Montana State Fund

AGENCY INFORMATION TECHNOLOGY PLAN

2018

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Mission, Goals, and Objectives

Montana State Fund (MSF) receives no taxpayer or general fund money, operating solely on the premium dollars paid by the insured employers and the net proceeds from our investments. MSF prepares an annual Board of Directors approved Business Plan and annual supporting budget as required by law. The Montana State Fund CY18 Business Plan was approved by the Board of Directors at the December, 2017 Board meeting.

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 as they arise. As an insurance carrier MSF maintains a strict focus on security practices and safeguards with this major theme running through all IT projects and support work.

Potential focus areas for Montana State Fund include customer service, workplace safety, and claim management/injured employee outcomes improvements. A number of insurance projects with an IT component have already been approved or will be within the next few years by the Montana State Fund Board of Directors or Executive Team to support MSF areas of focus.

In support of these areas IT goals are:
- Develop and allocate IT staff for efficiency and cost effectiveness.
- Provide an operational and competitive edge to MSF insurance service delivery.
- Ensure MSF infrastructure and non-insurance applications support existing operational requirements and are positioned for flexibility.
- Provide leadership in MSF governance for effective planning and decisions as well as improved project success.

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

		State Strategic Plan Goal/Objective Reference	Agency Goal/Objective Reference
Goal One	Develop and allocate IT staff for efficiency and cost effectiveness.	Goal 1: Secure Goal 3: State of the Art Goal 4: Capacity Goal 5: Capability Goal 6: Cost Effectiveness	See MSF strategic framework on page 5.
Objective One	Manage IT staff and assets to support governance approved and prioritized business insurance goals.	Objectives 3.1, 4.2, 6.1	See MSF strategic framework on page 5.

Objective Two	Architect for flexible and low-cost system changes and reduced vendor lock in at the application level.	Objectives 1.1, 1.4, 1.5, 3.1, 3.3, 4.6, 4.7, 4.8, 5.3	See MSF strategic framework on page 5.

		State Strategic Plan Goal/Objective Reference	**Agency Goal/Objective Reference**
Goal Two	Provide an operational and competitive edge to MSF insurance service delivery.	Goal 3: State of the Art	See MSF strategic framework on page 5.
Objective One	MSF employees receive insurance functionality and system support that enables value-added and personalized customer service.	Objective 3.1	See MSF strategic framework on page 5.
Objective Two	MSF stakeholders receive timely, anticipatory, and accurate insurance information.	Objective 3.1	See MSF strategic framework on page 5.

		State Strategic Plan Goal/Objective Reference	**Agency Goal/Objective Reference**
Goal Three	Ensure MSF infrastructure and applications support existing operational requirements and are positioned for flexibility.	Goal 1: Secure Goal 4: Capacity Goal 5: Capability	See MSF strategic framework on page 5.
Objective One	Develop and reinforce practices to secure data and minimize risk of exposure to non-authorized parties.	Objectives 1.1, 1.2, 1.4, 1.5, 4.3, 5.4, 5.5, 5.6	See MSF strategic framework on page 5.
Objective Two	Provides MSF employees and stakeholders with efficient systems and reliable operations environment.	Objectives 4.1, 4.7, 4.8, 5.5	See MSF strategic framework on page 5.

Customer services is the foundation of Montana State Fund's mission, vision, and guiding values. All of the goals and objectives in MSF's IT Plan are designed to support this strategic framework.

MISSION
We partner with employers and their employees to care for those injured on the job and we champion a culture of workplace safety for our fellow Montanans.

VISION
To be an indispensable partner in achieving a safer, healthier and more prosperous Montana.

GUIDING VALUES
Do what's right
We operate with the highest levels of professionalism and integrity in all of our dealings with colleagues, customers and stakeholders.

Deliver with heart
It isn't only what we do, but how we do it. We are empathetic and compassionate about the needs and circumstances of every individual with whom we interact.

Focus on what matters
We ensure our work delivers an exceptional customer experience, adds value for all stakeholders, and raises awareness of workplace safety.

