

SCDHHS Replacement Medicaid Management Information Systems (RMMIS) Strategy Vendor Conference

May 23, 2016

Opening Remarks

John Stevens

Division Director of Procurement and Contracts

Welcome

Bryan Kost
Chief of Staff

Agency Director's Message

Christian Soura
Director of SCDHHS

CMS Perspective

John Allison
CMS, Region IV MMIS Analyst

Final Rule: Mechanized Claims Processing and Information Retrieval Systems

- Published in Federal Register – December 4, 2015
- Effective – January 1, 2016
- Major content areas:
 - Provides enhanced funding for Eligibility and Enrollment (E&E) systems on an ongoing basis.
 - Develops definitions for “open source,” “proprietary,” “service,” “shared services,” “module,” “Commercial off the Shelf Software (COTS),” and Software as a Service (SaaS).”
 - Includes COTS as eligible for 90% Federal match during DDI, with prior approval.
 - Makes available certification of MMIS modules rather than only entire MMIS systems.
 - Streamlines CMS approval process by requiring prior approval for state acquisition documents above certain threshold amounts.

Final Rule: Mechanized Claims Processing and Information Retrieval Systems

- Broadens definition of “mechanized claims processing and information retrieval systems” to include E&E.
- Supports an enterprise approach where individual processes, modules, sub-systems, and systems are interoperable and work together seamlessly to support a unified enterprise.
- Promotes modular development as the most efficient and cost-effective long-term solution for states’ business needs.

Commercial off the Shelf Software (COTS)

- MITA model encourages states to move to standardized, service-oriented COTS products and away from the heavily-customized solutions common in the past.
 - MITA requires state solutions to promote sharing, leverage, and reuse of Medicaid technologies and systems within and among states.
- COTS software, if not overly-customized, supports modularity and enables other states to leverage successful solutions.
- Preference will not be given to COTS software over other MITA-compliant solutions (such as open source technologies or cloud-based services), CMS promotes COTS products and SaaS solutions as options for states developing of Medicaid systems
- COTS may be employed for full systems or for specific modules or components within a system (e.g., business rules engine, notices subsystem).

Enhanced FFP for COTS Software and Commercially Available Hosted Solutions

- COTS software implementation eligible for enhanced funding include:
 - At 90% FFP rate -- initial licensing fees, and minimum necessary costs to analyze the suitability of COTS or hosted software, installation, configuration and integration of the COTS or hosted software solution, and modification of existing state software to ensure interoperability and coordination of operations.
 - At 75% FFP rate -- ongoing licensing fees during M&O, including usual and customary charges for routine software updates or upgrades, and any associated modifications to customization that might be required.
- A condition for enhanced funding of COTS software is that customization of the product is minimal.

COTS Ownership and Royalty-Free Licensing

- COTS products and SaaS solutions are designed, developed, and licensed by the vendor, so the state is not entitled to ownership rights to the core program.
- When enhanced federal match is used for COTS configuration or customization, those elements are subject to state and federal ownership and royalty-free licensing.

Modular Certification

- Under old rules, certification of an MMIS accomplished only after implementation of an entire system and after a period of operational use.
 - Resulted in replacement / enhancement projects that were often large, lengthy, expensive and high risk, and delayed states' access to the enhanced match.
- Under new rule, CMS won't favor replacement of an entire MMIS through custom development unless the state can demonstrate a compelling business case.
- Modular certification will be applied to MMIS systems as new modules are introduced and as existing modules are replaced.
- Anticipated benefits:
 - Smaller, more incremental projects result in reduced risk and costs.
 - Allows states to access 75% FFP for M&O of the certified modules prior to having completed their total MMIS system replacement.

Modular Acquisition

- Modular acquisition approach increases state's opportunity to select "best of breed" technology from different vendors, along with the flexibility to swap solutions in and out.
- As market for modular solutions evolves, states should take advantage of acquisition approaches that will avoid vendor lock-in and other risks of monolithic solutions.
- States also should be able to replace individual modules to take advantage of specific innovations without significant integration cost and other risks.
- Modular approach supports states in achieving optimal balance in the use of open source and proprietary COTS software solutions over the use of custom solutions
 - Thereby reducing the need for custom development, promoting reuse, expanding the availability of open source solutions, and encouraging the use of shared services.

Pre-certification of Modules

- CMS will implement a pre-certification process for vendor modular solutions targeting the Medicaid IT Enterprise (no date yet)
- Pre-certification process will be an optional parallel activity between vendors and CMS, different from requirement for state system certification.
- Vendor module pre-certification will benefit states by accelerating acquisition, implementation, and certification of modules that have been proven in the marketplace, reducing project risk.
- A vendor solution that a state has integrated and becomes certified will be considered a pre-certified module as long as the vendor can also provide APIs, standards, and documentation that are essential for it to stand-alone as a modular solution.

System Integrator (SI) Role

- For modular MMIS projects, SI focus on ensuring integrity and interoperability of the Medicaid IT architecture and cohesiveness of the various modules incorporated into the Medicaid enterprise
- Fostering “best of breed” solutions for Medicaid business requirements, with the SI responsible for the successful integration of the chosen solutions and infrastructure into a seamless functional system.
- States to use acquisition approach that limits potential for conflict of interest an SI may have in choosing the modular solutions to be incorporated into the MMIS environment.
 - SI couldn’t bid on functional modules, but could provide parts of technical infrastructure such as the enterprise service bus, master data management, etc.
- Goal is to avoid lock-in to a single vendor or an otherwise closed set of solutions.

