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SPECIAL FEATURE



Chief Information Officer Juan Eugenio Rodríguez to be named secretary at Cabinet level

New agency proposed to save the government hundreds of millions of dollars through technology



By John Marino pages 20-23

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Technology to drive administration's government reform efforts

Government CIO Rodríguez sees big opportunities for cost savings, health and permit overhauls



Government Chief Information Officer Juan Eugenio Rodríguez is playing a key role in Fortuño administration plans to streamline government and improve its delivery of services.

BY JOHN MARINO
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Chances are you have not heard of Juan Eugenio Rodríguez, the unassuming computer whiz Gov. Luis Fortuño tapped to serve as the first-ever chief information officer (CIO) for the commonwealth government.

Ask a government agency head, however, and he or she is likely to speak glowingly of the work that Rodríguez and his small team of computer experts are doing.

From Budget Director María Sánchez Bras to Secretary of State

Kenneth McClintock to Secretary of Economic Development & Commerce José Ramón Pérez-Riera, Cabinet heads say Rodríguez's work is crucial to successfully meeting one of their biggest challenges: streamlining government while improving services and cutting costs. And it is also an intricate part of other reforms the government is carrying out such as the permits process overhaul and the evolving program to extend health coverage to all islanders as well as the longstanding need to eliminate fraud that costs the government millions each year.

That may sound like a tall order,

but Rodríguez said the intelligent deployment of technology will not only make this possible, but also make it happen a lot quicker than one would expect.

"It's really remarkable what we are not doing in government now," Rodríguez said.

The government CIO says the changes he will implement should cut government telephone and data bills by at least \$80 million annually, while enabling the government to prevent the theft of perhaps "hundreds of millions of dollars" in fraud involving government social benefit programs. At the same time,

improved use of technology will allow the government to dramatically improve the delivery of services for everything from issuing certificates instantly to responding more quickly to emergency situations.

"We have 144 different agencies, and we have 144 different networks. They are in their own worlds, instead of the whole government sharing one network," Rodríguez said. "Those agencies need to communicate and talk to each other and that does not happen right now. We want to create one network using our own assets."

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Rodríguez is not the first government official to try to overhaul government information systems. In fact, previous administrations have not only attempted various fixes, but have also “wasted tens of millions of dollars” trying to do so. Their big mistake, he said, was attempting to resolve issues within each agency’s computer system, rather than looking at a government-wide solution.

“We need to create a common universe, a single group of software and hardware to serve all the needs of the agencies. We are creating an interoperable system where you invest in the system once, and many different entities can use it. In the past they have tried to build this separately,” he said.

Rodríguez said good faith efforts were made in the past, but that the current push has gotten a boost by the executive order Fortuño signed creating the CIO position, which is at the level of other Cabinet heads. A bill has been drafted to create a CIO agency, but administration officials are still reviewing it. The creation of such offices has become a trend as technology has gotten both more complex and powerful over the last decade, with nearly 40 states currently with such a position.

Previous administrations’ computer centralization efforts have been undertaken from the Office of Management & Budget (OMB), but Rodríguez is now the supervisor of the OMB computer staff, with the idea that it will be transferred to the new CIO agency.

“The fact that I am a peer of agency heads has helped to get things done. This is something new. We never ventured into anything like this before,” Rodríguez said. “It’s got to be a symbiotic relationship. We are serving agency heads, but they also need to serve us.”

TOWARD A SINGLE NETWORK

The commonwealth government’s lack of a common government-wide system is one of the root causes of all its problems, and the pursuit of a single network underpins almost all of Rodríguez’s plans. The drive to lower costs, to fight government program fraud, to make government more transparent and to improve

services can only be accomplished if government agencies can share information.

Rodríguez, who is moving his office out of La Fortaleza and into the Minillas Government Center, said that building exemplifies nearly all the government’s computer problems, which is why he and Public Buildings Authority Executive Director Jesús Méndez Rodríguez aim to transform it into a high-tech showcase. The Minillas Government Center is home to about 20 different agencies, each with its own telecom network, computer networks, conference rooms and training areas. Today, even if you call from one floor to another, the call will go out on the public telephone network, driving up prices.

