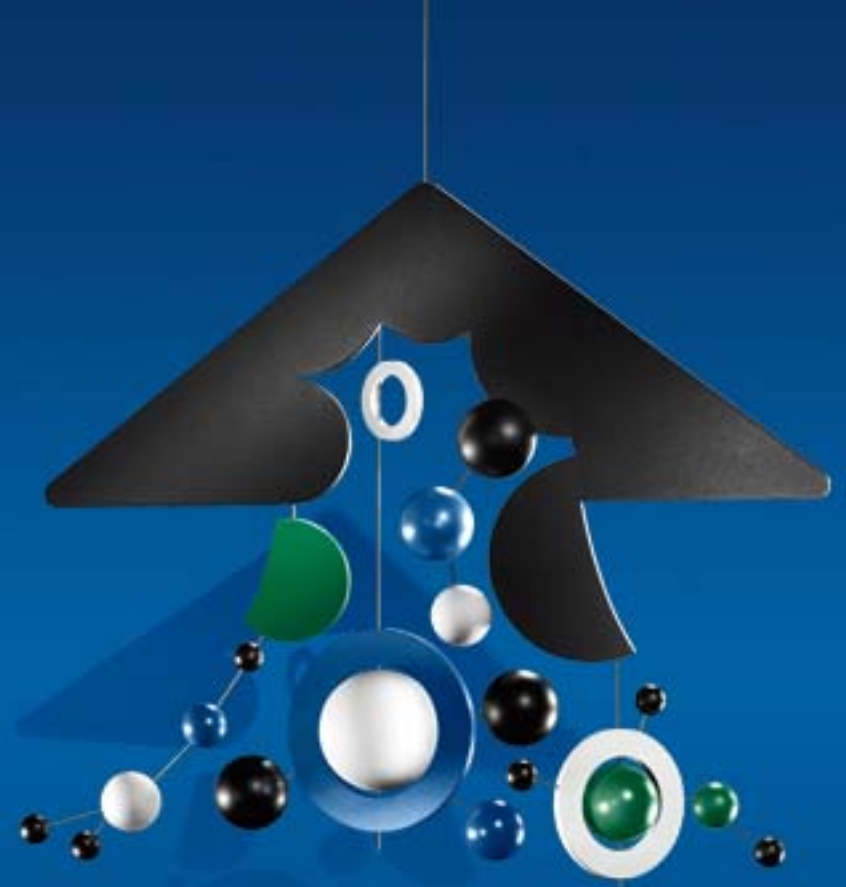


IT Transformation

Unleash the potential



The Challenge

Create value in an uncertain economic environment

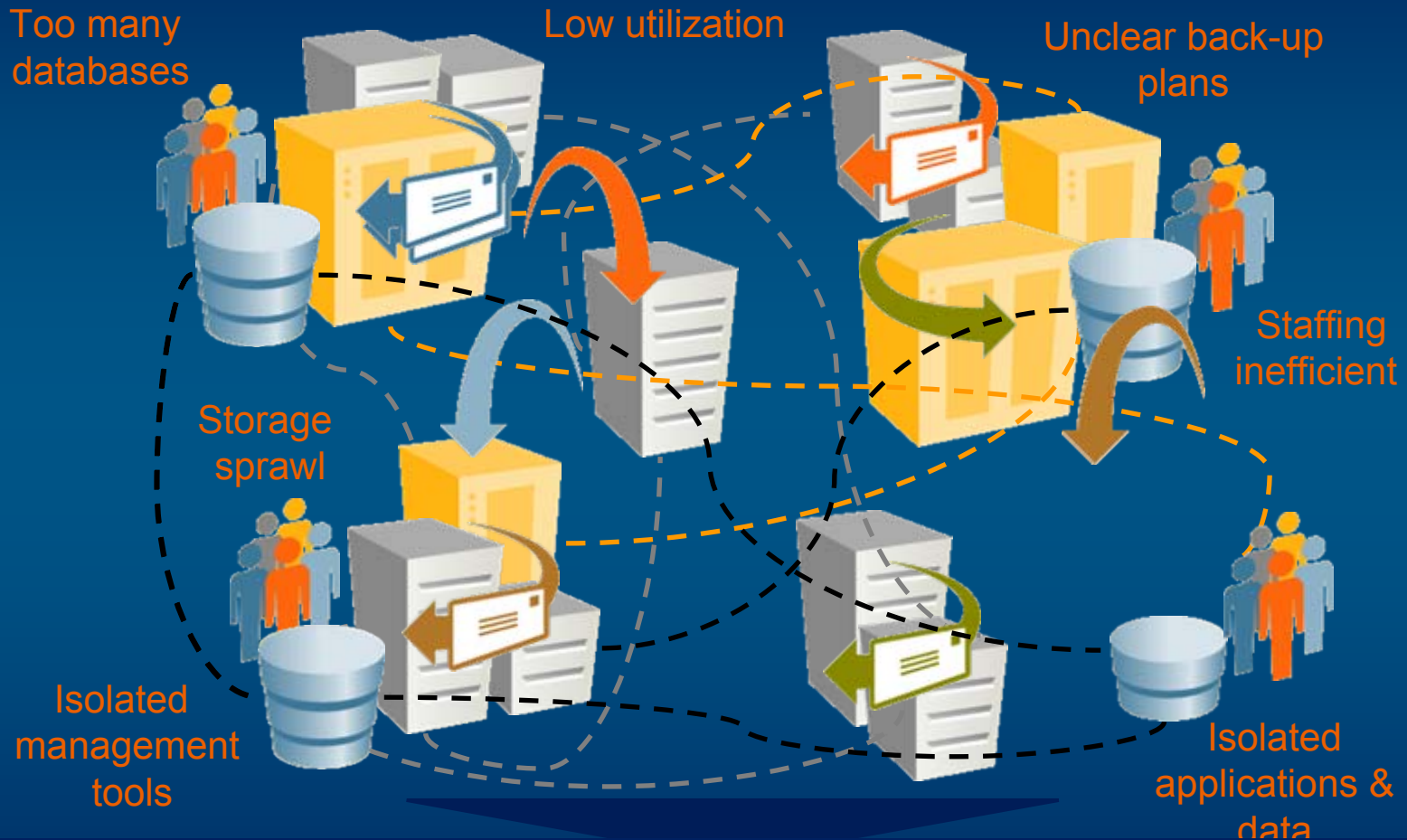


Rigid
Infrastructure

Application and
Information
Complexity

Inadequate
Processes

The infrastructure environment is inflexible, too expensive to manage and maintain



You can't address today's challenges and tomorrow's needs with yesterday's technology and processes

Key Transformational Questions

Why?

- What are the State's primary objectives over the next 3-5 years?
- Why does the State need IT to change?

What?

- What does the future state of IT look like?
- What are the primary objectives IT can embrace to address those needs?

How?

- What processes and roles need to be enhanced, created or fixed in order to ensure success?

