

**Exhibit 300 (BY2008)**

<b>PART ONE</b>	
<b>OVERVIEW</b>	
<b>1. Date of Submission:</b>	2007-02-05
<b>2. Agency:</b>	009
<b>3. Bureau:</b>	38
<b>4. Investment Name:</b>	CMS Health Care Quality Improvement (Formerly QIES)
<b>5. UPI:</b>	009-38-01-06-01-1010-00
<b>6. What kind of investment will this be in FY2008?</b>	
Operations and Maintenance	
<b>7. What was the first budget year this investment was submitted to OMB?</b>	
FY2001 or earlier	
<b>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.</b>	
<p>In the "Control" phase of the CPIC, the Quality Improvement and Evaluation System (QIES) is the culmination of many years of development work on oversight and information mechanisms that monitor and report on the quality and effectiveness of care and services provided to Medicare and Medicaid beneficiaries. The QIES project meets the needs of State Survey Agencies, CMS, other Federal Agencies, Quality Improvement Organizations (QIO) beneficiaries, consumers and researchers that use information about the quality of care from Medicare and Medicaid providers. QIES serves as the focal point for resident assessment, quality indicators, survey/certification, and enforcement information concerning providers. Furthermore, QIES enables CMS' Center for Medicare Management and CMS' Fiscal Intermediaries to review resident assessment data against nursing home, Home Health Agency (HHA), and Inpatient Rehabilitation Facility claims for which the payment is based on resource utilization groups. QIES is an information system that will collect provider- and beneficiary-specific outcomes of care and performance data from a multitude of delivery sites, and across multiple provider types, (e.g. nursing homes, HHAs, ESRD, Rehabilitation Facilities (IRF-PAI), Swing Beds, Psychiatric Hospitals). This data will be used to improve the quality and cost effectiveness of services provided by the Medicare and Medicaid programs. It also will allow consumers to make educated choices about providers of care. QIES encompasses both the evolving National/State system of patient outcome assessment data and the redesigned/expanded Online Survey Certification and Reporting (OSCAR) system. OSCAR is being rebuilt with newer technology in order to expand its functionality and to include important information on Federal oversight surveys (FMS and FOSS), enforcement data, and to fully support the Administrator's Nursing Home and Hospital initiatives.</p>	
<b>9. Did the Agency's Executive/Investment Committee approve this request?</b>	
yes	
<b>9.a. If "yes," what was the date of this approval?</b>	
2006-06-23	
<b>10. Did the Project Manager review this Exhibit?</b>	
yes	
<b>12. Has the agency developed and/or promoted cost effective, energy-efficient and environmentally sustainable techniques or practices for this project.</b>	
no	
<b>12.a. Will this investment include electronic assets (including computers)?</b>	
yes	
<b>12.b. Is this investment for new construction or major retrofit of a Federal building or facility? (answer applicable to non-IT assets only)</b>	
no	
<b>13. Does this investment support one of the PMA initiatives?</b>	
yes	
<i>If yes, select the initiatives that apply:</i>	
Budget Performance Integration	

Eliminating Improper Payments						
Expanded E-Government						
Financial Performance						
13.a. Briefly describe how this asset directly supports the identified initiative(s)?						
QIES supports Budget and Performance Integration by tying contractor payment directly to performance against EVM baselines and targets. QIES implements enforcement provisions for nursing homes which include Civil Money Penalties and denial of payments for nursing homes who fail to meet our requirements. QIES will improve CMS' ability to analyze and control State Survey Agency budgets through improved tracking and analytical tools for state budgets and expenditures.						
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.2. If no, what does it address?						
Medicare quality of patient care and consumer information, validation of Medicare payments, and survey & certification.						
20. What is the percentage breakout for the total FY2008 funding request for the following? (This should total 100%)						
<table border="1"><tr><td><b>Hardware</b></td><td>14</td></tr><tr><td><b>Software</b></td><td>15</td></tr><tr><td><b>Services</b></td><td>71</td></tr></table>	<b>Hardware</b>	14	<b>Software</b>	15	<b>Services</b>	71
<b>Hardware</b>	14					
<b>Software</b>	15					
<b>Services</b>	71					
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?						
yes						
22. Contact information of individual responsible for privacy related questions.						
Name						
Maribel Franey						
Phone Number						
410-786-0757						
Title						
Director, Privacy compliance						
Email						
Maribel.Franey@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
<b>Planning Budgetary Resources</b>	0.000	0.000	0.000	0.000
<b>Acquisition Budgetary Resources</b>	55.000	1.500	0.000	0.000
<b>Maintenance Budgetary Resources</b>	54.610	15.548	10.264	18.945
<b>Government FTE Cost</b>	0.800	0.820	0.850	0.870
<b># of FTEs</b>	1	2	2	1

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.