“That call should be like an extension, but that’s only possible when you think government-wide,” Rodríguez said.

While work on better sharing of information is already happening among agencies, Rodríguez said government data would eventually be stored on large databases in self-contained facilities. The CIO wants to have a database in San Juan, one on the island and another off-island, probably somewhere in the States.

“If a hurricane hits us, we can still operate because we will have a data center outside Puerto Rico,” he said.

However, because centralized data systems are very expensive, the government will likely look to construct these new databases through a Public Private Partnership (PPP). It would likely provide a facility, land and other benefits in exchange for a company running its data-processing centers for them. The idea is to attract a large local or offshore firm, which would use the government contract to establish a computer data center and network access point, which would bring in information from different connections from throughout the world.

“We are looking for ways to make this happen faster and cheaper through Public Private Partnerships. These centralized data centers are expensive. We are already talking to companies here and outside Puerto Rico to drum up interest for these data centers,” he said.

While the companies would run the



CIO Juan Eugenio Rodríguez believes he can save the government at least \$80 million annually in telecommunications bills, plus prevent the theft of 'hundreds of millions of dollars' in government program fraud.

data centers, the government would continue to “manage the information. We are the owners of the data, but the company will run the data centers for us. We would be its first clients and associates. We would want the company to make Puerto Rico the center of the Caribbean and maybe Latin America for data-center type work and telecommunications type work,” Rodríguez said.

“This is important because we need world-class data centers. We don’t want to do anything halfway. We need help, and we need professionals to come and help us,” he added. “This is doable. We are already talking to companies. They think it’s feasible, that this makes sense.”

Rodríguez said he would like to set up an operation inside Science City, where the government is trying to develop a biotechnology center on the grounds of the former state penitentiary between the University of Puerto Rico’s main campus and the Río Piedras Medical Center. Government planners want to encourage more research & development activity on the island through the development.

“Biotechnology is really an information technology. What they do is sequence genomes and look for patterns, and they need a lot of computing power. So it makes total sense to have huge data centers

there in addition to big laboratories to serve the companies and anyone else who comes here to do research,” he said.

Centralizing data would also make it easier to safeguard, with multiple networks “exponentially” increasing vulnerability to cyber attacks, Rodríguez said. That is the biggest way to safeguard the information, which includes sensitive citizens’ information.

CUTTING TECHNOLOGY COSTS

One of the CIO’s main objectives is to help the government cut down its technology costs. Right now, the government does not have a real clear estimate of how much it spends on technology, or many other things for that matter, because such expenditures are not delineated in separate budget lines for each agency.

The Treasury Department says the government spends about \$120 million in telecommunications contracts, but Rodríguez believes real spending could be closer to \$200 million. He said he will bring that down to “\$30 million or \$40 million” a year over the course of this term.

Right now, government agencies buy telecommunications services, which now supply both data and voice services, on their own from

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different carriers. Rodríguez wants to exert more control over such purchases while using existing government infrastructure to lower costs.

The Puerto Rico Electric Power Authority (Prepa) subsidiary, Prepa Networks (Prepa.net) has a world-class, islandwide fiber-optic network that could be used to supply the government's data needs. Rodríguez said it would just require using a "few fibers" from the network to dramatically lower government telecom costs. Rodríguez said talks are still ongoing with Prepa.net, which would still lease its network out to private firms and make money.

The government would still need to hire private companies to provide service from the Prepa.net network to a government agency, but that cost would be dramatically lowered if public agencies ride on the back of that network the rest of the way. It would allow Rodríguez in San Juan to talk to a colleague in Mayagüez at no additional charge, he said. It would be like dialing an extension. Rodríguez said that currently, the government is hiring telecom carriers which in some cases rent Prepa.net lines to deliver the service.

