State of Utah

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Utah Department of Health

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June 30, 2015

Jonathan Ball, Director
Office of Legislative Fiscal Analyst
State Capitol Complex
House Building, Suite W310
Salt Lake City, UT 84114

Reference: Medicaid Management Information System Quarterly Report

Dear Mr. Ball:

Legislative intent language from the 2014 Legislative General Session directs the Utah Department of Health to report quarterly on the status of replacing the Medicaid Management Information System (MMIS). This letter and its contents constitute the Department's report for the quarter ending June 30, 2015

MMIS Replacement Project Status by Component

Pre-Payment Editing System

The editing software has been in production since December 20, 2010. The total avoided claim payments for the second calendar quarter of 2015 was $870,192. The total amount avoided since the implementation of the system is $11,961,701.

Fraud and Abuse Detection System (FADS)

The requirements for a FADS tool will be incorporated with the development of the new MMIS replacement. In the interim, the Department is providing the necessary data extracts and clarification of the data to the Medi-Medi contractor. The vendor is utilizing the State's data to analyze Medicare-to-Medicaid claims.

Point of Sale (POS) and Drug Rebate Management System (DRMS)

The POS/DRMS contract was awarded to Goold Health Systems (GHS). The Point of Sale System was implemented on February 19, 2012. The DRMS went into production April 16, 2012. The 2012 first quarter rebates were invoiced in May utilizing the new DRMS. A Pharmacy Provider Portal is the last functionality implemented as part of this project. The Portal allows a registered provider to submit prescriptions and prior authorization requests, verify eligibility and view preferred drug list information. During February 2013, CMS completed the on-site certification review of the system. There were no initial findings at the conclusion of the on-site certification review. The Department received the CMS certification report on April 4, 2013.

Data Warehouse Upgrade

The Data Warehouse upgrade was completed in February 2011 and is in production.

Core MMIS replacement

On February 2, 2012, the Department received approval from CMS for both the Implementation Advanced Planning Document (IAPD) securing enhanced federal funding and the Request for Proposal (RFP) for the core system replacement. The RFP was posted on the State Purchasing Bid Notification System, BidSync on February 2, 2012. The Department received four letters of intent from potential bidders. Two Vendors completed and submitted proposals on the closing date of the RFP—May 2, 2012.

In August 2012, the Department named CNSI as the successful bidder because it received more technical points and was priced lower than the other bidder, Xerox. There was no protest of the award. In October 2012, the Department began active contract negotiations with CNSI and the State procured suitable facilities for the project work.

In August 2012, the State received a total of six responses to the Independent Verification and Validation (IV&V) RFP. The Department reviewed these responses, held oral presentations and completed the evaluation process in October 2012. The State awarded the IV&V contract to Cognosante. The contract negotiations were finalized December 20, 2012 and sent to CMS for final review.

In October 2012, the program governance, communications and risk / issues / work plan management structures were ratified and put in place. Internal weekly program meetings were started and three coordinating committees were created. They are the Sub-Cabinet Committee, a Program Committee to work through technical issues and a Multi-Agency Project Committee.

On January 2, 2013, State staff moved into the project facilities. On January 16, 2013, the State received CMS authorization to proceed on the IV&V contract with Cognosante. Once authorization was received the State moved forward with the contract signature process and the IV&V contract was completed January 30, 2013.

In February 2013, CNSI and Cognosante were both onsite to begin working through the project governance model, issue and risk management, change management, and other management plans that the project would be implementing once the vendors came on board. The CNSI contract negotiations were finalized and sent to CMS for final review on February 12, 2013. The updated IAPD was also sent to CMS in February.

On March 6, 2013, both the CNSI contract and IAPD were approved by CMS. The Project Kick-off was held on March 18, 2013 and the project orientation was completed March 29, 2013. During the project orientation, CNSI conducted job shadowing, eCAMS demos, and question answer sessions.

Early in April 2013, CNSI brought up the eCAMS demonstration system. CNSI and State staff conducted training and demonstration sessions surrounding the requirement validation process. On April 8, 2013 requirement validation sessions started with CNSI and State Staff. On April 25, 2013, the CNSI contract was signed by the State and contractor with an effective date of March 18, 2013.

In May 2013, project management activities were implemented using SharePoint. Requirement validation sessions continued throughout the month. State staff and Cognosante worked on the review and approval of projects deliverable. The State reviewed and submitted comments on eight CNSI deliverables. Two of the CNSI deliverables were approved during May.

