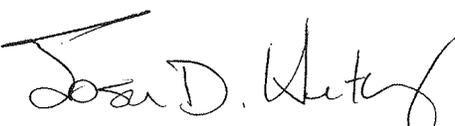
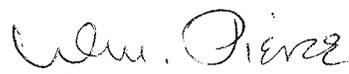


## BUSINESS PARTNER ALLIANCE CHANGE ORDER 1

<b>BPA Contractor:</b>  <p style="text-align: center;">Crowe Chizek</p>	<b>State Agency:</b>  <p style="text-align: center;">Indiana Criminal Justice Institute</p>															
<b>Change Description</b> Analyze Victims' Compensation Backlog and Funding (see attached statement of work)	<b>Start Date:</b> 15-Oct-2007															
	<b>Completion Date:</b> 30-Nov-2007															
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%; padding: 5px;">           Deliverable No. 1            Prepare Backlog Information for 2007         </td> <td style="width: 20%; padding: 5px; text-align: center;">           Cost         </td> <td style="width: 40%; padding: 5px; text-align: right;">           \$8,260.00         </td> </tr> <tr> <td style="padding: 5px;">           Deliverable No. 2            Research and Document Funding         </td> <td style="padding: 5px; text-align: center;">           Cost         </td> <td style="padding: 5px; text-align: right;">           \$20,780.00         </td> </tr> <tr> <td style="padding: 5px;">           Deliverable No. 3            Prepare Backlog Information for 2000 -            2006         </td> <td style="padding: 5px; text-align: center;">           Cost         </td> <td style="padding: 5px; text-align: right;">           \$10,700.00         </td> </tr> <tr> <td colspan="2" style="padding: 5px; text-align: center;"> <b>Total Cost of Change</b> </td> <td style="padding: 5px; text-align: right;"> <b>\$39,740.00</b> </td> </tr> <tr> <td colspan="2" style="padding: 5px; text-align: center;"> <b>New Total Cost of Work Order</b> </td> <td style="padding: 5px; text-align: right;"> <b>\$149,040.00</b> </td> </tr> </table>		Deliverable No. 1 Prepare Backlog Information for 2007	Cost	\$8,260.00	Deliverable No. 2 Research and Document Funding	Cost	\$20,780.00	Deliverable No. 3 Prepare Backlog Information for 2000 - 2006	Cost	\$10,700.00	<b>Total Cost of Change</b>		<b>\$39,740.00</b>	<b>New Total Cost of Work Order</b>		<b>\$149,040.00</b>
Deliverable No. 1 Prepare Backlog Information for 2007	Cost	\$8,260.00														
Deliverable No. 2 Research and Document Funding	Cost	\$20,780.00														
Deliverable No. 3 Prepare Backlog Information for 2000 - 2006	Cost	\$10,700.00														
<b>Total Cost of Change</b>		<b>\$39,740.00</b>														
<b>New Total Cost of Work Order</b>		<b>\$149,040.00</b>														
 Authorized Agency Signature	 Authorized Vendor Signature															
<b>Date:</b> 10/19/2007	<b>Date:</b> 10/19/2007															
 IOT Approval																
<b>Date:</b> 24-Oct-2007																



**Crowe Chizek and Company LLC**  
Member Horwath International

3815 River Crossing Parkway  
Suite 300  
P.O. Box 40977  
Indianapolis, Indiana 46240-0977  
Tel 317.569.8989  
Fax 317.706.2660  
www.crowechizek.com

September 24, 2007

Director Bill Lantz  
Indiana Criminal Justice Institute  
1 N. Capitol Avenue, Suite 1000  
Indianapolis, IN 46240

Dear Mr. Lantz:

Crowe Chizek and Company LLC (Crowe) is pleased to have been asked to provide additional assistance related to the Indiana Criminal Justice Institute (ICJI) Victim's Compensation Claims Management system. This additional assistance would be to analyze the amount and sources of the claims backlog and better identify and understand the potential revenue sources that may be available to support the payment of claims.