"I'm hoping we can seal a deal with Prepa soon because we want to have the biggest 10 agencies connected by next June, the end of the fiscal year," he said. "Prepa.net is a business. The government is the government. We are just negotiating with our sibling company to see if we could take a few fibers from its network and dedicate them to a government-only network."

Rodríguez is also looking at other government assets that are being underutilized as well, such as a fiber-optic line that runs the length of the Urban Train that is owned by the Department of Transportation & Public Works. That, too, could be used by some government agencies to lower costs.

"We will be helping the agencies jump from the current situation to the new situation," Rodríguez said. "We will be the designers of the new system and we will be helping them all along."

A KEY ROLE IN PERMITTING

With the permitting process being overhauled, one of the key



The Puerto Rico government's big problem is it has 144 agencies with 144 different computer systems. Many of the solutions the new CIO is bringing to the table will stem from the move to have the entire government share one network.

components in the success of the new permitting agency will be the technology behind it, Rodríguez said. And like everywhere else in the government, it will involve a centralization of government information systems.

"This is going to be really radical. There will not be any paper running around in agencies involved in granting permits," he said.

The government will begin a new geographic information system (GIS), which will gradually incorporate the "zillion different layers of information throughout the government." There will also be a process to verify and corroborate the information before entering it into the new system because it can often be a "mess," Rodríguez said.

Government officials will also have to offer up "clear rules" and "distilled processes" to enter into the new system, which eventually will bring more efficiency, transparency and surety to the permit-granting process. For the most part, the project's backers will be seeing the exact same information as government officials and project opponents. The entire process will involve transferring all the information and ensuring it is "current, real, dependable, valid and accurate."

Today, if a developer from Aguas Buenas asks about area water lines,

chances are only one official in the local Aqueduct & Sewer Authority office will be able to provide the information, and it will be in his head, not digital form. That has to change for the new system to work, Rodríguez said.

"That information that resides in someone's head has got to be put into the system," he said.

While the government has enough hardware and software to mobilize such a centralized system, it will take at least a year for the databases to be sufficiently developed for customer use.

"We are going to be building it up slowly over time. For sure, the intent is to improve the quality of the information," he said.

Eventually, all that information will be worked into the GIS. With clear-cut requirements for permits, and a reliable and accurate data system, granting most permits will be a far more cut-and-dry process than it is today. The new information system is essential to allowing the government to meet its deadline of granting permits within 90 days, and also allowing certified professionals to emit many permits.

A PRESCRIPTION FOR HEALTH REFORM

With spiraling healthcare costs a

national problem, and Health Reform deficits a perennial budget buster for the local government, both the Obama and Fortuño administrations are looking at several different ways to hold down costs, with technology playing a key role.

"One of the key components of the national health reform, no matter how you slice it, is technology," Rodríguez said. "Information is not getting from point A to point B where it needs to be consumed and analyzed. This is not just in Puerto Rico, but nationwide as well."

This is contributing to waste in the system in several ways, including patients ordering repeated medical tests or prescriptions when seeing different doctors, and patients misusing government-sponsored insurance plans when they have access to private plans. Part of the solution is the establishment of healthcare information exchanges. Patient medical records and insurance information would all be computerized, with any healthcare service provider able to access them if a patient allows that access.

The Obama administration is pushing for the development of such health information exchanges by providing funding through the American Recovery & Reinvestment Act to states, healthcare service providers and nonprofits to establish such systems. Two rounds of funding will be undertaken this year and a third one next year, and Puerto Rico is competing to get its share.

Because there are multiple players involved in establishing electronic medical-record systems, Rodríguez said the use of the international standard Health Level Seven (HL7) is essential so that everyone will be able to access the records. Rodríguez worked with the local Health Department in drawing up its application. Health will likely run the largest electronic medical-record (EMR) facility because of the Health Reform program and its management of the Medicaid program.

"This will only work because everyone will be speaking HL7. This will not only bring down costs, but it will also benefit consumers immensely. It will save time and give them better control over how to manage their health," he said.

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While large medical groups might establish their own systems, doctors with small practices would likely farm out the management of the electronic medical records, which would be available to the doctor via the Internet, he said.