In June 2013, the State reviewed and submitted comments on three additional CNSI deliverables. Five CNSI deliverables were approved during June. Three deliverables are still working through the review process and are expected to be approved during July. Planning for the design phase of the project started and a mock design session was held. The scheduled requirement validation sessions were completed June 28, 2013.

In December 2013, CMS conducted an onsite review during the first week of December. During the visit, CMS reviewed the project management processes and status of the project. CMS gave the State a positive review of the project status and management processes during the visit. The first Stakeholder Interface Meeting was held with the agencies and groups that will interface with the new MMIS.

In January 2014, all Startup-Phase deliverables were completed. User-acceptance testing started on January 31, 2014 for Release 1. Six CNSI deliverables were approved during February 2014. The decision was made to call the new system "PRISM" (Provider Reimbursement Information System for Medicaid). Seventeen CNSI deliverables were approved during March 2014. Hardware performance tests were successful and the content management platform tuned. Backup and restore tests were performed on database servers. Release 1 user-acceptance testing was completed successfully on March 21, 2014. Web-based training modules were completed and training and knowledge transfer activities were scheduled and held. Release 1, which contains the new Medicaid Website and Eligibility Lookup Tool went live on March 30, 2014. Very few post implementation issues arose and they were resolved quickly. The PRISM Operations Group was created to address any issues discovered with the operation of PRISM. Release 1.2 completed user acceptance testing and was released May 27, 2014.

In July 2014, the new Medicaid eligibility card was successfully implemented. This new Medicaid card is estimated to save over $500,000 per year in the DWS budget in printing and mailing costs. Providers are able to use these cards with the Eligibility Lookup Tool (from Release 1) to verify eligibility.

In August 2014, Release 2 was successfully implemented. It was released ahead of schedule on August 1, 2014. The annual update of the Implementation Advance Planning Document (IAPD-U) was submitted to the Centers for Medicare and Medicaid Services (CMS). The IAPD-U was approved by CMS in September 2014. Release 1.6 and 2.1 were implemented on September 14, 2014.

Two CNSI deliverables were approved during October 2014. User acceptance testing for Release 1.7 and 2.2 was completed. Release 1.7 and 2.2 were implemented on October 14, 2014. The State validated 7 of the 15 design volumes for Release 3.

One CNSI deliverable was approved during November 2014. Release 1.8 and 2.3 were implemented on November 20, 2014. The State validated 11 of the 15 design volumes for Release 3. The State approved an automated solution for the screening and monitoring of providers participating in the State of Utah Medicaid program. The service is named Provider Credentialing Service (PCS). PCS will assist the State in meeting current provider screening requirements and complies with the new ACA federal rule CMS 6028-FC.

Two CNSI deliverables were approved during December 2014. Release 1.9 and 2.4 were implemented on December 14, 2014. The State has validated 13 of the 15 design volumes for Release 3.

Design for Release 3 was completed in January 2015. The State validated 15 of the 15 design volumes for Release 3. The first development demonstrations for Release 3 occurred January 13, 2015. These demonstrations give the State a chance to preview the CNSI development of Release 3 prior to the testing cycles. These demonstration will continue through February 2015 for Release 3.

One CNSI deliverable was approved during February. Release 1.10 and 2.5 were implemented in February 2015. The design sessions for Release 4 continued through the month. The Release 3 design documentation was completed and approved. Development demonstrations for Release 3 were completed.

Four CNSI deliverables were approved during March. Release 1.11 and 2.6 were implemented in March. The design sessions for Release 4 continued through the month. After completing a schedule evaluation for the Release 3 Provider Credentialing Service (PCS) change request, the go live date for Release 3 has been moved from October 2015 to December 2015. The quarterly PRISM Sub-Cabinet meeting was held on March 26, 2015. The annual update of the Implementation Advance Planning Document (IAPD-U) was submitted to the Centers for Medicare and Medicaid Services (CMS).

April 2015
One CNSI deliverable was approved during April. Unit testing for Release 3 was completed and the unit test results were reviewed. The design sessions for Release 4 continued through the month. Provider outreach continued and the PRISM Project status was reported at the MCAC.

May 2015
Three CNSI deliverables were approved during May. The design sessions for Release 4 continued through the month. Systems integration testing for Release 3 started. The annual update of the Implementation Advance Planning Document (IAPD-U) was approved by the Centers for Medicare and Medicaid Services (CMS).

June 2015
Three CNSI deliverables were approved during June. The design sessions for Release 4 continued through the month. Systems integration testing for Release 3 continued. The quarterly PRISM Sub-Cabinet meeting was held on June 23, 2015. Provider outreach continued and project staff met with provider associations to discuss project status and Release 3.