The objectives below are a restatement of what we heard ICJI say in our meeting Tuesday, Sept 4th. The ICJI stressed that they are looking to better understand:

- The amount of the current backlog and categorize the claims in logical groupings (by dollar amount and number of claims). Some potential groupings could be:
  - Type of crime: broken out by violent crime and sex crime
  - By year they were submitted
  - By stakeholder who submitted the claim (i.e. individual, hospital provider, funeral home, etc)
  - By status (approved, unapproved, on hold awaiting further information, etc)
- What the backlog looked like in previous years (going back to the year 2000 if possible). By doing this, analysis of any trends can be further investigated
- The amount of funding that was available in each of the past years to pay claims. This includes revenue from state and federal sources.
- Other potential collection sources, such as what may be available through punitive damage awards and/or restitution. This includes meeting with JTAC to investigate if existing and planned technology can assist in tracking restitution and punitive damage award data.
- The possibility of collecting punitive damages and/or other restitution sources. This effort will investigate how far back in time ICJI can go to collect these.
- The federal match in the future could possibly increase since it is based on the total amount distributed at the state level. ICJI would like a forecast of what this amount could be if there was an increase in collections.



From our meeting with ICJI, we have identified the activities and deliverables for this effort. Below is our plan by phase on how we plan to accomplish this.

Major Activities	Deliverable	Timing
<b>Activity 1 – Understand the backlog in 2007</b>		
Develop a process for extracting backlog information (current open cases) from the Excel spreadsheets and the VCC Access system from 2007 to 2000 (if possible)	<ul style="list-style-type: none"> <li>• Queries to extract backlog</li> <li>• Documented instructions</li> </ul>	Week 1
Define categories (see potential list above) and mine the data into the categories. At a minimum, divide the backlog by type (either Violent Crime and Sex Crime), and by year (from 2007 back to 2000)	<ul style="list-style-type: none"> <li>• Table or spreadsheet format of backlog data by categories and year</li> </ul>	Week 1-2
<b>Activity 2 – Identify Funding</b>		
Identify the State and Federal funding that was available for each past year from 2006 to 2000	<ul style="list-style-type: none"> <li>• Table or spreadsheet format of funding by year</li> </ul>	Week 1
Research statutes to determine whether previous years' punitive damage awards and restitution are collectable. If so, then research: <ul style="list-style-type: none"> <li>• For 2007, define a method for how the collectable amounts would be calculated, and if possible determine the amount</li> <li>• Determine if the tracking methodology/ process would meet future needs</li> <li>• Discuss with JTAC their ability to track restitution and punitive damage awards in the future</li> <li>• How far back in time these can be collected</li> </ul>	<ul style="list-style-type: none"> <li>• Documented method and process for calculating</li> <li>• Table or spreadsheet containing amounts that could be collected</li> <li>• Meeting with JTAC leadership</li> </ul>	Week 1-4
Determine if the 2008 federal matching funds would change if ICJI can collect and pay additional claims through what is collected from punitive damages and restitution. Provide an estimated forecast for ICJI funding for 2008	<ul style="list-style-type: none"> <li>• Table or spreadsheet format</li> </ul>	Week 4
<b>Activity 3 – Understand the backlog for previous years (2006 through 2000)</b>		
As in Activity #1, where all backlogged cases are categorized, do a similar analysis for 2006 (dividing the backlog into dollars and number of cases per year), and subsequent years back to 2000 if possible.	<ul style="list-style-type: none"> <li>• Table or spreadsheet format of backlog data in categories and year</li> </ul>	Weeks 2-4

Assumptions related to this effort are as follows:

- The backlog can be determined by querying the Excel and Access systems. This activity would not require reviewing each paper case folder.
- State and federal funding information can be obtained from existing applications/ forms that have been filed at ICJI.
- It will take no more than a week's worth of effort to determine the amount of punitive damages and restitution that can be collected.
- If punitive damages and restitution can be collected from previous years, determining the amount that is available is outside the scope of this engagement
- When determining the backlog in prior years, the data will be in a format where it will take no more than 8 hours of effort to categorize each year's backlog.



The schedule below reflects our pricing of these activities. Our total proposed price for this engagement will be \$39,750. Detailed prices by Phase are outlined below.