Looking in the Mirror – Internal Inhibitors



Organization

Portfolio Mgmt

Operational Efficiency

Architecture

Staffing

Quality

Leadership

Focus

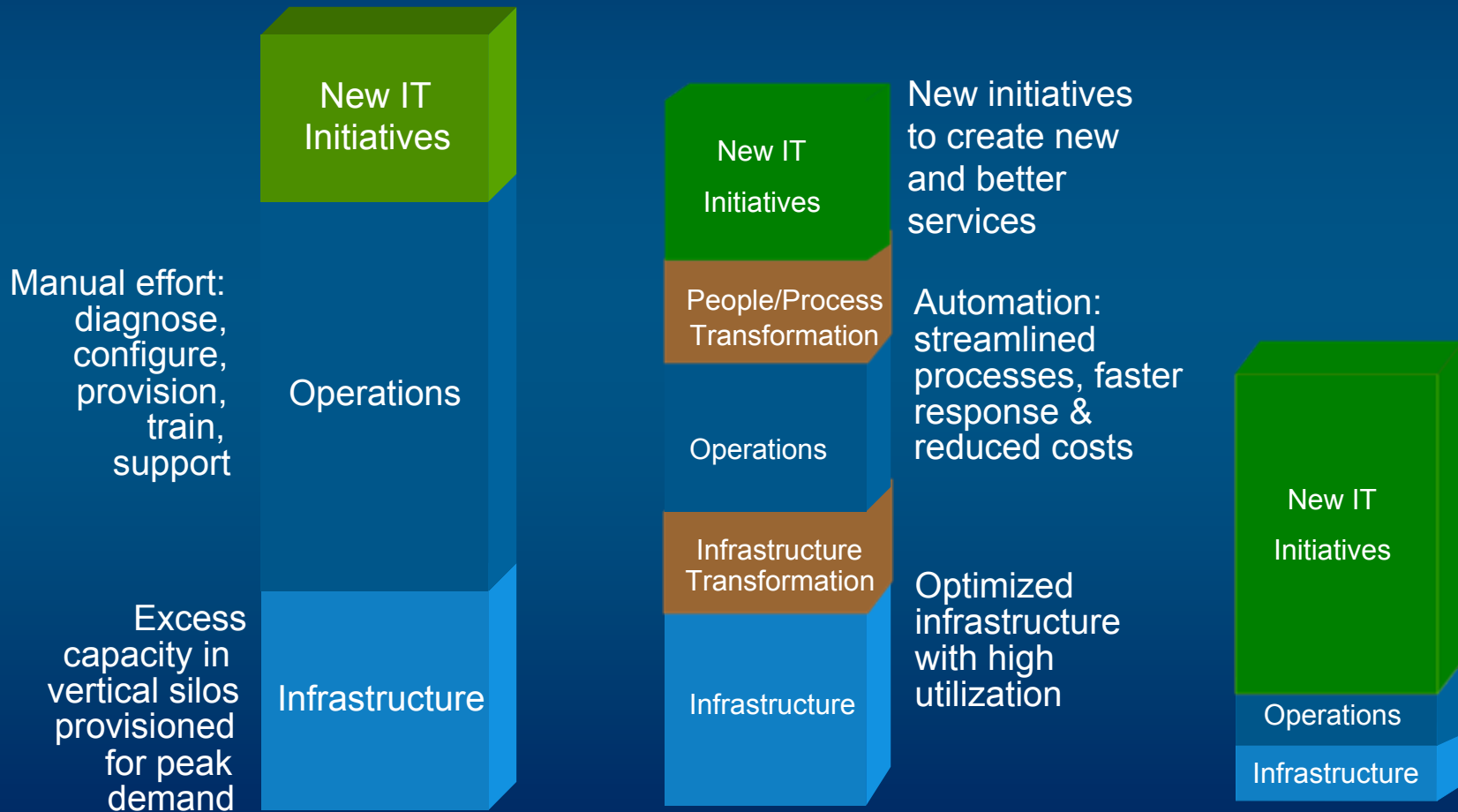
...

IT Mission Statement

- Provide **good information** to enable better decisions
- Significantly **reduce the cost** of IT while **delivering more** service
- **Lower risk** to the State with better control of the infrastructure



The Transformation Opportunity



Improving data center efficiency

1	Remove dead servers	10-25%
2	Upgrade older equipment (non-virtualized)	10-20%
3	Deploy virtualization for existing and new demand	25-30%
4	Reduce demand for new servers	10-15%
5	Introduce greener and more power efficient servers and enable power management features	10-20%

- % impact of each improvement depends substantially on the “As-Found” conditions within the data center
- Goal of doubling data center efficiency is attainable by almost everyone