REFORMING GOVERNMENT

The government CIO will have a big role in finding technological solutions to help streamline government and improve services, which will also involve getting different government agencies communicating with each other.

While the government-reform process is expected to take place all next year through a joint legislative commission and an executive branch committee, the Fortuño administration has already pledged to merge all the various public safety agencies into a new single entity, as well as the various ombudsman and advocate offices. Rodríguez said his job will be to create a network through which all those agencies will be able to communicate and talk to each other.

Another problem area for the government is the amount of money it loses from inefficient collection procedures, which range from the cost of creating and handling the government stamps that must be purchased at *colecturías* to pay for most services to lapses with traffic and parking tickets. Citizens will be getting greater options to pay online for many things, including income taxes, and while the number of *colecturías* is being reduced, Rodríguez also said that those still standing would likely be outfitted with self-service kiosks to undertake business. Eventually, the government would discontinue the payment stamps altogether.

The CIO also said that a request for proposals would go out for handheld electronic ticketing machines, which officers would use on the scene to emit tickets and to offer violators a chance for reduced charge if they pay up immediately with their credit card or ATM card.

"We are trying to make this happen without the government paying for it. We are looking to partner with private corporations and have them



Juan Eugenio Rodríguez says the CIO must have a 'symbiotic' relationship with other agency chiefs.

share our pain and our success," he said, adding that the companies would supply and service the machinery and technology required in exchange for a cut of the revenue it collects for the government.

Rodríguez said such as system could be up in a "few months" and that six companies have expressed interest in participating. "We will be successful, and they will be successful," he said.

Many of the technological changes that are being undertaken, however, will bring benefits on several fronts at the same time. For example, connecting major government information systems will both fight fraud in government programs, while allowing the government to more quickly and efficiently meet the needs of its citizens.

"There is a lot of money that goes to waste because we are not good at overseeing the money we bring to the table," he said.

Because the computer systems of the Health, Family and Treasury departments are not connected, it is difficult to detect fraud. An applicant for Health Reform or welfare, might actually make a lot of money, own several homes and boats but officials don't know this because none of the agencies communicate online. When fraud is detected, it usually occurs



The administration wants a new CIO agency to go with the new position, which will be manned by computer experts currently ascribed to the Office of Management & Budget.

during spot checks and audits that occur every five years.

"This is to cry for. This happens all the time. There are hundreds of millions of dollars wasted because people come and ask, and we give and we don't check," he said.

Rodríguez said he has already begun melding all the different eligibility information residing at different government agencies with a primary goal of cutting down on Health Reform fraud. Puerto Rico got a \$4 million federal government grant to get an anti-fraud system up and running by March.

"The Health Department is losing money left and right because of this and so is Family, and so is Housing and so is Treasury. They all need information from each other. We are operating in silos. We are not talking to each other," Rodríguez said.

The good news, according to the CIO, is that the fix created to stamp out Health Reform fraud can also be deployed by other agencies to cut down on program fraud in their respective areas. Moreover, the system will not just be used to cut down on fraud, but to better provide services to people who are truly deserving of government benefits.

With such a system, citizens would not have to go from agency to agency applying for different programs

to determine if they are eligible. They could visit a single "eligibility officer" who could tell them all the programs for which they qualify, according to the CIO.

The same strategy is being employed to make it easier for citizens to get numerous certificates required to conduct business and get jobs, from good conduct certificates from the Police Department to certificates of no debt emitted by the Treasury Department, Rodríguez said. Now, the administration is focused on emitting such certificates as quickly and efficiently as possible. Already, certificates from the Child Support Administration showing that payments are up to date can be requested and received online, he said. Eventually, when all government agencies are talking together online, the certificates won't be necessary at all.

"The government has to be transformed. The government is asking the citizen to do its job whenever you have to go to four different agencies to get certificates," Rodríguez said. "You have to go to Treasury to tell the government you don't owe any money and you have to go to the Police Department to tell another agency that you have not committed any crimes. Those certificates exist only because the government is not doing its job." ■