No

## 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	2003	QC-2: Improve quality of care and health outcomes	Percent of SA's utilizing quality indicators	No HHS quality indicators (QIs)	100%	100 %
2	2003	QC-2: Improve quality of care and health outcomes. PA-7: Develop and	Percent of swingbed hospitals and IRF utilizing Swingbed - MDS assessments	No assessment system for Swing Bed Hospitals and Inpatient	80%	100%

		refine payment systems to foster efficiency, promote innovative service delivery and appropriate utilization, and ensure access to care for beneficiaries.	and IRF assessments	Rehabilitation Facilities (IRF)		
3	2003	PA-2: Modernize and effectively manage CMS' information systems and technology.	Percent of SAs utilizing developed and deployed automated system for collecting, validating and reporting on complaints and direct upload of Group 1 providers (ESRD, hospice, RHC, OPT and Xray)	Reliance on an outmoded complaints tracking system which did not capture all data.	80%	100%
4	2004	PA-2: Modernize and effectively manage CMS' information systems and technology.	Percent of SA's utilizing automated system for collecting, validating and reporting on enforcement actions	Reliance on an outmoded enforcement tracking system, which did not capture all data.	80%	100%
5	2004	PA-2: Modernize and effectively manage CMS' information systems and technology	Percent of SA's utilizing developed software to directly upload Group 2 providers to QIES	Only nursing homes, HHAs, and Group 1 providers are directly uploaded to QIES.	80%	100%
6	2005	PA-2: Modernize and effectively manage CMS' information systems and technology	Percent of SA's utilizing developed software to directly upload Group 3 providers to QIES	No Group 3 providers (OPO, CMHC, FQHC) are directly uploaded to QIES.	90%	100%
7	2005	PA-2: Modernize and effectively manage CMS' information systems and technology	Percent of SA's utilizing developed and deployed software to directly upload Group 4 providers to QIES	No Group 4 providers (hospitals) are directly uploaded to QIES.	80%	100%
8	2006	PA-2: Modernize and effectively manage CMS' Information Systems and Technology	Percent of purchase and deployment of new QNET hardware (storage and servers)	Network hardware is not timely upgraded	90%	TBD
9	2006	QC2: Improve quality of care and health outcomes.	Percent development and deployment of enhanced QIES provider reports	FY 2006 report enhancements are not completed timely.	90%	TBD
10	2007	QC2: Improve quality of care and health outcomes.	Percent of S&C data integration and loading of CLIA data to the national database	CLIA to QIES conversion - Integration of S&C data and National load of CLIA data is not completed timely.	90%	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](http://www.egov.gov).

Table 2

	Fiscal Year	Measurement Area	Measurement Grouping	Measurement Indicator	Baseline	Planned Improvement to the Baseline	Actual Results
1	2006	Mission and Business Results	Health Care Administration	Number of new quality measures implemented	8 quality measures	12 quality measures	TBD
2	2006	Customer Results	Response Time	Web-access speed	Dial Up access - limited speed	50% speed increase in web-based access and upload	TBD
3	2006	Technology	User Satisfaction	Number of complaints from users	5% of users file complaints	2% of users complain	TBD
4	2006	Processes and Activities	Errors	Validation must find at least 90% accuracy on records in final testing	90% accuracy	95%	TBD
5	2007	Mission and Business Results	Health Care Administration	Consumer Health and Safety - Beneficiaries and their families have access to information regarding the quality of health care facilities and providers.	Limited quality of care information available on public websites	Expanded website info with additional quality measures and survey data	TBD
6	2007	Mission and Business Results	Health Care Administration	Consumer Health and Safety - Improved enforcement of health care standards: Number of on-site inspections or enforcement cases that rely on QIES data.	60% of surveys rely QIES data	90% of surveys rely on survey data	TBD
7	2007	Customer Results	Accuracy of Service or Product Delivered	Number of State users trained on QIES reports	0% users trained on new reports	80% users trained	TBD
8	2007	Customer Results	Accuracy of Service or Product Delivered	Number of concurrent users served	1000	1500	TBD
9	2007	Technology	Accessibility	Time to enter survey	60 minutes	30 minutes	TBD
10	2007	Technology	Data Reliability	Integration of the	0%	100% integration	TBD

			and Quality	Online Survey Certification and Reporting System with QIES	integration		
11	2007	Processes and Activities	Costs	Improvement in the cost-effectiveness of services provided by the Medicare programs.	Medicare SNF costs per day in 2004	Medicare SNF costs in 2005	TBD
12	2007	Processes and Activities	Innovation and Improvement	Web based access by providers	Dial Up access limited speed	50% speed increase in web-based access and upload	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

1.a. If no, please explain why?

