



**State of Montana**  
**Montana State Fund**

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**Agency IT Plan**  
**Fiscal Year 2012-2017**

May 2012

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## EXECUTIVE SUMMARY



Montana State Fund prepares an annual Board of Directors approved Business Plan and annual supporting budget as required by law. Major insurance infrastructure projects are forecasted based on the Business Plan's one to three year outlook. The Montana State Fund FY13 Business Plan is not yet complete or approved by the Board of Directors.

As Montana State Fund continues to successfully fulfill its mission, MSF IT expects to support insurance business projects with an IT component, as well as continue to support existing applications and infrastructure to meet the service demands of MSF stakeholders. Montana State Fund may also be compelled to complete projects in order to comply with regulatory/court/legislative/federal mandates.

Potential focus areas for Montana State Fund includes organizational development, data analytics, ease of doing business, workplace safety and injured employee outcomes.

In support of these potential focus areas IT goals are:

- Improve and extend efficient insurance functionality and features
- Provide an operational and competitive edge to MSF insurance service delivery capability

A number of insurance projects with an IT component could be approved by the Montana State Fund Board of Directors or Executive Team within the next several years to support MSF areas of focus.

## SECTION 1: AGENCY ADMINISTRATIVE INFORMATION

### ***Role: Plan Owner***

Name: Al Parisian, CIO  
Telephone Number: 495-5302  
Email Address: [aparisian@mt.gov](mailto:aparisian@mt.gov)

### ***Role: IT Contact***

Name: Shannon Copps, Director Plans and Controls  
Telephone Number: 495-5152  
Email Address: [scopps@mt.gov](mailto:scopps@mt.gov)

### ***Role: IT Contact (Alternate)***

Name: Stacy Ripple, Director Operations  
Telephone Number: 495-5327  
Email Address: [sripple@mt.gov](mailto:sripple@mt.gov)

### ***Role: Information Security Manager (ISM)***

Name: Sandy Leyva, Director Architecture  
Telephone Number: 495-5259  
Email Address: [sleyva@mt.gov](mailto:sleyva@mt.gov)

### ***IT Inventory***

The IT inventory database located at <http://mine.mt.gov/enterpriseitinventory> will be updated by June 30, 2012 as required by MCA 2-17-524(3)(c).

## SECTION 2: AGENCY IT MISSION



Montana State Fund Information Technology is committed to Montana State Fund's mission, vision and guiding principles, and, to providing the best appropriate workers' compensation insurance IT services, support, leadership, and reliability.

## SECTION 3: AGENCY REQUIRED PROGRAMS

### ***Information Security Management (ISM) Program General Description***

MSF IT is moving toward adopting a security framework based on ISO-27002. A structural framework for policies has been established and an initial group of policies that fit within this framework have been published. Moving forward the policy framework will be filled out in a methodical manner. As the State of Montana issues security policies, they will be reviewed and implemented within this “right-sized” framework.

Montana State Fund resides under State of Montana enterprise security programs such as antivirus, web filtering, and email protection systems and is currently in compliance with all specified policies. As an insurance carrier MSF has a number of incremental security requirements driven by insurance business processes, the distribution of insurance product through independent third parties (insurance agencies), and the sensitive nature of the detail information collected. Additional mechanisms are in place to help safeguard our policy and operational data and future plans will improve the infrastructure with more granular access control and host-level security.

Montana State Fund continues to work on security policy and plan infrastructure in accordance with SITSD’s security policies. It is MSF’s intention to meet all deadlines for security policy implementation.

### ***Future Security Program Plans***

MSF’s viability as a company revolves around the accuracy and protection of its customer data. To this end, MSF will continue to reinforce efforts to secure and protect data, including data integrity, minimizing risk of data exposure to non-authorized parties, and ensuring that application and services evolution does not adversely affect MSF data integrity.

Projects to support the compliance with SITSD’s security policies as well as MSF specific projects:

- 1) Additional security policies surrounding data and risk classification as well as protection of data disclosure via internet facing applications
- 2) Data masking for QA and DEV environments
- 3) Enforcing data encryption for external communications

### ***Continuity of Operations (COOP) Capability Program General Description***

MSF established a Business Resumption Plan in 1999. This plan includes a Crisis Management Organization, Business Resumption Plans for all departments and an IT Systems Recovery Plan. MSF IT Department currently completes a full recovery test every other year. The IT Systems Recovery Plan has been tested eight times with 100% successful systems recovery each time. In 2009 the Legislative Audit Division performed an audit of MSF’s recovery plan and identified no audit issues.