Federal Procurement Standards Applicable to States

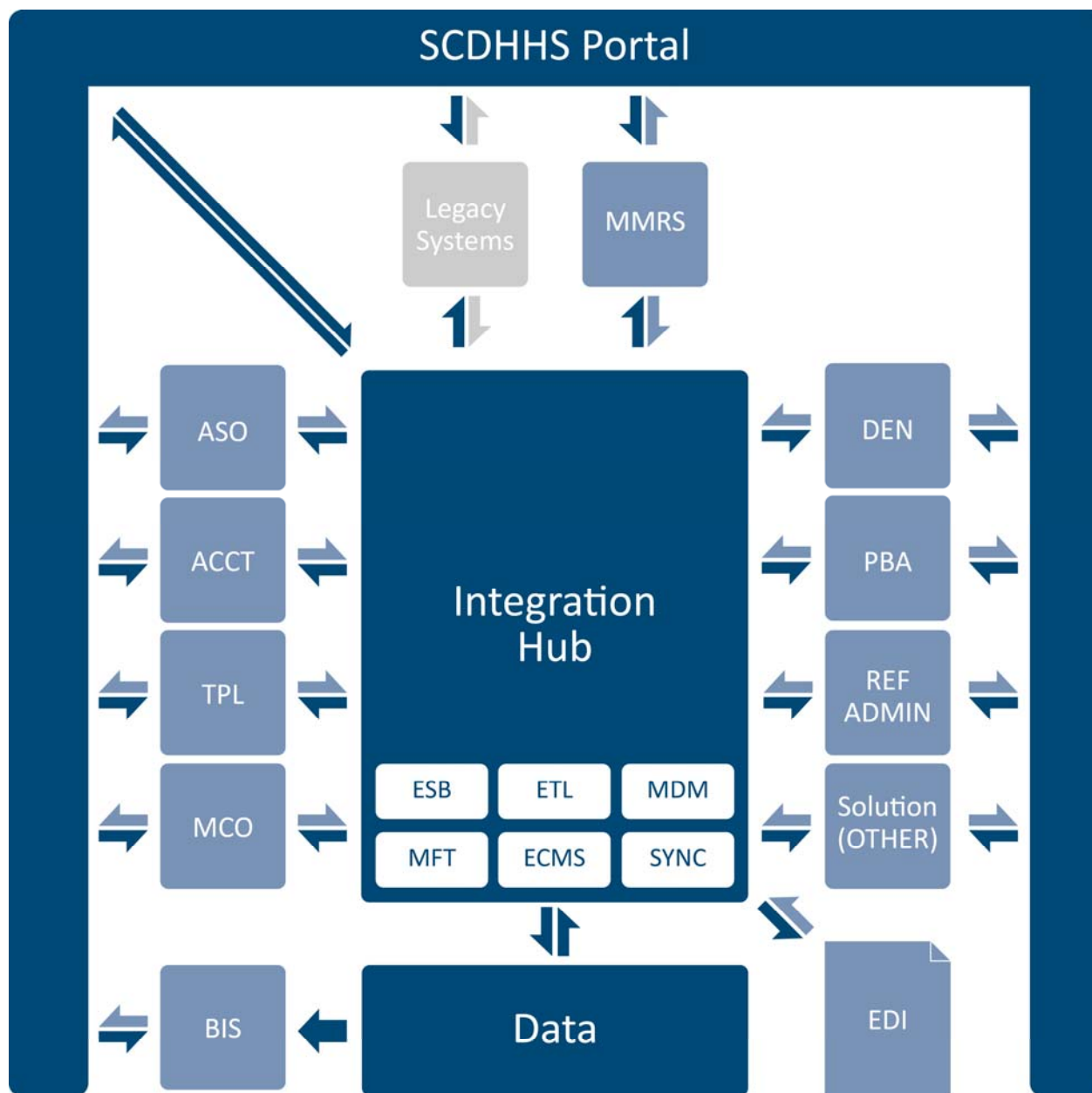
- All procurements must be conducted in a manner providing full and open competition.
- Contractors that develop or draft specifications, requirements, statements of work, or ITBs or RFPs must be excluded from competing for such procurements