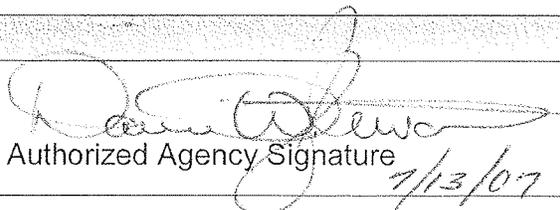
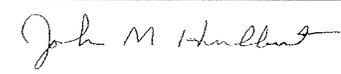
Deliverables	Price
Activity 1: Understand the backlog for 2007 – Deliverable would be annualized backlog information broken out by year categorized by type of crime (violent or sex crime). If possible data will be further categorized by stakeholder and status (spreadsheet)	\$8,260
Activity 2: Identify Funding. This area has several deliverables: <ul style="list-style-type: none"><li>• Spreadsheet displaying funding by year (2000 through 2007 if possible)</li><li>• Summary of research on applicable state and/or federal statutes in narrative format</li><li>• Documented method or process for how the collectable amounts would be calculated (process flow diagram) and if possible (time permitting) calculate the amounts and document in a spreadsheet</li><li>• Summary of discussions with JTAC in narrative format</li><li>• Research summary in narrative format of how far back punitive damages and restitution can be collected</li></ul>	\$20,780
Activity 3: Understand the backlog for previous years (2006-2000) – The deliverable will be the same as in Activity 1. For each year, there will be a separate deliverable.	\$10,700
<b>Total:</b>	<b>\$39,740</b>

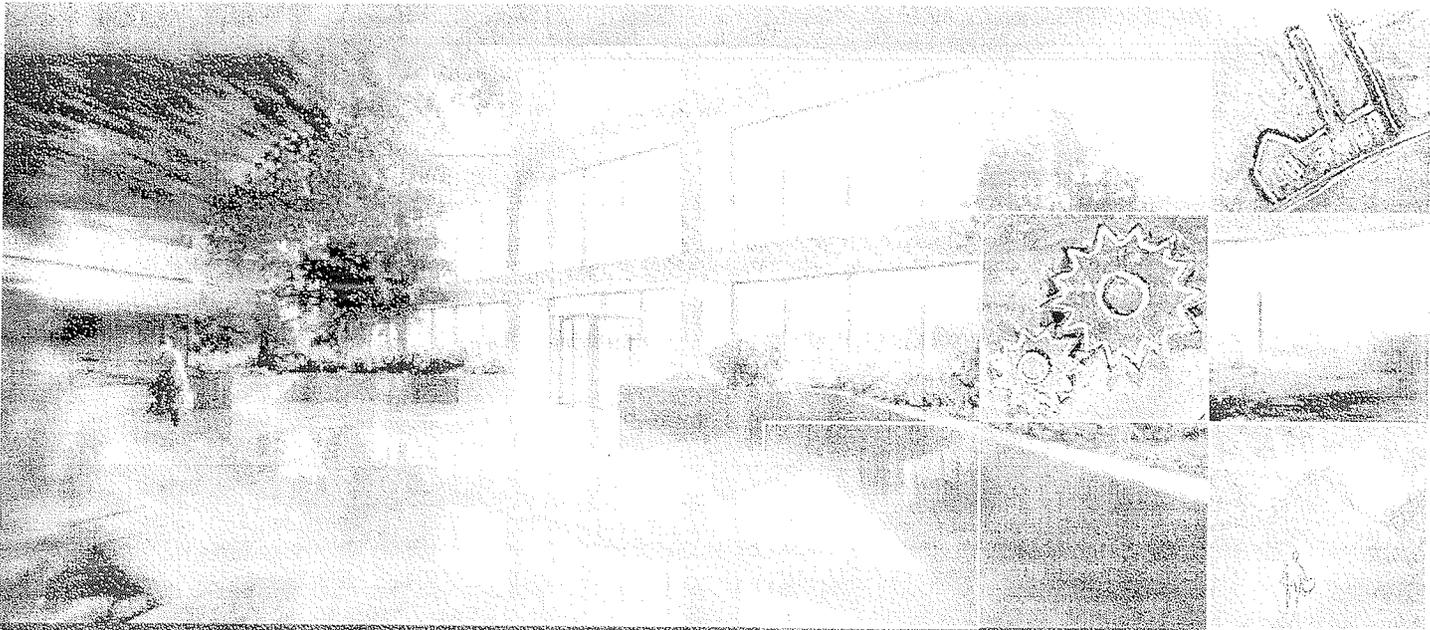
We appreciate the opportunity to submit this proposal to ICJI and look forward to providing professional and valuable results. If you have any questions, please contact me at (317) 706-2707 or by email at [jhurlburt@crowechizek.com](mailto:jhurlburt@crowechizek.com).