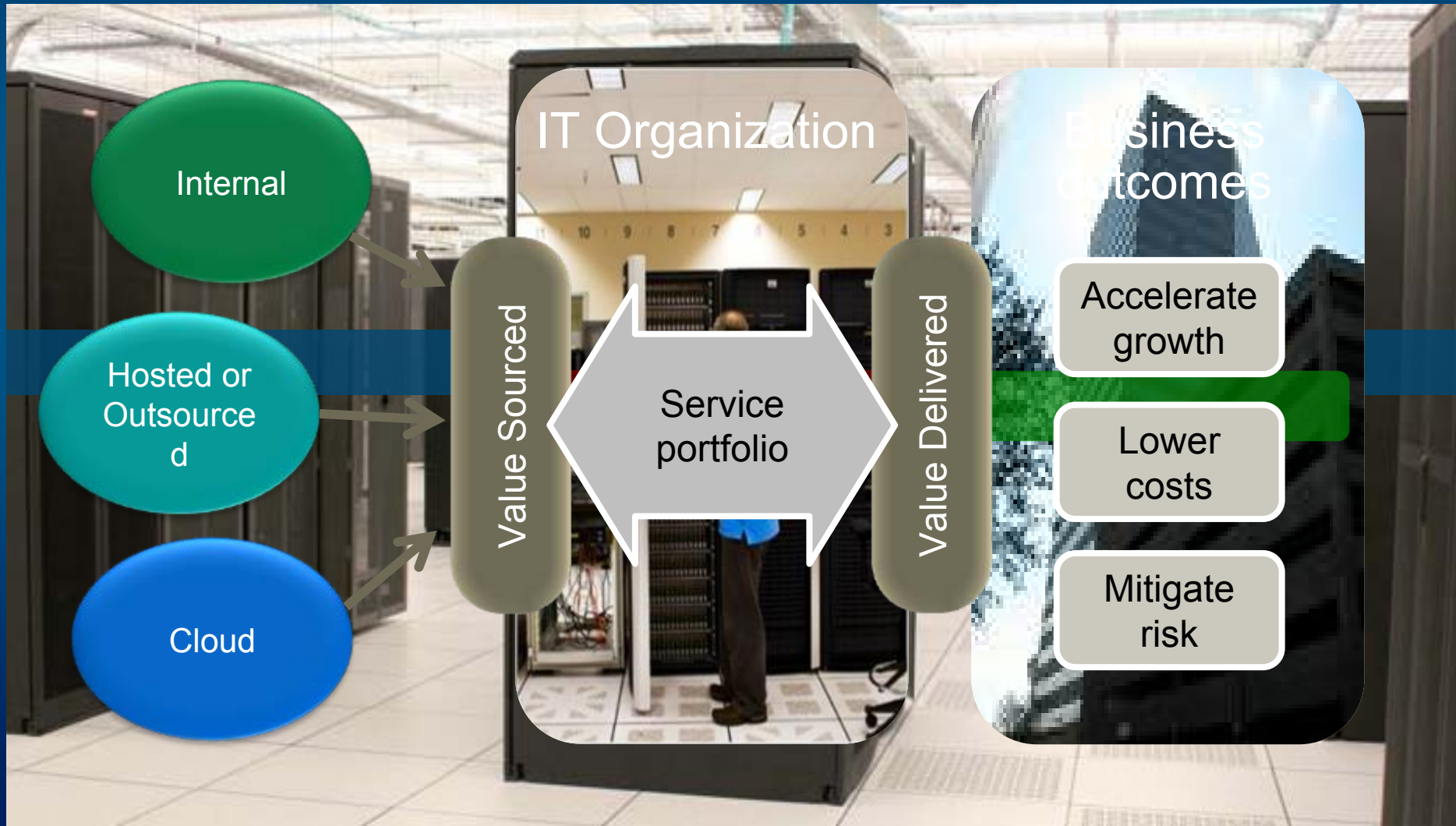
IT Shared Services

Possible Cost benefits quantification overview

- Hardware savings (capex)
 - Better asset utilization, less HW for current workload 5-20%
 - Reduced over-provisioning, less HW for future workload 20-60%
 - Less HW for high availability and business continuity 30-80%
 - Higher ROI on support costs 0-20%
- Software savings (capex)
 - Less software needed for current and future workload 10-60%
- Other savings (opex)
 - Security and network segregation 20-50%
- Personnel savings (opex)
 - IT planning 10-40%
 - Application development 10-30%
 - Installation & deployment 20-80%
 - Network management 10-40%
 - Application & Infrastructure management 5-20%
 - Lifecycle mgmt : upgrades, changes and disposal 20-40%
 - Asset management 40-70%
 - Backup management 20-50%
 - Other savings : billing and usage management 20-40%

IT as a service provider

Driving the RIGHT business outcome



HP Transformation benefits

Speed Change and Innovate

Shared services



Adapt to a changing landscape

Centralize and Optimize

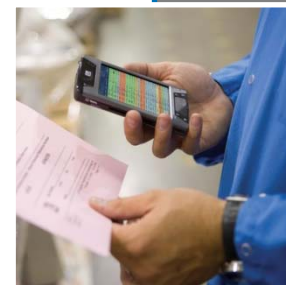
Flexible infrastructure



Improve operational efficiency

Reduce Complexity and Improve RoIT

Simplified platforms



Achieve higher outcomes from technology budget

Transformation Journey

From analysis to action

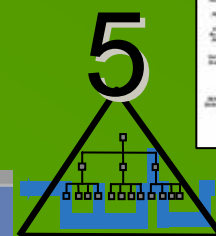
1. Strategy: Business & IT synchronized to capitalize on change
2. Tactics: Launch the right set of projects
3. Governance: Ensure right people make the right decision quickly