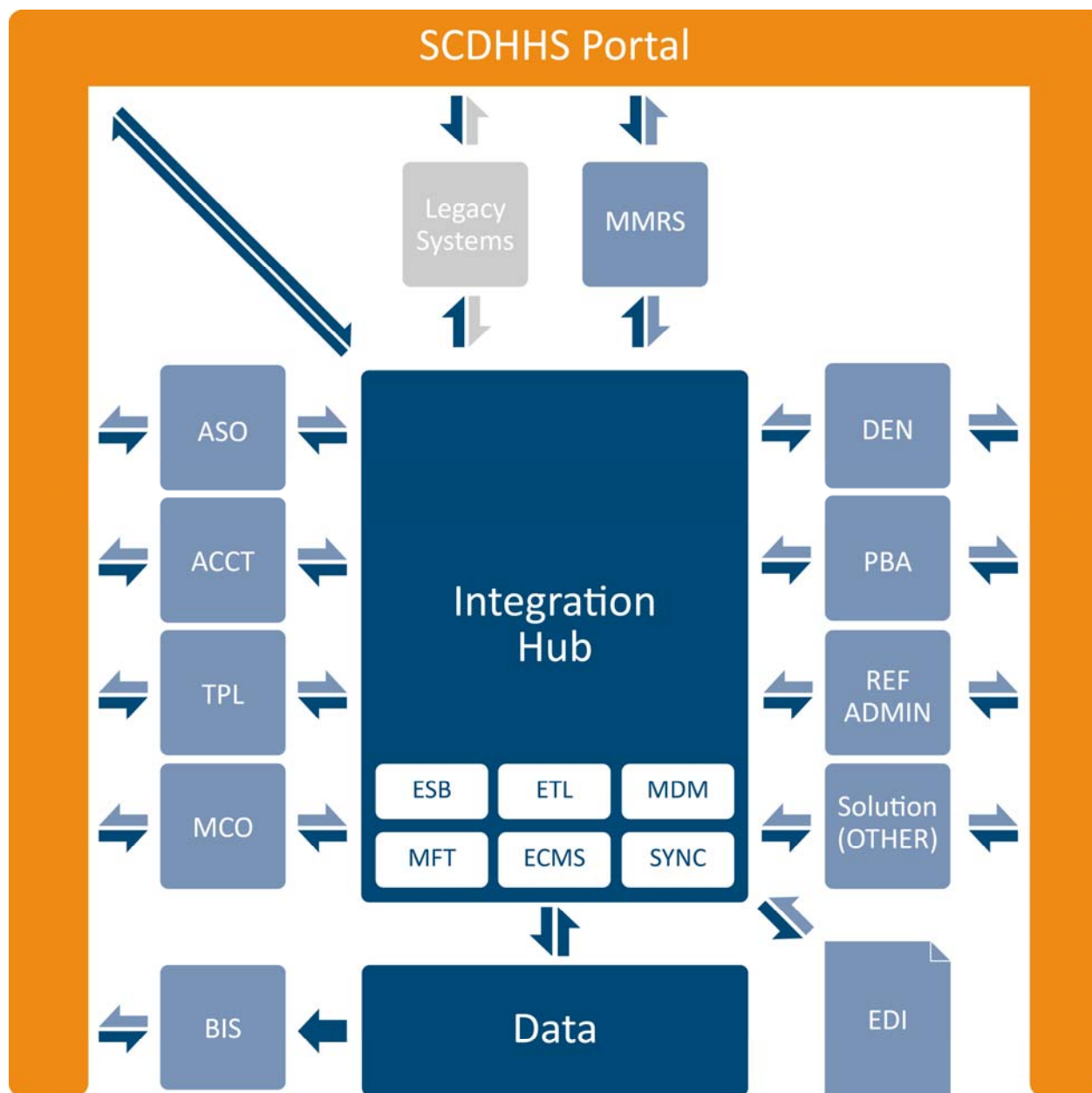
Enterprise Overview

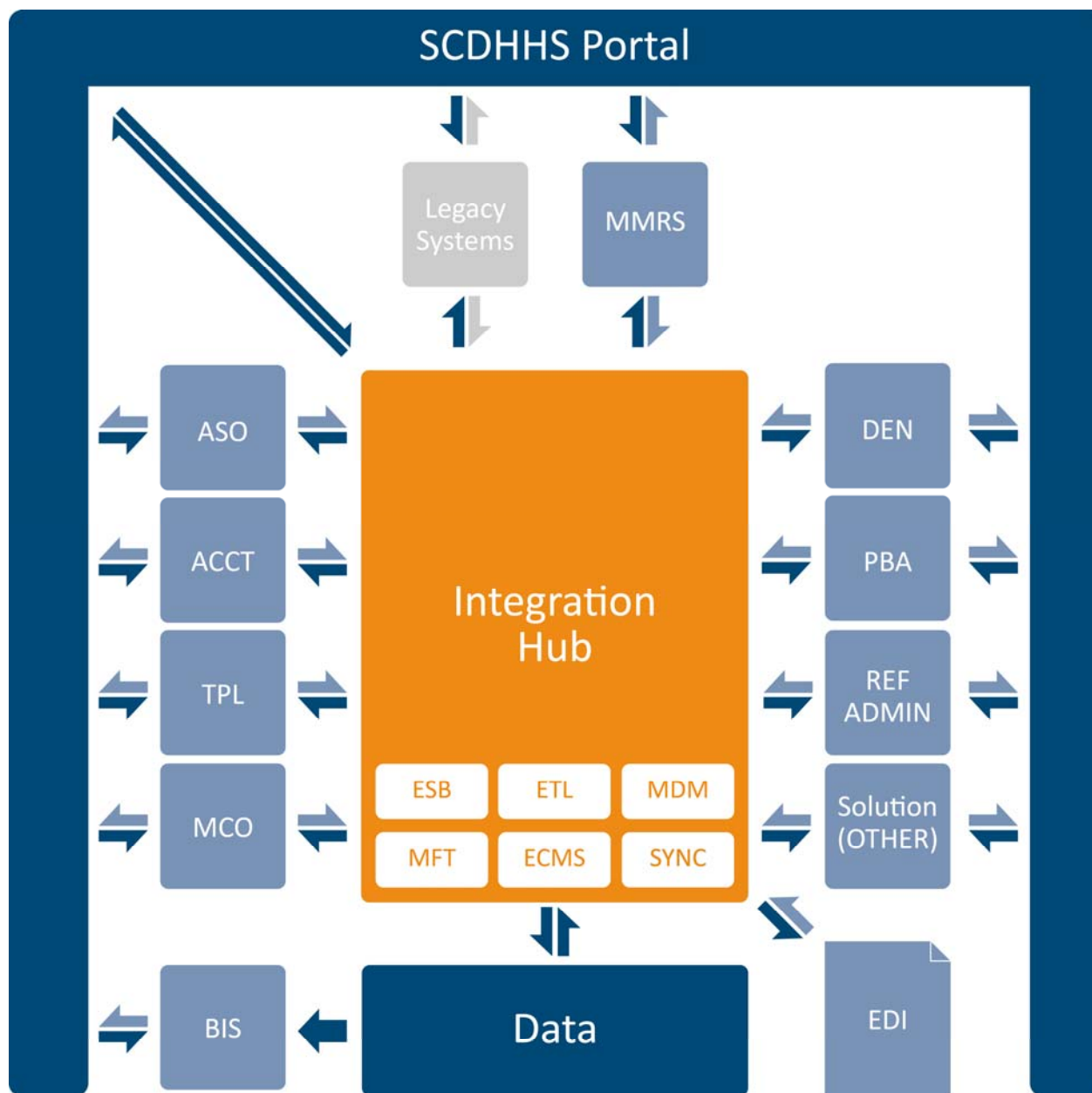
Jim Coursey
Chief Information Officer

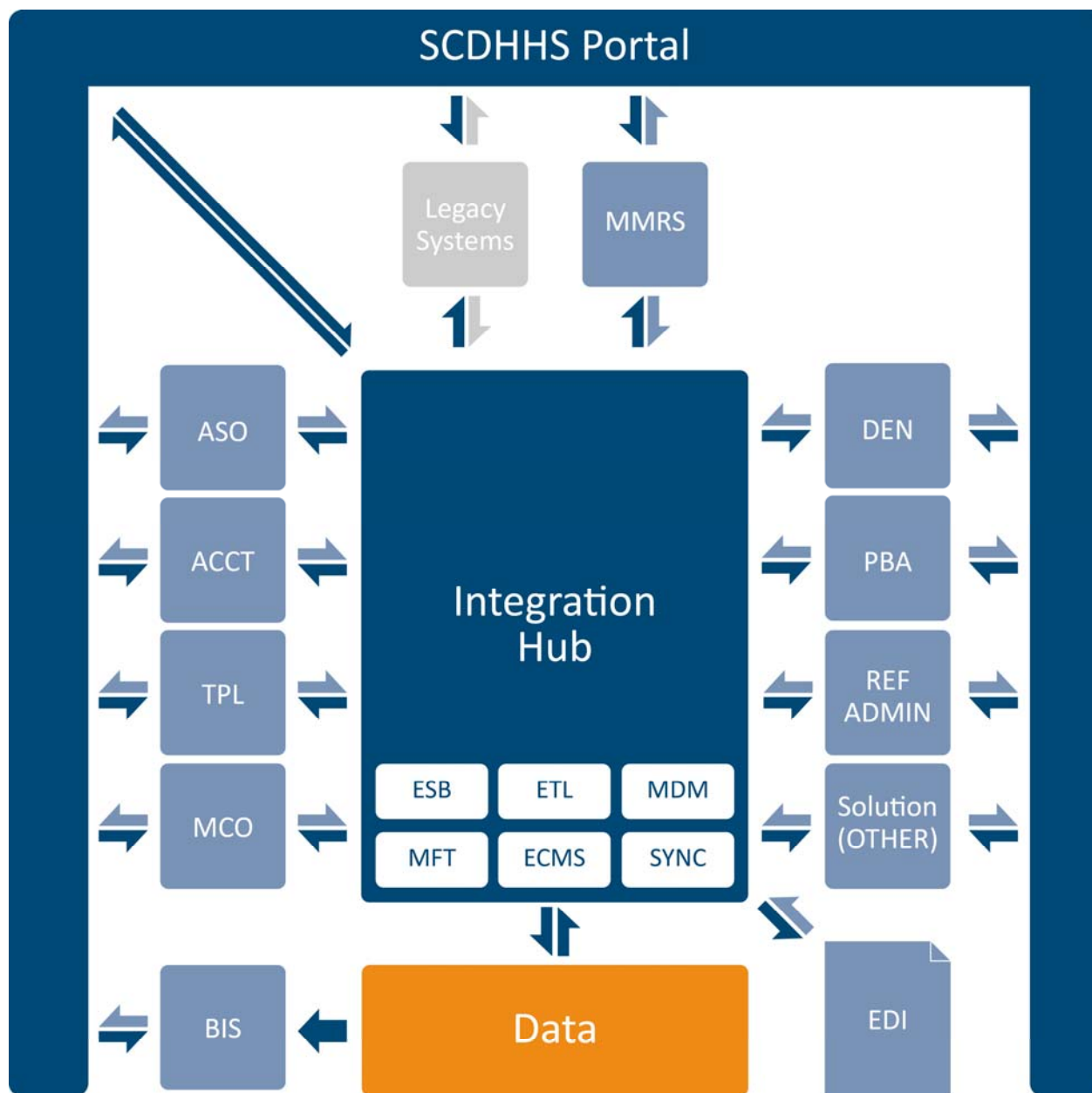
Operational Guiding Principles

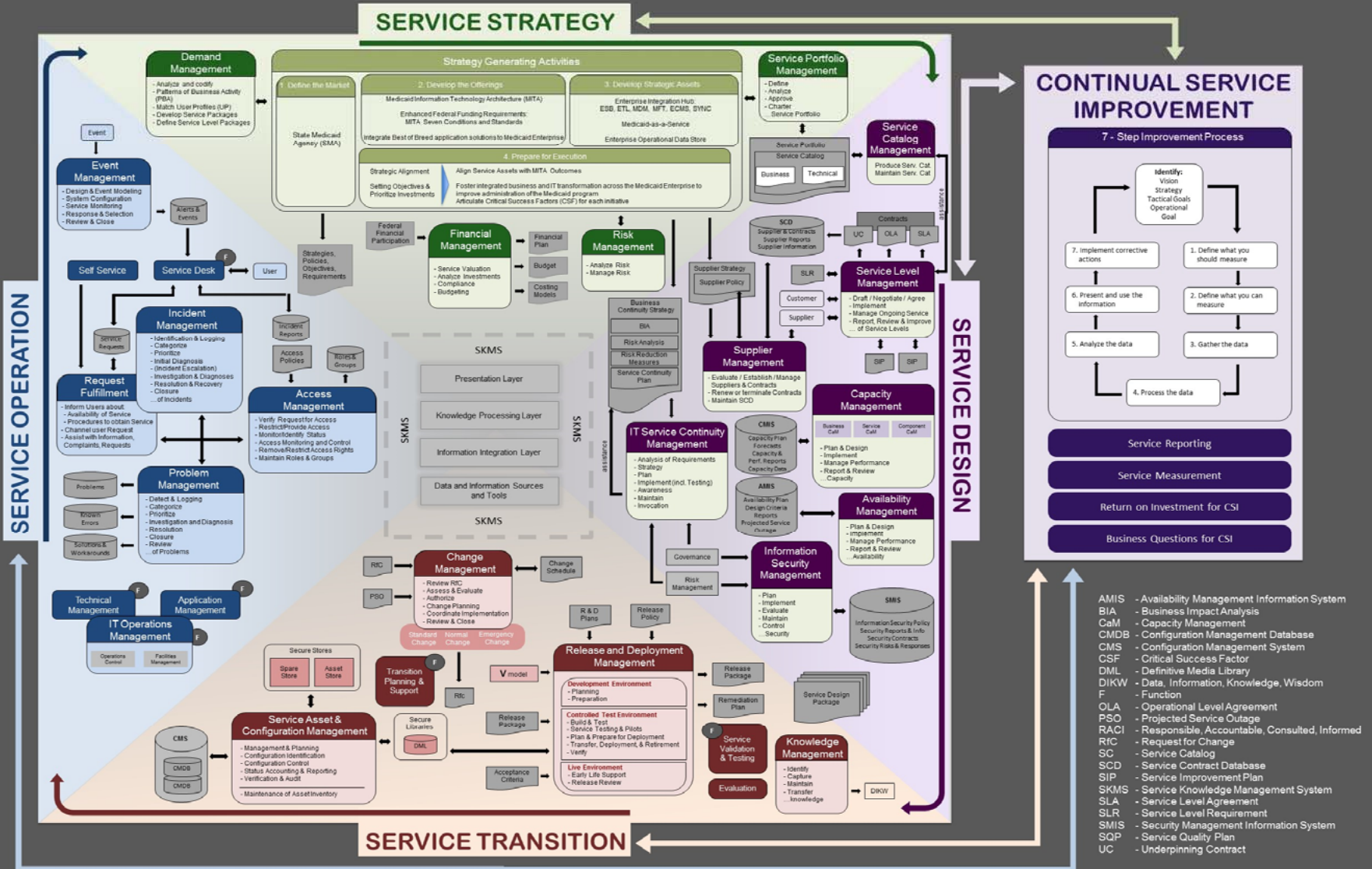
1. Become Data Farmers
2. Manage by Metrics
3. Design with the End User in Mind
