As of November 2015, the core of the Kansas Eligibility Enforcement System (KEES) project was approximately two and a half years behind schedule.

- The first component of the project, the publicly available web portal for medical programs, was completed slightly ahead of schedule in July 2012.
- The medical eligibility component of KEES (K-Med) was completed in July 2015, about a year and half behind schedule.
- Assuming current deadlines are met, the social services eligibility component of KEES (Avenues) will be completed in August 2016, at least two and half years behind schedule.

Once complete, KEES will likely exceed the original budget to build, maintain, and operate the system by at least $46 million through August 2016.

- It was originally estimated to cost a total of $188 million to build and maintain KEES through August 2016. This included:
  - about $138 million to build KEES.
  - about $50 million to maintain the system through August 2016.
- It will likely cost a total of about $234 million to build and maintain KEES through August 2016. This will include:
  - about $179 million to finish building KEES.
  - about $55 million to maintain KEES through August 2016.

Although it appears the main functionality of KEES will work as planned, some important components have been significantly postponed or reduced.

- KEES main functionality—its ability to centrally process medical and social service program eligibility—will be provided as originally planned.
- However, two important components of KEES have been significantly postponed or will have their functionality significantly reduced.
  - The entire social services eligibility component has been postponed at least two and half years because of project delays.
  - KEES’ ability to automatically verify eligibility information is limited because of variations in client data.
- Finally, some less important features of KEES were postponed or removed entirely, including new reporting functionality and certain features related to eligibility notifications.
SUMMARY OF RECOMMENDATIONS

We recommended that KDHE officials stop reporting cost savings estimates to the executive branch chief information technology officer until they reevaluate KEES current functionality and other relevant factors. We also recommended Legislative action to address issues with limited oversight and the continuing KEES’ project deadlines and budget.

AGENCY RESPONSE

• Agency officials agreed to implement our recommendation and had no comments in their formal response that required us to change the report.

• The state is unlikely to realize all the estimated savings expected from KEES because estimates were based on faulty assumptions.
  - KDHE and DCF officials have consistently reported that implementing KEES could save the state about $300 million over about a ten-year period.
  - Because the assumptions behind four of the main cost savings estimates were overly aggressive, savings from KEES will likely be much less than the originally estimated $300 million.
  - We identified about $1 million in annual costs the state likely will avoid by replacing several legacy systems with KEES.

• Project management issues early in the KEES project and other changes led to many of the current problems we identified.
  - The original project schedule was unrealistic, making it difficult for the KEES project to meet the initial deadlines.
  - The unrealistic deadlines were exacerbated by poor communication between Accenture (the vendor) and state staff early in the project.
  - Accenture’s software required more modifications than originally planned to meet the specific needs of the state and to accommodate recent federal and state policy changes.
  - However, it appears the project management of KEES has improved over time.

• State oversight bodies do not always receive complete information about IT projects like KEES.
  - Quarterly summary KITO reports are based on information that is self-reported by agency officials.
  - Quarterly summary KITO reports may be based on recast schedules which do not represent the original project deadlines.
  - The cost information for the KEES project in the KITO reports was incomplete.
  - The KITO reports also did not include the results of independent evaluations.

HOW DO I REQUEST AN AUDIT?

By law, individual legislators, legislative committees, or the Governor may request an audit, but any audit work conducted by the division must be directed by the Legislative Post Audit Committee. Any legislator who would like to request an audit should contact the division directly at (785) 296-3792.

As called for in the original project plan, KEES would provide a centralized way for applicants to apply for social and medical benefits. The original plan also called for KEES to provide a centralized way to determine applicant’s eligibility for medical and social programs.

As originally planned, KEES was to be completed in 2014 and cost a total of $138 million to build and $50 million to maintain for five years. Federal grants pay for about 85% of KEES’ build costs, and 75% of the maintenance costs. The remaining costs are paid for with state funds.

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