Succeed together
As a team, we work collaboratively and take all MSF departments and roles into account. We are responsible for delivering a consistent and exceptional customer experience together.

Find a better way
We innovate and improve our services to create better experiences and outcomes for our customers, colleagues and fellow Montanans. We are adept at both leading and adapting to change.

Take the long view
We are all in it for the long haul. Our financial strength and the stability of Montana's workers' compensation insurance market is critical for our state and its people.
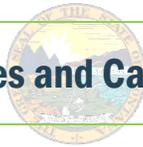
Resources and Capabilities

Information Technology Resources

Summary of information technology resources:

MSF IT-ESPM / Unit Name	Number of FTE	Primary Function / Mission
IT Operations	14	Supports: Data center, help desk, server administration, network engineering, telecommunication, business continuity, and mobile technology. Responsible for availability of infrastructure and operational environments that support application deployment to internal and external customers.
IT Architecture	8	Supports: security for data and environment through integrated security layers, environment design to meet current and future needs of the business, develop and enforce standards to deliver lower total cost of support with improved business flexibility, database administration
IT Applications	26	Supports: core insurance and business applications - claim, policy, documents, medical bill payment, business intelligence, general ledger/budget/financial-reporting system, and our human resource information system. Provides vendor management of strategic infrastructure vendors (IBM, GuideWire) and tactically outsourced business functions (pharmacy program, med bill payment)
Enterprise Strategy and Project Management	3	Supports: governance – ensure all project decisions are driven, approved, supported, and known by business functions; facilitate corporate strategy, planning, communication, and project management; ensure project success through regular decision meetings, progress tracking, and metrics; management reporting - asset allocation, project budgets, corporate key success measures; manage projects

Evaluation of Risks

Primary Risk	Probability	*Impact	Mitigation Strategy
Retirements	Medium	Medium	MSF IT has a list of staff eligible to retire. Cross training and knowledge transfer occurs regularly to develop depth. MSF has a succession planning program that provides appropriate tactics to mitigate retirement impact.
Security breach	Medium	Medium	MSF has an active security program including, but not limited to, staff training and awareness, data encryption, and security policies.
Difficult to find powerbuilder developer skillset	Low	Low	Board of Director's approved project to replace our legacy policy and billing application with a modern system is in phase

used in core insurance policy application			one development of core functionality. Current powerbuilder application environment is frozen for enhancements.
Competitive market for IT professional positions.	High	Medium	We have historically experienced normal issues with retention and recruitment, but generally retain good employees and eventually attract quality candidates. In the last few years, however, we have received limited to no response to job postings. Currently mitigating with staff augmentation until longer term tactics are approved and implemented.

*Impact assessment is post-mitigation and as identified in MSF's risk management information.

Information Technology Capabilities

Summary of Systems:

Name	Description	Purpose
Montana State Fund Online Systems – www.montanastatefund.com	Worker's Compensation Online Services includes First Report of Injury, Premium Payment, Payroll Reporting, Policy & Account Info, Newsletters	Online reporting
Montana State Fund Claims Processing System – Claims Center	Workers' Compensation claims processing system	Claims processing
Montana State Fund Policy Holder System – PHS	Workers' Compensation policy application	Policy management
Montana State Fund Imaging System (FileNet)	Imaging system for claims and policy application	Image storage/retrieval
Montana State Fund File Servers	File servers for storage of documents	Document storage/retrieval

Summary of Hardware:

Appliances: Devices designed for internet access and specialized business use, but without capabilities of a fully-equipped server. Appliances can be physical or virtual. Include all chassis, tape systems, firewalls, switches, KVM's, and USB Anywhere devices. Do not include appliances hosted by SITSD.

Total Number of Appliances	70

Physical Servers: Include physical servers that are used for virtualization. Do not include servers hosted by SITSD.

Total Number of Physical Servers	13

Virtualized Servers: Do not include servers hosted by SITSD.

Total Number of Virtualized Servers	179

Storage: SANs and NASs. Do not include storage hosted by SITSD.