4. Prioritize Enterprise-Structured Solutions
5. Employ Good Governance



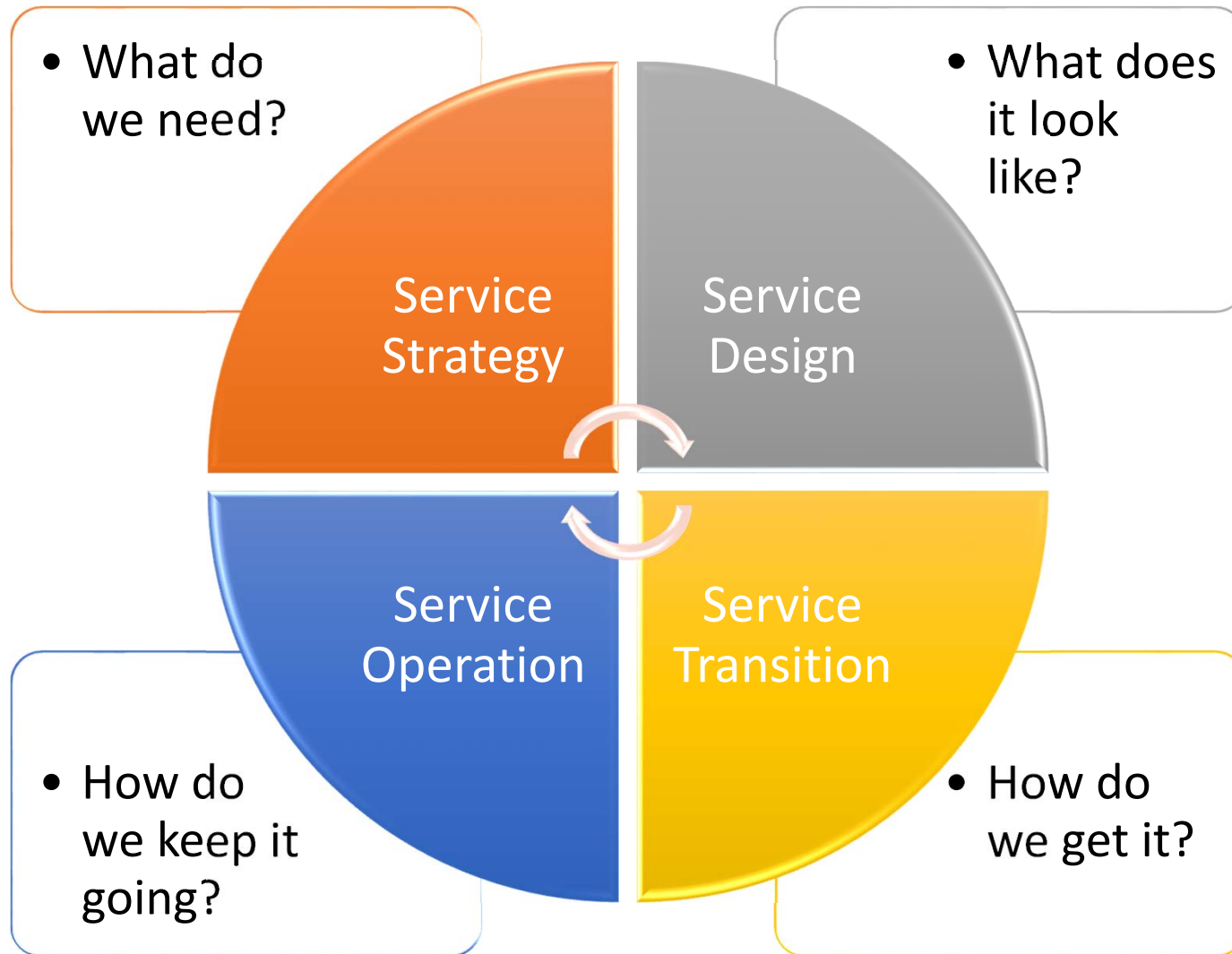








SCDHHS ITIL v3.0 Governance



What We're Looking For

- Medicaid as a solution
- Solid, flexible applications
- Collaborative business partners
- Verifiable results
- Planning for solution and process maturity

What Do You Need to Know About...

