



MONTANA STATE SENATE

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September 23, 2015

Montana Legislature Legislative Finance Committee
MMIS Subcommittee

Re: MMIS/Xerox

Dear MMIS Subcommittee Chair Senator Caferro:

Longstanding LFC Members, like yourself, have followed the ACS/Xerox debacle from its inception. Although I am no longer a member of the Committee, I want to make sure we are seeing this through to its logical conclusion. Accordingly, I would ask that you include my comments in the record.

First of all, I continue to appreciate the work of the LFC Members raising and monitoring the issues associated with Xerox' total inability to timely deliver what it promised to the State of Montana. The MMIS contract with Xerox is the single largest contract ever made by the State of Montana. To call it a big deal would be a gross understatement. I would encourage the newer LFC Members to go back and read all the correspondence, reports, etc. which clearly highlight the tortured history.

So here we are at a clear crossroads. The Legislature has done all it can do...unanimous vote of no confidence in Xerox' ability to deliver an MMIS system as designed, authorizing a third party audit of Xerox' ability to meet its contractual obligations, and re-authorizing DPHHS to go a different direction. Xerox has a history of broken promises, with each time their response being that they are sorry and won't do it again in the future. There are many descriptions for this type of behavior, but none of it meets with the expectations of the Legislature which authorized the system being replaced or the taxpayers who are paying for it.

The most recent audit by Public Knowledge clearly shows that Xerox can't possibly meet their contractual obligations to the State. Regardless of how Xerox wants to nitpick at the report, it is a physical and technological impossibility - period. So now what? Simply stated...enough already. Xerox has got to go. Although the Legislature has no ability at this point to terminate or initiate legal action to terminate the contract, it is incumbent upon DPHHS to do it. Xerox' proposed solution will be nearly 20 years old by the time they were to fully implement it in

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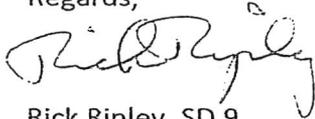
Montana, and it will be expensive to maintain this dated technology platform. Xerox has also announced it is no longer seeking additional work in the MMIS marketplace, which sounds to me like they are getting ready to bail out. Finally, it is my understanding that CMS is moving away from certifying big, monolithic MMIS systems like what Xerox is proposing. Instead, they are looking to more componentized systems they are lower in risk and easier to maintain.

While Xerox may not have been paid for any of the work they have performed to date, they also haven't paid the full offset to the State for the project delays it has caused. No more contract modifications...their time is up. Xerox should quickly figure out its exit strategy, and if they think it involves litigation, I say good luck to them. Our Montana Supreme Court has a long track record of not looking too favorably upon out-of-state, large international companies which think they can take advantage of Montana and its citizens.

Regardless of the decision by DPHHS, I trust the Members will continue to aggressively oversee this situation to protect the Legislature's role in the process.

Thank you for your ongoing leadership on this important issue.

Regards,

A handwritten signature in black ink, appearing to read "Rick Ripley". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Rick Ripley, SD 9