Strategy



Architecture



Management of Organizational Change

PMO

4. Architecture: Engineering discipline and methodologies
5. Management of Change: People making the transition to new ways of working
6. Program Management Office: Disciplined execution

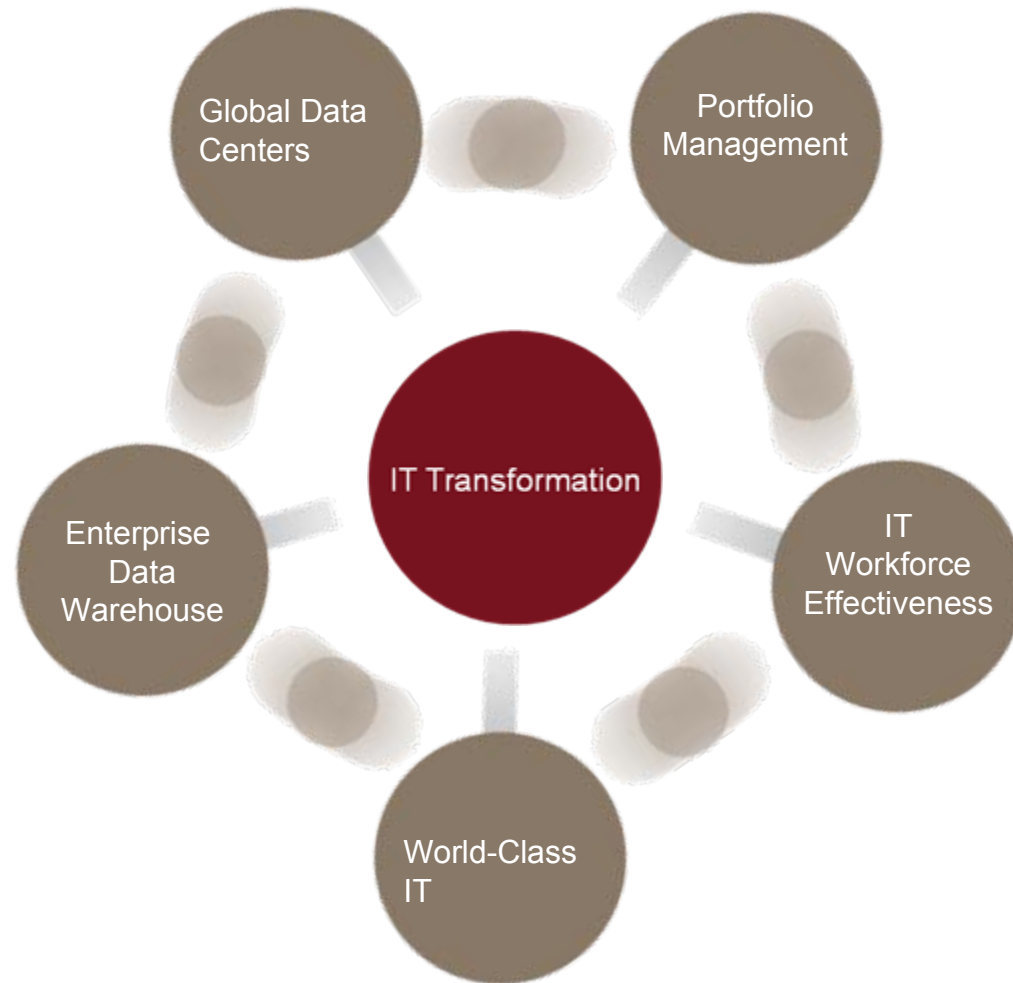


Critical success factors for IT

- IT managed as a single entity
- Clear and efficient IT policy & governance
- DataCenter Transformation
- Focus on fewer active projects to deliver more faster
- Consistent IT metrics
- Rigorous planning with stakeholders
- Elimination of redundant work
- Use size for better pricing and support from vendors
- Identify and accelerate standardization of IT



IT Transformation in Action



The HP IT Transformation Story

	Before	After
Number of applications	> 6,000	<2,000
Number of data centers	85 major & 100's of minor	6
IT % of gross revenue – Our IT Spend	+4%	<2%
Active IT projects	>1,200	<500
Resources time dedicated to innovation	<30%	80%
Number of servers	>23,000	~11,000
Datamarts	>750	1 EDW
Networks	Random acquisition	Centralized, 2 tier
Shared servers/services	Minimal	Primary focus