- Solution hosting options?
- Integration standards and processes?
- Demonstrating best value to the state?

RMMIS Overview

Nancy Sharpe
Project Director of Replacement MMIS

Background

- Replacement strategy redefined to:
 - Meet Agency goals and objectives
 - Align with MITA 3.0
 - Align with the MECT checklist
 - Meet CMS' Seven Standards and Conditions
- Program commitments:
 - Modular approach
 - Medicaid as a service
 - Agency control through data layer

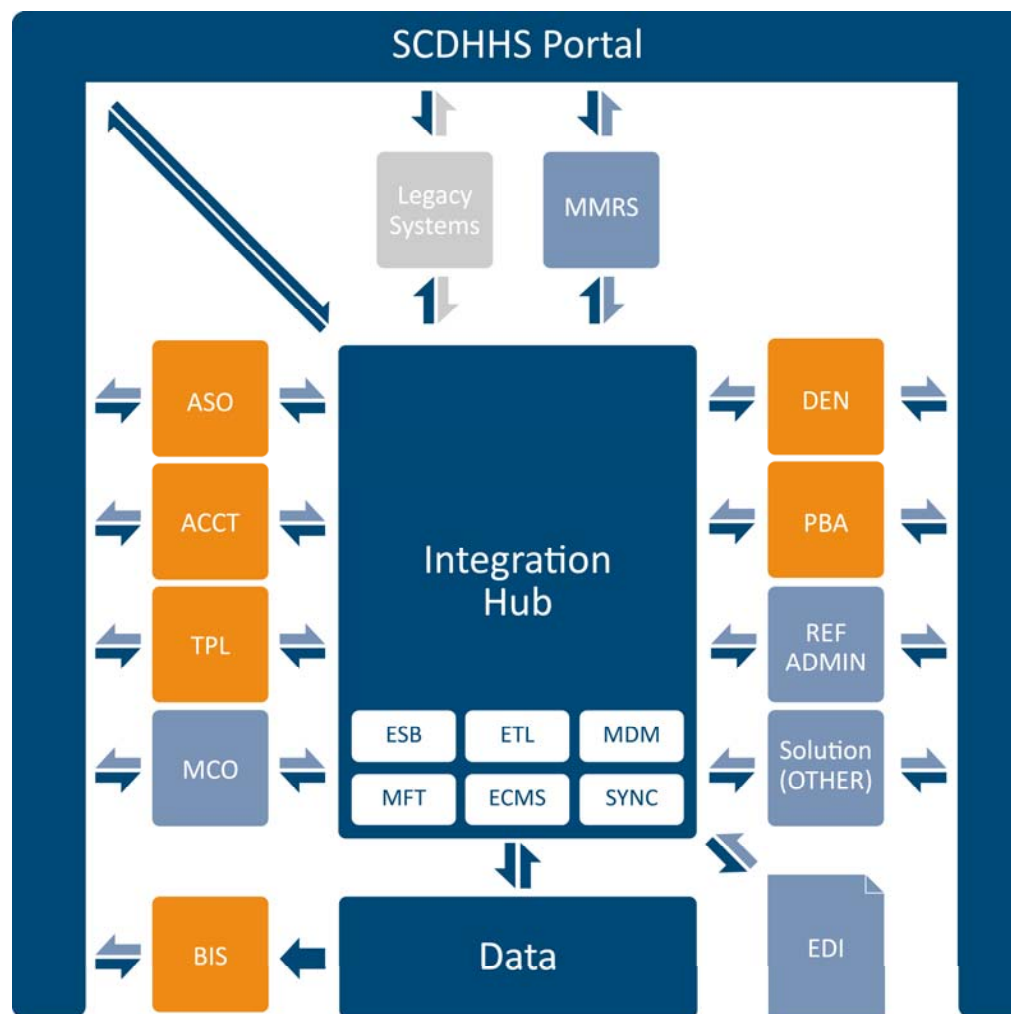
RMMIS Vision

- Implement best-of-industry solutions from multiple vendors
- Integrate solutions at the data layer
- Coordinate activity through System Integration and Operations
- Employ ITIL-based governance structure

