute the work included: Iterative methodology incremental software releases allowed business users to access the end solution early and provide feedback, so changes could be made in a way that didn't alter the fundamental design, the project's scope, or the timelines. Mock Go Live internal users simulated the business processes prior to "Go-Live." Splitting internal vs. external go-lives allowed internal users to get comfortable with the system before external users came on board.

When was this project implemented or last updated? (Please specify month and year.) Has it incorporated new technologies and/or other innovations since its initial deployment? (In 300 words or less.)

The SDI Online System was implemented in two phases, first for EDD staff (Internal Users) and subsequently for claimants, medical providers, employers and voluntary plan administrators (External Users). The first-phase implementation for 1,500 Internal Users across 20 offices statewide was in September 2012. The second-phase implementation for External Users was one month later in October 2012. Within the first month, over 60,000 users had registered for an online account, providing California citizens with immediate access to services. Today, the system provides self-service capabilities to more than 150,000 external users, dramatically improving access to EDD's services. While the phases initially conceived for the DIA project have been completed, system modifications and tweaks continue to be made to improve service to the customers and build upon the success of SDI Online. Examples include enhancing self-service functionality, modifications to eligibility business rules to allow claims to be processed more efficiently and increasing available functionality to allow Medical Provider Representatives to submit medical forms on behalf of Medical Providers.

Is implementation of the project complete? If no, please describe the project's phases and which phase the project is now in. (In 300 words or less.)

The implementation phase of the project was completed in December 2012. Now that the implementation has met the project's initial design and operational goals, the project has moved into the Maintenance and Operations phase. To continue improving the level of service to California citizens, EDD staff is identifying needs and exploring ways to improve the system through specific modifications.

Please provide at least one example of how the technology project has benefited a specific individual or organization. Feel free to include personal quotes from individuals who have directly benefited from the work. (In 300 words or less.)

EDD's Deputy Director, Elizabeth Wahnon, praised the successful implementation of SDI Online, saying, "We were able to navigate through numerous challenges that threatened to delay implementation and kept the project focused and on schedule. Together, we have done an excellent job getting the system designed, developed and delivered. Now we can concentrate on putting SDI Online to productive use so we can ensure that we are providing better service to EDD customers." The new system has automated the processing of DI claims, reduced costs and replaced manual intervention with electronic communications. Before, it could take two weeks before someone could get their claim approved and their benefit payment authorized. Now, some claims go through the same day they are received. Today, 50 percent of the 3 million continued claim forms received annually by EDD are getting approved and benefit payments are being authorized without staff intervention. This process used to take 25 minutes each. Electronic filing is also saving the State significant postage costs because not all forms are no longer being mailed to every claimant when they have an SDI Online account. Using new algorithms to detect fraud, cross-checking doctor and claimant information with other State databases, and employing new business processes to notify doctors of activity on their accounts has allowed the State to detect potential fraud before it happens. Additional tools and technologies are helping EDD's fraud unit to quickly access a vast amount of claim information and respond better to changing business needs, policy or legislation. Pam Harris, EDD Director says, "SDI Online ushers in a new era of enhanced customer service at the EDD. We are proud to be able to offer this new convenience to our customers and take another step toward a paperless business environment."

Would this project be considered an innovation, a best practice or other notable advancement that could be adopted by or tailored for other organizations and uses? If yes, please describe that here. (In 300 words or less.)

The SDI Online System is all three. In short, it's the next step forward for case management systems. SDI Online's ability to allow multiple intake channels for

the users to submit their forms and then have those forms processed automatically with no staff interaction is an innovation for the California State Disability Insurance program. This allows staff to focus on more important issues like investigating complex eligibility determinations and potentially fraudulent activity for those claims that have issues requiring manual intervention. Automating claims is also the next step forward in delivering exceptional customer service. Claimants now have the ability to submit their claim forms 24/7 and have the system automatically determine their eligibility and provide payments the very next day. In addition to quicker pay cycles, EDD's customer service representatives now have more information at their fingertips when a claimant calls. The system captures all claim information in an easy-to-search format allowing the call center to quickly pull up the claimant's entire file with a few keystrokes. Using iterative-incremental methodology and implementing incremental software releases allowed business users to access the end solution early on so we could incorporate changes in a way that did not change the fundamental design. Incorporating this usability feedback early also enabled us to keep the scope and timelines intact.

If there are any other details that the judges should know about this project, please note them here. (In 300 words or less.)

The project was delivered on time and within budget over a three-year period. At the peak of the effort, it involved more than 150 staff from the State and the vendor. To give a sense of the size and magnitude of the change, the State moved from less than 100 screens to over 700 screens in the new system thus capturing and providing a lot more data and functionality to the users. The state developed a comprehensive 1,600-page training manual to train the 1,200 internal users of the application and conducted 16 courses over 8 weeks with an average of 2 weeks of classroom training per employee to get the department ready for the new system. All processing was manually performed in the old system and now there are more than 400 business rules that take in over 1,000 input parameters to automate the eligibility determination process. The number of interfaces was a significant component of the system, with more than 120 interfaces to external systems at EDD and at other State agencies. The most recent SDI Online usage metrics, as of December 31, 2012, demonstrate the steady use of the system by all categories of users. a. Total number of forms filed: 1,277,387 b. Total number of claims processed: 227,130 c. Number of forms processed per day: 13,600 d. Number of claims processed per day: 4,786 g. Number of online accounts: 171,182