Appropriations, Project Cost and Expenditures

The Utah State Legislature appropriated $3 million in general fund to the MMIS project in the 2010 General Session (FY 2011) and another $3 million in general fund in the 2011 General Session (FY 2012). No new appropriations were made to the project in the 2012 General Session or the 2013 General Session. During the 2014 General Session, the Legislature appropriated $2 million in one-time general fund and an additional $1.5 million in contingent general fund for FY 2015. The contingency was met during FY 2014 closeout. So the Department has received the full $3.5 million anticipated in FY 2015. The Department did lapse approximately $1 million in general fund at the conclusion of FY 2014 because it did not receive carry forward authority during the 2014 Legislative General Session.

During the 2015 General Session, the Legislature appropriated just over $5 million in one-time general fund. The Department expects $15.5 million in general fund will be required to complete the project—leaving just under $2 million in general fund required to complete the project.

Most of the project's expenditures can be matched at a 90/10 federal-to-state matching rate. However, computer hardware and software expenditures are matched at a 75/25 federal-to-state matching rate. The Department presented the project status and funding needs to the Executive Appropriations Committee on June 18, 2013. To help the Department meet project cash flow demands, the 2013 Legislature collapsed the MMIS Line Item into the Medicaid Mandatory Services Line Item starting in FY 2014.

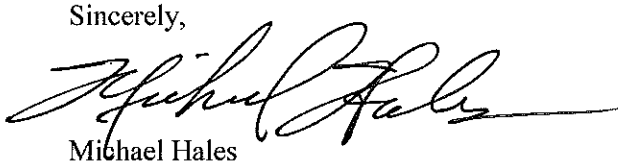
Specific Accomplishments of the MMIS Project

- State Self-Assessment completed
- Assessment of state capabilities completed
- Gap analysis completed
- Cost/Benefit analysis completed
- Request for Information (RFI) completed
- Requirement analysis and documentation drafted
- FADS I-APD submitted to CMS and approved
- FADS Request for Proposal (RFP) submitted to CMS Regional Office and approved
- FADS canceled – 5-year functionality provided free of charge by CMS Medi-Medi project
- Pre-Pay RFP posted and contract awarded
- Pre-Pay project implemented
- Point of Sale (POS) I-APD approved
- Point of Sale responses evaluated and contract awarded to Goold Health Systems (GHS)
- Data Warehouse contract awarded without protest
- Data Warehouse upgrade completed
- DDI contract awarded without protest
- IV&V contract awarded without protest
- Cognosante contract approved by CMS and completed
- CNSI contract approved by CMS and completed
- Scheduled requirement validation sessions completed
- CNSI reached an agreement with IBM to provide organizational change management services
- The first hardware was received and installed in the State Data Center
- CMS gave the State a positive review of the project status and management processes during the December 2013 onsite visit
- Release 1, which contains the new Medicaid Website and Eligibility Lookup Tool successfully went live March 30, 2014 on schedule
- Implementation of Release 1 was successful.
- Successful UAT and implementation of Release 1.2 and 1.3
- Implementation of the new Medicaid Card was successful
- Successful UAT and implementation of Release 1.4 and 1.5
- Release 2 was successfully implemented and released ahead of schedule on August 1, 2014
- The annual update of the Implementation Advance Planning Document (IAPD-U) was submitted to the Centers for Medicare and Medicaid Services (CMS) and approved
- Successful UAT and implementation of Release 1.6 and 2.1 on September 14, 2014

- Successful UAT and implementation of Release 1.7 and 2.2 on October 14, 2014
- Successful UAT and implementation of Release 1.8 and 2.3 on November 20, 2014
- Successful UAT and implementation of Release 1.9 and 2.4 on December 14, 2014
- Design for Release 3 was completed in January 2015.
- The first development demonstrations for Release 3 occurred January 13, 2015
- Release 1.10 and 2.5 were implemented in February 2015
- The Release 3 design documentation was approved February 2015
- Release 1.11 and 2.6 were implemented in March 2015
- The annual update of the Implementation Advance Planning Document (IAPD-U) was submitted to the Centers for Medicare and Medicaid Services (CMS)
- Unit testing for Release 3 was completed in April 2015
- Systems integration testing for Release 3 started in May 2015
- The annual update of the Implementation Advance Planning Document (IAPD-U) was approved by the Centers for Medicare and Medicaid Services (CMS)

Please let me know if you have any questions related to this report. You can reach me at (801) 538-6689.

Sincerely,



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