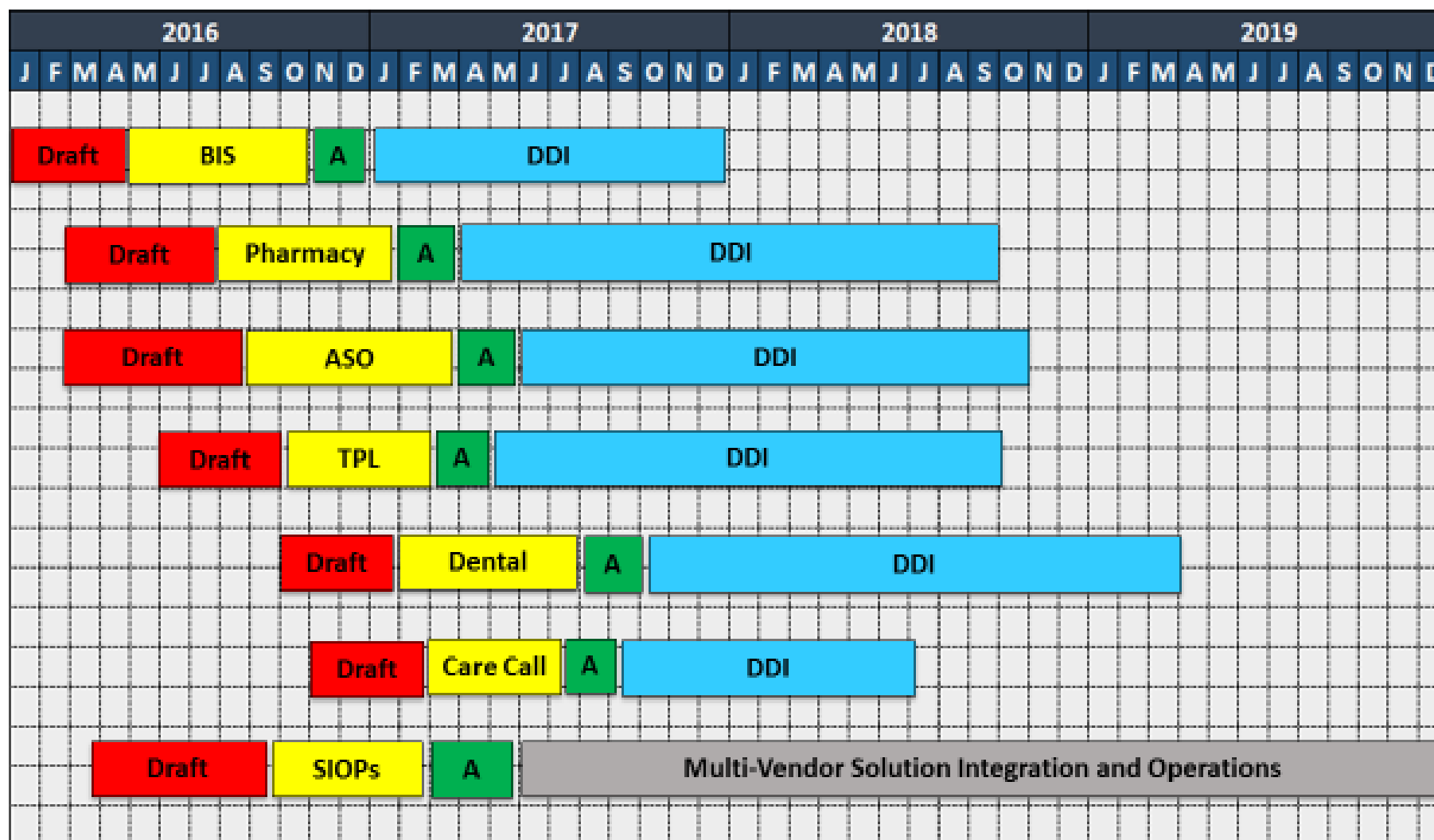
RMMIS Subsystems

- The System Integrator and Operations (SIOPS) vendor will be responsible for RMMIS subsystem integration
- Subsystems include:
 - Accounting and Finance (SCEIS)
 - Business Intelligence System (BIS)
 - Pharmacy Benefits Administrator (PBA)
 - Administrative Services Organization (ASO)
 - Provider enrollment and management
 - Medical fee for service (FFS) claims processing
 - Prior authorization
 - Third Party Liability (TPL)
 - Dental ASO

RMMIS Subsystem Integration



Estimated Procurement Timeline



RMMIS Strategy Benefits

- Modular modification does not disrupt full MMIS functionality
- Flexibility for integration of individual solutions
 - Third-party solution providers
 - Internal development teams
 - Other state and federal entities
- Supports incremental modernization
- Improves sustainability of current technology investments
- Improves TCO of MMIS to South Carolina

What Are Your Thoughts About...

- What risks does this strategy pose to the vendor community?
- Is the vendor community prepared to provide solutions in this approach?

System Integration and Operations

Kevin Rogers

Lead Project Manager for Replacement MMIS

Background

- SCDHHS obtained the services of Gartner to evaluate and recommend an integration roadmap
- Based on this assessment and the market research provided, SCDHHS revised its integration strategy and will procure a System Integration vendor to perform multiple vendor integration and operational enhancements
- System Integration (SI) + Operations (OPS) = SIOPS

Goals

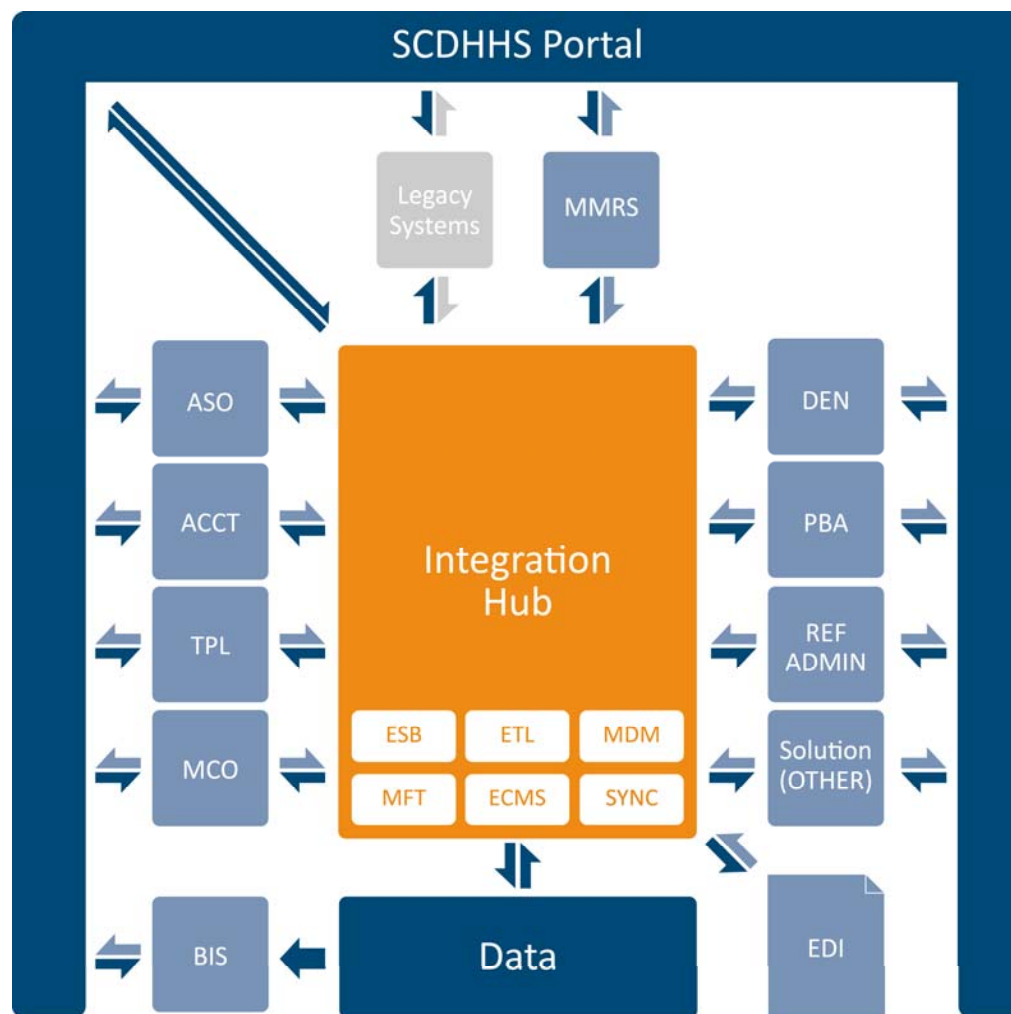
- Integrate solutions provided by third-party solution providers into the Medicaid Enterprise according to SCDHHS architecture standards and solution design requirements
- Perform project management oversight of solution provider deliverables by utilizing SCDHHS project governance standards
- Modify and enhance both the technical architecture and project management processes of the Medicaid Enterprise to accommodate the needs of the Replacement Medicaid Management Information System (MMIS) project

