Joint Technology Committee

Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

# Fiscal Year 2025-26 Capital construction information technology SUPPLEMENTAL budget Request

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| **COLORADO DEPARTMENT OF CORRECTIONS****PHARMACY SYSTEM UPGRADE** |  |

Project Summary

The Department of Corrections (DOC) is requesting a transfer of $1.4 million from the Purchase of Pharmaceuticals budget line item of the Medical Services Subprogram of the FY2024-25 DOC operating budget to the Information Technology Account within the Capital Construction Fund to purchase a single software solution to replace several applications that serve different pharmacy related functions. The department is not requesting additional funding at this time.

Table 1

Prior Appropriation and Request Information

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Fund Source | Budget YearFY 2024-25 | Out YearFY 2025-26 | Future Requests | Total Costs |
| DOC Operating Budget  | (1,400,000) | $0 | $0 | (1,400,000) |
| CCF | $1,400,000 | $0 | $0 | $1,400,000 |
| **Total** | **$0** | **$0** | **$0** | **$0** |

Project Status

This is a supplemental request for a transfer of funds for a new, never-before-requested project.

Project Description

Background. According to the department, efforts to replace the department’s aging pharmacy system have been ongoing since 2015, with the onset of the Department of Corrections Offender Records Management (DeCORuM) project, which has received funding through multiple annual capital budget requests. The department states that its legacy systems for inmate pharmacy needs are built on an Informix database, which is now more than 30 years old. The new system will integrate with existing DOC systems and tools, including the electronic Offender Management Information System (eOMIS).

The department states that it contracted with an outside vendor, Marquis Software Development, in 2015, for the purpose of replacing and upgrading legacy offender data management and information processing software systems. DOC further states that this project included subcontracting a pharmacy solution through a third-party vendor, and the subcontractor was unable to fulfill its obligations and could not provide a solution that met State Board of Pharmacy requirements and disengaged from the project. As a result, DOC needs to find an acceptable solution that would meet operational and regulatory requirements and could be implemented before legacy system failure.

Problem/Justification. DOC states that currently, it is at risk of non-compliance with controlled substance federal and state pharmacy reporting and monitoring requirements without implementation of this solution. According to DOC, further efforts to participate in the 340B Prescription Drug Pricing Program depend on the capabilities and efficiencies of a modern pharmacy system. The department included success criteria and improved performance outcomes in their request, including to ensure compliance with current pharmacy board standards and laws.

The department also states it is in significant danger of losing access to its legacy systems, endangering over 30 years of data and seriously impeding effective pharmacy management and record keeping. Additionally, the legacy systems present huge concerns with current security requirements. The department states it and OIT are actively engaged in efforts to stabilize the legacy Informix database system to ensure it reaches the end of the project timeframes.

Procurement.The department assumes that it will be able to purchase a commercial off‑the‑shelf (COTS) system from an outside software vendor specializing in institutional pharmacy management systems. According to the department, a comprehensive review of the existing legacy functionality and necessary new systems was completed. DOC states that OIT is, and will continue to be, involved in this process.

IT Accessibility.The department states it is in the process of evaluating all existing software for accessibility compliance. The agency and vendor are required to remediate any deficiencies identified through accessibility testing.

Change management. The department discussed change management considerations and provided a list of project phases, including:

* project kickoff;
* software installation
* software configuration
* data conversion;
* eOMIS interface development;
* testing
* production environment stabilization; and
* training and go-live.

Project Schedule/Timeline

The department provided the following project timeline.

|  |  |  |
| --- | --- | --- |
| **Project Actions** | **Start Date** | **Completion Date** |
| Project Kickoff and Discovery | April 2025 | May 2025 |
| Software Installation, Configuration, and Data Conversion | May 2025 | June 2025 |
| eOMIS Interface Development | July 2025 | August 2025 |
| Testing, Training, and Go-Live | August 2025 | September 2025 |

Additional Cost Information

DOC anticipates the pharmacy system replacement project will cost $1.4 million. The department intends to leverage cost savings from its participation in the federal 340B Drug Pricing Program in FY 2024-25 to fund this effort. According to DOC, elimination of the electronic pharmacy system would likely result in the need to cease pharmacy operations internally and the need to contract those services out to a pharmaceutical distribution company. In addition, continuing the use of the existing legacy pharmacy solution would require costly maintenance of the legacy system indefinitely. DOC states that this request is strictly for the implementation phase and subsequent funding for ongoing software fees, maintenance and equipment fees are requested in the department’s FY 2025-26 operating decision items.