Exhibit 300 (BY2008)

PART ONE

OVERVIEW

1. Date of Submission:	2007-02-05
2. Agency:	009
3. Bureau:	38
4. Investment Name:	CMS Medicare FFS IT Infrastructure
5. UPI:	009-38-01-04-01-1030-00

6. What kind of investment will this be in FY2008?

Operations and Maintenance

7. What was the first budget year this investment was submitted to OMB?

FY2001 or earlier

8. Provide a brief summary and justification for this investment, including a brief description of how this closes in part or in whole an identified agency performance gap.

The fee-for-service claims processing system environment is made up of several system applications (shared system software). The application s are supported by computer processing centers (known as data centers). Those data centers house the computer hardware and system software that allow the application code to process.. The data centers provide the infrastructure that allows for the efficient and timely processing of the claims. It also provides the ability for the authorized fiscal intermediary and carrier personnel to connect from their desktop personal computer to the large mainframe computers housed at the data center in order to do real time inquiries of Medicare claims. The claims are processed in a network of 14 data centers throughout the continental United States. Three of those data centers are under two direct contracts with CMS. MCDC2 has two physical locations (data centers) in which Medicare claims are processed. These three data centers (two contracts) process approximately 1/3 (one third) of the total 1 billion annual Medicare claims. The other 11 (eleven) data centers are subcontracts held by the various fiscal intermediaries and carriers under Title XVIII. The focus of this exhibit are the two direct contracts that CMS holds (MCDC1 and MCDC2). This investment also includes the hosting costs of the Common Working File (CWF) that is located at CWF host site. The CWF is a nationwide processing system for validating Medicare claim payments throughout the United States. There are nine host-processing sectors. The nine sectors house localized databases, each servicing, Medicare Part A Intermediaries and Part B Carriers within defined geographic sectors. This investment is in the Control Phase of the CPIC process. It was last reviewed by the ITIRB in May 2005.

9. Did the Agency's Executive/Investment Committee approve this request?

yes

9.a. If "yes," what was the date of this approval?

2006-05-10

10. Did the Project Manager review this Exhibit?

yes

12. Has the agency developed and/or promoted cost effective, energy-efficient and environmentally sustainable techniques or practices for this project.

no

12.a. Will this investment include electronic assets (including computers)?

no

12.b. Is this investment for new construction or major retrofit of a Federal building or facility? (answer applicable to non-IT assets only)

no

13. Does this investment support one of the PMA initiatives?

yes

If yes, select the initiatives that apply:

Competitive Sourcing

Expanded E-Government
Financial Performance
13.a. Briefly describe how this asset directly supports the identified initiative(s)?
This ongoing business operation is aligned with the Government-wide initiative of "Comp. Sourcing" by ensuring that services that can most effectively be performed in the private sector are subject to competition. Through the prudent use of direct data center contracts, CMS has continued to keep Medicare administrative costs low. Through Electronic Government CMS has improved productivity by using electronic transactions.
14. Does this investment support a program assessed using OMB's Program Assessment Rating Tool (PART)?
no
14.a. If yes, does this investment address a weakness found during the PART review?
no
15. Is this investment for information technology (See section 53 for definition)?
yes
16. What is the level of the IT Project (per CIO Council's PM Guidance)?
Level 2
17. What project management qualifications does the Project Manager have? (per CIO Council's PM Guidance)
(1) Project manager has been validated as qualified for this investment
18. Is this investment identified as high risk on the Q4 - FY 2006 agency high risk report (per OMB's high risk memo)?
no
19. Is this a financial management system?
no
19.a.1. If yes, which compliance area:
Not Applicable
19.a.2. If no, what does it address?
Data center processing services
20. What is the percentage breakout for the total FY2008 funding request for the following? (This should total 100%)

Hardware	0
Software	0
Services	100

21. If this project produces information dissemination products for the public, are these products published to the Internet in conformance with OMB Memorandum 05-04 and included in your agency inventory, schedules and priorities?
n/a
22. Contact information of individual responsible for privacy related questions.
Name
Walter Stone
Phone Number
410-786-5357
Title
Privacy Office
Email
Walter.Stone@cms.hhs.gov
23. Are the records produced by this investment appropriately scheduled with the National Archives and Records Administration's approval?
yes