Phases

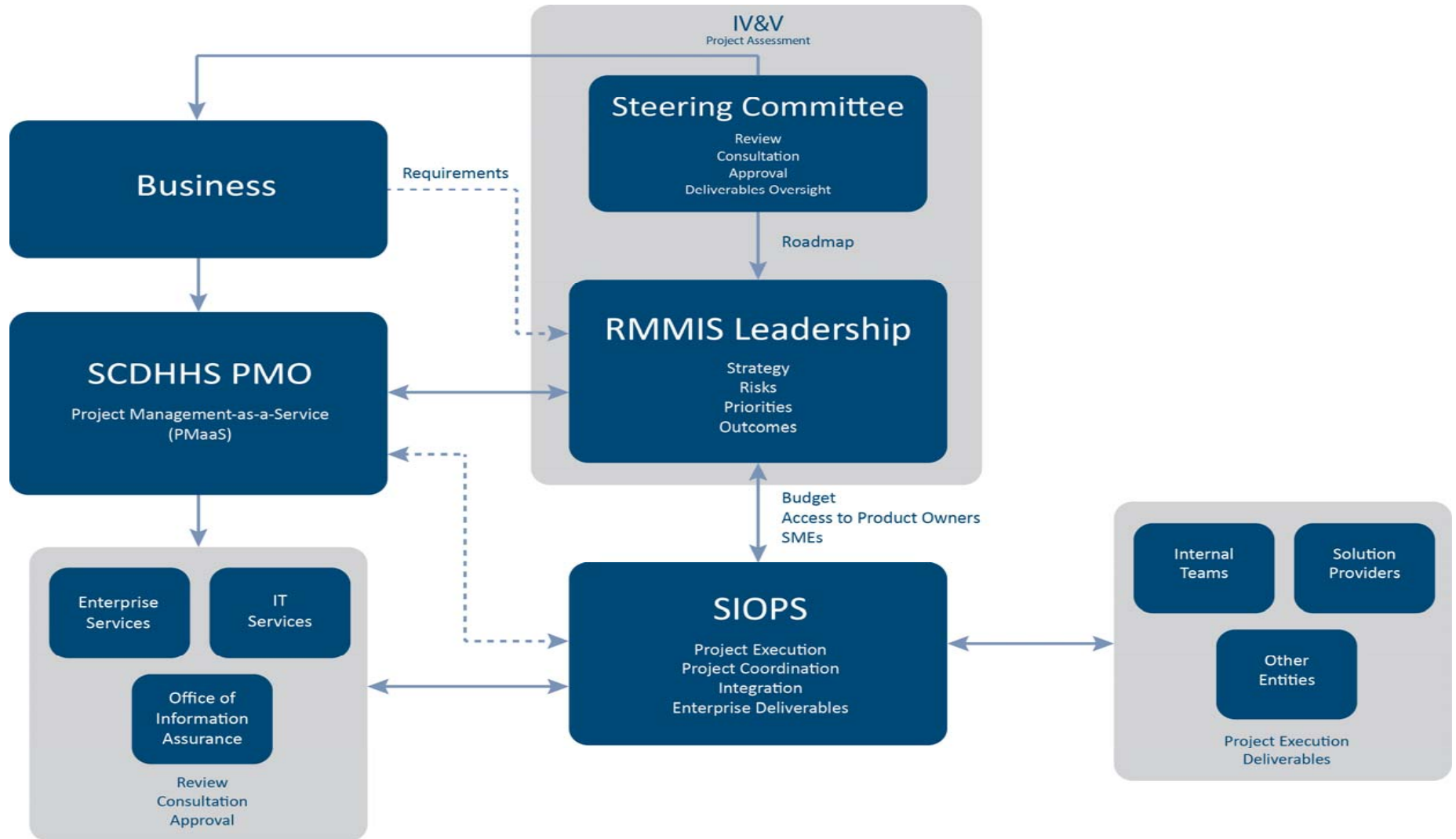
- Execution of these responsibilities will be dynamic, as modules will be introduced in a staggered fashion over the course of the Contract

SIOPS Role	Phase
Integration Hub Configuration and Integration(CI)	Implementation
Data Layer CI	Implementation
ESB CI	Implementation
Integration Hub Operations Support	Operations
Data Layer Operations Support	Operations
ESB Operations Support	Operations
Solution Integration	Implementation
Solution Operations	Operations

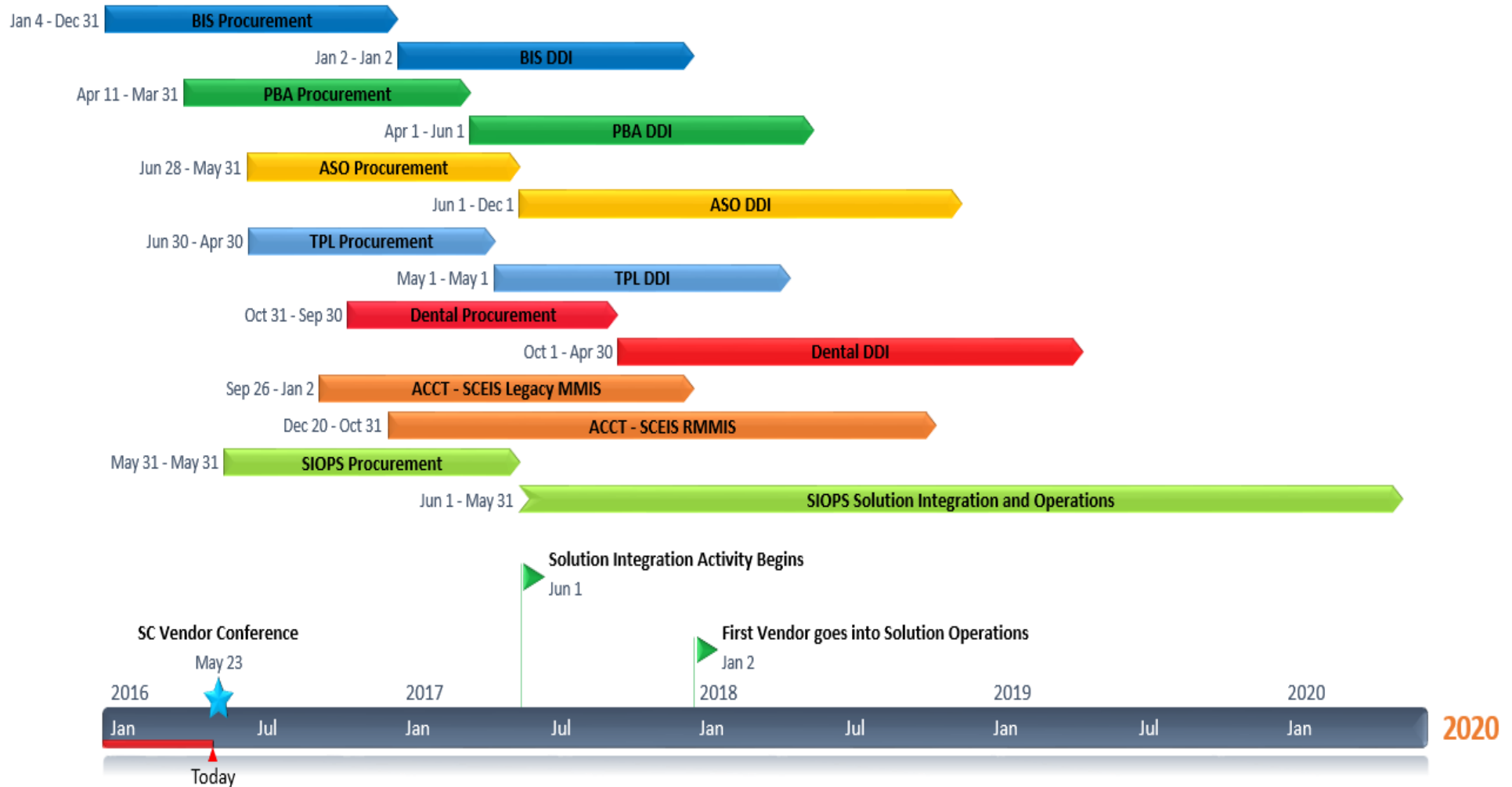
RMMIS Subsystem Integration



Steering



Estimated Integration Timeline



What Are Your Thoughts About...