Total Usable Storage Space	100TB

Devices: Currently in service including, but not limited to desktops, laptops, mobile devices, printers, cameras, etc.

Device Type	Quantity	Estimated Replacement Value
Desktops	460	$593,000
Laptops	37	$49,469
Mobile Devices (tablets, phones, etc.)	14	$13,200
Printers	29	$221,500
Cameras	12	$4,800

Projects

Montana State Fund (MSF) receives no taxpayer or general fund money, operating solely on the premium dollars paid by the insured employers and the net proceeds from our investments. MSF prepares an annual Board of Directors approved Business Plan and annual supporting budget as required by law. Major insurance projects are forecasted based on the Business Plan's one to three year outlook. Other insurance business changes and information technology infrastructure projects are approved by the President/CEO during the annual budget process or as necessary for business needs.

Governance

MSF makes IT investment decisions using a 5-tier governance model (this is used for IT as well as business initiatives).

1. MSF Board of Directors makes corporate initiative decisions during board meetings.
2. MSF President/CEO makes immediate timeframe initiative decisions based on regulatory or other mandates.
3. MSF Executive Team makes decisions on all project level work.
   a. Decisions made during annual strategy and business planning
   b. Decisions made during the year based on business needs
   c. Decisions are formalized through written and signed documentation
4. MSF release planning team (cross-section of leaders) makes decisions bi-weekly on completion and timing of application system changes.
5. MSF application specific user groups make decisions on a regular basis on system changes to request.

At all five levels decisions are documented in meeting notes, communicated to departments and teams via the responsible Executive or Leader, and communicated electronically on the MSF intranet.

Policy and Billing System Replacement		
Montana State Fund		
Project / Program purpose and objectives	Multi-phase project to replace legacy policy and billing system with a modern application.	
IT Goal and Objective Reference	**Goal Two:** Provide an operational and competitive edge to MSF insurance service delivery.	
Estimated start date	7/1/2015	
Estimated delivery date	Currently end of 2019	
Estimated cost	Six year total cost of ownership: $19,897,626	
HB 10 Request – *MSF receives no taxpayer or general fund money*	No	
Funding source one	MSF President/CEO and Board of Directors approved annual budget	2018 approved budget for phase one development: $13,694,418
Funding source two	N/A	
Funding source three	N/A	
Annual costs upon completion	TBD	

Status of the project as of **March 31, 2018**. Indicate % completed and status of funds expended.	Phase one development: 6% complete; $2,086,206 expended

Data Centric Initiatives		
Montana State Fund		
Project / Program purpose and objectives	Potential projects approved by MSF Board of Directors or governance committees to leverage volume of insurance business data. 2018: Visual Data Discovery project approved	
IT Goal and Objective Reference	**Goal Three:** Ensure MSF infrastructure and applications support existing operational requirements and are positioned for flexibility.	
Estimated start date	2/1/2018	
Estimated delivery date	12/30/2018	
Estimated cost	$190,900	
HB 10 Request - *MSF receives no taxpayer or general fund money*	No	
Funding source one	MSF President/CEO and Board of Directors approved annual budget	$190,900
Funding source two	N/A	
Funding source three	N/A	
Annual costs upon completion	TBD	
Status of the project as of **March 31, 2018**. Indicate % completed and status of funds expended.	15% complete; $0 expended	

Application and infrastructure lifecycle support		
Montana State Fund		
Project / Program purpose and objectives	Ongoing support and maintenance for existing core business and business support applications.	
IT Goal and Objective Reference	**Goal Three:** Ensure MSF infrastructure and applications support existing operational requirements and are positioned for flexibility.	
Estimated start date	Ongoing	
Estimated delivery date	Ongoing	
Estimated cost	$8,826,916	
HB 10 Request - *MSF receives no taxpayer or general fund money*	No	
Funding source one	MSF President/CEO and Board of Directors approved annual budget	$8,826,916
Funding source two	N/A	
Funding source three	N/A	
Annual costs upon completion	N/A	
Status of the project as of **March 31, 2018**. Indicate % completed and status of funds expended.	Ongoing	

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