



# How can national cloud-first policies best support digital transformation?



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### How can national cloud-first policies best support digital transformation?

A cloud-first policy directs or requires public sector agencies to use cloud technology as the primary enabler for IT procurement and digital transformation projects. We see that governments whose cloud-first policies are effective have additional measures and reforms. Best-in-class policies make it simpler for government departments and agencies to use hyperscale cloud technology. Spend control mechanisms act as a powerful forcing function for digital transformation through cloud adoption. Building capability, reforming ways of working, and modern procurement vehicles for cloud technology accelerate the creation of transformative services for citizens, which foster new ways of interaction between people and the state. For all of these components to succeed, there must be central oversight and accountability for delivering digital transformation.

Of 154 countries we assessed, 45 have a cloud-first policy in place. In the most successful instances, cloud-first policies are supported by measures designed to ensure organizations transform their ways of working, for example on procurement and data classification.



**45** Countries assessed through AWS have a cloud first policy in place.

# The AWS approach to accelerating innovation and procurement with state agencies



Despite a common misconception about government, state agencies regularly innovate on behalf of their constituents. In this post, we share examples of innovation from New Mexico and North Carolina. We also provide tips for accelerating procurement and maintaining visibility over rapidly implemented workloads.

In an earlier post, we highlighted how New Mexico delivered customer-obsessed human services programs powered by Amazon Web Services (AWS). This included using Amazon Connect, a cloud-based, artificial intelligence (AI)-powered contact center. New Mexico scaled to meet demand and gave workers the tools to answer peoples' questions from their homes. They uploaded eligibility reports to Amazon Pinpoint to proactively notify residents about the status of their benefits applications. Once they were confident in their approach, the team scaled fast. Today, New Mexico's texting campaigns are more sophisticated than ever.

In another instance, the North Carolina legislature tasked the Department of Health and Human Services (DHHS) with launching a managed care model with encounter processing capability in just one year. The DHHS took an innovative approach to implement a solution rapidly. The DHHS team knew a traditional procurement strategy would be too slow to deliver the new system on time. The team chose to develop the new Encounter Processing System (EPS) internally and deploy it in the cloud. Read this case study to learn how they developed a new cloud-based EPS for Medicaid in less than a year.

In order to meet tight timelines, North Carolina decided to use a direct Enterprise Agreement (EA) with AWS to accelerate innovation, gain greater control of their projects, and engage with AWS for a more seamless and results-driven collaboration. Under the EA, North Carolina could take advantage of AWS Services in addition to AWS Professional Services.

AWS Professional Services helped the IT division design an effective cloud infrastructure for the EPS application. In addition to the IT team, health and human services subject matter experts, the Amazon Managed Services team, and the AWS account team helped the department with EPS design and deployment in the AWS Cloud. Through the combined efforts of the North Carolina and AWS teams, the full EPS launched on the deadline of July 1, 2021.

North Carolina wanted Centers for Medicare & Medicaid Services (CMS) certification to receive federal matching funds for system development and operations. To obtain this certification, the EPS needed to meet CMS regulatory standards and conditions, and the CMS Medicaid Information Technology Architecture (MITA) 3.0. This architecture supports the use of new technology, such as cloud computing and a services-based infrastructure.

## Rapid innovation through cooperative purchasing

If an EA isn't an option in your state, cooperative purchasing agreements are an alternative to help you quickly and efficiently innovate with AWS. There are several options to consider.

- **National Association of State Procurement Officials (NASPO) Value Point Cloud Solutions contract** – Under this purchasing agreement, state governments can purchase cloud services to establish their own infrastructure. The NASPO agreements for Medicaid Enterprise Systems Provider Services, Claims Processing and Management Services, and Third Party Liability modules also offer options for faster, less administratively burdensome procurement through AWS Partners.
- **Texas Department of Information Resources (DIR) Cooperative Contracts Program** – The DIR offers a range of IT-related products and services to government entities within and outside of Texas. Out-of-state public entities can purchase through the DIR if an Interstate Cooperation Contract (ICC) is established. AWS has a variety of partner-held DIR contracts for cloud services. There are also many technology partner offerings built and run on AWS with DIR contracts for software and software as a service (SaaS) offerings.
- **OMNIA Partners Public Sector** – OMNIA offers public sector agencies various cooperative purchasing contract options for using AWS directly for cloud-based services. OMNIA is an AWS Partner and delivers solutions in AWS Marketplace.

## Maintaining visibility and oversight of rapidly implemented workloads

A common concern with accelerated innovation and procurement is that state agencies will have reduced visibility and oversight of workloads and implementations. In this section, we explore how states can maintain visibility and oversight during rapid implementation.

When states are starting to adopt AWS, expand their AWS footprint, or embark on rapid innovation, AWS Organizations is an account management service that you can use to consolidate multiple AWS accounts into an organization that you centrally manage, which then provides visibility across all AWS workloads, including those implemented suddenly. For an example, read the [New Mexico delivers customer-obsessed human services programs powered by AWS](#) post mentioned earlier.

The optimal number of accounts can range from a few to hundreds or even more, but managing these accounts through AWS Organizations helps maintain a consistent alignment with your security, governance, billing, and operational requirements.

As a compliment to AWS Organizations, a landing zone is a well-architected, multi-account AWS environment that is scalable and secure. This serves as a starting point from which states can quickly launch and deploy workloads and applications with confidence in their security and infrastructure environment. You can choose a managed service like AWS Control Tower to orchestrate your environment or work with a partner to build your own landing zone. Once a landing zone is set up, states can separate business workloads, including software subscribed to on AWS Marketplace, across organizational units (OUs).

Through the use of a landing zone and AWS Organizations, states can accelerate innovation by providing flexibility within the boundary identified by the state so that the agency application development teams can experiment while maintaining the security and compliance requirements for the environments.

## Next Steps

Innovation takes a team approach to provide efficient solutions, and procurement is an important part of the team. If you're looking to accelerate your state's Medicaid module implementation timeline, there are a few key steps you can take today.

1. Explore a direct Enterprise Agreement with AWS – Follow North Carolina's lead and pursue a direct Enterprise Agreement (EA) with AWS. This can provide you access to AWS products and services, AWS Professional Services expertise, and the ability to streamline purchasing in AWS Marketplace—all of which can help drive rapid innovation.
2. Use cooperative purchasing agreements – Consider using cooperative purchasing agreements like NASPO ValuePoint, the Texas DIR Cooperative Contracts Program, or OMNIA Partners Public Sector. These can foster faster, less administratively burdensome procurement through AWS and its partners.
3. Implement a multi-account strategy – Establish a well-architected, multi-account AWS environment through a landing zone. This will allow you to separate agency workloads, apply service control policies (SCPs), and maintain visibility and oversight of rapidly implemented cloud resources.
4. Embrace a flexible mindset – Follow North Carolina's lead in shifting your mindset. By separating infrastructure from application development, you can develop new cloud environments and services with greater speed and efficiency.
5. Team up with AWS – Tap into the expertise of AWS Professional Services and the extensive AWS Partner Network to accelerate your Medicaid module implementation. These partnerships can provide the technical guidance and implementation support you need.

By taking these steps, you can emulate New Mexico and North Carolina's successes and implement a Medicaid module in just 12 months or less—a timeline that was once considered impossible.

AWS is ready to support Medicaid agencies. Contact the AWS Medicaid Team to learn more.



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