SUMMARY OF SPEND

1. Provide the total estimated life-cycle cost for this investment by completing the following table. All amounts represent budget authority in millions, and are rounded to three decimal places. Federal personnel costs should be included only in the row designated Government FTE Cost, and should be excluded from the amounts shown for Planning, Full Acquisition, and Operation/Maintenance. The total estimated annual cost of the investment is the sum of costs for Planning, Full Acquisition, and Operation/Maintenance. For Federal buildings and facilities, life-cycle costs should include long term energy, environmental, decommissioning, and/or restoration costs. The costs associated with the entire life-cycle of the investment should be included in this report.

All amounts represent Budget Authority

(Estimates for BY+1 and beyond are for planning purposes only and do not represent budget decisions)

	PY-1 & Earlier	PY	CY	BY
	-2005	2006	2007	2008
Planning Budgetary Resources	0.000	0.000	0.000	0.000
Acquisition Budgetary Resources	0.000	0.000	0.000	0.000
Maintenance Budgetary Resources	54.250	27.094	38.172	36.849
Government FTE Cost	0.300	0.323	0.331	0.339
# of FTEs	2	2	2	2

Note: For the cross-agency investments, this table should include all funding (both managing partner and partner agencies).

Government FTE Costs should not be included as part of the TOTAL represented.

2. Will this project require the agency to hire additional FTE's?

no

3. If the summary of spending has changed from the FY2007 President's budget request, briefly explain those changes.

N/A

PERFORMANCE

In order to successfully address this area of the exhibit 300, performance goals must be provided for the agency and be linked to the annual performance plan. The investment must discuss the agency's mission and strategic goals, and performance measures must be provided. These goals need to map to the gap in the agency's strategic goals and objectives this investment is designed to fill. They are the internal and external performance benefits this investment is expected to deliver to the agency (e.g., improve efficiency by 60 percent, increase citizen participation by 300 percent a year to achieve an overall citizen participation rate of 75 percent by FY 2xxx, etc.). The goals must be clearly measurable investment outcomes, and if applicable, investment outputs. They do not include the completion date of the module, milestones, or investment, or general goals, such as, significant, better, improved that do not have a quantitative or qualitative measure.

Agencies must use Table 1 below for reporting performance goals and measures for all non-IT investments and for existing IT investments that were initiated prior to FY 2005. The table can be extended to include measures for years beyond FY 2006.

Table 1

	Fiscal Year	Strategic Goal(s) Supported	Performance Measure	Actual/baseline (from Previous Year)	Planned Performance Metric (Target)	Performance Metric Results (Actual)
1	2005	Protect and improve beneficiary health and satisfaction	Operations and Maintenance Costs; Capacity Planning; Contingency Planning and testing	20%	20%	20%
2	2005	Foster appropriate and predictable payments and	Reduce abandonment rates	<6%	6%	5%

		high quality care.				
3	2005	Modernize and effectively manage CMS's information systems and technology.	Maintain efficiency and availability of systems	99%	99%	99.8%
4	2006	Protect and improve beneficiary health and satisfaction	Operations and Maintenance Costs Savings	20%	20%	20%
5	2006	Foster appropriate and predictable payments and high quality care	Reduce Response time	5%	5%	5%
6	2006	Modernize and effectively manage CMS' information systems and technology	Maintain efficiency and availability of systems	99.8%	99.8%	99.5%
7	2007	Protect and improve beneficiary health and satisfaction	Operations and Maintenance Costs; Capacity Planning; Contingency Planning and testing	20%	15%	TBD
8	2007	Foster appropriate and predictable payments and high quality care	Reduce abandonment rates	5%	5%	TBD
9	2007	Modernize and effectively manage CMS's information systems and technology.	Maintain Availability	99.5	99.5	TBD

All new IT investments initiated for FY 2005 and beyond must use Table 2 and are required to use the FEA Performance Reference Model (PRM). Please use Table 2 and the PRM to identify the performance information pertaining to this major IT investment. Map all Measurement Indicators to the corresponding "Measurement Area" and "Measurement Grouping" identified in the PRM. There should be at least one Measurement Indicator for at least four different Measurement Areas (for each fiscal year). The PRM is available at www.egov.gov.

