

Replacement MMIS RFI #5A



Request for Information (RFI)

November 29, 2012

Instructions for Responses

1. South Carolina Department of Health and Human Services (SCDHHS) would like to receive responses to this RFI by **December 19, 2012**. Please send your response via e-mail to fbo@scdhhs.gov.
2. SCDHHS may copy your response to other storage media to facilitate review by its staff.
3. Vendors may mark portions of their responses as confidential in accordance with South Carolina Code of Laws and Regulations. Guidance on the proper marking of your response can be found at:
http://www.mmo.sc.gov/MMO/webfiles/MMO_Legal/Documents/FOIA_page.pdf.
While the referenced document is intended for vendor bids, the general guidance and references to statutes and rules are relevant to an RFI response. If you submit a response containing confidential material, *please submit a redacted version* that the State can use to respond to Freedom of Information Act requests.
4. This RFI is issued solely for market research, planning, and informational purposes and is not to be construed as a commitment by the State to acquire any product or service or to enter into a contractual agreement.
5. Any costs incurred by a party in preparing or submitting information in response to the RFI are the sole responsibility of the submitting party.

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1 Purpose

The State is seeking information and sources for a technology framework to assist in its design, development, and installation (DDI) of a system to improve the overall management of its Medicaid program. This technology framework will be one part of the State's Medicaid Management Information System (MMIS).

The State encourages vendors and other interested parties to provide feedback in response to this RFI or any part thereof.

The State has also published a sister RFI, Replacement MMIS RFI #5B, seeking information and sources for administrative services for the State's fee-for-service health plan. Respondents may respond to one or both of the RFIs.

This document is not a Request for Proposals (RFP). The State is not seeking proposals at this time.

2 Background

On August 17, 2012, the State published a "No Award" notice concerning its Replacement Medicaid Management Information System (MMIS) procurement. In that notice, the State identified that the movement of a substantial portion of its Medicaid members to managed care was driving a re-evaluation of the Department's organizational and system requirements.

The challenge the State wishes to address at this time concerns the best approach to managing a small FFS population in conjunction with a large managed care (MC) population. The State has a responsibility to serve all members with access to high quality healthcare services; however, because of the drastically increased future MC population compared to today (estimated to be more than 90% of the overall members), SCDHHS wishes to better match the solutions and their costs to the need. At this point, assuming that South Carolina does not pursue Medicaid expansion, the total Medicaid population in 2014 is expected to be approximately 1.2 million members. Currently, FFS members generate approximately 33 claims per member per year, and MC members generate approximately 38 encounters per member per year.

The State is seeking technology that can support its Medicaid program including but not limited to the ingest and assessment of quality of encounter data, the analysis of health outcomes, the combination of FFS and encounter data, the required CMS and other reporting. The State envisions this technology to include many functions currently found in Medicaid data warehouse solutions (including DSS/SURS) but also to be significantly more "real-time" or "near-real" time to be used in active program management.

The State is not requesting or requiring that this technology be able to handling claims processing (adjudication and payment). The State envisions that that function would be handled separately.

2.1 Program Administration

As the State prepares for operating a mostly MC program, the State's goals for the technology to support this program include:

- Improving the State's ability to manage MC services as an outcomes-driven healthcare delivery system.

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- Enabling the State to effectively engage in meaningful payment reform such as assisting the State in determining Managed Care Organization (MCO) incentives and withholds, and supporting the analysis of performance and/or episode of care payment approaches.
- Achieving cost-effective MC results by using relevant data analysis to drive efficiencies and competition in the MC market.
- Understanding the health status of the State's Medicaid population so that future investment opportunities can be identified and the results evaluated for those opportunities that are implemented.

The shift in the State's Medicaid enterprise is driven largely by three considerations:

- The shift towards risk-based contracting for healthcare services (managed care, coordinated care, accountable care, etc.) in order to control costs. Note that the State is in the process of eliminating its Medical Homes Networks (primary care case management entities whose members are part of the FFS network) and migrating all managed care operations to risk-based contracts.
- The focus on analyzing and incenting outcomes to help ensure that the State is receiving the most health (as opposed to the most healthcare) for its dollar and that the State's citizenry is as healthy as possible.
- The transformation of SCDHHS from a passive purchaser of healthcare services into an active purchaser of health outcomes. This transformation will require an expansion and improvement of healthcare analytics capabilities, both technical and personnel.

These three considerations drive the State from analysis of individual transactions (claims, service authorizations, etc.) as the core of its enterprise operations, to the analysis of populations, cohorts, and MCO performance as the core of its enterprise operations.