Unleash Potential

Problem:

Enormous pressure on healthcare IT departments to add new services faster, enhance reliability, and minimize costs

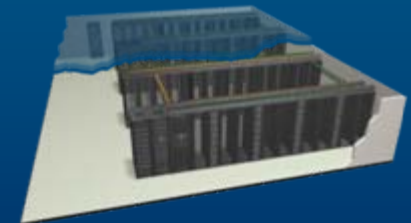
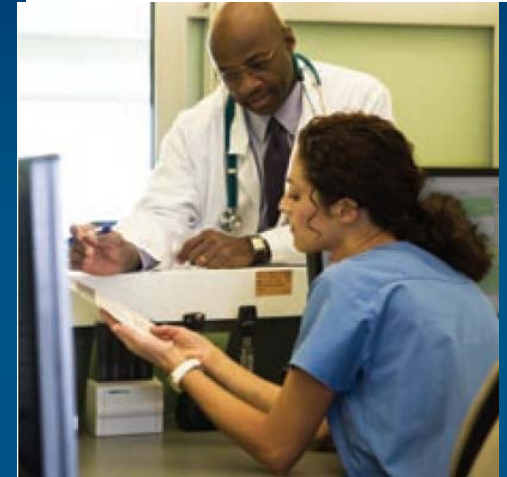
Solution:

Standardize on the HP BladeSystem, HP Insight Control, Virtual Connect

IT Results:

- 75% recovered data center space across two centers
- Management tasks reduced from 30 minutes to 30 seconds
- Server deployment tasks reduced from 3-hours to 30 minutes