Sincerely,

John M. Hurlburt  
Executive

## BUSINESS PARTNER ALLIANCE WORK ORDER

<b>BPA Contractor:</b>  Crowe Chizek 3815 River Crossing Parkway Suite 300 Indianapolis, IN 46240-0977	<b>State Agency:</b>  Indiana Criminal Justice Institute 101 West Washington Street East Tower Indianapolis, IN 46204																																	
<b>Project Description</b> Improve Victims' Compensation Claims Management Payment System and Database (see attached statement of work)	<b>Start Date:</b> 16-Jul-2007  <b>Completion Date:</b> 10-Sep-2007																																	
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;">Deliverable No. 1</td> <td style="width: 10%;">Cost</td> <td style="width: 50%; text-align: right;">\$6,400.00</td> </tr> <tr> <td colspan="3">Project Plan and Project Charter</td> </tr> <tr> <td>Deliverable No. 2</td> <td>Cost</td> <td style="text-align: right;">\$27,100.00</td> </tr> <tr> <td colspan="3">Current Processes Document</td> </tr> <tr> <td>Deliverable No. 3</td> <td>Cost</td> <td style="text-align: right;">\$42,100.00</td> </tr> <tr> <td colspan="3">Future Proposed Process Document</td> </tr> <tr> <td>Deliverable No. 4</td> <td>Cost</td> <td style="text-align: right;">\$23,900.00</td> </tr> <tr> <td colspan="3">Technology Review</td> </tr> <tr> <td>Deliverable No. 5</td> <td>Cost</td> <td style="text-align: right;">\$9,800.00</td> </tr> <tr> <td colspan="3">Implementation Plan</td> </tr> <tr> <td colspan="2" style="text-align: right;"><b>Total Cost</b></td> <td style="text-align: right;"><b>\$109,300.00</b></td> </tr> </table>	Deliverable No. 1	Cost	\$6,400.00	Project Plan and Project Charter			Deliverable No. 2	Cost	\$27,100.00	Current Processes Document			Deliverable No. 3	Cost	\$42,100.00	Future Proposed Process Document			Deliverable No. 4	Cost	\$23,900.00	Technology Review			Deliverable No. 5	Cost	\$9,800.00	Implementation Plan			<b>Total Cost</b>		<b>\$109,300.00</b>	
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Date:	Date: July 12, 2007																																	
 IOT Approval																																		
Date: 13-Jul-2007																																		



## **Statement of Work**

# **Improvement of the Victims' Compensation Claims Management Payment System and Database**

**June 13, 2007**

**Submitted to:**  
**Mr. Bill Lantz**  
**Indiana Criminal Justice Institute**  
**101 West Washington Street, Suite 1170**  
**East Tower**  
**Indianapolis, IN 46204**

**Sent by Email to:**

**Mr. Bill Pierce**  
**Indiana Office of Technology**

**Submitted by:**  
**Mr. John Hurlburt, Executive**  
**Crowe Chizek and Company LLC**  
**3815 River Crossing Parkway, Suite 300**  
**Indianapolis, Indiana 46240**  
**Tel 317.706.2707**  
**Fax 317.706.2660**  
**Email [jhurlburt@crowechizek.com](mailto:jhurlburt@crowechizek.com)**





## Purpose and Goal

Crowe understands the long-term project goal is to implement an efficient claims processing operation, without a large backlog, through a technology and/or process improvement effort. We understand ICJI's long-term objectives are:

1. Eliminate the three-to-four-year backlog of prior-year claims, estimated at \$7.5 million.
2. Establish a more efficient and effective process for claims payment in the future.
3. Provide management with required information.
4. Determine staff level to handle victim inquiries, process and enter claims into the database.