Table 2

	Fiscal Year	Measurement Area	Measurement Grouping	Measurement Indicator	Baseline	Planned Improvement to the Baseline	Actual Results
1	2005	Mission and Business Results	Health Care Administration	Operations and Maintenance Cost Savings	20%	20%	20%
2	2005	Customer Results	Response Time	Reduce call abandonment rate	<6%	6%	5%
3	2005	Technology	Availability	Maintain efficiency and availability of systems	99%	99%	99.8%
4	2006	Mission and	Health Care	Operations and	20%	20%	20%

		Business Results	Administration	Maintenance costs savings			
5	2006	Customer Results	Response Time	Reduce abandonment call rate	5%	5%	5%
6	2006	Technology	Availability	Maintain efficiency and availability of systems	99.8%	99%	99.5%
7	2007	Mission and Business Results	Health Care Delivery Services	Operations and maintenance cost and savings	20%	15%	TBD
8	2007	Customer Results	Response Time	Reduce call abandonment rates	5%	5%	TBD
9	2007	Technology	Availability	Maintain efficiency and availability of systems	99.5%	99.5%	TBD

EA

In order to successfully address this area of the business case and capital asset plan you must ensure the investment is included in the agency's EA and Capital Planning and Investment Control (CPIC) process, and is mapped to and supports the FEA. You must also ensure the business case demonstrates the relationship between the investment and the business, performance, data, services, application, and technology layers of the agency's EA.

1. Is this investment included in your agency's target enterprise architecture?

yes

2. Is this investment included in the agency's EA Transition Strategy?

yes

2.a. If yes, provide the investment name as identified in the Transition Strategy provided in the agency's most recent annual EA Assessment.

CMS Fee-For-Service Claims Processing - Infrastructure. In order to provide HHS more detail and insight into our investments, last year's major initiative was split out into a separate investment.

3. Identify the service components funded by this major IT investment (e.g., knowledge management, content management, customer relationship management, etc.). Provide this information in the format of the following table. For detailed guidance regarding components, please refer to http://www.whitehouse.gov/omb/egov/.

Component: Use existing SRM Components or identify as NEW. A NEW component is one not already identified as a service component in the FEA SRM.

Reused Name and UPI: A reused component is one being funded by another investment, but being used by this investment. Rather than answer yes or no, identify the reused service component funded by the other investment and identify the other investment using the Unique Project Identifier (UPI) code from the OMB Ex 300 or Ex 53 submission.

Internal or External Reuse?: Internal reuse is within an agency. For example, one agency within a department is reusing a service component provided by another agency within the same department. External reuse is one agency within a department reusing a service component provided by another agency in another department. A good example of this is an E-Gov initiative service being reused by multiple organizations across the federal government.

Funding Percentage: Please provide the percentage of the BY requested funding amount used for each service component listed in the table. If external, provide the funding level transferred to another agency to pay for the service.

	Agency Component Name	Agency Component Description	Service Type	Component	Reused Component Name	Reused UPI	Internal or External Reuse?	Funding %
1	Configuration Management	As the business rules in the fee for service claims areas changes, the	Management of Processes	Configuration Management			No Reuse	1

		shared system needs to be loaded onto the data center's mainframe computer platform, in order to carry out these changes						
2	Information Retrieval	Retrieving information for the sake of processing claims	Knowledge Management	Information Retrieval			No Reuse	4
3	Information Sharing	The sharing of information through the processing of claims for the coordination of benefits	Knowledge Management	Information Sharing			No Reuse	1
4	Data Exchange	The exchange of information to ensure that appropriate claims payments have been made	Data Management	Data Exchange			No Reuse	1
5	Data Cleansing	The cleansing of data (e.g. address hygiene) for the purpose of directing claims payments to authorized and correct party	Data Management	Data Cleansing			No Reuse	1
6	Computers/Automation Management	Providing automation tools, IT systems and infrastructure in the support of back office services and engineering for an integrated environment to support claims processing	Asset / Materials Management	Computers / Automation Management			No Reuse	77
7	Network Management	The providing for and management of the communications data links for incoming and going network access for claim processing	Organizational Management	Network Management			No Reuse	9

		inquiries						
8	Identification and Authentication	Security control points to identify and authorize system access to claims data	Security Management	Identification and Authentication			No Reuse	4
9	Change Management	Change control process in order to insure changes to the claims processing systems are documented and tracked	Management of Processes	Change Management			No Reuse	1

4. To demonstrate how this major IT investment aligns with the FEA Technical Reference Model (TRM), please list the Service Areas, Categories, Standards, and Service Specifications supporting this IT investment.