Given these goals, the State does not believe that a classic or traditional MMIS that is designed primarily around claims operations and payments is well suited to the management of a primarily managed care population including both the MCOs themselves as well as the data coming from the MCOs.

The State sees the following concepts as being key to deriving the optimum MC solution for its future:

- While encounter and health outcome data may need to be subjected to edits and processing upon intake, these data are best understood via the analytics typically provided in a data warehouse. Direct ingest of encounters into a data warehouse (via an EDI translator and some front end editing) appears to be a potential approach.
- Future managed care contracts must include performance standards (both business and health outcome related). Automating the collection and analysis of these data is important to the long-term needs of the State.
- The State does *not* need to own its DSS/SURS; however, due to the requirement for periodic reprocurement, the transition costs between vendors cannot comprise an excessive percentage of the overall contract cost (whether paid as an initial implementation expenditure or amortized over the service costs for the term of the

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contract). Additionally, the State will require intellectual property rights in software and documentation developed using State and Federal funds.

- Related to the previous bullet, the State is willing to outsource IT systems operations for the MC component, independent of the software licensing model.
- The State is most interested in a commercially-available off-the-shelf (COTS) framework that emphasizes configuration over customization, but that provides clean extensibility for those situations where customization is needed.
- Receiving the maximum allowable FFP and obtaining certification for the solution is important. Respondents should familiarize themselves with the laws, regulations, and policies concerning FFP and certification. As reporting is a key factor in FFP and certification, a properly functioning decisions support system that can support the required reporting, as well as program integrity, should be able to achieve certification requirements more easily than a transactional system supporting the FFS operations.

3 Market Research and Procurement

The State is initiating formal market research via this RFI. The State will carefully consider the RFI responses when establishing its strategy.

In addition, the State plans to conduct interviews and demos with select vendors. These interactions will likely occur in early 2013.

The State will plan any necessary procurements after finalizing a strategy. SCDHHS is sensitive to the fact that the previous procurement was terminated with a “No Award,” and it is working to ensure that any future procurement processes are conducted in a timely manner.

4 Submission Request

The State requests that vendors respond to the following items in writing by **December 19, 2012**:

General Question:

1. Please describe your organization and the products and services you provide.

Technology Framework Questions:

2. **Solution Concept** – What end solution(s) would you recommend to meet the State’s needs discussed in this RFI?
3. **Architecture** – Describe the technical architecture of your framework.
4. **Developer Environment** – Describe your developer environment and developer tool suite including what industry standard tools your framework uses for end-developer use.
5. **Functionality** – Explain how your framework would assist the State in developing a system that would improve the State’s ability to manage its Medicaid program.
6. **Interoperability and External Services** The State will need to use your framework to integrate many systems together. Describe how your framework provides tools, adapters,

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application programming interfaces (APIs), and service contracts to support integration with existing and new third party systems including other State systems such as a commercial document management system, single sign-on system, customer/business relationship management systems (CRM), and/or other domain specific systems.

7. **Long-term Use** – Describe your approach to updates to the framework over time including how your user’s customizations and extensions are preserved across updates as well as tools or techniques used to assist developers in planning, preparing and testing the updates. Also describe how you ensure your framework remains current with broader advances in software development and technology.
8. **Documentation, Training and Support** – Describe your training approach for users of the framework including documentation, support systems included with the framework as well as formal training programs that support developers working with your framework. Also describe your developer support services including methods/types and tiers of support and/or other developer training such as conferences and users groups.
9. **Integrators** – Describe how your framework is supported by third party integrators and if applicable include integrators that are qualified/certified to develop in your framework.
10. **Licensing Considerations** – Describe how your technology framework is licensed (per user, server, CPU, etc.) as well as any other software required to use your framework.
11. **Hosting Considerations** – Describe the hosting environment (hardware, operating systems, configuration, use of virtualization) that your technology framework is designed to work within and provide an example hosting configuration for a typical client.
12. **Scalability** – Describe how your technology framework is designed to support high volume Web-based transaction applications along with how the framework supports scaling vertically and horizontally.
13. **Evaluation** – Describe your approach to supporting an “evaluation” that would enable the State’s development team to evaluate the framework including the time required to setup an evaluation and how you would support the evaluation.

Other Questions:

14. What approach would you recommend for IT operations and hosting?
15. Is there any other information that you think is important for the State to know?

Thank you for your interest in the State of South Carolina