The approach seeks to address the longer-term claims-backlog challenge by first performing a business process review of the current process and technology and then redesigning the process to ensure efficiency and effectiveness through both process and technology (new system/database coupled with a new process). The output of this approach will be a recommendation that identifies an optimum process methodology for accomplishing the stated goals of the project and a recommendation of an alternative technical solution that would improve performance over the existing platform.

This approach is described in detail in the main section that follows: Business Process Review and Redesign.



### Approach: Business Process Review and Redesign

This approach makes use of Crowe's business process review and redesign methodology to ensure that any technology solution used or selected by ICJI meets the short and long-term goals of ICJI in the processing and payment of victims' compensation claims. Close participation of ICJI personnel is required in defining a new way for ICJI to do business that promotes better outcomes for both your agency and your customers.

We strongly recommend a project team approach to involve key members of ICJI in planning, process documentation and redesign, and implementation. The project team approach offers several advantages to ICJI, including:

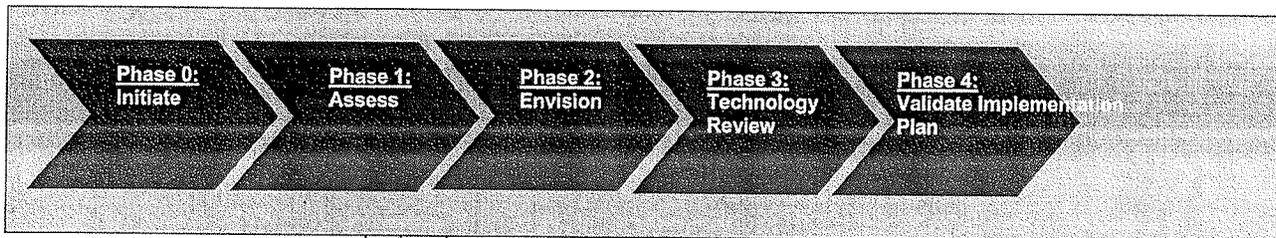
- ♦ Proper documentation of current processes and challenges;
- ♦ Improved buy-in among staff regarding the new process; and
- ♦ Identification of an inclusive and appropriate solution that addresses staff needs.

We feel the most significant advantage of the project team approach is that the outcome is generated from members of ICJI rather than an outside party. Users involved in the definition *and* evaluation of the solution will have created their own system and will display more acceptance and support once the process is in place and operational.

Many activities in the following project can be performed either by Crowe or by ICJI personnel including but not limited to collection of existing process and policy documents and procedures, and data and information gathering. Further discussion with ICJI during the project kickoff phase is necessary to determine the actual level of involvement by ICJI personnel during the project activities. Of course, Crowe is available for guidance and assistance in any of the activities that ICJI performs.

#### Project Phases

We are proposing the project be conducted in phases using Crowe's business process review and redesign methodology:



- ♦ Identify key ICJI personnel to serve as subject matter experts on the project team. We believe including ICJI personnel on the project team is essential to defining a new way for ICJI to do business that promotes better outcomes for both the agency and your customers. The project team approach offers several advantages including proper documentation of current processes and improved buy-in among staff regarding the new process.
- ♦ Conduct kickoff meeting with project team
- ♦ Collect and review background materials related to the scope of ICJI Victim Compensation services, including information about the larger context of the project. This background material should include, but not be limited to the following:
  - ♦ Current procedural documentation, if available
  - ♦ Current information system documentation, if available
  - ♦ Copies (or code citations) of relevant federal and state statute and regulations



- ♦ Information on potential best practice models, if available
- ♦ Management reports, statistics or other summary information regarding Victim Compensation claims processing (volume, etc.)