The IT Systems Recovery Plan is reviewed annually and updated as necessary.

### ***Future COOP/COG Program Plans***

Over this strategic period we plan to test our IT Systems Recovery Plan based on our established schedule and subject to MSF Board of Directors budget approval.

## SECTION 4: AGENCY IT PLAN – GOALS & OBJECTIVES

### *Goal Number 1:*

**IT Goal 1** Improve and extend efficient insurance functionality and features

**Description:** Insurance requires a highly specific and unique mix of IT software and services. MSF will invest IT resources on appropriate projects as approved by the Board of Directors or prioritized by the MSF Governance Committees for market, service and operating efficiency.

**Benefits:** MSF employees receive improved functionality within a stable environment with which they provide MSF stakeholders with efficient and effective services.

**Supports State goal #2** – Use technology to extend capabilities that enhance, improve and streamline service delivery.

### **Supporting Objective/Action**

**Objective 1-1** Plan IT resources for organizational efficiency and cost effectiveness.

Describe the business requirements or business problem driving this objective.

- Expense management
- Stakeholder relationships

Describe the benefits to be derived from the successful completion of this objective.

- Management of IT resources and assets supports governance approved and prioritized enterprise insurance goals.
- Architecture designed for flexible and low-cost system changes and reduced vendor lock in at the application level.

Describe the anticipated risks associated with this objective. (e.g., risks associated with inaction or not completing this objective; risks associated with completing this objective).

- Increased operational cost
- Decreased customer satisfaction

What is the timeframe for completion of this objective?

- Completed annually by June 30

Describe the critical success factors associated with this objective; i.e., how will you know when it has been successfully completed?

- MSF successfully delivers business plan objectives as committed to the Board of Directors and project objectives as approved by MSF governance committees.

### **Supporting Objective/Action**

**Objective 1-2** Insurance service quality improvement

Describe the business requirements or business problem driving this objective.

- Stakeholder relationships
- Expense management

Describe the benefits to be derived from the successful completion of this objective.

- MSF employees benefit from improved insurance functionality and consistent IT infrastructure and process.

- All MSF stakeholders (injured employees, medical service providers, policyholders, insurance agents and regulatory agencies) benefit from quality interactions with MSF employees resulting in improved customer service, value added information and consistent transactions with MSF.

Describe the anticipated risks associated with this objective. (e.g., risks associated with inaction or not completing this objective; risks associated with completing this objective).

- Decreased customer satisfaction

What is the timeframe for completion of this objective?

- Completed annually by June 30

Describe the critical success factors associated with this objective; i.e., how will you know when it has been successfully completed?

- Approved and prioritized insurance functionality projects are delivered as approved by MSF governance committees.
- Project quality objectives as set by the IT and business co-project managers are met or exceeded.

### **Supporting Objective/Action**

**Objective 1-3** IT employee insurance business and technical development

Describe the business requirements or business problem driving this objective.

- Expense management
- Quality product delivery
- Workforce development
- Enterprise knowledge management/knowledge transfer

Describe the benefits to be derived from the successful completion of this objective.

- Appropriate level of business knowledge and technical skills to improve ability and agility in meeting business needs in a variety of active technologies within a complex insurance business arena.
- Continuous learning and cross-training to grow technical depth and help ensure steady resource availability.
- Improved employee engagement and retention.

Describe the anticipated risks associated with this objective. (e.g., risks associated with inaction or not completing this objective; risks associated with completing this objective).

- Decreased customer satisfaction
- Turnover will still occur after investment in development

What is the timeframe for completion of this objective?

- Completed annually by June 30

Describe the critical success factors associated with this objective; i.e., how will you know when it has been successfully completed?

- Appropriate skillsets available in-house to support the business needs.
- IT employees are satisfied and engaged as measured by the MSF employee satisfaction survey.