- What do you need to know about integrating your solution to the hub?
- What would be your expectations of a SIOPS vendor?

Administrative Services Organization (ASO)

Brian O'Leary

ASO Product Owner of Replacement MMIS

Scope

- Engage with ASO/BPO who will provide claims and prior authorization services
 - IT systems and applications
 - Business operations
- Collaborate with SCDHHS and other vendors to support and implement data exchanges
 - Required for claims and prior authorization transactions to process correctly

Benefits/Outcomes

- Transactions run on a highly configurable system where custom programming is not required
- System is positioned for growth as Medicaid expands the use of member share-of-cost components
- System is positioned for modular approach consistent with CMS guidelines and SCDHHS business needs
- Architecture and technology leads to increased automation
- Quality measures increase from reduction of manual processes
- Cost of doing business measures improve as rework and claims adjustments are reduced

What Are Your Thoughts About...

- What capabilities exist for accurate and seamless integration of claims processing to prior authorizations?
- What capabilities exist that ensure claims pricing and associated audit processes are monitored and controlled?

Business Intelligence System (BIS)

Heather Tucker

Director of Planning, Budgets and Reporting

Scope

- To acquire a Business Intelligence System (BIS) that can meet the specific CMS needs of the following:
 - Decision Support System (DSS)
 - Surveillance Utilization Review Subsystem (SURS)
 - Transformed Medicaid Statistical Information System (T-MSIS)
 - Management Administration Reporting System (MARS)
- To acquire a BIS that can also meet the following agency needs:
 - Efficiently deliver and promote a higher quality of care
 - Promote new models and modernization of care delivery
 - Manage costs and cost saving provisions
 - Provide data verification programs and quality assurance initiatives that help detect and reduce waste, fraud and abuse

Benefits/Outcomes

- Data integration and validation between public records and data sources
- Profile data across multiple dimensions to discover outliers in order to detect fraud, waste or abuse
- Mapping technology
- Ability to create, access, store and export queries
- Provide at least four user access levels; including a management dashboard for senior staff

Pharmacy Benefits Administrator (PBA)

Steve Boucher
Health Programs Director of Operations

Scope

- To procure a Pharmacy Benefit Administrator who will provide business operations services that include:
 - Claims adjudication and benefit plan support
 - Prior authorization
 - Preliminary payment editing and post payment analytics
 - Retrospective drug use review
 - Maximum allowable cost (MAC) list administration
 - Benefit plan consulting
 - Trend analysis and reporting
 - Rebate operations
 - Pricing and prior authorization for medical benefit drugs
- To collaborate with SCDHHS to ensure all data required to support the business operations services above are properly exchanged and maintained

Benefits/Outcomes

- Manage the pharmacy benefit in a manner that avoids a narrow focus on pharmacy cost minimization and, instead, focuses on the role medication therapy plays within the larger context of patient care
- Ensure the SCDHHS pharmacy benefit is user-friendly for pharmacy and prescribing providers and for Medicaid members
- Use empirical evidence to the highest degree possible when establishing policies, clinical criteria, claims edits and drug coverage rules

Third Party Liability

Gwen Gaymon

Eligibility and Third Party Liability Contract Services Program Manager

Scope

- To procure a Third Party Liability (TPL) vendor experienced in the delivery and administration of TPL services
- To collaborate with SCDHHS to ensure data is properly exchanged and maintained
- The Vendor must provide business operations services that will ensure Medicaid is the payer of last resort

Scope

- Business operations services should include:
 - Identification of and recovery from third-party resources and estates
 - TPL outreach
 - Interface with other subsystems
 - Automation of TPL functions
 - Insurance policy file maintenance
 - Private insurance industry trend analysis

Benefits/Outcomes

- Obtain the maximum cost avoidance and reimbursement for Medicaid beneficiaries covered by other responsible third party payers and estates that have Medicaid liabilities
- Efficient and timely identification and maintenance of Third Party Liability (TPL) resources
- Improved electronic and automated transactions

Other TPL Opportunities

- Approximately 67% of South Carolina's Medicaid population is currently enrolled in a Managed Care Organization (MCO)
- Approximately 84% of beneficiaries with third party health insurance are enrolled in a MCO
- MCO third party recoveries by SCDHHS

What Are Your Thoughts About...

- How would you like to receive updated TPL information?
- In what format would you like to receive this information?

Dental ASO

Steve Boucher
Health Programs Director of Operations

Scope

- To procure a Dental Administrative Services Organization (ASO) vendor that will provide business operations services that include the following:
 - Member outreach
 - Provider outreach
 - Network management
 - Utilization management
 - Claims adjudication
 - Coordination of benefits for Third Party Liability
 - Identification and reduction of fraud and abuse
- To collaborate with SCDHHS to ensure all data required to support the business operations services above are properly exchanged and maintained

Benefits/Outcomes

- Dental claims processing will be performed on a configurable system designed specifically for the management and adjudication of dental claims and prior authorizations
- Utilization and management activities for dental services will be more effective due to the system design
- Fraud, waste and abuse will be more readily identified and reduced as a result of the system's integrated yet configurable algorithms

What Are Your Thoughts About...

- Due to the complexities of determining the proper funding sources, SCDHHS felt it best to manage the payment process rather than have the vendor make the payment and get reimbursed by SCDHHS through the submission of encounter transactions
 - *How would you prefer payments to be managed?*
- Our Administrative Services Organization model would result in non-capitated payments to the vendor
 - *What are your thoughts on a capitated versus non-capitated model of payment, and why do you prefer one method over another?*

Care Call Electronic Visit Verification System

Rhonda Feaster
Community Long Term Care Program Manager

Scope

- To procure a vendor for the provision of Electronic Visit Verification (EVV) and Financial Management Services (FMS) for recipients receiving Medicaid waiver services
- To collaborate with SCDHHS and other vendors to ensure all data required to support the EVV and FMS functionality

Benefits/Outcomes

- Care Call is an Interactive Voice Response System (IVRS) and mobile application that allows providers to document in-home service delivery to beneficiaries receiving waiver services
- The system receives prior authorization information to allow the documentation of service delivery
- The system is positioned for growth as required by programmatic changes
- The system provides financial management services for waiver beneficiaries receiving self-directed care

What Are Your Thoughts About...

- What is your solution to ensure that in-home workers are able to document service delivery being provided in the home of a Medicaid beneficiary?

State of South Carolina Requests for Proposal Offeror Guidelines

Michele Mahon, CPPB
Procurement and Contracts Program Manager II

RFP GUIDELINES

- General Information
- Initial Process
- Submitting Your Offer
- Post Award Process



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