



**STATE OF WASHINGTON
DEPARTMENT OF SOCIAL AND HEALTH SERVICES**

February 21, 2012

TO: Staff and Stakeholders, Department of Social and Health Services

FROM: Robin Arnold-Williams, Secretary, Department of Social and Health Services
Doug Porter, Director, Health Care Authority

SUBJECT: NO FUNDING FOR PROVIDERONE PHASE 2

We are sorry to report that funds for Phase 2 of the ProviderOne project will not be a priority in either the House or Senate budgets. Phase 2 – which would extend our state-of-the-art medical payer system to also cover social services offered by the Department of Social and Health Services -- was dropped from the biennial budget last year, but we were able to keep it in operation for a few more months while we worked with legislators to see if that could be turned around.

Those efforts have ended, and we have concluded the additional funding is not going to be available. It is not the first short-term vs. long-term decision the state has had to accept in our current fiscal crunch. Sadly, there are just not enough dollars to do everything we have done in the past, or want to do for the future. Policymakers have had to make many tough calls, and this was one of them.

Effective over the next two weeks, we are turning our efforts to mothballing the project -- ending current contracts; working with project staff to determine their options and helping them transition to new jobs where possible. We also will put the work that has been completed into a mode where it can be recovered and restarted at some point in the future when and if that is possible.

Not least, we want to recognize the ProviderOne project staff – one of the most talented, energetic and successful Information Technology teams the state has ever assembled. We wish them well and will do our best to help them find their way through this transition. We also thank the many DSHS and HCA staff who contributed to the project through their commitment, leadership and participation on planning groups, requirements and design teams, issue resolution groups, standing workgroups and in many other ways, big and small.