### **Goal Number 2:**

**IT Goal 2** Provide an operational and competitive edge to MSF insurance service delivery capability.

**Description:** Systems enhance and leverage MSF's investment in a personal service delivery model

through the use of practical architecture and appropriate tools.

**Benefits:** MSF employees receive effective insurance functionality and system support that enables value-added personal customer service. MSF stakeholders receive timely, anticipatory and accurate information from MSF.

**Supports State goal #2** – Use technology to extend capabilities that enhance, improve and streamline service delivery.

### **Supporting Objective/Action**

**Objective 2-1** Ensure MSF infrastructure supports existing operational requirements and is positioned for flexibility.

Describe the business requirements or business problem driving this objective.

- Expense management
- Stakeholder relationships
- Risk management

Describe the benefits to be derived from the successful completion of this objective.

- MSF employees and stakeholders benefit from efficient system changes/enhancements and stable operations environment.

Describe the anticipated risks associated with this objective. (e.g., risks associated with inaction or not completing this objective; risks associated with completing this objective).

- System incompatibility
- Lack of vendor support
- Business systems downtime

What is the timeframe for completion of this objective?

- Completed annually by June 30

Describe the critical success factors associated with this objective; i.e., how will you know when it has been successfully completed?

- MSF infrastructure allows flexibility to efficiently meet ongoing support lifecycles as well as Board of Directors, Executive Team and regulatory/court/legislative/federal mandate project requirements.

### **Supporting Objective/Action**

**Objective 2-2** Leverage existing volume of data and access tools to support current and future insurance business analytics.

Describe the business requirements or business problem driving this objective.

- Data driven decision making
- Ongoing monitoring of complex business situations

Describe the benefits to be derived from the successful completion of this objective.

- MSF Executive and Leader access to consistent and accurate business data

Describe the anticipated risks associated with this objective. (e.g., risks associated with inaction or not completing this objective; risks associated with completing this objective).

- Undetected business trends to leverage or mitigate
- Separate business operations reporting

What is the timeframe for completion of this objective?

- Completed annually by June 30

Describe the critical success factors associated with this objective; i.e., how will you know when it has been successfully completed?

- Projects that leverage MSF's large volume of data are successfully completed as approved by MSF governance committees.

## SECTION 5: IT INITIATIVES (FY2012 – FY 2017)

### **Initiative 1**      Application and Infrastructure Lifecycle Support

Description: Ongoing support and maintenance for existing core business and business support applications

EPP Number N/A

### **Initiative 2**      Data Centric Initiatives

Description: Data centric projects to effectively leverage large volume of insurance business data.

EPP Number N/A

### **Initiative 3**      <Title>

Description: <>

EPP Number (if applicable)

### **Initiative 4**      <Title>

Description: <>

EPP Number (if applicable)

### **Initiative 5**      <Title>

Description: <>

EPP Number (if applicable)

(Copy and paste the above format here to describe additional IT Initiatives.)

## SECTION 6: ENTERPRISE ALIGNMENT



### *Communities of Interest Participation*

- Government Services
- Public Safety
- Human Resources
- Environmental
- Education
- Economic
- Cultural Affairs
- Finance

## SECTION 7: PLANNED AGENCY IT EXPENDITURES

<u>Expense Category</u>	<u>FY2012</u>	<u>*FY2013</u>	<u>*FY2014</u>	<u>*FY2015</u>	<u>*FY2016</u>	<u>*FY2017</u>
Personal Services	\$4,854,276	\$5,109,367	\$5,237,101	\$5,368,028	\$5,502,229	\$5,639,784
Operating Expenses	\$2,303,097	\$2,295,191	TBD	TBD	TBD	TBD
Initiatives	\$459,000	TBD	TBD	TBD	TBD	TBD
Other expenditures	\$182,504	\$278,276	TBD	TBD	TBD	TBD
<b>Totals</b>	<b>\$ 7,798,877</b>	<b>\$7,682,834</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

\*estimated expenditures and all subject to annual Board of Directors budget approval

## SECTION 8: ADDITIONAL INFORMATION - OPTIONAL

Other types of information that support the agency's IT Plan. Some examples might include other COI participation, reference to other IT plans such as GIS plan, eGovernment plan, security plan, staffing issues and constraints, etc.