Business results: Better service levels for less money



Getting IT Right

Right timeframe

Right cost target

Right relevancy

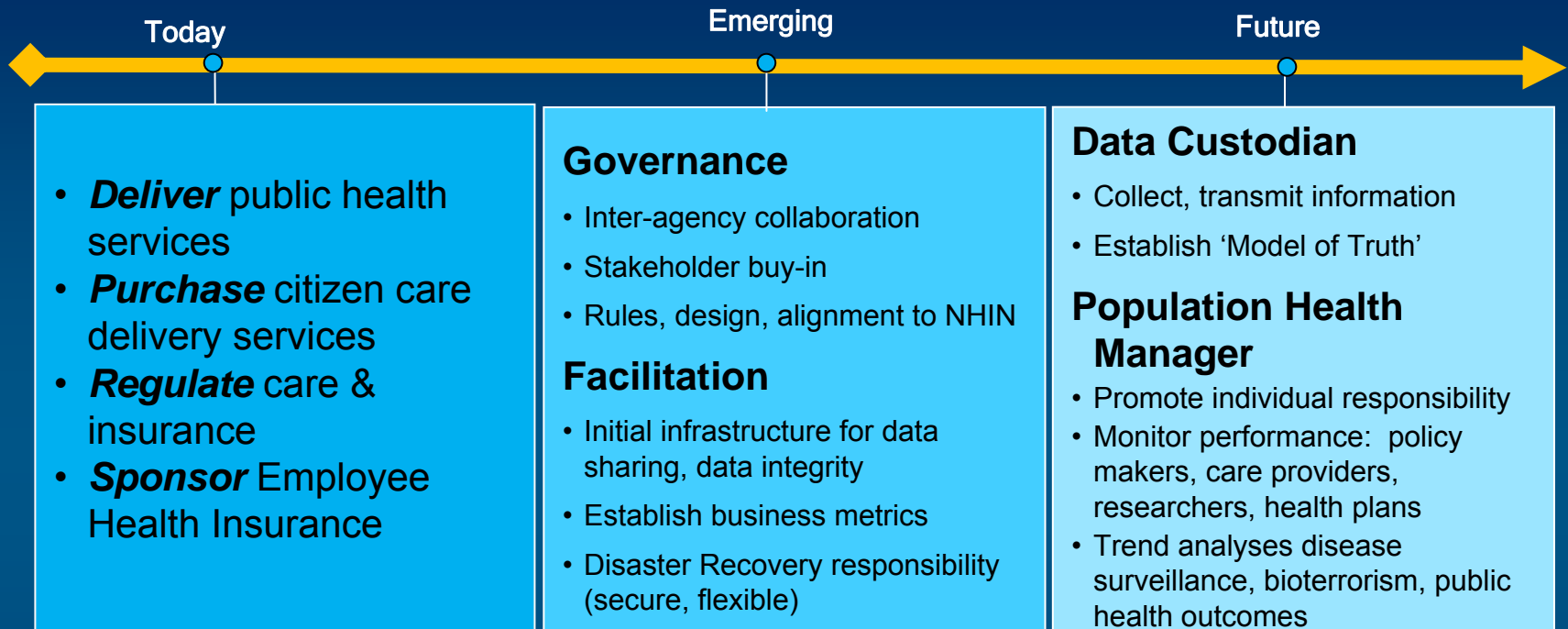
Right IT strategy

Right leadership team



Significance of IT Integration to
Healthcare Transformation
PRESENTER: ANDY TRAMEL

State's Role as Custodian is Emerging...



“In a Medicaid managed care model, DHH views its role transforming from simply paying for services to one of monitoring the various systems of care, setting benchmarks for improved performance, providing transparent results, and holding the systems accountable for results.”