Not applicable

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 Quality Improvement and Evaluation System (QIES)

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	Data Cleansing	Provides data warehouse capabilities including cleansing of data.	Data Management	Data Cleansing			No Reuse	5
2	Data Exchange	Provides data warehouse	Data Management	Data Exchange			No Reuse	6

		capabilities for exchange of data.						
3	Data Warehouse	Provides data warehouse capabilities.	Data Management	Data Warehouse			No Reuse	5
4	Extraction and Transformation	The investment provides extraction and transformation capabilities.	Data Management	Extraction and Transformation			No Reuse	6
5	Loading and Archiving	The investment provides archiving capabilities.	Data Management	Loading and Archiving			No Reuse	7
6	Meta Data Management	Maintain accurate data to support validation of activities.	Data Management	Meta Data Management			No Reuse	5
7	Data Integration	The investment will ensure that data is accurately integrated.	Development and Integration	Data Integration			No Reuse	7
8	Enterprise Application Integration	Defines the set of capabilities that support enterprise application integration as it relates to the system.	Development and Integration	Enterprise Application Integration			No Reuse	4
9	Software Development	Defines the set of capabilities that support the development of software as it relates to the system.	Development and Integration	Software Development			No Reuse	5
10	Ad Hoc	Ability to produce Ad-Hoc or dynamic reports on an as needed basis.	Reporting	Ad Hoc			No Reuse	10
11	Standardized/Canned	Set of capabilities that support the use of pre-conceived or pre-written	Reporting	Standardized / Canned			No Reuse	10

		reports.						
12	Graphing/Charting	Set of capabilities that support the use of visual or graphical presentation of analytics.	Visualization	Graphing / Charting			No Reuse	3
13	Surveys	Database maintained to support customers surveys.	Customer Relationship Management	Surveys			No Reuse	7
14	Community Management	Defines the set of capabilities that communicates relevant control information to a community of members.	Communication	Community Management			No Reuse	10
15	Identification and Authentication	Defines the set of capabilities supporting security management utilizing identification and authentication	Security Management	Identification and Authentication	Identification and Authentication	009-38-01-06-01-1030-00	Internal	6

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	Software Development	Component Framework	Business Logic	Platform Dependent	MFC++, Visual C++
2	Software Development	Component Framework	Business Logic	Platform Independent	C++, EJB, Java Script, JSF53
3	Data Exchange	Component Framework	Data Interchange	Data Exchange	SOAP
4	Community Management	Component Framework	Data Management	Database Connectivity	TJDBC, ODBC, OCI
5	Ad Hoc	Component	Data	Reporting and	OLAP, XML, Crystal Reports,

6	Community Management	Component Framework	Presentation / Interface	Content Rendering	CSS, DHTML
7	Software Development	Component Framework	Presentation / Interface	Dynamic Server-Side Display	JSP
8	Software Development	Component Framework	Presentation / Interface	Static Display	HTML
9	Identification and Authentication	Component Framework	Security	Supporting Security Services	JAAS, WS Security
10	Community Management	Service Access and Delivery	Access Channels	Web Browser	Internet Explorer
11	Data Exchange	Service Access and Delivery	Delivery Channels	Internet	TBD
12	Data Exchange	Service Access and Delivery	Delivery Channels	Intranet	TBD
13	Data Exchange	Service Access and Delivery	Service Requirements	Hosting	TBD
14	Community Management	Service Access and Delivery	Service Requirements	Legislative / Compliance	Section 508, Security
15	Community Management	Service Access and Delivery	Service Transport	Service Transport	TCP, IP, HTTP, HTTPS, Secure FTP, SSH
16	Identification and Authentication	Service Access and Delivery	Service Transport	Supporting Network Services	DNS, LDAP, MIME
17	Data Warehouse	Service Interface and Integration	Integration	Enterprise Application Integration	TBD
18	Community Management	Service Interface and Integration	Interoperability	Data Format / Classification	XML
19	Business Rule Management	Service Interface and Integration	Interoperability	Data Types / Validation	TBD
20	Data Warehouse	Service Platform and Infrastructure	Database / Storage	Database	Oracle, MS Access, SQL Server
21	Data Warehouse	Service Platform and Infrastructure	Database / Storage	Storage	SAN
22	Software Development	Service Platform and Infrastructure	Delivery Servers	Application Servers	BEA, Apache Tomcat
23	Software Development	Service Platform and Infrastructure	Delivery Servers	Web Servers	Apache
24	Software Development	Service Platform and Infrastructure	Software Engineering	Integrated Development Environment	Visual Studio, iReport Web Logic Workshop, Eclipse
25	Software Development	Service Platform and Infrastructure	Software Engineering	Software Configuration Management	Serena Dimensions
26	Software Development	Service Platform and Infrastructure	Support Platforms	Platform Dependent	Window 2003, Sun Solaris
27	Software Development	Service Platform and Infrastructure	Support Platforms	Platform Independent	Sun J2EE, Sun J2SE

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

yes

5.a. If yes, please describe.

At this time, this investment has no plans to leverage existing components or applications across the government. In the future, it is anticipated that CMS infrastructure will integrate with E-Gov initiatives as they are identified. MMS plans on taking advantage of the eAuthentication Service Component when it is capable of meeting all of the business needs of the MMS. MMS also plans on using FirstGov as a resource as well.

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

yes

6.a. If yes, does customer access require specific software (e.g., a specific web browser version)?

no

### PART THREE

#### RISK

You should perform a risk assessment during the early planning and initial concept phase of the investment'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 investment'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?

2005-08-08

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

no

2.b. If no, what is the strategy for managing the risks?

na

#### 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?

The project is within the 10 percent cost and schedule variance. We are on target to meet the milestones per the approved baseline. The system is being implemented to meet the State Agency's requirements and needs.