### Phase 1: Assess

In order to advise ICJI concerning enhancements to its processes and systems, we must first gain an understanding of the current business processes and the systems used to support the processes. This phase includes the following activities:

- ♦ Interview ICJI staff involved in the Victim Compensation process
- ♦ Document the current, high-level business process

### Phase 2: Envision

The purpose of Phase 2 is to develop an innovative future process that will improve the efficiency and effectiveness of Victim Compensation claims processing. This phase includes the following activities:

- ♦ Review Relevant Laws & Regulations – Crowe will review relevant U.S. Code, Code of Federal Regulations, Indiana Code, and Indiana Administrative Code, in order to determine what requirements must be followed and what latitude ICJI has to modify the claims process to make it more effective. Items such as the following will be researched:
  - ♦ Constraints in terms of determination of level of payment or eligibility for payment of certain types of Victim Compensation claims;
  - ♦ Federal standards regarding timeliness of claims processing; and
  - ♦ Informal ICJI policies and procedures (e.g., instructions to local entities submitting claims).

This research will provide parameters within which the process improvement must lie in order to be successful.

- ♦ Research Best Practices – Crowe will work with ICJI to identify states that have had success with various models of Victim Compensation programs. The project team will gather best practice information to improve the reliability of the recommended future process. We will collaborate with ICJI's Research & Planning Division and the National Association of Crime Victim Compensation Board (NACVCB).
- ♦ Document Future Process – The Crowe team will incorporate input from ICJI staff, legal and regulatory guidance, and best practice research to develop an innovative recommended Future Process that will improve the effectiveness and efficiency of ICJI Victim Compensation program. The new business process workflow, roles and responsibilities of staff and vendors, and process narratives will be documented. In addition, the project team will document the benefits of moving from the old process to the new one.
- ♦ Validate New Process with Team – The project team will present the redesigned process to ICJI staff involved in its development, as well as other identified external stakeholders who may have a role in implementing or approving the new process model. This step will maximize buy-in for the new process and should minimize resistance in implementing new procedures.
- ♦ Revise Process – Crowe will revise with documentation as needed based on feedback.
- ♦ Information gathering sessions with External Stakeholders
  1. Hospital Association
  2. Victims' Advocacy Groups
  3. Sexual Assault Treatment Centers



#### 4. Funeral Directors, etc.

##### Phase 3: Technology Review

During this phase, we will leverage the methodology and approach depicted in Approach #1 Technology Review and Recommendation in the proposal to determine the technology needed to support the redesigned process. The activities and deliverables from Approach #1, with the exception of the activities and deliverables of the initiation phase, are included here. This includes documenting the technology requirements needed to support the business functions.

##### Phase 4: Validate Implementation plan

During this phase, we will work with ICJI to develop an implementation plan to transition to the redesigned process and to implement the technology solution (if one is recommended and approved by ICJI in Phase 3: Technology Review). The plan will include an estimate of resources needed to effectively manage the transition.



### Project Staffing

A combination of the following Crowe resources and roles are being recommended:

#### **Project Executive – John Hurlburt**

Role:

- ◆ Oversee the entire project
- ◆ Oversee the project approach and methodology
- ◆ Provide advice and guidance to the Project Manager
- ◆ Manage and allocate Crowe resources as needed

#### **Account Manager – Natalie Reynolds**

Role:

- ◆ Assure client satisfaction with Crowe
- ◆ Assure that the team meets the Goal of the engagement
- ◆ Address client liaison/enterprise issues
- ◆ Facilitate value-added services

#### **Technical Advisor – Melinda Haag**

Role:

- ◆ Provide criminal justice subject matter expertise
- ◆ Act as an advisor to the project team

#### **Technical Advisor – Cindy Wood**

Role:

- Provide medical / insurance claims process improvement expertise
- Act as an advisor to the project team

#### **Technology Advisor – Mark Strawmyer**

Role:

- ◆ Provide technological expertise on matters related to Microsoft Access, SQL Server, and other technology platforms
- ◆ Act as a technology advisor to the project team

#### **Project Manager – Anne Kinker**

Role:

- ◆ Develop, maintain and execute the project plan
- ◆ Develop and manage client expectations, status reports and communication
- ◆ Maintain contact with project team and coordinates project resources
- ◆ Ensure that all tasks are assigned and understood and are completed on time
- ◆ Maintain work and administrative papers for the project
- ◆ Oversee task completion and review all deliverables
- ◆ Facilitate meetings



**Project Staff – To be named upon start of project**

Role:

- ◆ Research legal and statutory guidelines
- ◆ Research best practices
- ◆ Document current and future processes
- ◆ Creation of assigned deliverables
- ◆ Tech architect and tech support

**Project Staff – To be named upon start of project**

Role:

- ◆ Tech architect and tech support



**Approach Timeline**

The initial portion of the engagement will include the following activities:

Major Activities	Timing
<b>Phase 0 – Initiate</b>	
Form project team	Week 1
Collect/Review Background Material	Week 1
Kickoff Meeting/Refine Scope	Week 1 - 2
<b>Phase I – Assess</b>	
Interview ICJI Staff to Document Current Process	Week 2-3
Information gathering sessions with External Stakeholders	Weeks 3-4
<b>Phase II – Envision</b>	
Review Relevant Laws & Regulations	Weeks 3-4
Research Best Practices	Weeks 3-4
Document Future Process	Weeks 4-5
<b>Phase III – Technology Review</b>	
Technical Environmental Review	Week 2
PeopleSoft Interface Review	Week 3
Access Database Review	Weeks 3-4
Solution Recommendation: Present/deliver solution	Week 5
<b>Phase IV – Validate Implementation Plan</b>	
Validate New Process with Team, Create High-Level procedures	Week 5-6
Revise As Necessary	Week 7-8



## Deliverables

<b>Deliverables</b>	<b>Price</b>
Phase 0: Project kick-off, project plan and project charter	\$6,400
Phase 1: Review of current materials and documentation of current processes	\$27,100
Phase 2: Document the future proposed process based on review of relevant laws & regulations and research of best practices	\$42,100
Phase 3: Technology review: <ul style="list-style-type: none"><li>- Documentation of current environmental requirements and limitations, performance experience, future performance expectations, and existing system functionality and business rules</li><li>- Documentation of PeopleSoft interface requirements and methodologies, evaluation of current Access database model, table relationships/constraints, SQL access requirements to develop a replacement model proposal</li><li>- Identification and recommendations of best practices and alternative solutions</li><li>- Final proposal and presentation of technology enhancement recommendations</li></ul>	\$23,900
Phase 4: Implementation plan – A proposed plan for the implementation of new processes and technology including the required activities and the timing of them. This includes the technology requirements needed to support the business processes	\$9,800
<b>Total:</b>	<b>\$109,300</b>



## Pricing

Based upon experience with performing services of similar type and scale, Crowe proposes a fixed fee of \$109,300 to complete the work.

## Fees and Payment

We will submit two invoices. The first after completion of project week 4 for phases 0, 1 and 2, and the second at project completion at the end of week 8 for the remaining phases. The invoices will list payment by deliverable. Payment is due upon receipt of the invoice. We have submitted this proposal based upon our current understanding of the scope of this project. If it is mutually decided the scope of the project and our involvement should change, we would discuss with you any resulting change in our fees, prepare a revised estimate for you, and require written authorization to proceed.

ICJI may provide written notice to Crowe to suspend or halt further progress on this project. If this occurs, ICJI agrees to reimburse Crowe for the actual amount of time expended for the activities on this project extended at our hourly billing rates plus any expenses incurred.

## Engagement Assumptions

Crowe and ICJI agree to the following assumptions for the project:

- ♦ ICJI members and representatives are available to assist in this project. The timely completion of activities and the attendance and focused participation of all required individuals in the workshops and meetings will be necessary to successfully achieve the objectives of the project.
- ♦ ICJI’s project champion will serve as project owner and will review and approve deliverable ICJI documents within 3 business days. If deliverable ICJI documents are not acceptable, ICJI will provide information on what is needed to satisfy expectations.
- ♦ Additional requirements or change in the agreed upon scope and approach will be negotiated separately.
- ♦ Additional review of this engagement and deliverables by other entities or outside influences, such as other State or Federal officials, are outside the scope of this engagement