DHH Brief September 2009

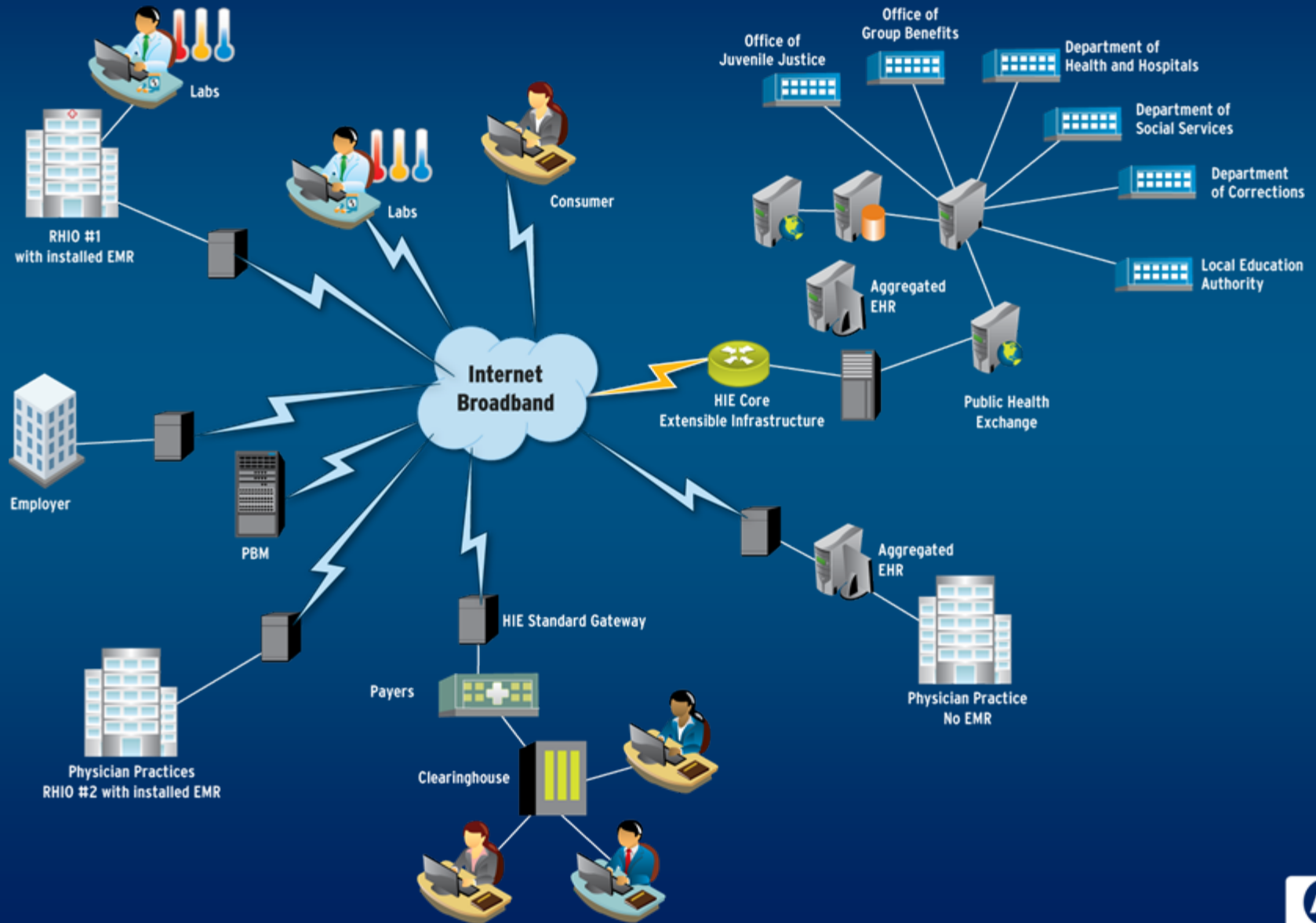


LA Health Care Reform Act of 2007 - Act 243

- It is the intent of the legislature that the state shall lead the initiative to improve health care outcomes by developing and implementing a health care delivery system that provides a continuum of;
 - evidence-based
 - quality driven health care services based on the medical home system of care
 - By providing a coordinated continuum of care, the cost of the current health care delivery system shall be;
 - Reduced
 - health outcomes shall improve
 - disparities in access shall be reduced
 - The medical home system of care shall incorporate health information technology, managed care reimbursement methods quality measures to facilitate;
 - Safe
 - patient centered
 - quality driven
 - evidence-based
 - accessible and sustainable health care system
- to Medicaid recipients and low income uninsured citizens.



Intent of ARRA



States' Administrative Needs Driven by ARRA

ARRA Funding for HIT: \$49B

- Provider Incentives: \$36B
 - State Administration: \$1.055B
 - Regional Extension Centers: \$2B
 - State HIT expansion, implementation grants: \$300M
 - Comparative Effectiveness: \$400M
 - Broadband Technology: \$4.5B
- States must execute to an aggressive ARRA schedule with limited resources
 - States must move in advance of key federal decisions, and **convene governance** structures
 - States must administer provider incentives to include:
 - Programs for governance/policy, training, eligibility, technology selection, reporting, collaboration with RECs
 - Contracts, grants, loan funding, requirements (patient loads, 'double-dipping', 'meaningful use', 'certified EHRs')
 - Acquire or remediated systems for payment compliance, disclosure and outcomes tracking, audit response
 - Security services to support breach handling/notification, incident investigation and remediation
 - Providers must make purchases next year to qualify for bonuses and gather data for 6 months

Questions ??

Yesterday's infrastructure

Built one server at a time



Today's integrated infrastructure