FEA SRM Component: Service Components identified in the previous question should be entered in this column. Please enter multiple rows for FEA SRM Components supported by multiple TRM Service Specifications.

Service Specification: In the Service Specification field, Agencies should provide information on the specified technical standard or vendor product mapped to the FEA TRM Service Standard, including model or version numbers, as appropriate.

	SRM Component	Service Area	Service Category	Service Standard	Service Specification (i.e., vendor and product name)
1	Computers / Automation Management	Service Platform and Infrastructure	Hardware / Infrastructure	Servers / Computers	IBM CPU 2086-450; IBM CPU 2064-1C9
2	Identification and Authentication	Component Framework	Security	Supporting Security Services	IBM RACF; CA ACF2
3	Network Management	Service Access and Delivery	Delivery Channels	Virtual Private Network (VPN)	ATT MDCN VPN
4	Configuration Management	Service Platform and Infrastructure	Software Engineering	Software Configuration Management	CA Endevor MVS
5	Network Management	Service Platform and Infrastructure	Hardware / Infrastructure	Network Devices / Standards	IBM 3745; IBM 3746; CISCO 2950-24
6	Computers / Automation Management	Service Platform and Infrastructure	Hardware / Infrastructure	Peripherals	DASD: IBM 2105-800; EMC 5700; EMC 8830; Amdahl SP300; Amdahl SP400. TAPE: IBM 3480-A/B22; IBM 3490 A20; IBM 3590-H1A/A14; IBM 3592-J1A; STK VSM3; STK 9310; STK 9840; STK 9490; STK 4480.
7	Information Sharing	Service Access and Delivery	Delivery Channels	Internet	Sterling Commerce Connect Direct SNA
8	Data Cleansing	Service Interface and Integration	Interoperability	Data Transformation	Sterling Commerce Gentran; DOCSENSE Finalist
9	Data Exchange	Service Access and Delivery	Delivery Channels	Internet	IBM TCP/IP

10	Computers / Automation Management	Service Platform and Infrastructure	Software Engineering	Integrated Development Environment	IBM Z/OS;Tivoli Wrkld Schdlr&Netview;ACF/NCP&VATM,DSF;IBM ISPF;JES2,Tivoli Omegamon;SDSF;ICFRU;RMDS;TapeStckr;COBOL&Compiler;DFSORT;Ditto;High Level Assblr;REXX 370;VIPS ALGS;Syncsrt;Serena Comparex;SAS SAS/BASE;CA Optimizer;FileAid,Expediter&Strobe
11	Information Retrieval	Service Platform and Infrastructure	Software Engineering	Integrated Development Environment	IBM CICS TS 390
12	Change Management	Service Platform and Infrastructure	Software Engineering	Integrated Development Environment	IBM INFOMAN

5. Will the application leverage existing components and/or applications across the Government (i.e., FirstGov, Pay.Gov, etc)?

no

6. Does this investment provide the public with access to a government automated information system?

no

PART THREE

RISK

You should perform a risk assessment during the early planning and initial concept phase of the investmentâ€™s life-cycle, develop a risk-adjusted life-cycle cost estimate and a plan to eliminate, mitigate or manage risk, and be actively managing risk throughout the investmentâ€™s life-cycle.

Answer the following questions to describe how you are managing investment risks.

1. Does the investment have a Risk Management Plan?

yes

1.a. If yes, what is the date of the plan?

2005-07-19

1.b. Has the Risk Management Plan been significantly changed since last year's submission to OMB?

no

COST & SCHEDULE

1. Was operational analysis conducted?

yes

1.a. If yes, provide the date the analysis was completed.

2006-12-10

What were the results of your operational analysis?

Operational analyses have been performed to examine how close the investment has been achieving expected cost, schedule, and performance goals. The investment was found to be meeting expected performance and schedule goals within budget.