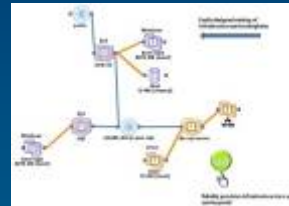
Provisioned when needed



Line of business
selects
application



Verify resource allocation
(self-service portal)



Choose infrastructure
application template
(right size?, right app?)



Tool determines available
resources and when



Push
"go"



Workflow starts
automatically



A full application
infrastructure up
and running!

- Less people
- A few automated steps
- Integrated information
- Same functionality for virtual and physical servers – no compromises!

The converged infrastructure architecture

Infrastructure operating environment
Enables shared-service management

Flex fabric

Wire-once, dynamic assembly,
always predictable

Virtual resource pools

Integrated compute, memory,
storage & networking

Data center smart grid

Intelligent energy management
across systems and facilities



HP print landscape transformation

	Unmanaged Office Print	Managed Office Print
Printers	Unmanaged; anyone with a budget can purchase	Centrally purchased and managed
Consumables	Supplies stockpiled; no standards or procurement guidelines	Central procurement and management
Support	Not dedicated; done by employees, Real Estate, IT and work groups; not proactive	Centrally managed via single contract; proactive and reactive support
Print servers	Multiple servers across multiple sites	Eliminate need for print servers using Universal Print Driver

HP: Everything as a Service

Cloud Services

Snapfish

No. 1 online photo service worldwide

MagCloud

Self publish and sell magazines, on demand

BookPrep

Automates workflow for on-demand printing

Logoworks / MarketSplash

Professional marketing services for small businesses

Friendlee

Mobile, location-aware social networking

MySpace + HP

Unlocking content from the digital world

CloudPrint

Print from anywhere with a mobile device

Software as a Service

IT Business Management

Project and portfolio
management

Software Quality and Security

Cloud service testing

Business Service Management

Cloud service assurance

Infrastructure as a Service

Massive computing power shared in a pay-per-use model

